

HEALTHCARE SOLUTION BRIEF

Financial Planning

Kaufman Hall believes that strategic, financial, and capital planning must be highly interrelated and interdependent disciplines. When they are so, such planning functions as the cornerstone of effective organizational and financial decision making and management. Kaufman Hall offers consulting services and software that enable organizations to translate their long-range strategic vision into practical financial and business plans to optimize both their strategic and financial performance.

Financial Planning Services

Since introducing the concept of corporate finance-based planning to the healthcare field in 1985, Kaufman Hall has prepared thousands of strategic financial and capital plans for healthcare organizations nationwide. We apply our expertise in corporate finance and management of the annual capital cycle to help you maximize opportunities for financial and strategic success.

Achieving and maintaining competitive financial performance requires thoughtful identification and execution of strategic initiatives that will drive the organization's strategic and financial performance for decades to come. Our approach to financial and capital planning is grounded in a deep understanding of both the healthcare industry and the capital markets. The financial and capital planning results we help our clients generate provide a comprehensive framework for implementation of operating performance initiatives, as well as for market- and clinically based strategies. Our breadth and depth of experience has enabled clients to manage their strategic financial and capital planning and decision-making processes efficiently and effectively.

Our experts can help your organization to:

- Develop integrated strategic financial and capital plans to link the organization's strategic mission and vision to measurable financial objectives
- Assess the current financial position and develop baseline financial projections, including income statements, balance sheets, and cash flow statements



- Analyze and assess projected financial results and the associated risks and sensitivities to key assumptions
- Quantify and integrate the financial implications of identified strategic scenarios
- Convert strategic financial planning results into broader financing plans to fully enable implementation of organizational strategies

Financial Planning Software

Kaufman Hall's Axiom Financial Planning solution guides healthcare leaders in planning for the future by modeling initiatives and potential scenarios to help them better understand long-term financial impacts. Leveraging proven best-practice financial management principles, our Financial Planning solution enables hospitals, health systems, physician practices, and other healthcare organizations to develop multi-year financial plans with confidence. Kaufman Hall gives finance professionals the tools they need to assess the viability of proposed initiatives, and pinpoint the incremental volume, revenue, cost, debt, and capital structure implications of these initiatives.

Our integrated strategic financial planning solution helps healthcare leaders:

- Link the organization's strategic mission and vision to measurable financial objectives
- Identify whether strategies can be supported financially, given the organization's capital capacity
- Model the financial and operational impacts of proposed initiatives and scenarios
- Model the impacts of alternative financing approaches to enable development of an optimal financing plan to support the strategic financial plan
- Quantify and mitigate future financial risk in a proactive manner
- Make better decisions based on solid data, and communicate those decisions to key stakeholders

Long-Term Financial Planning

Leveraging proven best-practice financial management principles, Kaufman Hall's Axiom Software enables hospitals, physician practices, and health systems to develop multi-year financial plans with confidence. Historical and proposed budgets and forecasts can be automatically integrated to serve as a basis for the long-range financial plan, speeding up both the initial creation and updating of the plan as time progresses.

Initiatives Planning and Scenario Modeling

Initiatives planning and scenario modeling enable executives and key decision makers to better understand the specific impacts of key variables across a variety of business scenarios. With Kaufman Hall's software, finance professionals can model multiple assumptions, allowing side-by-side comparisons of the projected impacts of different market and internal drivers on operating performance and the balance sheet. These sensitivity-driven projections can be combined directly with various standalone initiatives to simulate alternative user-defined scenarios. Using pre-established metrics from the financial plan, an optimal strategic portfolio can be defined and managed.

Key Software Capabilities

Integrated Financial Planning

- Fully integrate long-range financial plan and process with other financial processes including capital planning and operational budgeting
- Develop projections at the level required for your financial planning and analytic needs
- Prepare and produce financial statements, including income statement, balance sheet, and cash flow

Initiatives Planning and Scenario Modeling

- Simulate and model the financial impact of any combination of proposed strategic initiatives or potential scenarios
- Assess the viability of identified and proposed initiatives, and pinpoint the incremental volume, revenue, cost, debt, and capital structure implications
- Incorporate alternative financing scenarios to define a comprehensive plan with an optimal underlying financing structure
- Track ongoing performance of approved initiatives via comprehensive reporting and workflow notifications