

CASE STUDY

Large Healthcare Institution Targets a 90% Paperless Goal via Order-to-Pay

OVERVIEW

Prior to going live with an Order-to-Pay solution, this large healthcare institution had approximately 35% of their invoices in electronic form on the payment side and was approximately 65% electronic on the purchasing side.

With bold long-term goals to reduce paper and costs – without increasing staff – the institution worked with J.P. Morgan to implement a progressive program to accomplish these objectives.

CHALLENGES

- **Paper-based invoices** – With most vendor payments in check form, the process was time consuming for staff and few early payment discounts were captured.
- **Limited IT resources and department funding** – Even though the organization realized business was growing, it wanted to maintain expenses without adding headcount.
- **Separated accounts payable (A/P) and purchasing functions** – Although the A/P and IT departments had worked together to improve efficiencies, the purchasing department was not integrated in the process.
- **Reluctant vendors** – Volume suppliers already in an electronic environment were content with EDI. Also, some paper-based vendors remain hesitant to participate.

SOLUTION

In 2004, the institution went live with discounts and discount management, moving all electronic invoices into J.P. Morgan's Order-to-Pay solution. By 2007, following an effort to re-enroll suppliers into Order-to-Pay under "ASAP" terms, about 67% of all invoicing was electronic. In 2009, by moving to a rapid deployment option, that number had reached 85%.

Order-to-Pay's rapid deployment option addresses complexities associated with implementing A/P management solutions. Delivering a return on investment in as few as 30 days, clients reduce A/P processing costs and cycle times, eliminate paper invoices and maximize early payment discounts. Business managers can quickly configure and deploy the solution thanks to unique, built-in solution integration, validation and "one-click" execution.

RESULTS

- **Processed 130% more invoices** from 2003 to 2009 without an increase in headcount.
- **On track to have 100% electronic requisitioning** and positioned for the entire purchasing process to be 90% paperless by the end of 2010.
- Consolidated processes on the back-end **to capture discounts of \$1 million** over the past year.
- **Paper vendor invoices are converted** via electronic lockbox function for automated integration.
- A/P, IT and purchasing are all **functioning as part of the same team**.
- **Reallocated staff in both A/P and purchasing areas** from predominantly data entry to more strategic roles.



"The Order-to-Pay Rapid Deployment solution enabled our institution to install and configure a fully functional test environment in five days, and then deploy production in an hour."

"The complete settlement functionality and comprehensive, standardized Order-to-Pay workflow gave our users and vendors the ability to begin working in the environment immediately."

Manager of Financial Systems

INVOICE INCREASE WITHOUT ADDING STAFF

