



State Industrial Products

Cleaning up document processes



Founded in 1911, State Industrial Products has an established reputation in the maintenance and cleaning, repair and operations markets. The company is committed to enhancing building environments and improving equipment productivity. All around North America, State Industrial's products are hard at work in manufacturing plants, universities and schools, hotels, restaurants, health care facilities, government, industrial, and commercial facilities. The company boasts thousands of products, ranging from air fresheners to welding supplies, from cleaners and lubricants to nuts and bolts. Its customer base ranges from the local school to Fortune 500 companies.

Challenge: Improve outbound document processing and consolidate faxing

Looking to optimize its billing, collections and purchasing processes, State Industrial Products needed to address:

- Different faxing solutions for different processes
- Virtually no bulk/automated email communications with customers
- Contact information spread across multiple systems

Between 1,000 and 1,500 invoices were printed nightly and mailed daily via USPS. Up to 800 collection letters were faxed daily out of the company's GetPaid solution via a RightFax server. Its two fax lines on a local server were maxed out, causing delays of up to 3 days to send.

In addition, approximately 5,000 faxes per month (mostly purchase orders) were sent from the company's SAP solution and from the desktop through a paid service called VIP Fax. And another 4,500 inbound faxes per month came in through an EasyLink paid fax-to-email service.

"We batch-printed the invoices every night in-house," recalled Norbert Schmitt, Manager of Application Services at State Industrial Products. "An operator would come in and print invoices at 2:00 a.m. and give them to our in-house mail room the next morning. Then they would sort and stuff them and give them to a mail house." Schmitt is responsible for all applications in all divisions of the company, which runs SAP along with a Siebel CRM application and a homegrown .NET system.

"In SAP I can fax and email, but the problem was how to make sure documents get to customers," said Schmitt. "With invoices that's critical, obviously, because it affects cash flow. We don't want to send a fax from SAP and have it not go out because the fax lines are down. If the fax number is wrong, I want to be able to mail the invoice. The same goes for email. If the customer doesn't get the email I want to fax it. If the fax doesn't go through I want to mail it."

Sending its GetPaid collection letters took nearly an entire day. And according to Schmitt, "We were very limited in how many collection letters we were able to send. The solution we were using was outdated and no longer supported. Basically, we were sending the output to a printer, which triggered a Windows desktop client to pop up with the faxing solution. That feature was discontinued by RightFax, but we had continued to use it."

Solution: Esker DeliveryWare

Consolidating all of its processes on one platform was the ideal outcome for State Industrial Products. And with a fairly small infrastructure group, Schmitt needed a solution that was easy to maintain.

E-invoicing was the original driver for the project. "The business came to me and asked if we could fax or email our invoices to customers," said Schmitt. "So I started looking into different solutions and possibilities — something within SAP, maybe something custom-built. Then I ran into Esker at SAP TechEd. At that point I was going the in-house route, but the Esker solution looked like something we could use so I started talking with them."

Although Schmitt had several other projects going on at the time, the Esker implementation went smoothly. "We started by automating the GetPaid collection letter faxing, which was one of our biggest pain points — getting a higher and faster throughput of the collection letters."

Esker DeliveryWare Rules are amazingly powerful.

Norbert Schmitt ▪ Manager, Applications Services
▪ State Industrial Products

There's been no big change in what we process, but the difference is what we can do. We're able to fax or email directly from our SAP solution with Esker DeliveryWare, with better communication confirmations and the ability to build the master data in our SAP system.

Norbert Schmitt ■ Manager, Applications Services ■ State Industrial Products

Schmitt rolled out the Esker web client to all of the company's collection staff, who have the visibility to see which faxes get returned or fail and the ability to resend the invoices.

Invoices

Today, Esker DeliveryWare rules-based automation enables State Industrial Products to send invoices via email or fax and know their status. If an email or fax fails due to incorrect address or fax number, then Esker DeliveryWare automatically determines an alternate method of communication. Invoices that don't go through via email or fax are automatically transmitted to Esker-hosted production facilities where the documents are prepared and mailed to recipients. "Converting our invoicing process was smooth and fast," said Schmitt. "It was painless to set up."

Schmitt adds, "We got rid of our stuffing machine and the maintenance, and we got rid of a printer that we don't need anymore, so there have been significant cost savings on the hardware side. Accuracy is also better, too. A certain percentage of our invoices are multiple pages. Before, we had to find and stuff those separately, which creates the risk of error because it's such a manual process. And notification feeds back into the SAP system so we have visibility as to when invoices went out."

Esker DeliveryWare also enables Schmitt to create daily and weekly reports on invoices sent, which he distributes to various recipient groups within the company.

Collection letters

Processing that previously took up to 12 hours now takes only 1–2 hours. Instead of the Windows client procedure, faxes go out from the SAP application via SAPconnect using SAP customer master data. As a result of this more seamless process, collection letters get out sooner with web-based visibility to manage contact information.

On-demand faxing services with Esker DeliveryWare provide overflow processing if the outbound queue is full.

Inbound faxes

State Industrial Products also leverages Esker DeliveryWare for inbound fax-to-email service.

Benefits

For State Industrial Products, cost reduction has been a primary benefit along with more efficient communications to shorten the cash conversion cycle. Schmitt adds, "Having one faxing solution is a big advantage. The web client is also a great asset, especially for our GetPaid letters — it's a tool that's really easy to use. Faxes go out quicker, and we're able to send more collection letters and advertising than we could before."

Outcomes with Esker DeliveryWare include:

- Significant hardware savings as a result of eliminating an inserter, a printer and the associated maintenance
- Days Sales Outstanding (DSO) reduction as a result of quicker invoice delivery
- 87% reduction of time spent faxing collection letters
- Fewer errors associated with manual processes
- More refined and frequent communications using SAP master data

Future plans

State Industrial Products' vision for its Esker DeliveryWare solution includes a portal where customers can self-maintain their communication preferences, update contact information, and retrieve invoices. The customer portal will also provide confirmation that invoices have been received.

Esker DeliveryWare will also be integrated into State Industrial Products' Mobility Project for up to 500 handheld devices with the company's SFA application. Sales reps will be able to request invoice copies and send order confirmations and quotes via fax or email.

Finally, Schmitt looks forward to further reduction of invoices sent by postal mail. "Every invoice we don't send via the postal service will save us money."

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