

CUSTOMER STORY:

# Hathaway-Sycamores Child and Family Services

*“Advanced Budget Management meant having the right information at the right time and having it presented in the manner needed.”*

— Kathie Clayton  
Executive Vice President of Operations  
and Chief Financial Officer  
Hathaway-Sycamores

Staff members at Hathaway-Sycamores Child and Family Services received word that their organization would merge with a similar organization. Hathaway-Sycamores had previously completed its complex cost allocations without a financial software system, but with the changes presented by the merger, implementing one would be necessary. After the staff members reviewed and chose Blackbaud's Advanced Budget Management™ on a recommendation, they quickly deployed an integrated financial system that allowed them to complete the merger on time.

## Challenge

Since it was founded as Pasadena, California's first orphanage in 1902, Hathaway-Sycamores has been helping children and families build on their strengths. Nearly 1.4 million children in California experience a mental illness every year. To help children and families deal with societal pressures and challenges, Hathaway-Sycamores has developed and expanded its services to include a broad array of mental health programs that are designed to meet the needs of those who struggle to manage their illnesses.

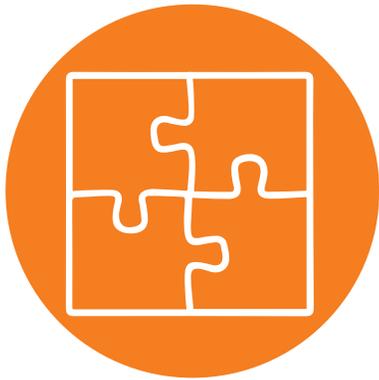
Hathaway-Sycamores Child and Family Services is powered by:

- ▶ Financial Edge™
- ▶ Advanced Budget Management™™

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Hathaway-Sycamores employs more than 850 professionals, has an operating budget in excess of \$50 million, and serves more than 2,100 families a year, 90 percent of whom live at or below the poverty level. As plans for the merger were made official, the staff began integrating the two complex social services organizations, which would be a difficult task, considering that Hathaway-Sycamores completed its complex cost allocations with homegrown budgeting methods.

“We did not know what the new organization was going to look like,” said Kathie Clayton, executive vice president of operations and chief financial officer for Hathaway-Sycamores. “While complex spreadsheets had worked in the past, they did not provide the flexibility to quickly accommodate the changing structure of the organization, and calculations were taking ten minutes or more to complete.”



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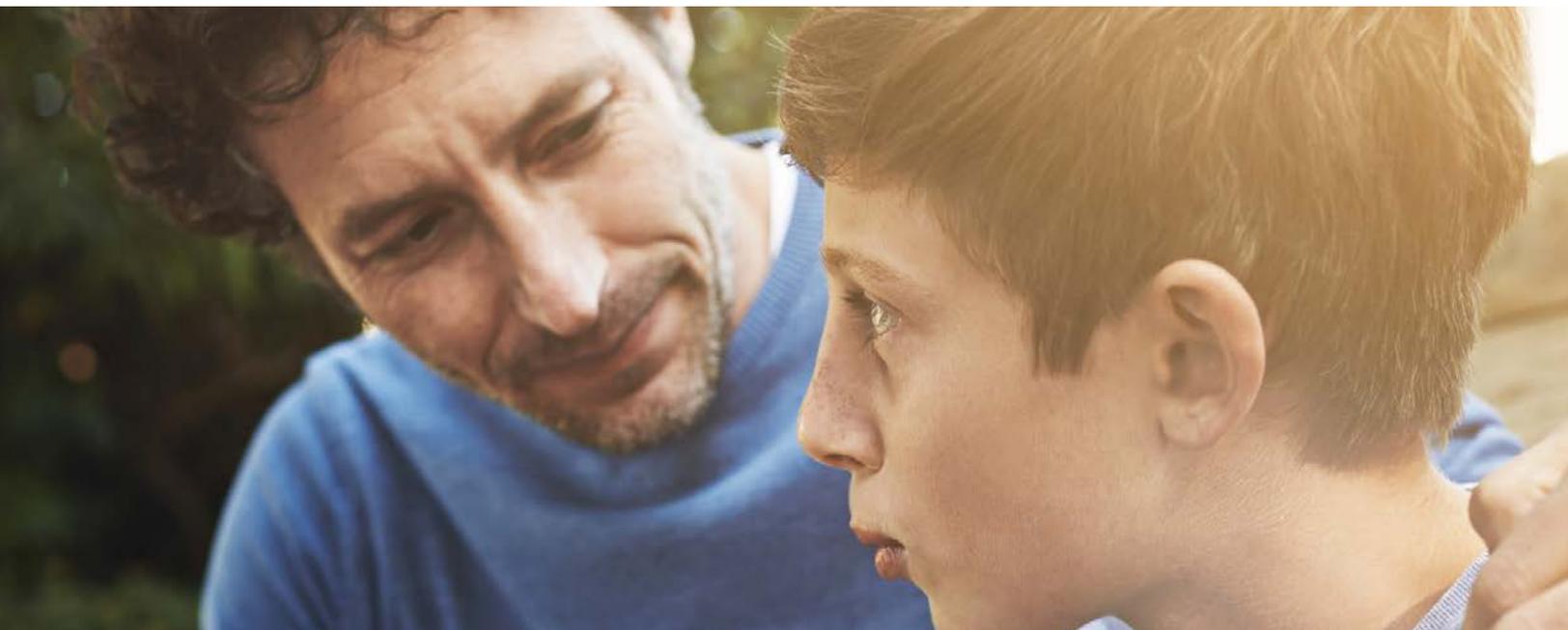
### Solution

After the terms of the merger were finalized, Ms. Clayton had only 90 days to produce a completely new accounting structure and create complex cost allocations across the combined organization with multiple programs and projects.

Based on a local recommendation, the staff began a review of **Advanced Budget Management™**, a high-level budget management system that integrates with **Financial Edge™**. The staff members’ criteria were very clear; the organization needed a complete solution with allocation of direct labor and indirect overhead in a driver-based system. This key functionality also supported Hathaway-Sycamores’ high-level organizational focus on performance improvement and automation of tasks.

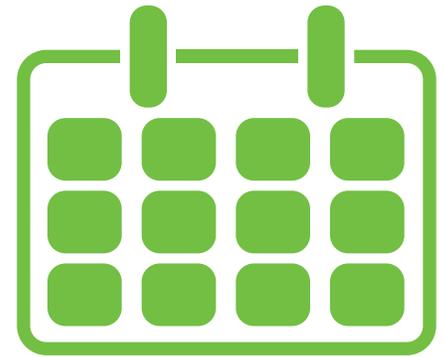


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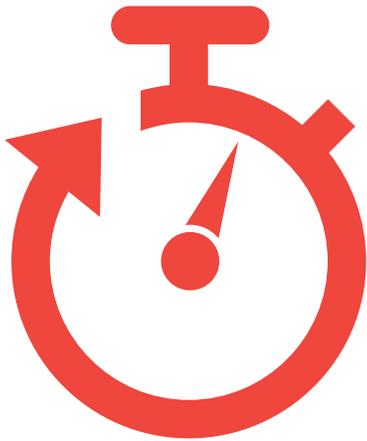


Blackbaud's implementation team met Hathaway-Sycamores' relatively short time requirements, and the system was operational in days. From that point, the staff began to address their functional requirements:

- Integration with the human resource/payroll system to accommodate their position management structure and direct labor cost allocations
- Allocations of indirect overhead expenses to multiple programs and projects across the new organization
- Data trending and analysis to support budgeting of actual and indirect expenses by department and program



**Within 90 days, the organization implemented a completely new accounting structure with allocation complexities.**



**Staff members make better decisions that are based on real-time information and analysis.**

## Results

Hathaway-Sycamores was able to complete the merger on schedule and produce financial reports for November through December with a new general ledger by January. Shortly after implementation, the staff deployed the system to everyone in the organization. Customized views of the system met users' specific needs and provided real-time information with complete drill-down capability, and individual departments were able to model and create their annual budgets. The system transformed accounting data into decision making power, enabling Hathaway-Sycamores to better serve their clients and focus on their mission.

- Within 90 days, the organization implemented a completely new accounting structure with allocation complexities.
- Staff members make better decisions that are based on real-time information and analysis.

