GHX CASE STUDY

Froedtert & MEDICAL COLLEGE of WISCONSIN

Prepare for the Ripple Effect in the Cloud

DATA INTEGRITY IS MORE IMPORTANT THAN EVER IN A TIGHTLY INTEGRATED SYSTEM

The Froedtert & the Medical College of Wisconsin (Froedtert & MCW) regional health network includes eight hospital locations, nearly 2,000 physicians and more than 45 health centers and clinics. In 2020, the health system transitioned its Infor version 10, cloud-hosted, single-tenant, enterprise resource planning (ERP) system to the Infor CloudSuite™ Healthcare multi-tenant ERP solution.

Any time visibility to cash position

Cash management is much more real time with a cloud ERP system compared to on-prem ERP systems. For this reason, general finance and accounts payable teams have greater visibility into their health network's cash position at any given time, and can make informed decisions, such as timing of invoice payments.

At Froedtert Health, for example, finance had been reconciling bank statements to get a cash balance at the end of each month. This was a process they had been doing that way for 15 years. With the new cloud ERP system in place, the reconciliation process can be performed daily but data integrity takes on a bigger role.

The ripple effect magnifies data integrity

"The new Infor CloudSuite Healthcare system is far more integrated now than the old version 10 was," said Dan Schumacher, Froedtert Health's Manager of Business Applications. "And we are now seeing first-hand that just minor tweaks that happen either in supply chain or finance have a ripple effect going through the rest of the system."

The driver of this "ripple effect" is the tight integration of supply chain and finance within Infor CloudSuite, as opposed to these departments and their processes operating in separate modules prior to the cloud implementation. With supply chain and finance working within the same platform and their processes directly affecting each other in real time, there is less forgiveness with errors on either side. It is apparent in the new system that garbage in is garbage out. For example, if there is a purchase order error, it is more likely to result in an invoice discrepancy. Therefore, data integrity and transactions become much more important.

Procure to pay automation for better data

By leveraging the GHX electronic trading exchange for procure-to-pay electronic data interchange (EDI) transactions with suppliers, Froedtert Health was able to use automation to solve its data problem.

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Prior to the cloud ERP migration, when an invoice came through from a supplier and matched to a PO within the old ERP system, if the price difference between the two were even a few cents off, a buyer would have to manually correct the discrepancy before payment could be generated. With Froedtert generating thousands of PO lines, buyers would receive hundreds of discrepancy alerts each day.

With Infor CloudSuite and its integration with the GHX Exchange, the team can take advantage of automation for greater process efficiency and less manual intervention. They've established an automated tolerance on their EDI interface for PO/invoice discrepancies so the system will automatically process the invoice for payment. Only when the discrepancy exceeds the threshold, will the system alert a buyer to address the issue.

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Fewer PO/invoice discrepancies and faster invoice processing results in better data for financial analysis, helping the finance team with cash management.

According to Koczela, the cloud has offered "a completely new paradigm on how we are all accessing information and software." He added: "The fact that I can now check the status of a PO anytime, anywhere is pretty exciting. It's interesting to have that kind of power from the cloud."

Complementary Partner

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