

# Future-proofing healthcare M&A through strategic innovation

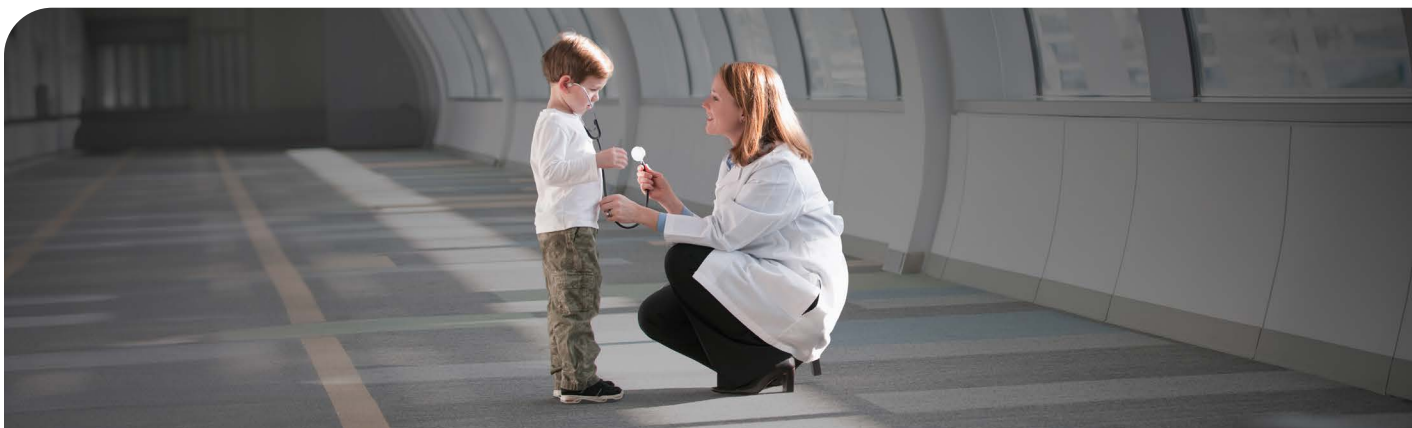
Beyond transition, transform: How Infor CloudSuite Healthcare drives integration and growth.



The healthcare sector is witnessing a significant surge in mergers and acquisitions (M&A) activity, a trend driven by multiple compelling factors. Central to this increase is the pursuit of cost efficiencies and economies of scale, which allow healthcare organizations to better manage rising operational costs.

Additionally, the rapid evolution of technology in healthcare necessitates substantial investments, which are more feasible through consolidation. Organizations also seek to expand their market reach and diversify their services in response to a growing aging population with complex healthcare needs. Furthermore, shifts in the regulatory landscape and

substantial interest from private equity and other financial sectors fuel the M&A fire. This confluence of factors underlines a strategic reshaping of the healthcare industry to enhance care delivery, competitiveness, and sustainability in an increasingly demanding and dynamic healthcare market.



# M&A challenges

In the complex landscape of healthcare M&A, providers encounter many challenges that necessitate a strategic approach to integrating the combined organizations' technology infrastructure. IT teams tasked with integrating newly merged organizations grapple with how to balance transformation and meeting the business's complex operational needs.

## Two complicating factors come into play:



### First, regulators are intensifying their scrutiny of health system mergers.

When these mergers result in creating a more extensive system within a specific geographic area, the implications can be significant. With fewer healthcare providers, patients may face limited care options and higher healthcare costs.



### Second, cultural integration is critical to a successful merger.

Cultural mismatches can lead to significant challenges in employee satisfaction and retention. 25% of executives attribute integration failures to a lack of cultural cohesion, despite 95% acknowledging its importance.<sup>1</sup>

In healthcare M&A, IT teams are challenged to manage numerous issues, including system interoperability, data integration, regulatory compliance, system security, infrastructure rationalization, enabling efficient workflows, and integrating the organization structure with a sensitivity to the human aspect of the transition. Leaders must manage these activities while ensuring the continuity of critical healthcare services.

Notably, many healthcare leaders anticipate significant growth in M&A activity in the next few years,<sup>2</sup> pointing to a continuing trend in the ever-evolving healthcare industry.

Infor CloudSuite Healthcare is a proven platform that provides scalability, flexibility, and security tailored to the complexity of healthcare M&A activities. Its cloud architecture enables smooth integration, security, and standardization while preventing organizational silos and a faster path to the newly combined organization's M&A goals.



**Infor was named a Leader in IDC's "MarketScape: Worldwide SaaS and Cloud-Enabled Large Enterprise ERP 2023-2024 Vendor Assessment".<sup>3</sup>** This recognition underscores Infor's excellence in delivering industry-specific cloud ERP solutions, praised for their industry expertise, automated future-proof features, and prebuilt reports and dashboards.

The IDC MarketScape study is a comprehensive guide that evaluates SaaS and cloud-enabled large enterprise ERP applications and highlights crucial criteria for companies to consider during their solution selection process.

<sup>1</sup> Oliver Engert, Becky Kaetzler, Kameron Kordestani, and Andy MacLean, "Organizational culture in mergers: Addressing the unseen forces," McKinsey, March 26, 2019.

<sup>2</sup> Matt McLaughlin, "Mergers & Acquisitions in Healthcare: A Changing Landscape," HealthTech, September 28, 2022.

<sup>3</sup> Infor recognized for industry-specific ERP solutions, December, 2023.

# Revolutionizing M&A: Cloud solutions for transformation

Although there will be differences, healthcare organizations active in M&A should not consider each transaction a one-off. They should consider an end-state IT cloud environment allowing concurrent migration and transformation.

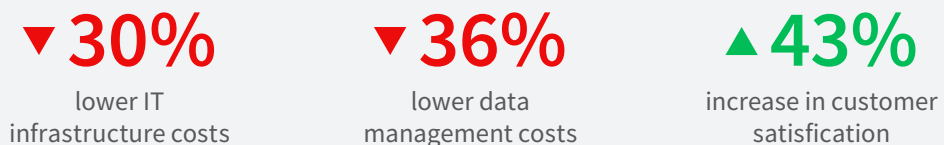
Although a phased implementation is prudent, without a solid execution strategy, full-time leadership, and a plan to achieve a unified, expandable IT and data infrastructure, M&A goals often fall short of expectations, both from a time, cost, and benefits perspective.



**The advent of cloud-based ERP solutions has disrupted this approach.**<sup>4</sup> Cloud-based ERP solutions, such as Infor CloudSuite Healthcare, offer a more integrated and agile alternative while ensuring information security and protection against cyberattacks. Cloud-based ERP platforms enable healthcare organizations to undertake migration and transformation efforts concurrently.

This shift recognizes the advantages of leveraging advanced cloud capabilities, providing financial flexibility through subscription-based models, and facilitating industry best practices in hospital operations management. A recent study by GLG and Amazon Web Services® (AWS®), “The Business Value of the Cloud in Healthcare,”<sup>5</sup> shows that significant cost savings can be realized across IT infrastructure and data management while significantly increasing customer satisfaction.

Migrating to cloud services resulted in the following:



Because Infor’s ERP solution was built by providers for providers, Infor deploys a prescriptive approach leveraging best-practice healthcare business processes, workflows, and data management. This allows M&A leaders to accelerate transformation and achieve their goals more expeditiously.<sup>6</sup> The cloud infrastructure and the SaaS model will enable organizations to implement new features and functions quickly, allowing for ongoing transformation. It also provides a platform for future M&A expansion.

<sup>4</sup> Deloitte, Mergers and Acquisitions Loves the Cloud | Article

<sup>5</sup> GLG Brightpaper engaged by Amazon Web Services (AWS); “The Business Value of Cloud in Healthcare”, September 2023

<sup>6</sup> Wayne County Health Moves Critical BackOffice Functionality to the Cloud with Infor, Sept 19, 2023 | Article

With over 700 healthcare clients and extensive experience in supporting various M&A transactions, Infor has developed a proven iterative approach to M&A integration. This approach, summarized as **Secure – Connect – Transform – Expand**, ensures effective integration at every step of the process:



### Secure

Healthcare organizations involved in M&A negotiations or amid a undergoing migrations are at a greater risk for cyberattacks. In a recent survey published by Forescout,<sup>7</sup> 62% of respondents acknowledged significant cybersecurity risks associated with acquiring new companies, with cyber risk being their biggest concern post-acquisition.

Furthermore, 53% of respondents reported encountering critical security issues during M&A deals, putting transactions at risk.

It is essential for healthcare organizations engaged in M&A to have a strategy for mitigating cybersecurity risks.

Infor CloudSuite Healthcare's software-as-a-service (SaaS) solution, in partnership with AWS, ensures advanced security with dedicated monitoring, offering a strong defense against cyber threats during merger integration, with data at rest and in motion. The platform actively monitors security, delivering robust protection against potential breaches. It significantly enhances the ability to deflect security threats, providing swift remediation support in case of a breach.



### Connect

After the M&A deal is finalized, the newly merged combined organization must have a unified view of the combined business to ensure seamless operations and effective patient care delivery. Infor's Cloverleaf interoperability suite can assist in connecting disparate systems to get a cohesive view of the business, whether it is for financial reporting, supply chain management, or workforce management.



### Transform

Infor CloudSuite Healthcare is a platform to drive innovation through our prescriptive, best practices approach. Organizations have the flexibility to migrate their combined business to the platform either all at once or incrementally, such as starting with Finance, followed by Supply Chain and HR. Transformation (and cost savings) is realized in each migration by adopting the embedded best practice workflows, data models, business processes, and the inherent savings of a cloud infrastructure.



### Expand

Having the combined businesses on the CloudSuite Platform with standardized business processes and IT infrastructure, our clients can integrate a new acquisition or expand to handle organic growth expeditiously. Also, minimizing customizations will keep the incremental maintenance costs low.

# Infor healthcare innovations: A strategic approach in action

As discussed, Infor's commitment to addressing healthcare challenges is evident in its prescriptive strategy, which integrates solutions, strategically aligns resources, and includes innovative workforce management practices. These innovations include:



## Holistic ERP integration for operational efficiency

Infor's solution comprehensively integrates financials, human capital management, and supply chain management. This holistic strategy acknowledges the intricate interplay between hospital clinical and operating systems, enhancing efficiency and functional understanding.



## Strategic workforce alignment for improved patient care

Infor empowers hospitals to match talents and skills with specific roles by aligning workforce capabilities. This strategic approach is crucial for enhancing patient care by ensuring personnel are assigned tasks based on their skills and abilities.



## Innovation in scheduling and time management

Infor's ERP suite incorporates advanced scheduling and time management functions, showcasing innovation in workforce management.

Infor's Workforce Management approach ensures nursing resources are equitably scheduled based on patient acuity, clinical need, and patient volume. This approach positively impacts employee morale and satisfaction while improving patient care.



# Infor CloudSuite Healthcare: Addressing critical issues in healthcare M&A

Navigating the complexities of healthcare M&A requires an approach that swiftly addresses potential problems during post-merger integration.

Infor CloudSuite Healthcare offers embedded functionality and capabilities essential for effectively managing or eliminating these issues. These issues include:



## Critical systems failures

Infor's cloud-based solution significantly reduces the risk of critical system failures through continuous monitoring and timely hardware and software updates.

This ensures healthcare providers enjoy seamless updates to their ERP system, the essential backbone of their operations, without burdening the internal IT team.

Due to dedicated global teams and the inherent efficiency of hosting applications, the cloud-based strategy enables a swift response and faster issue resolution during critical system failures. It also provides a more reliable and lower-cost IT infrastructure.



## Loss of technical expertise

Infor CloudSuite Healthcare leverages the cloud provider's expertise, alleviating concerns about the potential loss of technical staff and ensuring optimal system performance.

Leveraging a cloud platform enhances security through the active monitoring and remediation of security threats by thousands of experts from AWS and Infor. This mitigates potential security threats without a substantial increase in costs.



## Visibility into operational challenges

The CloudSuite Platform is designed to enable scalability and corporate-wide visibility on challenges arising from M&A integration. Incorporating advanced AI capabilities, including an algorithm library and user-friendly AI and machine learning models, the platform automates complex tasks, monitors processes, and enhances efficiency by minimizing manual efforts.

Predictive analytics elevates accuracy in forecasting future demand, and prebuilt solutions streamline the implementation of predictive algorithms, expediting the time to value.

The comprehensive reporting capabilities ensure leaders have access to vital information about their operations and provide timely, accurate analyses for informed decision-making.



### Slow adoption of new technology and capabilities

Infor CloudSuite Healthcare's scalability tackles infrastructure and application challenges associated with organizational growth, whether organic or through M&A.

Backed by annual investments of \$1.5 billion US across healthcare and other industries, it ensures an up-to-date, modern cloud platform enabling growth and innovation. It allows hospitals to leverage advanced technologies like GenAI, machine learning, and artificial intelligence, thus improving operational efficiency.



### Estimating and managing increasing IT costs

Many transaction costs are associated with an M&A deal, including legal, severance, and facilities costs. Acquiring organizations should pay particular attention to three IT costs: integration, migration, and ongoing operations.

Integration costs encompass creating the new operating model, such as rationalizing applications, developing and implementing new IT processes and workflows, and transforming service delivery. They also include the costs of adding the necessary capacity to serve an expanded user base.

Migration costs involve transferring IT assets to the acquiring organization, including interfaces to transfer data to the acquiring organization in their desired format.

Lastly, ongoing costs cover to run the day-to-day operations post-integration. They include infrastructure, applications, hardware, network, security, and IT staff.

With best-practice prescriptive healthcare models and the AWS world-class infrastructure, Infor CloudSuite Healthcare enables faster M&A integration and migration with prepackaged workflows, content, integrations, and analytics. By leveraging Infor's prebuilt capabilities, healthcare organizations can avoid complex customizations and simplify ongoing software maintenance.

A cloud-based approach helps healthcare providers mitigate increasing IT costs related to recurring hardware investments and maintenance, reducing the financial burden on healthcare organizations.

# Navigating healthcare mergers: Christus Health case study

## CHRISTUS Health's ERP revolution with Infor



### Challenge

CHRISTUS Health, a not-for-profit organization comprising over 600 centers, faced operational inefficiencies managing 16 ERP systems. These inefficiencies were exacerbated by the complexities often associated with M&A involving diverse healthcare facilities.



### Solution

To streamline operations, Christus adopted Infor solutions—including Infor CloudSuite Healthcare. This consolidation created a single source of truth, addressing inconsistencies and inefficiencies.



### Outcome

The implementation resulted in a cohesive structure, ensuring data integrity across different financial, supply chain, and human resources systems. Christus now focuses on achieving specific business goals post-implementation.



### Conclusion

Infor's ongoing efforts to enhance user experience, especially for clinical users, align with Christus' commitment to swift task execution and patient care. Christus chose Infor for a lasting partnership, prioritizing continual success beyond initial implementation.



# A closer look at Infor CloudSuite Healthcare: Your strategic choice for M&A success

**Infor CloudSuite Healthcare is a comprehensive software platform for the healthcare industry. It offers a suite of business solutions encompassing finance, planning, supply chain, and features tailored uniquely to healthcare needs, including human capital and asset management.**

This includes Infor Cloverleaf®, which optimizes clinical data exchange, enhances healthcare outcomes, and streamlines operations at scale while adhering to the latest standards, such as HL7 FHIR.

Additionally, Infor Workforce Management streamlines healthcare labor efficiency through automated pay and scheduling rules, focusing on features such as automatic nurse-patient assignments. This reduces administrative burdens and introduces new workspaces tailored for shift-based healthcare staff, enhancing operational efficiency and compliance in healthcare workforce management.

Infor Clinical Science, part of the Infor Workforce Management suite, facilitates hospital operations by aligning staff with patient needs and leveraging Electronic Medical Records (EMR) for efficient staffing and nursing coverage. This increases employee satisfaction and provides real-time patient information for informed decisions.

Providing hospitals with an advanced solution to manage the challenges of M&A activities effectively, Infor CloudSuite Healthcare boasts a cloud-based architecture delivering scalability, flexibility, and security—essential components addressing the complexities of merging diverse corporate cultures and expanding business models.

Infor CloudSuite Healthcare guarantees seamless data integration and efficient onboarding, reducing disruptions and enhancing operational efficiencies in post-merger transitions.

This allows hospitals to confidently navigate the intricate landscape of M&A activities, enabling them to focus on what matters most—delivering exceptional patient care.



## Why Infor CloudSuite Healthcare:



### Seamless integration

Infor's infrastructure ensures seamless integration, eliminating organizational silos and accelerating the achievement of M&A goals.



### Financial process improvement

Infor CloudSuite Healthcare supports financial processing enhancements, ensuring streamlined and efficient financial workflows.



### Flexibility and scalability

The platform provides exceptional flexibility and scalability, enabling hospitals to adapt effortlessly to changing business needs and expand operations seamlessly, all while harnessing advanced cloud-based capabilities.



### Security and innovation

Embrace secure innovation with Infor CloudSuite Healthcare, where advanced security is monitored to provide robust protection against cyber threats.



# Elevating healthcare efficiency: The impact of Cloverleaf Integration Suite

[Infor's Cloverleaf Integration Suite](#) is the healthcare industry's most widely deployed integration platform. It is renowned for its user-friendly interface, robust capabilities in handling complex integration challenges, and proven scalability.

This solution, available in cloud and on-premises models, streamlines clinical data exchange to elevate healthcare outcomes and operational efficiency.

It empowers healthcare organizations to address interoperability challenges securely and at scale, incorporating the latest standards, including HL7 FHIR.

## Key features of Cloverleaf

- User-friendly interface for complex integration scenarios
- Proven scalability and reliability with a prebuilt FHIR solution
- Inclusion of a Healthcare API Gateway
- Adoption by over 1/3 of US hospitals and deployment in 36 countries



“ Cloverleaf has received notable recognition, with Black Book ranking it in 2023 as the #1 interoperability solution in 13 out of the 18 categories tested.<sup>8</sup> ”

If you are a customer of Infor's CloudSuite Healthcare, consider leveraging Cloverleaf for enhanced integration capabilities.



# Infor CloudSuite Healthcare: Navigating M&A complexity with confidence

In the ever-evolving landscape of healthcare M&A present intricate challenges. Infor CloudSuite Healthcare transcends the ordinary, offering a strategic solution that empowers healthcare institutions to navigate complexity with confidence.

## Why choose Infor CloudSuite Healthcare?



### Tailored for M&A challenges:

- Purpose-built to address the unique demands of healthcare M&A scenarios.
- Seamlessly integrate disparate systems, ensuring smooth transitions during consolidation.



### Scalability and flexibility:

- As your organization grows, Infor CloudSuite Healthcare scales effortlessly.
- Adapt to changing needs, whether you're merging with another hospital or expanding services.



### Advanced security:

- Protect patient data and maintain compliance.
- Our robust security protocols safeguard sensitive information.



### Prescriptive approach by healthcare experts:

- Infor CloudSuite Healthcare isn't just software; it's a partnership.
- Our team of healthcare experts provides guidance, ensuring optimal utilization.



### Future-proof innovation:

Built on a cloud-native architecture, our platform evolves alongside industry advancements. Automatic updates deliver new capabilities, keeping you ahead of the curve.



### High-value, low-risk adoption:

- Preconfigured healthcare industry processes minimize implementation risks.
- Accelerate adoption, focusing on velocity, agility, and profitability.



**Confidence in shaping your future:**

- Make strategic decisions with certainty.
- Infor CloudSuite Healthcare empowers institutions to shape their success story.



**Beyond software: A long-term partnership:**

- We're more than a vendor; we're your ally.
- Reduce complexity and risk, propelling hospitals toward sustained growth and excellence.

**Conclusion**

Infor CloudSuite Healthcare isn't just a solution; it's your strategic compass. Together, we'll navigate the complexities of healthcare M&A, ensuring you achieve your goals and have a platform for future growth.



**About Infor**

Infor is a global leader in business cloud software products for companies in industry specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Over 67,000 organizations worldwide rely on Infor to help overcome market disruptions and achieve business-wide digital transformation.

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**Embrace Infor CloudSuite Healthcare for operational excellence in your M&A journey**

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