



AERIAL COMPANY, INC.

Distributor Reduces Payback Period by One-Third with Secure Web Access

Aerial Company Inc.'s goal is to establish itself as a customer service and support leader in the distribution of beauty and barber supplies. By eliminating reliance on microfiche and paper-based processes, the \$95 million distributor is able to respond to customer inquiries better and has improved communication with its 70 store locations, 95 field sales account executives, 40 headquarter sales consultants, 12 customer service associates and 2 distribution centers.

Based in Marinette, WI, Aerial initially began evaluating document imaging and management solutions to improve the accessibility of invoices, statements and activity reports. At the time, the computer print files generated from Aerial's Data Systems and Management Inc. WDS-II mainframe warehouse and enterprise resource planning (ERP) system were sent to a service provider to be transferred to microfiche.

"We looked at the amount we were spending monthly on that service and the inconvenience of making people leave their desks to find invoices or other documents needed for research or to service our 150,000 customers," recalls Lee Hornick, director of finance at Aerial. "We needed a solution that could make that information available right from their desktops in seconds."

To develop that solution, Aerial worked with MTM International, an OnBase Authorized Solution Provider. With MTM's knowledge of business processes and OnBase software, Aerial soon realized that an OnBase solution could provide benefits beyond the storage of COLD reports and that expanding the scope of the project to include Web access and document scanning in multiple areas would allow Aerial to realize a return on investment (ROI) much sooner.

"We looked at a couple of service providers to house the information for us, but the ROI wasn't acceptable," says Hornick. "Other imaging solutions we looked at just didn't have the capabilities. For example, we really like the multiple keyword capability because it allows us to associate a single MSDS [material safety data sheet] to two similar products, such as two

shampoos from the same manufacturer, without having to scan it twice. One of the other advantages of OnBase is the ability to start small and add modules as new departments come on."

Developed by Hyland Software, OnBase is a fully integrated enterprise content management (ECM) suite with core capabilities in document imaging and management, workflow, COLD/ERM and records management.

Combine Improved Information Sharing with ROI

In the past, an accounts receivable (AR) clerk would have to go to a microfiche viewer to visually search for a report to determine when a check had been cashed or applied to an account. While the reports are in customer order, Aerial has 150,000 customers, which made searching very tedious.

Now, OnBase imports the reports into a searchable repository. Users can employ keyword and text searches to find the information they need immediately. Instead of printing and distributing reports, OnBase Document Distribution is used to automatically send the reports to the people who need them.

Aerial also offers sales personnel secure Web access to documents such as statements and invoices. In the past, hard copies of invoices were mailed to sales managers, resulting in postage costs and man-hours spent printing and preparing the invoices. Using a standard Web browser, sales managers can now view the invoices the next day as opposed to the seven to ten days it took to receive them by mail.

Having better access to customer information improves the ability to provide customer service and ensures that appropriate actions are taken. For instance, AR past due accounts are updated weekly and available for review. This allows a sales person to have all available information, such as knowing which customers will be expected to provide cash on delivery, before making a call and avoid misunderstandings.

AT A GLANCE

Replacing microfiche and paper-based files has allowed Aerial Company Inc. to provide employees faster access to information, improve customer service, free up floor space and set the stage for ongoing process improvements.

BENEFITS

- Secure Web access decreased the payback period by one-third
- Reclaimed significant floor space and other resources devoted to maintaining paper-based files
- Modular software suite allows incremental enhancements and expansion to new departments
- Documents immediately available for customer service or other research
- Sales managers now view invoices immediately instead of waiting seven to 10 days for them to be mailed
- Reduced costs for printing, postage and invoice forms

APPLICATIONS

- Accounts Receivable
- Finance
- Human Resources

COMPLEMENTARY PRODUCT INTEGRATIONS

- Canon USA DR-3060 document scanner

(continued)

Initially, Aerial executives calculated a three-year ROI for simply importing statements, invoices and activity reports into OnBase to replace microfiche. By adding Web access to invoices and other documents, Aerial calculated that it would realize ROI in 25 months in hard dollar saving related to invoice forms, postage and labor. These hard dollar savings are complemented by productivity advantages of having daily invoices available immediately. Because of the well-planned layout and configuration of the software, it required minimal training, which contributed to the positive ROI. "As we began to use OnBase for other solutions, we decreased the payback period even more because the initial entry cost was spread across even more projects," adds Hornick.

Centralized Document Imaging Repository Benefits Multiple Departments

Those other solutions currently include scanning a wide variety of documents into the centralized OnBase repository. Eliminating paper files saves floor space and reduces retrieval times for customer-related documents as well as back office financial and human resources processes. Each department is responsible for scanning and indexing its own documents, though many documents are automatically indexed with data from the line-of-business application based on the account number.

The AR Department's customer files include credit and tax applications, tax exemption forms for salons that sell products to consumers and diversion contracts to verify that licensed cosmetologists and shop owners won't resell products to third-party resellers. The six shelving units of four shelves each that used to hold the four-inch 3-ring binders of tax and credit applications have been removed, as have 10 four-drawer file cabinets and multiple boxes of paper-based contracts.

For clients in states that require cosmetologists to participate in continuing education to maintain their licenses, Aerial offers educational programs. Earlier this year, an entire file cabinet devoted to retaining copies of the certificates awarded at educational events was scanned into OnBase.

If a bottle of hair dye spills or a box breaks open during shipment, Aerial can consult the MSDS sheets stored in OnBase for the appropriate response much more quickly. In the past, these documents had been maintained in six four-inch binders.

The Finance Department has also reduced much of the paper it stores as well as the amount of paper it distributes to the various departments. A COLD/ERM process has been set up to import financial reports monthly and quarterly, and the yearly financial report will be scanned, making all of this information readily available and searchable for users. OnBase Document Distribution automatically sends the electronic reports to every department.

OnBase is also used to store all of the general ledger postings for invoices that occur in 70 store locations. "The easy retrieval is a real advantage over flipping through hundreds of pages to look for an \$8 charge," Hornick says.

Aerial's Human Resources Department is beginning to use OnBase to improve service for the 650 employees it serves as well as relieve congestion resulting from storing massive amounts of paper. Time sheets are currently being scanned for archiving purposes. Microsoft Excel® files used by salespeople to document weekly activity for reimbursement are imported directly into OnBase.

An Investment with Ongoing Returns

Hornick reports that user acceptance has been very high. "Everyone I've trained has been in awe that it's that easy to use when I tell them how to search for keywords," he says. "No one has ever said it's too cumbersome or difficult." OnBase has also been easy to use from an IT standpoint. Until recently, Hornick served as the system administrator in addition to his many other duties and says the system has been very stable and suffered no major issues.

The success of the implementation and the ease of use have prompted Aerial to consider other ways to realize ongoing returns from its OnBase investment. Unlike point solutions, a single instance of OnBase can meet the needs of multiple users and departments. Among the projects being considered are a customer service application built on OnBase WorkView that would provide company-wide visibility into customer issues, an automated accounts payable workflow process to maximize discounts and transitioning customer statements to e-mail using Document Distribution.

"OnBase offered the technology we needed to keep up with the times with a realistic payback," Hornick concludes. "Sometimes you have to invest in something up front whether you want to or not, but once we got OnBase, we realized how much we really did need it and could not do without it."



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