

**Portland re-engineered a Healthcare client’s invoice to pay process and its procurement policies to ensure the benefits identified from a “rapid deployment” process were sustained**

**Procurement Project Scope**

Procurement Diagnostic	Procurement Strategy
Strategic Sourcing	Category Management
Low Cost Country Sourcing / International Purchasing	
Organisation and Skills	<b>Policies and Systems</b>

**Industry Segments**

Industrial	Construction
Mining	Utilities
Consumer Goods	Food & Beverage
Retail	Services
Financial	Transport
<b>Healthcare</b>	Government

**Business Challenge**

- Portland's client is one of Australia’s largest healthcare providers with over 130 practices nationally and revenues over \$400M
- Management wished to clear an additional \$1M to the bottom line in six months and ensure sustainability through an enhanced control environment
- A “rapid deployment” process identified the savings required, but neither the systems nor the policies existed to ensure these savings were sustained

**Our Solution**

- Portland developed and circulated a new Procurement policy in-line with the new environment
  - Corporate cards were introduced to replace petty cash to improve oversight
  - Non-preferred vendors were “switched off” and managed out
  - GL sub-account categories were harmonised to make P&Ls easier to interpret and trace cost-downs to the bottom-line
  - Incentives were introduced for adhering to expense as well as revenue targets at site level
- In conjunction with an Electronic Invoice Presentment and Payment software supplier, Portland re-engineered the payables process to improve cash-flow forecasting and accrual accuracy
  - Due to the better understanding of spend, preferred vendor price and product compliance reporting was introduced
  - Due to the enhanced cashflow management capability, our client was more able to take up prompt payment discounts
  - The system also resulted in a reduced instance of queries from sites and vendors
  - Payables headcount was freed up to focus on more value add activities

**Outcomes**

- The client’s CFO credited the programme with delivering a 5% share price improvement and a 15% overall cost-down

