

# ACCOUNTING DEPARTMENT Management Report

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## A/P Productivity Rises at Covenant Care After Imaging Implementation

What are the effects in accounting when a company implements an imaging and workflow management system? The experience at Covenant Care Inc. (www.covenantcare.com), which owns and manages over 41 nursing facilities in the West and Midwest, shows that such systems lift the productivity of both AP clerks and GL analysts.

### Scope of the Challenge

Covenant Care has paper flow commensurate with its size—\$300 million in revenue and over 5,000 employees. When preparing 1099s, for example, its database administrator works with a database of 18,000 active vendors. Meanwhile, its five-person AP department processes 8,400 AP invoices and 4,200 checks each month.

Note that before implementing its document imaging system, Covenant Care upgraded its underlying software. *Details:* The company upgraded to a current release of *Epicor* software, and then migrated the file server from SQL 6.5 to SQL 7.0. Altogether, the company's database contains over six gigabytes of data.

### The Imaging System

Covenant Care went with the vendor Altec (www.altec-inc.com), which sells the *doc-link* imaging system. This three-component system addresses:

► *Input management:* Here, the system captures faxes, emails, XML/EDI transfers, scanned docu-

ments, remote office transfers, and *MS Office* documents and channels them to accounts payable, order entry, or other office processes. *Key point:* When capturing documents as images, the system automatically indexes them. As a result, AP staff can call up images on their monitors and do not have to manually locate, retrieve, and replace paper documents and files.

► *Process management:* This component moves invoices through business approval and vouchering and into the financial application. When integrated with AP, this updates the invoice index with check numbers. *Advantages:* The system automatically matches invoices with purchase orders, receivers, and packing slips. Further, it allows AP staff to instantly recall invoices according to the account charged, within available date ranges.

► *Output management:* Basically, this component allows staff to route documents in the form that users request. Here, staff can email or fax documents from the desktop and to specific recipients. They can automatically route output from the accounting package according to vendor or customer and then distribute this electronically via email, fax, or regular mail. Finally, it allows staff to collate invoices automatically with proof of delivery or other attachments, based on customer requests.

### The Cloud Lifts

Bill Cobb, the senior database administrator at Covenant Care, asserts there was active interaction between AP, accounting, and Altec's *doc-link* consultants during the design phase. "We weighed each new enhancement carefully," he says, "with two cri-

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