RYMAN GROWS TENFOLD WITH GREENTREE

Simon Challies, CEO
Ryman Healthcare

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CHALLENGE Ryman Healthcare's complex business model required top-notch business systems to manage numerous separate companies.

SOLUTION Greentree's Job Cost module streamlines Ryman's building projects, while Greentree Financials manages the performance of its construction business and its network of villages.

RESULTS Ryman's operation has grown an astonishing tenfold in the 21st century and is set to grow even more, while Greentree hasn't missed a beat.

Ryman Healthcare is a publicly listed company that operates 24 retirement villages around New Zealand, with two more under construction and two others in the planning phase, and is soon to commence work on its first development in Australia. It was awarded Best Growth Strategy in the 2011 Management Magazine Top 200 Awards and is a consistently high performer on the NZ Stock Exchange.

Ryman calls itself "the leading retirement and aged care provider in New Zealand", but it's also a major construction company. It handles all the building of its villages itself, and is the country's third largest builder of residential houses, currently building about 550 new units or rest home beds per annum in New Zealand.

"We're incredibly vertically integrated," says CEO Simon Challies. "We almost don't outsource anything."

Ryman's business model embraces about 30 companies, each a separate entity. Its construction division controls numerous sub-contractors and suppliers. Keeping tabs on such a plethora of people and materials requires an integrated IT program that also manages a central database for administration of Ryman's network of villages.

Challies joined Ryman in 1999 as CFO, and almost immediately set about shopping for a new financial management system. "We didn't have a very good financial system, let alone anything else around it," he recalls. "We were running the ledgers in spreadsheets, there was no supply ledger, and the cashbook system was actually linked to our billing system and was relatively basic."

Ryman was effectively running 10 different supply ledgers, which it then had to consolidate manually.

"Our financial system just wasn't coping – it was locking up," Challies says. "It was administratively difficult and unnecessarily complex, so it was a lot more time-consuming than it needed to be, because there were so many people doing reconciliations and checking things off to make sure they were right."

Integration just the ticket

Ryman's software shortlist contained three contenders: Navision (now Microsoft Dynamics NAV), Great Plains (now Microsoft Dynamics GP) and Greentree. Greentree won because of its integration, particularly in Job Costing.

"We knew we were going to be growing quickly," Challies says, "and I was dead set that we were going to get as integrated a solution as possible, and also have something that was as close a fit as possible to the business.

"One of the things that was a big attraction at the time, and still is, was the ability to report out of Greentree, and the Excel links. I don't recall anyone else having that ability at the time – it was a very early adopter of that."

Greentree enabled Ryman to solve the problem of all those different supply ledgers for each of its companies; a single supply ledger and a single job cost ledger now link to all of them.

"Job Costing is probably the most unique area of what we do," Challies says. "Because we're building for ourselves, we're essentially accumulating costs and monitoring costs on jobs, as you would any construction company, but at the end of it we're actually producing an asset which we put on the balance sheet."

Still going strong

Perhaps most importantly for Ryman, Greentree has given it a robust business system which is still meeting its needs more than 10 years after being implemented, even through all the rapid growth that has occurred. It handles all the financial reports on the villages, as well as management reports, construction reporting on every current job, along with all the supply payments, purchasing and subcontractor reporting.

"Greentree F.R.E.E. (Financial Reporting Engine in Excel) delivers solid reporting because everything is integrated, which means major savings in administration," says Challies. "If we didn't have some of those features tightly integrated, we'd need another five full-time people."

Ryman is currently planning the first of what it intends to be a chain of aged care facilities in Australia, offering the full scope of care including independent town houses or apartments, serviced apartments, rest home, hospital and dementia care. The first project, in Melbourne, will be managed with the help of Greentree, with a mirror of the New Zealand system operating on the ground in Australia, as well as linking back to Ryman's headquarters in Christchurch.

Challies is quick to give Greentree credit for helping with Ryman Healthcare's remarkable growth.

"Our progress has been fantastic, and Greentree has been a major part of that success," he says. "It's stood the test of the company growing tenfold and it's still working admirably today."

Established in Christchurch in 1984, Ryman Healthcare is one of New Zealand's leading providers of Retirement Living options for New Zealanders over the age of 70. The company has built an unprecedented reputation building exceptional Villages, employing professional and caring staff.
www.rymanhealthcare.co.nz

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