



## The Need for Scalability in Consumer-Centric Healthcare

Welltok

### Challenges

## The Need for Scalability in Consumer-Centric Healthcare

Welltok is helping to drive the consumer-centric evolution of healthcare with its award-winning health optimization platform that empowers health plans, employers, providers and public entities to connect consumers with personalized health improvement resources. Named to the Inc. 5000, Forbes Cloud 100, Forbes Next Billion Dollar Company and Deloitte Technology Fast 500 lists, the Denver-based company has expanded its workforce from 100 to 450 in roughly four years while completing about a half-dozen acquisitions.

With growth accelerating, Welltok recognized that the QuickBooks application it deployed as a startup wasn't suited to scale across complex business models. "Instead of waiting until we go to the breaking point with QuickBooks, we wanted to get out ahead of it," said John Fowle, Vice President and Corporate Controller at Welltok. "We needed a stronger control environment, a stronger financial management platform that could scale with the business. As we started to put in order-to-cash, buy-to-pay, and integrated treasury management, we would need more robust features and functionality."

Management recognized that billing could be an especially vexing challenge as Welltok grew its customer base across commercial, Medicare and Medicaid health plans, providers, self-insured employers, retail pharmacies, and health services companies. "Historically, our ability to bill was reliant on Excel spreadsheets, documentation, and stacks of paper," Fowle said. "On top of that, the evolution of the subscription economy has ushered in a new world of billing and complexity in the way that customers want to be billed and their timing."

### Solutions

## Automating Multi-Element Revenue Recognition

Since selecting Sage Intacct as its financial management platform after an evaluation against a competing Oracle NetSuite solution, Welltok has reshaped its revenue recognition, subscription billing, forecasting, and other processes. Orders and billings that were once tracked manually in Excel and QuickBooks are now automated in Sage Intacct, helping to accelerate the monthly close by 25%. That's opened new time for Fowle's team to pivot from transactional record-keeping to strategic analytics and becoming a stronger partner to the business. "We've been able to take out so much of the manual work that we went through every month and instead use that time for more value-added activities as we go through our record-to-report process," Fowle said.

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### Company Overview

Welltok is a data-driven, enterprise SaaS company that delivers the healthcare industry's leading consumer activation platform. Welltok's solutions empower leading health plans, employers, providers and public entities to connect consumers with personalized health improvement resources, making it easy and rewarding for consumers to complete actions that optimize their health and wellbeing. Only Welltok leverages a machine-learning, multi-channel approach proven to help innovative organizations power growth and retention initiatives, improve healthcare value, and streamline the consumer experience, while upholding the highest security and compliance standards. To learn more, visit [www.welltok.com](http://www.welltok.com).

### Executive Summary

#### Previous Software:

- QuickBooks

#### Results with Sage Intacct:

- Automated rev rec for fast-growing subscription business
- Time needed for monthly close reduced by 25%
- Quote-to-cash efficiency accelerated by 20%
- New flexibility to meet complex customer billing requirements

Welltok also improved its quote-to-cash efficiency by 20%, helping reduce its days sales outstanding (DSO) and open new cash flow. Preparation for annual audits is up to 15% faster, and Welltok seamlessly consolidates financials across six subsidiary entities created by acquisition. With its new efficiency, Welltok hasn't needed to add finance staff even as revenue has expanded by nearly 1,600% in recent years. Rather than tedious manual processes, Welltok uses the Sage Intacct Contract and Subscription Billing module to automate multi-element revenue recognition, easily identify recognized and deferred revenue, and report on revenue at the end of the year. Built-in support for the ASC 606 revenue recognition standard strengthens Welltok's 606 compliance.

"The automation of revenue recognition especially with our multi-element arrangements and very complex revenue patterns is just phenomenal, and removes the need for spreadsheets and manual intervention," Fowle said. "The Sage Intacct Contract and Subscription Billing module gives us incredibly robust reporting and allows us to automate year-end reporting that otherwise would be heavily manual."

### Results

## Dramatic Improvements in Forecasting and Billing

With Sage Intacct, Welltok has dramatically improved its revenue, cash, and billing forecasting to provide a forward-looking view that it needs to guide continued growth. The Contract and Subscription Revenue module supports new alignment between the controllership and FP&A functions by replacing disparate data islands with a single source of truth. "The ability we have with Sage Intacct to centralize information as a singular source of truth for our planning and then drill in at deep levels of granularity, by customer, by product, by department, has been invaluable," Fowle said. "The amount of time it's saving both FP&A and the controllership is remarkable, and we've improved accuracy."

The new flexibility that Welltok has with Sage Intacct enables it to meet highly diverse billing requirements across its customer base. "Some contracts are straightforward, some are incredibly complex," Fowle noted. "Our ability to lay out a billing plan as short as three months or as long as five years, and then have the flexibility to bill customers as we need with predictability into billings and cash flow, has changed our organization overnight." In addition, the Contract and Subscription Revenue module makes it easy to provide customers with billing forecasts if requested.

Going forward, Welltok is confident that it has the right financial management platform as it continues its rapid growth trajectory both organically and through acquisitions. Adopting Sage Intacct has given Welltok breakthrough speed, insights, controls, and flexibility across the subscription-based software business, and supports optimized financial processes. "In the last three years, we've had phenomenal growth," Fowle said. "My role as corporate controller is to really think about how we invest in systems and processes to accelerate that growth, and certainly Sage Intacct has played a significant role in our success. The way Sage Intacct helps us scale, the predictability and visibility we get into our revenue stream, and the streamlining around billing have been remarkable."

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VP, Corporate Controller,  
Welltok