



CadDo



A Case Study of Nordlab's usage of the CadDo Calculate Solution

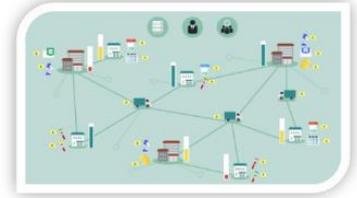
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implementation and
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Our Success Stories: **Spotlighting Nordlab's Costs & Profitability**

Cost and Profitability transparency in clinical laboratory services

NordLab is a consortium of public utilities owned by five northern hospital districts, which acts as a laboratory center for the whole of Northern Finland and provides high-quality laboratory services to the region with the help of its 680 laboratory professionals across over 50 sites. NordLab serves almost one million Finns, providing about 10 million diagnostic tests annually.



Our Understanding

At the outset, NordLab's regional laboratories used different costing and pricing practices, which were to be harmonized and managed using a single holistic cost model. They were aware of the differences in profitability between the laboratories but were unable to see root causes reliably. The large geographical spread demanded transparency due to the extensive logistics network.

Fragmentation of the information systems and the need for unstructured data collection presented a challenge for effective data collection process and unification. In addition, a transparent and causal allocation principle of shared services was seen critical.

Our Approach



Wevision began collaboration with Nordlab by focusing on the largest laboratory to identify data needs and cost drivers. In the next phase, the analysis was extended to all laboratories to identify differences. The implementation was then carried out in close co-operation with the Head of Finance & Administration, operational staff, and the IT service provider.

Data from different data sources was extracted and transformed with a repeatable ETL process before loading to the calculation tool. Later, NordLab developed a data warehouse solution that combined data from different information systems, enabling the streamlining of the ETL process.

Key features of the solution:

- All locations and processes are modelled: from cost equivalence to external accounting
- Calculations are performed at the most granular level possible: individual test transaction
- Full Profit and Loss view for all key dimensions, e.g. test transaction, customer (billable), sub-product, product, workstation, department, and location were obtained
- End-to-end capacity utilisation view; enabling resource management

Measures of Success

Armed with the solution, NordLab continuously evaluate its operations and identifies development needs: What-if analysis enables the assessment of profitability and operational impacts in advance; The service model responds pricing requests for new products and different cost analysis as needed; Product-specific cost information is utilised in the annual price list simulation, determining next year's price list; The capacity measures by workstation and department, are utilised to manage and plan resource allocation.

All in all, the solution brings cost transparency to operations and supports critical decision making.



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