

THE COMPANY

When Roll Coater, Inc. replaced a 20-year-old Unisys legacy system with QAD's MFG/PRO accounting and financial management software suite and an HP 9000 computer, the company's IT personnel discovered that while MFG/PRO could indeed generate checks on preprinted company check forms, there was no provision for electronic payments (ACH) or Positive Pay.

Indianapolis-headquartered Roll Coater provides rolls of coated sheet metal to the building, appliance, HVAC, transportation, and furnishings industries. Company policy at the company, a wholly owned subsidiary of ArvinMeritor, Inc., requires that nonvalue-add procedures and services, such as manual activities, be eliminated wherever possible and replaced by more contemporary methods. For the IT department, which is in charge of payment management at Roll Coater, two such activities stood out conspicuously: Positive Pay, the check fraud intervention system; and the reimbursement of expenses incurred by company personnel using the banking industry's Automated Clearing House network (ACH).

THE PROBLEM

Historically, these processes have been manual at Roll Coater. For ACH and Positive Pay files, IT ran a batch process that required about 15 minutes of mainframe time, then moved the files to a PC in an FTP file transfer. The files were transferred to the respective banks through a communications package, with hard copy remittance statements printed and distributed manually to each ACH recipient.

The target date for cutting over to the QAD software was October 2001, and it was already late July, says Senior Director of IT David Prince. He had two choices: once again develop the processes in-house, or find a third-party solutions vendor. The first alternative was out of the question: there was neither the time nor the personnel resources required to create the software.

A QAD implementation specialist noted that a company business partner, ACOM Solutions, Inc., had recently announced a comprehensive new payment management solution called EZPayManager.

THE SOLUTION

EZPayManager is a scalable, modular solution that features a powerful, integrated payment management engine, with modules for:

- Printing MICR laser checks
- Sending electronic payments through the ACH network
- Sending remittance advice and advice of deposit statements via financial EDI (F-EDI), fax, eMail
- Converting payments of remittances into PDF files for emailing as attachments or secure posting on the web

THE IMPLEMENTATION

In early August, Prince contacted ACOM and learned that he could obtain EZPayManager with only the ACH and ACOM's Positive Pay module – Check Fraud Alert – as well as an email module for sending the remittance advice to the ACH payment recipients.

At Roll Coater. "We decided not to implement checks at this time," he says. "Currently, the company prefers to use preprinted checks, which can be generated directly from MFG/PRO. With two months to go until cutover, there was too little time to implement everything."

Prince designated an IT staff member to work with ACOM on-site to install and verify the system, and to be the dedicated system operator.

As in other ACOM implementations, the financial management software generates the payment files, but where the files usually spool out to EZPayManager for formatting and check production, at Roll Coater, MFG/PRO formats the checks and spools the file out to the printer. EZPayManager then takes over the ACH and Positive Pay functions.

"Our dedicated user runs the standard accounts payable register for Positive Pay and ACH in MFG/PRO, saving the files in text format. EZPayManager is seamlessly integrated and automatically maps the text files to the respective ACH and Positive Pay formats. It automatically emails the ACH remittance statements to the ACH clients, eliminating all manual paper distributions. What usually took two hours in the past now happens in seconds. Recipients are delighted because they receive instant notice of their disbursements."

The Positive Pay function is similarly automated. Using the home-made legacy system, it was necessary to create an application file from the mainframe, format it and manually transmit it to the bank, which then posted any questionable

checks to the company website. Now, the file imports directly to EZPayManager from the MFG/PRO register and is automatically forwarded to the bank with no intermediate programming or data manipulation required.

SUCCESS!

Prince estimates that conservatively, EZPayManager will save his department at least 50 man-hours per year, not counting the mainframe cycle times that are saved through MFG/PRO and EZPayManager.

“The biggest saving of all,” he says, “is that we didn’t have to devote the time and resources to do this ourselves. That would have been very expensive, and based on past experience we judged that it would have taken four months or more. Currently, all of the payment activities are performed by the IT department, but as we evaluate check printing in the future, we see the accounts payable group as users.”

The installation and training went as planned, Prince adds, noting that whenever issues were presented to ACOM, the turnaround time on the correction was a matter of hours.

“Everything worked as advertised,” Prince says. “One of the things that was confirmed in this exercise was that if you lack the expertise and resources, it’s best to leverage outsourcing. The concept of remote development can be difficult for an IT staff to manage, and in this case we were very pleased with the results, from gathering specifications through training and implementation.”

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