

CASE STUDY

Integrated Health Enterprise Automates Entire Payables Process

A multibillion dollar integrated global health enterprise comprised its university school of medicine and expansive health system.

OVERVIEW

Starting with an initial goal of improving its Purchasing and Travel Card programs, the enterprise discovered that a more holistic accounts payable automation program through J.P. Morgan could generate widespread efficiencies and reduce A/P costs – bringing the program to life.

CHALLENGES

- **Paper-based invoices** – With most vendor payments in check form, approvals and exceptions were time consuming, and few early payment discounts were captured.
- **Limited IT resources and funding** – A scheduled SAP upgrade was absorbing most IT resources and funds for a large-scale automated solution were scarce.
- **Implementing across the university and the health system** – Two organizations with varying business philosophies and cultures, as well as different processes, had to collaborate closely.
- **Accepting rebates in conjunction with government grants** – System limitations did not allow for appropriate reallocation of any type of card rebates.

SOLUTION

The enterprise expanded its initial RFP to automate its entire payables process, and fund it entirely through newly-created rebates.

J.P. Morgan's integrated Order-to-Pay platform encompassed and automated purchase order (PO) delivery, invoice and payment processing, and dynamic discount management by connecting buyers with their suppliers across a secure settlement network.

It also provided vendors with online visibility to the status of orders, invoices and payments.

RESULTS

- Order-to-Pay deploys quickly with minimal IT resources.
- Non-EDI suppliers send pre-validated invoices, match them to POs, feed them into SAP and approve them electronically.
- Card volumes will more than double due to J.P. Morgan's Single-Use Accounts virtual card for AP settlement. Rebates generated will result in a \$0 net cost for the entire automated invoicing solution.
- Payments not converted to card are now settled via ACH, reducing check costs by avoiding having to collect, store and maintain any vendor bank account numbers – creating returns of 24% to 36%.



“The whole program, between the cards and Order-to-Pay, certainly has met my expectations.”

“We are going to be able to offset the cost of Order-to-Pay, as well as banking fees for the enterprise. Plus, management is happy that this project brought together the university and health system. It's a win/win for everybody.”

Director of Treasury Operations

Comprehensive Program

- Purchasing cards
- Travel cards
- Single-Use Accounts
- Electronic invoicing & settlement
- Dynamic discounting

For more information, please contact your J.P. Morgan Treasury Services representative or visit jpmorgan.com/ts.