CASE STUDY

ADT includes ACOM MICR-laser check processing in shift from mainframe to client-server culture

When ADT Security Services, Inc., a TYCO International Company, joined the ranks of corporations moving to client-server computing recently, it represented a change in corporate culture as well as a new look for the information technology department.

The dominant company in the alarm and security field, ADT originated in 1874 in Baltimore as the American District Telegraph Company, providing private telegraph call boxes to private customers for use in calling carriage services, doctors, public safety agencies and emergency services. Later, as a subsidiary of Western Union and of AT&T, the company focused on the signaling business, becoming synonymous with emergency call systems. ADT developed automatic alarm capabilities during the 1940s, and today provides alarm and security monitoring services to some 2,000,000 customers, 75 percent of them residential and 25 percent, commercial, including most of the Fortune 500 companies.

ADT recently switched its financial management operations from a mainframe to the Oracle Financials software environment, and in so doing opened up a new range of possibilities that were not previously available. Not the least of these is the company's accounts payable check processing. The company issues some 30,000 accounts payable checks each month in periodic runs of 3,000–4,000 checks. Until the July 1 cutover, the checks were produced on a line printer, using pre-printed check stock, in an operation that required three or more clerical people for each check run. Once the checks were printed, the forms were run through a decollator and a burster, with signatures hand stamped. Each stage of the process required the attendance of a clerical employee.

Prior to the Oracle system's installation, ADT had explored ways for the accounts payable operation to be performed more quickly and without the expenditure of so much clerical time. ACOM had made ADT a proposal some years before, but at the time, ADT felt that as a relatively small company, ACOM's systems might not be able to handle the volume. Since then, ACOM has become known as one of the leaders in the MICR-laser check processing field, and ADT decided to reevaluate the company's check processing solution.

In late May 1998, ADT called ACOM – the only vendor contacted – and told Regional Manager Jason Pisetsky that the company needed a turnkey MICR-laser printing solution and that it had to be operational by July 1. ADT outlined its requirements as the elimination of clerical drudgery, quick turnaround, automation of signatures and MICR code, and the ability to utilize self-sealing stock to avoid the stuffing process. Additionally, ADT also wanted a way to divert checks of more than $10,000 for individual review, a standard capability of QuickCheck™ software.

"When ADT decided on the Oracle solution, they subscribed to Oracle's way of doing business," an ADT spokesman says. "ACOM was fully compatible with Oracle's system. ACOM's people spent about one-half day with Oracle's people for a briefing on the concept and to obtain some flat files to work with. ACOM then met with the ADT accounts payable department to design the actual checks. Within 30 days, the design was complete and the QuickCheck file was ready to be loaded in to the ADT system. It's been working fine ever since…a piece of cake."

In the conversion, the pre-printed multipart MICR checks that were formerly used were replaced by a single part electronically stored form. A check register is now used instead of producing copies of each check.

The ACOM turnkey system is comprised of the QuickCheck for Windows™ secure check processing software, the QuickForm™ forms design module and two Dual Mode MICR-enhanced Xerox DocuPrint N32 network laser printers.

QuickCheck, which runs on IBM AS/400 computers as well as in the Windows environment, helps to prevent check fraud by storing check forms electronically for printing on blank safety check stock. When ADT needs an accounts payable check run, an Oracle file is generated and exported to QuickCheck, which calculates the printing of the checks in the file and routes it over the network to the laser printers. The complete checks -- incorporating logos, locations, amounts, check number, MICR line, signature and any desired auxiliary information – are produced in a single pass through the printer.

2850 E. 29th Street, Long Beach, CA 90806-2313
(562) 424-7899, (800) 347-3638, FAX (562) 424-8662
wwwacom.com

ACOM SOLUTIONS

QuickCheck splits ADT's check files between its two laser printers, which together, provide a combined throughput of 64 checks per minute. The company has augmented the already efficient MICR-laser solution by utilizing self- sealing stock, eliminating still another step in the check disbursement process.

QuickCheck works with all current financial packages and offers several advanced security features, including the Positive Pay check verification system; the ability to specify dollar limits for printing one, two or three signatures; Front Panel Override, which forces the printer to print only a single page even when configured for more; and Security Reporting, which allows the designated security officer to print comprehensively detailed audit reports ad hoc.

While performance and efficiency were ADT's primary objectives in bringing in the ACOM system, the security aspects received serious attention. Check processing is organized so that two departments are involved. The QuickCheck software resides on a PC in the Accounts Payable department, where all of the preparatory work is performed, while the printers and paper inventory are, as before, maintained in the Information Technology department.

"This gives us audit control," the ADT spokesman says. "The individual blank check forms are pre-printed with control numbers, so we can maintain precise track of the paper inventory."

The hardware portion of the ACOM turnkey solution, the Dual Mode Xerox DocuPrint N32 MICR-enhanced laser printers, not only provides ADT with high throughput, but also allows the printers to serve as back-up to each other in case one should be out of order or be diverted to another printing task. The Dual Mode printers allow users the flexibility to print documents either with MICR toner or non-MICR toner, and ADT takes advantage of this capability to print management reports when the devices are not employed in check runs.

The Dual Mode printers feature specially designed toner sensors and a MICR key lock that enables authorized operators to switch between MICR and non-MICR mode printing. The printers will operate only if switched to the mode for the toner cartridge installed, thereby safeguarding against the production of checks and sensitive documents with non-MICR toner, as well as preventing the waste of MICR toner on documents that do not require it.

QuickForm, QuickCheck's companion system, is a powerful, versatile, easy-to-use forms creation software system that functions as an MICR-enabled front-end design tool, enabling users to generate original checks and forms quickly and easily as well as to modify existing forms. QuickForm provides WYSIWYG forms design; autoconversion of scanned forms; advanced design features; optimized print speeds; forms storage; and graphics import / merge.

ADT's accounts payable check processing is a lot easier and quicker these days, and ADT has found the system very user-friendly, the spokesman says. Where three people formerly were assigned to the process, it now requires only one, with another assisting on a part-time basis. All of the post processing equipment is gone. Payroll, at present, is performed by Ceridian payroll service.

ADT eliminated a lot of the negative processing that was required with multi-part forms and impact printing, resulting in improved throughput and better work flow. ADT experienced only a few problems in cutting over to the system and after only minor adjustments, ADT's accounts payable check processing is now running smoothly.