



CASE STUDY

RECLAIMING ORDER-TO-CASH EFFICIENCY

The
SUCCESS
STORY of
Tessengerlo
KERLEY



KEY TAKEAWAYS

Tessengerlo KERLEY

COMPANY PROFILE

- **Name:** Tessengerlo Kerley, Inc. (TKI)
- **Industry:** Chemical
- **Experience:** 65+ years
- **ERP System:** SAP® software
- **Corporate Headquarters:** Phoenix, AZ
- **Parent Company:** Tessengerlo Group
- **Markets:** Agriculture; mining; industrial; water reclamation
- **Global Presence:**
10 manufacturing plants in the United States
- **Business Units:** Crop Vitality; NovaSource; Mining; Industrial; MPR Services; ECS; TK Formulators

STORY HIGHLIGHTS

80% DECREASE
in order processing time

70% DECREASE
in invoice processing time

4 CSRs REPURPOSED
to more value-added tasks
throughout the organisation

30% MORE ORDERS
managed even with fewer CSRs



GROWING PAINS

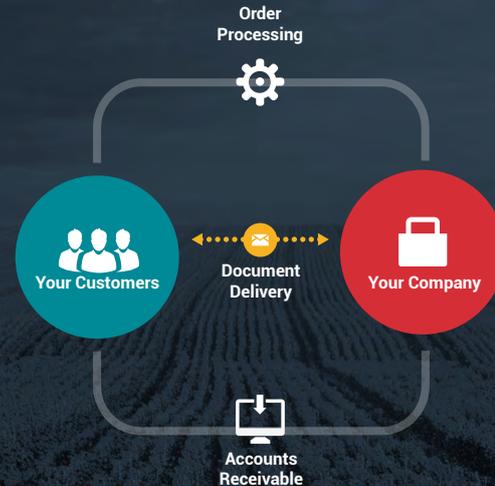
With headquarters in the hot desert of Phoenix, Arizona , the specialty chemical producer knows a thing or two about thriving in an unforgiving environment. So when order-to-cash (O2C) inefficiencies began interfering with the company's growth, TKI took initiative – and changed how it did business forever.

A GOOD PROBLEM TO HAVE

About a decade ago, TKI was facing what could be described as “a good problem to have.” The company was growing exponentially, making acquisitions on a global scale and expanding its expertise into new and competitive markets. Business was booming ... but success doesn't come without consequences of its own.

All the acquisitions TKI made brought new levels of complexity to its IT infrastructure. What once was a modest landscape, now included a myriad of different systems, making it difficult to centralise O2C communications. Furthermore, its growth as a business meant more customers to serve and documents to handle. Because TKI ran its O2C processes using manual methods, it was facing the prospect of investing in more resources (e.g., staff, equipment, consumables, etc.) to keep up with company growth.

WHAT IS ORDER-TO-CASH?



Order-to-cash, or O2C, is a generic term used to describe all the stages of business involved from the time a customer sales order is received to the time an accounts receivable (AR) invoice is collected.

ADDRESSING AR INADEQUACIES

TKI didn't take the wait-and-see approach. The company quickly focused its attention on AR. The department was awash in paper documents that created company-wide inefficiencies and pulled staff away from what mattered most: its customers. Customer invoices, for example, all followed the same manual process:

- 1. Invoices were batch-printed daily to a physical printer.**
- 2. Employees would hand-check each document for verification** and add it to the pile of other invoices to be approved.
- 3. Approved invoices were then sent to other employees** to be collated, folded, stuffed, stamped and delivered by mail.

TKI didn't want to replace its existing AR process — maintaining the interim price-check step for each invoice prior to delivery was still needed — it simply needed to be more efficient and cost-effective. And with order volumes on the rise, reducing the amount of time and money spent handling paper involved in invoice approval was critical. But AR was just the beginning.

35,000

orders processed annually

75%

of orders are delivered in the first 5 months of the year

12

CSRs previously shouldering the manual workload

ORDER PROCESSING ISSUES

The other pain point in TKI's O2C communications was order processing. Like its receivables process, TKI had been managing orders and other inbound documents using manual methods, and its growth as a company was only exacerbating the issues.

At the time, TKI had 12 Customer Service Representatives (CSRs) handling all of the orders coming in. One of the biggest issues was the number of unformatted emails and faxes received. The work involved in getting these orders prepared and entered into TKI's SAP system was pinning CSRs down in the manual minutia of the process instead of serving customers. Far from a best practice.

Further complicating matters were the disproportionate order volumes. Of the approximately 35,000 orders TKI processes in a full calendar year, 75% of them are delivered in the first five months. This put added pressure on the CSRs, particularly when dealing with the unformatted email and fax orders coming through.

MORE THAN A QUICK-FIX

Every successful business has its share of growing pains. TKI is not unique in this regard. However, it's the response to these challenges that can be the difference between retaining a long-term competitive edge and quickly surrendering whatever gains had been earned. Once again, TKI was feeling the heat but stepped up when it mattered the most – looking to a familiar partner to breathe new life into its outdated O2C processes.

EXPANDING WITH ESKER

TKI's needs went beyond simply fixing the inefficiencies in its O2C cycle. Like many of its contemporaries, the mindset of "do more with less" was something that permeated the company and influenced every decision that was made. Any new solution couldn't be a quick-fix remedy. With that in mind, one solution provider seemed to be the perfect fit for the project, and it happened to be a business that TKI already had a relationship with – Esker.

Several years before this initiative, TKI had relied on the document process automation software provider to integrate automated faxing with its SAP system. The project was a success. Knowing about Esker's flexibility to automate any document process from the same platform, TKI naturally saw Esker as the best option for accomplishing its objectives.

KEY OBJECTIVES



Reduce the amount of time it takes to process orders and invoices via automation



Increase customer response times in order to improve the customer experience



Repurpose employees to more critical needs of the business



Complement the SAP system without adding complexity

PHASE 1

After coordinating with Esker, mapping out a strategy and ironing out the project specifics, the time came for TKI to begin solution delivery and officially get its O2C improvement initiative up and running.

The first phase of the process was automating TKI's invoice delivery process, along with a variety of other outbound documents. Once implemented, the solution enabled TKI's customer invoices to follow a much more streamlined workflow versus the previous manual method:

- 1. Invoice jobs batch-print to Esker and are accumulated in a queue.**
- 2. Employees can log in to review these invoices.**
Invoices that are correct are approved and either emailed, faxed or printed for physical mail delivery, depending on individual customer preferences.
- 3. Invoices with pricing exceptions are returned to the originator for reissuance,**
and come back through Esker for approval and delivery.

Part of phase 1 also involved TKI making the switch to only using BC-XOM print output from SAP applications. This integration gave TKI the option to use fax, email and Esker Mail Services — an on-demand service where invoices are electronically sent to Esker production facilities to be printed, folded, inserted and delivered by mail.

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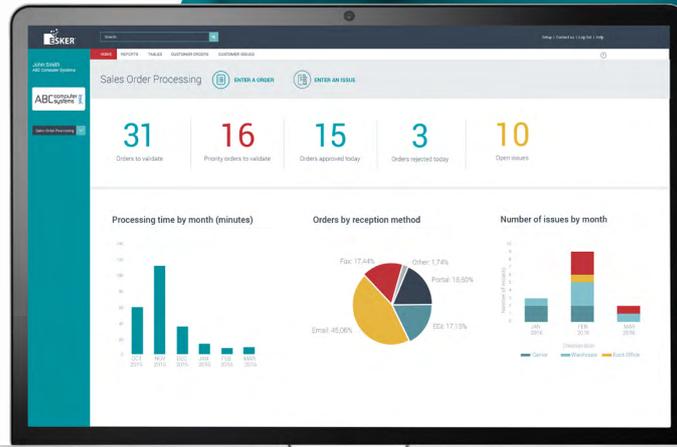
Our CSR group **loves this new O2C tool** — our only regret is not implementing it sooner!

Dan McMenomy | Director of Business Systems

PHASE 2

Phase 2 of TKI's project rounded out the O2C cycle by addressing order processing. Using the same automated platform as AR, TKI was able process and track any order, regardless of how it arrived, with full accuracy and visibility.

Instead of having CSRs manually handle unformatted fax and email orders, **Esker automatically captures the correct data from incoming orders using rules-based verifications, and dispatches them to the correct personnel.** Once accurate order information is integrated in SAP, an electronic copy of the original document is attached and made available to any authorised user when needed.



ALL OF TKI'S DOCUMENTS AUTOMATED THROUGH ESKER

INBOUND

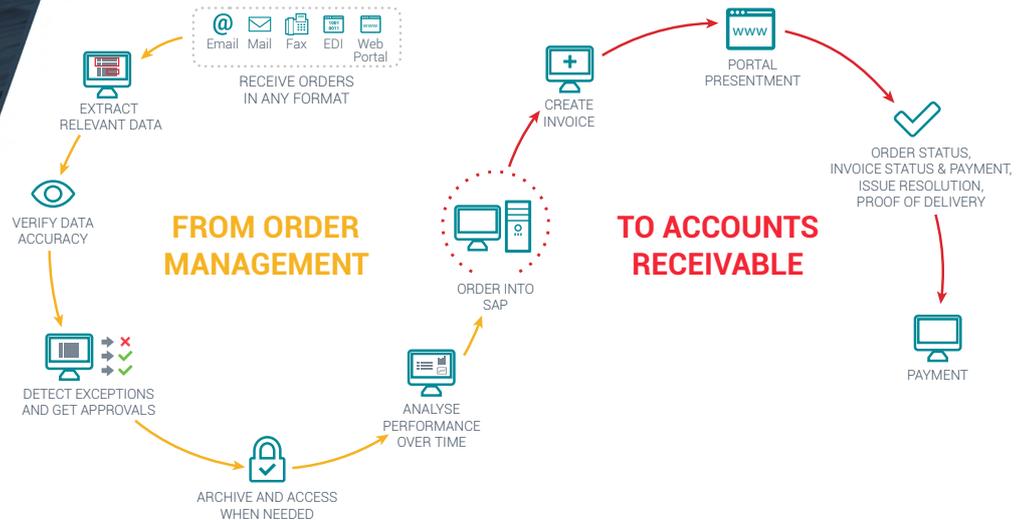
- Order processing
- Rail car inspection sheets
- Truck inspection sheets
- Bill of Ladings (signed copies)
- Desktop faxing

OUTBOUND

- Invoicing
- Order confirmations
- Ship notices
- Rail car notifications
- Bill of Ladings
- Purchase orders (POs)
- Desktop faxing

END-TO-END O2C EFFICIENCY

As an SAP software solution and technology partner with certified integration, Esker offered the right balance of flexibility and functionality that TKI needed to unify every phase of the O2C within its SAP environment. Instead of a maze of manual touch points and piles of untraceable paper, TKI's workflow now looks like this:



AMAZING OUTCOMES

A decade ago, TKI began this initiative with a handful of simple yet strategic goals in mind. Above all else, the company needed a way to maintain its rapid growth without having to expend valuable resources in the process. Enhancing the performance of its O2C processes proved to be a great way to create added value, and judging by the phenomenal results TKI has seen since go-live, Esker has proved to be the right provider for the job.

INVOICING WITH
**GREATER SPEED
& SAVINGS**

70% DECREASE
in invoice processing time

**REDUCED
RELIANCE**

on mail delivery as more
customers adopt e-invoicing

100% VISIBILITY

to retrieve and track
any sent invoice

PUTTING
CUSTOMERS
BEFORE **ORDER
DATA ENTRY**

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FUTURE PLANS

What TKI achieved with Esker are the kind of things that happily-ever-after tales are made of. But this story is far from finished. TKI now has its sights on improving another critical business process – and one that, like order processing, has a significant impact on the company's success moving forward.

With Esker's Order Processing solution already firmly in place and creating significant amounts of added value, naturally, TKI is looking to a familiar friend for help. Not only does Esker's Accounts Payable solution offer the kind of functionality TKI is searching for (e.g., document capture and data recognition, 3-way matching verification, etc.), the added complexities and technologies of an unfamiliar vendor would be avoided.

Only time will tell how the next chapter in TKI's story unfolds, but if history is any guide, the sun will continue to shine in Phoenix.

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The results have been fantastic – we've actually reduced our order processing time from around **three minutes down to 30 seconds** by using Esker's Order Processing automation solution.

Dan McMenomy | Director of Business Systems

ABOUT ESKER

Esker is a worldwide leader in document process automation software. Organisations of all sizes use our shared platform of solutions, offered on-demand or on-premises, to automate business processes throughout the order-to-cash and procure-to-pay cycles. Esker's solutions are compatible with all geographic, regulatory and technology environments, helping over 11,000 companies around the world in their efforts to Quit Paper™.

WORLDWIDE PRESENCE

Founded in 1985, Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France and U.S. headquarters in Madison, Wisconsin. Last year Esker generated 58.5 million euros in total sales revenue.

DATA SECURITY & INTEGRITY

Esker has earned SSAE 16 and ISAE 3402 Type 1 and Type 2 compliance for its on-demand solutions. This means Esker's processes, procedures and controls have been formally reviewed and are documented to be in accordance with the rules outlined in the Sarbanes-Oxley Act legislation.

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