ORDER PROCESSING

AUTOMATING FAX & EMAIL ORDERS INTO SAP® SYSTEMS

How to Bring Speed, Visibility and Accuracy to Every Phase of Order Processing

www.esker.com
TABLE OF CONTENTS

Introduction................................................................................................. 3
Fax & Email Orders: Where It All Goes Wrong.............................. 4
Turning to Automation for Help......................................................... 5
How an Automated Order Processing Solution Works.................... 6
Levels of Automation...................................................................... 9
Customer Success Story: BASF...................................................... 11
Conclusion.............................................................................................. 12
About Esker........................................................................................... 13
INTRODUCTION

In a perfect world, every sales order your company receives would be electronic. Each one would arrive in the same format, with all the necessary information clearly defined, and feed directly into the SAP® system through electronic data interchange (EDI) without any hiccups.

The reality, unfortunately, is not so rosy. Orders come in via a variety of channels — the most predominant being fax and email. The problem is, fax and email orders require vast amounts of time and labor to process, resulting in high error rates and slower fulfillment. Plus, when customer service folks have to print out and manually enter orders into an SAP system, they’re prevented from doing what they do best: serving customers. Ultimately, fax and email orders lengthen the order-to-cash (O2C) cycle and cause your company’s competitiveness and customer service to suffer.

Regardless of how large or small an organization is, fax and email orders typically mean:

- High order processing cost
- Complex IT environment
- Difficulty prioritizing orders
- Poor responsiveness to customers
- Lack of visibility and process control
- Lengthened O2C cycle

For companies looking to overcome these challenges and gain the efficiencies of electronic processing of fax and email customer orders in their SAP environment, this white paper outlines essential factors to consider.

Why Change Hasn’t Come Easy

One oft-considered option for avoiding the headaches of fax and email order processing is to push customers toward EDI. However, there are still many customers who are simply unwilling or unable to do so. While larger corporations may have the leverage to force EDI adoption, most companies accept fax and email orders as a necessary evil rather than refuse business or agitate customers.

Another roadblock to implementing change is the cost of EDI systems, which many businesses cannot afford. Despite the standardized nature of EDI, everyone still seems to want their own formats. For example, companies routinely modify the EDI 850 purchase order (PO) format to fit their particular needs. Even in the best situations, large organizations often have 20 to 30 percent of their orders coming in by fax or email.

About This White Paper

If your company wants to eliminate the problems caused by fax and email orders, there are many factors to consider. This white paper explores those factors, while highlighting how specific automation solutions can deliver cost savings and process efficiencies via the electronic processing of fax and email orders into an SAP system.
FAX & EMAIL ORDERS: WHERE IT ALL GOES WRONG

Sales orders typically come to companies in three different ways — fax, email and EDI — each causing its own laundry list of unique challenges.

How Orders Arrive

Fax
Fax often represents the bulk of a company’s order management expenses regardless if the number is a minority or majority of total sales order volume. Fax orders typically require a separate processing environment made up of fax machines or fax server software to capture orders and distribute them among Customer Service Representatives (CSRs) who enter the information into the SAP system.

Email
In the interest of going paperless, some companies have started sending POs to suppliers by email. This eliminates paper on the customer side, but on the supplier side, CSRs are forced to print the email, walk back to their desks and key it in just as they might do with a fax order.

EDI
In addition to faxing systems, many companies have an EDI system. The question is, how many EDI orders are actually processed without being touched? In Esker’s experience, it’s not uncommon for the number of orders containing discrepancies to represent up to 35 percent. Orders might arrive in the proper format, but item details could be wrong in the EDI file (e.g., reference, address, price, etc.). If this is the case, the order goes through a complex workflow before it is entered into the SAP system, resulting in order mistakes, customer dissatisfaction and lost profits.

Pitfalls of outsourcing the problem
In Esker’s experience, many companies have used outsourcing to automate aspects of order processing. However, because of exceptions that are too complex for the outsourcing firm to handle, some orders still need to come back into the workflow. This also can happen with add-ons offered by EDI vendors to translate faxes into EDI. These approaches may pass off the problem (or part of it) to someone else, but they do not fully automate the process.

The issue of customer claims
It’s also important to consider that businesses using manual methods to handle and process fax and email orders are likely to use equally inefficient practices to track and manage customer claims associated with those orders. Limited visibility and control over customer issue management not only means less productive CSRs, the impact can negatively affect the reputation of your company.

Other functional considerations
Consider these questions: Do you want to separate single fax or emails that contain multiple orders to ensure they’re handled independently rather than as one large order? Do you want the ability to process orders in a desired order instead of first in/first out? In cases of rush or overnight orders, do you want the ability to prioritize? If the answer is “yes” to any of these questions, it’s important to find the right automated order processing solution so you’re not missing out on potential areas of improvement.
TURNING TO AUTOMATION FOR HELP

Addressing the problems of fax and email order processing requires an automated solution that can turn every order electronic, while still allowing customers to send orders in any format (e.g., fax, email, EDI, XML, etc.). Esker has the ability to capture all of the necessary data, automatically route it to the appropriate CSR and give full visibility into the process before orders are even entered into the SAP system.

Full Control & Visibility — in Every Phase of Processing

By placing data at the users’ fingertips in real time, it’s easy to access vital information such as the value of orders that are waiting to be processed, what products the orders are for and what customers they are for. CSRs gain instant insight when customers call to ask about their orders, and have the ability to look up orders inside the SAP system, see the order image, and report back to the customer what is happening.

Companies also have the ability to automatically send out a confirmation once an order is received (or after it’s created inside SAP) to let customers know the order is ready for processing. This helps improve communication with customers and allows them to send orders in whatever format that they are comfortable with.

Turn Fax & Email into an EDI-Like Process

Even though your customers may not all be electronically enabled, you can treat every order as an electronic transaction. Esker is able to take information captured from a fax or an email order — or from an EDI file — and present it to your team in the electronic format you want. You can automate all orders, eliminate the cost and errors of manual processing, and consolidate resources to simplify your SAP landscape. Since all of the functionality is built into one platform, the cost of processing fax and email orders is reduced from the $30 to $60 range to between $1 and $3.
HOW AN AUTOMATED ORDER PROCESSING SOLUTION WORKS

Esker provides all of the necessary functions and technologies for automated order processing — from fax and email to EDI and XML — all via one unified and integrated platform.

The Best Way to “Quit Paper”

Here's how the solution works: Esker captures the order data, validates that the information is correct, archives the orders inside the Esker system, and links the order back into the SAP application.

Esker's intelligent content recognition and data extraction capabilities get better results than with standard optical character recognition (OCR) and templates alone. And, with the ability to teach the system to recognize different formats, Esker can handle the variety of customer PO layouts. Companies avoid the time and cost of defining and managing countless templates, and are able to bring new customers into the automated process quickly.
Solving the Fax & Email-to-Order Problem

Esker solves the fax and email-to-order problem with a universal, source-independent platform for orders received by fax and email, as well as with EDI, web and other channels. With Esker, companies of any size can:

- Process fax orders with the same efficiency and accuracy as EDI
- Reduce fax order processing time up to 90 percent and devote more resources to core business processes
- Bring visibility, control and instant accessibility to every order processed
- Handle multiple orders within a single fax and prioritize orders to get them to the right people automatically
- Replace multiple point-to-point systems with a single platform

In addition to enabling 100 percent electronic throughput, Esker offers a full view of individual order processing as soon as a fax or email order arrives. Orders are presented in a convenient online interface for validation, made available to your SAP system, and are automatically archived. When customers call about orders they have faxed or emailed, your customer service team can answer questions immediately.

Bringing New Levels of Efficiency to EDI Orders

As discussed earlier, EDI orders with exceptions can comprise one-third or more of total EDI orders, creating a lot of additional work and headaches for CSRs and IT. With Esker, your organization can put an end to costly and time-consuming aspects associated with processing EDI orders and achieve 100 percent e-ordering all at your own pace.

Esker takes information captured from an EDI order and creates a human readable version which CSRs can complete or correct data and start the workflow as usual — eliminating dependence on IT. What's more, CSRs can quickly and efficiently process customer orders from a single interface regardless of their submission method or format. EDI orders are no longer stuck in the EDI workflow and difficult to locate.

Benefits of managing every order with one solution:

- Enhance order visibility across all formats and channels
- Reduce the amount of time spent fixing EDI exceptions
- Gain insight into order errors prior to processing
- Quickly search and retrieve orders in the EDI workflow
- Complement an existing EDI infrastructure
Dashboards for Every User

Manual processing methods offer little in terms of packaged key performance indicators (KPIs) and dashboards, which can provide better organization for CSRs and real-time visibility for managers and executive management. This lack of control and monitoring makes it harder for everyone involved to perform daily tasks, monitor performances, analyze areas of improvement and allocate resources and workloads.

Esker’s Order Processing solution comes equipped with intelligent dashboards that enable users to facilitate daily tasks, monitor performances, and react quickly to prevent problems or spot opportunities early — making every action smarter and more strategic.

Dashboards are also customizable so that users can choose what they want to display and to which user or profile. Plus, users are free to remove, edit or add other indicators to their dashboards.

<table>
<thead>
<tr>
<th>VALUABLE DASHBOARDS FOR EVERY USER</th>
<th>COO</th>
<th>CS MANAGEMENT/STAFF</th>
<th>SUPPLY CHAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order per day</td>
<td>Orders per day</td>
<td>Orders lines per month</td>
<td>Priority orders to validate</td>
</tr>
<tr>
<td>Value of orders to be validated</td>
<td>Value of orders to be validated</td>
<td>Orders approved today</td>
<td>Orders waiting to validate</td>
</tr>
<tr>
<td>Ratio of EDI orders</td>
<td>Ratio of EDI orders</td>
<td>Number of lines by user</td>
<td>Out-of-stock orders</td>
</tr>
<tr>
<td>Customer issues/claims per month</td>
<td>Customer issues/claims per month</td>
<td>Processing time by CSR</td>
<td></td>
</tr>
</tbody>
</table>

Streamlining Customer Issue Management

Esker's dashboard metrics go beyond visibility into orders to provide clear and up-to-date information on the number of complaints awaiting resolution as well. Using the same interface as their customer orders, CSRs can create, manage and track customer issues electronically while maintaining full process visibility from order creation to product reception. With immediate access to documents, CSRs are able to quickly answer order status inquiries and maintain good relationships on the customer side, while also improving collaboration and job satisfaction on the company end.
LEVELS OF AUTOMATION

Esker offers three standard levels of automated fax and email order processing, ranging from a basic “quit paper” solution to full-blown data extraction and verification that the information is correct inside of the SAP system.

<table>
<thead>
<tr>
<th>LEVEL 1</th>
<th>At the first level of automation, information is captured by Esker and presented to the CSR in a dual-screen mode. On one screen, they see an actual image of the order. If orders come in via EDI, they are presented in a readable image. At this point the CSR can verify that everything is correct on the order and key it into SAP. This option helps companies take paper out of the process, create the order inside of the SAP system, and link it to an order image so that, down the road, orders can be found quickly for audits.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL 2</td>
<td>Level 2 adds intelligent OCR to not only capture the information on the order, but also verify that the captured data is correct (through validation) and feed it into other systems. These systems might include an existing EDI solution, as it is common for companies using EDI to not gain everything they expected from the technology.</td>
</tr>
<tr>
<td>LEVEL 3</td>
<td>The third level of automation is for those who may not have an existing EDI solution or simply do not want to slow down workflow in their existing EDI solution. In this step, through the use of business application programming interfaces (BAPIs), intelligent OCR goes inside the SAP system to determine if the captured part number is correct, if the customer exists in the system, etc. Getting all this information from SAP and bringing back into the process before the order is created enables orders to be 100 percent correct. This is perhaps the most common way Esker is implemented, as it provides all of the functionality available.</td>
</tr>
</tbody>
</table>

Executing the Project

Esker recommends that companies looking to carry out a fax/email order automation project take a close look at their current process and identify as many manual touch points as possible. At times, there may be a manual step in a company’s order process that is critically important (i.e., there is a reason why it is done), and it should not be eliminated altogether but simply automated as much as possible.

Esker seeks to understand its customers’ business processes and explore why they are doing things a certain way. Only then is it the best time to look for areas where paper can be removed and gains can be achieved. An important consideration in this approach is to keep it simple and not try to do too much at one time.

**Agile methodology**

When implementing an order processing automation solution, Esker always aims to make the process as quick and responsive as possible. That is why Esker utilizes the Agile methodology, which allows our customers, business partners and their key stakeholders to achieve maximum value throughout every phase of solution delivery.

Beginning with presales planning, Esker works with customers to create a vision for their project and define goals. After creating an initial release plan in collaboration with the customer, Esker quickly turns the customer’s desired list of features into results. Users provide feedback and respond to change after go-live, allowing their solution to adapt to their specific business needs. This rapid delivery and customer focus lets the customer achieve the highest business value in the shortest amount of time.
Benefits of Agile methodology include:

- Gaining the benefits of the solution more rapidly with faster return on investment (ROI)
- Ability to make decisions and modifications with context and experience
- Quickly receiving new features to test
- Being directly involved in the project; greater process insight
- Investing resources in the most valuable features
- Reducing risks and lowering overall startup costs
CUSTOMER SUCCESS STORY:

BASF
The Chemical Company

As the world’s leading chemical company, BASF has more than 110,000 employees, six Verbund sites and approximately 380 additional production sites worldwide, serving customers and partners in almost all countries of the world.

The Challenge

BASF had previously implemented an e-business portal to automate its ordering process, allowing customers to place orders online. However, even with manual order entry eliminated, BASF was still receiving 20 percent of its orders by fax and email, which had a direct impact on its bottom line. BASF decided to leverage an automated order processing solution to make its customer ordering process efficient and completely paperless.

Among the areas BASF was looking to address were:

- Automated recognition of incoming fax and email orders
- Integration into existing middleware infrastructure
- Validation based on master data
- Interface based on XML-to-EDI data structures
- Integrated creation of customer orders in the SAP system

The Solution

Since implementation, Esker now automatically captures incoming order information (e.g., customer name, shipping address, line-item details, etc.) and verifies it. Item numbers, quantities and price are reconciled with information stored in the SAP system. Approval workflow is performed before orders enter the SAP system, including validation, exception handling and posting to the SAP system or routing to a second-level approver. Orders meeting specific conditions can pass through without manual intervention.

The Results

- Integrated automation of customer orders into three core regions of global enterprise:
  - Europe
  - North America
  - Asia
- Leveraged existing infrastructure to reach all
  - Using IDoc EDI
  - Hooking fax and email with backbone
- Enhanced e-commerce system
  - “Every customer is an e-customer”
CONCLUSION

Fax and email orders play a common and, ultimately, confounding role within order processing. Some customers will always be unable or unwilling to adopt EDI. Rather than accept the consequences (lengthened O2C cycle, loss of competitive advantage, poor customer service), leveraging an automation solution that treats every order as an electronic interaction, and combines all of the necessary automation functions in one platform, is a proven way to modernize order management and bring speed, visibility and accuracy to every order processed by your company.
ABOUT ESKER

Esker is a worldwide leader in cloud-based document process automation software. Organizations of all sizes use our shared platform of solutions, offered on-demand or on-premises, to automate accounts payable, order processing, accounts receivable, purchasing and more. Esker’s solutions are compatible with all geographic, regulatory and technology business environments.

Global Expertise

Founded in 1985, Esker’s solutions are used by over 11,000 customers globally, from small to mid-sized businesses to large corporate entities. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin.

Cloud Computing

Esker is one of the first software vendors capable of offering a 100 percent cloud computing automation solution to its customers. Esker’s on-demand customers now represent 40 percent of Esker’s total sales revenue.


Esker’s solutions span the entire cash collection cycle — from order-to-cash to procure-to-pay — allowing organizations to automate virtually any business process that runs on paper documents:

- **Order Processing**: Automate the entry and routing of incoming customer orders.
- **Accounts Receivable**: Streamline every aspect of AR with on-demand invoice delivery, customer portal support and tools for collections management.
- **Accounts Payable**: Automate entry and routing of incoming AP invoices and other financial documents.
- **Purchasing**: Electronically process and deliver supply chain documents based on vendor preferences.