



NIBCO, INC.

Integrating Inbound Sales Order Automation with an SAP Application



With headquarters in Elkhart, Indiana, NIBCO, INC. is a privately owned family business that has developed through four generations of leadership into a worldwide manufacturer of flow control products for residential, commercial construction, industrial, and irrigation markets. The company employs 2,500 people across 13 domestic facilities and 2 international locations, with annual revenues of \$600 million. In 1997, the company implemented an SAP solution for comprehensive customer relationship management. The company uses their SAP application as the central platform to manage its business-related information. John Lee and Ray Storer are NIBCO, INC.'s information technology team leaders.

Situation

When the SAP solution was put into place, NIBCO, INC. was using a different fax server solution to coordinate the delivery of fax documents to and from its customers. The team noticed an immediate problem with the technologies' ability to work together.

"One main objective of our implementation of this SAP application was to improve workflow processes. With this other solution we were able to accept faxes, but the technology was not able to streamline those documents into our SAP solution," said Lee. "We realized in order to make the most of our SAP investment we needed to find a document delivery solution that would integrate seamlessly with the system. Specifically we were looking for technology that was flexible and scalable as well as OCR capable and EDI compliant."

A search for solutions turned up ReadSoft, ScanSoft, and Esker DeliveryWare.

"After evaluating all three products, there wasn't a question, Esker was the perfect fit. The quality, total cost and open platform ability to customize order processing to meet our customer's preferences sold us," said Lee. "We are a commodities business and so it was imperative that we had the means to be flexible to the many different ways customers prefer to send sales orders. With Esker we realized all the options were covered with a single piece of technology."

NIBCO, INC. processes more than 300,000 orders a year, totaling approximately 5.2 million individual order lines. Prior to Esker DeliveryWare, the company employed 23 customer service representatives (CSRs) to handle the manual entry of each order line item.

"The CSRs were bogged down in key order entry. It was straining our resources as well as affecting our customer's experience working with us," said Lee. "We considered hiring more people, but decided to go with a best-of-breed technology to automate this process and instead allow our CSRs to focus on their primary responsibility — providing excellent customer service."

Implementation of Esker DeliveryWare

In April of 2006 NIBCO, INC. embarked on a carefully planned phased implementation. Phase 1 was completed for "go live" in August 2006; Phase 2 was successfully completed in March 2007; Phase 3 was rolled out in August 2007; and plans for Phase 4 will be determined in the near future.

Phase 1

The first step for the team was to replace the existing fax server and set up Esker DeliveryWare as the fax server and document solution provider. There were several fax lines that needed to be redirected to Esker DeliveryWare, so the team handled that part of the project first.

Phase 2

Next, Esker and NIBCO, INC. set up initial rules to govern the flow of inbound sales orders into their SAP application,

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including the OCR capabilities to recognize the validation forms associated with these documents. This was to ensure that the incoming sales orders would be recognized and processed correctly. If an incoming document could not be read by the OCR technology within Esker DeliveryWare, instead of being sent to the SAP solution it was delivered via email to a CSR.

NIBCO, INC. currently has over 30,000 customers. The company plans to route all its customer correspondence through Esker DeliveryWare eventually, but realizes that will take quite some time.

“We are taking our time with this process to make sure we get it right. Each customer uses different sales order formats and so we are strategically identifying what customers to automate first,” said Lee. “The more amenable our customers are to helping us work through this implementation, the more efficient we are becoming. It helps when our end users are open to sharing information on their technology, data and document formats.”

NIBCO, INC. also had a requirement unlike other Esker DeliveryWare users: it wanted everything to be available in real time. It was not concerned with finding information on old documents. The team worked very closely with Esker to make this happen.

“Our CSRs wanted to be able to perform ‘real-time’ queries in our SAP application. In our business, prices are always changing, so it was critical that all information be consistently up to date and available for us to access. It also makes our customers happy when we have the information they need immediately,” said Lee. “The cool thing about Esker is that the technology was developed to allow us to put in our own hooks to make it happen.”

In addition to the real-time query capability, NIBCO, INC. has requested other enhancements. For example, when NIBCO, INC. started getting into Esker DeliveryWare, the product was only able to deliver 200 faxes at a time. Now, after some changes, the technology is able to send over 7,000 documents in one click of a button.

The CSRs have been tremendously pleased with how Esker DeliveryWare has impacted the way they do their jobs.

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Phase 3

In Phase 3 of the implementation, NIBCO, INC. worked to receive sales order via fax and have them automatically sent to the SAP application without the need for validation. This would ensure the CSR does not even need to touch the document, all the information would be sent to the SAP solution without question. This has been a major initiative for 2007 and the teams successfully completed it and rolled it out in August 2007.

Phase 4

Looking ahead, NIBCO, INC. is excited about the opportunities for innovation Esker DeliveryWare presents with its open platform. It estimates Esker DeliveryWare will yield an annual ROI of \$170,000.

“We are looking to reduce costs any way we can. For example, I know we can accomplish the same automation benefits with invoices and accounts payable documents,” said Lee. “Throughout the company people have been impressed with the technology. As we increase capabilities we just want to make sure we are doing it right. With that in mind, we recognize it will take a long time to get all customers into the system, but we are working consistently to get it done. The goal for 2007 was to have 15 document rules and validation forms completed for 15 customers. With the assistance of the Dynamic Document Capture (DDC), we exceed our expectations and are now working towards 50 customers by year end.”

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