



## Kimball International

Automating inbound fax orders and gaining process control



Kimball International, Inc. [NASDAQ: KBALB] is a leading manufacturer of furniture for the office and hospitality industries, and electronic contract assemblies, providing engineering and manufacturing services utilizing common production and support capabilities to a variety of industries globally. For fiscal year 2007 the company reported \$1.2 billion in net sales.

Kimball's National Office Furniture business unit is headquartered in Jasper, Indiana. With a strong heritage in wood, National has designed and manufactured office furniture for 27 years. The choice of design now expands into a diverse range of products and materials that encompass both modern and traditional styles. Intent on providing world-class service, National focuses on delivering the ultimate customer experience to businesses ranging from small companies to large corporations.

Steve Snyder is the Director of Information Technology for National Office Furniture.

### Situation

National Office Furniture received approximately 4,500 sales orders per month, the majority via fax — and many of those orders were multiple pages. After the order was processed, customer order care (COC) employees filed the documents into one of the 15 large cabinets for access if needed at a later date.

At that time, the company was using a fax server to capture the incoming faxes and send them to a printer. In effect, the printer served the same role as a traditional fax machine. From there, an employee took the faxes off the printer and manually delivered them to the appropriate COCs. National COCs were assigned specific regions, making it very important for the person delivering the faxes to sort and distribute the documents carefully. The COCs hand-keyed the information from the documents into the company's SAP system.

National was processing its orders in this manner with the fax server product for more than 5 years without any changes or updates to the technology. Over this time, National's management team began to notice many changes around them in the industry. Pressure for better customer service and demand for more efficient supplier relations, quicker order fulfillment and shorter lead times were apparent to National. In addition, National was introducing a new furniture product that not only had a very short lead-time, but also had to be shipped within 24 hours of being ordered.

To stay competitive within the industry, and to meet the requirements for the new product, National instituted high expectations for achieving metrics of monitoring accuracy and cycle time:

- Goal: +99.6% accuracy of order entry into their SAP application
- Goal: All orders entered into system within 24 hours

“ I have definitely seen improvements in efficiency. I think Esker DeliveryWare is a wonderful tool. It helps me contact the correct people and occasionally even see directly on the order if a customer has special needs without having to go pull the order. Also, there are calls that can now be one-and-done calls that in the past could probably have not been. Again, I think it is a great tool.

Customer Order Entry Clerk ▪ National Office Furniture

“The technology is incredibly flexible. Another example is that we can archive documents either in the Esker DeliveryWare repository or in the SAP system. Esker DeliveryWare can also prioritize the inbound orders according to our specifications. Esker, compared with the other solutions we considered, provides a complete document workflow platform for automation.

Steve Snyder ■ Director of Information Technology ■ National Office Furniture

## Challenge

National realized it needed a way to process orders into its SAP system more quickly and accurately. Automation was the answer, but the challenge remained to find a solution that could provide this without requiring National to replace its existing IT infrastructure, increase its overhead costs, or spend a lot of time implementing the technology and training their employees.

In summary, National outlined its business requirements for the fax automation initiative:

- Support sales growth goals without increasing staff
- Provide faster order processing for dealers unable to utilize EDI
- Identify and prioritize key product and high-priority dealer orders
- Improve customer experience through quicker customer support response times and quicker COC order entry
- Retire unsupported fax software

## Solution: Esker DeliveryWare

After determining the fax server product was not flexible enough to support its efforts to create a more automated order-processing infrastructure, National set out on a search for a new fax automation solution. The company evaluated several vendors and ultimately selected the Esker DeliveryWare solution for automating the delivery of inbound fax orders. A key driver of the decision was the ability of Esker DeliveryWare to integrate seamlessly with National's SAP system.

Esker DeliveryWare is a comprehensive platform for automating the flow of business transaction documents, such as invoices and sales orders, directly into and out of ERP systems like SAP and other enterprise applications, as well as eliminating manual order entry and physical document handling to save time, reduce costs and improve accuracy.

Steve Snyder, Director of Information Technology, said that he knew right away that National and Esker were a good match.

“Our top priority was to find a solution that had the back-end integration capabilities with our SAP system. Esker is an SAP certified partner and so that was a non-issue. Esker DeliveryWare can also integrate with our home-grown, EDI-based online order submission system. The technology is incredibly flexible. Another example is that we can archive documents either in the Esker DeliveryWare repository or in the SAP system. Esker DeliveryWare can also prioritize the inbound orders according to our specifications,” explained Snyder. “Esker, compared with the other solutions we considered, provides a complete document workflow platform for automation. We soon realized that we could not only implement fax automation for this initiative but its use could be expanded in the future.”

### Other decision factors:

- Kimball International already had Esker software in-house, using Esker DeliveryWare 3.5 for outbound faxing (which was implemented through an Esker Certified Partner, Merkur Group)
- Kimball migrated to the version featuring enhanced capabilities for inbound order processing: Esker DeliveryWare 4.0, Feature Pack/Service Pack 1

### Esker DeliveryWare Implementation Phase 1

In the first phase of the implementation, Esker DeliveryWare would capture the incoming fax electronically and automatically deliver it to a queue within the software program. Taking the place of the desktops where faxes had been placed prior to the Esker DeliveryWare implementation, the queues were organized according to region as the sales orders were categorized before. In addition, Esker DeliveryWare labeled each incoming sales order with the appropriate prioritization, according to predefined guidelines.

The transition for the COCs moving from manual to automatic order processing was smooth. The department quickly became accustomed to fulfilling orders from the queue. IT also turned off the department's printing capabilities to ensure all documents were being kept electronic. Each COC was set up with dual monitors with Esker DeliveryWare on one screen and the SAP application on the other. During Phase 1, sales order images were received automatically by Esker DeliveryWare, but the COCs still hand-keyed the order information from that

image into the SAP system. After the orders were processed, each document was electronically archived in the SAP repository. This eliminated paper storage.

### Results of Phase 1

- Reduction in cycle time: Approximately 90% of orders entered in 12 hours or less
- Accuracy rates remained consistent at +99.6%
- Ability to monitor order processing
- Priority order processing
- First in, first out processing
- Ability for customer service to view sales order fax images in the SAP solution interface and provide quick answers to customers
- Eliminated two printers (toner and paper for printing 4,500 sales orders each month)
- Eliminated roughly 15 file cabinets

**It is definitely a plus to have the order at our fingertips. It has been extremely helpful when a customer has an issue where they report that they have received the wrong product. We are now able to pull the order up on the screen and look at it immediately to confirm what the customer is saying. This is just one example of the time that is saved because of Esker. Customer Service no longer has to search for orders in the files which makes everyone 'more available' to attend to the next caller. Esker DeliveryWare is a good addition to our tools that we use every day!**

Customer Service Representative ▪ National Office Furniture

### Esker DeliveryWare Implementation Phase 2

Moving onto Phase 2 of the implementation, National worked with Esker to eliminate most manual order entry by leveraging its EDI system through Esker DeliveryWare OCR capabilities. This allowed the automatic input of sales orders received by Esker DeliveryWare directly into the SAP application.

National's EDI system was developed the previous year specifically to allow dealers to submit their sales orders online through the National website. It was critical that Esker successfully integrate with that system, as many dealers still used it as an alternative for faxing orders.

The Esker DeliveryWare OCR capabilities fit into the EDI architecture, making it easy to streamline the order process. There was no need to rewrite code or adjust customer behaviors.

Now, when an inbound sales order is received via fax, the Esker DeliveryWare OCR technology captures the data on the image and identifies key pieces of information as customized by National. It feeds that data into the SAP application, just as it had been done manually before. The COC still plays a role in scrolling through the image to ensure the information is valid. If there are any errors on the sales order itself, the COC still has the ability to make the necessary changes.

One differentiator of Esker DeliveryWare is its ability to be "taught" new formats of inbound documents. National employees have taught Esker DeliveryWare to recognize orders from several of their top dealers. As the COCs come across additional opportunities for teaching documents, they send the request to IT and work with them to develop and test the new format. It's a process that takes minutes to complete. With each new taught format, Esker DeliveryWare seamlessly captures the information and sends it to the SAP application.

### Results of Phase 2

- Leveraged existing OrderXchange EDI system/validations
- Validation against the SAP system
- Continued reduction in cycle time

### Benefits

Esker DeliveryWare has provided many of the benefits that National had assumed would be part of the Esker DeliveryWare experience. However, there were several unexpected benefits that came about as a result of the fax automation initiative.

Because every sales order is stored in electronic archives, when a COC receives a question from a customer about an order, they are able to find the order status with a couple

of clicks. Before, it was extremely difficult to shuffle through the piles of paper or file cabinets to find the answer. Now, the COC always has immediate access to the fax image and can read its status within the order process whenever necessary.

"Having this visibility as to where orders are has made an incredible difference for the COCs. Being able to find information so quickly not only has increased our productivity, but has also allowed us to serve our customers better," said Snyder. "Esker also enables the COCs to monitor all the queues. While one COC is only responsible for his or her own queue, if they have more time, they can see who may need support and offer help in processing orders from another queue. Before, when it was just papers everywhere, there was no way to be able to do this."

National achieved great success in Phase 1 and Phase 2. At the end of the project, the company had beaten its planned timeline and kept costs under the expected budget.

"We were able to do this for several reasons. One, we kept things simple. We had clear goals and didn't try to take on too much at once. Working with the tremendous support from Esker Professional Services, Esker DeliveryWare was also easy to implement, operate and teach to others in the customer service department," said Snyder.

National was extremely pleased with Esker Professional Services. The Esker team provided outstanding support services, made many on-site visits to National and worked through a complete Business Process Analysis before each phase.

"Anytime you can deliver a project under budget and ahead of time, you bring smiles to people's faces," said Snyder. "Management was very happy and very excited about the progress. We are all eager to utilize the product in other ways."

## Future

Looking ahead, National plans to continue "teaching" formats to automate more dealer documents. The company also plans to seek other areas of the business that could benefit from the Esker platform, such as the accounts payable department. National plans to continue working closely with Esker to investigate other areas where Esker can provide benefit.

"Esker has a product that performs as they said it would," said Snyder. "The staff is outstanding, experienced and great to work with. Any issues that arose were easily resolved. They also helped us realize other processes that could benefit from Esker DeliveryWare. From what we asked of Esker and the software, they have delivered and much more."

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