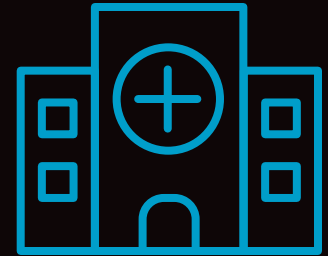# Integrated Healthcare System

How apexportal Dynamic Discounting Made AP a Profit Center

Overview

A leading integrated healthcare system of 30,000 employees and 4,000 practicing physicians wanted to put their working capital to work with a dynamic discounting program to decrease their costs and support supplier working capital needs. This was a passion project for the AP team because every dollar saved would directly impact their mission—provide the most advanced healthcare to the communities and patients they serve.

With apexportal, the AP team increased supplier adoption four times greater than the previous program and, more importantly, strengthened their commitment to those that they serve.

Challenge

The organization originally offered an early payment option to suppliers, but didn't gain supplier adoption to make a real impact. A key factor why it didn't gain adoption was that the supplier contact data (primarily email) was poor due to manual supplier onboarding that often times resulted in incorrect, absent or underpopulated contact information.

Additionally, there were limited discount options and configuring or negotiating terms with a supplier was a manual process. The manual limitations of the program restricted them from offering different rates to different supplier segments and sliding rates based on how early the payment would be.

Solution

The AP team chose apexportal to improve the early payment program since it is a self-service portal with integration to every procure-to-pay system so suppliers can manage the complete buyer relationship in one dashboard. Suppliers can update compliance documents, submit invoices, check payment status or enroll in procure-to-pay initiatives like early payment programs.

Supplier Registration Is Fundamental to Success

The apexportal supplier registration process required that suppliers provide complete contact data (phone, email, address) and validated that the data was accurate. This gave the organization better and more complete contact information that was valuable to market early payment offers to suppliers.

All supplier data is validated against over 650 global government, regulatory and third-party databases at onboarding and throughout the supplier life cycle to ensure compliance and manage risk. Additionally, apexanalytix's supplier database of over 32 million suppliers provided additional supplier contact info to fill in the gaps within the healthcare organization's vendor master.

> *"One of the things that has been very impactful is that with the implementation of the portal, we have seen significant increases in discounts that we're earning on supplier invoices as well as an increase to rebates from our card program. So it's helped drive adoption to those two programs. It always feels good at the end of the year when you have extra funds coming to your department."*
>
> AP Manager

apexanalytix

Customized Discount Offers for Every Supplier

To optimize the return on discounts captured, apexportal's cash discount likelihood (CDL) score determines the optimal discount offered to every supplier based on a proprietary database of supplier discount acceptance rates. This automated feature adjusts the rates as the payment date gets closer to ensure that the organization maximizes its discounts captured and provides the supplier with multiple options.

Automated Marketing and Ease of Use

apexportal's built-in email marketing automation tool allows the AP team to automate segment-specific email campaigns to minimize manual effort to promote the discount offers. To simplify the acceptance of discounts, suppliers can accept every discount offer directly in their email without having to log into the portal. They can also set their profile to always accept discounts offered.

Reducing Invoice Cycle Time

According to apexanalytix research, invoices entered after 14 days decrease the opportunity for discounts captured by 70 percent. apexportal integrates with every e-invoicing solution to minimize invoice cycle times and ensure that discount opportunities are not lost.

Results

After implementing apexportal, the AP department was able to achieve its major goals: decrease healthcare provider costs and support supplier working capital requirements.

Becoming a Profit Center. With a 4X increase in supplier adoption compared to the previous program, AP was able to become a profit center while onboarding new suppliers and acquiring new healthcare facilities.

COVID-19 Ready. An unplanned, yet hugely important outcome of apexportal's deployment is that the AP department was prepared for COVID-19. The team seamlessly transitioned to an agile work-from-anywhere environment and easily onboarded new COVID-19-related suppliers without a reliance on paper document, invoices or payments.

More Discounts Captured. Additionally, June 2020 saw the largest amount of discounts captured with small and mid-tier suppliers driving the continued adoption of an already highly successful program.

4X

Greater adoption compared to previous program.

COVID-19 Ready

A major benefit of implementing apexportal is that their procure-to-pay operations were prepared for COVID-19's disruption.

Profit Center

Implementing apexportal allowed the AP department to become a profit center.

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Ultimate supplier management™