

EōS FITNESS[®]
BETTER GYM. BETTER PRICE.

EōS Fitness Success Story

 **digiscribe[®]**

THE PAINLESS WAY TO A PAPERLESS OFFICE

Summary

Industry

- Fitness

Challenge

- The AP department had severe growing pains as it acquired new gyms throughout the Southwest
- Outdated vendor data stored in Oracle led to 30-40% of incorrect addresses
- Payments were delayed by at least 5-7 days because of address errors in Oracle
- Late fees, stop payment fees, and missed discounts were costing hundreds of thousands of dollars per year
- It took the equivalent of one half-time employee just to compare and correct addresses captured in FileBound AP automation software against the payment addresses in Oracle
- Vendors were calling about late payments demanding more of AP staff's time

Solution

- **Outsourced Mailroom Services:** Paper and electronic invoices are sent directly to Digiscribe for immediate scanning and indexing to expedite invoice processing.
- **Workflow Automation Software:** Digitized invoices are distributed, reviewed, and processed with software that eliminates time consuming manual steps.
- **Integration Services:** FileBound software was integrated with Oracle, allowing employees to seamlessly correct faulty addresses and eliminate invoicing error. An email reminder system was established so that managers are prompted to stay on top of invoice payments.
- **Cloud Document Management Software:** Financial documents are securely stored in the cloud allowing for quick and easy retrieval and sharing.

Impact

- \$70,000 estimated annual savings on early payment discounts alone
- \$50,000 in savings on stop-payment fees
- AP staff became 25% more productive
- A vendor address database with a 30-40% error rate is now being corrected
- AP staff no longer have to deal with angry vendors
- Ability to expand to new locations without hiring additional AP staff
- Invoice processing time were reduced to a few days from three weeks
- Managers receive now automatic invoice reminders and are staying on top of payments

Solutions Used



Mailroom Services



Accounts Payable
Scanning



Cloud Document
Management Software



Document Scanning &
Indexing



Integration Services

Executive Summary

EōS Fitness is a rapidly growing gym chain with locations throughout the Southwest.

With explosive growth came considerable growing pains, particularly in accounts payable. EōS was making 2,000 invoice payments per month. Compounding the matter, 30-40% of the addresses in their Oracle payment software were outdated. As a result, making timely and accurate payments manually had become nearly impossible.

Checks were being mailed to the wrong address. Vendors were calling about missed payments. EōS became burdened by stop payment fees from the bank, late payment fees from their vendors, and an excessive workload due to reissuing checks and manually checking vendor addresses in their ERP system against the invoices.

To correct and streamline the accounts payable process, Digiscribe automated EōS' AP workflow by implementing a business process outsourcing solution that included an outsourced mailroom along with FileBound software for the distribution, review, and approval of digitized invoices. During the second and most impactful phase, Digiscribe implemented multiple enhancements to FileBound's workflow automation software, most significantly, integrating it with EōS' Oracle ERP system. AP staff can now update payment from FileBound as new invoices came in. This virtually eliminated mailing errors when paying invoices.

As a result of this integration, and several related enhancements, EōS saved money on late fees, stop payment fees, and AP staff labor. Their vendor relationships improved drastically, such that they were able to negotiate discounted terms on future orders based on timely payments. EōS is also free to continue growing without hiring more AP staff.

Challenges

EōS was experiencing costly growing pains in the accounts payable department. Manually receiving and processing 2,000 invoices per month and comparing them to data in their Oracle ERP system was inefficient and costly. As a result, making timely and accurate payments had become nearly impossible. And the problem was only going to get worse with EōS' expansion plans.

Adding to the complicated situation, 30-40% of the addresses in their Oracle payment software were outdated. So manually reconciling addresses for each of the 3,000 invoices that came in each month became an overwhelming and costly task, monopolizing two employees' time for two weeks out of every month.

Beyond the labor costs, EōS was consistently late with payments, incurring hundreds of thousands of dollars annually in the form of stop payment fees and late payment fees. Compounding the issue, managers were not prioritizing the invoice approval process. Inevitably, these issues would jeopardize their relationships with key vendors.

Another growth-related challenge was related to document retention. EōS purchased several locations from an existing gym chain in the Southwest, who were required by law to hand over critical financial documentation. These were provided as paper documents—boxes of them—that EōS couldn't efficiently manage and archive for themselves. Responding to an audit would have been expensive, risky, and cumbersome.

Solution

Digiscribe's first business process outsourcing engagement with EōS was to implement an outsourced mailroom solution to receive, digitize, and index incoming mail and email. The digital images would kick off an automated review and approval workflow process with FileBound software. This immediately improved invoice processing time and added accountability to the managers responsible for approvals. But it was just the beginning of an extremely successful partnership.

Over the next four years, as EōS added locations throughout the Southwest, managing vendor payment data became more intensive. Working with Digiscribe, EōS was able to integrate two related-but-disconnected systems: FileBound, which routes, manages, and approves invoices, and Oracle, which processes checks. Digiscribe's solutions specialists merged FileBound's invoice approval interface with the vendor address database stored in Oracle. Now, managers are able to quickly reconcile the two systems as invoices are approved.

Meanwhile, Digiscribe's technical support and client success teams made some additional process enhancements. First, they spread out the delivery of invoices such that EōS staff were no longer overwhelmed on any particular day. They also implemented an improved accountability system to not only remind managers about unpaid invoices, but also create visibility on which managers had performed (or failed to perform) their duties.

"We stopped the collection calls, and now we're even pursuing discounted terms from our vendors. That's all based on our new ability to pay on time, even with all of our new addresses and vendors. Based solely on those discounts, we estimate to save \$70,000 in our first year."

Anton Akilov
Accounting Manager

Impact

- Estimated \$70,000 in annual savings on early payment discounts
- Estimated \$50,000 in savings on stop-payment fees
- AP staff are now 25% more productive
- 30-40% error rate in the vendor address database was entirely corrected
- Improved relationships with vendors as a result of timely payments
- Able to expand to new locations without hiring additional AP staff
- Originally 5-7 days to compare checks to FileBound. Whole approval process took a couple of weeks. Now they're looking at a few days
- New emails: they get a notification (email and onscreen) when an invoice is loaded for approval, and then another one every day until the invoice is paid

“We’ve grown to the point where we’ve had to split geographic areas into multiple regions, each with an area manager to approve invoices. But because of Digiscribe, we haven’t had to hire any additional AP staff for this and future expansions.”

Anton Akilov / Accounting Manager

About Digiscribe & Digiscribe New England

Digiscribe delivers paperless office solutions that eliminate manual and inefficient business processes in accounts payable, human resources, and other critical business areas. Our clients engage us to lower costs, improve efficiency, and mitigate compliance risk throughout their organizations. We offer cost-effective services and software including outsourced digital mailroom services, mailroom scanning, workflow automation, cloud document management software, and document scanning. Digiscribe's New York and New England offices are SOC 2 Type 2 document conversion centers. Both offer award-winning technical support and customer service, more than 30 years of experience, and a HIPAA compliance trained staff. Learn more at digiscribe.info.

About EōS Fitness

EōS Fitness is rapidly growing its high value low price (HVLP)[®] fitness gym chain, operating and planning with locations in Arizona, Las Vegas, Southern California, and Utah. The EōS model is a disruptive force within the fitness club industry, providing serious fitness for everyone and offering an unmatched array of amenities starting at just \$9.99 per month. Visit eosfitness.com to learn more.



THE PAINLESS WAY TO A PAPERLESS OFFICE

digiscribe.info

New York
800.686.7577

New England
877.550.2088

info@digiscribe.info