

CASE STUDY:

Mohawk Medbuy



BASWARE'S ADVISORY SERVICES

MOHAWK MEDBUY HAS BROUGHT ON THE BASWARE ADVISORY SERVICES TEAM THREE TIMES SO FAR - DURING IMPLEMENTATION, ONE MONTH POST GO-LIVE, AND TWO YEARS LATER.

The Mohawk Medbuy Corporation is a national shared services organization that provides procurement and contract management services for medical supplies, pharmaceutical drugs, and other services. Mohawk Medbuy also provides warehousing, just-in-time logistics, hospital linen/laundry services, accounts payable services, and spend analytics. The company's Director of Accounts Payable Services, Ryan Martens, says that Mohawk Medbuy supports hospitals and community-based healthcare organizations by maximizing their savings on back-office functions so more resources can be directed to frontline patient care.

MEDBUY'S JOURNEY WITH BASWARE

"We knew that Basware was recognized as one of the best-in-class AP systems," says Martens, as he describes why Mohawk Medbuy selected Basware. "It's user-friendly

and is able to handle various exceptions and different invoicing scenarios."

They brought in Basware's solution to manage their AP, travel, and expenses while moving their AP processing to a shared services model for nine hospital organizations.

The project sought immediate returns by reducing the collective AP staff by nearly a third, from 28 to 19 through attrition and redeployment. In anticipation of applying substantial new processes and change management, Mohawk Medbuy scheduled a second engagement with Basware's Business Consulting Team for one month post go-live.

According to Martens, the Basware team, led by Andrew Dos Santos, arrived at an opportune time. One month after go-live, the AP Center was still learning the system and

CUSTOMER:



MOHAWK MEDBUY

INDUSTRY:

Healthcare

LOCATION:

Canada

BASWARE SOLUTION:

Basware Business Consulting

processing invoices, though not nearly at the desired pace. The AP Center's invoice queues continued growing with unanticipated volume of aged invoices arriving and increased hospital year-end volumes. The Business Consulting Team came in for one week and sat down with the Mohawk Medbuy AP team to come up with daily action plans and capped off the week with a summary of short-term and long-term goals to "set us on path for success going forward," as Martens puts it.

basware

Simplify Operations, Spend Smarter.

AS PART OF THIS 2-YEAR REVIEW, THE BASWARE CONSULTING TEAM WAS ABLE TO IDENTIFY 30 AREAS FOR IMPROVEMENT AND A ROADMAP OF WHAT THEY COULD DO IN ORDER TO ACHIEVE BETTER RESULTS.

MOHAWK MEDBUY'S CHALLENGE - AND BASWARE'S ADVISORY SOLUTION

"One of our biggest challenges was multiple integration points, and with that, maintaining hospital general ledgers wholly and accurately. Together with Basware, we developed a standard solution to extract fulsome accrual data from Basware. This helped us overcome a huge hurdle and move forward with the endorsement of the hospitals on the business model."

According to Martens, the experience of Basware's Business Consulting Team on the business side of the house developing real-world solutions to this problem was a big asset. "They could interpret what we were saying to them from our process requirements, put it into Basware language, and talk to the implementation team about the best path forward."

But it wasn't just about trying to get Basware to configure the system - it was sometimes about helping me, as a user, understand the reason for making that change to a standard best practice."

WHY DID MOHAWK MEDBUY BRING IN A BASWARE CONSULTANT?

Ryan Martens continues, "It's about

saving time on how to utilize and configure the system properly. The Basware consultant helped us expedite that process.

BRINGING BUSINESS CONSULTING IN AGAIN - PHASE TWO

"Our team has many years of combined experience in traditional AP, but we required additional support in AP automation solutions."

When you've invested substantial resources of time and capital on a solution, spending a fraction of that amount on a global expert provides tremendous value."

One month after going live, Basware's business consultants used their real-world data and experience to help the AP Center identify and address several bottlenecks in the AP process.

The pace of progress impressed Martens. "The first day they came up with several ideas or ways to improve our daily processes-- from matching tips to initiating system business enhancements that would

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Ryan Martens, Accounts Payable Services Director, Mohawk Medbuy

improve our daily operations."

PHASE THREE - BASWARE 360 EVALUATION

In addition to its AP service for hospitals, Mohawk Medbuy is actively exploring avenues for continuous improvement in the Procure-to-Pay (P2P) cycle.

"We accomplished a great deal in AP for our Member hospitals, and I was confident that we could do even more by bringing the Business Consulting Team back in."

A 360-degree evaluation was the natural next step. "The finance and procurement representatives from all our hospitals participated in a survey and phone interview," says Martens. "Each of the AP Center staff and leadership team was also surveyed and interviewed on their experiences."

Based on the hospitals' feedback, the Basware team was able to propose business priorities, values, and could see areas of improvement to meet those needs in line with their objectives.

WHAT INSIGHTS DID THEY GET FROM A 360 REVIEW?

"Our invoice processing metrics were improving every quarter," Martens replies. "And it was encouraging to see that we were right on track or slightly ahead

of the curve in our maturity. With analytics and KPIs, we were ahead of the curve, but could improve more with better invoice capture.

As part of this review, the Basware team was able to identify 30 new areas for improvement based on our current priorities and provide a roadmap of what we could do to achieve better results."

WHAT IS MOHAWK MEDBUY'S ADVICE TO OTHERS?

"If possible, get them in every year," says Martens about the Basware Business Consulting Team. "They're up to date on best practices, so get them in early and often."

WHY WOULD MOHAWK MEDBUY RECOMMEND THE BASWARE BUSINESS CONSULTING TEAM?

"They bring global experience gained through many installations, so they have a good gauge on best practices.

I would encourage any new Basware customer to get the advisory services group in to help optimize approval workflows for their organization, configure the system or help them understand options in their existing configuration."

Attributable to Basware's advice, Mohawk Medbuy has been able to rapidly improve efficiency metrics, which has enabled them to allocate full-time resources to analytics and continuous improvement, which is to the betterment of all the customers. During the 360 evaluation over 30 areas of improvement were identified and prioritized. "We've completed or are in progress with most of the items," says

Martens. "We continue to work on improvements thanks to the roadmap from the evaluation. It shows us that better outcomes are available and achievable. It would be awfully boring if we had nowhere else to go."

WHAT WOULD LIFE HAVE BEEN LIKE WITHOUT THE CONSULTING TEAM?

"The business consultants were a big part of the solution design and our early success," says Martens. "I honestly can't imagine doing it without them - especially if you're new to accounts payable automation solutions."

"THEY'RE UP TO DATE ON BEST PRACTICES, SO GET THEM IN EARLY; AND OFTEN."

Ryan Martens,
Accounts Payable Services
Director, Mohawk Medbuy

HOW HAS BASWARE STOOD OUT?

"Every time we have engaged the consultants it has been at a different stage and served different purposes," says Martens. "Initially they helped us develop a business model and satisfy workflows which got us off the ground. A month after the AP Center was live, they gave us the guidance and tools for success. Then, more recently, the 360-degree evaluation was again unique, in that it was a maturity assessment of the AP Center and of the P2P process for each of customers."

EXCEEDING EXPECTATIONS

While Martens was expecting to be shown how the AP team could "do

"I HONESTLY CAN'T IMAGINE DOING IT WITHOUT THEM. I DON'T KNOW HOW OTHER CUSTOMERS MANAGE TO DO IT WITHOUT THE BUSINESS CONSULTING TEAM - ESPECIALLY IF YOU'RE NEW TO ACCOUNTS PAYABLE AUTOMATION SOLUTIONS."

Ryan Martens,
Accounts Payable Services
Director, Mohawk Medbuy

things better," he challenged the consultants to look beyond just the AP Center, to look at the hospitals' inputs to the P2P process. The hospital customers appreciated the opportunity to give their feedback and gain a better insight into the processes and AP System.

LEVERAGING ANALYTICS TO MOVE INVOICE PROCESSING FROM 25 DAYS TO 3 DAYS - IN THE FIRST YEAR!

Mohawk Medbuy began leveraging analytics from its first year. They've been so effective that they were recognized by Basware with a national excellence in analytics award.

They have developed scorecards, dashboards, and custom reporting to demonstrate that the AP Center and Basware are about more than just making payments - it's about the other benefits, too. Martens says, "Initially, we used analytics to show our progress in processing. We had a lot of stakeholders watching us, but the data doesn't lie - there are perceptions and then there is data. We were able

to show trending improvements in everything from processing times, to invoice aging, to e-invoice uptake, invoice arrival times, user level KPIs, vendor KPIs, and others.” For example, “Our first month live, we were averaging 25 days for an invoice to get through the system. By the end of the first year, it was closer to 3 days. It’s one thing to say, “I think we’re doing better;” it’s another thing to actually show the data.”

The AP Team of Mohawk Medbuy has worked jointly with the hospitals to develop working capital reporting to assist hospitals with their cash flow management and supplement their financial reporting.

Since hospital funding doesn’t always align with payment cycles, cash management was often just making payments with funds available. “Now we can enrich the cash management decision process with tools to analyze historical data and provide measured and trending improvements. Peer-to-peer analysis is also an effective tool to begin those “opportunity is possible” discussions.”

Martens says, “Our mandate is

more than just making payments, capturing discounts and processing savings. It’s to provide value throughout the AP process in any way we can. We’re supporting hospitals in more effective cash management, better supplier management, and leveraging analytics for data-driven decision making. Every dollar we help them saved can be redirected to patient care.”

THE BASWARE CONSULTING TEAM'S REFLECTION ON MOHAWK MEDBUY

“Mohawk is a great example of using Basware’s experience to help customers manage change and adoption, while also leveraging the value from our solutions.

We have now come in a few times to lend a supporting hand, helped bring clarity to how they reach the outcomes they were after and supported them in that process through reviews and maturity assessments.”

Andrew Dos Santos, Global Business Consulting Practice Lead, Basware

ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-Invoicing and innovative financing services. Basware’s commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organisations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers. ©Basware 2018

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