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CREATING A PAPERLESS ENVIRONMENT FOR ORDER PROCESSING

In 2005, MEDRAD's order processing operations were heavily reliant on paper. Through strategic planning efforts, Esker has been a key part of the company's overall strategy to eliminate paper faxes and archive documents electronically to reduce costs as well as the time associated with manually processing orders.

Challenges

As an organization that conducts business with more than 4,500 customers, varying from large distributors to small end users, MEDRAD's customer support team handles large numbers of business transaction documents every day. The company has 13 customer service representatives whose responsibilities include processing more than 12,000 sales orders per month.

There were several steps taken to process each document. For faxes, the order would be received via the fax machine, and the employee would manually input the data into MEDRAD's SAP® application. Similarly, when a document was received via email, it would need to be printed and then manually keyed into the SAP application.

"These manual steps were a tremendous time constraint," said the Technical Analyst at MEDRAD. "In addition to the cost of people's time, maintaining the infrastructure for printers and fax machines was also very expensive."

The call for change in the way MEDRAD was handling paper documents was driven by the company's customer support leadership team. "We saw that there was a lot of non-value effort involved with manual order processing," said the Director of Global Customer Support at MEDRAD. "Employees walking to fax machines, manually entering orders and filing documents are probably the lowest common denominator tasks within customer support."

> The top reasons we selected Esker over other document delivery solutions were its ease of use and the seamless integration with our existing SAP infrastructure.
>
> Technical Analyst

Solution

Using Esker's Order Processing automation solution, MEDRAD was able to streamline the process and add validation steps for the customer support team to verify the order via the web interface user form for added accuracy. The order is then approved and sent to MEDRAD's SAP application to create the orders. Even after adding these steps, Esker is still faster than manual entry.

With the current Esker solution, data from fax orders is captured and automatically populated. "So instead of doing order entry, we're doing order confirmation," said the Director of Global Customer Support. "The new version of Esker's solution has automatic checks for customer-specific information, so we can see if the prepopulated form matches the PO number and just confirm the order."

Results

A year after implementing Esker, MEDRAD found that processing orders was 76% faster than manual processing, and the company had automated nearly 40% of all its inbound purchase orders (POs). Today that number has nearly doubled. Before Esker, MEDRAD received about 80% of its orders via paper fax and 20% electronically; that number has now switched to at least 80% received electronically and 10-20% paper. MEDRAD's Technical Analyst added, "Our goal is to become paperless and we are making great strides towards this goal. Our customers have also been quite appreciative in noticing the difference since we started automating our correspondence. We make fewer errors on the documents and are more accurate with shipping our products on time."

> Esker is enabling the customer service department to work smarter, better and faster. We're able to be more responsive to our customers. It's been a wonderful tool.
>
> Director of Global Customer Support

With Esker, MEDRAD has:

- Reduced order processing time from 8 minutes per order to 1.35 minutes per order
- Achieved order entry accuracy rate of 99.6+%
- Automated 72% of all incoming orders
- Improved customer satisfaction with quicker and more accurate order processing
- Gained visibility with access to archived documents and the ability to view orders from within SAP

GHX order processing

GHX is another part of MEDRAD's paperless strategy. GHX orders are routed through Esker, which take the format that GHX hands off and makes them SAP-ready, and then feeds the orders into SAP. The SAP system returns a confirmation that the order was created. Notification is then sent back to GHX to tell MEDRAD that the order was received, and confirmation that the order was received can be sent to the customer.

"We are contractually obligated to use GHX with a lot of our large customers because they wanted to do electronic ordering through EDI," said the Director of Global Customer Support. "Esker helps us enable these e-commerce transactions to occur efficiently. We're up to 8,200 orders per month coming in through GHX, so Esker is part of the GHX platform being successful. Esker fits with our overall strategy to become paperless. It's also having positive employee and customer satisfaction impact with our ability to be more efficient and more responsive. It has also helped us to manage our costs so we've not had to add more headcount to support our business growth."

Support

About his experience working with Esker Solutions Support, MEDRAD's Technical Analyst said, "We've established a great relationship with Esker. We wanted to bring our company to a new level of paperless automation and we've definitely received the support we needed to get it done."

Future Plans

For MEDRAD, the next step is look at further leveraging the reporting functionality within the solution in order to fully optimize the technology. The company's goal is to automate 100% of the orders that come in.

Accounts payable automation

Beyond order processing, MEDRAD has signed an agreement with Esker to automate the processing of vendor invoices and purchase requisitions within its accounts payable operations. MEDRAD will leverage Esker to automate the collection, scanning, OCR, approval and routing of approximately 80,000 invoices per year, half of which are associated with POs. With its ability to handle a variety of documents, Esker offers MEDRAD the potential to enable full-service procure-to-pay automation.

MEDRAD is also exploring implementation of Esker on a global scale to its other international offices, including late archiving of international orders.

MEDRAD, Inc.

MEDRAD, Inc. develops, markets and services medical devices used to diagnose and treat disease. Its product offerings include fluid injection systems for radiology and cardiology, endovascular devices for the safe treatment of cardiovascular disease, magnetic resonance-compatible accessories and equipment services. The company's world headquarters is near Pittsburgh, Pennsylvania, in the United States. MEDRAD is a business of Bayer Medical Care.

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