A Better Monthly Close Through Accounts Payable Workflow Automation

Company: Wachusett Healthcare

Industry: Healthcare

Locations: Connecticut and Massachusetts

The Challenge: Centralizing an aging and unorganized accounts payable process to improve efficiency and streamline operations

The Solution: Accounts Payable Workflow Automation, Enterprise Content Management (ECM) System, and Digital Mailroom Services

The Results:

- **Achieved** Automated Accounts Payable System
- **Increased** Time Efficiency

Closing the books sooner through accounts payable workflow automation

Introduction

Founded in 2016, Wachusett Healthcare is a 96-bed nursing home operator with facilities in Massachusetts and Connecticut. They offer short-term rehabilitation—including physical, occupational, and speech therapy—as well as long-term care services, respite care, and end-of-life services.

Before VRC, Wachusett Healthcare did not have a streamlined accounts payable (AP) process. Instead, the nursing home operated its accounting functions from several sites, with each operating autonomously. There was no alignment, and there was a complete absence of centralized AP processes and support. To tackle this, Wachusett Healthcare sought the help of VRC's [AP workflow automation](#).

Together, VRC and the healthcare organization mapped all the AP processes used and created a new AP system that centralized invoices across the entire accounting department. VRC also performed [digital mailroom services](#) for the nursing home's mailed invoices—resulting in a streamlined workflow automation process.

The challenge

For a number of years prior to this project, the Wachusett Healthcare AP team operated out of several sites—making it extremely difficult to manage workflow and perform daily tasks such as invoice scanning and indexing. Additionally, their aging system was inefficient, and the AP team had no formal procedures in place for resolving AP issues.

In 2020, Wachusett Healthcare faced a new challenge. COVID had disrupted their ordinary activities and created a need for rapid change. While the residents of Wachusett Healthcare were healthy, the staff needed to be careful not to spread the disease. Because of this, the accounting staff and management knew they needed to be extra diligent in following the CDC's recommendations and providing a safe work environment for their team by working remotely and efficiently.

While their existing AP system enabled them to work remotely, it didn't enable their staff to work efficiently. The team was unsatisfied with the amount of time it took to create reports for third parties such as government authorities and insurance companies. The lack of efficiency and resources made the accounting team feel like they were performing repetitive and duplicated work. This feeling went against their goal of having a streamlined work environment, where all accounting records were organized, accessible, and retrievable.

Joe Lopatosky, Director of Finance at Wachusett Healthcare, knew a change was needed and led the initiative to find a more streamlined solution for his team. Their first consideration was to make staffing adjustments. However, they soon realized that to accomplish what they wanted, they needed to automate their AP processes. As they started their search journey, they also discovered that they required a solution with low implementation time and the ability to integrate seamlessly with their other operations.

"I was surprised and unsurprised at the same time as I struggled to find peers in my industry that had successfully gone this route," said Joe. "I reached out to our business partners and associations and had minimal luck. I eventually found a couple of companies that seemed like a good fit, and then looked a little deeper."

The solution

Joe met with three different vendors across the United States to help with the project. The available AP automation software options offered similar capabilities with various interfaces and price points. Ultimately, their decision came down to working with a company that they could build a relationship with over time.

The team decided to partner with VRC to scan and convert invoices into indexed documents and implement an [enterprise content management software](#) solution that enabled them to access digitized documents from anywhere. VRC's VitalScan imaging team performed [OCR invoice scanning](#) to transfer mailed invoices into a new AP system.

With the help of VRC, the accounting team was able to implement the new system within weeks. Their department was able to keep up with its workload—despite the COVID halt—through proper planning and designing processes for workflow automation and scanning. The new system ensured the nursing home's AP staff could work remotely as well as from their offices. It also created new automated workflows to meet legal regulations for record retention.

The results

Now, Wachusett Healthcare has invoices at their fingertips, with documented status updates for every invoice. The streamlined process saved time and created accountability for the entire team. The AP invoicing process was not only much faster, but more accurate, organized, and transparent—as the finance team could easily view the status of each invoice.

As a result, the new AP system provided quicker monthly closes. By identifying and turning around invoices quicker, Wachusett Healthcare minimized late fees and finance charges. This enabled the AP team to avoid falling short of cash flow goals and creating cash flow problems.

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"When I look at the success that we've had, I only wish that we had been able to make the time to make this initiative a reality sooner."

JOE LOPATOSKY, DIRECTOR OF FINANCE

About Vital Records Control ("VRC")

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