



Utility Bill Management

Bid gave Healius more time to deliver bottom-line value

The Healius name is synonymous with quality, affordable, and accessible healthcare for all. The leading Australian healthcare network delivers expansive pathology laboratories, diagnostic imaging centers, and day hospitals. In total, it has around 2,500 pathology laboratories and a presence across the whole country.

Problem

Gaining visibility and control over utility costs with hundreds of sites represented a challenge for the Healius Group Procurement Team, despite their management being consolidated under a national umbrella in 2018. Issues like missing invoices, and late or double payments surfaced, and occasionally, the business had to scramble to avoid disconnection at a site; something that would have caused significant disruption to service.

A third-party facilities management provider was initially brought in to manage all aspects of the properties in the portfolio—from tracking usage and paying bills, to reporting and control. Part of the remit was to ensure accruals were held at the correct levels.

But this new partner wasn't set up to manage Healius' utility spend effectively. Costs were recorded in the wrong categories—which made accounting complicated—and when activities warranted further investigation, the back-office manual processes made tracking down the original invoice a complex task.

Steve Cook, Healius General Manager for Business Improvement said, "We wanted to challenge and test [a solution] because the data didn't seem right, but we couldn't get the information." They had a primary payment method with no analytics and no macro view of spend. There was little visibility over data, and, as a result, confidence in their data was low.

Healius needed a system to track, manage, understand, and pay utility bills. The company knew improved portfolio management would deliver savings on its \$4 million per annum utility costs and pave the way for national tendering with utility suppliers.



Utility Bill Management Case Study

Solution

Healius enjoys testing data and performing deep dives. They had a gut feeling their data was incorrect. They knew that the solution they chose required a simple-to-use customer interface that provided visibility, trust, and confidence in their utility data.

The decision was taken to bring the management of utility bills back in-house, and the Group Procurement Team at Healius began sourcing an alternative utility bill management system. Initially, it intended to consolidate the energy contracts and take advantage of the clear economies of scale that the business should apply to its utility spend. After a thorough selection process, the company chose Bill Identity (Bid) and implemented utility bill management services for both its procurement and bill payment functions.

How would Healius determine success? It would be judged at both a macro and micro level. The vital operational goals were to ensure the transition was managed without site disruptions, risks of disconnection and no loss of information along the way. At a strategic level, the company wanted to easily understand its utility spend and needed to drill into usage at a site level and see accurate data it could analyze.

“I’m very happy to say that we are in a far better position [with Bid] than we have ever been before.”

- Steve Cook, GM Business Improvement.



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Outcome

Identified data issues were worked through quickly, and the service Bid provided was excellent. Bid helped negotiate new utility contracts, benefiting both large and small sites. Combining these new deals and the visibility over usage contributed to a **16 percent reduction in annualized energy spend** for the year to June 2021.

Month-end accounting processes improved. The Finance Team saved several hours each month that would have otherwise been spent finalizing accounts and calculating accruals. With better data accuracy from the platforms' data validations, the finance team felt more confident in their end of month reports and accruals.

Finally, the Bid platform was intuitive. Analysts could drill down into the overall utility footprint to pinpoint individual sites and analyze their usage, fees, and charges in detail.

The implementation was a success. Some of the savings achieved resulted from unplanned initiatives, like installing solar panels or LED light replacements. Overall, the accuracy and visibility of data that Bid's Utility Bill Management solution brought to the process meant the impact of these initiatives could be seen clearly.

The new solution has allowed Healius to reduce time searching for insights and accurate information and focus instead on what is important.

The Bid platform now manages over 31,011,000 kWh of electricity usage for Healius. It processes and pays utility bills for 630 sites and holds around two years of billing data. The solution is used regularly by Healius' real-estate, finance, operations, procurement, and business improvement teams to monitor site performance, process utility payments, and speed up month-end-accounting processes.

“Our core business is providing diagnostic pathology services to our patients and effectively providing tests and results to our doctors at the requisite turnaround time. Any time we spend in non-core parts of our business is time we are not spending on things that matter most to us and deliver us bottom-line value.”

- Steve Cook, GM Business Improvement



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Before

- Lack of transparency over utility spending. Attempts to analyze what was happening at a particular site required additional effort to locate the actual bill.
- Late payments incurred additional costs and occasionally led to disconnection, which posed a risk to business continuity and patient care.
- The month-end accounting process took longer than it needed to. There were issues with identifying the right amount to accrue each month for utility bills that had not yet made their way to the accounts payable team.
- Healius knew it was paying too much for its electricity but lacked the visibility to negotiate more favorable terms with suppliers.

After

- A 16 percent reduction in annualized energy spend was achieved, resulting in investments into additional cost-saving activities, like LED light upgrades and solar panel installation.
- The company has confidence in its reporting on utility spend and can deep dive into any anomalies to establish why the usage or cost seems higher or lower than expected.
- There are no more late or duplicate payments.
- Month-end process is now streamlined. The team can easily and quickly access and extract the information it needs, saving a few hours per month. The increased accuracy and visibility over the data has increased trust in the source data; reducing reworking and reverifying this data has added the most value.
- Healius no longer runs the risk of disconnection for non-payment and the potential disruption that would bring to its core business.
- Healius now focuses on the core business of providing diagnostic pathology services to its patients.

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