

THE BACKGROUND

Valley National Gases, Inc. is one of the nation's leading packagers and distributors of industrial, medical and specialty gases, welding equipment and supplies, propane, and fire protection equipment. It operates sixty-eight locations in eleven states, with eight production and distribution centers.

As a reseller, the company finds itself issuing some 500 checks each week to suppliers. Until mid-2002, it accomplished this accounts payable process using a line printer and preprinted check forms. Three people spent a full day to get checks out in a four-step printing, bursting, signing and folding/stuffing process.

Valley National Gases uses Equinox Software Systems, Inc. software on an AS/400 computer platform. Under their previous accounts payable process, the Equinox software processed and formatted the payment data and spooled it out directly to the computer's line printer for production, after which accounts payable personnel took over and completed the process.

One day, says Controller Mike Tyburski, the company's acting president took note of the many steps involved in paying the bills, provoked by the noisy burster situated not far from his office. "We need to get some better technology," he said.

THE SOLUTION

The comment set off a search, during which Tyburski examined MICR laser check printing solutions from such firms as Standard Register and Pitney Bowes.

Then, on the recommendation of Relizon, its forms vendor, Tyburski looked at the EZPayManager/400 solution from ACOM Solutions, Inc. (Relizon made its recommendation confidently, since, in addition to being a business partner with ACOM, Relizon is also a customer of ACOM's, using ACOM's payment solution in their own accounting department.) Tyburski submitted a proposal to senior management for the ACOM EZPayManager/400 solution and received approval in June 2002.

In searching for a new payment solution, Tyburski was most interested in performance, the checks' MICR quality, the checks' professional appearance, and automatic signature capability. With these conditions satisfied, he also sought a way to replace the manual typing of individual checks – a

procedure that is fraught with the possibility of error and check fraud.

"The old process was extremely time-consuming and cumbersome," he says. "Typically, we would have to load the preprinted, two-ply forms, log the starting and ending numbers, align the checks in the printer and run some samples to test the alignment. Frequently the printer would jump a line during the check run, throwing off the alignment of the subsequently printed checks and causing us to start the check run over from the beginning."

Host-resident on the AS/400 (or iSeries) computer, EZPayManager/400 enables companies to replace their preprinted check forms, and instead use electronic check form templates. These electronic check templates can then be automatically merged with the company's financial/ERP system, enabling the generation of complete, signed checks in a single pass through a MICR-enhanced laser printer. The check form templates include all of the relevant company information, graphics, payee information, sequential numbers, MICR-encoded lines and remittance advice, as well as the authorized signature(s).

Today, when Valley National Gases schedules a check run, EZPayManager/400 accepts the payables data from the Equinox software as a spool file. It merges the data with the stored electronic check form and sends the merged file to the MICR-laser printer, where the finished checks are generated in a seamless one-step process on pressure-seal blank security check stock. Then, a folder-sealer machine completes the process and the checks are ready for the mail.

Key elements of Valley National Gases' solution include:

- Native AS/400 EZPayManager and EZeDocs software
- The GUI design tool
- A 40 page-per-minute Xerox DocuPrint N40 MICR-enhanced Laser Printer Solution from ACOM, with five drawers and duplexing capability
- The MICR toner used to print the checks (which has been engineered by ACOM, specifically for use with the Xerox Network Laser Printers)
- A Secure-A-Font removable PCMCIA card and card reader, to provide secure storage and retrieval of company information and graphics, the MICR font, and signatures
- Maintenance contracts on both hardware and software
- ACOM's dual guarantee: the initial 30-day money-back total satisfaction guarantee, and its open-ended MICR guarantee (which assures MICR will quality

meet or exceeding ABA and ANSI specifications when used in accordance with directions)

Valley National Gases continues to obtain its blank security check stock from Relizon. (Use of blank security check stock eliminates the costs of preprinted multi-part check forms, eliminates the need to maintain secure inventory storage, as well as eliminating the need for secure tracking, handling and logging of the forms at the time of the check run.)

“The fact that EZPayManager/400 was created specifically for the AS/400 environment was an important element in our selection,” Tyburski says. “We were able to get everything we needed from a single source – with ACOM we will only have to make a single call for service and/or support. Other solutions that we considered were much more expensive than EZPayManager/400 and we determined that for us, ACOM provided the best price-performance value.”

Additionally, two capabilities of EZPayManager/400 were particularly attractive to Tyburski and his staff. One is its **manual check** ability. Previously, ad hoc checks were generated on a typewriter, exposing the company to the possibility of error and the risk of misplaced or misappropriated check forms. Now, they are generated directly from EZPayManager system as they are needed. The other feature is the ability to **reprint and issue damaged checks without voiding the original**.

“This saves a good deal of time and effort,” Tyburski says.

THE IMPLEMENTATION

When ACOM's professional services technician arrived to complete the installation and train users, the easy-to-use system was up and live the same day. Samples were sent to the bank for testing and after a single adjustment, the bank signed off. Today, one person performs the accounts payable check production task in about three-quarters of a day, reflecting a 75 percent reduction in AP check production personnel requirements. Tyburski says that the other people who were involved in the check runs have been reassigned to different accounts payable tasks, improving the flow of paperwork in the finance department.

When acquiring EZPayManager/400, Valley National Gases also arranged for ACOM's professional services team to design/implement their 1099 tax form document, for which it had previously used a preprinted three-part carbon form. Valley National Gases furnished ACOM with their preprinted

1099 form and ACOM created an electronic version of the form. As it does with payments, EZPayManager/400 merges data from Equinox with the electronic 1099 form. Front-back printing is accomplished in a single pass through the duplexing capability of the Xerox DocuPrint N40 printer.

SUCCESS!

“In most instances, we are required to provide a payback analysis prior to purchasing new solutions and equipment,” Tyburski says. “In this case, senior management was committed to replacing the existing technology and they did not require it, so we have not calculated our direct savings. However, our indirect savings, including the conservation of the time of two employees and the improvement in department efficiency through their redeployment, is a major identifiable benefit.”

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