

Verian Answers Emergency Call from EMSC

Emergency Medical Services Corporation (EMSC) is the leading provider of emergency medical services in the United States. Serving 13 million patients each year in over 2,000 communities, EMSC provides everything from ambulances and fixed-wing aircraft to ED and hospital staffing, clinical education / training and disaster response services.

Challenges

Between 2000 and 2004, the company entered a period of accelerated growth and acquisition activity. Although the company was enjoying unprecedented success, its procurement and AP departments had manual systems that struggled to keep pace with the growth.

Steve Silloway, EMSC's Procurement Director, explains. "In 2003, we were doing everything manually: paper requisitions, manual approvals, paper invoices, payments and reporting. There was no standardized PO numbering system, each of our five regions maintained their own set on procurement logs and spreadsheets."

With all spend detail existing solely on paper; the procurement department depended on suppliers for item detail and had limited ability to ensure requisitioners were leveraging national contracts to their fullest potential. Accounts payable processed paper invoices that were hand-coded and signed in the field and sent to AP in batches for data entry into the financial system, which presented a challenge for accruals and potentially long payment cycle times.

EMSC's ERP system tracked an asset's initial acquisition cost, location and depreciation. But calculating the total cost of ownership of high-dollar items like ambulances and other expensive medical equipment made replacement decisions more challenging.

Procurement reports were limited and real-time detail was not available. As a result, managers were unable to view available monthly budget dollars at the time of requisition approval, which had the potential for budget over-runs.

"It was clear we needed an automated purchase-to-pay system that integrated with our financial system and provided us with spend detail and contract compliance visibility," said Valerie Gaither, VP of Procurement and Fleet Administration for EMSC. "We instinctively knew there were cost reduction opportunities with existing suppliers and new national contract opportunities, but we lacked the tools to identify and capture all of these available savings."



Selection Criteria

"We needed a purchase-to-pay system that directed requisitions to the most cost effective products, increased compliance to our national contracts and streamlined the invoice and payment process. Our requirements also called for a solution that could help us better track the total cost of asset ownership and enhance capital expenditure decisions."

After looking at eight different vendors, EMSC chose Verian. "We chose Verian for a host of reasons," said Gaither. The Verian system is user friendly, allowing us to get users up and running quickly without extensive training – the system is very intuitive."

Verian also delivered on EMSC's need for budget-to-actual comparison prior to purchase and comprehensive tracking of all the expenses associated with an asset.

Summary

Industry: Medical transportation and services

Challenges: Manual procurement and AP processes; limited spend detail; incomplete asset management system

Selection Criteria: EMSC needed a flexible, easy-to-use solution that could answer all its challenges

Solution: Verian's Purchase Manager and Asset Manager modules

Results: Complete spend visibility; volume discounts captured; high user adoption; streamlined invoicing; robust asset management capabilities

Customer Success Story

Verian Answers Emergency Call from EMSC

EMSC was especially impressed with its superior flexibility. Verian's Purchase Manager had to undergo two separate integrations, one initially with JD Edwards and then Oracle a few years later when the company switched ERPs. According to Silloway and Gaither, both implementations went "very smoothly."

It also helped that the Verian system fit the EMSC business model. "Many procurement solutions on the market are built for a manufacturing environment," said Gaither. The Verian solution fit perfectly with the requirements of a service-oriented company and had most of what we needed – right out of the box."

Solution

EMSC went live with Verian's Purchase Manager module in 2004, implementing 400 users nationwide within six months. EMSC supplemented the e-procurement functionality of Purchase Manager with supplier punch-outs, e-invoicing and advanced budgeting capabilities. Later, EMSC added Verian's Asset Manager to resolve some remaining asset management challenges.

Results

With clear visibility of our expenditures and supplier contracts, EMSC procurement directors had the tools to leverage the buying power of the enterprise for better pricing and better control of maverick spend. On the larger spend commodities, Verian's Purchase Manager directed requisitioners to national contract suppliers and in conjunction with our suppliers' technology, to items that offered the best quality at the best price. ROI was less than 18 months. The visibility to detailed product information, quantities purchased, suppliers and price have produced millions of dollars in savings annually. Now managers also have the ability to check budget status and approve/decline requisitions prior to purchase, which added a critical layer of cost control.

Additionally, managers can pull operation-specific reports and easily drill down into their purchase history, review budget-to-actual reports and track capital. Verian's Purchase Manager provides the ability for the procurement department to review requests and route to the preferred suppliers with

just a few keystrokes. And with Verian's Asset Manager installed, EMSC procurement directors have all the needed asset data: location, specifications, recurring costs, warranty period and total lifecycle cost in one location. EMSC has avoided millions in expenditures on new capital equipment by identifying underutilized or idle assets and redistributing instead of buying new.

"The visibility to detailed product information, quantities purchased, suppliers and price have produced millions of dollars in savings annually."

Steve Silloway

Procurement Director, EMSC

EMSC relies on supplier punch-outs to place orders with their largest suppliers. "Now that we're connected electronically to vendors like McKesson and OfficeMax, everything is easier to manage," says Gaither. "Supplier catalogs are set to automatically substitute the preferred products; generating cost savings on autopilot provides peace of mind."

An e-invoicing connection with major suppliers removed more than 55,000 paper invoices per year, taking a huge burden off the EMSC AP department, and there is an ongoing effort to convert more suppliers to e-invoicing and e-payment. "Put simply, Verian's solutions give us the ability to do our jobs more efficiently and effectively while keeping costs down, which provides our internal customers with the best value and makes us a better business partner to our suppliers," said Gaither.

When it came to purchasing, invoice processing, spend visibility and asset management, EMSC knew there was room for improvement. After careful vendor selection and the smooth implementation of a flexible, user friendly purchase-to-pay solution from Verian, EMSC can now put more focus on serving our patients and communities.

For more information, call Verian at 1.800.672.8776 or visit us online at verian.com.

