

How ePay enabled Cincinnati Children's Hospital to do more with less

CASE STUDY



FIFTH THIRD BANK

About Cincinnati Children's Hospital

Cincinnati Children's Hospital Medical Center is a leader in improving child health. Its mission is to transform delivery of care through fully integrated and globally recognized research, education, and innovation. This top ranked hospital provides care for over 1 million patients per year. In addition, Children's reinvests nearly 10% of its revenue to engagement with over twenty-six thousand children and families through community outreach and health education programs.

The Challenge: Automating payments to suppliers

Children's Hospital had an existing ePay program, but spend and supplier enrollment had stagnated over time. Many small-to-medium suppliers were still being paid by paper check. Children's AP department wanted to further modernize its processes to maximize the automation of payments to suppliers with the goal of increasing revenue sharing opportunities and reducing payment processing costs. Given the department's limited resources, the solution needed to be easy to implement and produce ongoing efficiencies by minimizing the time spent on lost checks and delayed payments.

"Fifth Third's dedicated connection with the Children's team speaks volumes. We know that there are bigger fish in the sea, but the team goes out of their way to make us feel important. They recognize what we are trying to accomplish and provide the resources to make that happen."

*—Steve Richards
Sr. Director of Disbursements*

The Solution: Fifth Third's ePay and Paymode-X

The team at Fifth Third partnered with Children's to understand their challenges and goals while analyzing and mapping out existing AP processes. Based on this analysis and a thorough review of Children's supplier payments, the Fifth Third team recommended a comprehensive payables strategy that leveraged the Bank's ePay solution and Paymode-X platform.

ePay is a single use virtual card program providing efficient and secure vendor payments, which reduce exposure to fraud with transaction level controls.

Paymode-X is an enhanced ACH solution that allows clients to provide enriched remittance data for faster payment processing, lower operational costs and increased revenue sharing potential. With these solutions, the hospital could lead with the ePay virtual card solution and provide an alternative—enhanced ACH—to non-acceptors. Both payment options increase the timely receipt of payment for suppliers and reduced the manual handling associated with paper checks for Children’s. Further, these programs not only helped mitigate fraud risk, but also greatly reduced payment-related exceptions.

To implement the solution, Fifth Third’s experienced team handled the major technical lift including integration with Children’s existing ERP system. This significantly shortened the launch timeline and reduced the need for technical resources from Children’s. Fifth Third also provided a detailed project management plan, full-service supplier enablement, and training to help the Children’s team better engage with strategic suppliers. The new payment options, coupled with Fifth Third’s support, immediately began to deliver increased payment automation, simplified AP processes and remittance detail to meet supplier receivables needs. Fifth Third also worked with Children’s to customize its program to meet some unique challenges. For example, Fifth Third extended the ePay payment expiration time from 30 days to 90 days, which greatly reduced Children’s need to follow-up with suppliers on expired payments each month.

The Results: Supplier Optimization & Rebate Enhancement

Over the past two years, the combination of the ePay and Paymode-X programs have reduced the number of checks Children’s issues by **39%**. Additionally, the overall percentage of payments processed electronically has grown by **62%** over the last 10-month period alone. The transition away from check to electronic payments has significantly increased Children’s rebate.

ePay and Paymode-X

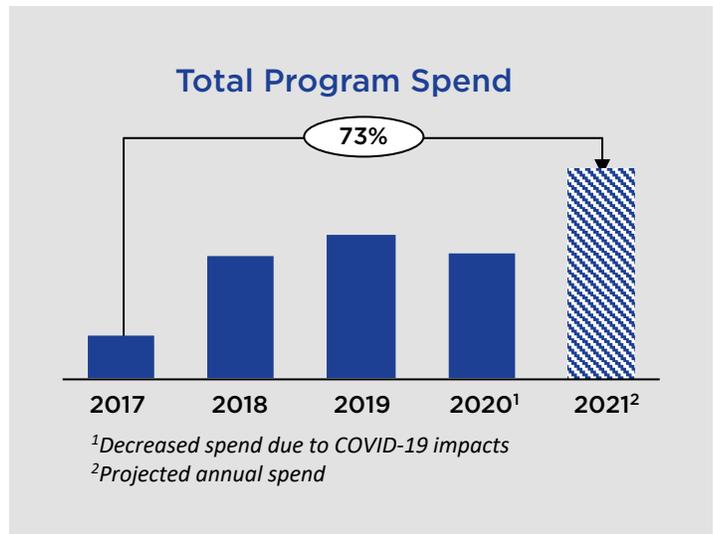


With Fifth Third’s ePay and Paymode-X, companies are able to:

- Improve cash flow and enhance payment processes, saving up to 2.5 times more per transaction vs. paper checks, and help optimize the payment mix.
- Leverage advanced technology that boosts defenses against fraud.
- Enhance the payment process to realize cost-savings, efficiency gains, enhanced security and new rebate opportunities.
- Provide the benefits of virtual card and enhanced ACH. These improve the suppliers’ AR function, leading to greater card acceptance.

The program continues to grow through the ongoing onboarding of new suppliers. Since its first year, the combined ePay, Paymode-X enhanced ACH, and plastic program spend has grown by **73%** and is on track to exceed projections by **20%** in 2021.

The program's success in part has been due to Fifth Third's collaboration on supplier enablement. Senior Disbursements Director Steve Richards praised the program, noting *"With a team of eight and thousands of suppliers to onboard, we didn't have the manpower to achieve program goals. Fifth Third was very invested in the program's success and went the extra mile with suppliers to get it off the ground."*



Fifth Third also brings additional value through training to the Children's team, supporting supplier onboarding and comprehensive leave-behind materials, which prepare Children's staff to interface with suppliers directly. AP Manager Samantha Albert says this training is crucial to her continued success in supplier enablement - *"We know the questions suppliers are going to ask us because Fifth Third has already given us the answers."*

Rebate earned from the program is used to offset cost items for the disbursements team, such as advanced invoicing software. This enables the team to *"do more with less."* Overall, Fifth Third's flexible solution that offers its ePay virtual card plus an alternative ACH solution to non-acceptors, combined with its full-service supplier enablement and training, has enabled the Children's team to grow the already mature program. With these payment process upgrades, they gained increased efficiencies and additional revenue sharing opportunities.

Contact your Relationship Manager or Treasury Management Officer today to learn more about [Fifth Third's ePay program.](#)



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