



# Transforming AP Processes with Supplemental Outsourcing in the Sports & Entertainment Industry

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Case Study



# Background

In the ever-evolving landscape of business, companies often encounter unique challenges that require innovative solutions. The story of the client, a company faced with a daunting workload and staffing issues in its accounting department, is a testament to the power of creative problem-solving.

This case study sheds light on how a shift in mindset, from traditional outsourcing to "supplemental outsourcing," led to transformative results. The company teamed up with ARDEM to enhance its accounts payable (AP) processes and ensure that no one felt overwhelmed by their responsibilities.

Let's delve into the journey of how this partnership provided much-needed support and relief while achieving significant cost savings and operational efficiency.



# Company Profile

Let's dive into the world of an iconic sport & entertainment company, a story of excellence and determination. Our client is a prominent NBA team hailing from a vibrant city in the US. Their legacy in the league is nothing short of remarkable. They're part of a select group, having transitioned smoothly during a significant merger.

With several championships to their name, they've earned their place among the elite. Their championship history is in esteemed company, trailing only a handful of legendary teams.

Their journey spans several seasons, and they've consistently demonstrated their excellence by securing numerous division titles. Their dominance is a testament to their unwavering commitment to success.

They etched their name in history by making the playoffs an astonishing number of consecutive years, proving their enduring excellence. Despite their remarkable run, they've faced challenges like everyone else, with occasional playoff misses.

In the fiercely competitive world of sports, this team stands tall as an emblem of success. Their journey is a testament to the values of determination, consistency, and the pursuit of greatness. With a winning spirit that refuses to be extinguished, they continue to inspire, proving that greatness is not just a goal but a way of life.



# Challenges Faced By The Customer

## A. The Main Challenge:

In the hustle and bustle of the corporate world, every company faces its own set of challenges. For our client, a company on the rise, a unique hurdle presented itself within their accounting department. They found themselves in a situation where they had only one dedicated accountant entrusted with the monumental task of managing the **accounts payable (AP)** process. This wasn't a situation by design but rather a consequence of the past.

Once upon a time, the company employed not just an accountant, but also an AP specialist to share the responsibilities. Unfortunately, the AP specialist wasn't quite up to the task and, understandably, decided to step away from the role. This left their accountant holding the bag, tasked with the entire AP process, which had grown into an overwhelming workload.

To tackle this growing challenge, the client embarked on a quest to hire in-house talent. The idea seemed straightforward: find the right fit to assist the overburdened accountant. However, reality often doesn't align with plans. As they ventured into the world of hiring, they found themselves faced with a sea of applicants, each with their unique quirks.

Some applicants appeared under-qualified for the responsibilities at hand, unable to swim through the intricacies of the AP process. Others, in contrast, seemed overqualified, which left our client questioning whether they'd be content with the role in the long run. Some applicants, rather cheekily, seemed to be using this opportunity as a mere steppingstone to a bigger game in the industry.

These hiring endeavors soon turned into a real uphill battle, leaving our customer in a bit of a quandary. It became evident that the right fit was elusive and that a new approach was necessary to address their pressing needs.

However, a significant concern loomed. The idea of outsourcing, often seen as a savior in such situations, was potentially unnerving for their diligent accountant. There was a misconception that outsourcing meant replacing their dedicated professional, causing uncertainty and apprehension.

But the truth was quite the opposite. The company had no intention of letting their accountant drown in the sea of tasks. Their aim was not to replace but to reinforce, to provide a life raft amidst the turbulent waters of their accounting needs.

They needed a shift in perception, moving from the somewhat intimidating notion of "outsourcing" to a more welcoming and comforting concept – "supplemental outsourcing." The objective was clear: provide day-to-day support, ensuring that no single person within the organization felt overwhelmed or isolated in their responsibilities.

## B. Key Issues:

- **Overwhelming AP Workload:** Our customer, a prominent sports and entertainment, struggled with an increasing volume of invoices and expenses. With an average of 1,300 invoices per month and approximately 70 expense reports, their single AP employee was overwhelmed by the workload. The seasonal variations in workload further added to the challenge.
- **Inefficient Process:** The AP process was convoluted, involving multiple departments and entities within the organization, with seven different entities processing invoices. Each department initiated invoice processing and approval, causing delays and inefficiencies in the workflow.
- **Resource Shortage:** The company encountered difficulties in recruiting qualified AP personnel. The shortage of experienced candidates, coupled with misaligned expectations and unstable hires, made it challenging to maintain a consistent and capable AP team.
- **AP Automation Implementation:** Although they had previously implemented Concur for AP automation, the company had not realized the expected reduction in workload, as their staff accountant had to shoulder additional responsibilities due to the AP person's constraints.
- **ERP Integration:** The manual extraction and upload of invoice data into their ERP system, Microsoft Dynamics GP, led to inefficiencies and errors in the financial process. Additionally, their Vice President manually signed checks, causing further bottlenecks.

- **High Volume of Invoices:** The company experienced a substantial increase in the number of invoices to process. The fluctuating volume ranged from approximately 1,000 to 2,000 invoices per month, creating a significant burden on the AP team's capacity.
- **Manual and Repetitive Tasks:** The AP team was overwhelmed with manual, repetitive tasks, including data entry, invoice processing, and vendor management. This manual workload left little time for higher-level tasks, creating bottlenecks and reduced efficiency.
- **Drowning in Work:** The existing AP team struggled to manage the growing workload effectively. The company was unable to hire and train additional in-house staff promptly, and the team members were drowning in work, which increased the risk of errors and inefficiencies.
- **Complexity of Multiple Entities:** Managing AP tasks across multiple entities added complexity to the process. Each entity had unique requirements and workflow nuances, making it challenging to streamline the operations.
- **Lack of Training Time:** Due to the urgent need for assistance, there was limited time available to train new staff members. The AP team of the company needed someone with the expertise to quickly grasp their processes and adapt to their unique requirements.
- **Need for Security and Compliance:** With sensitive financial information involved, the company required a secure and compliant solution to ensure data protection and integrity.



# Solutions Provided By ARDEM

## **A Fresh Approach with ARDEM**

When the company found themselves grappling with an overwhelming workload and staffing challenges in their accounting department, they realized it was time for a fresh approach.

Turning to **ARDEM** for assistance was the first step towards transformative change. ARDEM, with its extensive experience in providing outsourcing solutions, was well-prepared to tackle the unique challenges presented by the client.

### **Comprehensive Consultation:**

ARDEM's commitment to a smooth transition was evident right from the start. They initiated a comprehensive consultation process with the client, focusing on building a strong foundation for their partnership. The primary objective was to ensure that the customer fully understood how the collaboration would work. This included establishing clear communication protocols and assuring the qualifications of the team that would be assembled to support the company's accounts payable (AP) process.

### **Embracing Collaboration:**

ARDEM's approach was grounded in the principles of collaboration and partnership. It was about redefining the traditional concept of outsourcing. The emphasis was on "supplemental outsourcing" - a model where ARDEM would complement the efforts of an in-house team. This wasn't about replacing their existing accountant but providing essential support to alleviate the workload.



## **Building Trust:**

Understanding and empathizing with the concerns of the client was fundamental to ARDEM. Building trust was key to the success of the partnership. The company needed assurance that this transition was about support, not replacement. The shift from apprehension to trust paved the way for a productive collaboration.

## **Scalable Workforce:**

ARDEM's approach involved assigning a dedicated analyst to oversee and manage the customer's Accounts Payable (AP) responsibilities. This tailored solution enabled the customer to effortlessly expand their workforce as needed, eliminating the complexities and time-consuming aspects of in-house recruitment and training.

## **Quick Onboarding:**

ARDEM's efficient onboarding procedure enabled the analyst to commence work a mere 20 days after contract signing. This swift onboarding process expedited the resolution of the customer's accounts payable issues, minimizing downtime and swiftly delivering the benefits of ARDEM's services to the client.

## **Efficient Invoice Processing:**

ARDEM's dedicated analyst streamlined the customer's operations by managing time-consuming, manual tasks like data entry, invoice processing, and vendor management. This offloading of repetitive work notably lightened the burden on the customer's internal team, enhancing overall operational efficiency and freeing up their resources for more strategic endeavors.

## **Clear Roles and Communication:**

One of the initial steps was developing a clear plan that outlined the roles and responsibilities of both the in-house accountant and the outsourced team. Transparency and open lines of communication were the cornerstones of this plan. It was essential to ensure that everyone was on the same page, working harmoniously towards common goals.

## **A Dedicated and Responsive Team:**

ARDEM didn't just provide a team; they provided a dedicated team of qualified professionals. This team wasn't just knowledgeable about AP processes; they were highly responsive, ready to adapt quickly to the evolving needs and demands of the customer. The result was a seamless & efficient transition that offered the relief the client needed.

## **Cost-Efficient:**

ARDEM's pricing model of \$3,000 per month for a dedicated analyst provided a cost-effective alternative to hiring additional in-house staff, with potential annual savings of approximately \$24,000 compared to hiring a full-time employee.

## **Training and Efficiency:**

As the customer's in-house team concentrated on high-value responsibilities, ARDEM offered continuous support and drove optimization and efficiency enhancements. This included valuable recommendations and potential process improvements, ensuring that the customer's operations ran smoothly and stayed aligned with best practices, ultimately enhancing overall performance and productivity.

## **Security and Compliance:**

ARDEM upheld a secure and compliant ecosystem for managing the customer's financial data. With rigorous protocols and robust security measures, ARDEM safeguarded data integrity and upheld strict compliance standards, instilling confidence in the customer that their sensitive financial information was well protected.

In a world where partnerships can make or break a business, the collaboration between the client and ARDEM was a testament to the power of understanding, empathy, and a commitment to mutual success. It was about finding a fresh approach to old challenges and redefining the way they worked together.



# Result

## ARDEM's Impact: Positive Outcomes



### Transforming AP Processes

The introduction of supplemental outsourcing was nothing short of a game-changer for the company's accounts payable (AP) processes. It was like a breath of fresh air in their often overwhelming workload. With a dedicated team from ARDEM now supporting their in-house accountant, the once daunting workload has become more manageable than ever. That fear of "drowning" in a sea of tasks was replaced by a refreshing sense of shared responsibility, collaboration, and mutual support.

The outcomes of this transformative shift were nothing short of impressive, leaving our client with more than a few reasons to celebrate:

#### 1. Rapid Onboarding:

ARDEM's swift onboarding process ensured that the analyst could commence work within just 20 days of agreement signing. This speed in onboarding allowed the customer to address their AP challenges promptly, saving time and effort.

## **2. Enhanced Efficiency:**

The company's AP processes witnessed a remarkable boost in efficiency. The team of qualified professionals from ARDEM is seamlessly integrated with the in-house accountant, working as a cohesive unit. This unity of effort allowed tasks to be completed with remarkable speed and accuracy, a far cry from the struggles of the past.

Besides, by offloading manual tasks, such as data entry and invoice processing, ARDEM improved overall efficiency. This change allowed the internal AP team to focus on higher-value activities like vendor management, leading to a streamlined process and better resource utilization.

## **3. Cost Savings:**

The decision to embrace supplemental outsourcing didn't just improve efficiency; it also resulted in significant cost savings. ARDEM's cost-effective solution presented significant annual savings of around \$24,000 when compared to hiring a full-time employee. This financial benefit made outsourcing a sensible choice for the customer.

## **4. Improved Accuracy:**

With a dedicated team solely focused on AP processes, the client saw a significant improvement in the accuracy and precision of their financial records. This newfound precision substantially reduced the risk of errors, contributing to more informed and reliable financial decision-making.

## **5. Scalability:**

ARDEM's dedicated analyst offered a scalable solution, effectively managing AP tasks for multiple entities. This adaptability allowed the customer to grow and adapt their workforce quickly without the need for in-house hiring and training.

## **6. Happy and Supported Team:**

Perhaps one of the most remarkable changes was the transformation of the in-house accountant's work experience. No longer overwhelmed, they found themselves well-supported by the introduction of the supplemental outsourcing team. This not only improved their efficiency but also enhanced their overall work-life balance.

## **7. Security and Compliance:**

ARDEM maintained a secure environment for financial data processing, ensuring data protection and integrity, thus aligning with the customer's compliance requirements and enhancing trust in the partnership.

## **8. Shift in Mindset:**

However, the impact extended beyond just numbers and processes. The company successfully navigated a shift in mindset, moving from the traditional concept of outsourcing to a more comforting and effective model of supplemental outsourcing. This change in perspective contributed to a more harmonious and productive working environment, where everyone felt they were part of a team working together towards shared goals.

## 9. Flexibility:

ARDEM's solutions were highly adaptable, catering to the unique needs and workflows of each entity involved. This flexibility accommodated various requirements, making it a versatile choice for the customer.

## 10. Training and Optimization:

ARDEM offered ongoing support and potential process improvements, contributing to continuous efficiency and accuracy in AP operations. This proactive approach ensured that the customer benefited from evolving best practices and optimizations.



# Final Words

In this tale of transformation, the company's journey from a place of challenge and apprehension to one of success and collaboration is a testament to the power of innovative thinking and partnership. Sometimes, the most significant changes are the ones that redefine not just what we do, but how we think.

The story of our client and the company's journey towards "supplemental outsourcing" exemplifies the transformative power of rethinking traditional solutions. By partnering with ARDEM, the company didn't just solve their workload and staffing issues; they opened a new chapter of collaboration and efficiency.

The results spoke for themselves - a more efficient AP process, substantial cost savings, and, most importantly, a happy and supported team. The company successfully navigated the shift in mindset from outsourcing to a more empathetic and inclusive approach, where everyone worked together towards a common goal. It's a story of adaptability and partnership, reminding us that in the world of business, sometimes the most innovative solutions are the simplest ones.

In conclusion, the client's decision to partner with ARDEM and embrace supplemental outsourcing was a game-changer. It resolved their challenges of workload management and staffing, resulting in greater efficiency and cost savings. It serves as an excellent example of how a thoughtful and empathetic approach to outsourcing can lead to a mutually beneficial partnership and success in the world of business.



# ARDEM Incorporated

ARDEM Incorporated delivers success for companies looking to efficiently streamline their processes and improve ROI. We implement the world's most sophisticated Technology platform combining human interaction with advance technologies to automate business processes and lower operational costs.



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