

Accounts Receivable Automation

Distribution Case Study

AMERICAN TIRE DISTRIBUTORS



Accounts Receivable Automation Results in 100% Return on Investment in Less Than a Year

The Client

Since 1935, American Tire Distributors has supported the nation's tire dealers, service repair shops, and automotive performance shops with prompt and convenient delivery of the products, tools, and programs they need to service a country on the move. Today, these same customers rely on American Tire Distributors to provide a complete package of tires, custom wheels, service equipment, shop supplies, and a full complement of business resources needed to meet the challenge of an increasingly demanding and competitive retail landscape.

The Challenge

American Tire Distributors faced a serious problem resulting from mergers and a growing customer base. The amount of paperwork accumulated in the accounts receivable department was increasing rapidly with no end in sight. After the merger, the number of daily deliveries had grown and by 2007 would reach 35,000. As the number of customers and daily deliveries rose, so too did the number of aged accounts. As a result, the credit department was finding it difficult to process the documentation involved in accounting for collections from late payers.

To monitor late paying accounts, American Tire Distributors' accounting system would output a weekly aging report of the accounts with overdue balances onto green-bar paper. However, because the invoices and signed delivery receipts were being returned by the truck drivers to the company's distribution centers, it was difficult for the credit department personnel to verify the merchandise has actually been delivered.



Hyland's OnBase automates a previously complex accounting process and delivers accurate and timely results.



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To further complicate matters, information about each customer's credit limit was not consistently maintained, nor was it immediately accessible to the credit agents.

Responsibility for resolving these issues rested on the Director of MIS at the time, Steve Peppard. Having implemented scanning solutions at a previous company, Peppard was familiar with tools used for automated data entry and document imaging. His intention was to install a turnkey system where scanning and automated data entry would be used to capture data from the invoices before storing and indexing the images into a central repository, thus making them accessible to the credit department.

Peppard enlisted the help of KeyMark, an image-processing specialist in Liberty, South Carolina, to evaluate several vendors and to design an appropriate solution that could be deployed expeditiously and economically. KeyMark's onsite analysis included a walk-through of the American Tire Distributors facilities, review of the credit department's processes and forms, and evaluation of American Tire Distributors' operating environment and accounting system. KeyMark proposed a solution that would easily integrate with American Tire Distributors' existing infrastructure and would provide the credit agents immediate, online access to all of the information necessary to perform their jobs.

The Solution

The chosen solution consisted of OCR for AnyDoc — automated data entry software and OnBase — integrated document management software from Hyland Software. Using a Kodak document scanner, documents are scanned into OCR for AnyDoc. Using "zonal" optical character recognition, OCR for AnyDoc automatically identifies and extracts from the forms six key values that are posted into American Tire Distributors' accounting system and used to index the images into OnBase. Read rates on these invoices are more than 97 percent accurate, greatly reducing the need for human verification. The images and index information are then captured by the OnBase Document import process and imported into the OnBase system.

As a result of the above process, American Tire Distributors credit agents can now retrieve any invoice from their desktop PC using the searching capabilities of the OnBase Web Client.

The solution also provides quality checks to ensure that all signed invoices are present and accounted for in the OnBase system. The accounting system generates an output report that lists all of the invoices delivered in a given day, which is in turn processed into OnBase as COLD data. At month's end the OnBase Exception Reports module identifies any invoices that are not yet present in the system.

The Results

Because OnBase offers more out-of-the-box functionality than any other integrated document management system, the American Tire Distributors solution was implemented without any custom coding. The complete solution was put into production 35 days from the start of implementation.

Prior to the merger, American Tire Distributors staffed four people to file and manage less than 7,000 signed invoices per day. The redeployment of personnel and the increased turnover in receivables provided American Tire Distributors with a 100 percent return on investment in less than one year.

Today, the company relies on a staff of two, plus Imaging Manager, Kathy Beaver, to support each department (Accounting, Accounts Payable, Marketing, Procurement, Sales, etc.) and process 50,000 documents per day. Three hundred-plus professionals within American Tire Distributors now have access to the OnBase web client, providing them a complete picture of customer transactions and records.



KeyMark - Efficiency. Elevated.

Certainly, software can speed a transaction and greatly reduce human error and inefficiency. But to truly elevate efficiency, to truly integrate technology with varying systems and cultures, to simplify what seems complex, takes deep knowledge and curiosity. KeyMark is set apart by leveraging technology across the enterprise to manage documents, data and information— making it readily accessible to everyone who needs it, when they need it.

Read the full case study online at keymarkinc.com.