

CASE STUDY

Vendor Management

“A Cleaner Vendor File Results in Better Terms”

Region: Northeast

HQ: New York City

Employees: 23,366

Beds: 5,757

Patient Revenue: \$5.6 Billion

EHR: Epic

ERP: Oracle

GPO: Premier

“It really is all about the vendor file. SpendMend is the best at (recovery auditing) because they know the vendors better than anyone.”

-Accounts Payable Manager

Problem

As a part of the SpendMend data mining ritual and vendor outreach, we were able to identify transactions where the vendor had applied aged credits due our client to invoices outstanding without our clients' knowledge or consent. The issue was systemic and resulted in extended payment terms not being honored by the various vendor Accounts Receivable departments. SpendMend was able to illustrate the issue and identified over \$2M in unauthorized applications.

Solution

SpendMend supported a campaign to educate the vendor base on the client's extended payment terms as well as their internal application process. In addition, SpendMend suggested a mending services approach to stay 90 days behind current and monitor the process long term.

Result

SpendMend helped the client to reclaim over \$1.5M of the \$2M in unauthorized applications. SpendMend followed up with a deeper review of all suppliers to uncover another \$1M in additional recoveries.