



# **Creating a Highly Efficient Accounts Payable Process that Delivers Improved Controls, Lowers Costs and Enhances Security**

Case Study



**FIFTH THIRD BANK**

# About Ginkgo Residential

Ginkgo Residential is a privately held company offering a fully integrated real estate operating platform that provides acquisition, renovation, asset and property management services. Providing reasonably priced, high-quality housing that is energy efficient and environmentally sensitive is at the very heart of Ginkgo Residential's corporate mission.

## The Challenge: Managing a Backlog of Paper Checks

With 37 properties throughout a variety of communities in urban and suburban neighborhoods across North Carolina, South Carolina and Virginia, Ginkgo Residential's treasury team faced the challenge of issuing checks within standard business and regulatory timeframes.

The accounts payable (AP) manager was burdened with an enormous backlog of checks which had to be manually processed. In an attempt to streamline this process, the company switched to a monthly check run, issuing 500 checks at a time over a four-day period. But this was still a labor-intensive and time-consuming effort that involved securing signatures, stuffing envelopes and applying postage.

Adding to the challenge, treasury had to evaluate cash positions and manage cash flow for each stand-alone property without comingling funds. Security associated with paper checks and exposing the company to the risk of fraud was also a concern.

Treasury recognized that a more efficient AP process was needed.

### Benefits of Implementing a Digital AP Processing Solution

#### Reduces Costs

- Eliminates manual AP processes, automates transactions
- Boosts defense against fraud

#### Strengthens vendor relationships

- Identifies preferred payment methods of vendors

#### Frees Up Employees

- Automation of manual tasks allow employees to focus on more strategic tasks

## The Solution: AP Automation Platform

Following an exhaustive evaluation process, Ginko Residential's treasury team selected Fifth Third Bank to implement its Expert AP managed payables solution, powered by AvidXchange.

Fifth Third brought its AP expertise and proven implementation process to deliver a solution that solved Ginko's challenges. Treasury worked closely with the bank to ensure this advanced electronic payables platform was integrated with Ginko's accounting system to enable a seamless payment process alleviating prior manual payment burdens.

The treasury team decided to roll out the solution simultaneously across the entire organization. "The implementation process went extremely smooth, which was largely due to the rigorous planning and regular meetings between the Bank and our team," explained Jenny Higbee, Controller for Ginko Residential. "Even though it was one of the busiest times of the year for our organization, we were able to get the solution up and running quickly. Fifth Third did a fantastic job of getting our staff trained and giving us great support throughout the implementation process."



## The Results: Efficient Payables Process is Cost Effective and Secure

Since implementing the Expert AP electronic payables platform, Ginko Residential has dramatically improved the efficiency of its AP processes. Instead of a cumbersome, four-day-long manual process conducted once a month, payments to vendors are now issued weekly. Each property's accountants are now responsible for selecting the invoices that need to be paid, giving them greater visibility and control over all property-related expenses.

Vendors have responded very favorably to the program, we anticipated a 27% conversion to e-payments from Day 1. In reality, 33% of vendors registered for virtual card and ACH payments after the first month the program was live.

In addition to the efficiency gains from automating its AP processes, Ginko has also lowered costs, and reduced its dependency on paper checks, thereby cutting associated processing expenses. At the same time, rebates from the virtual card program are covering program costs.

Expert AP also addresses another cumbersome treasury responsibility—automating the process of managing “aged checks.” Now, when checks go uncashed or are returned by mail because of an outdated address, the system automatically executes a search for correct mailing address information, and updates the vendor record with new information, and issues a new check.

This electronic payables solution also eliminates much of the risk of account information being compromised since checks are issued from a product settlement account held by the bank and not a company account, providing greater security for the company.

By reducing the treasury staff’s burden for vendor management, this automated solution enables resources to be focused on more strategic tasks. According to Higbee, “As a result of this powerful solution, we are spending more of our time analyzing data instead of manually entering it. This allows us to focus on strategic activity that help move the organization forward.”



**Contact your Treasury Management Officer today to adopt AP automation with confidence.**



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