



HURON

The Future of Finance: Finance Transformation for Health Systems

Huron Financial Advisory Services

Phil Kaplan and Elaine Yao

MARCH 27, 2025

Meet the Presenters



Phil Kaplan
Managing Director
Huron Financial
Advisory Services



Elaine Yao
Managing Director
Huron Financial
Advisory Services

What We Hear from Health Systems

Our organization has expanded significantly, adding layers of complexity.

What We Hear from Health Systems

Our organization has expanded significantly, adding layers of complexity.

We face challenges in obtaining data-driven insights for real-time, actionable decisions.

What We Hear from Health Systems

Our organization has expanded significantly, adding layers of complexity.

We face challenges in obtaining data-driven insights for real-time, actionable decisions.

There's a growing need for enhanced accountability in financial performance.

What We Hear from Health Systems

Our organization has expanded significantly, adding layers of complexity.

We face challenges in obtaining data-driven insights for real-time, actionable decisions.

There's a growing need for enhanced accountability in financial performance.

We spend excessive time and resources on manual processes.

What We Hear from Health Systems

Our organization has expanded significantly, adding layers of complexity.

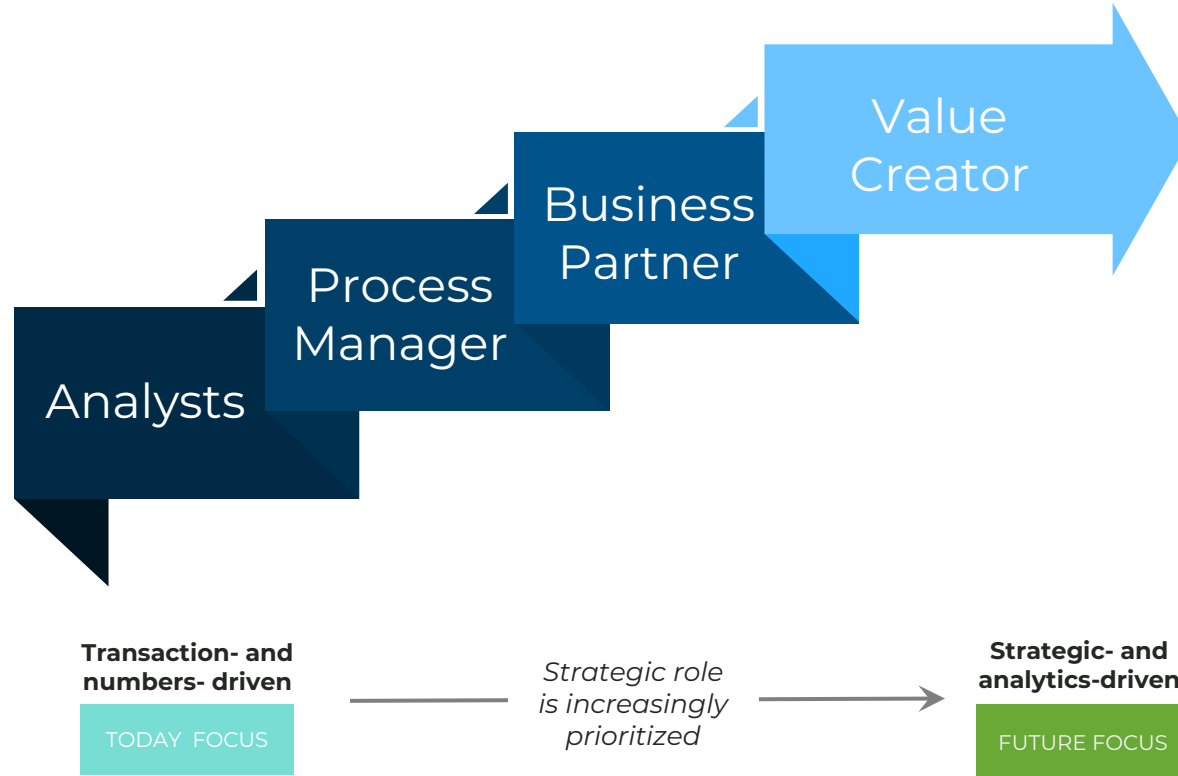
We face challenges in obtaining data-driven insights for real-time, actionable decisions.

There's a growing need for enhanced accountability in financial performance.

We spend excessive time and resources on manual processes.

Our finance team often operates in isolation, lacking transparency.

The Finance Function is Evolving to Guiding the Organization Rather Than Reporting on the Organization



Where is Your Organization in Five Key Dimensions?

10-15%
providers

Basic

Organizational Structure

Exists with dedicated roles assigned to operational and corporate finance and accounting functions

Service Delivery

Operates primarily in a decentralized manner with decentralized operational roles and limited centralized corporate finance roles

Governance & Controls

Relies heavily on manual reviews, approvals, and maintenance

Technology

- Supports operational and corporate finance activities with limited technology in place
- Relies heavily on manual processes for both analytical and repetitive activities and technology leveraged is deployed in a siloed fashion

Data & Visibility

Provides insight into data and requires information to be extracted and merged with additional data in offline tools to understand performance results, trends and errors

Foundational

Organizational Structure

Performs the roles within the operational and corporate accounting functions

Service Delivery

Delivers the finance function in centralized and decentralized roles all working in a coordinated fashion

Governance & Controls

- Master data is centrally managed and leveraged by ERP functions across the organization
- Basic internal controls and segregation of duty-based roles are occurring and supported in an automated and integrated manner

Technology

Supports finance function activities with integrated ERP across the organization

Data & Visibility

Drill down into data exists through leveraging a series of functional based data warehouse solutions

65-75%
providers

10-20%
providers

Optimized

Organizational Structure

Operates across the organization and provide operational, corporate and planning-based finance services

Service Delivery

Exists in a centralized and/or decentralized manner leveraging shared service centers

Governance & Controls

Roles and security are managed in an automated manner and include designs that address segregation of duty, elevated user access and organization hierarchy requirements

Technology

Single instance fully integrated cloud-based ERP exists to support all operational and corporate finance functions across the organization

Data & Visibility

- Drill down detail exists with ERP solution
- Integrates with additional external data in a centralized data warehousing/data lake solution to provide key insights and visibility across the organization in a centralized view

Transformational

Organizational Structure

Provides operational, corporate and planning functions along with analytical and continuous based improvement functions

Service Delivery

Operational functions are based in a shared service function and highly optimized workforce

Governance & Controls

- Offshore team ensures all data is maintained across the organization
- All roles are designed to incorporate both internal and external controls and are reviewed on a recurring quarterly basis

Technology

Fully integrated single instance cloud-based ERP and planning solution that shares a common data model and has role-based functions that enable functional and data access across the organization

Data & Visibility

Data organized and maintained across the enterprise for visibility

5-10%
providers

Finance Functions: Driving Efficiency and Innovation

Plan-to-Perform

- FP&A
- Strategic Financial Planning
- Capital Planning
- Annual Budgets

Record-to-Report

- Accounting
- Transaction recording
- Financial Reporting
- Internal Auditing

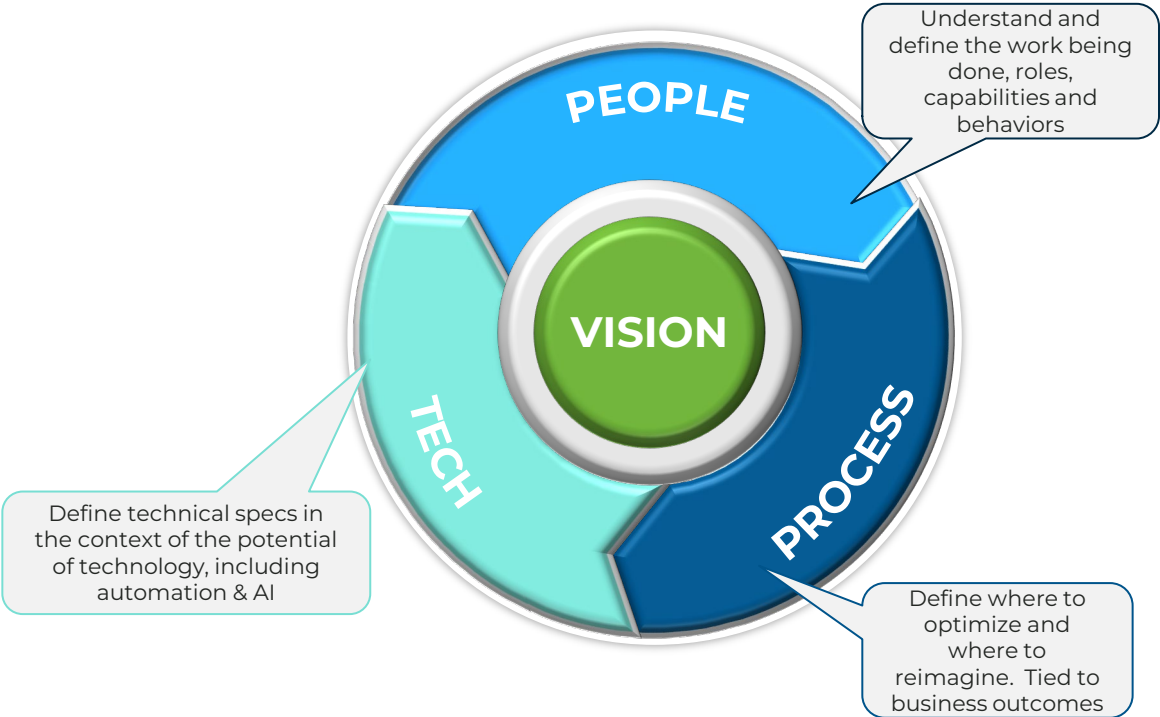
Order-to-Cash

- Revenue Cycle
- Invoice and billing
- Collections
- CDI

Procure-to-Pay

- Supply Chain / and Accounts Payable
- Supply requisitions
- Purchase orders
- Invoicing

The Future of Finance: Envisioning and Realizing the Digital Future





The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

**RESOURCE
ALLOCATION**
(representative)

FUTURE

The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

**RESOURCE
ALLOCATION**
(representative)

FUTURE

Transaction processing



The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

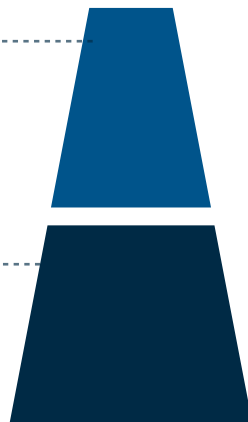
TODAY

**RESOURCE
ALLOCATION**
(representative)

FUTURE

Reporting, governance, & compliance

Transaction processing



The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

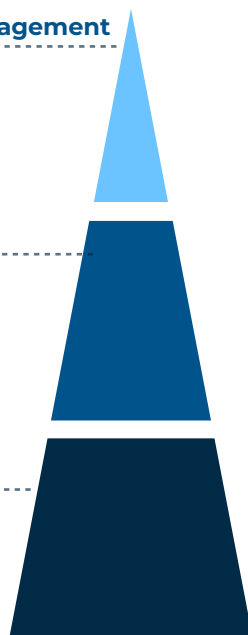
RESOURCE ALLOCATION (representative)

FUTURE

Strategy, decision-making, & workforce management

Reporting, governance, & compliance

Transaction processing



The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

Strategy, decision-making, & workforce management

Reporting, governance, & compliance

Transaction processing

RESOURCE
ALLOCATION
(representative)



FUTURE

Strategy, decision-making, & workforce management

MAIN
ACTIVITIES

- Financial insights & decision-making, business support
- Investment performance analysis
- Reporting refinement

SKILLSETS
NEEDED

- Strategic planning
- Business partnering
- Talent & change management
- Leadership

The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

Strategy, decision-making, & workforce management

Reporting, governance, & compliance

Transaction processing

RESOURCE ALLOCATION (representative)

FUTURE

Strategy, decision-making, & workforce management

- MAIN ACTIVITIES
- Financial insights & decision-making, business support
 - Investment performance analysis
 - Reporting refinement

- SKILLSETS NEEDED
- Strategic planning
 - Business partnering
 - Talent & change management
 - Leadership

Reporting, governance, & compliance

- MAIN ACTIVITIES
- Audit
 - Master Data Management governance
 - External reporting refinement
 - Minimal compliance intervention
 - Proactive risk management

- SKILLSETS NEEDED
- Regulatory reporting, governance, & cybersecurity expertise

The Focus of Finance Function is Shifting from Transaction to Strategic-Oriented Activities

TODAY

Strategy, decision-making, & workforce management

Reporting, governance, & compliance

Transaction processing

RESOURCE
ALLOCATION
(representative)

FUTURE

Strategy, decision-making, & workforce management

Reporting, governance, & compliance

Transaction processing

MAIN
ACTIVITIES

- Financial insights & decision-making, business support
- Investment performance analysis
- Reporting refinement

SKILLSETS
NEEDED

- Strategic planning
- Business partnering
- Talent & change management
- Leadership

MAIN
ACTIVITIES

- Audit
- Master Data Management governance
- External reporting refinement
- Minimal compliance intervention
- Proactive risk management

SKILLSETS
NEEDED

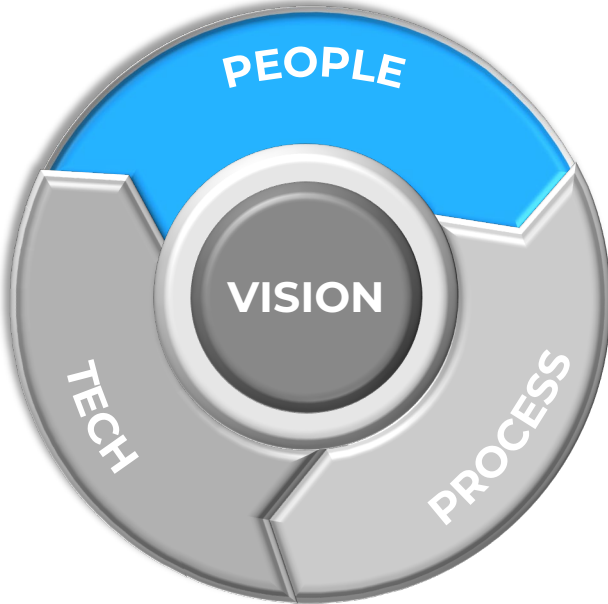
- Regulatory reporting, governance, & cybersecurity expertise

MAIN
ACTIVITIES

- Transaction management
- Minimal general accounting operations
- Identifying areas of opportunity for the Automation COE

SKILLSETS
NEEDED

- Continuous improvement & innovation mindset
- Digitally-savvy
- Detail-oriented





“Getting an organization to its digital future is less about technology and tools, and more about people and culture”

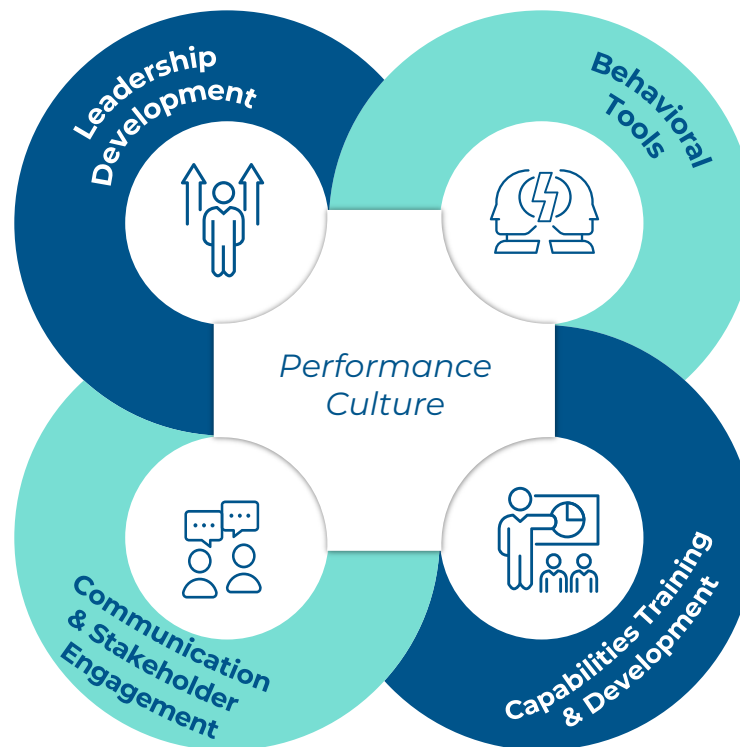
– Professor Linda Hill, HBS

**Harvard
Business
Review**

Corporate function transformation requires **both systemic and cultural change and a reimagination of how work gets done.**

The Current Generation Won't Look Like the Next

Elements of Change Management Go-Forward Plan





Accelerate Decision-Making, and Enable Sustained Agility with a Data Driven Financial Framework

Data Governance

Long-Term Strategic, Financial
And Capital Planning

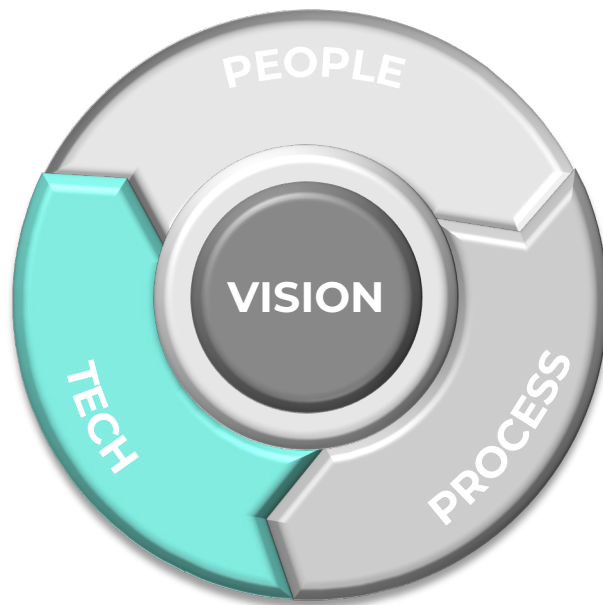
Performance Management

Active Liquidity Optimization
(Cash Realization)

Actionable Decision Support
(Cost Accounting)

Data Alignment



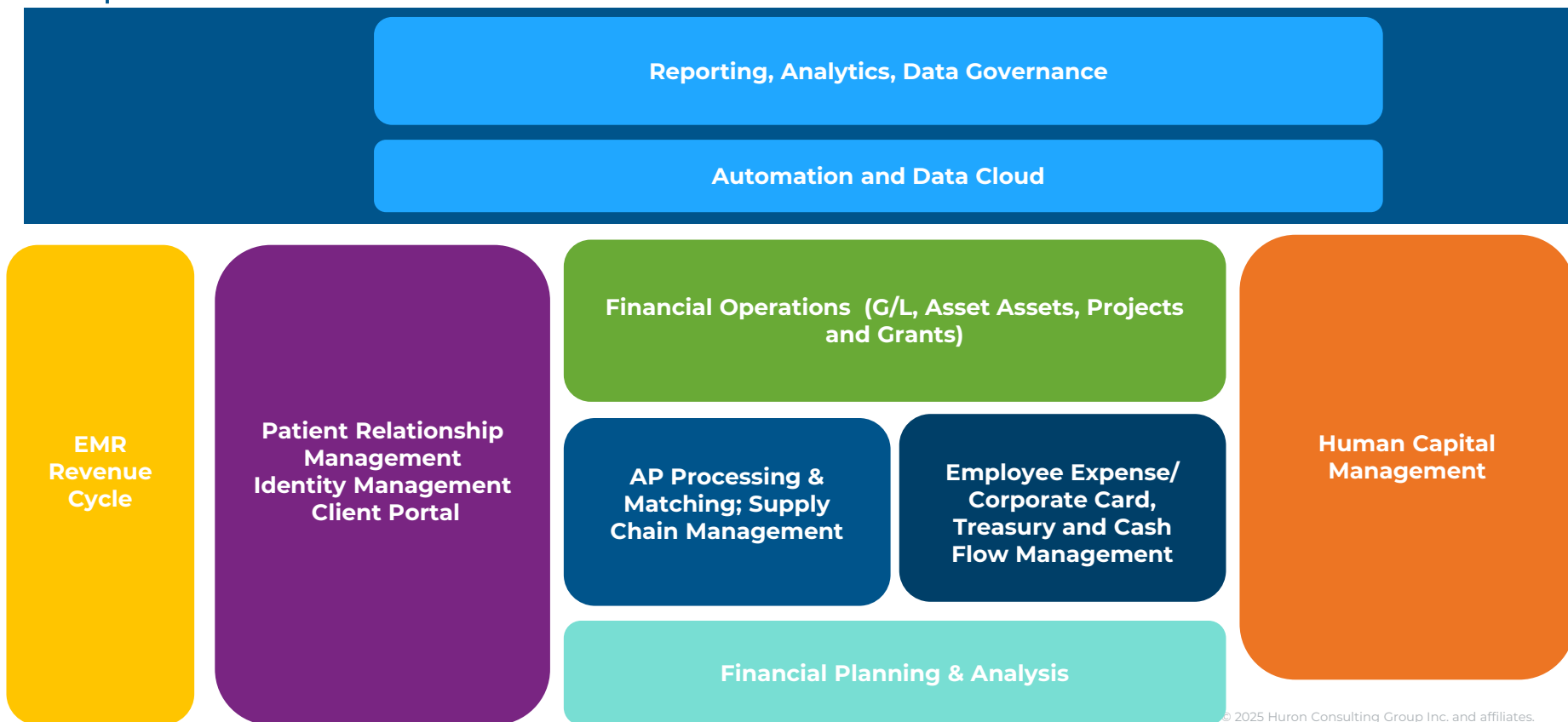


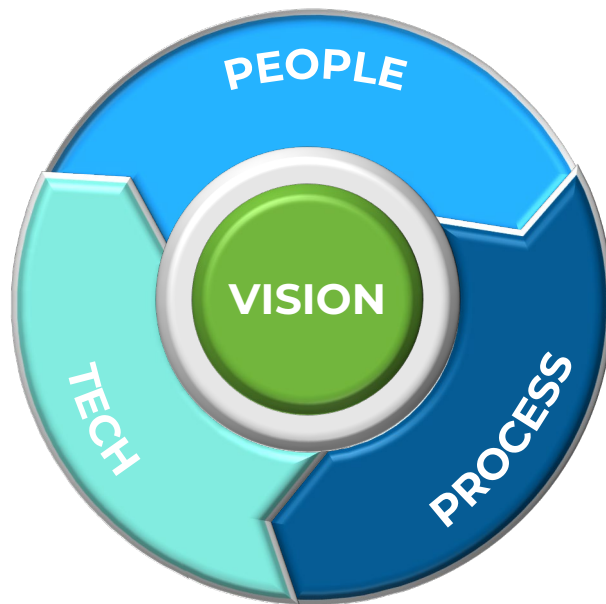
The Automation Strategy Should Align All Tools

When you have an established vision, automation should help solve these problems...

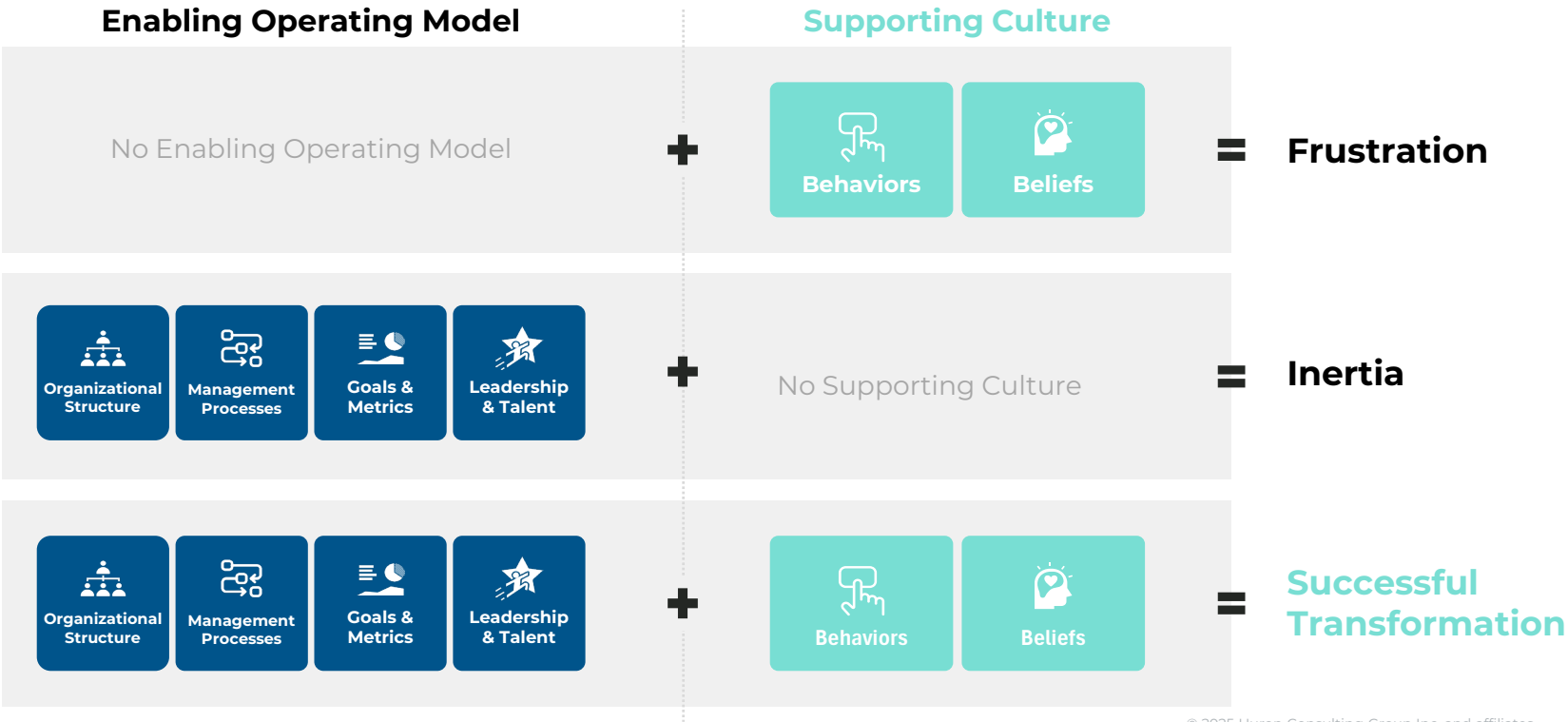


A Tightly Coupled, Integrated Technology Stack Drives Optimization





Successful Transformation Requires Both Systemic and Cultural Change



How to Stay in Touch



Phil Kaplan

Managing Director

Huron Financial Advisory Services

Email: pkaplan@hcg.com

Mobile: (847) 323-9648



Elaine Yao

Managing Director

Huron Financial Advisory Services

Email: eyao@hcg.com

Mobile: (908) 565-0084

