

Manufacturer triples in size but shaves \$2.9 million in costs

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OnBase
a Hyland Software solution



The Challenges

- Reduce AP costs and improve productivity
- Decrease paper and storage costs
- Protect corporate assets and meet compliance standards

The Results

- Processes more invoices with less staff
- Saves more than \$125,000 each year on paper
- Safeguards sensitive company info and stays compliant

The Customer

Emerson Climate Technologies (ECT), a Division of Emerson, wants to make you comfortable, and is growing fast to do it. The three billion dollar manufacturer is the world's leading provider of heating, ventilation, air conditioning and refrigeration solutions. In less than a decade, the company has tripled its revenue and number of locations.

The Challenges

With growth coming in rapid waves, ECT realized its existing systems and applications weren't built to share information across departments, let alone countries. From AP delays to spiraling paper costs and compliance worries, ECT had its hands full. Leaders realized if the company didn't get its paper problems under control, the success of the company's aggressive growth strategy would be at risk.

The Journey

ECT contacted Security Microlmaging, Authorized OnBase Solution Provider, for help. Together, the team first went in search of a solution to replace the AP Department's broken microfilm reader. Even when the reader was working, it created hour-long waits in line to search for a single invoice and payment backlogs.

The Solution

AP leads the way with multi-million money saver

"This was where we first started using OnBase," says Tim Arthur, IT Director. "We expected it would be an AP application only. We had no idea we'd go from nine users to 900 in less than two years. Overall, we've saved more than \$2.9 million, mostly in paper costs alone".

But addressing AP problems was first on Arthur's mind. After processing, all invoices and purchase orders (PO) were scanned and stored on microfilm. If a vendor or internal customer called with a question about an invoice or PO, an AP clerk would race to the reader to find the document.

This not only took the AP clerk away from their regular responsibilities, but also often led to an hour-long wait in line at the microfilm reader. When the machine finally broke, Arthur knew he needed a better solution.

"OnBase changed the lives of our AP clerks," he says. "It had huge consequences on productivity because it eliminated their frustration from waiting in line and sped up their ability to get answers off of invoices."

As further proof of the system's success, Arthur points to the numbers.

"When we first implemented OnBase, we had nine AP clerks. Now, we have eight clerks but are handling AP responsibilities for three new companies. With the increased volume, we likely would have had to hire seven more clerks if we didn't have OnBase."

In addition to saving time and money, the AP team also improved the manual and error-prone triple match process. Before OnBase, clerks manually matched paper invoices, PO's and receipts to check for discrepancies. Although important for balancing the books, this process was time-consuming and tedious.

Now, ECT uses OnBase to automate triple matching. All invoices, PO's and receipts are scanned into the system and when a mismatch is found, OnBase instantly flags the group and routes it to the company's procurement team for investigation. An automatic timer makes sure that a procurement representative makes a timely decision about whether to pay the invoice.

The success of the system was instant. "Within a month, I got a call from AP and calls from four internal customers telling me how great the solution was," says Arthur.

Stop the presses: Manufacturer saves \$125,000 each year in paper costs

With a successful AP solution up and running, Arthur turned his attention to the company's mainframe reports. Monthly, ECT generates more than 900 mainframe reports that include everything from inventory information to personnel data.

Not only was the manufacturer generating the reports, but remote locations were printing them, too. "They couldn't print fast enough," says Arthur. "They were going to add an extra printer at each remote location just to handle the printing. On top of that, they needed an extra person just to manage all that paper."

Instead, Arthur and his team turned to OnBase. The system integrates with ECT's mainframe computers to electronically generate all 900 reports. If someone at a remote location needs to review a report, they can view it right from their desktop computer.

"We even increased user adoption by putting a green bar template on top of the reports in OnBase," Arthur says. "When they look at the report on the computer, it looks just like the paper report they were used to. That simple step went a long way to make the change a little easier.

More proof has been in the cost savings – even in paper alone. "We used to have a pallet of green bar paper delivered each day; now we only need two each week," Arthur says. "We save \$125,000 each year on paper costs. We've never had to go much farther to calculate our ROI."

Faster, more consistent communication protects company

OnBase also helps ECT communicate decisions to multiple groups, even if the groups are in multiple locations. The instant communication is used in many processes across the company, including safety and accident reporting and even to notify remote locations when visitors are expected.

Instead of sending multiple e-mails and making phone calls, ECT staff use OnBase Workflow to notify the right people at the right time. The system also helps keep the company compliant with various standards.

For example, when HR needed to communicate that an employee had left the company, a representative would write a letter and send it to teams that needed the information. Unfortunately, the lag time between when the letter was created, sent and received put the company at risk.

"We needed a way to notify people immediately," says Arthur. "A letter works fine until you need to immediately turn off access to computers, doors and other sensitive information. We don't want people walking off with our customer lists or financial information when they leave the company."



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Now, employees simply complete an e-form on a SharePoint Web site. When the form is submitted, OnBase automatically routes the form to more than 10 groups, including the keepers of the company's physical and electronic security.

"Completing the e-forms on a SharePoint site and routing them through OnBase keeps our HR team compliant," says Arthur. "It also protects our data and our people."

Why OnBase?

OnBase helped ECT cut costs and grow to be a \$3 billion company, but don't just take our word for it. Forrester Consulting examined the total economic impact and ROI that ECT experienced from implementing OnBase. The study found that the manufacturer received an ROI of more than 200 percent – now totaling more than \$2.9 million in savings.

time to make a difference.

Get more information out of existing business applications. Reduce, even eliminate, wasteful, redundant tasks. Now you can spend your time on the things that really matter. That's effective document and process management.

That's the OnBase difference.

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