

A Digitech Systems Case Study



Case Study Facts:

CLIENT:
Commercial Metals
Company

**DIGITECH SYSTEMS
RESELLER:** CASO
Document
Management

PROBLEM: Needed
to centralize
accounting
processes and
reduce purchase
order processing
times

SOLUTION:
ImageSilo and
PaperVision®
Enterprise
Workflow

**RECOGNIZED
BENEFIT:**
Centralized AP
operations,
accelerated
accounting
processes and
saved \$132,000
annually

Commercial Metals Company Centralizes AP Processes and Saves \$132,000 Annually with ImageSilo®

When the Director of Shared Services at Commercial Metals Company (CMC) was asked to centralize the accounts payable (AP) processes of 40 metal recycling yards scattered across the country, he quickly realized that paper documents were the root of his problems at the yards. Surrounded by piles of paper, he had to find ways to make purchase order processing speedy, to enhance compliance with company policies and to make it easy for employees to move away from their paper-based systems.

After implementing a Digitech Systems Enterprise Content Management (ECM) system, CMC accelerated AP processes, improved compliance by as much as 70% and saved \$132,000 annually.

The Situation

Since 1915, the Commercial Metals Company (www.cmc.com) has manufactured, recycled and marketed steel and metal products worldwide.

As of the end of CMC's 2009 fiscal year, this \$7 billion dollar company employed more than 13,000 people. The Recycling segment is among the largest processors of non-ferrous scrap metals in the U.S., with a processing capacity of 3.5 million tons of non-ferrous and ferrous scrap metal annually.

Dependent upon heavy machinery, CMC's 40 recycling yards consistently order equipment, replacement parts, safety gear and tools to keep their business running smoothly. For years, each yard handled their AP processes independently. Purchase orders, packing slips, vendor vouchers and goods receipts were managed using carbon copy forms with four copies of each document. "Everything was paper-based," said Alberto Centeno, Director of Shared Services. "Each location had all these papers that they had to fill out and manually run around very large facilities to get them approved and processed." On a bad month, it took maintenance supervisors at one yard 187 hours to process 250 purchase orders.

CMC could not afford the inefficiencies, and the Shared Services department wanted to centralize AP processes across all 40 yards. When the changeover began, invoices from every yard started bombarding the Shared Services department. "We couldn't keep up. We didn't know who had done what with which piece of paper. We needed a better system than piles of paper and emails stacked everywhere," said Centeno. Not only did they need to streamline AP processes, they needed to address paper at its source.

The Solution

CMC contacted CASO Document Management, a Digitech Systems reseller, and began investigating ECM technology. "We looked at all the big-name vendors and Digitech Systems clearly came ahead of all the others. ImageSilo met more of our needs. It offered

Key Benefits

- Enabled Shared Services to centralize AP services for 40 metal recycling yards
- Decreased purchase order processing time by 33%, saving each yard 125 hours in productivity every month
- Reduced in annual shipping costs by \$12,000
- Saved \$120,000 each year in personnel costs
- Increased third-party insurance compliance to near 100%



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SOLUTION: ImageSilo and PaperVision Enterprise WorkFlow

**RECOGNIZED
BENEFIT:** Centralized AP operations, accelerated accounting processes and saved \$132,000 annually

the robust imaging and workflow tools we needed to automate our AP processes. Plus, it didn't require any IT resources," said Centeno.

In the summer of 2008, Shared Services used scanning to convert incoming paper records to electronic documents. Then, they were able to upload files to ImageSilo and to easily manage all information in a single, searchable source. Best of all, they set up PaperVision Enterprise WorkFlow (WorkFlow) for ImageSilo to electronically route purchase orders through their standard approval process. To help CMC further reduce costs and improve productivity, CASO turned their standard AP document templates into electronic forms, accessible via the internet. So far, CMC has given 12 recycling yards access to the electronic forms and ImageSilo. To create purchase orders and goods receipts, employees were trained to navigate to the secure webpage, fill out a form and click "submit." Automatically, the documents are stored in ImageSilo. The solution will be rolled out to the remaining 28 yards in 2011. Here are CMC's measurable benefits to-date.

"Migrating from paper-based AP processes to an ECM system was easy, because ImageSilo is so simple and user-friendly. We've seen a high level of buy-in at every location. I have even received calls and emails with compliments about how easy it is to use."

*-Alberto Centeno
Director of Shared Services*

Recognized Benefits

ImageSilo gave CMC the tools they needed to centralize AP operations and convert to a more efficient electronic system. Purchase order processing times were reduced by 33%, and now it takes just 62.5 hours to process 250 orders from one yard. When an employee enters a purchase order into ImageSilo, WorkFlow electronically routes it to the general manager, who receives an email notification on his cell phone. Quickly, the invoice can be approved and routed to the appropriate person in the Shared Services department. Now each yard recoups 125 hours of productivity per month.

WorkFlow is also helping CMC meet safety requirements. Company policies state that each outside contractor must have a current insurance certificate on file before work can begin. Compliance with this policy has gone from as low as 30% to nearly 100%. The converted yards are passing internal audits with flying colors. "ImageSilo brings control and visibility they never had before," says Centeno. "It's the difference between night and day from a control perspective."

The 12 ImageSilo yards no longer have to mail papers to the Shared Services department. Instead, information is shared electronically, which saves the company \$12,000 in annual shipping costs. Using centralized AP services, CMC was able to save \$120,000 annually.

Once ImageSilo is rolled out to the remaining 28 yards, CMC anticipates their benefits to dramatically increase. Labor efficiencies are expected to save \$400,000 annually. Shipping savings could be as high as \$40,000 each year, and productivity gains could reach 5,000 hours each month. "We have a lot more than an image repository. We are using ImageSilo to its fullest extent," said Centeno. "We create images rather than papers, and we automatically route documents through the organization. Now processes move faster, problems get solved and business gets done."

About CASO Document Management

CASO has been an innovator in developing practical, cost-effective imaging services and document management systems since 1994. With a management team totaling more than 100 years of experience, they have a proven track record with even the largest commercial and government requirements. CASO offers a full-range of imaging services or a comprehensive custom solution tailored to each company, industry or specific project. They support hundreds of regional and national clients in government, finance, education, healthcare, manufacturing and other sectors. To learn more about CASO, call 888.388.CASO or go to www.caso.com.