



Putting data at the heart of your decisions

A guide to choosing a finance system for NHS organisations

In this guide you will learn...

- Why NHS organisations need a specialised, tailored finance system
- How to stay independent from vendors and define your own roadmap
- How to choose a partner and make your project a success

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1: About this guide

Improving financial management with a modern, finance system

In this guide, you will learn what an effective finance system looks like for NHS organisations and, crucially, how the right system gives you more control over both your financial data and future innovation.

You'll also discover how several NHS Foundation Trusts have used an Open Source approach to deliver a tailored solution, achieving greater effectiveness than commercial off-the-shelf software alone.

With a focus on the unique challenges, aims and priorities of the NHS, this paper provides a detailed analysis of:

- What the right financial control system can do for you
- How to choose the right software and implementation partner
- How to make your project a success at every stage

Tailored technology that starts with you

Why NHS organisations need technology that aligns with their principles and priorities

From subsidiaries to ICSs, every health and care organisation has a need for robust financial reporting and greater visibility over financial data.

To achieve this requires effective technology: an integrated finance system, embedded into the organisation, delivering real-time reporting, timely management information and a single version of the truth.

Instead of a single vendor defining the roadmap, the open development approach puts control in the hands of health and care organisations, empowering NHS stakeholders to innovate and share best practice, while also enabling independent assurance of quality and standards.



2: The value of an effective finance system

Better data, faster and more cost effective

Moving to a new finance system can feel like a big step. That's why it's important to understand the measurable impact that new technology can have on the way you work, report and make decisions – and the return you will get on your investment.

In this section, you'll learn:

- Why using data is key in managing your organisation effectively
- How to reduce costs by removing manual tasks
- The key benefits of the right finance system



Make data-driven decisions

Inside your organisation, there's a wealth of useful financial data that can underpin your decisions, strategy and day-to-day operations. But much of this valuable resource is left unmined in endless spreadsheets or a proprietary system that only a few can access.

An effective finance system gives every individual the right data, in the right format, with the right level of precision, at the right time. This is all about adaptability. Sometimes, you need a comprehensive, at-a- glance overview of your financial performance. In other instances, only transaction-level data will do.

At ICS level, this allows allocative decisions to be placed in the hands of local leaders, enabling investment and delivery of joined up, more preventative care, tailored to local people's needs.

What really counts is the flexibility to work with data as a whole or drill down into granular detail – whatever you need for complete clarity and informed, accurate decisions.

Reduce costs and repetitive tasks

One of the biggest barriers to efficiency is repetitive, manual processes where human insight and judgement is not required, such as moving data between systems.

Routinely transcribing data from one system to another increases cost per transaction (compared with automation) and makes it harder to keep your data current and relevant.

A more sophisticated finance application can integrate with your operational systems to automatically capture and record financial data. This doesn't just accelerate processes and save time, but also frees your employees to put their skills to work where they really count.

All while removing the risk of intentional or unintentional errors that take hours – or even days – to trace and rectify.

Bring clarity to your financial processes

While the right system can dramatically increase your level of visibility over every key metric, it's also an effective way to refine your workflows and make your financial processes themselves more auditable.

By giving users access to the analysis tools and data they need within a single core finance system, we reduce the need for spreadsheets and external, non-integrated tools.

This enables organisations to centrally administer access, with permissions and approval levels set on a per-role basis. Individual user activity can then be captured in a detailed audit trail.

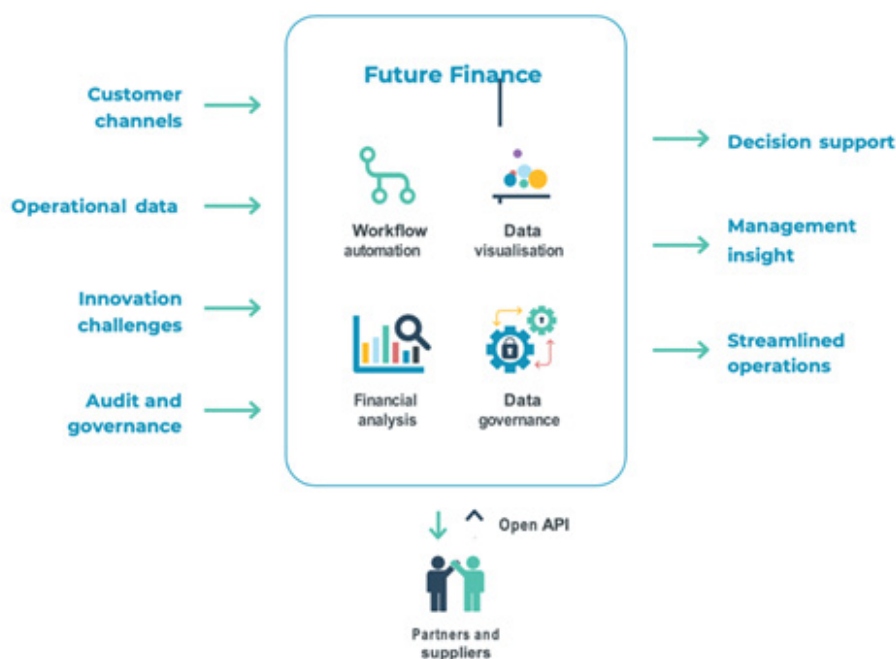


Make financial audits and reporting simple

Finally, an all-encompassing financial system makes reporting easier at every level.

Typically, finance teams go through intense, time-consuming processes at month end or in the event of an internal or external audit. Bringing data together usually means managing complex spreadsheets with numerous lookups.

With high resolution data already in a single system, it's easy to present data in multiple ways to provide different insights. Even better, it's possible to generate and regenerate these reports in real time, giving every stakeholder the access to live data that they need and accelerating review processes.





3: The importance of an NHS-specific system

How to address your unique requirements

Data-driven decisions, reduced costs, role-based access and reporting are key benefits for every kind of business. But NHS organisations aren't every kind of business and the only fit for purpose system is one that's targeted to the specific needs and priorities of your organisation.

In this section, you'll learn:

- Why NHS organisations need unparalleled levels of flexibility
- How to address the realities of your budget
- How to maintain independence from your software supplier

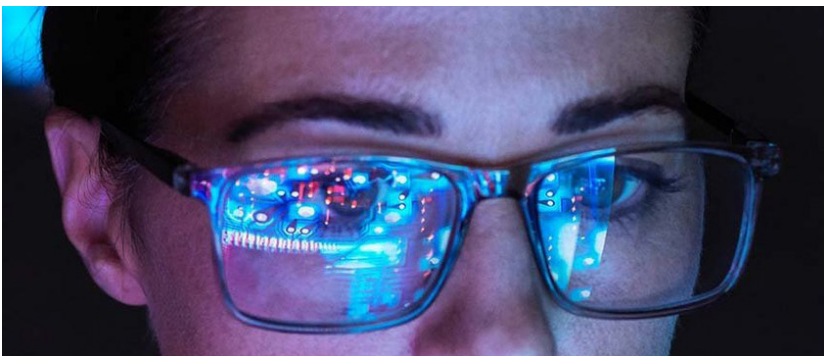
NHS organisations need flexibility

In the private sector, financial processes and controls can be largely inward-looking. If a financial system brings clarity to decision makers, it's a valuable investment.

However, NHS entities face financial scrutiny from a wide range of stakeholders, both internally and externally. Many organisations work in both the public and private sectors, adding even more complexity.

In this context, it's vital that any financial system gives you the flexibility you need to generate targeted, tailored reports and integrate with your existing systems.

A system built with your unique kind of organisation in mind will offer the reporting you need, at every level, right out of the box, where software designed for a more general customer base may take more configuration – and a commitment of time and money.



Maximising
impact from a
limited technology
budget

Many NHS organisations find themselves balancing the need to give everyone access to data with a limited budget for software licences.

Beyond the features and benefits of the software itself, you need a licensing model that makes sense for the NHS. Open source software is the perfect fit, offering one cost to use the system in perpetuity.

Avoiding vendor lock-in

With proprietary software, you're tied to the innovation trajectory of one supplier. Achieving and maintaining independence is impossible.

Over time, you may need to change supplier for numerous reasons. Maybe the product roadmap just doesn't fit your needs. Maybe your relationship with the vendor breaks down. In the worst case, the vendor could go out of business at a moment's notice.

Open source software empowers you to change supplier without building a new solution from scratch. As a result, you reduce your risk and dependency on a vendor who could under-perform or fail to deliver value.



4: What to look for in your finance system

Going beyond the right features

Fundamentally, choosing the right finance system means finding something that can be integrated, offers detailed reporting, and brings all your data together in one place. However, this is just the baseline of a system that's fit for purpose. It takes more to deliver something that truly influences decision making and, ultimately, improves the level of care offered to patients.

In this section, you'll find out why the right system needs to give you:

- The ability to lead and control innovation – without being tied to a vendor roadmap
- Deep integration with operational systems
- A measurable return on your technology investment

Key features to look for

At the most basic level, the right finance system will offer a range of key features that increase your financial clarity and control.



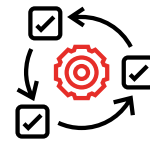
Consolidated data

From every department and every system, creating a single view of your entire financial position



Tailored dashboards

To give every user the most relevant information, including exceptions like overdue invoices



Flexible reporting

Including account code grouping, comparison tools and audit-ready report templates



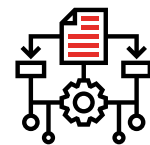
Automation and alerts

To prompt next steps when decisions need to be made but save time when no human input is required



In-depth monitoring

Including user and role-based approval limits and a detailed audit trail that keeps you in control



Deep integration

With your own systems or your suppliers using secure EDI and standards like PEPPOL

However, these are features that should be expected of any system, open source or proprietary. The real value happens when you go beyond these features.

The ability to tailor your software

It's great to start with a solid baseline of features, but important that your software can grow with you over time. If your system doesn't fit what your people need, they'll find a way around it or retreat back to spreadsheets.

An open source solution gives you a proven, tested core to build on. But it's vital that you have the control you need to tailor your software around your organisation, both now and in the future. In this sense, open source software gives you freedom to define your own integrations and innovations.

You may require some customisation at the start of your project, like connectivity with NHS authentication systems and single sign-on, or with operational software that generates financial data (like pharmacy or point of sale systems). If not, data will need to be manually re-keyed into your financial system, taking time and increasing your risk of errors.

Effective integration typically happens in one of two ways:

File transfers

It may be possible to export data from your other platforms and import it into your finance system out of the box. However, this depends on the availability of data in the right format and will always create a lag between when data is created and when it's reflected in your system.

Deep integration

Ideally, you will be able to connect your live finance system and operational systems together using an API. This may require some bespoke development but means that all data is reflected in real time with no need for manual processing.

Data security and disaster recovery

NHS-wide policies and compliance standards both make control over your data and its security important considerations. Many cloud options host your data on local servers, outside the scope of your control, while open source software lets you hold your own data locally with your own backup policies.

Meanwhile, remember it's not just your data that needs to be safe, secure and constantly available. Robust disaster recovery adds resilience and redundancy to the hardware your implementation depends on – so you can stay up and running in the event of a failure.

Key questions to think about include:

- Do you know where your data is stored?
- Is it regularly backed up – and is this backup local or remote?
- Is there a disaster recovery plan in place?
- Can you get a copy of your data in a usable format?

Throughout your project, this project team will safeguard your interests and help to keep your implementation on-track. They should also set aside time for exhaustive testing, making sure your finance system is performing before it goes live.

Understanding the true cost of software

Finally, all of these things only matter if they're available in a way that's cost effective. That doesn't necessarily mean cheap, but it should mean a measurable, real impact on your organisation.

New technology is supposed to be an investment, not a cost. The only way to accurately understand the true cost of software is to consider:

- Any manual processes that will still be required and their realistic cost
- The nature of your license and whether there are recurring fees to pay
- The cost of adding new users
- Any volume or capacity limits, like a number of transactions per month

Once you understand these complete costs, you can assess the return on investment you should expect, giving your supplier a clear, objective goal for your implementation and criteria for success.

Again, open source technology can be an effective way to reduce the lifetime costs of your system. While you may need to invest in customisation and integration, you can remove the burden of additional expense every time you need to add a user, or the costly, complex process of changing to new technology if your vendor relationship breaks down.

How the open approach works

Everyone involved in public sector finance understands the need to control costs and spend money intelligently. With perpetual licensing, open source software usually represents an immediate cost saving compared to proprietary counterparts.

With open source software, you get technology that has already been developed, tested and refined by multiple stakeholders. You also get access to source code, allowing you to:

- Change supplier without changing your finance system
- Develop new features or integrations without reliance on a single vendor
- Define your own roadmap for sustainable innovation
- Focus your resources on training, customisation and support, not per-user licences

However, the emerging open model within the NHS is about more than software code and licensing. A truly open approach provides the freedom to innovate and share best practice on a huge scale.



“At heart the NHS is an altruistic entity that democratises healthcare for all, and one can see these core principles mirrored in the Open Source approach to delivering technology solutions.”

Patrick Highland, Finance Manager – Systems & Reporting
The Royal Marsden NHS Foundation Trust

Delivering best in class digital

Fundamentally, open source software gives you the freedom to add bespoke development, creating a closer fit for your needs, financial processes and operations.

Crucially, these innovations can then be shared with the wider NHS community.

The NHS is increasingly adopting the Custodian Model, led by The Apperta Foundation, a not-for-profit organisation to promote open systems and standards for digital health and social care. Under this model, processes, procedures and policies are designed that enforce standards for open software as well as providing independent assurance that those standards are met.

This model also facilitates the sharing of best practice and new innovations across the NHS community. In short, if one trust develops a new feature or integration, this can be repurposed and redeployed to other trusts, eliminating unnecessary costs.

Benefitting from the wider community

Using open source software, the core of your finance system is the product of thousands of developers working together – not a single vendor or a small team. Developers constantly improve the codebase for stability and performance, while new features and modules are widely shared.

In short, you benefit from a talent pool that is beyond the reach of most budgets.

At the same time, the biggest open source projects come with a layer of control and governance. Beyond peer review, changes can be verified, accepted or rejected. This additional quality control helps to guarantee the effectiveness of your finance.





5: Choosing your supplier

What to look for in a technology partner

With open source software it is important you choose a partner who can deliver a successful project that's relevant, highly customised and ready to use.

In this section, you'll learn why your supplier needs:

- Technical skills including integration and implementation
- Relevant experience in the public sector and commercial settings
- An open methodology for project management

Technical capability

One of the big advantages of open source software is the ability to extend and customise your implementation to fit your processes. But this is only possible if your partner comes with technical expertise and in-house development.

Ideally, your partner will be able to analyse your processes, build a deep understanding of your needs on a technical level, and design an appropriate solution. This enables you to fit software around your needs, approval processes and users – not reinvent your ways of working to fit the software.

Additionally, technical expertise can be used to integrate your finance software with the rest of your technology stack and the wider NHS environment. This can eliminate re-keying of data, reduce your risk of errors, and improve the quality of data inside your system.



Public sector and commercial expertise

On a fundamental level, the drivers of the public sector are different to those of the private sector. But there are exceptions, such as the emerging model of wholly owned subsidiaries in the NHS which enable more commercial activity.

That's why it's so important that your chosen partner has a breadth of relevant experience, not just from other trusts but also the private sector.

This expertise can give you a head start on your implementation, identifying common issues before they happen and accelerating your time to value.

Structured implementation and project management

Finally, your partner should have a proven track record in implementation – the forgotten step in many software projects.

Implementation is much more than installing software. It's completely integrating new technology into your business, not just in a technical sense but also through onboarding, training and testing.

An open, transparent methodology like PM2 will incorporate best practice and help to keep your needs and organisation at the heart of every step.



The overall implementation stage should include:



Testing

- Functional
- Integration
- Performance
- Load
- Access



Data Migration

- Accounts
- Suppliers
- Customers
- Products



Deployment

- Infrastructure
- Security
- Backups
- Monitoring



User Accounts

- Permission and approval levels
- User accounts and credentials



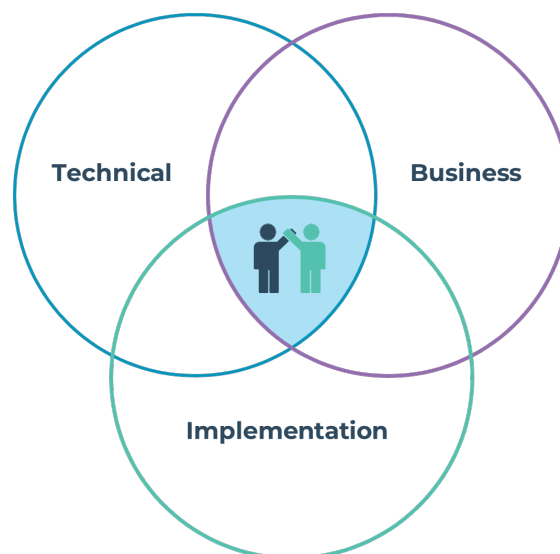
Configuration

- System parameters
- 3rd-party data sources
- APIs



Training

- Training your trainers
- Documentation
- User training





6: The keys to a successful implementation

How to keep your project on track

The IT industry is renowned for project failures, but the right supplier will help you chart a path to success. It's a process that depends on great communication, flexibility and a focus on outcomes, not technology.

In this section, you'll learn how to safeguard the success of your project by:

- Emphasising value, impact and defined metrics for success
- Building flexibility into your project planning
- Preparing your team to receive the project

Laying the foundations for success

When technology projects spiral out of control, it's usually the product of issues much earlier in the process. Everything starts with your business and your brief – and it's here that the seeds of success are sown.

Every IT project should be focused on specific, tangible needs. Maybe you need to replace proprietary software and increasing costs. Maybe you need to democratise access to financial data, empowering your entire organisation to make more informed decisions.

Whatever your goals, the right partner will help you identify, refine and measure them. By defining your criteria for success as early as possible, you can change the conversation from buying technology to buying an outcome with a return on your investment.



Allow for the unexpected

If a technology partner can guarantee a predictable project at every stage, there's a good chance they're missing something.

From changing business processes to integration issues, successful projects don't anticipate every eventuality before it happens. Instead, they build flexibility and agility into the budget, timeline and project planning.

A 20% contingency budget can be an effective way to plan for the unexpected and stop changes from becoming significant problems.

Preparing your organisation for change

Acquiring software is only the beginning: implementing it into your organisation is the real challenge.

That's why it's important to set up an internal project team, including:

- A project owner
- Representatives from every department that is affected
- Input from user-level stakeholders

This team can work with your supplier to create an internal implementation plan, including training, onboarding, data migration and more. Using this plan, you can reduce your risk, streamline the transition from old to new, and drive adoption.





7: Take a more holistic view of your financial data

Subsidiaries, partners, and related organisations have an important role to play in extending the work of NHS trusts and, ultimately, better serving practitioners, patients and communities.

But this is only possible with the right technology and access to financial data – accurate, open and cost effective.

With the right software, open customisation, and collaboration from an experienced partner, you can step away from proprietary software to give everyone the information they need to make informed, impactful decisions.

About Odoo Open Source NHS Finance Edition

Odoo NHS Finance Edition is a comprehensive finance and ERP system that's tailored to the needs of NHS Trusts and associated organisations.

Built on the proven foundation of Odoo, it's a way to connect core business functions, bring all your financial data together, and use these insights to manage your organisation more effectively.



8: About Smart IT

Smart IT transforms business with innovative ERP solutions.

With more than 150 projects successfully completed, we are the UK's largest and most accomplished Odoo Gold partner and one of the channel's fastest growing in Canada. We transform businesses with innovative ERP solutions delivered by our UK based, in-house consultants and developers, helping businesses operate efficiently and achieve competitive advantage.

At last count we had 14 Odoo certified consultants directly employed by Smart IT. Our consultants are skilled in Odoo v16 and all have either passed or are working towards this latest accreditation.

We are dedicated to helping our customers achieve success and our accreditations and certifications are a testament to this ongoing commitment.

In July 2023 we acquired the trading business of Odoo Community partner, OpusVL. This compliments the existing solution offering of the Group and extends our footprint into pockets of the public sector, particularly the NHS where OpusVL has had significant success. The move significantly bolsters the Group's development capability with the transfer of OpusVL's Software Development Centre based in the Midlands to Smart IT.

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