



CASE STUDY



“Having an easy and effective line of communication with customers is critical to providing exceptional customer support, and the GHX eInvoicing solution has helped us do that.”

**Jackie Coles**

*Customer Service Manager, Medline Canada*

## MEDLINE CANADA TAKES CUSTOMER RELATIONS TO A NEW LEVEL WITH ELECTRONIC INVOICING

With the GHX eInvoicing solution, Medline Canada has significantly reduced its volume of paper invoices and increased its visibility into the invoicing process. As a result, it receives customer payments faster, has higher collections per month and has achieved hard dollar savings, cutting postage costs in half. Furthermore, the company and its customers spend less time and labor on invoice processing. Medline has cut the labor required for mailing invoices by 83 percent – redirecting staff time to more value-added activities, including more proactive customer service.

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# THE RESULTS



**Increased number of eInvoices from 21% of total invoices in 2014 to 56% of total invoices in the first 9 months of 2016**



**Cut labor required for mailing invoices by 83% - from 15 hours per week down to just 2.5 hours per week**



**Cut postage costs by more than half**



**Faster invoice payments and higher collections per month**



**Saved time and labor on invoicing - both Medline and its customers**



**Greater visibility into invoices**



**Better communication with its customers**

## SITUATION

Medline is a global manufacturer and distributor serving the healthcare industry with medical supplies and clinical solutions that help customers achieve both clinical and financial success. Headquartered in Mundelein, Ill., the company offers 350,000+ medical devices and support services through more than 1,200 direct sales representatives who are dedicated points of contact for customers across the continuum of care.

A manual, paper-based invoicing process increases time, labor, costs and waste. Medline Canada had hundreds of healthcare provider customers that required the company to submit invoices to them via fax, email or postal mail. This was a significant burden on Medline's accounts receivable (AR) department and customer service team. Paper invoices were inconvenient for the customers' accounts payable (AP) departments as well.

With faxed invoices, there was no guarantee that the right person on the customer side would pick up the fax. Fax clarity was also an issue, with customers complaining they could not read the invoice. With invoices submitted via email, if the email bounced back the Medline team would have to determine if there was a mistake in the email address or if the contact on the customer side had left the organization. If it were the latter situation, the Medline AR team would have to work to identify a new contact. With mailed invoices, Medline would receive returned invoices marked "undeliverable" requiring additional time in contacting customers to clarify and correct mailing addresses before resending.

## Lack of transparency, superfluous paperwork

“There were so many complications that my team was constantly up and down from their desks at the fax machine or printer picking up paper invoices, faxing them over and getting confirmations back from the fax machine to see if they went through,” said Medline Canada’s customer service manager Jackie Coles. “Next they would place calls to the customers to ask if they got the faxed or emailed invoices and whether there were any issues. On top of that was the mailing of invoices, which was a very tedious administrative task that took a lot of our receptionist’s time.”

A major issue was that Medline had no visibility into whether its customers were receiving the invoices it submitted. Coles describes the snowball effect of lost invoices.

“Often when sending invoices by email, mail or fax, the customers would not report the missing invoices until weeks or months after the fact,” said Coles. “If we didn’t hear from the customer we would assume everything was fine until we saw an amount outstanding on an account, which then created more follow up with the customer.”

Coles explains how the burden of manual, paper invoices impacted Medline’s customers as well. The customers too were

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spending significant time and effort “chasing paper,” placing phone calls to Medline to request copies of lost invoices, and sorting through and filing these documents.

“If they were a sizeable customer, we were emailing, faxing or mailing over 30 to 40 invoices a week,” said Coles. “We are just one of their many suppliers – just think of how many other paper invoices they have to manage as well.”



## SOLUTION

In May 2016, Medline Canada implemented the GHX eInvoicing solution to reduce the cost, time and effort associated with invoicing and increase visibility, for both itself and its customers. Medline submits invoices via electronic data interchange (EDI) through the GHX electronic trading exchange. For those customers without EDI capabilities, the eInvoicing solution converts the invoice into a PDF file that is delivered to an online portal. The customer receives an email advising them that an invoice has been posted and they simply log into the portal to retrieve the invoice. Through the portal, Medline has full visibility into invoice status and can communicate with its customers to resolve issues.

Medline rolled out the GHX eInvoicing solution to customers in phases, starting with its highest volume accounts. Within three months of implementation, over half of their customers were using the solution. Coles attributes this success to Medline's internal collaboration as a team and external collaboration with its customers. She says many customers were excited to use the solution because they knew it would benefit their operations in terms of greater process efficiency.

"We had customers contacting us to say 'this is awesome,'" said Coles. "It's great to get their feedback and hear how excited they are about GHX eInvoicing."

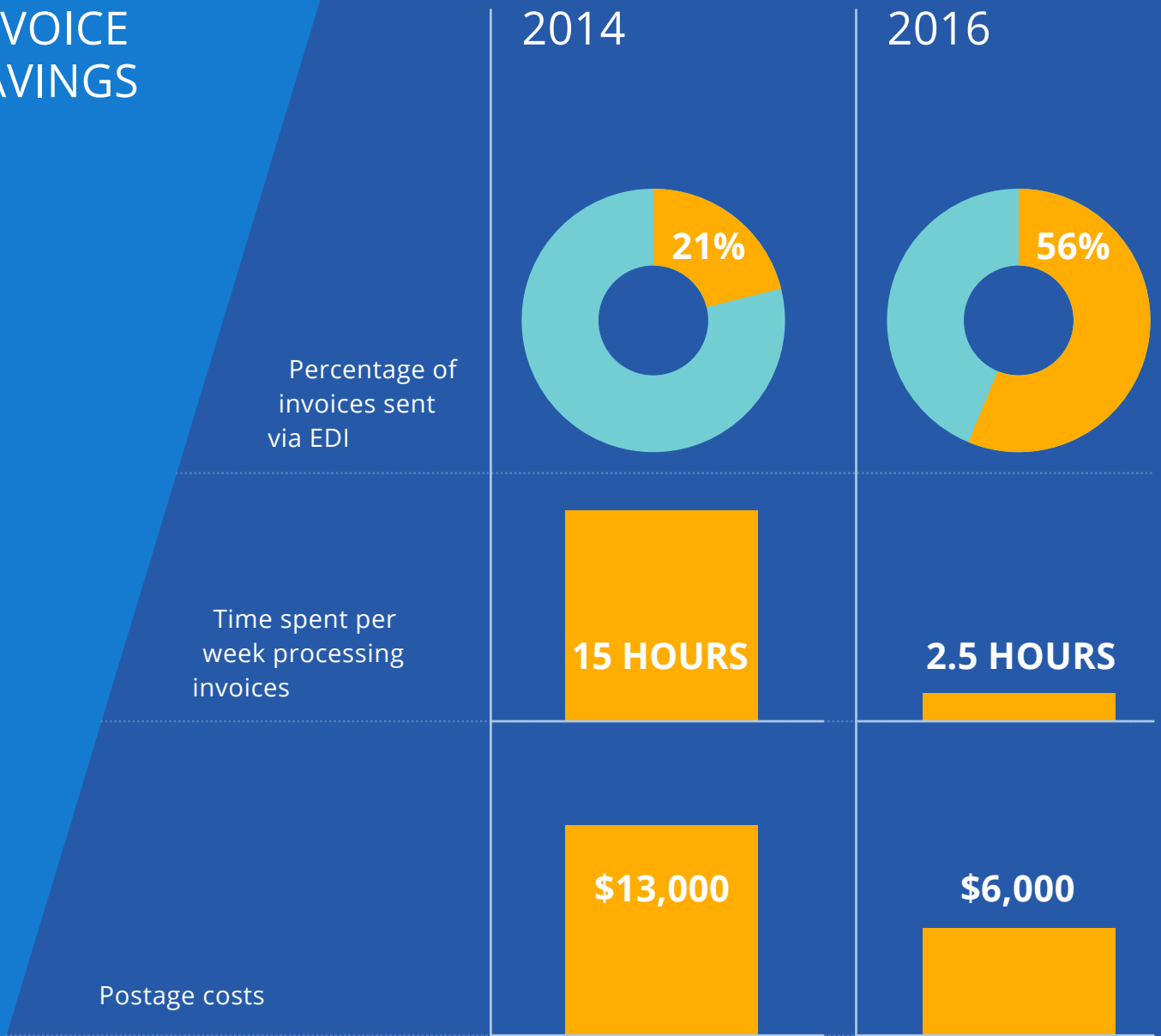
## Lower costs, greater efficiency

With the GHX eInvoicing solution, Medline has increased its number of eInvoices from 21 percent of total invoices in 2014 to 56 percent of total invoices in the first nine months of 2016, thereby saving hard dollars in paper, ink and postage. For example, the company has cut postage costs by more than half since 2014.

According to Coles, the GHX eInvoicing solution has streamlined Medline's invoicing process by significantly reducing the volume of faxed, mailed and emailed invoices. Staff members are spending less time sending invoices, following up on them and fielding customer inquiries on lost invoices. In turn, Medline's customers are spending less time processing paper invoices on their end.

"The receptionist is no longer stuck with a pile of invoices having to sort them, stick them in the mailing machine and lick envelopes," said Coles. "Instead she is refocused and able to do other things, such as help with different administrative tasks around the office. Our AR person wears so many hats, so the fact that she spends less time placing calls to customers on unpaid invoices and replacing lost invoices has been huge. My team in customer service now spends less time on the phone with customers. It's a great process overall."

# INVOICE SAVINGS



Whereas the receptionist used to spend approximately 15 hours per week mailing invoices (printing invoices, folding them, stuffing and sealing envelopes, etc.), she now spends only an average of 2.5 hours per week on this task.

“With eInvoicing, it’s much easier for customers to conduct business with us,” Coles added. “There is a lot less work involved because the invoices are now there overnight and it just takes the customer getting a notification from the portal that a new invoice is available. They don’t have to spend time searching for invoices or shuffling paper. The portal is an easy place for everyone to gather. There’s been time savings all around – everybody likes that.”

## Faster payments, more transparency

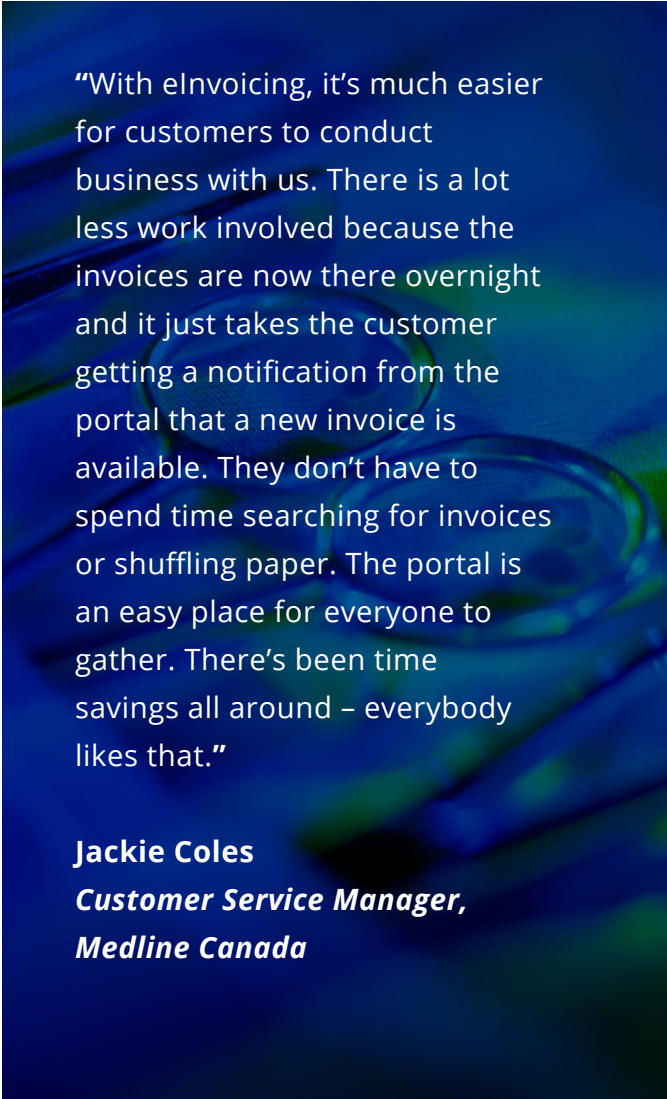
Coles explains how eInvoicing has contributed to faster invoice payments and the significant impact this has had on the company's AR department.

"eInvoicing has had a big impact on our collections," said Coles. "One of my team members told me we've collected more money this month than we've ever collected before."

Moving from manual invoices to electronic invoices housed in a single, online portal has provided both Medline and its customers greater visibility into the invoicing process. Coles notes that it has also improved communication, allowing Medline to resolve product and invoice issues sooner.

"We know if they've received the invoice, if they haven't received it and if there are any outstanding invoices on the account," said Coles. "The customer knows if they're up to date or not and if there are any payments due."

"Having an easy and effective line of communication with customers is critical to providing exceptional customer support, and the GHX eInvoicing solution has helped us do that," added Coles. "With the time saved from eInvoicing, my team can think and act proactively. If they uncover an issue, such as a backorder, they can contact the customer to quickly resolve the issue rather than waiting for the customer to contact us. With less menial tasks we are able to focus on the big picture."



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Learn more about GHX eInvoicing for suppliers  
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