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# Olmsted County Elects Successful Payables Processing

A Minnesota county moves AP to the cloud and achieves better visibility into cash flow

## THE BUSINESS

Olmsted County's municipal government is a local branch of government in Minnesota with responsibility for public services to approximately 151,000 residents. As a local branch of government, Olmsted County oversees several different buildings, regional parks, highway shops, government center, and a campus, resulting in tens of thousands of invoices annually.

While Olmsted County initially sought a solution to streamline an outdated accounts payable process, the finance department quickly realized that they could best serve their citizens through a more efficient accounts payable processing system. The County's different buildings, parks, and other facilities were all generating about 24,000 invoices a year, which were moved through the

to prioritize their bills to see which ones will get paid. "We're more heavily focused on spend than we were on receipts," noted Justin.

Understanding that the goal was to see what bills are in the system and how long they'd been there, the first thing that Justin and the Olmsted finance team did was map out a process that they thought would best fit their needs.

"Corcentric provided us a demo site so that we could make sure everything would work the way we wanted it to," noted Justin. "We could actually go out there to test, see, touch, and feel it; all that good stuff."

The solution not only provides speed, accuracy and visibility, it also provides reports that enabled transactional data to become actionable. Specifically, Justin explained the integration of non-financial data means that Olmsted County can quantify things like the energy usage for processing the approximately 150 utility bills or the fuel used by the trucks in the county. The data is indexed on the invoices and can be immediately analyzed. "You can actually do something that's very easy for people to understand and execute from transactional information."

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system physically; an invoice would go into a folder and be delivered via a courier service. There was no documentation, no visibility, no data—just a stamp date and a key date, and a hope that each invoice would get to its intended destination.

## THE EXPERIENCE

Since Olmsted is a governmental office, they had heightened cost sensitivity. "By law, the county has 35 days to pay an invoice," explained Justin Tank, Financial Systems Manager for Olmsted County. "But we often had vendors calling, wondering where payment was. It was a mess trying to figure out what was where." But the process was unwieldy and hard to track. Instead of spending time being productive, the AP department was trying

Key  
Highlights

151k  
residents

80-90%

Improvement reconciling P-card transaction

2-day turnaround  
Invoice processing time

## THE FUTURE

The duration from the time the contract was signed to when the county went live with the Corcentric solution was three months and the outcomes have been very positive. The four most valuable outcomes are:

1. Complete visibility into the AP process
2. Speed of processing
3. Control over cash flow
4. Strategic allocation of resources

### VISIBILITY

Every transaction processed through Corcentric links to each invoice image on Olmsted County's reports when a user clicks a link inside the report. The result is an immediate answer to the source of every transaction. "That's huge for our managers," said Justin. "That stops managers from calling accountants asking for copies of invoices and receipts."

"We can see where an invoice is sitting from the time it's ingested into the system all the way to where it's been paid."

"We can see where an invoice is sitting from the time it's ingested into the system all the way to where it's been paid. We have a check date, number, COA Coding, workflow, basically everything about each invoice on one screen. We did not have that before."

### PROCESSING SPEED

Olmsted County went from an average invoice processing time of 25 days to a turnaround time of two days for 90 percent of their transactions, and an 80-90 percent improvement in reconciling P-card transactions.

With employees in the field who are P-card dependent to buy supplies, Olmsted was seeing 200-300 transactions every two weeks. When Corcentric's P-card payments feature was added in 2017, Olmsted County had, on average, 470 P-card transactions not allocated in their GL system. By May, it was 66, for an 80 percent to 90 percent improvement. Visibility and reduction in risk is also bolstered by Olmsted County's use of the P-card

functionality. "This greatly improved the accuracy of budgets. We're happy with it," Justin remarked.

### CASH FLOW

A lack of visibility and slowdown in the AP cycle meant the treasury office kept additional cash on hand to cover large invoices. There was also the risk managers would overspend at budget year end, due to time-delayed financial information. The visibility provided by Corcentric allows them to focus on operational outcomes with the available financial resources.

### STRATEGIC VALUE

The AP department at Olmsted was facing a potential problem with a loss of five of their eight AP processors due to retirement, potentially burdening the department with a huge knowledge transfer. "As we reduced the number of full-time employees, the jobs kept shifting, but with Corcentric's solution, we were able to manage the same amount of work," Justin said. "We had nine or ten different processes of how AP is carried out. Now, it doesn't matter what office you work in. The entire cycle has been absolutely streamlined." The result is previously unknown flexibility with existing resources. One common process will allow Olmsted County to consolidate the AP technicians as retirements reduce staff.

Olmsted County has transitioned successfully to a much more efficient and automated solution than what they used previously. Justin explained the transformation: "As a broker of financial information who drives budgets, if you're out of sync, that's a problem. We're really happy with the way Corcentric works, and it's a much easier solution than what we had. There were no glitches and it was an easy implementation. It's gratifying to see how far we really have come."

#### Before and after Corcentric implementation

25 DAYS INVOICE PROCESSING TIME » 2 DAYS

45-60 DAYS TO COMPLETE PAYMENT PROCESS » 5 DAYS

470 P-CARD TRANSACTIONS NOT ALLOCATED IN GL  
» 66 P-CARD TRANSACTIONS

24,000 INVOICES WITH NO VISIBILITY » 100% VISIBILITY



Procurement and Finance Solutions

### ABOUT CORCENTRIC

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