



LOUISVILLE BEDDING COMPANY

COLD/ERM AND IMAGING IMPROVING BACK OFFICE FOR 10 YEARS

"When we started looking for a system to replace our microfiche storage, our ultimate dream was for users to open an invoice, and from there, open any documents relating to it," says Darrell Jeffries, Systems Project Manager at Louisville Bedding Company (LBC). Using OnBase enterprise content management (ECM), LBC's ideal and beyond came to fruition with a complete Accounts Receivable (AR) package and an expansion to other back office departments.

The company's legacy microfiche system was an outstanding example of the technology, researched by (and impressive to) large companies including 3M. However, as the speed of business began to increase in the 1990s, Jeffries realized that microfiche couldn't keep up. As a leading mattress pad producer and distributor in the United States, LBC has been in the industry now for 120 years. Leveraging this industry knowledge and information, however, was difficult.

The company's products are licensed under names, including Beautyrest, Croscill and Nautica, and LBC needed a more effective way of retrieving proofs of delivery (PODs) and shipping information for its customers. Jeffries and LBC began looking into document imaging technologies in 1994 at a conference hosted by AIIM, the leading non-profit ECM organization.

LBC began outsourcing some data to a local imaging company soon after the AIIM show. With the majority of LBC's purchase orders (POs) coming in electronic data interchange (EDI) form, those working in Order Entry would transfer the EDIs onto magnetic tape, have the imaging company pick them up at the end of the day and then return the images on microfiche the following morning. While improved, the solution still didn't meet LBC's productivity goals.

After a three-year study with extensive research, OnBase was the ECM system of choice in 1997. Developed by Hyland Software Inc., OnBase is an integrated suite of ECM software solutions, including core capabilities in document imaging, electronic document management, workflow, COLD/ERM and records management.

"We were very interested in two companies, but the cross-referencing ability of OnBase along with the very strong COLD/ERM and imaging modules sealed the deal for us," says Mr. Jeffries. Beginning with COLD/ERM to import documents from the company's internally developed mainframe system for invoice files, the solution now imports 100 different COLD/ERM reports.

INVOICES BECOME ONE STOP SHOPPING FOR ALL SUPPORTING DOCUMENTS

Before OnBase, invoices were printed from the mainframe and manually matched to shipping documents by two employees. The two would then create a package, mail one copy to the customer and turn another into microfiche. Dedicated only to this job, the two employees often struggled to keep up with demand. Even if all was going smoothly, someone might need a document in the interim between printing and converting to microfiche and would have to go ask one of the two employees. While waiting to be microfiched, it could take employees looking for a document anywhere from two to seven days or more to receive a copy. It could take longer if the document was located at another of LBC's four locations.

Using OnBase, manual invoice matching has been eliminated and packages are much more simply put together. Database files are first imported into OnBase via COLD/ERM. Reports no longer need to be printed out and users with access can search by keywords or perform a full-text search to find what they may need in a matter of seconds instead of days.

AT A GLANCE

With COLD/ERM and imaging, Louisville Bedding Company (LBC) has replaced its legacy microfiche system and significantly improved back office access to essential documents. With an annual return on investment (ROI) of \$217,000 a year, the OnBase solution has been improving processes and saving LBC money for 10 years.

BENEFITS

- Proven annual ROI of \$217,000
- Reduced start up costs by additional \$55,000
- Complete ROI in less than 16 months
- Authorized users across the company and country have instantaneous access to 100 different COLD/ERM reports that previously took two to seven days to receive
- Virtually eliminates the printing of thousands of pages a day
- Two microfiche full-time employees (FTEs) reduced to .5 scanning FTEs
- Imports UPS files to connect tracking numbers to invoices in OnBase
- Saves .5 FTEs in LBC's AP Department with the addition of OnBase Web Server and DocPop

APPLICATION

- Accounts Payable
- Accounts Receivable
- Shipping
- Order Entry
- Customer Service
- Marketing
- Manufacturing
- Inventory
- Scheduling and Forecasting
- General Accounting
- Sales

COMPLEMENTARY PRODUCT INTEGRATIONS

- ESI/Technologies, Inc. eMIS™ Accounts Payable System
- Internally developed Order Entry, Receivables and Inventory applications
- Fujitsu Computer Products of America M3097 duplex scanners and fi-4220 duplex scanners

(continued)

COLD/ERM AND IMAGING IMPROVING BACK OFFICE FOR 10 YEARS

As the solution for replacing the expensive and difficult-to-maintain microfiche equipment, bar-coded documents supporting the imported invoice files are scanned into OnBase using a Fujitsu Computer Products of America M3097 duplex scanner. Utilizing AutoFill Keyword Sets imported from the corporate database, bar codes allow for automatic indexing that does not require keying. In recent years, upgrades to the shipping systems have reduced the number of documents scanned by eighty percent and instead these papers are now processed electronically with OnBase COLD/ERM. One scanner now takes care of Order Entry paper POs, cancellations, order changes and returns, bills of lading, manifests, ship papers and supporting documents. Order Entry also uses OnBase COLD/ERM to capture and store raw EDI transactions on customer POs. With full text search capabilities, the solution provides a quick historical verification of the data actually sent by the customer.

The microfiche reader/printers were so time consuming that they required LBC to employ a person whose sole responsibility was searching and retrieving microfiche documents for other Accounts Receivable (AR) associates. The microfiche operator would find the document, print it out and give it (or fax it) to the associate requesting it. The requestors would then mail or fax it to the customer. The single document scanner now has only one person working on it for about half the day and spending the remainder of the day on value-added tasks. LBC associates can now search for their own document needs, returning them immediately.

From UPS, AR receives individually parsed files that contain tracking numbers for each invoice. These are imported into OnBase, allowing the invoice to cross-reference to the tracking number. Adding documents to the invoice file, which was impossible with the microfiche system, is another important improvement for LBC. Helping to complete the invoice documentation, LBC imports e-mails and documents from sales representatives into OnBase. As they are imported, invoices and supporting documents are then automatically matched and cross-referenced through common keywords.

With these solutions in place, LBC achieved its goal of a complete AR package linked to all necessary documents. Users can now simply search invoices, either by any keyword or within the full text, and all necessary supporting documentation is available through a double-click of the mouse. For example, to find the PO, users simply click on the PO number and the correct PO automatically opens.

The first year after OnBase was installed, LBC calculated it was saving more than \$217,000 annually by eliminating microfiche and replacing it with OnBase. OnBase was also able to meet LBC's startup costs and even come in under budget, saving an additional \$55,000. With these combined savings, LBC received a return on investment (ROI) in less than 16 months.

UPGRADES TRANSITION TO ONBASE, WEB SERVER ADDS VALUE

"I can't think of one day over our ten-year period working with OnBase that we were down for the entire day," says Jeffries. "One time the hardware of the server literally went up in smoke, but we were up and going again by the end of the same day. We've even done upgrades in the middle of the day." Upgrading to newer versions of OnBase is significantly easier than many other solutions. Users simply download the correct files, open them and enter an authorization code, and the database is upgraded in a matter of minutes.

When LBC went through significant hardware upgrades, OnBase continued to operate smoothly. Because OnBase is point-and-click configurable and does not rely on complicated scripting and coding, upgrades are much easier, require fewer resources and take less time. Results Engineering, an OnBase Authorized Solution Provider, provided a line of support as well as assisted in the installation of the OnBase Web Server.

Unifying the disparate locations, OnBase Web Server is deployed at both the Ontario, Calif., and Munfordville, Ky., locations. The Web Server provides a convenient solution for the remote locations to have quick and easy access to OnBase documents. Aerated Home Furnishings (AHF), Louisville Bedding Company's Canadian subsidiary located in Montreal, recently gained OnBase access via the Web Server. The AHF employees are excited now to have direct access to their Accounts Payable (AP) remittances as soon as the checks are generated at the LBC corporate office in Louisville.

Not content to save only with COLD/ERM and imaging, LBC has completed its first step using OnBase in an AP solution with the company's existing eMIS AP software. Limited at this point to the AHF location, the original invoice is scanned into OnBase and paid invoices from the eMIS application are converted to a text file and processed into OnBase using COLD/ERM. Now all associates can search for AHF's AP invoices or remittances, and AHF associates in Montreal can view them immediately from OnBase without interrupting the AP staff at LBC. Keywords such as invoice numbers, check numbers and vendor numbers will cross-reference back to the appropriate documents, further simplifying AP documents and forming a complete AP package similar to AR. The LBC AP Department now saves the equivalent of about one-half a full-time employee (FTE) as a direct result of the AHF OnBase application.

LBC and AHF associates also can access the OnBase AP documents from within eMIS. With a click on a check number, users now seamlessly retrieve OnBase documents while working in eMIS as OnBase works in the background. "OnBase's flexibility enabled me to make this more of an 'add-on' type of implementation that does not turn the whole process upside down, thereby gaining much faster cultural acceptance in the company," says Jeffries.

With its easy scalability, rapid deployment and modular design, OnBase allowed LBC to start in one department and extend OnBase to others as time, resources and mindshare allowed. With paper-intensive back office operations, Louisville Bedding Company has implemented and expanded its OnBase solution for greater productivity, higher employee morale and more efficient practices.

OnBase[®]

a Hyland Software solution

www.onbase.com