ESKER®
DeliveryWare

Automated Sales Order Processing

for Order-to-Cash Performance with ERP Systems

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Introduction

Business performance depends on how well a company manages its internal processes. Companies with effective business process management in place are able to analyze key performance indicators to monitor efficiency of day-to-day activities and employees against operational targets.

Many companies have implemented enterprise resource planning (ERP) applications to standardize enterprise operations and support business process management strategies. ERP solutions empower companies to automate many business processes formerly done by hand. But to achieve full return on investment in ERP solutions, businesses need to automate the documents that drive business processes. Some companies have also implemented technologies to automate document exchange, but often only to a limited degree.

To the extent that a business process is manual, relying on paper and lacking transparency for a view of daily activities, effective management of the process is a time-consuming challenge. Nowhere is this more apparent than in sales order processing. And the situation is particularly acute for businesses entering orders into ERP applications.

When companies examine ways to gain efficiencies and competitive advantages in a constantly evolving business world, order processing within the order-to-cash cycle emerges as an area offering significant potential for improvement. If there's a single characteristic that distinguishes high-performing companies, it is efficiency in the processing of customer orders.

Reducing the time it takes to turn an order into money in the bank offers strategic benefits to the company while strengthening customer relationships. Beyond cost savings, companies converting to an automated order processing system can realize efficiencies throughout the order-to-cash cycle.

Along with reducing operational costs, freeing staff to spend more time on customer service activities and improving accuracy, automation of sales order processing gives companies more control and insight into what is happening on a daily basis. These factors help companies better manage customer and supplier relationships, manage inventory and production, comply with regulatory requirements, control finances and sales forecasting, bring visibility to business processes and improve overall profitability.

This white paper examines the challenges faced today by organizations that are still manually processing sales orders, as well as the outcomes of automated sales order processing — including time, labor and cost savings as well as customer satisfaction. In highlighting a unique platform that integrates end-to-end automation of sales order processing with ERP solutions, this paper covers:

- **Inbound customer orders** as part of the order-to-cash cycle
- **Key challenges:** receiving, preparing, entering, validating, routing and storing orders
- **Overcoming those challenges:** process improvement through automation
- **What the solution looks like**

As a resource to help businesses gain efficiency and improve customer service in today's competitive business environment, this paper is designed to assist CEOs, CFOs, CIOs, order processing managers and ERP system administrators in learning about, planning for and evaluating inbound sales order processing automation.

Improving Customer Satisfaction

Companies today recognize that they must deliver outstanding customer service in order to acquire new customers and retain existing ones. The ability to process and ship orders accurately and on time, and to provide quick feedback to customers about the status of their orders, is at the core of this service model.

With manual sales order processing, customer service suffers from the large amount of time spent on picking up, collating, delivering, entering and tracking orders throughout every day. Companies often have a backlog of several days to enter orders. Human error is also a concern, as manual processing results in orders being entered incorrectly and returns being made. Orders or parts of orders can easily get "lost in the system." And as the volume of customer orders increases, the level of staff must increase.

Streamlining the Order-to-Cash Cycle

What is order-to-cash?

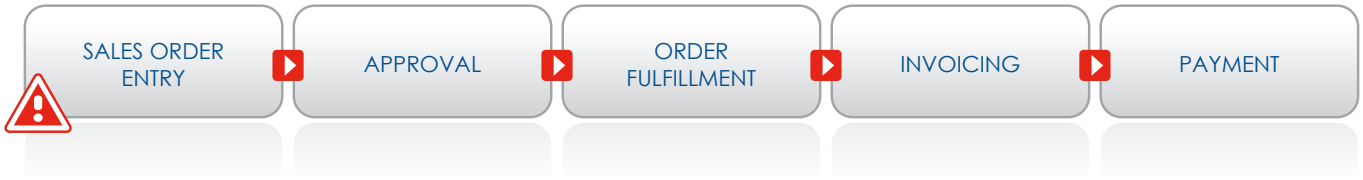
Order-to-cash is a generic term used to encompass the business cycle that starts with reception of a customer sales order and ends with collection of accounts receivable generated in the sale of the final product. There are several sub-processes within the order-to-cash cycle, including: receiving orders, entering sales orders, approving sales orders, fulfilling orders, billing for the orders and collecting payment.

Conventional order-to-cash

Using manual processes to orchestrate order-to-cash operations creates heavy administrative burdens along with the potential for incorrect shipments and cash collection delays. Manual processing of sales orders is inherently labor-intensive, time-consuming and error-prone, requiring valuable resources to manage each part of the process.

Using conventional methods, it can take hours to prepare, enter and store a sales order. And one wrong keystroke during data entry, such as inputting 100 units instead of 10 units, could become a nightmare for you and your customer. All activities down the line, including invoicing, will be affected — and cash collection can be delayed. Inevitably, human errors cost companies both time and money.

Within the order-to-cash cycle, sales order entry needs specific attention as it represents potential bottlenecks that can cause huge inefficiencies and significant costs directly affecting the bottom line.



Sales order bottlenecks

Integrity of the sales order is crucial to achieving and maintaining high efficiency throughout the order-to-cash cycle. If you begin with inaccurate or ambiguous information, performance will suffer. All activities are affected by the information that is pulled from the sales order.

When companies receive customer purchase orders, the nature of the processes they use to create sales orders in the ERP system and handle workflow can determine how much efficiency they are capable of achieving. Once the information is entered into the ERP system, there are issues of how to handle exceptions and how to keep track of order status. And when customers call to find out if their orders have gone through or to check the status of their orders, it means tracking down whether the order is still on the fax machine, with the rep, already entered into the system, etc.

Archiving

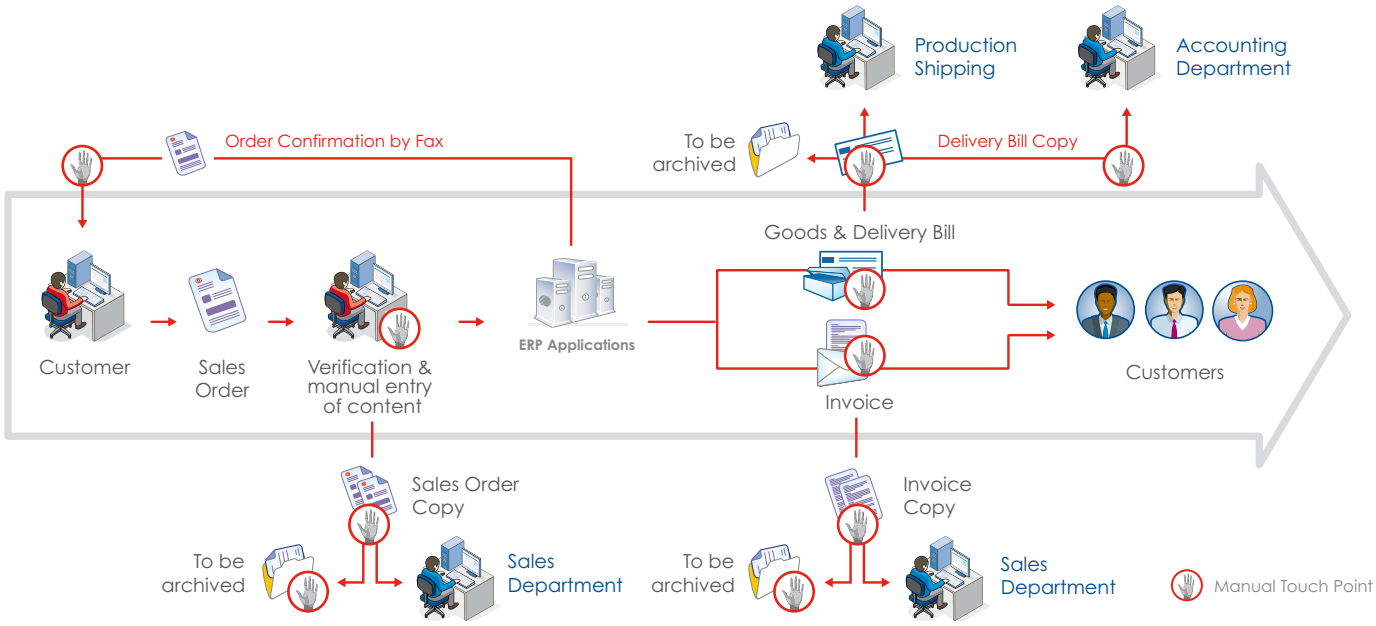
Companies also spend a significant amount of time retrieving orders and order data for internal or external audits and to satisfy the requirements of regulatory frameworks such as the Sarbanes-Oxley Act. Receiving orders automatically can enable companies to archive orders electronically, whereas in the past orders may have arrived via fax with the risk of getting lost at the fax machine and thereby delayed. Automated archiving offers major benefits in helping companies support regulatory compliance and avoid the hassles of filing and retrieving order documents.

A maze of manual touch points

In many companies, sales order processing travels through a labyrinth of departments and manual touch points for order preparation, data entry and archiving. Upon the arrival of a sales order, staff collect orders from a shared fax machine or printer, collate them, keep the paper copies and store them along with associated documents for later retrieval as needed. Manual data entry is required for sold-to number, quantities, part numbers and other key fields.

Sales representatives and administrators can only hope that none of these manual touch points cause misplaced orders, delays in fulfillment and payment, or errors and returns of incorrect shipments that end up in the customer's hands, resulting in customer dissatisfaction and loss of business.

The ideal solution automates every phase of the process to eliminate as many manual touch points as possible.



Prioritizing orders

Many companies process orders on a first-in/first-out basis, which fails to account for priority of sales orders according to customer or product line. Certain customers and products may take priority over others, but all orders go through the same process. Orders might sit on a fax machine until they are collected by a receptionist once an hour and then hand-delivered.

In addition to helping companies share resources to process orders faster, automation can help them recognize when orders from key customers, or for key products, come in. This capability can result in competitive advantages if companies can respond to top customers faster, ship orders sooner and be more proactive.

How conventional order processing affects business efficiency:

- **Delayed cash collection**
- **Expensive execution (often costing between $30 and $60)**
- **Slow fulfillment**
- **High vulnerability to errors**
- **Low customer satisfaction**

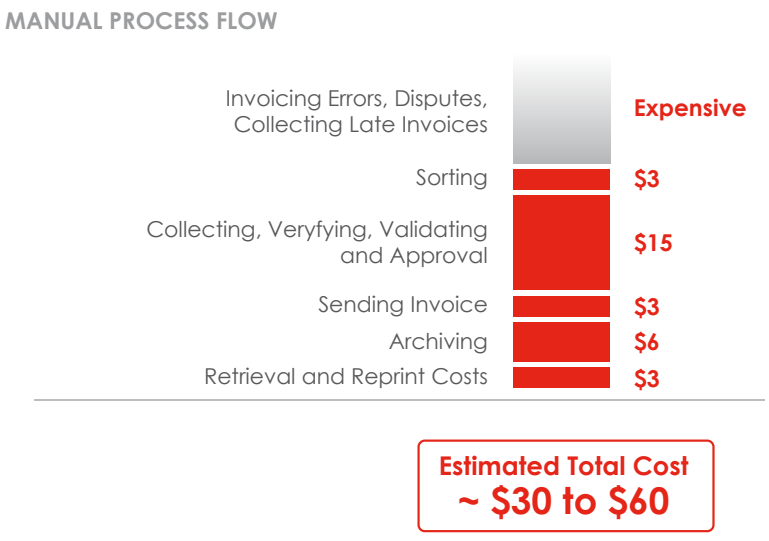
But how do you improve sales order processing performance if you can't determine where the bottlenecks are? The answer is to automate not only document capture but also auditing of the entire order process.

Time and costs associated with manual sales order processing

The table below summarizes the number of documents that are manually handled in typical sales order processing. The *minimum* time estimate is 17 minutes.

For 1 Sales Order	Time Taken
9 documents manually printed	**17 minutes**
4 documents manually archived	
1 document manually faxed	
1 document manually mailed	

The table below summarizes the typical costs of manual sales order processing. The $30 estimated total cost is a minimum and can range as high as $60 or more.

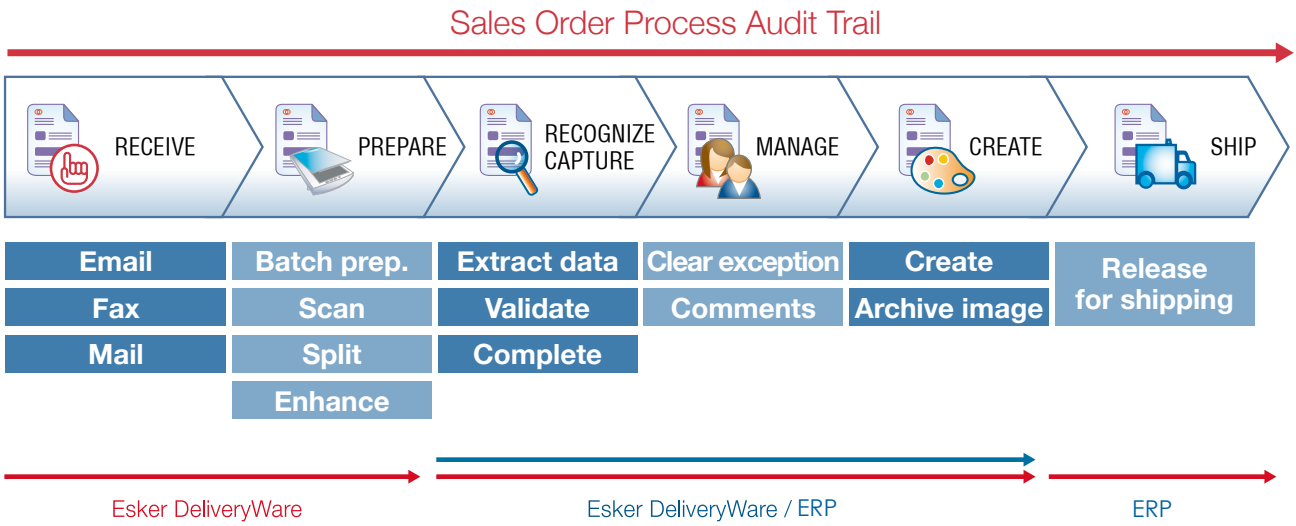


Automated Sales Order Processing

Incoming sales order documents launch the order-to-cash cycle. Fast response to orders helps businesses increase customer satisfaction and ensure on-time delivery as well as timely customer payment. Incoming customer orders need to be entered and confirmed quickly to allow for efficient delivery. Up-to-date information on the status of customer orders is crucial for effective customer service as well as sales management and forecasting.

To optimize inbound sales order processing, these four essential areas must be automated:

- **Inbound document capture** to eliminate handling of paper
- **Optical Character Recognition** to remove manual data entry
- **Workflow** to coordinate all processes that must occur along the path
- **Access** to documents and information about the process



Key financial management benefits of automating all of these areas include real-time budget control, sales monitoring and forecasting. This level of automation also enables businesses to:

- **Increase speed and responsiveness** — make the entire process quicker and more efficient
- **Reduce operational costs** — remove manual administration by adding business rules to corporate forms
- **Reduce per-transaction costs** — streamline throughput and save money while improving service
- **Gain a clear view into the process** — use and share the information for more effective management
- **Realize rapid return on investment** — reduce costs and improving controls boosts the bottom line
- **Ensure high-quality presentation** — apply consistent rules to all your online and offline processes

Automation minimizes the amount of manual labor and the number of keystrokes required to complete order processing. These capabilities can yield millions of dollars in savings by reducing the number of touch points at each step of the process, and by providing the ability to identify and resolve bottlenecks within the process. And businesses can improve the customer experience by increasing speed and responsiveness. Orders received by a certain time can be entered the same day for more on-time shipments.

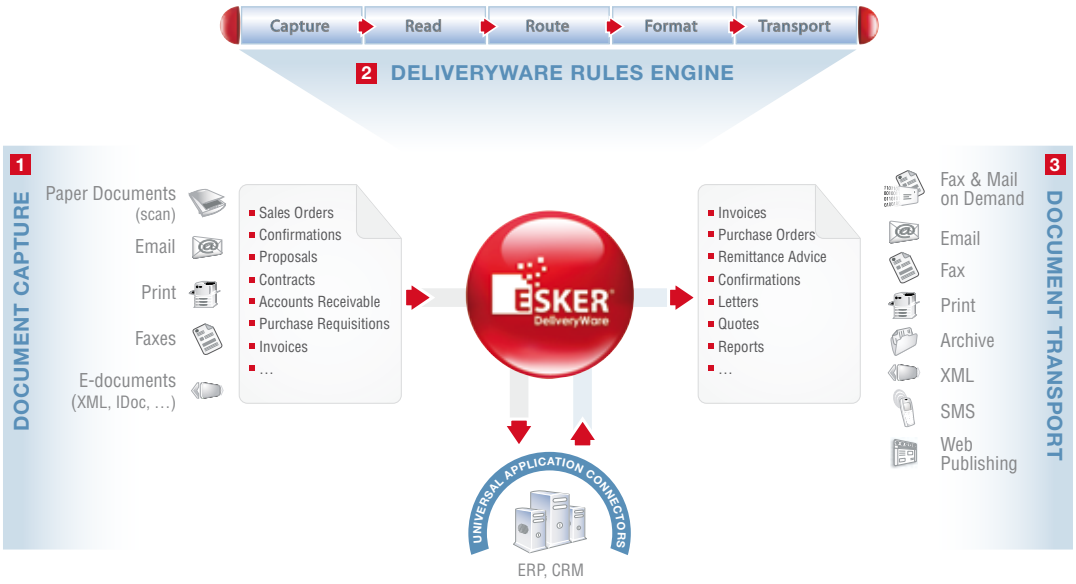
The Esker DeliveryWare Solution

For companies seeking to reduce order fulfillment time, eliminate order errors and returns, accelerate cash flow, improve information accessibility, cut administrative costs and increase customer satisfaction, there are several software products marketed to businesses as solutions for automated processing of inbound sales orders. Only one solution offers patented DeliveryWare Rules technology and a full range of outbound document delivery capabilities. By effectively reducing the time between receiving a customer order and collecting payment for the order, Esker DeliveryWare helps companies achieve additional return on their investments in ERP applications.

End-to-end document process automation

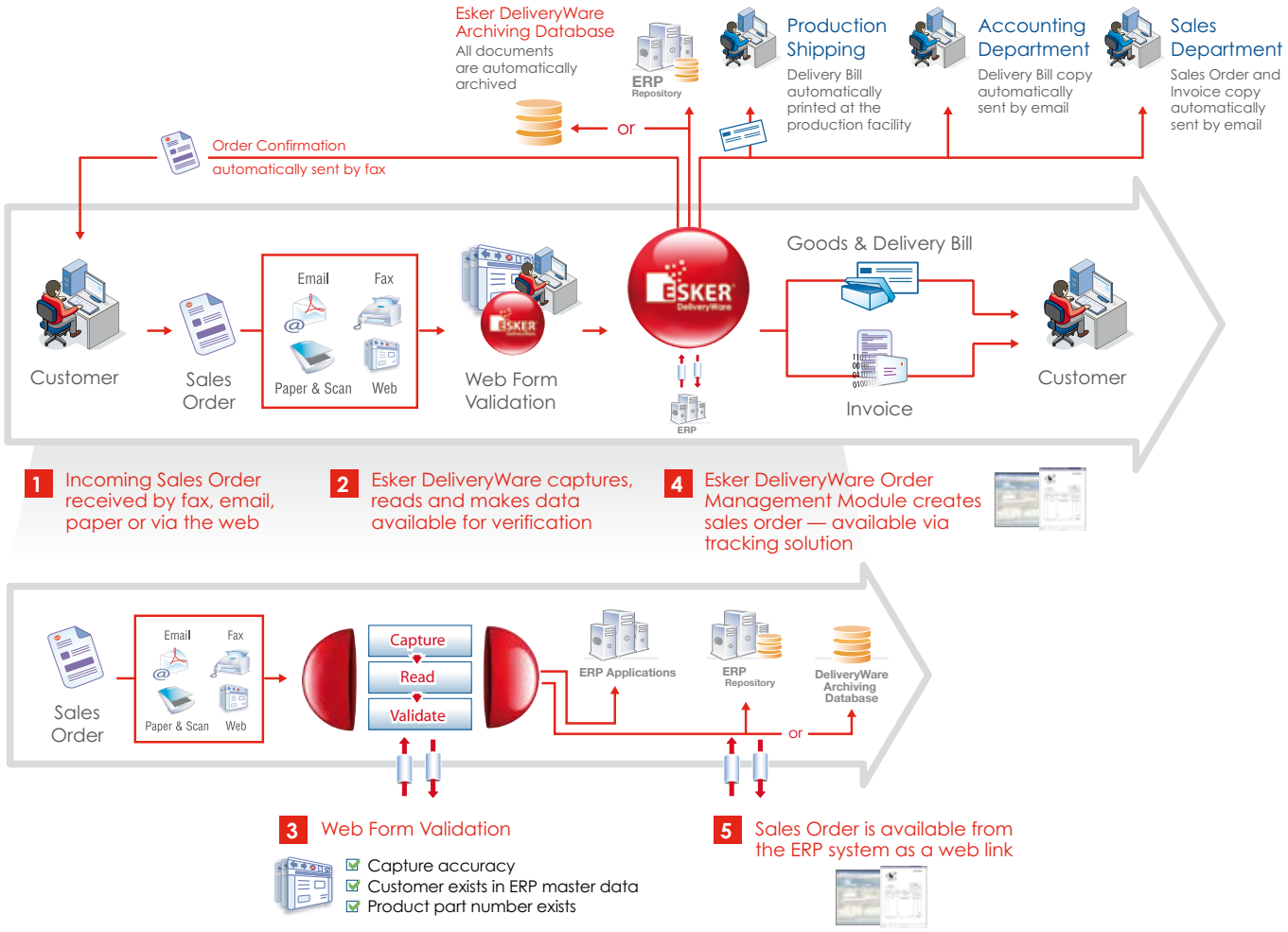
Esker DeliveryWare offers a comprehensive solution that streamlines document processes from start to finish by eliminating inefficient steps, making communication more efficient, personalized and cost-effective — regardless of the information source or type of delivery transport. Integrating non-intrusively with ERP applications, Esker DeliveryWare minimizes the touch points in order processing without disrupting current business operations.

Designed to optimize internal and external information flow into and out of ERP applications, Esker DeliveryWare is an end-to-end document process automation platform. Managing all inbound and outbound document processes through this central platform simplifies the IT infrastructure, reduces the time and costs associated with document communication and streamlines critical business processes.



1 Document Capture	2 DeliveryWare Rules Engine	3 Document Transport
Esker DeliveryWare automatically captures invoices and other documents in any format — independent of layout and application or source, without the need for custom programming.	At the heart of Esker DeliveryWare is patented technology that automatically recognizes and extracts data from electronic documents to determine formatting, conversion, and routing conditions and actions that need to take place, as defined by processing rules.	Esker DeliveryWare distributes documents automatically, based on organizations' specific requirements. They can be delivered to multiple recipients in the most complete range of formats (text, XML, PDF, IDoc, PCL, PS, TIFF, etc.) and media (postal mail, fax, print, email, web, file transfer, archive, wireless message, etc.)

Automated sales order processing with Esker DeliveryWare



AUTOMATED PROCESS FLOW WITH ESKER DELIVERYWARE

Estimated Total Cost ~ $3

Time and cost savings with Esker DeliveryWare

The bottom line is substantial savings of time and money. Estimated total cost of processing a sales order with Esker DeliveryWare ranges from $1 to $3.

For 1 Sales Order	Time Taken
1 document automatically printed	1 minute
2 documents automatically archived	
1 document automatically faxed	
1 document automatically mailed	

Sales Order Workflow with Esker DeliveryWare

Tight integration with ERP applications

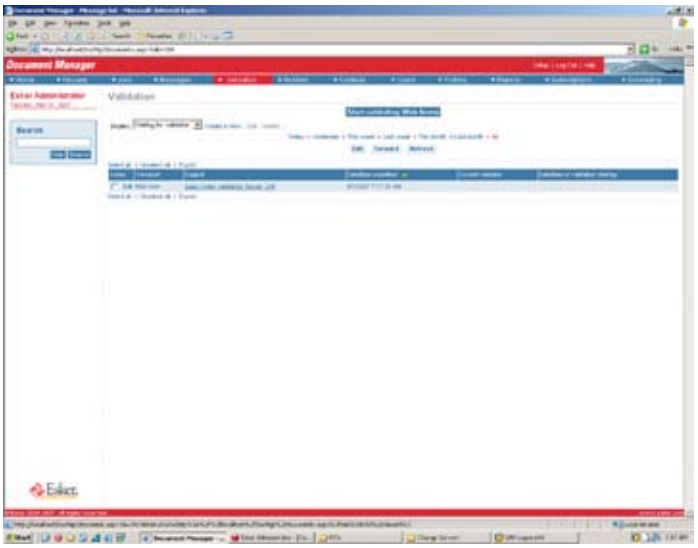
Esker DeliveryWare leverages existing systems to automate sales order workflow and facilitate capture of process information from customer sales orders, and to make that information available along with the sales order document.

Esker DeliveryWare integration does not require custom programming or business processes modifications. Sales orders arriving in various formats (paper, fax, email, electronic file) are automatically captured, approved and transferred to an archiving system or to the Esker DeliveryWare repository. Order data such as customer name, part number, quantity and prices can be automatically made available in the ERP system, replacing manual data entry.

The order object is linked to the stored document, allowing the user to retrieve the original document easily when necessary — within the ERP application interface.

The process flows through the following steps:

Step 1: Receiving and routing

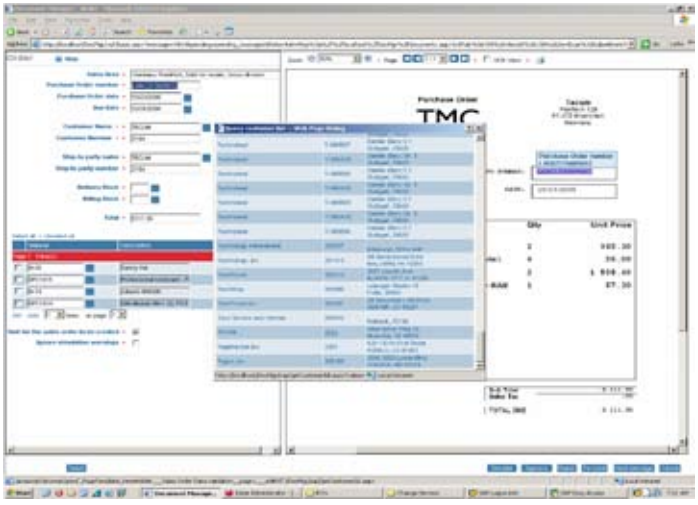


When a sales order arrives, it is automatically handled by Esker DeliveryWare. The document is recognized and converted, and sales order data is extracted. Immediate confirmation can be sent to let customers know that their orders have been received.

Based on your specific criteria, Esker DeliveryWare captures and routes sales order documents to the corresponding customer service representatives for processing, regardless of whether the orders are received by fax, email, mail, or electronic document.

New orders are distributed according to criteria such as caller ID, fax number dialed, and the customer number on the received purchase order. Orders can be routed and prioritized so that top-priority customer orders get immediate attention while others hold in the queue.

Step 2: Document capture

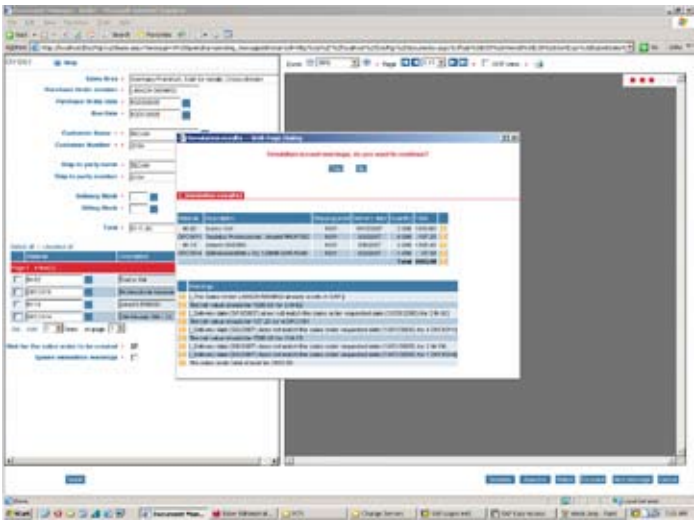


Esker DeliveryWare is designed for flexibility in capturing relevant sales order data such as the name of the company that placed the order, the shipping address and instructions, the order number and requested date as well as line-item information — no matter how the data is displayed or where it is located on the incoming sales order.

Users have a split-screen view of the original order and the values extracted by Esker DeliveryWare.

To determine values not located on the document, such as the customer number, Esker DeliveryWare can enable automatic database lookup inside the ERP system. Customer service reps can view corresponding data straight form master tables as well as item numbers and description information.

Step 3: Process workflow and exception handling



The web-based user interface in Esker DeliveryWare enables validation and approval of sales orders, allowing users to double-check correct recognition of the data. Whenever it is necessary to draw the user's attention to identified or potential issues, the interface displays warning and error messages next to the captured fields.

For automated exception handling, Esker DeliveryWare allows users to validate against master data, add any missing information and simulate order entry in the ERP system to manage exceptions and order blocks. When a customer service representative is ready to approve a sales order, the captured information from the purchase order is validated against master data to check for duplicate orders, price variations or invalid part numbers.

After all exceptions and/or blocks are cleared, the order is created in the ERP system. Users can view the newly created sales order, containing the fields captured and validated in the previous steps, from the ERP application interface.

Within the ERP application, the order is linked to the original, stored image document for easy retrieval. This makes it possible for everyone involved in order processing and fulfillment to see the order, along with any associated documents, from their ERP applications — rather than having to request copies of orders from customer service reps or data entry staff.

Step 4: Process audit trail and reporting

Esker DeliveryWare continuously tracks and reports on sales order processing from end to end, creating a detailed audit trail from the time it receives the document until an order is created in the ERP system. You gain visibility into the entire process — with the ability to identify and remove bottlenecks for improved order-to-cash performance.

Reports can easily be created to give a view of performance indicators such as the number of orders that have been entered each day, the number that have been received but not processed, how long orders wait to be processed, the amount of time it takes each rep to enter an order, which customers are using correct product details (such as pricing and part numbers) and which are not. And Esker DeliveryWare can provide reports on all orders, including those not entered into the ERP system.

Auto-learning capabilities

Esker DeliveryWare is able to learn new document layout and specifics, continually improving its recognition and extraction capabilities over time. Available to power users or system administrators via the browser-based "teaching" interface within Esker DeliveryWare, this feature enables the system to become more efficient the more it is used.

Esker DeliveryWare Automation Benefits

Effectively eliminating manual processes, Esker DeliveryWare reduces the time from receipt of a sales order to payment of the invoice. Businesses running ERP applications and Esker DeliveryWare are able to:

- **Lower order-to-cash processing costs by up to 70%**
- **Improve cash flow and speed up the collection of cash**
- **Increase the percentage of orders and order line items captured electronically**
- **Prevent lost or misplaced orders by keeping them electronic**
- **Lower stored data costs as a result of electronic archiving**
- **Free-up staff time by as much as 65% so they can focus more on customer service**
- **Increase data entry accuracy by up to 99%**
- **Reduce returns, which directly affects the bottom line**
- **Avoid having to add staff as order volume grows**

And process control with Esker DeliveryWare results in significant benefits both for business management and system administration, including:

- **Quick order processing and efficient delivery scheduling**
- **Comprehensive customer order tracking and prioritization**
- **Enhanced quality and effectiveness of customer order management**
- **Structured data for customer profitability and employee performance analysis**
- **Reduced Days Sales Outstanding (DSO)**
- **Less redundant processing of duplicate orders**
- **Electronic capture of approvals**
- **Auditing of delivery or billing block processing**

Real results achieved by Esker customers

- **Order processing time reduced from 10 minutes to 60 seconds**
- **76% faster processing of orders compared with the manual process**
- **Increased order processing from 5 orders to 50 orders per hour**
- **Cut order delivery times from 4 days to 1 day by recognizing and processing orders for key products immediately**
- **Projected savings of 9,100 hours and $170,000 in the first year of automating orders from just 2 customers**
- **Went from 3–5 hours to 5–10 minutes to complete 6–12-page orders with up to 300 line items**
- **Achieved 99.9% Sarbanes-Oxley compliance for customer service documentation**

Workforce flexibility and scalability

Along with capabilities to process orders faster and smarter, companies are looking to create a more flexible and scalable workforce. They need to be able to redeploy resources in response to changing business trends, and they need technology to help them to do this. In addition, many companies need to be able to redistribute order processing operations on a global basis in case one site goes down, so they need technology that is standardized and provides the ability to shift processing to another site if a disaster occurs.

Also, because volume of orders for some products are subject to seasonal demand or other business trends, certain reps may receive much higher order loads than others at different times of the year. Companies need a way to share this load and make the most effective use of resources. Esker DeliveryWare helps by providing reporting capability to track order volumes and enable shifting of staff to different product lines.

And in a typical manual process, orders sent direct to a rep by email might sit in the queue for a few days if the rep is out sick or on vacation. Reps won't always remember to set their out-of-office messages or log in remotely to forward orders to other reps who can cover them. Automation with Esker DeliveryWare offers the means to ensure that orders can be re routed or handled by other reps, thus avoiding delays for customers.

Making the most of EDI and e-documents

As part of e-commerce initiatives, many companies have implemented electronic data interchange (EDI) to automate capture of incoming sales orders. But in the typical scenario, companies use EDI only for their largest customers — often through custom-configured channels of data exchange set up for each customer.

With its ability to capture data from orders received by fax, mail (paper), email and print as well as electronic documents, Esker DeliveryWare not only supports existing EDI structures but enables companies to leverage additional value from them by expanding the range of information sources from which EDI or e-document files can be generated. Esker DeliveryWare helps businesses fill the EDI automation gap and increase the percentage of order volume processed via EDI to gain additional efficiencies without altering their existing business procedures or IT infrastructures. With Esker DeliveryWare a business is able to treat all of its customers, large and small, as EDI-enabled — even if they are not.

And for non-EDI transactions, Esker DeliveryWare can feed order information directly into ERP applications via Application Programming Interface (API) mechanisms.

Customer success

Esker DeliveryWare is a proven solution for sales order processing, with a long list of references and a solid track record of success in addressing challenges for companies within every industry sector.

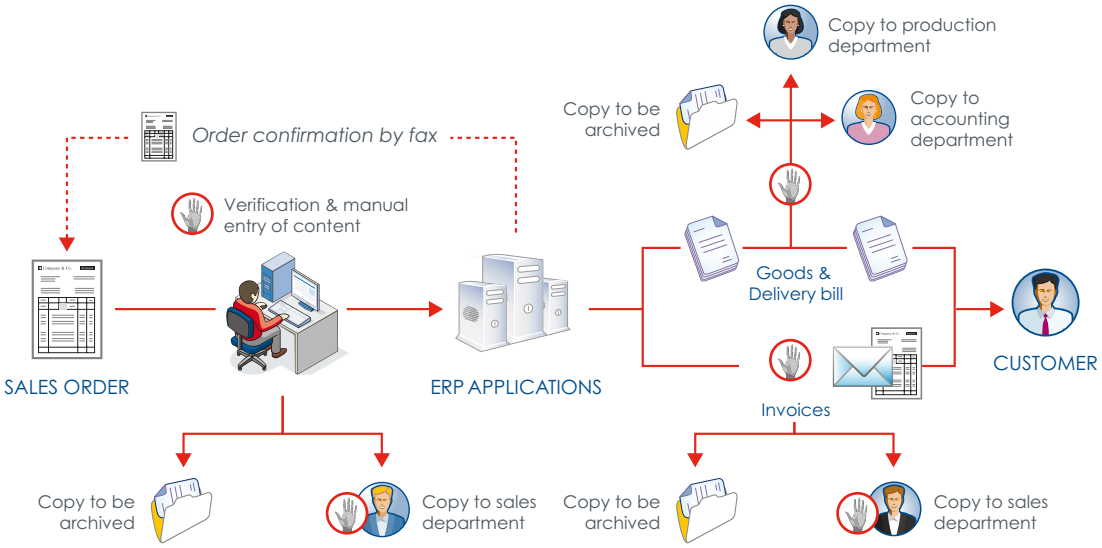
For example, a leading manufacturer of respiratory monitoring devices had customer service representatives (CSRs) manually organizing sales orders, delivering them and keying them into the ERP system. CSRs walked to a fax machine and picked up as many as 700 incoming faxed sales orders a day, then entered data manually. Labor to perform this task was costing the company approximately $100,000 per year. Expenses for paper, toner and leases on fax machines amounted to $38,000 per year. This time-consuming process was slow and cumbersome. Orders were piling up, waiting to be gathered, collated and handed off to available CSRs.

The company implemented Esker DeliveryWare to automate orders into the ERP system by using image recognition to process the TIFF image from the fax, putting it through an approval process, and then converting it to an e-document for processing. CSRs were eliminated from the process, resulting in total savings of $134,000 per year and ROI in less than six months.

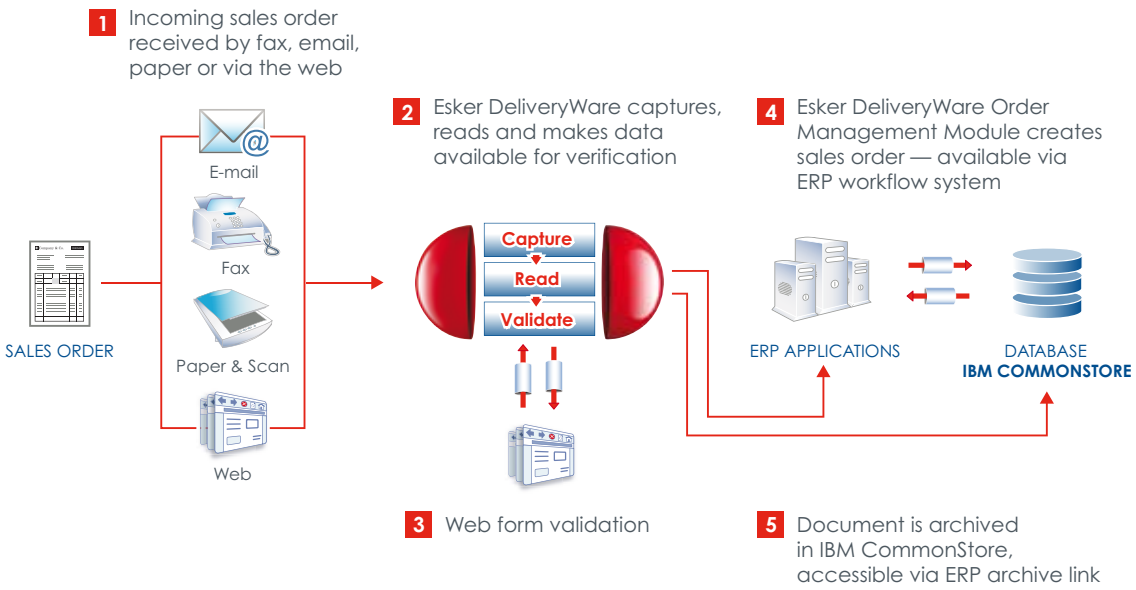
The following page of this paper maps out in detail the before/after business case of another Esker customer.

Case Study: Leading Appliance Manufacturer

Following the acquisition of another large appliance manufacturer, the company had 120 customer services reps receiving and entering orders arriving in different formats with different expectations. Reps entered these orders using a paper-based process that took over 43 minutes per order, causing a backlog of 3 days. Each order was tagged with multiple delivery dates based on inventory, and millions of dollars in orders were not being invoiced because reps were unable to match proof of delivery with the orders.



Esker DeliveryWare enabled the company to avoid hiring new reps to enter the increase in sales orders due to the acquisition, and eliminate paper by archiving all documents in IBM CommonStore, with a direct link to the document within the ERP system. The 3-day backlog was decreased to same-day order entry, and average order entry time was reduced from 45 minutes to 5 minutes. The company is now able to report on every step that occurs during sales order processing, and employees can devote more time to serving customers instead of entering orders.



Creating a Successful Implementation

Inefficient sales order processing can cause companies to miss tremendous opportunities for improved profitability, and can keep them from emerging as market leaders. Achieving the best results from automation requires a careful assessment of the available solutions to find one that meets all the specific requirements of your process.

To ensure the success of your move from conventional order processing to an automated solution:

1. Search for a solution that can be integrated quickly.

Measuring the cost of deployment, integration and scalability to meet your needs and your vendor needs is crucial in choosing the correct solution. Look for a solution that can be implemented quickly and integrate seamlessly within your existing ERP applications.

2. Choose a vendor with proven expertise.

A successful automation of an order processing automation solution must include both technology and knowledge. How long has the company been implementing these solutions and how many successful installations have they completed? Make sure they have a thorough understanding of the essential tasks involved in enterprise technology implementation and integration.

3. Find a solution that creates added value.

The solution must offer the ability to automate every phase of the order-to-cash process. It should leverage your existing infrastructure, thereby increasing the return on your company's ERP solution investment.

What to look for

Specific capabilities of value to businesses in automating sales order processing include:

- **Multi-level approval management**
- **Rush, standard and forward-looking order management**
- **Automated creation of multiple orders from one**
- **Electronic exception-handling workflow**
- **Out-of-the-box tracking and reporting to monitor sales order processing activities**
- **Order entry notification and warning when unprocessed orders are sitting for too long in someone's task list**
- **CSR out-of-office management**
- **Electronic indexing and archiving of original document images for easy search and retrieval**
- **Link to archived documents available from ERP application interface**

Learn more

As a comprehensive platform to integrate automated order processing with ERP applications, Esker DeliveryWare satisfies all of the above criteria and more. And order processing is only one area of the order-to-cash cycle that Esker solutions automate. Esker also helps companies gain efficiencies in invoicing (including automation of postal mail delivery), proof of delivery and cash collection. Esker can help you determine your specific requirements and identify the best solution for your business processes.

For details about Esker document process automation solutions, please visit www.esker.com.

About Esker

Esker is a recognized leader in helping organizations eliminate paper and improve business processes with on-premise and on-demand document automation solutions. Integrating seamlessly with enterprise systems and other applications, Esker solutions enable end-to-end automation of any inbound or outbound document processes — sales order processing, billing, cash collection, accounts payable, procurement and more.

Esker was founded in 1985 and operates globally with more than 80,000 customers and millions of licensed users worldwide. Esker has global headquarters in Lyon, France and U.S. headquarters in Madison, Wisconsin.

MADISON, WISCONSIN
▪ U.S. HEADQUARTERS

Esker Inc.
1212 Deming Way
Suite 350
Madison, WI 53717

Tel : 608.828.6000
Fax : 608.828.6001

Email : info@esker.com

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