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BANKING ON PERFORMANCE

SAS® allows Héma-Québec to report more accurate information

Industry

Healthcare

Business Issue

Ensure that hospitals are billed accurately for services.

Solution

SAS® allows the nonprofit organization to monitor KPIs and costs for strategic decision making.

Benefits

Adopt better management practices.

Héma-Québec, a nonprofit organization created in 1998, strives to efficiently provide adequate quantities of safe, optimal components, substitutes, human tissues and cord blood to meet the needs of all Quebecers. The organization offers and develops its expertise, in addition to specialized and innovative services and products, in transfusion medicine and human tissue transplantation.

Héma-Québec turned to SAS Strategic Performance Management and SAS Activity-Based Management to improve the cost-effectiveness of its data. It also needed to integrate these tools as part of its decision-making and management processes.

“Because we are responsible to the population of the province of Quebec, we strive to give as much as we can for what we receive,” says Guy Lafrenière, Vice President of Administration and Finance at Héma-Québec. “We are very careful about how we spend the money from the government.”

SAS Strategic Performance Management helps Héma-Québec achieve its strategic goals by keeping the entire organization focused on the initiatives and key performance indicators (KPIs) that support those goals. This solution enables collaboration by delivering KPIs through a Web browser and by using built-in filtering and alerts that notify managers when performance falls below targets. SAS Activity-Based Management provides insight into how much things cost, thus allowing the visibility required to support financial decisions.

Experience matters

Héma-Québec first used an activity-based costing (ABC) model in 1998. The ABC project originated from the necessity to bill its customers – hospitals in Quebec. It began billing customers in 2005. Prior to that date, Héma-Québec received government subsidies. Before implementing the SAS solutions, Héma-Québec used an Excel model with many cost drivers and details.

Héma-Québec asked a consulting firm to review its existing ABC model and make recommendations. The firm concluded that the model was not very helpful to management. “The value-add for the level of effort we were spending was very low,” notes Lafrenière.



At the end of fiscal year 2004-05, Héma-Québec faced a new business situation. After five years of constant growth – between 3 and 5 percent each year – the demand became unstable and unpredictable. Héma-Québec’s CEO, Dr. Francine Décary, asked the finance department to review the financial impacts of the demand fluctuation. “When we performed the simulation, we worked extremely hard with our Excel model, but we were not sure it was completely accurate,” says Marco Décelles, Accounting Director.

“The implementation went well and took only about three months. We were up and running rapidly. [SAS] has made a positive impact in a short amount of time.”

Marco Décelles

Accounting Director
Héma-Québec

“Prior to implementing the SAS solutions, it would take us a week to run the necessary reports and to update our activity-based cost models,” notes Décelles. “Now, we can work on multiple projects at once and still get the results in significantly less time than a week.”

“Our plan to address the new demand challenge included the implementation of the SAS Activity-Based Management and SAS Strategic Performance Management bundles to help us manage our costs,” says Lafrenière. “We’re able to look at the activity costs and provide more accurate data to the managers involved.

“SAS Activity-Based Management also provides us with accurate data to better understand the revenues by region and customer,” continues Lafrenière. “Before the SAS implementation, it would take weeks to get some of this information.”

Héma-Québec chose SAS after seeing it at work in other organizations. Its IT department performed an analysis of all possibilities and concluded that SAS solutions could be implemented very quickly and with a smaller budget. “We work closely with our counterparts at Canadian Blood Services (CBS) who chose SAS Activity-Based Management a few years prior and had implemented it successfully,” notes Décelles. “It will be easier to share information with them by using the same tool.”

Time was another important factor. “After seeing how SAS worked, we felt confident it would be beneficial to us,” says Décelles. “The implementation went well and took only about three months. We were up and running rapidly. It has made a positive impact in a short amount of time.”

SAS integrates, analyzes and distributes all pertinent information seamlessly. Everyone can then have the same view, as well as the same KPIs, from the same tool. “It’s wonderful to be able to use SAS to bring everyone up to speed,” says Décelles. “With SAS, we can compare the performances of our mobile and fixed collection sites to see how the operations are working across the board.”

“Because of the number of reports and models we’re asked to produce, and the fact that we’re using the public’s money to create these reports, we needed to be able to understand the cost of everything we do,” says Lafrenière.

Reporting made easy

Since implementing SAS Strategic Performance Management, Héma-Québec allocates resources better. With full-time employees now distributed optimally, the organization runs a lot more smoothly. SAS Strategic Performance Management also provides Héma-Québec with a flexible budget. “The SAS bundle allows managers to work on value-added analysis rather than

spend time on classical budget-versus-actual variance,” says Décelles.

Héma-Québec developed a model that includes more than 100 specific activities and uses nearly 50 cost drivers. “The combination of SAS Strategic Performance Management and SAS Activity-Based Management gives us many scenarios. It allows us to make choices and select points of interest carefully. We can now work with managers to adopt better management practices,” notes Décelles.

Final thoughts

SAS Activity-Based Management gives Héma-Québec more information in a shorter period of time to streamline its management and decision-making processes. With SAS Strategic Performance Management, Héma-Québec has a tool that will be used over the next few years to integrate its various KPIs.

When implementing a new solution, Lafrenière suggests decision makers “take it step by step and be sure to get management involved in the process with them.”

“We will continue to work hard with our management team to train them how to work with the model,” says Décelles. “We hope to change the way people look at the finance people in our organization. We want to create a partnership with them.”



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