

Carton Service, Inc. Contains Document Process Costs with Esker DeliveryWare

Pharmaceutical packaging company reduces DSO by 3–4 days with automated e-purchasing and e-invoicing solution

Madison, WI – December 8, 2008 – Esker, the leader in document process automation solutions, announced today that Carton Service, Inc., a folding carton manufacturer dedicated to serving the image-sensitive and quality-oriented marketplace through custom-designed pharmaceutical packaging, has implemented Esker DeliveryWare to automate processes of delivering purchase orders to suppliers and invoices to customers. Carton Service reports significant reductions in Days Sales Outstanding, document processing time and use of paper.

Carton Service implemented an SAP solution several years ago 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. Carton Service developed a business case for process improvement 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 Rajeev Nair, Director of Business Systems and IT at Carton Service.

“We evaluated the end-to-end purchasing process to see how much paper we were pushing through,” said Nair. “Our business analysts started researching to identify solutions that could electronically deliver documents automatically; specifically, purchase orders to our vendors.” This search led Carton Service to Esker at an ASUG annual conference. Soon after, Nair evaluated Esker DeliveryWare along with products from other vendors. According to Nair, “No other vendor could demonstrate to us that theirs were the right solution for us.”

Shortly after execution of the Esker DeliveryWare project had begun, the company’s customer service group learned about the purchase order solution and asked for help in automating delivery of the invoices and associated documents that they were manually sending to customers. In response to the request, Carton Service added customer billing documents to its business case — with a focus on a few large customers to whom the company was sending invoices, sales order copies and order acknowledgements. (continued)

Carton Service automated fax delivery of purchase orders to virtually all of its suppliers, representing a minimum of 15,000 purchase orders per year, and email delivery of billing documents to the selected customers. According to Nair, the implementation produced a couple of pleasant surprises. “First, the per-PO time savings that we’ve achieved is double the projection,” he said. “Secondly, our customers started paying us at least 3 to 4 days faster, which was a huge windfall benefit,” said Nair. In addition to the DSO reduction, Carton Service is saving six minutes of processing time per purchase order (versus the original estimate of three minutes), and has eliminated printing and scanning of five tabloid-size sheets of paper per invoice.

“E-purchasing and e-invoicing offer small and medium-size businesses like Carton Service the potential for huge process efficiency gains,” said Steve Smith, VP of Sales and Marketing at Esker. “Often the outcomes even exceed our expectations. In this case the initial ROI calculation turned out to be fairly conservative compared with the actual results Carton Service ended up achieving, and we couldn’t be happier about that.”

Beyond the financial goals that Carton Service had set out to accomplish, the Esker DeliveryWare implementation has had a significant impact on the company’s purchasing and customer service associates. “Our people were extremely 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 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.”

The Esker DeliveryWare solution has now rolled into a company-wide initiative to send all customer invoices and order acknowledgements electronically. With business groups throughout Carton Service eager to gain the advantages of e-invoicing, the company’s next step is to roll out the solution for more of its customers.

About Carton Service, Inc.

From plain shipping cartons in 1926, to highly customized, product-specific custom pharmaceutical packaging solutions today, Carton Service, Inc. is a folding carton manufacturer dedicated to serving the image-sensitive and quality-oriented marketplace through custom-designed packaging. Meeting the needs of this niche of customers has shaped the company’s history and continues to direct its resources in the future. The company’s capabilities have expanded from folding cartons to also include pharmaceuticals packaging

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solutions. 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. Carton Service Inc. is a privately held corporation sustained by more than 40 years of successful family management.

About Esker

Esker is a recognized leader in helping organizations eliminate manual processes, gain process visibility and control, and reduce the use of paper by automating the flow of documents into, within and out of the organization. With patented document delivery automation software and hosted document delivery services, Esker offers a total solution to automate every phase and every type of business information exchange. Customers achieve significant and immediate operational efficiencies, cost savings and measurable ROI in as little as three to six months. Founded in 1985, Esker operates globally with more than 80,000 customers and millions of licensed users worldwide. Esker has global headquarters in Lyon, France and U.S. headquarters in Madison, Wisconsin. For more information, visit www.esker.com.

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