

# Case Study

## Universal Hospital Services Inc. (UHS)

### Universal Hospital Services “Revolutionizes” Budgeting with Blue Ops and EBM Software

**ORGANIZATION:**

Universal Hospital Services, Inc. (UHS)

**LOCATION:**

Minneapolis, MN

**INDUSTRY:**

Healthcare Equipment



Streamlined, bottoms-up budgeting process empowers district offices and sales representatives with information and control.

## Organization Information

- Provides medical equipment rental, management, service and equipment-based therapy solutions to hospitals and healthcare systems.
- Operates over 80 district offices throughout the United States.
- Offers comprehensive solutions for managing and maintaining medical equipment in healthcare facilities.
- Provides expertise, knowledge sharing, and analysis to help its customers make smart business decisions.

*“I would absolutely recommend Blue Ops to other finance executives – I can’t imagine running a company without this kind of tool. They have revolutionized our organization by allowing us to create a bottoms-up budgeting process that gives each of our district offices ownership of their business and their budget.”*

*-Rex Clevenger, Chief Financial Officer, UHS*





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**-Rex Clevenger,  
Chief Financial Officer,  
UHS**

**\$13MM**  
IN UNPROFITABLE SKUS  
eliminated in 2018

## Solution

- Blue Ops advisory services & Enterprise Business Management (EBM®) Financial Planning & Business Intelligence Software

## Business Benefits Realized

- Enables UHS to achieve their goal of implementing a bottoms-up budgeting process.
- Creates budgetary accountability for profits and losses at the district level.
- Improves the understanding of UHS’s complete financial picture at all levels of the company.
- Condenses the annual budget process timeline by 50% - from six months to three months.
- Automates and reduces the chance for human error during the budgeting cycle.
- Saves finance department staff more than 100 hours annually.
- Eliminates the need to compile and send budget spreadsheets manually, allowing staff to focus on more strategic tasks.
- Provides a greater understanding of individual customers and market segment profitability, allowing for more strategic business decisions.

## Benefits Realized:

- **\$13MM** in unprofitable SKUs eliminated in 2018
- **+9%** in EBITDA growth in 2019
- **3 BUSINESSES** managed from 1 consolidated view





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## Burdensome Budgeting Drains Resources

For Minneapolis-based medical equipment solutions provider Universal Hospital Services, Inc. (UHS), budgeting has always been a big job; one look at the big numbers involved makes it easy to see why. The company manages more than 680,000 pieces of medical equipment for approximately 8,700 clients in all 50 states, with over 80 district offices dispersed throughout the country.

“With so many locations and a different business mix at each one, we needed a way to get our team to do complicated budgets and forecasts and get accurate financial information to them without a cumbersome, time-consuming process,” says UHS Chief Financial Officer Rex Clevenger.

However, the complexity of the business had led UHS to rely on a system that was both cumbersome and time consuming for many years. The company would begin its annual budget process in July and close it at the end of January – leaving just a few short months before the next budget cycle would begin. The budgeting process was built almost exclusively on manual spreadsheets, which were sent out from the corporate office to all district offices. The district offices would complete the spreadsheets and send them back to the corporate office, where the finance staff would compile everything onto a single spreadsheet, which would be reviewed and modified by company executives. This process was then repeated numerous times before the budget was finalized.

“This led to a lot of back-and-forth between the corporate and district offices, and there was no tracking mechanism that enabled everyone to see exactly where the numbers came from to ensure everyone was accountable for the numbers they provided,” says UHS Vice President of Finance Sue Wolf. “In addition, devoting countless hours each month to compiling and distributing spreadsheets was not a strategic use of our financial analysts’ time.”

In order to move their business forward and continue





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Chief Financial Officer,  
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**20-40%**  
**MARGIN PRODUCTS**  
replaced unprofitable SKUs

growing, company executives knew they needed a more robust financial planning and analysis system. “Our existing business intelligence tool was much too difficult for the average user,” says Clevenger. “And, we wanted a system that would allow our district offices to take ownership of their budgets and their planning process.”

## Finding a Financial Planning Solution

The search for a financial planning solution that would meet UHS’s growing needs began with evaluation of their existing business intelligence tool. However, executives quickly determined that even with an upgrade, maintaining the status quo wasn’t a viable solution. “Not only were we not happy with the features and usability of our current tool, we also found that using it on the scale we wanted would be extremely expensive because of the additional licenses required,” says Wolf.

In order to transition to a bottoms-up budgeting process, UHS would need a new financial planning tool. They began their search by interviewing several providers of business intelligence solutions. “We evaluated the companies based on a number of factors, including how user-friendly the solutions were, how easy and responsive the companies were to work with, and their ability to customize tools to meet our specific needs,” says UHS Corporate Finance Manager Kevin Malecha.

Ultimately, they chose to implement the Enterprise Business Management (EBM) Software with the help of Blue Ops, the Minneapolis-based business intelligence provider and advisory firm behind the software’s design. Features of the EBM software Blue Ops implemented include customer and product-line planning, departmental expense planning, what-if analysis, dynamic data cubes, web reporting, customer profitability analysis and more. “Not only did Blue Ops implement the right tool in terms of features and usability, but we realized that their team had the business credentials needed to understand our business and get the rollout completed quickly,” says Clevenger.





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**-Kevin Malecha,  
Corporate Finance  
Manager, UHS**

**200**  
**BASIS POINTS**

Gross Margin Growth in 2019

## Leading a Rapid Rollout

Even in a world where rapid deployments are increasingly common, few were as tight as UHS’ timeline for rolling out the Blue Ops solution. “We made the decision to move forward at the end of May and needed to be up and running before August,” says Clevenger. “It was an extremely tough deadline to meet, but Blue Ops managed to get it done with out any major hiccups, and we were able to plan our 2013 budget using the new process.”

Blue Ops also designed a number of customizations to help UHS maximize the finance portal’s benefits and usability. “For example, we wanted to ensure total accountability for our budget figures, so Blue Ops designed a budgeting workflow that tracks exactly who is submitting the numbers, who is making changes to those numbers and when those changes are being made,” says Malecha.

Almost immediately, the EBM software solution Blue Ops implemented began earning praise from both corporate and district staff. “The folks in the field are thrilled to be able to assess the budget themselves, and at the corporate level it has been a major timesaver that allows our finance managers to focus on more strategic tasks,” says Wolf.

Malecha has also heard praise for the EBM tools Blue Ops implemented from the company’s district offices. “After just one or two hours of training, most people felt really comfortable with the budgeting process,” he says. “Everyone in the field likes the new planning process and has a good outlook for the coming year – they believe we now have an attainable budget that is based on their input.”

## A “Game Changing” Decision

After just one budget cycle, the EBM solution Blue Ops implemented has already provided significant benefits. First, time savings have been achieved in multiple ways. Corporate office finance staffers are saving more than 100 hours each year by eliminating the need to compile and send numerous rounds of budget spreadsheets during each budget cycle.





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# 3

**BUSINESSES**

managed from 1  
consolidated view

In addition, the budget cycle itself has been reduced 50 percent: the 2013 budget was substantially complete within four months, and executives anticipate the 2014 budget process will take just two to three months. “this allows our entire team to stay focused on the actual business instead of on budgeting,” says Wolf.

The business insights provided by the Blue Ops team are also providing tremendous value. “For example, we now have the ability to analyze profitability at the customer level,” says Clevenger. “With more than 8,700 customers, being able to automate that analysis is the only reliable way to assess specific customers and market segments and find out exactly where we are growing – or where there is potential for growth.”

Finally, cost savings have been realized with the new business intelligence tool. “With the previous tool we had a limited number of licenses and it was cost prohibitive to get our district staff and sales representatives involved,” says Wolf. “Now we can offer unlimited users access to the EBM financial planning and reporting tools in a very cost-effective way.”

Ultimately, company executives say the Blue Ops solutions have been a ‘game changer’ for their company and have positioned them for future success. “I would absolutely recommend Blue Ops to other financial executives—I can’t imagine running a company without this kind of tool,” says Clevenger. “They have revolutionized our organization by allowing us to create a bottoms-up budgeting process that gives each of our district offices ownership of their business and their budget.”

