



Respiratory device company

Breathing new life into the order-to-cash cycle



As a leading developer, manufacturer and distributor of innovative devices for the global sleep and respiratory markets, the company provides solutions to help improve outcomes for patients, clinicians and healthcare providers. The company markets its products in more than 140 countries and employs thousands of associates worldwide. Its customers include hospital and home care providers, distributors and doctor's offices.

Challenge: Order-to-cash automation

Based on internal feedback, the company realized that processing of customer orders and invoices was becoming more and more tedious. "Coupled with increasing demands from customers for new communication standards, we knew it was a time to implement a more efficient system," recalled the company's Senior Technical Architect (STA).

Sales order processing

Paper order processing was a key problem that the company sought to solve. "We would end up with a 1- to 3-day backlog of orders waiting to be processed into our SAP system," said the STA. "We wanted to get that down to processing orders the same day they came in."

The company had customer service representatives (CSRs) manually organizing sales orders, delivering them and keying them into the SAP system. CSRs walked to a fax machine and picked up as many as 700 incoming faxed sales orders a day, then entered data manually. The process was time-consuming and cumbersome, and there was no visibility into how long an order was outstanding. Orders were piling up, waiting to be gathered, collated and handed off to available CSRs. Labor to perform the tasks was costing approximately \$100,000 per year, and annual cost of paper, toner and fax machine leasing to support the process totaled nearly \$40,000.

Ultimately, the company also wanted a solution that would bring responsibility to the business side to handle varying sales order formats — paired with capabilities to validate order data against the tables and logic located within SAP for a completely streamlined process.

Accounts receivable

Another issue was processing of 1,700 customer invoices, 1 to 2 pages each, created nightly in batch mode within SAP and then sent to an internal printer. Each morning, employees would pick invoices off the printer and spend up to 2 hours manually processing them. The company wanted to eliminate physical mail, equipment maintenance, consumables and associated expenses, as well as printer malfunction issues and the need to reprint documents.

In its search for a solution, the company evaluated several software choices. Key requirements were that the solution must be able to automate the delivery of both inbound and outbound documents directly to and from SAP. The company also wanted a solution that would track and monitor batch jobs of outgoing documents. Another requirement was the ability to decipher SAP documents that contained double-byte characters. "Basically we wanted a solution that would act as a printer for our SAP system," said the STA. "And we needed to feel comfortable with the level of SAP integration."

Solution: Esker DeliveryWare

Esker DeliveryWare was the only offering that could satisfy all of these requirements. "As soon as we saw the demonstration of Esker DeliveryWare, we knew it was exactly what we were looking for," said the STA. "It automated the administrative tasks that were taking up so much of our employees' time. It also gave us more flexibility in how we can correspond with our customers. We were able to not only send and receive faxes seamlessly with SAP, but also generate emails, PDFs and more."

Sales order processing phase 1: The first 40%

With an initial project to address 40% of its order volume, the company implemented Esker DeliveryWare to automate inbound orders into the SAP system. The Esker platform uses OCR to process fax TIFF images, puts them through an approval process, and then converts them to IDoc. "Taking the manual touch points out of the process resulted in a significant annual cost savings and quick ROI," said the STA.

Esker was the answer to all our outbound and inbound document processing concerns. It was the clear winner, hands down.

▪ Senior Technical Architect



With Esker DeliveryWare we have been able to streamline all our order-to-cash processes. Customer documentation is centralized and information is more easily shared among all the departments. The way the technology allows us to track and archive documents has also increased our reliability and provided means for a credible audit trail.

▪ Senior Technical Architect

Sales order processing phase 2: The other 60%

In its next step, the company began using more advanced functionality of the Esker platform — including Dynamic Document Capture, database lookups and attaching to transactions in the SAP system for archiving. CSRs can teach the system to recognize new sales order formats, enabling the company to automate more customers.

“We can do automatic lookups of data like customer number and material number,” said the STA. “Exceptions are handled easily because we can use BAPIs, and the sales orders can be saved in SAP using ArchiveLink.”

Customer invoicing

The Esker platform also allows the company to mail directly from its SAP system without any additional hardware or software. As invoice batch jobs are created, the invoices that need to be emailed are delivered immediately by the Esker platform. Others are automatically sent to an Esker on Demand production facility where the documents are printed, inserted, posted and mailed. Processing and delivery status can be viewed in the Document Manager interface of the Esker solution.

“Now we have the ability to simply resubmit documents instead of having to go back into SAP,” said the STA. “We can also fax or email the document.” In addition, least-cost routing of mail with the Esker solution minimizes the costs of postage for international documents.

Benefits

The company began to see benefits immediately after implementing Esker DeliveryWare. The thousands of customer POs that flow into SAP each day are automatically captured and converted to sales orders, and every step is electronic. For outbound delivery, employees can easily send documents via email and fax as soon as a customer makes a request. Prior to Esker DeliveryWare, a document could take 10 minutes to be processed. Now this can be accomplished in about 60 seconds.

Sales order processing phase 1 results

- Faxed orders automatically captured and converted to SAP IDoc
- CSR intervention eliminated from the process
- Total savings = \$134,000 per year

Sales order processing phase 2 results

- 55% reduction of order processing costs
- 60% reduction of order processing time
- More than 130,000 pages of paper saved annually

Customer invoicing results

- 2 days DSO (Days Sales Outstanding) reduction, representing \$230,137 annual savings
- Nearly 50% reduction of cost per invoice
- \$91,000 annual FTE cost savings
- \$16,779 annual paper cost savings
- \$1,252,402 total annual savings

Future plans

Moving forward, the company plans to leverage additional capabilities of its Esker solution — including automatic delivery of return notification documents from SAP, extending the solution to mobile teams in the field (eliminating the need to log into SAP) and rolling out the solutions to international offices.

“We’re really embracing the Esker solution as a platform for both inbound and outbound document processing from SAP applications,” said the STA. “The more we quit paper, the more we maximize return on investment and are able to redeploy CSRs to higher-value roles. We’re taking advantage of the Esker solution for flexibility in automated correspondence to our customers, with ability to send and receive integrated seamlessly with our SAP solution.”

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