

CASE STUDY

Input device leader Key Tronic picks ACOM for check output solution

THE COMPANY

Key Tronic Corporation is known worldwide as one of the preeminent developers and marketers of input devices for computers. Three years ago, in the company's accounts payable department, the emphasis was on output – how checks were being generated each month and how they were handled after they were printed.

Headquartered in Spokane, Washington, Key Tronic Corporation was established in 1969 to produce keyboards for major computer manufacturers, expanding dramatically with the onset of the PC revolution and diversifying into its own product line for distribution and retail outlets. The company has production, sales and distribution facilities in the U.S., Mexico, Ireland, China, Netherlands and France, employing 2,700 people worldwide. Recently, the company has also entered the contract-manufacturing field with considerable success.

According to Dixie Rock, Key Tronic's Manager of Programming & Systems, some 2,000 checks normally are required each month for accounts payable, mostly issued to vendors of the myriad components used in manufacturing the company's products -- and now, those of its contract customers as well. Checks were printed directly from QAD Inc.'s MFG/PRO, the enterprise resource planning (ERP) software system that the company has been using since 1993.

Based in Carpentaria, California, QAD provides a variety of industry-specific software systems, including core enterprise applications; supply chain, E-commerce, customer resource management and business-intelligence in addition to MFG/PRO.

THE PROBLEM

Typically, each week, MFG/PRO would compute the payables check files and spool the data out to a tractor-feed impact printer in the office of Accounts Payable Clerk Judy McGinnis, where the checks were generated on pre-printed multi-part forms.

Once the checks were printed, McGinnis ran the printed checks through a signing device, then manually separated the forms, sorted them, collected them, stuffed them into envelopes and put them in the mail.

Finance and IS personnel felt that the process was too complex, too cumbersome and too expensive, and began exploring MICR laser check-processing solutions.

"We wanted to get rid of the tractor-feed system and we examined several MICR laser check printing solutions," Rock says. "One of the main reasons we selected ACOM was that it provided us with a single-source hardware-software solution. The solution consists of:

- EZCheck check-processing software (formerly known as QuickCheck for Windows)
- Xerox Laser Printer, MICR-enhanced by ACOM
- ACOM's maintenance contract, which covers both hardware and software support as well as periodic software upgrades."

THE SOLUTION

Seamlessly compatible with QAD's MFG/PRO, EZCheck resides on an NT server, which communicates with the HP 9000 computer where MFG/PRO resides, over a standard TCP/IP network.

When a weekly check run is processed, MFG/PRO spools out the check data to a file. The file is then transferred to EZCheck for formatting and printing. EZCheck formats the check file and spools it to the Xerox MICR-enhanced laser printer that generates complete checks -- incorporating all corporate information, logos, MICR lines, payees, check numbers and signatures -- on single 8 1/2" x 11" sheets of blank safety check stock, in a single pass through the printer.

"ACOM designed the checks to look just like the checks we've always used," Rock says, "and we have realized significant cost savings on check stock, since the stock is now blank pieces of paper with a micro-perf!"

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EZCheck helps achieve significant economies in a number of other ways as well:

- By eliminating the need for burster, sorter, and decollator equipment
- By reducing time spent on check production, correcting duplicates and locating missing check numbers.
- By eliminating the need to align and test checks prior to each run.
- By eliminating the need to void check numbers in case of printer malfunction.

EZCheck also offers several advanced security features, among them the Positive Pay check verification system; the ability to specify dollar limits for printing one, two, or no signatures through Signature Control; Front Panel Override, which forces the printer to print only a single page even when configured for more; and Security Reporting, which allows detailed audit reports to be produced ad hoc.

“Security had a lot to do with the selection,” says Controller Cripe. “It appeared that the security features of the hardware and the software offered a lot of advantages.”

THE IMPLEMENTATION

When Key Tronic ordered the solution; the company provided ACOM with copies of its existing checks, its logos, graphics and corporate signatures. From these materials, ACOM used QuickForm; the company’s forms design module, to replicate the checks in electronic format. The electronic check forms are held in memory and when check file data is spooled out to EZCheck, the software merges the forms with the data to produce the complete printed check.

“We worked with ACOM extensively on how the files would be moved to EZCheck,” Rock says. “Basically, QAD customizes and organizes the data and prints it to a file. EZCheck puts everything where it belongs, organizes the overflow appropriately and controls the printing process.”

ACOM furnished Key Tronic with installation media and provided telephone guidance for installation and training. Support was also provided for installation, implementation and training in the use of the MICR-enhanced laser printer.

Key Tronic’s Xerox MICR-enhanced laser printer is dedicated to the check processing function, Rock says, adding: “A good thing about having a dedicated check printer is that nobody can inadvertently print a 300-page report and use up a lot of expensive MICR toner.

“We also have a lot of flexibility with the ACOM solution. For example, checks previously could be printed only on the system in Judy’s office, since the printer had to be serially connected to the PC. With the ACOM solution, we can print checks on the MICR laser printer from any PC on the network.”

SUCCESS

As for Judy McGinnis, she’s much happier now, Cripe says. “It takes her a lot less time and less effort to get the checks out,” he says. “And the people sitting near her may be happier still, since they no longer have to hear the tractor-feed printer banging away, and all the noise associated with tearing and sorting the checks.”