

A practical guide for healthcare ERP adoption

How to navigate an enterprise transformation that empowers the clinical mission



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Introduction

Leaders of healthcare organizations across the U.S. continue to adapt to external forces, from the front lines of care to the back office.

Healthcare leaders are scrambling to manage and adapt to budget shortfalls, changing regulations, shifting reimbursement, emerging cybersecurity threats and an increasingly layered technology infrastructure. Today's challenging conditions in the back office, in addition to a shortage of expertise and staff to manage operations, directly impede the effectiveness of patient care and experience on the front lines.

For many healthcare organizations, stability in the current environment means raising the bar on operational efficiency by streamlining core functions and automating workflows.

As the pressures continue to mount for healthcare organizations, it's no surprise that investments in enterprise resource planning (ERP) platforms are [projected to grow 7.2% annually between 2024 and 2030](#) within the global healthcare market. These platforms integrate disparate management functions — financial, human resources, supply chain and

customer relationship management — under a unified platform. Instead of separate, disconnected components weighing an organization down, ERP platforms offer the connective tissue to turn technical burdens into operational value.

However, ERP adoption for healthcare organizations is not a matter of pulling a system off the shelf. An effective and value-oriented ERP implementation requires a strategic alignment to unique health system goals, technical capabilities and workforce needs.

This guide offers insights for health system leaders who are exploring an ERP platform for advanced enterprise operations. On the following pages, we discuss industry-specific considerations across three phases of the ERP journey.

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Discovery and assessment





Phase 1:

Getting started with ERP technology

Many healthcare organizations have used the same enterprise systems or processes for years, and those systems may no longer serve the mission effectively. Antiquated systems often require manual auditing and constant updates to keep up with evolving needs, and they may reside on internal servers, rather than on modern, flexible, cloud-based platforms. This is particularly the case for rural providers: Wipfli's 2025 "[State of rural healthcare](#)" research report found that only 7% of surveyed rural systems have fully embraced digital solutions to modernize enterprise operations, and most are still relying on manual or legacy practices.

Of course, it's not easy to change an entrenched status quo, especially when there are limited backend staff who are focused on "keeping the lights on" for day-to-day operations. But there does come a point when outdated systems can no longer be retrofitted to keep up.

Therefore, Phase 1 of an ERP journey encompasses more than a budget allocation or a technology road map — it involves the recognition and acceptance that broader transformation may be required to continue running a healthcare business in the future.

Essential action:

Conduct an enterprise needs assessment.

ERP investments are successful if they are tailored to address a healthcare organization's specific requirements, goals and challenges. Therefore, long before key stakeholders embark on the ERP journey or consider solutions, they need to be clear about desired measurable outcomes, the desired future state and their "why" for organizational transformation.

Areas to investigate:

- What does the current state, in comparison to an ideal future state, look like for financial management?
- What is the balance of applications that are cloud-based versus those that are hosted on-site?
- What are the inefficiencies that make it hardest for staff to be productive?
- Which system inefficiencies are preventing accurate, timely data or reporting?
- What time-intensive or manual back-office tasks are introducing risk to the enterprise? Is the organization heavily reliant on Excel spreadsheets?

Milestone activities:

- Engage key stakeholders across finance, clinical, IT and operations.
- Identify current system inefficiencies and the indirect costs of maintaining and accessing legacy processes.
- Align ERP requirements with the organization's strategic goals and vision state.

Essential action:

Define priority areas of impact.

Now, healthcare organizational leadership can begin to prioritize and sequence technology features that offer the most operational value. For example, an organization may decide to start the ERP journey by integrating core financial and accounting functions, with a plan to incorporate other features (such as supply chain, budgeting and forecasting or asset management) down the road.

Areas to investigate:

- If there were no limitations, what would data capabilities and operational processes look like?
- Beyond a software solution, what process improvements will help meet this future state?
- What does the organization need to allocate for a successful implementation, e.g., time and staff resources?

Milestone activities:

- Determine an individual best fitted to serve as the overall project manager. If one isn't available, consider hiring a client-side project manager.
- Determine priority processes, automation and workflows for technology-enabled transformation.
- Create a range of targeted use cases for ERP impact across the enterprise.

Essential action:

Evaluate vendors aligned with the mission.

At its core, an ERP is just a piece of software. To create meaningful impact, an ERP solution needs to be purposefully configured to address a healthcare organization's unique needs and care delivery challenges. Therefore, a vendor's technical suite is just one category to evaluate for an ERP; it is equally important to assess the vendor's experience with the business and mission of healthcare, including their experience with the relevant subindustry (e.g., senior living, FQHC, rural health).

Areas to investigate:

- What are the measurable indicators that demonstrate a vendor's capacity to be a trusted partner?
- Which vendors have proven their experience in the high-stakes, complex conditions of care delivery?
- Which vendors do not meet the bar for technical requirements such as regulatory compliance or data security?

Milestone activities:

- Compare the capabilities between vendor solutions and review past performance.
- Down-select ERP vendors and implementation partners based on domain expertise.
- Clarify the healthcare organization's goals and expectations with partners of choice.

Key insights

This stage is a valuable opportunity to explore the art of the possible. It's a key moment to look at all your major processes today and think about the pie in the sky for the future:

- What types of drill-down reporting do you need but not have?
- What is lacking in the way you track expenses and revenue?
- If you have grants, how do you manage them?
- Are you accounting for overhead through cost allocations?
- Do you have something besides Excel to manage budgeting, forecasting and modeling, including personnel overhead?

Ultimately, an ERP solution isn't something your organization should have to work around — it's something that should be configured to meet your current and future needs.

Enterprise implementation



Phase 2:

Putting a plan into action

With an implementation partner that is deeply knowledgeable about the business of healthcare, it's time for an organization to bring its strategy to life. The rollout of a new ERP solution involves data migration, technical configuration and end-user adoption. As with any modernization effort, it also requires a risk assessment and targeted investment in cybersecurity and privacy measures.

While this process takes time and resources, there is significant value in back-of-office automation and connectivity — an ERP ultimately frees up much-needed bandwidth for strategic, timely decision-making to help ensure the organization is delivering excellent patient care within the community.

In the implementation phase, the focus is on streamlining operational complexity to deploy a single source of truth.



Essential action:

Evaluate and compare cost-to-value scenarios.

Even in carefully orchestrated ERP implementations, there can be unexpected costs, especially when it comes to user adoption, support and long-term maintenance. For that reason, it is important to model detailed cost scenarios that are designed to anticipate outlier investments. This also means that when working with an ERP partner, healthcare organizations should ideally establish a fixed-bid implementation contract. That way, there can be a clear and highly detailed scope with fewer budget surprises.

Areas to investigate:

- What is the opportunity cost of delaying the implementation?
- What is the total cost of ownership (TCO) including the upfront investment and ongoing maintenance fees?
- What is the cost of staff resources to support users and sustain adoption?
- Where can projected operational efficiencies from the ERP offset the cost of implementation?

Milestone activities:

- Evaluate the long-term value of cloud-based versus on-premises solutions. Considerations for on-premises include maintenance fees and cost of system upgrades, limited security, user ability to access remotely and IT costs to maintain and manage on-site applications.
- Calculate expected operational savings along with gains from improved care delivery. Understand the return on investment (ROI) at different milestones post-implementation, e.g., at six-month and annual increments.

Essential action:

Establish a timeline and rollout plan.

As we already mentioned, an ERP is not an out-of-the-box solution for healthcare organizations. Implementations need to be purposefully architected and sequenced within an organization's broader and long-horizon strategy for digital modernization. But with a thoughtful rollout approach, ERP modernization can help set a solid foundation and serve as a forcing function for a technology-enabled future.

Areas to investigate:

- What broader enterprise milestones or digital strategies may disrupt the implementation timeline?
- What is the state of data across disparate systems and what are the anticipated challenges in bringing it together?
- What business process improvements will need to happen in tandem with the ERP implementation?

Milestone activities:

- Request and deliver training programs and launch internal communications for staff education across departments.
- Ensure data migration from legacy systems with tested, templated migration strategies and patterns.
- Investigate seamless, automated tools to integrate financial management with the EHR or other clinical care applications.

Essential action:

Test system readiness and go live.

Once the ERP system is uniquely configured to an organization's goals and disparate data has been migrated into the right landing zones, the core team is now ready to activate the ERP against established milestones. At this stage, they can take the final steps to help ensure enterprise readiness, resolve technical and operational roadblocks, start an internal communications campaign and prepare for launch.

Areas to investigate:

- How can we get final buy-in across the enterprise?
- Is the core, multidisciplinary team in place with all key resources to manage a successful rollout?
- What processes must be established for continuous testing to help ensure compliance, functionality and security over time?

Milestone activities:

- Set up new reporting and dashboard capabilities.
- Troubleshoot and resolve data migration roadblocks and put new data governance policies in place.
- Conduct system testing and start to activate pilot programs tied to priority use cases.

Key insights

It's important to keep in mind that an ERP implementation won't improve the integrity of a healthcare organization's data or the state of its data governance. If the data isn't accurate, timely or useful, that will show up downstream in the ERP. Before migration into a financial or accounting system, an organization needs to dive deep into the various states of its data, get it into shape and put governance and policies in place.

Adoption and measurement





Phase 3:

Managing through change

The initial go-live is just the starting line to kick off an ongoing effort to sustain and enhance ERP adoption and enterprise impact. There is a major difference between theory and practice — once a system is in operation, gaps and opportunities surface to provide valuable insight.

Therefore, an ERP configuration needs to stay dynamic and continue to adapt to user experiences, as well as evolving market and mission conditions.

Like with any other technology investment, the “final” phase of ERP implementation spans the life cycle of the solution. From here on out, the goal is to help ensure ongoing ROI through continued maintenance, steady adoption and purposeful innovation.

Essential action:

Monitor and measure impact.

An ERP go-live is not about checking a box and letting the solution run on autopilot. Now it's time to dig in and measure the value of implementation over time. This process doesn't happen in one department or function but requires the input of stakeholders from across the enterprise: individuals who are day-to-day users of the system and technical specialists who are responsible for analyzing and maintaining the ERP.

Areas to investigate:

- Where is the ERP creating a positive impact across the enterprise? Where is it falling short for teams and departments?
- What is the best mechanism and cadence to collect ongoing feedback from users?
- What additional training would add value for users in their continued adoption?
- Are the actual costs of implementation in line with budget estimates?

Milestone activities:

- Monitor system performance and user adoption.
- Communicate on a regular cadence with the ERP implementation partner.
- Gather feedback from users with regular check-ins to optimize ERP processes.
- Calculate actual operational savings along with gains from improved care delivery.

Essential action:

Maintain the system and address challenges.

Behind the scenes, the core team (project manager, data and system engineers and the ERP vendor) are responsible for maintenance, troubleshooting and looking around the corner to anticipate future needs. They are accountable both for the technical nuts and bolts but also for compliance, budget, reporting to health system leadership and alignment with the enterprise IT strategy.

Areas to investigate:

- What multiyear funding is required to maintain and enhance the system, and can that be included in upcoming capital budgeting?
- Where do we need to adapt ERP processes to stay compliant with evolving regulatory requirements?
- What are the missing connections between the ERP and existing systems for a more comprehensive financial snapshot?

Milestone activities:

- Work with ERP vendor to manage continuous updates and maintenance.
- Ensure interoperability with existing EHR/EMR systems.
- Maintain robust cybersecurity and data privacy measures.

Essential action:

Enhance value through product innovation.

An ERP is not intended to connect every data source in a health system, and it is not meant to be the only source of truth. However, within proper guardrails, an ERP can impact a wide range of functions for more unified operations and analytics. Once an implementation has been stabilized and users are independently working within the ERP, the core project team can start to innovate, test and deploy a second wave of features.

Areas to investigate:

- How can the ERP advance and integrate capabilities for customer relationship management (CRM) including patient communications, interactions and experience?
- What other analytics and intelligence could the ERP enable but which are not currently configured as system features?
- Looking beyond the ERP implementation, what are the organization's biggest barriers to continued modernization?

Milestone activities:

- Integrate a second wave of ERP capabilities such as budgeting, grants, and materials management.
- Decide what connections to make from the electronic health records (EHR) to the ERP for robust analysis of clinical performance.
- Tap in to the healthcare organization's broader investments in AI and analytics to explore which features could advance ERP insights.

Key insights

The new capital for healthcare organizations is less about bricks and mortar and more about investments in technology that help run the business more effectively and free up time to focus on patient care. But it is not a one-time thing. As part of capital budgeting, it is essential to consider the life cycle of technology and software, and how often they need to be refreshed — just like a building or a medical device. This new capital is part of the overall health of an organization.

Looking ahead: **Your ERP journey**

Every ERP journey is unique by design. And in the extraordinarily complex, regulated and dynamic healthcare space, the road to ERP implementation demands more than accounting and financial experience — it requires an in-depth understanding of what operational success looks like in a clinical environment.



Impact of an effective implementation

Improved patient care

With real-time patient information, healthcare providers can make data-driven, informed decisions about patient management and care. This can result in improved patient outcomes and a higher level of patient satisfaction.

Increased efficiency

Healthcare ERP system solutions can automate administrative tasks for healthcare facilities, freeing up time for providers to focus on patient care. It can also streamline financial management processes, reducing the risk of errors and increasing efficiency.

Better financial management

With real-time access to financial information, organizations can make informed decisions about their financial health. The financial management capabilities of ERP systems for healthcare professionals can help reduce costs and increase revenue.

Improved reporting and analytics

The reporting and analytics capabilities of healthcare ERP software can provide valuable insights into patient care, financial performance and administrative tasks. This information can be used to identify areas for improvement and drive positive change.

Enhanced security and compliance

Healthcare ERP systems that are secure and compliant with regulations such as HIPAA can help healthcare facilities protect patient information and avoid potential fines and legal penalties.

Better collaboration

ERP systems for healthcare organizations can improve collaboration between departments. By integrating all aspects of operations, the system can help healthcare providers work together more effectively to provide high-quality patient care.



For more information

As a trusted advisor to rural health systems, senior living facilities and federally qualified health centers (FQHCs), Wipfli operates across diverse healthcare environments to modernize the end-to-end digital foundation. Our team provides strategic direction and tactical solutions behind financially sustainable, high-performing and modern healthcare organizations.

Learn how we can help you at wipfli.com/healthcare.

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