

Auxis AP Automation Achieves 70% Touchless Invoice Processing for Top U.S. Healthcare System

Client Profile

Our client is one of the largest multi-billion-dollar healthcare systems in the U.S. Since it was founded a century ago, it has grown to nine hospitals and more than 400 points of care that include outpatient facilities, physician practices and services, urgent care clinics, outpatient diagnostic and surgery centers, and more. It also maintains more than 3,500 affiliated physicians and advanced practice clinicians in every specialty, including many with national and international reputations.

Business Challenge

Manual processes leave accounts payable team struggling to keep pace with exploding invoice volumes

Keeping pace with high invoice volumes is a **challenge for healthcare providers** in accounts payable (AP) departments dominated by manual invoice processes. Our client was no exception - and a recent acquisition made the situation even tougher.

Previously, about 25 AP employees had been tasked with processing an average of 40,000 invoices per month. But the acquisition caused the client's organization to nearly double in size, with invoice volumes jumping a whopping 75% to reach 70,000 invoices per month.

Further complicating matters, AP leaders were asked to absorb the additional transactional volume with minimal increase to staffing levels and operating costs. But the department's manual invoice processes were time-consuming and error-prone, causing a wealth of issues that made this mandate challenging, including:

- > Lost and **missing invoices**
- > **Slow invoice approval times**
- > **High exceptions** and discrepancies



- > **High turnover** from overwhelmed teams, impacting productivity and quality
- > **Lack of visibility into outstanding liabilities** and overall performance metrics
- > **No time for proactive vendor management**

Unfortunately, these **AP inefficiencies can trigger serious consequences** for healthcare organizations – damaging vendor relationships, delaying delivery of goods and services, and increasing costs due to late payment fees and missed or duplicate payments.

With so much at stake, AP automation is the digitization priority for CFOs – with 85% of AP leaders realizing efficiency gains and 63% reporting faster, more timely payments from automation, according to the 2023 State of AP report. By the end of 2023, **65%** of finance leaders aimed to have half their duties automated. Top digitization priority for CFOs – with 85% of AP leaders realizing efficiency gains and 63% reporting faster, more timely payments from automation, according to the 2023 State of AP report. By the end of 2023, **65%** of finance leaders aimed to have half their duties automated, states a 2023 CFO magazine report.

The client knew accounts payable automation was key to absorbing its organization’s high invoice volumes effectively. Auxis’ were brought in to analyze the current AP operation, identify the best automation opportunities, and propose a more scalable model for the organization going forward. Team was brought in to analyze the current AP operation, identify the best automation opportunities for the healthcare organization, and propose a more scalable model for the organization going forward.



Solution & Approach

Auxis leverages Robotic Process Automation and Intelligent Document Processing to optimize AP

Realistic expectations of what RPA use cases in healthcare can and cannot do are key to a successful journey – and Auxis started its engagement by ensuring the healthcare industry leader understood that it should not anticipate 100% “touchless” automation at the end of the project. Instead, Auxis helped these healthcare professionals establish a realistic target for the percentage of AP invoices that could become “touchless,” which typically averages 60-80% depending upon a client’s unique circumstances.

To reach that target, Auxis performed a detailed breakdown of the client’s invoices by supplier, identifying 250 vendors that represented 70% of the total invoice volume.

Auxis also identified that 90% of the client’s invoices had a related purchase order (PO) that made the current invoice process even more cumbersome, requiring AP staff to perform a 3-way match manually line-by-line. To automate the processing of those invoices, the client needed a solution that could turn unstructured data on PDF invoices into structured data the robots could use – not just for invoice headers but for line items as well.

Extracting strategic information from unstructured or semi-structured data – and interpreting/analyzing it - represents one of the biggest pain points in the AP process, requiring immense effort in manual data entry and tedious, error-prone work.

Armed with these insights, Auxis designed and implemented AP automation for healthcare that leveraged (RPA) by market leader **UiPath** and Intelligent Data Capture (IDC) technology by Ephesoft. Combining more than 25 years of finance transformation experience with an elite status as one of only 26 providers globally to achieve both of UiPath’s Platinum and Certified Professional Services accreditations, Auxis came to the table with the tools, talent, and best practices the client needed to streamline operations and significantly improve productivity. **Robotic Process Automation** (RPA) by market-leading intelligent automation platform **UiPath** and Intelligent Document Processing (IDP) technology.

Auxis comes to the table with more than 25 years of **finance transformation** experience and status as a **UiPath Platinum Partner**, the highest partnership level. The Auxis team brought the accounts payable automation tools, talent, and best practices the client needed to streamline operations and significantly improve productivity.

Auxis’ **IDP and RPA in healthcare** solution focuses on two main processes:

1. Invoice Indexing

Utilizing IDP technology, Auxis automated extraction of header-level data for all the client’s vendors, as well as line-by-line data for the top 250 vendors.

Automation steps include:

- > **Receiving accounts payable documents** through email and scanner.
- > **Classifying received documents** by type:
 - Vendor Statements
 - Invoice – Header Extraction
 - Invoice – Line-by-Line Extraction
 - Credit Memos
 - Other



- > **Identifying the right vendor** for each invoice by searching the client's vendor master data for matching fields like phone number, remit-to address, and incoming email domain. Documents with unidentified vendors are placed in a queue for AP staff to review so they can either update erroneous master data entries or add new vendors to the file.
- > **Extracting required header information** from the invoice for each document type.
- > **Extracting line-by-line data** for top vendors.
- > Saving the document to the data management system and **indexing with the header information for all vendors.**
- > **Sending information to the next process**, voucher creation, when invoices require manual creation of a voucher.

2. Invoice Processing

Leveraging the RPA UiPath platform, Auxis automated voucher creation in the client's PeopleSoft enterprise resource planning (ERP) system, as well as the 3-way match process. Automation steps include:

- > **Receiving invoice details** from the IDP automation, including header information and line-by-line data.
- > **Searching for the associated PO** in the client's system and matching it with the right vendor.
- > **Matching invoice and PO lines**, including item number, quantity, price, etc.
- > Validating and **identifying discrepancies.**
- > **Taking action to adjust line-item discrepancies.** For example, if line items in the invoice are not in the PO, the robot creates new lines and routes the documents to AP staff for approval or denial.
- > Once the robot finishes processing each batch of invoices and POs, it **creates a processing log** that details each item it processed and whether it was processed successfully.
- > The robot **saves a copy** of invoices and the processing log in a shared folder, **sending them via email to AP staff** so they can manually adjust and process invoices that could not be completed by the robot.




Results

Automation eliminates invoice backlog – helping AP team work faster and smarter


With Auxis' AP automation solution running smoothly, the healthcare client **achieved 70% touchless invoice processing – equivalent to freeing up more than 2,500 human hours per month.**

Other key benefits of Auxis' automation solution include:

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Invoice backlog reduced from 4 days to less than 4 hours

 - > Auxis' Intelligent Document Processing and RPA use case in healthcare significantly increased productivity and efficiency for the client's AP process - ensuring the only pending invoices awaiting processing are ones received and entered on the same day. Amid supply chain disruptions, timely invoice payments are more important than ever for maintaining vendor goodwill – avoiding slower delivery times, less willingness to fix issues, tougher payment terms, and slower query response.

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Improved cash flow management

 - > In today's macroeconomic climate, improving **cash flow** is a top CFO priority, according to Everest Group's latest Global CFO Survey. By eliminating the invoice backlog, Auxis' automation solution increased visibility into total outstanding liabilities - helping the client better determine its cash position and make projections for managing liquidity.

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Improved accuracy & controls

 - > Put simply, robots don't make mistakes. By reducing manual data entry, automation ensures invoice information is captured and matched accurately – negating human error that leads to process exceptions, late payments, duplicate payments, or missed opportunities to take advantage of early payment discounts. Automated invoice matching helps reduce fraud, a significant concern for AP teams. Automation also creates an easy-to-access audit trail.

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Increased capacity & lower costs

 - > With automation significantly increasing productivity, the client's AP organization easily absorbed the 75% increase in invoice volumes with the same-sized team, while significantly decreasing the cost of processing each invoice.

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Increased resiliency

 - > With Auxis' automation solution performing AP tasks, the client is less dependent on human capital – making ongoing finance labor shortages and turnover less impactful.





AP staff freed to focus on more rewarding, higher value-add activities

> AP staff freed from repetitive, tedious tasks achieve greater amounts of higher-value work – driving additional productivity gains. By alleviating the overwhelming number of transactional tasks the AP team faced, the client also expected automation to help reduce turnover – improving morale and reducing stress as staff focus on more interesting and rewarding work.

Pleased with the success of Auxis' RPA and Intelligent Document Processing solutions, the client and Auxis are working together to identify other potential process candidates for automation within the finance department and entire organization.

Want to learn more about the benefits of accounts payable automation or other automation opportunities?

Schedule a consultation with our intelligent automation experts today!

Or, visit our **resource center** for intelligent automation tips, strategies, and success stories.

