PaymentWorks

CASE STUDY

The University of Tennessee System

THE UNIVERSITY OF
TENNESSEE
SYSTEM

UT System At-A-Glance

About: The University of Tennessee system (UT system) has a presence in each of Tennessee's 95 counties.

Location: Knoxville, Tennessee, United States

Campus: Five campuses

Students: 49,000

Academic staff: 2,250

Administrative staff: 6,950

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Not long after installing PaymentWorks, we were hit with a vendor impersonator. In that particular instance PaymentWorks saved us $50,000. The ROI of PaymentWorks speaks for itself.

TISHA MARSHALL
Director of Accounts Payable,
The University of
Tennessee System

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Automation Paves the Way for a Smooth ERP Integration

Burdened with the management of 19,000 active suppliers for five campuses across the state, the team at The University of Tennessee System (UT System) decided to automate vendor onboarding and management with PaymentWorks. To get PaymentWorks up and running quickly, they first launched the platform without automating their data feed into their ERP (SAP). With this approach, the system gained immediate visibility into their vendor payment process while using actual data to create a smooth plan for data-mapping and integration with their ERP. Additionally, they saw an immediate ROI when PaymentWorks prevented $50,000 from walking out the door.

The Difference Automation Makes — The Highlights

Before PaymentWorks:

- Excessive time being spent on vendor set-up and validation processes with no guarantee of paying the correct vendor.
- Increased risk of vendor payments fraud with a manual paper-based process and having unverified information.
- No system-wide visibility into onboarding or status of vendor payments.
- Team unable to focus on added-value, strategic work to better the University.
- Virtual Card recruitment relied solely upon annual call campaigns with their bank.

After PaymentWorks:

- Assurance that payments are going to the right people and the right place- efficiently.
- Risk of falling victim to a payments fraud significantly mitigated.
- Increased vendor visibility has led to communication between campuses and the ability to collaborate to get best pricing.
- Staff can do more with their roles and add-value to the University by doing auditing, reporting and analytics - things they didn't have time to do before.
- Virtual Card continuously enrolls new vendors, adding additional rebate revenue to the department!
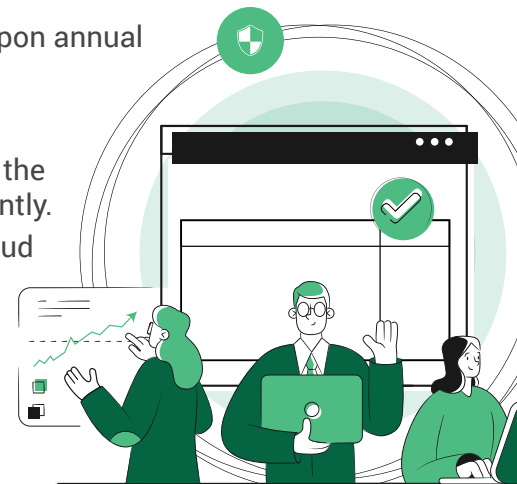
1. Searching for an Answer

The Accounts Payable team was tasked with a lot. They had to manage suppliers for the entire university system, which encompasses every county in the state and includes 19,000 active suppliers. Social engineering/vendor impersonation fraud became a big concern. With a small and efficient team, one person was onboarding vendors and finding it impossible to verify and manage the influx of W9s coming in, while also trying to convert suppliers from check to electronic payment types. The sheer liability alone was too much for one person to bear.

As the team searched for a solution for their large and diverse system, they found that many vendor management and payment automation software products did not do everything - they might look at bank accounts, but not verify the Tax ID. The search stopped when they came across PaymentWorks - a one-stop shop for all their vendor onboarding and maintenance needs.
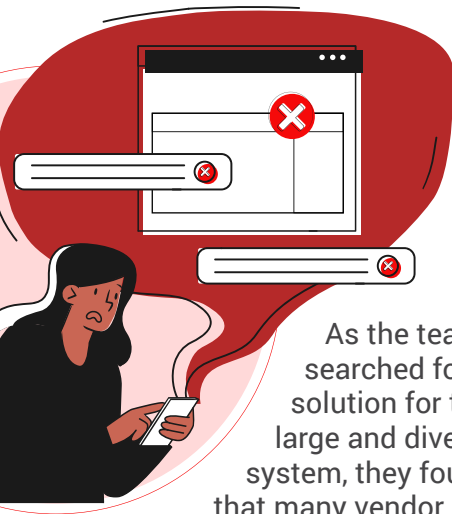
2. Paving the Way for a Smooth ERP Integration

In an initial effort to get PaymentWorks up and running quickly, the team decided to get their suppliers onboarded via PaymentWorks, rather than immediately automating the data feed between PaymentWorks and their ERP. Not having to involve IT on a big scale at the beginning led to a quicker implementation because they eliminated the need to set up feeds back and forth between the systems. They kept the 'go-live' team small.

There was an added benefit of delaying this part of the implementation. It gave the System time to use the platform with real vendor data and ensure their plan for the ERP integration would be smooth and productive. According to Tisha Marshall, Director of Accounts Payable, "Figuring out how suppliers needed to be moved into PaymentWorks before we automated the feed to our ERP was a huge help. If we went straight to doing a feed to our ERP, it would've been a disaster because we would've spent more time trying to fix [our data mapping] than just getting it into the system. Using PaymentWorks for actual vendor onboarding also paved the way for a smooth integration when the time came."

Now, as the System prepares to switch to a new ERP vendor (Oracle), they are 'cleaning' the entire vendor file by inviting existing ERP vendors to onboard with PaymentWorks. This ensures the new ERP has accurate, up-to-date vendor information for 100% of their vendor file.

3. The Value of Visibility - the Payoff is Real

With PaymentWorks in place, the one person in charge of all the suppliers in the system was no longer in the dark. Being able to see the entire onboarding process, and to control the vendor data's input to the ERP not only made her feel safe and secure that she wouldn't be tricked by a fraudster, but allowed her to realize the true value that comes with visibility.

"The challenge that comes with such a large system with people all across the state doing things," shared Marshall, "is that the main accounts payable office doesn't see or control any of it. If somebody in a random department in a different campus gets an email from a vendor they deal with saying the University owes them money, they simply forward it to AP. They're not looking at the email address to ensure its valid." Thankfully, PaymentWorks is.

Visibility has paid off in other ways as well. Now that the campus users can see the status of vendors, they collaborate on cross-campus projects and have been able to negotiate more favorable terms with the vendors by pooling their projects. **Tail spend controlled by the users themselves!**

4. Measuring the ROI of Vendor Management Automation

The ROI of automation goes beyond the cost avoidance that come from preventing payments to fraudulent vendors. For example, the System is working on switching vendor payment methods from checks to ACH. The ROI here is the confidence of getting verified bank information and saving the money that would have been spent on stamps, envelopes and checks, not to mention the time savings.

Additionally, UT System has a Virtual Card program. They email a one-time use credit card number to vendors, and the department earns rebate from their bank on these payments. Using a combination of their bank for annual call campaigns, and PaymentWorks for continuous digital enrollment for new virtual card vendors, the university has seen a steady increase in their rebate revenue.

VIRTUAL CARD VENDORS ONBOARDED VIA PAYMENTWORKS

620   759   855

Year 1   Year 2   Year 3