

# FTRANS Case Study

## Transcription Solutions, LLC

Transcriptions Solutions is a medical technology company that provides transcription software to hospitals and private practices, converting dictated doctors' notes into clinical documents. In 1999, the company partnered with M\*Modal to build a voice recognition system that makes it easy for doctors to embrace the modernization of the healthcare industry. As Electronic Health Records (EHRs) become more popular, the company stands to capitalize on the demand for medical transcription services.

However, when Transcription Solutions was founded, one barrier to the company's success was the inability to generate cash-on-hand because of slow paying customers. Like many B2B companies, Transcription Solutions operates on a trade credit system that invoices customers monthly for payment – a process that limits cash flow, hinders business planning and increases liabilities.

Without a consistent supply of cash, Transcription Solutions found it difficult to manage operating costs, invest in the businesses' growth and maximize its research opportunities. To remedy this situation, though, Transcription Solutions turned to FTRANS to manage its credit and accounts receivable processes – not once, but twice.

### FTRANS vs. Other "Discounters"

Transcription Solutions became a customer of FTRANS shortly after it was founded. At that stage, the company worked with FTRANS to manage all of its receivables for less than 1%. By doing so, Transcription Solutions was able to access over 80% of its cash tied up in A/R within days instead of weeks or months. This pro-

vided them with the capital required to both maintain and grow the business.

In addition, FTRANS provided credit management and detailed financial reporting services to Transcriptions Solutions so it could make better-informed decisions about lending trade credit to its customers.

However, when Transcription Solutions began its strategic partnership with M\*Modal, the company was obliged to switch services to a receivables discounter – a decision Brent Sexton,, CEO of Transcription Solutions, frowns upon now.

//After using two different receivables discounters, it was obvious that neither of them could provide the low interest rates on invoices and transparent reporting like FTRANS could," said Brent Sexton, CEO of Transcription Solutions. "The other systems were time consuming, unaccountable and inefficient."

Transcription Solutions tried other credit and A/R outsourcing services for more than two years before returning to FTRANS. Executives at the company pointed to poor reporting, time consuming processes and lack of credit oversight as the main rationale for switching back to FTRANS.

//The process [with the other providers] was so difficult and time consuming," Sexton said. "FTRANS' reporting tools were so superior that there was no choice but to switch back to them."

## The Return to FTRANS

As an FTRANS customer for the second time, Transcription Solutions has been able to quickly access the necessary capital conducive to the company's growth. By being able to do so, the company now has realistic and affordable plans to expand into new regions and to increase its marketing spend among its key demographic constituents.

Just as important, Transcription Solutions once again has a better insight into the credit standing of its customers and prospects – a strategic advantage when it comes to lending trade credit. Since its return to FTRANS, none of their customers have filed for bankruptcy.

Additionally, Transcription Solutions is once again able to make important planning decisions and forecast projections based on historical data of its own finances and based on its customers' credit standing. This has enabled the company the opportunity to more effectively assess market opportunities and make the necessary quarterly and yearly business plans based on tangible projections. Sexton calls this his "financial crystal ball."

//Using FTRANS has enabled us to start the process of building out marketing efforts and expanding regionally," Sexton said. "With FTRANS, Transcription Solutions can really invest in the future of the business."