

Alegent Health Improves Contracting Processes with Selectica Contract Lifecycle Management

Alegent Health is the largest not-for-profit, faith-based healthcare system in Nebraska and southwestern Iowa, with nine acute care hospitals, more than 100 sites of service, and roughly 8,600 employees. Alegent is committed to continuous improvement; in fact, it is the first healthcare company to include a chief innovation officer on its staff. The company's implementation of a contract management solution from Selectica is an example of the company's commitment to continuously improving its services and operations.

"We have many contract-based business processes that are heavily regulated," explains Angie Peters, Alegent Health's Manager of Legal/Compliance Services. "Our challenge is ensuring that the contracts and supporting materials that define these processes can always be easily accessed, analyzed, and reported on by all of the internal customers my department supports. These customers require this information to ensure optimized management of their processes and partner relationships, as well as to ensure compliance with audit requests from regulatory entities."

Improving Department Efficiency and Responsiveness

Alegent Health's original, homegrown contract management system was only accessible to members of the legal/compliance services department. This meant that as contract volume and regulatory burdens increased, Peters' staff was forced to spend more and more time searching for, and distributing, these documents—and those requesting the documents had to spend unacceptable periods of time waiting to receive them. The legacy system was also unable to automatically search the repository of contracts for the required data fields. As a result, creating business reports and responding to audit inquiries required extensive manual, error-prone involvement.

"Another problem," Peters says, "was a lack of tools to streamline the management of contracts in force. There were no alerts to notify us of expiration dates, for example, and there was no way to automatically flag trigger points that would require contracts to be re-examined, such as increases in the consumer price index. In short, with 11,500 contract records to track and manage, we needed more functionality and greater efficiency."

Gaining Greater Contract Visibility and Control

When considering an alternative solution, Alegent Health's primary concern was to enable any internal customer, located at any Alegent Health facility, to instantly access any contracts they were authorized to view. In addition, the organization wanted to offer end-users the ability to search these contracts for any specific information they required, and present this information using Alegent's report generation tool. Alegent Health also wanted to be sure that these capabilities would be available for all types of contract-related processes, including processes for physician, property, and information technology agreements.

"We also wanted to be able to leverage contract information to streamline other processes," Peters states. "For instance, to gain control over spend management, we wanted to rely on contract data to support check requests that were sent to the accounts payables department, and prevent checks from being cut unless this information was provided. We also look forward to establishing an alert system that lets us know when maximum spend levels written into contracts are approaching. So, for example, if 80 percent of the allowable spend has been utilized, we can require an added layer of sign-off before new payments can be authorized."



Customer Success Story

Challenge:

- Streamline contracting processes in a highly regulated industry
- Improve access to over 11,000 contracts

Solution:

Selectica Contract Lifecycle Management

Benefits:

- Accelerate contracting processes
- Gain visibility across multiple contract types and corporate entities
- Reduce reporting errors

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Alegent Health's Manager of
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About Selectica, Inc.

Selectica (NASDAQ: SLTC) SaaS and on-site solutions automate the Global 2000's most complex business processes to help companies boost revenue, cut costs, and eliminate risk. Selectica Contract Lifecycle Management software enables companies to manage the entire contract lifecycle: from contract request, authoring, negotiation, and approval, through contract execution, on-going obligations management, amendment, and renewal. To find out more, visit www.selectica.com or call 1(877) 712-9560.

Another requirement was the ability to easily update language in legacy contracts when required to do so by new regulatory mandates. With the company's homegrown system, this was a manual task. What they wanted was a solution that could quickly identify all contracts requiring action, and then update these contracts concurrently as specified by pre-established workflows.

Selectica Goes the Extra Mile in Meeting the Company's Needs

During a thorough market review of 15 vendors, Alegent Health discovered that few solutions met every one of their highly specific requirements out-of-the-box. Some came close, but vendors seemed unwilling to go the extra distance to fine tune solutions. Then Alegent Health met with Selectica.

“Selectica Contract Lifecycle Management offered a wide range of functionality that we found especially appealing, such as a friendly user interface and the ability to enter contracts into the repository via fax and built-in optical character recognition,” Peters says. “This was particularly advantageous for us because it enables contract creators at geographically distributed facilities to easily store all contracts in the single centralized repository. Where the company really differentiated itself was in its willingness to take on our requests and add the features we specifically wanted that were not available at the time. This flexibility resonated with us because it offered clear proof that they were as customer-centric as we are patient-centric.”

Specifically, Selectica addressed Alegent Health's need for a built-in application that converted PDF files to Microsoft Word documents, enabling the organization to easily edit vendor contracts provided in this format. In addition, Selectica offered a contract creation wizard to enable non-technical Alegent Health staff to author contracts.

Enabling Reporting Across Multiple Business Processes

An important capability of the Selectica solution to Alegent Health is availability of contract analytics. Selectica Contract Lifecycle Management's reporting capabilities allow business managers and Alegent Health's legal/compliance services department to analyze and report on relationships among the full range of metadata and data fields stored in the Selectica repository.

“With this solution,” Peters explains, “we can cross-report on multiple business processes, across any of our more than 30 corporate entities, evaluating, for instance, spend on physician relationships by property leasing agreements. We can also pull the specific data auditors require across multiple contracts, and multiple business processes, delivering the exact information required in a single report that is generated in minutes. In the past, creating this report would have demanded that we first create separate reports, then manually remove whatever information was not required, and then assemble the final report—a process that could take scores of man hours.”

In other words, Alegent Health will now be able to run reports faster, dramatically boosting productivity, while also gaining an unprecedented ability to complete extremely granular analyses of business processes. As a result, the organization can gain the process visibility they need to fine-tune operations, system-wide.

“The contract management capabilities of our Selectica solution and its analytics capabilities are empowering us to deliver business managers with the widest possible range of information they need to effectively manage contracts and ensure that the optimized value of those contracts is always achieved,” Peters concludes.