

Back Office/ERP

Presented to: Board of Directors

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Impacts of Back-Office Modernization

Benefits of implementing an ERP

33%

Decrease in time-to-hire, when using a modern ERP system to facilitate recruitment.

40%

Organizations identified better functionality as their primary reason for implementing an ERP.

60%

Reduction in time spent on administrative tasks within the healthcare industry.

Risks of not implementing an ERP

- Increased process time.
- Barriers to collaboration.
- Access to data.

Common business challenges experienced by organizations not using modern ERP.

\$25.4B

Costs associated with avoidable administrative costs and inefficient processes in hospitals in North America.

94%

Of healthcare providers reported data fragmentation and lack of system interoperability as primary contributor to administrative and clinical errors.

Scope of Work

Workstreams



A: Back-Office
Modernization Roadmap



B: Market Intelligence &
Advisory (incl. TCO)



C: Current State &
Readiness Assessment



D: Project Management
& Reporting

Core Deliverables

 Discovery Workshop Summary

 Roadmap

 Market Insights

 Vendor Demos

 Procurement Recommendations

 10-Year TCO

 Process Maps

 Change Management Plan

 Final Report

Discovery Phase – Key Takeaways & Strategic Implications



Current State Summary

- Fragmented systems and heavy reliance on manual processes across HR, Finance, Payroll, and Supply Chain.
- Limited integration, real-time visibility, and self-service capabilities.
- Significant operational inefficiencies and data silos.



Key Discovery Insights

- Strong stakeholder desire for modernization and appetite for change.
- Clear preference for a modern, integrated, cloud-based ERP solution.
- High-priority needs in Finance, HR, Payroll, and Reporting & Analytics (Supply Chain optional).



Strategic Implications for PSFDH

- Move from operational complexity to efficiency, scalability, and data-driven decision making.
- Position the organization for long-term sustainability and Broader Public Sector compliance.

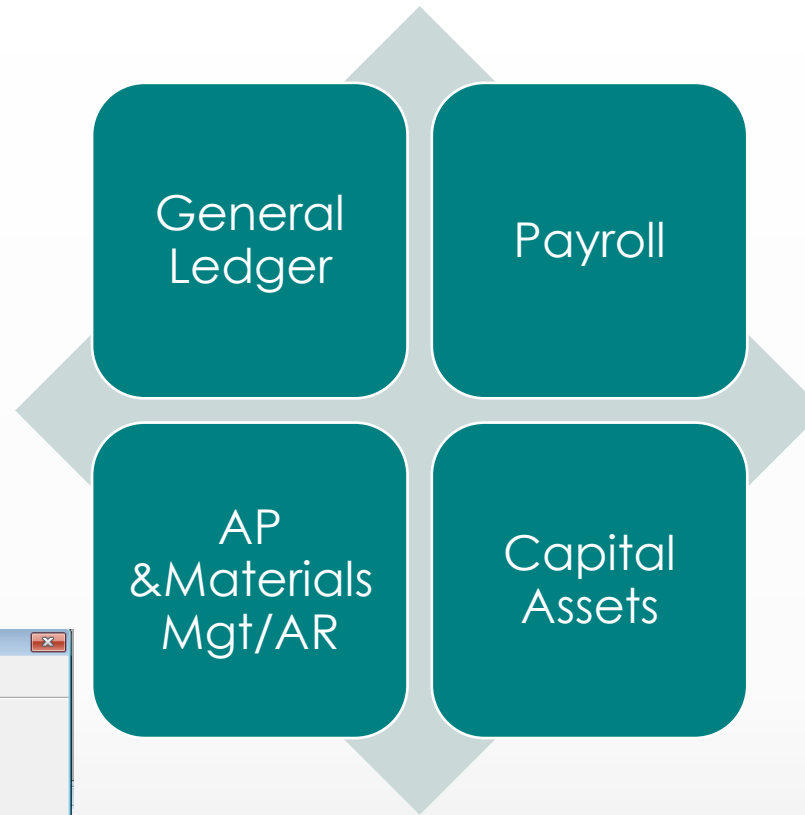


Forward Look

- The following sections detail current-state findings, market scan results, peer lessons learned, recommended roadmap, TCO, procurement strategy, and change management approach.

Current State

- Meditech Magic
- SAP - AP



Application Database Lookup		
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User: Farrell,Erin **Last Sign On: Fri 10/04/26 1:46PM**		
Appl DB	Title	
1	ADM.PES	Perth & Smiths Falls District Hospital Admissions **LIVE**
2	AP.PES	Perth & Smiths Falls Hospital Accounts Payable **LIVE**
3	BAR.SFC	Perth & Smiths Falls Billing/Accounts Receivable **LIVE*
4	ESS.PES	Perth & Smiths Falls Executive Support System **LIVE**
5	FA.PES	Perth & Smiths Falls Hospital Fixed Assets **LIVE**
6	GL	Perth & Smiths Falls General Ledger **LIVE** System
7	MIS	MIS **LIVE**
8	MM.PES	Perth & Smiths Falls Materials Management **LIVE**
9	MOX	Perth & Smiths Falls MAGIC Office *LIVE*
10	MRI.PES	Perth & Smiths Falls Medical Records **LIVE**
11	NUR.PES	Perth & Smith Falls Patient Care **LIVE**
12	OE.PES	Perth & Smiths Falls Order Entry **LIVE**
13	PP.PES	Perth & Smiths Falls Payroll Personnel **LIVE**
14	SCH.SFC	Perth & Smith Falls SCH *LIVE*
<End of list>		

Systems/Modules Currently DO NOT have	
Scheduling	✗
HR	✗
Budgeting & Forecasting	✗
Analytics	✗

HR High Priority Functions for Future State

Scheduling and Workforce Management

- Scheduling workflows with distinct staff and scheduler views.
- Attendance tracking, including sick leave monitoring and automated flagging.
- Probationary period tracking with automated alerts.
- Payroll Integration and reporting capabilities.
- Automated alerts for missing documentation.

Employee Actions and Position Management

- Electronic employee action forms (e.g., cost center changes, transfers, benefits updates).
- Tracking of staff movement between cost centers.
- Management of budgeted versus unbudgeted positions.

Reporting and Analytics

- Vacancy and recruitment status reports.
- Employee demographic reporting.
- Training completion and compliance tracking.
- Centralized dashboards for HR and management.
- Comprehensive reporting and analytics capabilities.

Recruitment and Vacancy Management

- End-to-end recruitment lifecycle management, including resume intake and applicant tracking.
- Management of internal and external job postings.
- True vacancy tracking and job number management.
- Recruitment status monitoring and reporting.
- Visibility into historical resumes and applicant records.

Finance High Priority Functions for Future State

Accounts Receivable (AR) and Accounts Payable (AP)

- Analyze and document the flow of data from Cerner to the ERP system, including OHIP-related transactions.
- Oversee and validate data transfers to ensure completeness and accuracy.
- Manage payroll-related disbursements, including travel pay, through Accounts Payable processes.
- Support and enhance employee self-service functionality.

General Ledger Automation and Month-End Close Optimization

- Streamline and automate general ledger processes, including the month-end close cycle, by leveraging standardized reports and analytical tools to improve accuracy and efficiency.

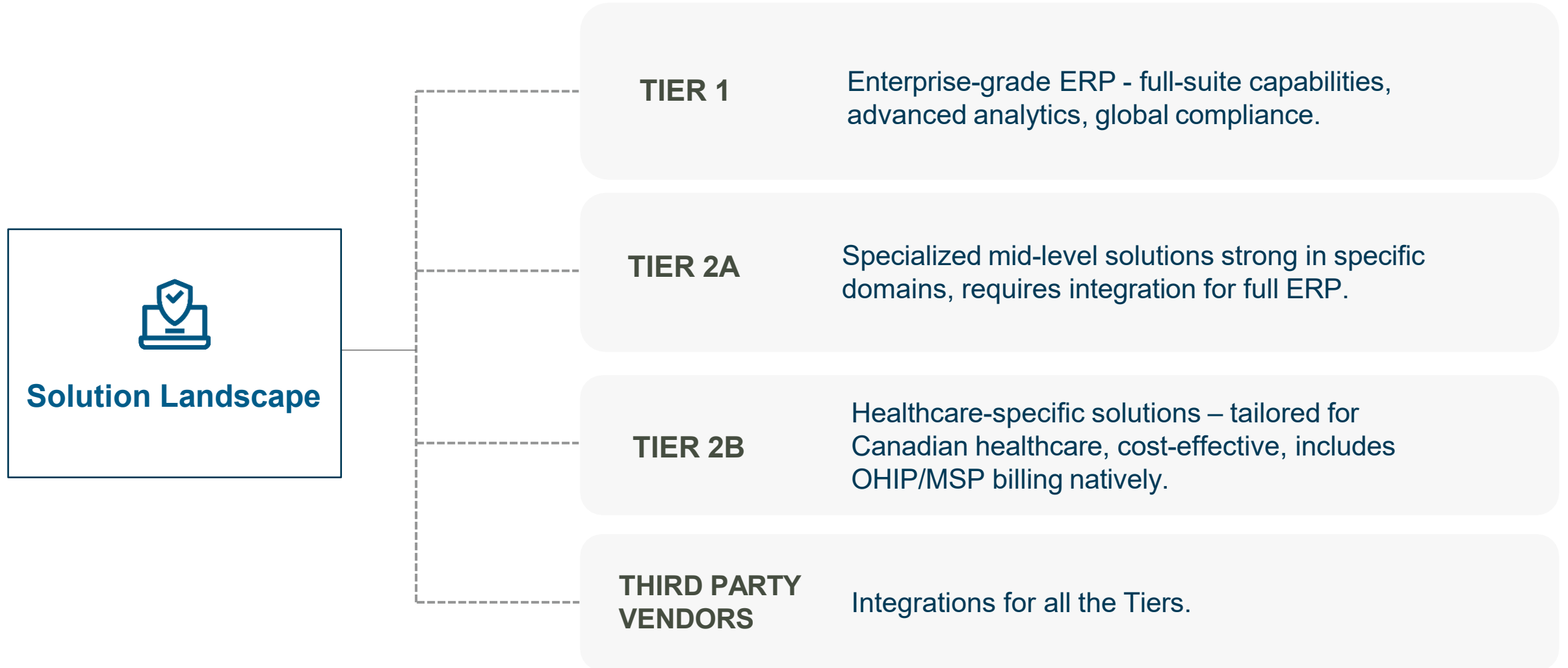
Reporting and Analytics

- Develop and enhance reporting capabilities to support data-driven decision-making and operational insights.

Payroll Administration

- Manage and process payroll in a timely and accurate manner.

Back-Office Solution Landscape



Solution Tier Comparison

This comparison highlights key differences across solution tiers based on market presence, product breadth, and healthcare specialization.

	Tier 1	Tier 2A	Tier 2B
Market Share	HIGH	MEDIUM	MEDIUM
Product Offering	HIGH	MEDIUM	LOW
Healthcare Specialization	MEDIUM	MEDIUM	HIGH

Legend: ■ More Favourable ■ Neutral ■ Less Favourable

Key Takeaways: Tier 1 offers the strongest enterprise breadth, Tier 2A offers modular flexibility, and Tier 2B offers the strongest healthcare alignment.

Strategic Recommendation & Next Steps

Primary Recommendation

- Proceed to formal procurement for back-office solution(s), with integrations to optimize functionality; explore options across solution tiers (Tier 1 and Tier 2).



Rationale

- Significantly reduce fragmentation and manual effort.
- Enable automation, real-time analytics, and a single source of truth.
- Deliver improved operational efficiency, audit readiness, and scalability.
- Align with healthcare industry trends and peer hospital transformations.



Key Considerations

- Healthcare-specific functionality and integration with existing clinical systems
- Strong governance, dedicated resources, and comprehensive change management.
- Balanced evaluation of Total Cost of Ownership over 10 years.
- Minimal customization and preference for proven Canadian healthcare experience.

Roadmap Phases



Pre-Procurement – Refine Scope & Objectives

- Clearly define functional requirements for core modules (Finance, Payroll, HR).
- Focus on high-priority areas to support realistic timelines and reduce resource strain.
- Keep Supply Chain separate due to distinct workflows and existing systems (e.g., MMC Qwantify).
- Establish governance.
- Determine desired solution delivery module.



During Procurement – Implementation Planning

- Complete vendor evaluation and selection.
- Prepare applicable contracts and documentations.
- Establish plan for data migration and storage.
- Begin **Change Management**.
 - Change readiness surveys.
 - Workshops.
 - Staff awareness.



Post-Procurement – Resource Strategy & Organizational Model

- Establish staffing structure, governance, and accountability before implementation begins.
- **Resource Planning**.
 - Choose between:
 - **Dedicated team**: Stronger focus and faster delivery.
 - **Hybrid team**: Lower upfront cost but higher risk of delays and burnout.

Deployment Strategies

Big Bang

Benefits

- Immediate end-to-end.
- Faster time to value; avoids prolonged dual-system maintenance.
- Reduced change fatigue due to a single organizational transition.
- Well-aligned with standardized Tier 1 ERP platforms (e.g., Oracle, Workday).

Risks

- Higher go-live and change impact.
- Requires strong readiness and robust IT infrastructure.
- Intensive training and higher upfront effort/cost.

Phased Roll-out

Benefits

- Lower immediate operational and implementation risk.
- Easier staff adoption and better change absorption.
- Incremental approach, allows you to focus on the ERP implementation section by section.

Risks

- Longer overall timeline, with a longer implementation plan required.
- Requires temporary coexistence with legacy systems – requires operation of dual systems.

TCO Cost Assumptions & Financial Drivers



Key Assumptions Based On

- Comparable Ontario hospital ERP implementations.
- Vendor responses from similar procurements.
- Validated market research.



Workforce Time Assumption

- 1,950 hours per FTE annually.
- 150 hours per FTE monthly.
- 37.5 hours per FTE weekly.



Sensitivity & Scenario Modeling

- Illustrative scenarios include:
 - ✓ Vendor services $\pm 20\%$.
 - ✓ Licensing escalation (3% vs. 5%).
 - ✓ Internal staffing $\pm 10\text{--}15\%$.
 - ✓ Cost offsets delayed by one year.



10 Year TCO

- 15-month implementation.
- 9 years of steady-state operations.
 - ✓ Internal resourcing reflects PSFDH staffing patterns and blended rates.



Cost Behavior & Benchmark

- Cost distribution aligns with similarly sized Ontario hospitals.
- Consistent with Tier 1 cloud ERP cost patterns.



Escalation & Inflation

- Licensing escalated at 3.5% annually.
- Licensing ramp:
 - ✓ 75% in Year 2.
 - ✓ 100% from Year 3 onward.
- Internal labour based on PSFDH blended rates.

Project Costs

Categories	Estimated Cost
Pre-Procurement & Implementation Preparation	\$300K
Employee Training	\$400K
PSFDH Internal Implementation Team	\$2.1M
Vendor Implementation Costs	\$2.0M
Total	\$4.8M

Post-Implementation Operating Costs

	Year 0	Year 1	Year 2	Year 3	Year 4	Years 5 - 10	Total
Software Licensing & Subscription Costs			\$300K	\$400K	\$414K	\$2,807K	\$3,921K
Post-Implementation Operations			\$163K	\$325K	\$325K	\$1,951K	\$2,764K
Miscellaneous Costs	\$87K	\$25K	\$50K	\$70K	\$25K	\$150K	\$407K
Cost Offsets				\$(86K)	\$(86K)	\$(820K)	\$(992K)
Total	\$87K	\$25K	\$513K	\$709K	\$678K	\$4,088K	\$6,100K

Recommendations and Next Steps

Phase 1

DISCOVERY



Phase 2

PRE-PROCUREMENT PLANNING

- Working with MMC to support development of RFP documents

Phase 3

PROCUREMENT

- Open competitive procurement process – RFP
- Board approval of Project Budget
- Contract execution

Phase 4

IMPLEMENTATION

- Resource onboarding
- Systems implementation – **GO LIVE!**