Skalable Stream™

Stream Accelerates Efficiency and Improves Accuracy for a Leading Health and Fitness Company

A leading health and fitness franchise, with over 49 studios across multiple states, faced significant challenges in managing its rapid growth and complex financial operations. As the company expanded, its manual invoice processing system became a bottleneck, requiring two full-time employees to handle approximately 600 invoices per week.
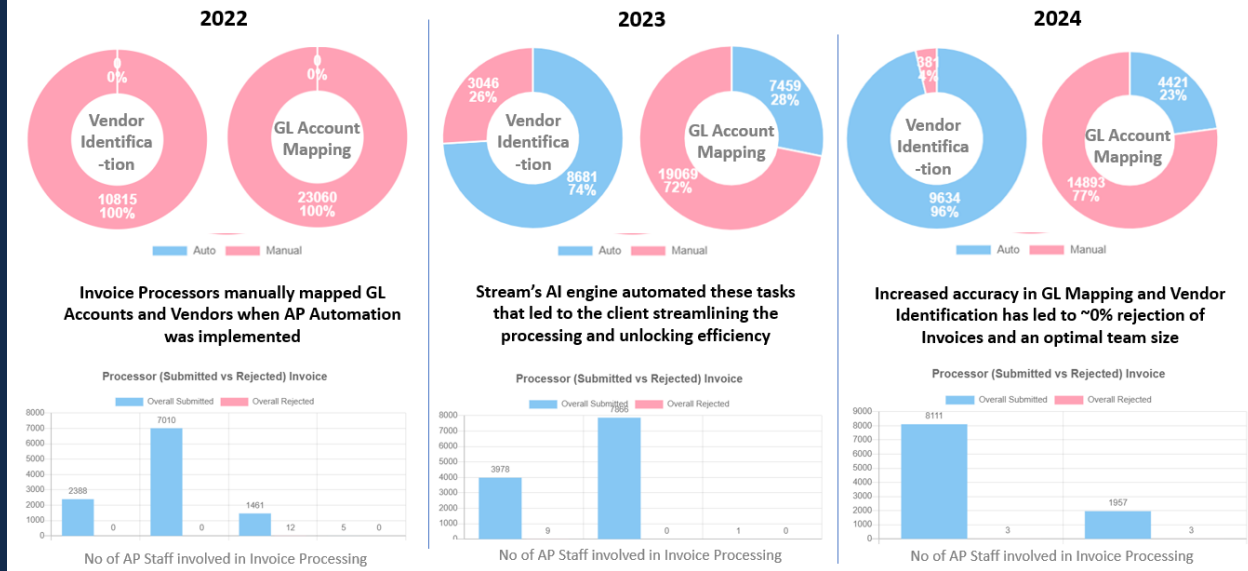
How Stream's AI Powered Solution is increasing accuracy and unlocking efficiency?

(Invoice Automation Case Study of a Client in Health and Fitness business)

2022

Vendor Identifica-tion
0%
10815 100%

GL Account Mapping
0%
23060 100%

▬ Auto ▬ Manual

Invoice Processors manually mapped GL Accounts and Vendors when AP Automation was implemented

Processor (Submitted vs Rejected) Invoice
▬ Overall Submitted ▬ Overall Rejected

2388 — 0 — 7010 — 0 — 1461 — 12 — 5 — 0

No of AP Staff involved in Invoice Processing

2023

Vendor Identifica-tion
3046 26%
8681 74%

GL Account Mapping
7459 28%
19069 72%

▬ Auto ▬ Manual

Stream's AI engine automated these tasks that led to the client streamlining the processing and unlocking efficiency

Processor (Submitted vs Rejected) Invoice
▬ Overall Submitted ▬ Overall Rejected

3978 — 9 — 7866 — 0 — 1 — 0

No of AP Staff involved in Invoice Processing

2024

Vendor Identifica-tion
881 4%
9634 96%

GL Account Mapping
4421 23%
14893 77%

▬ Auto ▬ Manual

Increased accuracy in GL Mapping and Vendor Identification has led to ~0% rejection of Invoices and an optimal team size

Processor (Submitted vs Rejected) Invoice
▬ Overall Submitted ▬ Overall Rejected

8111 — 3 — 1957 — 3

No of AP Staff involved in Invoice Processing

CHALLENGE

The franchise's growth from a single location to a multi-state operation with 650 employees created increasing complexity in financial management:

- **Outgrowing QuickBooks:** The company's accounting platform couldn't support the dynamic reporting capabilities needed for a growing enterprise.

- **Manual Invoice Processing:** Two full-time employees were hand-keying data from 600 weekly invoices, leading to inefficiencies and potential errors.

- **Complex Reporting Structure:** With various management layers overseeing different numbers of locations, data gathering and sharing became cumbersome.

- **Time-Consuming Reporting:** Preparing board or investor presentations took a week of manual work to compile spreadsheets and PowerPoints.
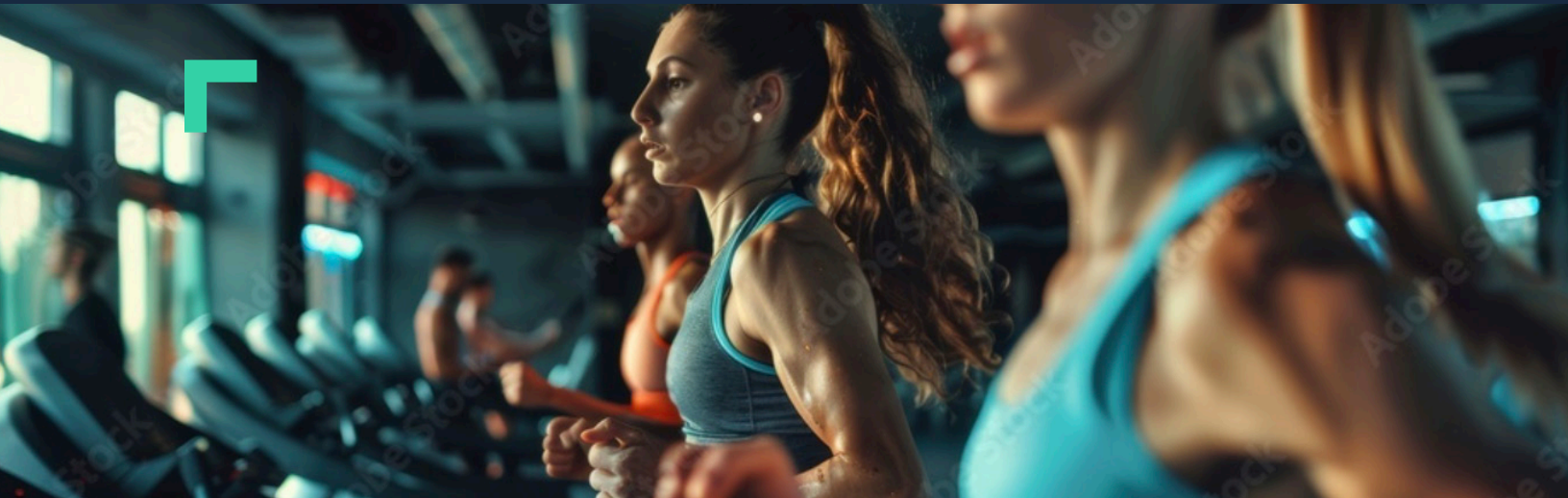
SOLUTION

The franchise partnered with Skalable to implement a comprehensive solution, with Stream at its core:

- **Skalable Stream™:** An AI-powered add-on application for Microsoft Dynamics 365 to automate high-volume accounts payable transactions.

- **Microsoft Dynamics 365 ERP:** Replaced QuickBooks and the outsourced accounting function with a modern, cloud-based platform.

- **Additional tools:** Microsoft Power BI for data visualization and Skalable Matrix ETL for data integration.

Skalable implemented Stream, an AI-driven invoice automation system that offers two-way seamless integration with Dynamics 365. This integration ensures that:

- Invoice data is automatically synced with the ERP system in real-time.

- Vendor information, GL codes, and approval workflows are consistently updated between Stream and Dynamics 365.

- Financial reporting in the ERP reflects up-to-the-minute invoice processing status.

- Users can access and process invoices directly from within the familiar Dynamics 365 interface.

"We were able to see what was taking the longest for the accounting team to process, and then we worked to automate those processes,"

KEY FEATURES OF STREAM:

• AI-powered invoice reading and processing

• Seamless integration with Dynamics 365

• Automated vendor identification and GL account mapping

• Centralized invoice lifecycle management

IMPLEMENTATION:

Skalable worked closely with the franchise to:

• Customize Stream and Dynamics 365 to fit the company's specific business needs

• Integrate Stream for invoice automation

• Provide extensive technical and functional application support throughout the process

RESULTS:

The impact of implementing Stream was transformative:

1. Vendor Identification Automation:
- 2022: 0% automated
- 2023: 74% automated
- 2024: 96% automated

2. GL Account Mapping Automation:
- 2022: 0% automated
- 2023: 28% automated
- 2024: 77% automated

3. Invoice Processing Efficiency:
- Near 0% rejection rate for invoices by 2024
- Maintained optimal team size despite growth

4. Streamlined Financial Processes:
- Faster month-end closing process
- Ability to start pre-closing processes earlier
- Reduced time for cash reconciliation across studio locations

Key Benefits of Stream:

1. Scalability:
Stream easily handled the company's growth from 40+ to 300+ locations, processing an estimated 31,200 invoices annually (600 per week) without requiring additional staff.

2. Efficiency:
- Time savings: Reduced invoice processing time by approximately 75%, saving an estimated 3,000 hours annually.

- Cost reduction: Decreased processing cost per invoice by about 50%, potentially saving $100,000+ annually in direct processing costs.

3. Accuracy:
- Reduced invoice rejection rate from an estimated 3% to near 0%, potentially preventing hundreds of errors annually.

- Automated vendor identification increased from 0% to 96%, correctly processing over 9,600 vendor entries automatically in 2024.

4. Visibility:
- Reduced financial reporting preparation time by an estimated 80%, from one week to just one day for board or investor presentations.

- Real-time access to financial data across all 300+ locations, compared to previous delays of up to a week.

5. Strategic Focus:
- Freed up approximately 2 full-time equivalent positions from manual data entry to focus on strategic financial analysis and planning.

- Estimated 30% increase in time available for high-value financial activities such as forecasting and budgeting.

6. Cash Flow Optimization:
- Faster invoice processing and approval cycles potentially improved cash flow by an estimated $1 million annually through better management of payment timing.

- Reduced time for cash reconciliation across studio locations from several days to just hours, improving financial oversight.and provided extensive technical and functional application support throughout the process.

7. Scalable Growth:
- Supported company expansion from 10+ to 80+ locations without proportional increase in accounting staff, estimated to save the equivalent of 4-5 full-time positions.

Decreased processing cost per invoice by about 50% with potential savings of $100,000+ annually in direct processing costs.

Conclusion

By implementing Skalable Stream™ integrated with Microsoft Dynamics 365, this leading health and fitness franchise transformed its financial operations. Stream overcame the challenges of manual processing, complex reporting, and scalability issues. The dramatic increase in automation—from 0% to over 90% in key areas—positioned the company for continued growth and financial optimization in the competitive health and fitness industry. This case study demonstrates how Stream's AI-driven solution can help rapidly growing businesses scale their operations efficiently without proportionally increasing costs.