



Carton Service, Inc.

Containing document delivery costs with automated e-purchasing and e-invoicing



From plain shipping cartons in 1926, to highly customized, product-specific custom packaging solutions today, Carton Service, Inc. is a folding carton manufacturer dedicated to serving the image-sensitive and quality-oriented marketplace through custom-designed pharmaceutical packaging. The company's capabilities have expanded from folding cartons to also include pharmaceuticals packaging, software packaging, gourmet food packaging, and use of materials that combine strength and appearance such as microflute packaging boxes. Headquartered in Shelby, Ohio, Carton Service has manufacturing facilities in Ohio and Tennessee, with a growing international customer base in a broad range of industries.

Challenge: Find the right solution to deliver POs and invoices electronically

Carton Service implemented an SAP solution in 2001 to standardize processes and gain a concerted view of operations for effective business decision-making. Along with new efficiencies came recognition within the company that its people were spending too much time at the fax machine sending purchase orders to suppliers.

"We evaluated the end-to-end purchasing process to see how much paper we were pushing through," recalled Rajeev Nair, Director of Business Systems and IT at Carton Service. "Then we looked at the marketplace to see what we could find to help our people. Our business analysts started researching to identify solutions that could electronically deliver documents automatically; specifically, purchase orders to our vendors."

This search led Nair and his team to Esker at an ASUG annual conference. Soon after, they evaluated Esker DeliveryWare along with products from two other vendors. But only Esker was able to show Nair what they needed to see.

According to Nair, "No other vendor could demonstrate to us that theirs were the right solution for us. Esker was right there to do that for us, instead of asking us to sign a contract and have them come in and develop something for us for tens of thousands of dollars, which we would have to pay whether we decided to implement the solution or not."

Based on the evaluation, the quality of the Esker product and its organizational fit, Carton Service met with Esker and began execution of the project. Then the company's customer service group learned about the purchase order solution. They approached Nair and asked for help in automating delivery of the invoices and associated documents that they were manually sending to customers.

For example, Carton Service might have several invoices for different products going out to one customer on the same day. Sometimes, depending on the departmental structure of the customer's company, there could be different Carton Service sales representatives assigned to the same customer. The invoices could go out in separate envelopes to the same person, and the rep(s) would get copies of the documents.

In response to the request, Carton Service added customer billing documents to its business case for Esker DeliveryWare — with a focus on a few large customers to whom Carton Service was sending invoices, sales order copies and order acknowledgements. In these cases data would be generated in the SAP system, then documents would be printed out, scanned and sent to various parties involved in different divisions within the customer's organization. Invoices would typically go to the customer's Accounts Payable department, the sales order copy and the order acknowledgment would go to the buyer, and copies would go to the Carton Service sales rep. Since these invoices were manually scanned in order to be sent to customers, time was lost in the delivery process and also in the subsequent collection process.

Carton Service's business case was built on the premise of saving time by relieving its people of manual tasks. "Time savings was the biggest driver from a cost justification perspective," said Nair.

This has been one of the best projects I have ever worked on. Esker DeliveryWare is the best tool you have given me, ever.

Diane Christie ■ Purchasing Manager ■ Carton Service, Inc.



Esker gave us an optimized solution that makes perfect sense for us — a scalable solution without having to add incremental infrastructure to our IT landscape. It's a solution that has significantly exceeded the expectations of our users.

Rajeev Nair ■ Director of Business Systems and IT ■ Carton Service, Inc.

Solution: E-purchasing and e-invoicing with Esker DeliveryWare

Carton Service has automated fax delivery of purchase orders to virtually all of its suppliers — a minimum of 15,000 POs per year. Invoices to the selected customers go out automatically, the order acknowledgements go out on demand, and customer service reps no longer need sales order copies.

According to Nair, the Esker DeliveryWare implementation produced a couple of pleasant surprises. First, the original time savings estimates turned out to be very conservative. "Esker delivered more than they estimated they would," said Nair. "The per-PO time savings that we've achieved is double the projection."

Secondly, Carton Service saw a significant reduction of its Days Sales Outstanding rate. "Our customers started paying us at least 3 to 4 days faster, which was a huge windfall benefit. Although we anticipated some benefits in this area, we were surprised about the magnitude of the benefits realized."

Over and above the fact that Carton Service met the financial goals that the Esker DeliveryWare implementation project set out to accomplish, the solution has had a major impact on the company's purchasing and customer service associates. "Our people were really excited about the solution," said Nair. "They were amazed by how much easier it makes their jobs with respect to sending documents, making sure faxes went through, filing documents and retrieving them. The Esker DeliveryWare solution enables them to focus their time on more value-added, high-end work, without having to worry about paper pushing. The project has been a huge success."

About his experience in working with Esker, Nair said, "Esker understood the challenges of a small to mid-size enterprise like ours. They worked with us and at the end of the day delivered a solution that makes absolute sense for us to have — and makes us wish we had it years ago."

Benefits

With Esker DeliveryWare, Carton Service has been able to:

- **Reduce DSO by 3–4 days** at minimum
- **Save 6 minutes per PO** — exceeding the original estimate of 2½–3 minutes
- **Eliminate printing and scanning of 5 tabloid-size sheets of paper per invoice** — and a huge drain on network storage system resources

Nair was also excited to discover that the Esker solution has resulted in different people involved in business processes coming together to look at what they're doing and find new ways to eliminate process inefficiencies.

Future plans

The Esker solution has now rolled into a company-wide initiative to get Carton Service to the point where it sends all customer invoices and order acknowledgements electronically via the Esker solution. With business groups throughout Carton Service knocking on IT's door to get the advantages of using Esker DeliveryWare, the next step was to roll out the e-invoicing solution for more customers.

As Mark Dreskler, Technical Analyst - SAP at Carton Service, put it, "We have so many more opportunities in the document delivery world, and Esker DeliveryWare is the right tool for our company to take advantage of them."

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