

Technology Insight Case Study: Medical Services Industry

Technology Insight Delivers Big Savings starting with Free Trial, ROI Continues with Full Service

Large Medical Services Company Reaps Big ROI, Refines Processes with DataShark A/P

“DataShark paid for itself and then some in the trial alone. Even after spending the money for the service for a year, we were able to have a 100 percent return on our money immediately, just from the results they gave us in the free trial.”

Technology Insight’s client is a leader in medical products and services with global operations. The vertically integrated company has over \$10 billion a year in sales, over \$4 billion in payables, and more than 1.2 million invoices processed every year. The company has a large and very detailed accounts payable process that uses technology as well as operational processes for controls. Although there are already numerous internal and external controls in place, the company’s VP and Treasurer felt that DataShark could help refine their internal processes and determine if there were any duplicate payments.

Business Challenge

Sometimes you just play a hunch. The corporate VP had numerous checks and balances in place as well as external auditing, and there was no indication that anything was amiss in the complicated payables process. Internal processes were well documented and verified, and best practices were followed throughout. “Internally, the different areas of the company responsible for payables had indicated that their data was good, processes were being followed, and there were no ‘money leaks,’” said the corporate officer. Their internal processes were robust, and their SAP system imposed even further controls. An additional layer of checks and balances were included through the company’s rigorous Sarbanes-Oxley compliance program.

“We felt that, even though our accounts payable folks indicated otherwise, there was probably something there. We weren’t exactly sure what.” He had no idea of the enormous scale of what he would soon find through DataShark.

Solution

The VP/Treasurer’s initial objective was to determine if there were money leaks, to quantify them and pinpoint precisely where the leaks were occurring, if any. If there were duplicate payments the company would seek to recoup that lost money.

Seeking to delve deeper, beyond his company’s internal controls and external audits, he realized the need for something more—but found few options available. He was quite pleased to find Technology Insight’s DataShark. “With DataShark, we found a high quality solution, where we could get to the truth of the matter. We were able to implement the initial trial with no out of pocket expenses. With the trial, we could determine the size and number, if any, of outstanding duplicate payments.”

He found few solutions out there that could offer the same capabilities as DataShark, but it was the free trial that won him over. “The free trial enabled us to really take a quality look without dedicating any funds,” he said. And in this economy, that’s important. As Treasurer, his focus is to get the greatest return on investment for his company, while keeping expenses low. DataShark appealed to his “inner cheapskate,” offering him an opportunity for an advance look, get some meaningful results, and find out once and for all whether there were any problems with duplicate payments, all before he ever had to pay out a single cent.

Results

The company opted for the DataShark free trial, which initially looked at two and a half years of accounts payable data. The trial first looked at the company's SAP data, and the solution later also incorporated data from Amex, and a legacy PeopleSoft application. Technology Insight came back to them in less than three weeks with the results of their analysis, and the results were astounding. "After researching the results of the trial, we found sufficient duplicate payments to pay for about two years of full service," said the VP/Treasurer. "And that was only in the amount of data they actually let us see." The executive, and all of the Payables staff were stunned at the results. Not only did the results of the trial deliver a big return, the solution also gave validation to changes in business processes that people on the Payables side had wanted to implement for some time.

The company opted for monthly updates, though the solution offers update options as frequently as every day, or as infrequently as once a year. In addition to delivering a solid cash return and an immediate ROI, DataShark goes beyond finding and retrieving duplicate payments to get to the root cause of those duplicates, highlighting issues that the VP/Treasurer and his team had not been aware of. DataShark not only finds the duplicate payments, the reports show why they occur, and provide actionable information that helps the company refine its processes. As is often the case in very large enterprises, there are instances of non-standard data entry, non-adherence to the requirements of the vendor master file, and data entry personnel occasionally overriding the vendor master file to enter a payment. With DataShark's reports, the company was able to optimize data entry and other payables processes to minimize the instance of duplicate payments in the future.

The company has recovered over \$2 million already, and have nearly \$3 million in duplicate payments yet to research and recover. The VP/Treasurer has found the candidate list to deliver an extremely high true duplicate payment rate with nearly every 5 out of 10 candidates resulting in a recovery, an efficient and valuable use of resources.

In addition to rooting out duplicate payments, the company expects to save a considerable amount of staff time because DataShark also provides deep insight into internal processes, with detailed operational reports that show where improvements could be made to achieve further efficiencies. Initial estimates indicate that once they implement DataShark's recommendations, they will save nearly 40 full-time equivalents. "Eliminating the manual invoices not only eliminates the full-time equivalents related to the process, you also eliminate further error and duplicate payments. There are less payments going out, and less money spent relative to the control of your accounts. So you get a double impact."

DataShark has delivered consistent results—not only continuing to find duplicate payments, but helping the company to constantly refine its internal processes and quality initiatives, and improve its bottom line. "Once we really started to understand DataShark's results, we could understand our processes in a way that nobody in the company had previously understood it. With that insight, we had a pathway to increase our control over the whole payables chain. This software and the consultation on the results, provided by Technology Insight as part of their service, helped us recover cash and improve our operation."

Business Need

- Add an extra layer of oversight into the company's complex payables process
- Stop "money leaks" that are the result of duplicate payments
- Refine payables processes to avoid error and save staff time
- Provide insight into operations that was unavailable through current reporting

Solution

- Technology Insight's DataShark A/P

Results

- DataShark's trial results paid for almost two years of service with the monies recovered from the trial alone.
- DataShark is responsible for over \$2m in duplicate payment recoveries with over \$3m in candidate duplicate payments left to research and recover.
- DataShark delivers a high true duplicate recovery rate with nearly every 5 out of 10 candidates resulting in a recovery.
- DataShark helps identify the root cause of duplicate payments, and allows the company to continually refine its quality processes to reduce instances of duplicate payments in the future.
- DataShark's recommendations allow the company to further automate its processes, resulting in significant savings in labor costs.