

THE BACKGROUND

When the four Clarke brothers founded the transportation company that bears their name at the dawn of the 20th Century, they knew they were going places, but they probably did not envision a company that **generates 25,000 invoices and more than 5,000 statements per week**. That was the situation two years ago, when Clarke Inc. CIO John Hamblin began looking for a solution that would streamline the delivery of documentation to Clarke's customers.

Headquartered in Toronto, with operations spanning Canada and the United States, Clarke Inc. offers transportation, logistics, contract hauling and warehouse services to a variety of industries such as building products, food and beverages, retail, pharmaceuticals, metals products, consumer packaging products and more. Shipments range from single less-than-truckload (LTL) items to multiple truckloads (TL) and fleet services provided through contracting arrangements.

THE PROBLEM

The critical problem Hamblin needed to solve two years ago was the requirement to provide customers with copies of a number of specific documents, along with the invoices generated for each division. As many as 25,000 invoices went to some 5,000 customers, and each customer mailing included not only the invoices, but also included copies of bills of lading, delivery receipts, statements and transaction summaries. **The process consumed five man-days per week for document production, sorting and assembling, stuffing and mailing.**

THE DOCUMENT SOLUTION

"Now," says a satisfied John Hamblin, "we accomplish it in about six hours." The time-and-money-saving resource that has effected this major change is **ACOM's EZeDocs/400 software**, which runs on Clarke's IBM iSeries/400 Model 820 using data from the company's legacy software system. The ACOM software drives a pair of Ricoh 55 page-per-minute laser printers that print the respective documents on plain 8.5" x 11" blank paper, using electronic document templates, and it even sorts the documents as they are printed. Previously, all of the invoices and transaction summaries were output to sprocket-feed production printers, which printed them on expensive pre-printed continuous form stock. After printing, the documents had to be burst and decollated then sorted and manually assembled, along with the supporting Bills of Lading and Delivery Receipts, to create the customer packets, which were then put into the mail.

Along with discovering EZeDocs/400 and its ability to streamline this process, **Hamblin also learned that a significant percentage of the document packets could be delivered electronically.**

"Of our 5,000 weekly mailings, about 40 percent represented high-volume customers for whom electronic delivery did not seem feasible," Hamblin says. "The remaining 60 percent, who normally required perhaps five or fewer invoices and the supporting documentation, were ideal for electronic delivery, and of these, **75 percent have opted to receive their documents electronically.** Now, when we output the data for these documents, it is automatically separated into files that are to be printed, to be emailed, or to be delivered by fax. We never have to touch those delivered electronically and overall, the time spent on the entire process has been cut from the five man-days to about six hours."

Moreover, Hamblin says, there is a significant reduction in postage costs. **"Sending these files electronically is virtually free if emailed,** and the cost for the customers requiring faxed packets is minimal since the typical time required is two minutes at perhaps three cents per minute, for a total of six cents. **Conversely, postage costs for the 3,000 document sets would run 49 cents each for Canadian stamps or 58 cents each for U.S. stamps. The cost impact is obvious.** As well, there is a huge benefit from the fact that **the packets sent electronically are received immediately and not subject to the in-transit delays** of the postal service.

THE IMPLEMENTATION

According to Hamblin, the success realized in the invoice/statement process quickly alerted Clarke's IT Department to other possible uses of the EZeDocs/400 software. **The group has now implemented some 15 other back office forms, which have further helped streamline processes, eliminate errors and save money.**

One of these is a "shed" bill that identifies the shipment's originating terminal. Another is the manifest – a summary of the contents of a given load. Others include price quote forms that inform customers of costs for shipments of various sizes and weights to and from individual shipping points. These also can be delivered in print, by hand, or electronically. And a special favorite for Hamblin involves use of the **EZeDocs/400 barcode capability.**

"A constant worry in the transportation business is that a shipment might be sent to the wrong location," he says. "For example, on our routes are cities named Edmonton, in Alberta, and Edmondston, in New Brunswick – a situation that conceivably could lead to confusion. **By printing barcode labels with identifying destination codes in bold, black letters two inches high, we virtually eliminate the possibility of confusion.**"

THE ACCOUTS PAYABLE SOLUTION

More recently, Hamblin has also brought the concept of laser-generated documents to bear on the company's accounts payable process.

As with other documents, payments had involved production of checks in the IT department using the production printers and pre-printed check forms for some twenty different bank accounts for the various divisions. With the success of EZeDocs/400 on the forms side, the company opted also to purchase the **EZPayManager/400** payment management solution, **which similarly moves the payment process out of IT and transfers it to the accounts payable departments.**

Now, when a payment run is scheduled, EZPayManager/400 polls the legacy system for the payment file, formats the data using the respective divisions' electronic check templates and prints the completed checks on blank security check stock in a single pass through a MICR-enhanced Xerox 4500 laser printer in their office. Checks in the amount of \$4,999.00 or less are signed automatically with signatures stored on the printer's removable PCMCIA security card. Payments exceeding that amount are diverted automatically and referred to the appropriate financial executives for signature.

"We issue checks for five different types of payments," Hamblin says. "These include the three divisions, some smaller units that are paid through corporate such as our contract owner-operators, and the payments for corporate's own expenses. Each division has payables that are issued in both Canadian and U.S. dollars."

For all of the payments, a standard check form has been devised for a total of six bank accounts, with the logo and address information of the individual business unit and banking information such as MICR line, account numbers, etc. incorporated on the electronic check form template. Checks are numbered sequentially as they are printed, where under the previous system, they were pre-numbered, making it necessary to start the check run over in the event of a printer jam or malfunction. **The company has also been able to interface the payment process to the fax and eMail modules to accommodate payee preferences for delivery of remittance advice (or pay stub) information.**

Since the EZPayManager/400 solution was put into place, **Clarke is now expanding its capabilities with two additional software modules from ACOM: CheckFraud Alert (positive pay) and ACH (Automated Clearing House) Electronic Payments.**

With the CheckFraud Alert module, Clarke will gain additional security over the check process by automatically emailing the bank(s) a list of the payees, checks and amounts generated in

a payment run. As the checks arrive for clearance, they are automatically compared with the list and if there is a discrepancy or anomaly, the check is isolated and referred back to Clarke for verification. **This is an extremely important and effective way to intercept check fraud attempts,** Hamblin notes.

The ACH module enables Clarke to avoid the issuance of checks altogether for vendors that opt to receive their payments electronically through the banking industry's Automated Clearing House network.

"Some of our biggest suppliers are transportation providers such as railroads and major motor carriers both in Canada and in the U.S.," Hamblin says. "Often we can obtain preferential rates by paying within a specified time, such as seven days. Obviously this is problematical when using the mail, and the cost of an EFT wire transfer – a manual process -- entails a fee of \$25.00."

"ACH gives us the opportunity to transfer the funds automatically with the speed of a wire transfer but at a cost of only about 25 cents. It is fast, easy and saves on fees, manpower and postage. Our payees are notified by secure eMail exactly when the funds will arrive in their accounts. Thus we economize not only by getting better pricing but also in cutting our costs for doing so. Remittance advice information can be included in the ACH 'envelope' along with the actual payment."

SUCCESS!

Hamblin found ACOM through a web search in early 2003, then called for more information and got the answers he was looking for – including assurance of the company's long-term expertise in working in the iSeries-AS/400 environment.

"We did not look around much after that," he says. "We could see that their solutions could do what we required and our due diligence with users told us that they stood behind their products. They designed and installed the first one or two forms and now, we design our own with ACOM's EZDesigner/400 product. The system is so simple and easy to use that all of our training could be accomplished over the web."

That, along with cost savings and major increases in efficiency, suggests that Clarke, Inc. is with ACOM for the long haul.

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