



Accounts Receivables Department

Document imaging is of particular benefit to Accounts Receivable departments. These departments typically are the largest paper generators within a company. They are also the largest consumer of clerical staff time. Much of that clerical staff time is used up in managing all of the paper that comes into the department.

With document imaging, a number of business problems can be solved. For example, in a typical A/R department, there is the problem of controlling the time and cost of filing, of locating documents when needed, and of managing collections. Typical tasks include printing pick tickets, invoices, delivery receipts, and statements, handling customer service calls from customers, and doing the collections themselves. This clerical staff time costs the company money.

One imaging client, prior to installing imaging, did a study to determine just how much time the customer service group was using. They found that every time the telephone rang in the customer service department, 12 to 15 minutes of staff time were consumed. This included the time to listen to the customer, to take notes about the billing issue, and to hang up the telephone. Next, the customer service rep would have to go to various files, searching for the needed documentation to support the billed amount. Since files were not always together, this required multiple searches before all of the documentation to substantiate a charge was located. Finally, the clerk would have to make copies of the documentation, fax or mail it to the customer, and then return all of the originals back to their respective files.

Based upon what one minute of fully burdened clerical staff time cost, they were able to determine just how expensive it was to operate a customer service department. In spite of its cost, there was just no other choice when dealing with paper records.

After that same company installed our imaging system, they found that the average telephone call was reduced to only 4 to 5 minutes. Now when a customer calls and says that they haven't received a copy of an invoice and are not going to pay the bill until they receive it, the clerk can instantly call up the needed documentation right on the screen and fax it directly to the customer while they are still on the telephone. No searching for documents, no wasted effort, no lost time.

While this was the main business problem that this particular imaging client was trying to solve, it turned out that there were a number of other side problems that were also solved. They found that, since they could get documentation out to

their customers more quickly, their own collections came in faster. They reduced their average days outstanding from 59 days to 48 days with no change in their other procedures and no increase in staff. They were also able to free up floor space that had been previously allocated to file cabinets to more productive uses.

Overall, based upon actual hard dollar savings, they were able to recover their investment in the imaging system in less than 12 months. They are also able to increase their sales volume with no increase in clerical staff. The clerical staff members were able to learn how to use imaging in just a few days. Morale increased since they had to spend less time on mind-numbing paper shuffling tasks. It was the best investment that they ever made.