

Case Study

CEDAR CHEMICAL FINDS CHECK PROCESSING FORMULA IN EZPayManager

Memphis-based Cedar Chemical Corporation operates agricultural chemical manufacturing plants in Arkansas and Mississippi, a wholesale/distribution company in Florida, and a joint-venture distribution company in Memphis that specializes in rice herbicides, altogether accruing some 50,000-60,000 invoices per year.

To pay the bills, CedarChem issues hundreds of checks each month. Some of them involve multiple invoices and remittance advice stubs often exceeding a page in length, so the company's accounts payable check writing program has been designed for up to 50 invoice listings on the check form, as well as for spillover on to additional sheets.

Although no Dupont, in the words of IS Director Joe Ward, CedarChem is a complex company with annual sales of more than \$150,000,000 and with no direct-to-user sales. Rather, it supplies chemical ingredients for fertilizer manufacture to other companies and markets its own finished products through wholesalers and distributors. One of its products, nitrogen tetroxide, even has a critical role as an aerospace fuel oxidizer in the NASA space program.

Until the company implemented ACOM's EZPayManager check writing solution a couple of years ago, all of the company's payables checks were produced at CedarChem's Memphis headquarters on three-part, preprinted forms, using an internally developed check writing program. That has now changed, says Ward, who heads a three-person, iSeries AS/400-based information systems department.

EZeDocs & EZPayManager are native RPG electronic document printing solutions that were developed specifically for use in the IBM iSeries (AS/400) computing environment. Using EZeDocs & EZPayManager users can create electronic templates for business forms, checks and labels that can be stored in software on their iSeries

(AS/400) computer. When a form, check or label is required, EZeDocs and/or EZPayManager merges the appropriate data with the respective template and spools the combined file out to a laser printer. Complete, finished documents are generated singly or in batches using blank safety check stock, plain paper, or label stock, depending on the application.

"In effect," says Ward, "we operate as a service bureau for our companies. The company's remote locations are connected 7/24 to the central IBM iSeries (AS/400) computer over a high speed frame relay network that enables them to interact with the computer remotely for transmission and storage of their data. We supply the system and the programs and now, each company enters and pays its own invoices as if operating on its own individual system.

Prior to implementing EZPayManager, once CedarChem's checks were printed they entered a labor-intensive process of bursting, decollating, and sorting, ultimately ending up in a stack for manual signature. The end of that process was signaled three years ago when CedarChem's financial management approached Ward with an urgent request: *find us an automated solution so we don't have to sign all of these checks.*

Researching his options Ward rejected most as he found them for various reasons, among them cost, incompatibility with the homegrown software and questionable support. One solution, for example, called for output on a printer that was designed specifically for the iSeries (AS/400) environment but which was far more expensive than the MICR-capable printer which was ultimately purchased.

Ward was looking for a solution, he says, that could be shared but was open enough to accommodate the needs of the individual companies, all of which had different names and identity graphics, different banks and different account numbers. Speaking

with a counterpart in another company, he learned about EZPayManager. The solution sounded promising, so he called ACOM, obtained information and an evaluation copy of the software, and within a short time, purchased the system.

“EZPayManager offered us several advantages,” he says. “It was the least expensive despite that it was an extremely powerful solution; it was compatible with low-cost PC printers, and ACOM was able to provide us with all the support we needed, as we needed it. That kind of access was especially important because we have a small staff and we were doing a number of other things at the time. One of these was the installation of the Optimum Solutions payroll system, which enabled the plants to print their own payroll checks, a total of 300-600 each per month, on weekly, bi-weekly, semi-monthly and monthly schedules.

With the advent of the Optimum Solutions payroll system, EZPayManager’s ease of modification became an important factor, Ward says, since positioning of the Optimum check and the remittance advice was the reverse of the existing CedarChem check form. On the Optimum check form, the earnings record with deduction details such as taxes, credit union, garnishments, United Way contributions, etc. -- was at the top of the form, while the company’s existing format had the check at the top and the remittance advice below.

Opting for a uniform check format company-wide, Ward and his associates simply went into EZPayManager and in only a few hours had adapted the accounts payable template to the Optimum Solutions model. Now, all of Cedar Chemical’s checks are generated in the same format, using EZPayManager and blank safety check stock also acquired from ACOM.

“Prior to our acquiring EZPayManager, maintaining check templates was a time-consuming and expensive process that involved reprogramming to make changes when banks or account numbers or other details were changed,” Ward says. “With EZPayManager’s stored electronic templates it is quick and easy. If one of the companies changes banks, all they have to do is give us about a day’s notice and we make the change on the electronic check template.”

CedarChem’s success with the EZPayManager check solution now has Ward looking at other elements of the system, he says. For example, its document management capabilities would enable the company to eliminate many or all of its conventional multipart paper forms and instead, use stored electronic form templates to generate complete business documents in the same way MICR laser checks are produced. If the company would transition to electronic forms, Ward says, he would also consider acquiring the EZeDocs PC-based, GUI-driven forms design module. The GUI design tool enables drag-and-drop template creation on a PC screen and automatically converts the template data to RPG code for storage on the host iSeries (AS/400) computer.

The company currently does no direct deposit because, he says, “There hasn’t been enough interest to warrant it. Most of our hourly workforce want the check, but within a year we will probably be doing it.”

When that happens, Ward will also look to ACOM, he says. “Because of our success with EZeDocs and EZPayManager, we will go back and explore the forthcoming ACOM’s ACH module, which enables the transfer of funds through the banking system’s Automated Clearing House network.”

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