The financial future of the organization

Finance

Stark says that managers must also include all employees who work in the organization as part of the planning process, instead of only relying on other finance officers. Stark suggests that there needs to be a plan that establishes the business need for a forecast and that it should be followed for best results. He outlines a plan for them.

In order to create a plan, Stark suggests that when the organization is making the forecast, they should use at least two years of data. This data should include data from " multiple healthcare information systems (HIS), spreadsheets, small departmental databases and enterprise data warehouse information (p. 2). These sources will give the most accurate forecast. He suggests that data has to come " in their pure form" to make the forecast completely accurate. They also have to find a way to gather the information before it is purged from their system (he explains that most healthcare organizations purge data around the two-year mark). Once the information is gathered it should be examined in a visual way either through trend, distribution or scatter graphs to see whether it is " clean data" or " to find anomalies" (p. 3). Once the information is gathered, a model is then built using either a " cause and effect, time-series [or] judgment model," depending on the needs of the particular healthcare business (p. 3).

According to the biographic information, Stark is VP of product management for an organization called MedeFinance. Although he works in finance the model he used seems to be left up to the individual organizations to interpret as to how to use it. Parts 3 and 4 of the model that has to do with building the model and evaluation of the model are difficult to understand for the

layperson. If this was something that was being explained to employees other than financial people, it would be better written in laymen's terms. Also, some financial managers may have difficulty understanding.