

Case Study

Invoice Processing



SmartHealth®



SmartHealth Implements Kofax Intelligent Capture & Exchange Solution to Automate Purchase Order and Invoice Processing System

Leading Healthcare Services and Supplies Organization Taps Kofax for Advanced Capture Solution

Founded in 1970, SmartHealth, Inc. – also doing business as SmartPractice – is a family-owned enterprise that consists of a number of affiliate companies serving specific vertical healthcare markets such as the dental, medical, chiropractic, veterinary and eye care fields. Headquartered in Phoenix, Arizona, the company employs more than 500 people worldwide and has annual revenues exceeding \$100 million.

Today, SmartHealth manufactures and provides healthcare groups and professionals with promotional marketing, practice management and patient communications products and other services in the United States, Canada, Germany, England, Australia, New Zealand and Japan. SmartHealth is also a major distributor of dental supplies and gloves throughout the United States. The organization operates multiple branded divisions including SmartPractice, SmartScrubs, Allerderm Laboratories, Mekos, SmartPractice Japan, SmartPractice Finland, and SmartPractice Canada.

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The Challenge

Overall, SmartHealth wanted to standardize and simplify its invoice processing system and reduce paper-handling and storage requirements. The company wanted to do both while increasing processing capacity and expediting invoice turnaround times – all without increasing staffing levels.

SmartHealth processes all corporate and division invoices through a centralized accounts payable group located in Phoenix. This means that the department receives incoming bills from more than 1,500 total vendors which are serving very different business niches (i.e. dental versus dermatology) and very different types of customers (i.e. veterinarians versus freight vendors).

Along with handling multiple entities, the company had to deal with two disparate purchase order (PO) and invoice processing platforms. POs were being processed through a custom-designed, internally-developed program and invoices through a Macola 7.6 Progression Series Account Payable package. This added complexity since the two systems did not “talk” to each other, requiring staff to manually match purchase orders to submitted bills.

Another major hurdle was finding an advanced capture solution that would offer a calculable return on investment. Handling tens of thousands of invoices annually in multiple document formats, structures and languages, the company wanted to streamline its operations but needed to do so with a system that made sound fiscal sense.

“Most document capture products we were seeing in the marketplace did not offer the high-level enterprise-class capabilities we required nor did they demonstrate a compelling cost-to-value equation,” said Randy Burger, Director of Finance, SmartHealth. “Kofax provided the sophisticated system we needed and showed us how our new platform could deliver a clear return on investment.”

The Solution

To meet its needs, SmartHealth turned to local Kofax Certified Solutions Provider Western Office Systems to implement a solution to automate the company’s collective purchase order and invoice processing system. Western Office Systems designed a custom solution leveraging Kofax Intelligent Capture & Exchange, the foundation of Kofax’s strategy to help organizations streamline business processes.

“With Kofax, we tailored a solution that provided the advanced document capture platform SmartHealth they had been looking for,” said Ray Hughes, General Manager at Western Office Systems. “A highly complex, labor-intensive process has literally been transformed into an automated system that is quick, efficient and cost effective.”

SmartHealth’s purchase order and invoice processing solution uses key elements of Kofax Intelligent Capture & Exchange, including:

- Kofax Capture, the world’s leading information capture platform, which automates data capture from scanned paper or imported documents.
- Kofax VirtualReScan (VRS), the de facto standard for capture productivity and quality throughout a document’s lifecycle.
- Kofax Transformation Modules (KTM), which streamlines the transformation of business documents into structured electronic information by automating the processes of document classification and data extraction.

Results

Since implementing its Kofax-based solution, SmartHealth has seen a significant increase in invoice processing efficiency and output. The company estimates that productivity has been increased by more than 40 percent and the accounts payables team is now able to take on as much as 25 percent more volume with 20 percent less staff (processing staff was reduced from five to four due to attrition).

Staff report that the automated solution is easy to use and enables them to be much more efficient and accurate. For example, processors no longer have to go through paper file boxes when researching invoice questions, so response times that once took hours have dropped to minutes.

In addition to these improvements, SmartHealth reduced paper usage by about 50 percent within its accounts payable department. The company anticipates it will see a payback from the system within three years.

“We needed a high-level capture platform that could be customized to our specific needs, and Kofax proved to be a great fit for us,” said Terri Martin, Manager of Accounts Payable, SmartHealth.

“The solution enables seamless integration with our existing purchase order generation and invoice processing systems, and the results speak for themselves,” she added. “Our processing is faster and more accurate. We have a system that is simple to use and one that our staff likes. Plus, we are saving the company time and money.”

Visit the Kofax web site at www.kofax.com for more information!