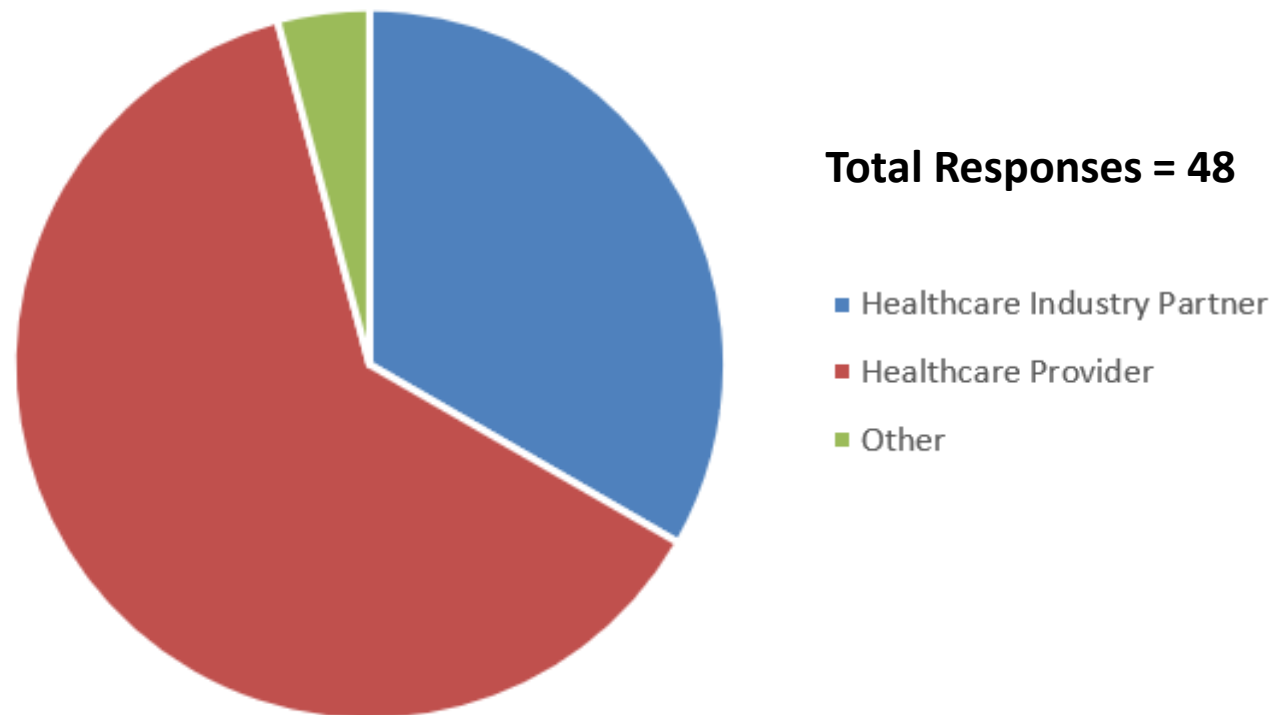




August 9, 2021, Quick Quiz Results

Accounts Payable Alignment



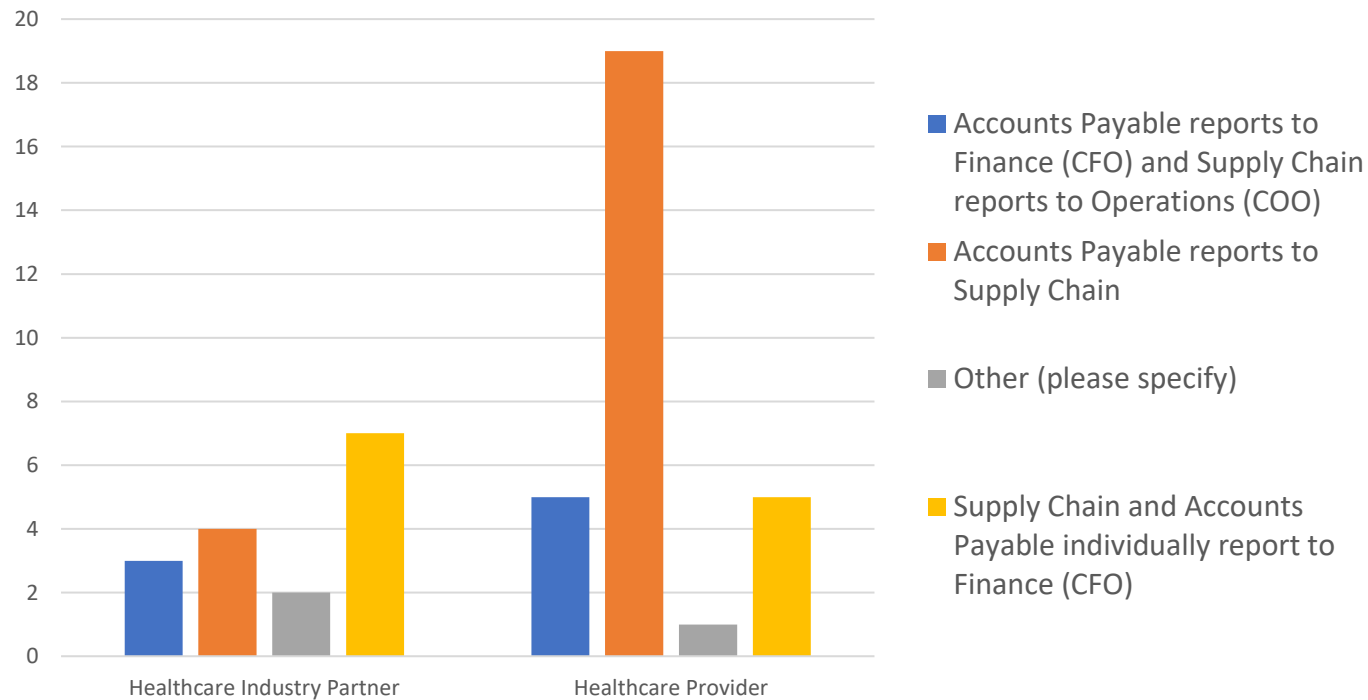
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August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

From your perspective, what is the most effective alignment of Accounts Payable in a Healthcare organization?



Other responses:

They both report to the same - either COO or CFO

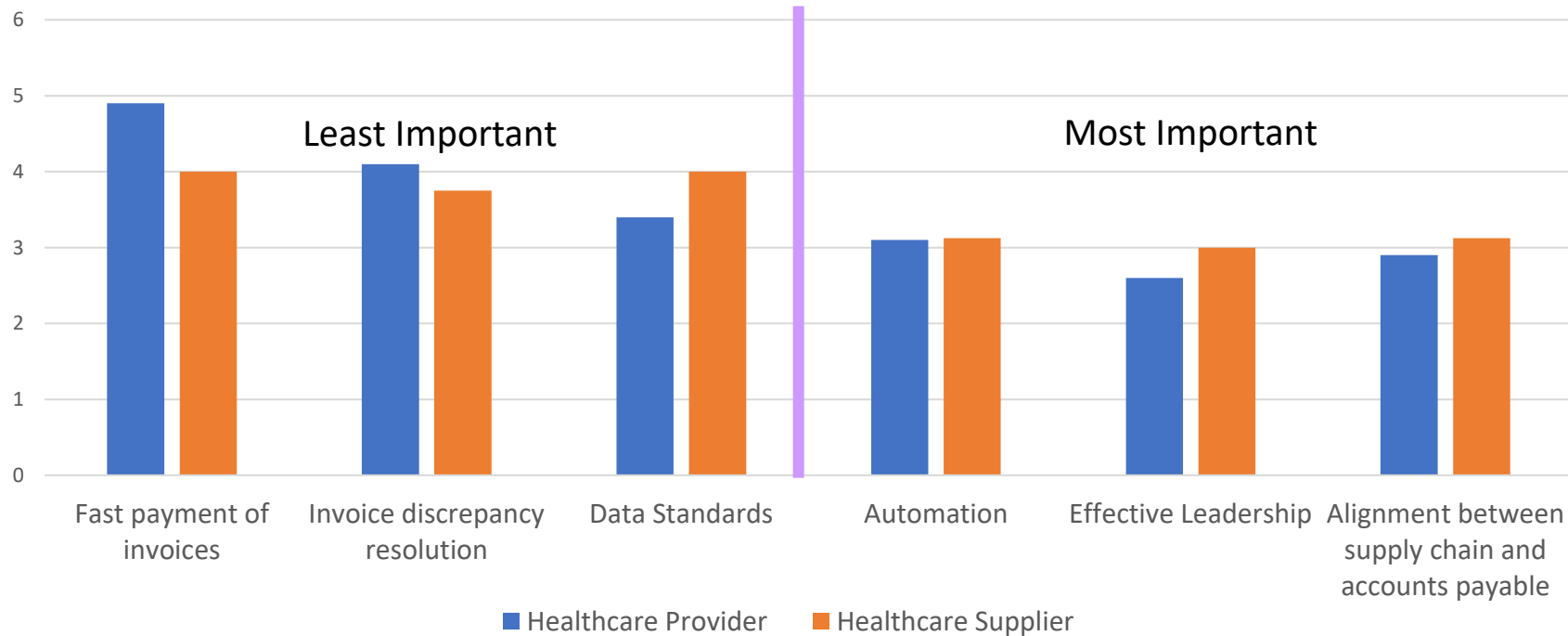
Leadership and collaborative approach is necessary regardless of reporting structure. Through my career I have reported to any number of leaders in different verticals (even CIO) and they all can work. Acting as if the organizational reporting structure is a hinderance in how these departments interact is a crutch.



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

From your perspective, what are the key success factors for an effective provider Accounts Payable system (1=most important, 6 = least important)





August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

“Other” responses from Providers about what the key success factors are for an effective provider Accounts Payable system

Engaged staff that want to be successful
require PO or account number (cost center) on each invoice required. EDI focused approach.
Item Master accuracy, Contract File maintained/updated, and Clear SOP's for both teams.
I have worked in Supply Chain for 35 years. I have always had a very close working relationship with A/P and make sure my entire department works well and closely with A/P. I have reported to both CFO's and COO. Hands down, the most effective reporting structure has been with the COO. Supply Chain does need a solid relationship with Finance; however, our day-to-day challenges are more Operational than Financial.
Transparency and clean data (item master data and contract data)

To make sure automation makes people hours more efficient. Sometimes automation can end up requiring more unanticipated people hours.

Regardless of the reporting structure, strong collaboration with purchasing and MMIS is essential. End user training is also key, often if end users are unaware of how to utilize AP/Purchasing challenges often follow.

Proper staffing levels

The integration of Procurement and AP or the entire Source-to-Settle process leads to greater efficiencies and cost savings. Digital improvements are a direct result of this type of integration.

Management of source to settle as a single balanced end to end process

Procure to pay is viewed as a single process and should be structured as such in any organization.



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

“Other” responses from Suppliers about what key success factors are for an effective provider Accounts Payable system

Efficient, supported systems providing automation as well as reporting.
Alignment with suppliers as well.
Collaboration and Transparency
Accounts Payables and Sourcing/Buying Alignment is key. These groups own Match Exceptions and should work together to resolve.
great communication between vendor AR and Customer AP

Pricing, Contracts, Key Accounts
Scheduled communication. We see that supply chain is not pulled into issues, until it has exploded.
Regular reporting by suppliers on DSO and value lost by not taking advantage of prompt pay discounts
Clear collaboration between AP and Supply Chain with Suppliers to ensure timely processing of PO's and Invoices



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

On average, Healthcare Providers indicated that 63.5% of their invoices are paid electronically

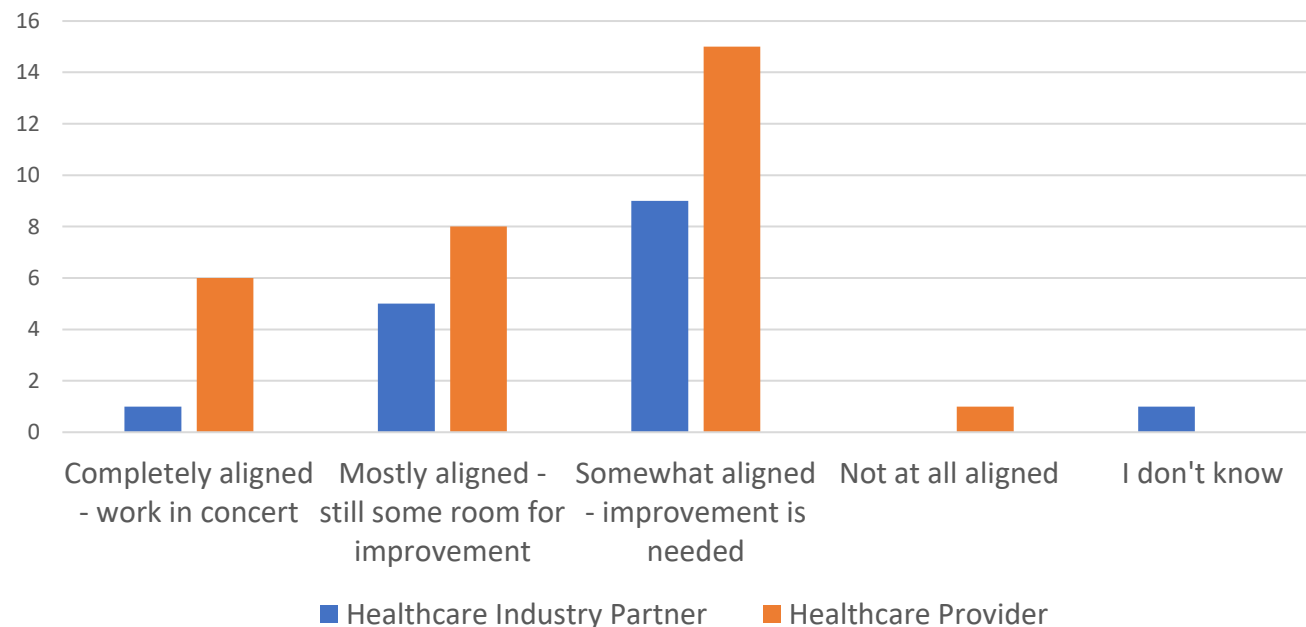
On average, Healthcare Suppliers indicated that 68.3% of the payments they receive are submitted electronically



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

On average, and from your perspective, to what degree are the priorities of the healthcare provider supply chain and the healthcare provider accounts payable function aligned?

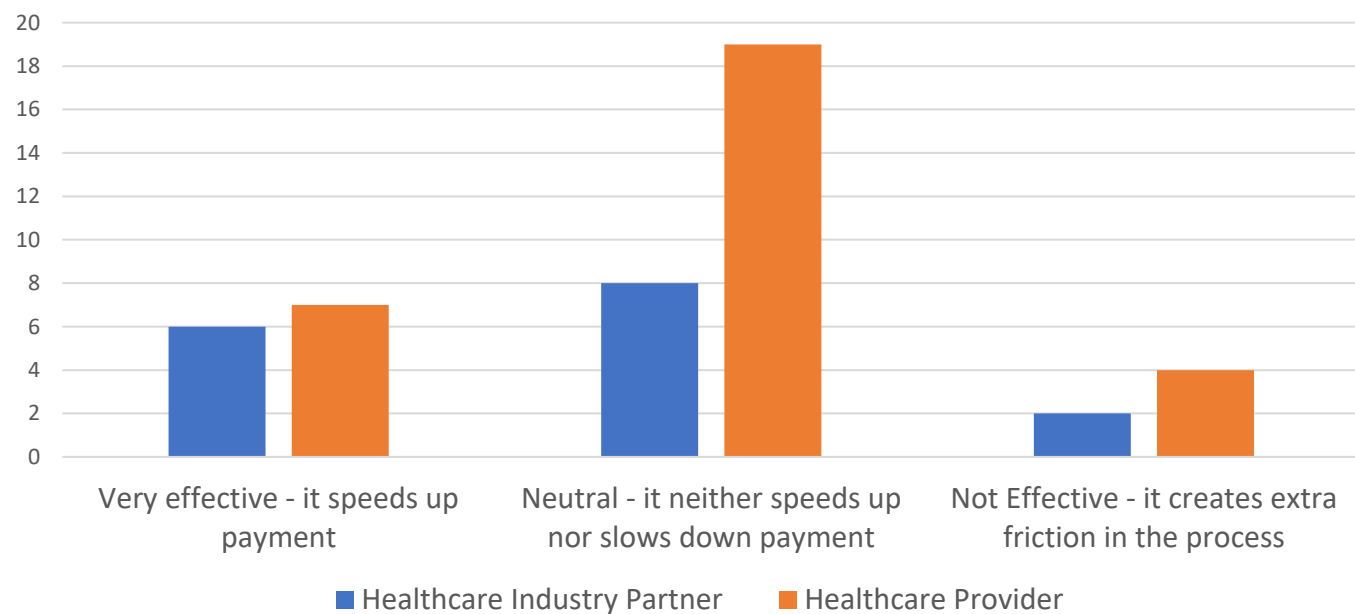




August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

From your perspective, how successful is a vendor self-service model for provider payables?

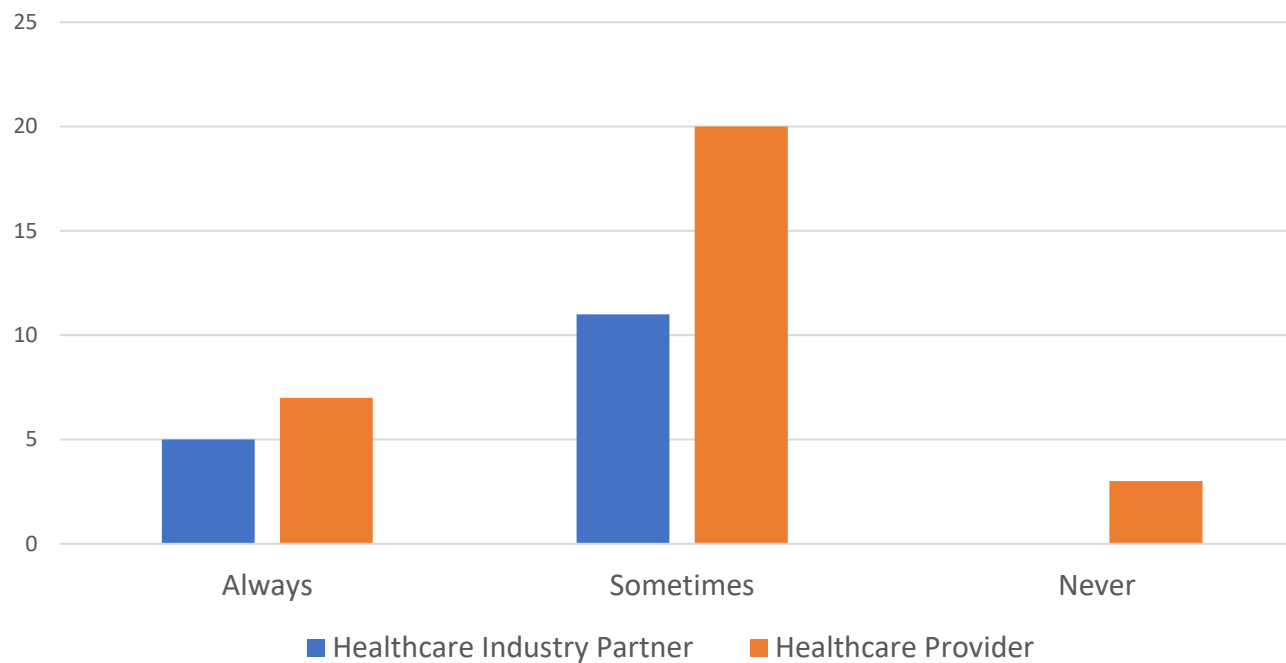




August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

When you have business review meetings with your trading partners, do you include discussion of open invoices?





August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

Suppliers shared thoughts on what would make Provider Accounts Payable work more effectively for them:

100 percent digital process.
Transparency of data within the organization.
Automation
improved communications on open AR
Three-way match, ACH or EIPP, end of cost-shifting practices.
we find that having regular meetings vs email can help resolve and work through any issues. Discrepancies can be addressed immediately and can work through credit and rebill.

effective communication about why a provider has not made payment and what information they may be missing.
An owner for escalation. We often just get the "run around" asking for delivery proof and other records to process.
Using more efficient software solutions available on the market today by both supplier and provider
Industry data standards



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

And providers shared thoughts on what would make Provider Accounts Payable work more effectively for them:

More engaged staff
Our self-service platform doesn't work well, but we'd be interested in a more effective program. I haven't had the opportunity to run an AP department that is a part of the Supply Chain department - it seems like that would be really beneficial.
Implementing EDI 810 (in-process) and 832 for prime vendors (future focus)
A P2P platform
More we can convert to POs versus non-POs
more collaboration with supply chain and sourcing.
Automation
A/P needs to upgrade their system.

Information system variability, capability and configuration likely have the most impact on this.
Clean data and automation
Automated contract price loading among provider, supplier, distributor and GPO
Invoices being sent to the correct AP address.
Increased visibility among trading partners on status of POs, Invoices, and payments through digital technology enablement and self-service capabilities.
Reporting change of AP to Supply Chain, barring that more AP focus on automation and electronic invoices and EDI
All invoices go to AP...no exceptions! These are processed most efficiently using ERP workflow if the invoices start in the correct place.



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

Suppliers shared thoughts on what would make the supplier Accounts Receivable process function more effectively for them:

Governed and matched customer data.
A transparent data set or portal to electronically query.
Automation
All automated back-up needed by providers.
From a supplier perspective we must keep our contracts and pricing files up to date and communicate with AR all provider issues to avoid unnecessary calls for credit holds etc.
Industry data standards



August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

And providers shared thoughts on what would make the supplier Accounts Receivable process function more effectively for them:

Higher performing staff
Never being directed to a vendor portal to download invoices - this is the worst means through which to receive an invoice.
Transparency of open accounts that require immediate attention to avoid credit holds
better M&A and ERP conversion processes
Ensuring data standards are aligned and consistent
A/P needs to upgrade their system.

Being able to electronically confirm invoice detail through the transaction chain (Requisition through Receipt) would be most helpful. Universal support for industry standard bar codes and numbering conventions would truly allow us to eliminate variability and drive consistent training of our teams.
talent gap tighten
Use of all EDI transaction sets.
More efficient and accurate pay and procurement processes
Don't call or bother me about invoices that are not yet due. There is one manufacturer that is notorious for this.

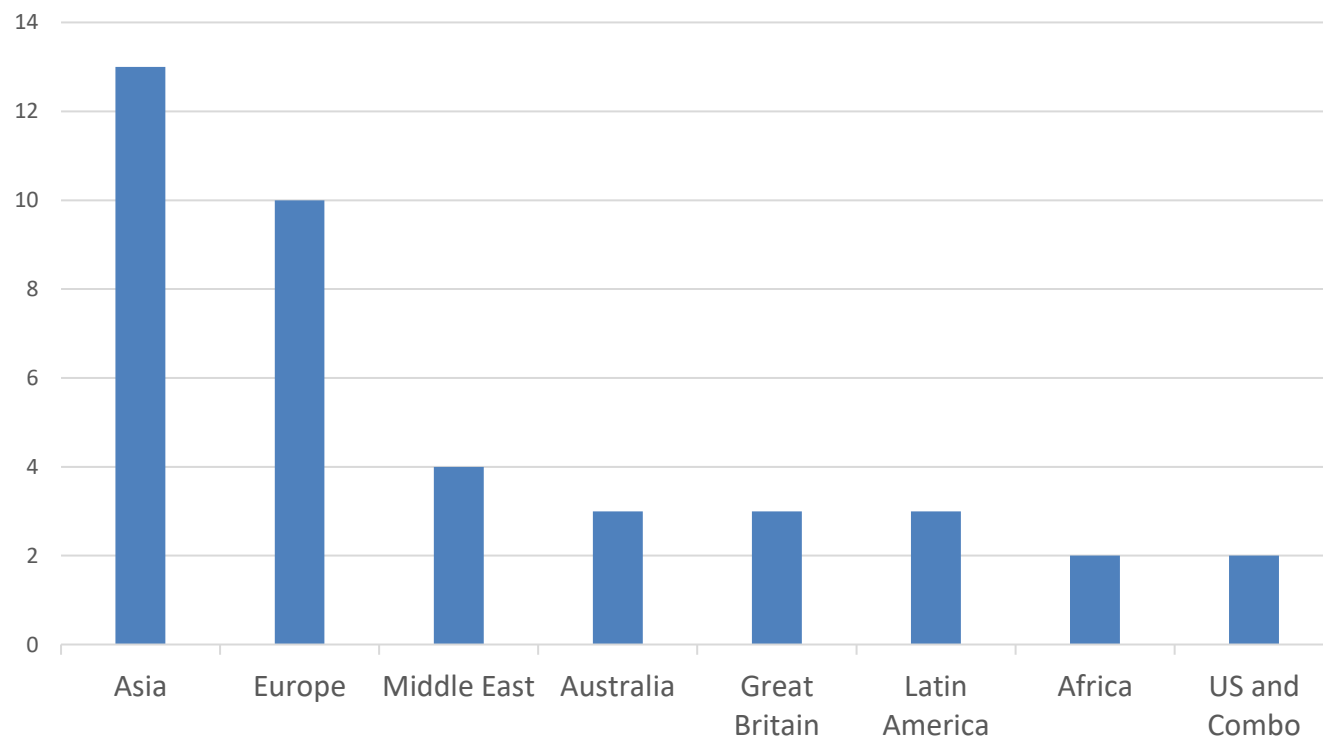


August 9, 2021, Quick Quiz Results

Accounts Payable Alignment

For Fun!

And where have members travelled that's furthest from home?



See the country detail on
the following page!





For Fun!

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Accounts Payable Alignment

Here's the detail on where SMI members have travelled far from home:

