



CASE STUDY

Powerful Partnerships Transform Operations and Customer Experience



In the healthcare supply chain, we have a huge opportunity to remove complexity and work toward health equity for all. GHX enables us to connect and partner with a network of providers so we can solve problems and transform healthcare together."

Chris Anne Cocanougher

Senior Director, Commercial Operations, LivaNova

Highlights



More meaningful customer engagement leads to stronger partnerships



Optimized order and invoicing processes enable customers to serve patients more efficiently



Less manual work reduces stress, improves team morale and allows for prioritization of strategic activities

CHALLENGES

- Manual processes left little time for strategic initiatives and negatively impacted job satisfaction
- High order exception volume contributed to increased days sales outstanding (DSO) and compromised customer experience
- Lack of holistic data visibility prevented process optimization

SOLUTION

- Identify strategic automation opportunities to improve order-to-cash processes
- Utilize order and invoicing data to streamline customers' purchasing experience
- Improve cash flow management to fund continued product innovation

RESULTS

- **85%** increase in team members engaging in strategic work
- **15%** reduction in exceptions
- **28%** of customers experience no exceptions
- **40%** drop in DSO

Customer

LivaNova is a global medical technology company that provides innovative products and therapies for the head and heart with a team of 3,000 people in more than 100 countries.

Challenges

Manual processes led to time-consuming, error-prone work

LivaNova's top priority is **quickly getting medical supplies into their customers' hands**. The efforts involved in creating a frictionless order-to-cash process are extensive and only possible through the hard work of LivaNova's entire commercial operations team, who have undergone a radical digital transformation.

Digital transformation is not an overnight process. It takes years, and for most healthcare suppliers and providers, implementing technology is just the beginning. The complexity of healthcare requires a commitment to collaborate with trading partners and continuous improvement, but the effort pays off tremendously.

In the past, LivaNova's 20-person customer service team **fielded about 400 emailed orders daily**. They would then manually generate orders in their system, **keying in 35 fields for each order** before sending to one of seven warehouses before 5:00 p.m. to ensure on-time fulfillment.

Without a centralized order management process, the team also spent a great deal of time providing order status updates to customers through various channels. They had little visibility into the complete order-to-cash process, and **any errors or delays impacted shipments to customers and patients**.

The pressure of trying to get all purchase orders (POs) out the door quickly—and ensuring quality while answering customers' questions—was intense, and negatively affected team morale. The experienced team **was also capable of more strategic work**.



My team came in every day and felt a stack of bricks on their chest. They didn't have time to connect with our customers and solve their problems because they were busy manually keying in fields for each PO."

— Chris Anne Cocanougher

High order exception rates hindered operations excellence, customer experience and cash flow

Cocanougher recognized the opportunity to reduce manual touches and shift the team's focus to the more complex and strategic areas of the patient's care cycle.

The team also noticed a **high number of preventable order exceptions**, like unit of measure and part number. Preventable exceptions ultimately create delays with invoicing and timely payments, **directly impacting the cash flow** needed to fund product innovation.

"We knew we had to dig into why there were so many exceptions and **understand the impact of our touchpoints**," says Cocanougher. "We also knew we couldn't figure everything out on our own."

"A high number of exceptions tells me we're not partnering the right way with our customers and meeting our customer needs. We really needed to hone in and understand why we were having such high exception rates."

Chris Anne Cocanougher

Solution

Relying on industry-leading professionals for process optimization

LivaNova partnered with GHX to implement a **customer-centric approach** to order automation solutions. Together, GHX and LivaNova began laying the foundation for most **orders to flow to LivaNova electronically**, regardless of where their customers are on their digital transformation journey. They implemented order automation solutions to relieve the manual burden on the team and to gain more visibility into PO data.

"GHX's order automation solutions are critical. It's where we set up our customers and help ensure we have the right data points and information. This **enables our customers** to send orders to us, and we transmit invoices and automate advance ship notices back to our customers," Cocanougher explains.

Having laid the groundwork with essential automation and increased visibility, a business review between GHX and the LivaNova team **revealed insight into their high exception rates and opportunities for further automation**. This led LivaNova to engage the GHX consulting team and leverage its industry expertise to address the opportunities for optimization.

GHX's consulting team helped **analyze workflows to further reduce manual work and streamline customers' purchasing experiences**. Cocanougher's team and GHX found ways to:

- Streamline invoicing and payment
- Reduce exception rates
- Decrease DSO by capitalizing on touchless automation tailwinds



"GHX has done a great job analyzing our entire footprint. They looked at our solutions and showed us strategic ways to optimize while communicating with our customers to help ensure we continued to meet their needs."

Chris Anne Cocanougher

Realizing the holistic value of the GHX Platform

Today, LivaNova is leveraging solutions for:

- **Order transaction automation (includes invoice automation, analytics and business rules)**
- **Fax and email order conversion service**
- **Consulting services**
- **Payment automation**
- **Vendor Credentialing**

It's important to note that before an order is even placed, LivaNova helps ensure commercial readiness for its sales team using Vendor Credentialing solutions to streamline the credentialing process and manage documents across multiple facilities to meet compliance requirements.

Together, these solutions enhance customer relationships with mutual value, increase visibility and provide a more **seamless trajectory from PO to paid invoice**.

Results

Behind-the-scenes optimization continues to make a substantial impact

Since adopting the GHX product suite, LivaNova has **increased by 6% the number of customers transacting through automation**. Where possible,



LivaNova moved customers from the fax and email conversion service to ordering in a **truly integrated EDI fashion**. Transitioning those customers provides a better customer experience, reduces manual processing time and lowers expenses. Using **intelligent automation and incorporating business rules** to complement the ordering process reduces unnecessary human intervention even further.

Previously, exceptions **hindered the customer experience and delayed the invoice to payment process**. With access to analytics and GHX knowledge and experience, LivaNova built an actionable plan that **decreased exceptions by 15% over the past year**. By the end of the fourth quarter, LivaNova had eliminated exceptions for 36 customers.

"Our team partnered with our customers to perform a monthly outreach to those trading partners with the highest exception rates. Doing that resulted in **touchless automation, quicker response time for order confirmations and faster invoice payment times**," Cocanougher says.

Now, the **order process flows more smoothly**. LivaNova customers receive confirmations electronically, reducing calls for order information. "They're happy because they have the answers for their physicians and we have all the information out to our customers in a timely fashion, which helps relieve a lot of tension or stress in the supply chain," Cocanougher explains.



When physicians know the products they want to use are on the way, it helps them better prepare for a case. There's less stress walking into that case, and it helps patients get a higher quality of care. They're getting the right products at the right time when they need it."

Chris Anne Cocanougher

Improving cash flow helps fund innovation

Optimized and streamlined order processes resulted in reduced exceptions and cleaner invoices working to **improve cash flow** for LivaNova.

"It's critical that we are doing what's necessary to ensure our customers can pay in a timely way. We want to make sure that we're able to innovate and bring new products to market faster, which requires efficient cash flow."

Delivering invoices efficiently and accurately enables LivaNova customers to better manage their own processes and pay on time. LivaNova has significantly increased the number of invoices going out electronically and increased the volume of **automated payments**. **This, along with optimized order automation, has enabled LivaNova to decrease DSO by roughly 20 days—a 40% improvement—and improve cash flow.**

"Our Finance team has found that GHX's payment automation solution allows our customers to pay us faster, which turns that cash flow even quicker. And, as we add more customers to our payment program, the better our cash flow situation is."

Enhanced processes strengthen the entire supply chain

By substantially shifting resources to more strategic activities, just three members of the 20-person team are now responsible for monitoring POs. The other 17 team members can focus on delivering more personalized customer service and having strategic conversations with other business units to **improve operations and help enhance patient care.**

GHX drives Cocanougher and her team to **continuously exceed customer expectations** as digital transformation in healthcare continues to evolve. "GHX not only helped us understand what the path forward looked like, they gave us best-in-class practices and insight into what others in the healthcare space are doing **so we can stay competitive.**"

"Our customers believe in LivaNova because of our responsiveness and our ability to work together to ensure they get what they need. The work that we've done shows that we can partner to do great things in the healthcare community."

Chris Anne Cocanougher



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Boost your customer
experience. Drive revenue.

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