Dental Practice Case Study

Challenge: Managing Accounts Payable for 130 Offices

InterDent is one of the largest providers of dental services support to multi-specialty dental practices, with over 130 dental offices in the western US. InterDent had a typical, widely-distributed, decentralized, paper-based process, where invoices arrived at offices for approval by office managers and were then sent to the AP department for processing. As a result, the payables process had typical issues, including:

- High cost
- Lack of consistency and controls
- Lack of transparency and accessibility
- Slow turnaround

Solution and Results: Best Practices and Automation

IQ BackOffice partnered with InterDent to streamline their accounts payable process. The result was the transformation of a paper-based process into an automated procure-to-pay solution, including significantly reduced costs , improved transparency and accessibility, better controls and process consistency, and faster turnaround.

Significantly Reduced Costs
Salaries, support and other overhead costs for the Accounts Payable process totaled $527,000 per year.

- We leveraged our Archimedes enterprise business process platform and applied best practices to InterDent's Accounts Payable process to increase efficiency.
- We worked with our partner, SunGard, who automated disbursements.
- IQ's reengineered process saved InterDent approximately $273,000 annually, a savings of 44%.
- We are currently implementing a Virtual MasterCard® payment solution that will offer rebates on each month's disbursements, further increasing InterDent's savings.

IQ BackOffice Exceeded Our Expectations

"Our Accounts Payable process had common but critical issues that needed to be fixed. We found that IQ BackOffice helped give us better controls and transparency to help us manage our business while significantly cutting our costs. They have exceeded our expectations and positioned us to scale for growth. We also look forward to the monthly rebate from the Virtual MasterCard® payment solution."

Mark Backstrom
Vice President of Finance
InterDent

IQ BackOffice delivers savings of up to 68% and a per-transaction accuracy rate of 99.97%. We'll take that stack of paper invoices off your desk and apply a combination of web-based workflows and out-sourced processing that readies them for approval and electronic payment in less than a day.

IQ BackOffice Delivers

- Up to 68% cost savings
- 99.97% per-transaction accuracy rate
- One-day turnaround on all invoices
- Seamless integration with current processes and infrastructure
- The ability to review and approve invoices via the web
- A digital archive of past invoices
- Integrated check, ACH and credit card payments with significant rebates

Improving Process Consistency and Controls

Previously, each dental practice and InterDent department forwarded paper invoices for processing by seven employees and an Accounts Payable manager. Prior to InterDent implementing the IQ BackOffice solution, many invoices were received at remote locations or by managers in different departments, resulting in delays or lost invoices. This made it difficult to track expenses in a timely manner, ensure they were coded properly, correct PO / receipt / invoice matching exceptions, and determine accruals.

- Our best-practices processes standardized how each office handled invoices, and how each invoice was processed, enforcing business rules to ensure a scalable operation, consistency and quality.

- IQ created an authority matrix to ensure that invoices were approved consistently. Archimedes enforces the matrix's approval limits on invoices, routes invoices automatically and manages delegation of approval authority.

- Making Archimedes the shared repository for invoices has eliminated discrepancies between different systems.

Increasing Invoice Transparency and Accessibility

Invoices were tracked in three different systems, file cabinets and email, making it difficult to resolve discrepancies or know the status of an invoice in the process. Mismatched invoices were reviewed with local offices every week and errors were generally resolved in the vendor's favor by default. Teams often paid paper invoices while leaving the electronic purchase orders open, riddling systems with duplicates and unresolved items.

- Through Archimedes, IQ enables everyone to access the same electronic information as soon as a document is received, including real-time status on any invoice.

- Archimedes quickly identifies duplicate, mismatched and missing invoices, which can be immediately routed to Purchasing or a local office for resolution.

- Since invoices are entered in Archimedes within 24 hours, InterDent can accrue invoices to the penny, across general ledger accounts on demand.

Faster Turnaround Times

When invoices weren't lost, they sometimes sat on office managers' desks, leading to approval delays. In addition, due to the volume of matching exceptions and other issues, the AP department found it difficult to process all invoices timely.

- IQ's process ensures that most invoices are processed within 24 hours of receipt, dramatically improving timeliness.

- IQ's streamlined processes results in fewer, more structured approval levels, and enables InterDent to remind managers to approve invoices.

About IQ BackOffice

IQ BackOffice is a leading accounting outsourcer, processing more than 2 million transactions each year, totaling more than $10 billion, for companies around the globe. Our accounts payable, accounts receivable, payroll and human resources services leverage your current systems to deliver significant process improvements and faster access to information. Working with IQ BackOffice drives lower costs, better decision making and stronger financial controls for our clients.

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