GHX

CASE STUDY

axogen®

Order-to-Pay Automation
Improves Savings and Customer Relationships

"GHX is a trusted name within the industry and working with them helps our scalability and our pricing. Honestly, I can't imagine the future now without GHX at Axogen."

Ralph Engle**
Manager, Treasury & Financial Services, Axogen

Challenges

- Processing orders and payments manually

- Reducing costs and DSO through automation

Solution

- Axogen engaged with GHX to implement order-to-pay automation

- Order automation reduces manual work and order errors and improves efficiency

- With ePay, Axogen reduces fees and gets paid faster

- Enabled mutual value to its customers with a collaborative solution

Results*

50% reduction in administrative work

90% reduction in fees

12-15% average decrease in DSO

Customer

Axogen is a leading developer of surgical solutions, including human tissue nerve grafts, based in Alachua, Florida.

Challenges

Manual order and payment processes can be inefficient and costly

As healthcare providers pursue digital modernization for supply chain management, their supplier trading partners are turning toward collaborative automation. Seeing an opportunity to improve efficiency and cost savings while building better relationships with its customers, Axogen worked with GHX to expand automation to its order-to-pay processes and deliver more value for its customers.

Before Axogen implemented GHX solutions, processes were largely manual for orders, invoicing, and payment, creating inefficiencies, and increasing their business costs and DSO. With supply chain and accounts receivable teams spending time on many manual tasks, Axogen had less time for strategic priorities and customer care activity.

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Reviewing and processing orders manually

Processing incoming orders was time-consuming and complex. Axogen's team received most orders by phone, email, and fax. Then they had to manually enter these orders into their system, which was labor-intensive, inefficient, and error-prone.

Ralph Engle, Manager, Treasury & Financial Services, says: "Our team had to place the whole order and type that whole process up from start to finish. They were going line by line to make sure we had the correct part number and pricing and everything else along the way."

Complex and inefficient payment collection

Managing payments was also time-consuming and inefficient for Axogen.

Axogen received payments from a variety of sources, including hospitals, card processors, and other third parties. This left them juggling multiple platforms and disparate processes. The resulting patchwork of data decreased visibility and efficiency for them and their customers.

Additionally, some platforms provided only partial remittance information, such as partial or misspelled names, which further compounded the complexity of manually matching payments to invoices.

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>
> — Ralph Engle

Engle says: "We had to log into seven or eight different portals to pull the right information, including remit data. Then we were taking most of that information and manually entering it into our own system to reflect the payments. Posting payments took 3–4 hours on a daily basis.

Too much of our time was tied up on manual work instead of customer-facing projects."

Reduced margins with high costs and card fees

Axogen was committed to reducing costly manual processes and minimizing card fees. They were typically paying between 2.5-3% on about half of their customer payments. By reducing costs and fees through more automation, they could improve their margins and free up resources they could dedicate to supporting customer relationships.

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Solution

Reducing paperwork, costs, and errors with GHX order and AR automation

Axogen engaged GHX to replace manual order and payment management with highly efficient automation in January 2022. Engle was excited that AR automation would improve the financial health of both Axogen and its customers.

Ready to unlock the benefits of automation without delay, Axogen set an ambitious timeline to streamline ordering and invoice exception handling via the GHX Exchange and automate payments with ePay.

High on Engle's list of priorities was to reduce costs and DSO, while increasing efficiency and utilizing automation to free up staff for more strategic, collaborative initiatives.

How Axogen and GHX achieved success

While Engle was in no doubt automation was a mutually beneficial win, he needed to gain buy-in from his own C-suite and Axogen's customers.

Initially, Engle met some skepticism from company executives, but he felt confident about the solution and the anticipated results.

He says: "I was very confident about what we were going to be able to do. I promised our C-suite that we could substantially reduce costs in the first year, knowing we would probably hit our goal in the first half. They were willing to let me go with it. And the rest is history!"

Another concern was how to work with existing customers, knowing that change can be challenging. Engle took a proactive approach to reduce the chance of churning.

Engle reached out to customers directly to explain the benefits of ePay to both parties, including how it would help Axogen control costs and pricing.

"We didn't make anyone feel like they weren't involved, and I think that helped us retain everybody," says Engle.

Engle attributes Axogen's customer order growth of 10-15% to this intentional, customer-first approach.

Hands-on support sets positive trajectory

GHX provided Axogen with an experienced customer success manager (CSM), which also helped smooth the transition to ePay. The CSM worked closely with Engle throughout, offering suggestions and lessons based on prior implementations.

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Another advantage was the **large GHX network** that was already in place. With many of Axogen's customers already doing business with GHX, it was easier to roll out ePay and start transacting orders through the GHX Exchange.

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Engle explains: "The single greatest thing that GHX did was pave the road. They identified customers who were already using their ePay product and often got them to switch without us even having to talk to them. That got us way ahead of schedule from the outset as we were able to flip a lot of large health systems very early in the process."

Automating orders with EDI connections

With customers and leadership on board, Axogen tackled order automation first, working with GHX to automate orders via its digital [Exchange](#) platform.

With more than two decades of experience in helping healthcare organizations modernize supply chain transactions, GHX set up the required infrastructure, allowing Axogen's internal resources to remain focused on core business.

Through a single connection from a central platform, this order automation helps drive efficiency across the order-to-pay process for Axogen. The Exchange's automated exception handling process has been streamlined from PO to invoice, leading to faster payments. This reduces manual work, saves time, and improves accuracy.

Engle says: "Managing transactions via EDI is far less time-consuming than before. Our Customer Care unit can focus on reviewing orders as they're being placed instead of placing the orders themselves. A process that took half a day now takes a quarter of the day or less."

An accelerated, automated payment process

Ready to transition to an automated payment solution with mutual value to its customers, Axogen implemented ePay. GHX managed the implementation process, without disruption, in a matter of weeks.

With ePay, providers can make payments using ACH. Remit statements are automatically generated, matched to the correct invoice, and sent to the customer's ERP.

All of this reduces time-consuming paperwork, minimizes fees, and enables Axogen to get invoices paid faster.

Engle explains: "With ePay, we have cut down on our DSO (the average time it takes to receive payments). We achieved a 12-15% decrease on average. This means we're more efficient at cash collection, freeing up finances for the growth of the business."

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— Ralph Engle

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Results*

50% reduction in administrative work and mutual value for Axogen and its customers

With GHX, Axogen has reduced manual processes and cut operational costs while at the same time providing mutual value to its customers.

More bandwidth for sales and customer-facing work

According to Engle, implementing order-to-pay automation with GHX has reduced the team's administrative work by 50%. The value of eliminating many manual tasks can continue to grow as more customers move to the ePay platform for payment.

The efficiency gained through automation frees up more time that teams can devote to growth initiatives, sales and other customer-facing activities.

Engle says, "Probably the single greatest thing that's come out of this are the relationships that we've been able to build with our customers because we don't have to be tied to a desk doing manual work."

**Achieving double-digit business growth**

Axogen successfully transitioned to ePay with zero customer churn, actually increasing sales volume and growth over the past year, which Axogen attributes to the ability to focus more time on customer satisfaction.

Impressively, Axogen indicated it is growing at this rate without having to add any new FTEs (full-time employees).

Engle says, "Our sales volume continues to increase and that's the most important metric. The way we handled the entire process, including all the relationship building we did, enabled us to maintain double-digit growth."

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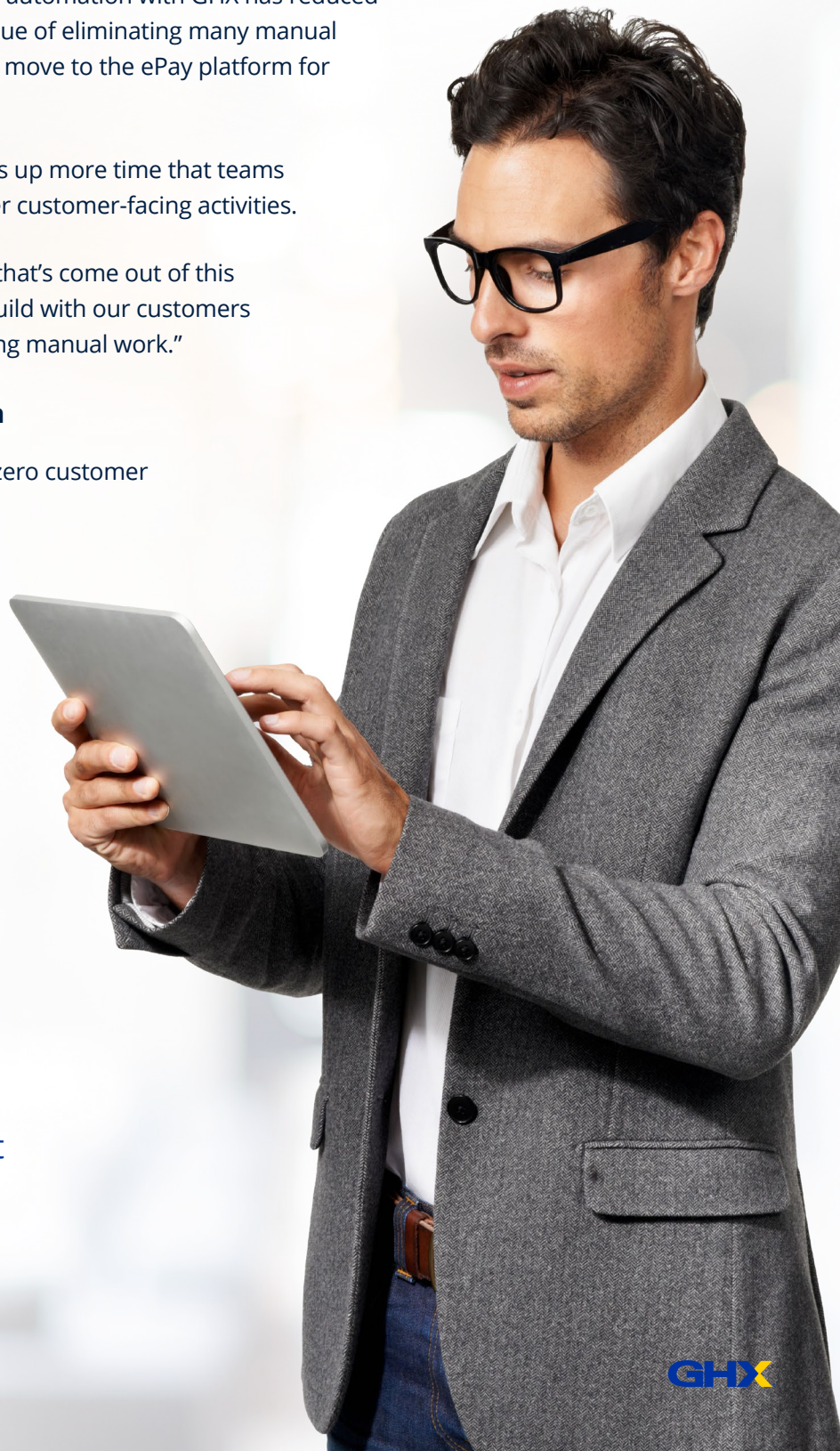
Reducing fees by 90% and boosting margins

By expanding payment automation with ePay, Axogen increased efficiency across their trading relationships and significantly reduced costly fees that were cutting into their capital.

Engle estimates that Axogen reduced monthly fees by 90% by the end of the first year.

Engle says, "Everybody at Axogen, from the top down, appreciates that piece of it."

A better future with GHX

Looking ahead, Axogen sees GHX as a trusted partner to support success. By reducing complexity and gaining more efficiency in its processes through automation, Axogen can continue to work collaboratively with its customers and improve financial health on both sides of the relationship.

Engle concludes: "GHX is a trusted name within the industry and working with them helps our scalability and pricing. As other providers and health systems add GHX and ePay, we'll be able to convert more over. Honestly, I can't imagine the future now without GHX at Axogen.

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>> Strengthen customer relationships and get paid faster. **Contact us**.

*Actual customer results may vary and are dependent on a variety of factors, including the level of customer engagement with GHX's payment and invoicing tools. GHX gives no assurance or guarantee that the same results or potential savings will be obtainable or prove to be correct.

**About this customer success story: We interviewed Ralph Engle in September and October 2023, before he departed Axogen to pursue a new opportunity.

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