TOSHIBA SUCCESS STORY

CREATING A SIMPLE, EFFICIENT & SELF–SERVICE ACCOUNTS RECEIVABLE OPERATION

PREVIOUS AR CHALLENGES

Today, businesses are forced to place an increased focus on internal cost-control and efficiency measures. One area of business at TBS that seemed ideal for potential improvement was accounts receivable (AR). "Prior to Esker, our invoice format and process hadn't been reviewed since we implemented the Oracle ERP nearly 10 years ago," said Todd Kirkham, Director of Operations and Acquisitions at TBS.

Invoicing issues and customer complaints included:

- Confusing/cluttered format, making it difficult to read invoices

- Increased volume of calls to AR, causing a drag on resources

- Delays in customer payments negatively impacting Days Sales Outstanding (DSO)

- No electronic invoice delivery capabilities

- No customer portal options for making online payments

In addition, TBS had a manual invoice review process in place that caused a number of issues. "Invoices required review before mailing, and this process had become tedious and time consuming," said Kirkham. "Invoices would have to be printed, pulled and reviewed before being sent. The process in place no longer had the capability to handle what we were doing."

> WE REALLY WANTED TO UNDERSTAND THE PAIN POINTS WITH OUR INVOICING PROCESS, HOW OUR CUSTOMERS WERE IMPACTED AND WHAT WE COUD DO TO BECOME MORE EFFICIENT — ESKER HELPED US IDENTIFY AND SOLVE THEM.

TODD KIRKHAM | DIRECTOR OF OPERATIONS AND ACQUISITIONS

ABOUT TOSHIBA BUSINESS SOLUTIONS

Industry: Electronics
Solution: Accounts Receivable

Toshiba Business Solutions (TBS) is a leading managed document services (MDS) provider. Its experts help organizations take control of document security, workflow and print environments.

TBS is a wholly owned subsidiary of Toshiba America Business Solutions (TABS), an independent operating company of Toshiba Corporation — a Fortune Global 500 company the world's eighth-largest electronics/electrical equipment organization. With the award-winning Encompass™ managed print services (MPS) program, e-STUDIO™ line of multifunction printers (MFPs), toner products and retail information/thermal printing systems, TABS is leading the way for businesses to print smarter, work safer and conserve resources.

BENEFITS AT A GLANCE

Reduced DSO to just one day

50% decrease in transaction time

Improved efficiency with e-invoicing

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FINDING THE RIGHT SOLUTION

Moving forward, Kirkham and other TBS leaders concluded that, in order to bring more simplicity and efficiency to their invoicing process, an electronic invoice delivery solution would be needed. Two main objectives were defined:

1. Implement an integrated customer web portal

2. Increase customer e-invoicing adoption

Esker: automated invoice delivery

After TBS defined its goals, it became clear that a partnership was in order. "We quickly realized we would need to partner with someone who specialized in variable data," said Kirkham. "Esker, because of its mid-market size, flexibility and expertise to our unique challenge, was a great fit."

Besides needing a variable data component to populate its new invoice templates, TBS also needed Esker to create web portals for customers adopting e-invoicing. "TBS has 13 subsidiaries nationwide with over 100 locations, so we needed to create 13 independent web portals where location-specific invoices could be viewed independently by each subsidiary," said Kirkham.

Paymetric: electronic invoice payment

As part of the second phase its AR improvement initiative, TBS also sought to implement an e-payment solution for its customers' convenience. In fact, once TBS customers started to receive invoices electronically as a result of Esker's solution, many of them were requesting to pay their bills electronically, too.

"Offering an e-payment tool went hand in hand with our use of Esker and e-invoicing delivery," said Kirkham. "We were fortunate to find a provider (Paymetric) that was integrated with Esker, which brought peace of mind to the process."

BENEFITS AFTER IMPLEMENTATION

Simplified AR workflow

"Due to our intricate setup with many moving parts, we don't have the easiest process to deal with," said Kirkham, "but Esker went the extra mile to make sure we got the solution we wanted."

Integrating Esker with its Oracle application allowed TBS to streamline its workflow process so that:

- TBS creates a data file in Oracle and XML that is pushed to Prism (variable data software partner).

- Prism takes data out of the XML file and populates that template appropriately.

- The populated template is automatically sent to Esker in a PDF format and distributed electronically.

Greater accessibility and traceability

Creation of the web portal led to several new functionalities that benefited the internal invoicing process at TBS. "With the invoices going into the web portal, they can be easily accessed with a single click," said Kirkham, adding, "It was important to improve efficiency with our internal invoice review process as we moved it from printed invoices to online invoices."

What's more, if TBS customers sign up for e-invoicing in the web portal, Esker gives TBS the advantage of invoice traceability (e.g., when the invoice was accessed, processed, completed, etc.). "The visibility we get from Esker has dramatically reduced the number of calls coming into our AR department," said Kirkham. "Plus, as customers sign up, we're retaining all of that key information."

Customer e-invoicing adoption

When TBS re-engineered its invoice template, a variable marketing component was added that pushed customers to a URL to sign up for e-invoicing. "We started from ground zero," said Kirkham. "We didn't have one accounts payable email address in our system, so we wanted to simplify the customer sign-up process and utilize invoice marketing to help move our customers to the URL to enroll."

Still, these marketing efforts led to a less than 1% e-invoicing adoption rate. Leveraging Esker, TBS was able to generate a list of every customer invoiced through the portal, and from that list, send out more targeted and intriguing promotions such as customer and employee engagement offers that have proven to boost adoption rates.

"The customer now has options," said Kirkham. "They can continue to receive invoices via postal mail, get them delivered via email as a PDF attachment, or get a web link attachment." He added, "There is also the capability to hold invoice processing in the portal to accommodate holidays or the variability of work schedules, which is a great benefit."

ROI of $342,000

Some of the largest savings and value TBS expects to receive from its e-invoicing initiative are rooted in its customer adoption rate increase. After settling on an adoption rate goal of 20% over first three years, TBS has already exceeded expectations with the company currently at a 28% adoption rate.

"Since implementing Esker, we've seen a 1-day reduction in DSO and $342,000 ROI," said Kirkham. "Those are big benefits, and something we would not be able to achieve without our key partnership with Esker."

Time savings of 50%

Now that a substantial number of TBS customers are receiving e-invoices, and have the option to manage their invoices and pay open invoices using a credit card or e-check, TBS has seen its average processing times cut in half — **going from 10 minutes per transaction to only five minutes per transaction.**

"What it's done, particularly the payment option, is given our staff time back in their day to focus on higher value activities," said Kirkham. "Our AR department used to have to field calls and manually process payments for our customers; now, it's a much more efficient and self-service process."

FASTER INVOICE PROCESSING from 10 minutes to 5 per transaction

STREAMLINED AR PROCESSING thanks to Esker's seamless integration

EXCEEDED GOALS with a 28% adoption rate

ACHIEVED $342,000 ROI with their e-invoicing initiative

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