

Food and beverage company gains \$1.5 million in cash flow with document management

"We save \$125,000 each year with OnBase in labor and operating costs. Our days sales outstanding fell from 38 days to 32. At \$250,000 per day, it nets a \$1.5 million gain in cash flow."

– Troy Grove, CIO
Berner Food and Beverage

The Challenges

- Paper was outgrowing storage space
Losing too much time searching for information hurt vendor service
- Communication between locations was too slow

The Results

- Increases cash flow by \$1.5 million by taking 6 days off DSO
- Saves \$125,000 each year in labor & material costs
- Gives employees quick access to the documents they need in real time with ERP integration!

The Customer

Berner Food and Beverage is a leading private label supplier of quality food and beverage products. Family owned and operated for more than 65 years, Berner has been voted "Best in Class Supplier" by grocery purchasing managers seven of the last eight years.

The Challenges

Paper was causing Berner problems on multiple fronts. First, it was quickly outgrowing storage space. But more importantly, staff was losing valuable time performing tasks such as manual filing and retrieval. In addition, Berner was adding locations, and moving documents (often through faxing) between them was slow and cumbersome.

"It's amazing to us how much time is spent dealing with paper," says Troy Grove, CIO. "Searching through file folders was just a waste of time."

The Journey

To help solve these problems, Berner went looking for document management software. Grove and his team knew that they wanted a solution that could start in one department and eventually scale across the entire company when the time was right. It also had to integrate with the company's existing enterprise resource planning (ERP) application without a lot of expensive custom coding while staying easy for IT to administer. After researching vendors, Berner chose the OnBase enterprise content management (ECM) suite through Harvest Technology Group, an authorized OnBase solution provider.

The Solution

The initial OnBase solution took only about three weeks to implement in Accounts Payable (AP), and Berner realized a complete return on investment (ROI) in only six and a half months. Since then, Berner continues to expand it across the company, including Accounts Receivable (AR), Quality, Procurement, Maintenance, Warehouse, Sales and Compliance.

Finance departments save \$125,000 per year, DSO falls by 6 days

The AP process starts with the Procurement department generating a purchase order (PO) in CDC Software's Ross Enterprise ERP. The ERP also generates vendor invoices and packing slips, or they originate on paper. All of these documents are imported or scanned into OnBase, where they are linked together in a three-way match process. Once Berner generates a related check, OnBase also links that to the other related documents. With documents automatically matched and quickly retrievable, Berner saves \$106,000 in labor costs, and another \$19,000 on operational costs, such as paper, toner and storage.

“OnBase is a win-win for both the IT and business sides of the house. The departments use OnBase to make their jobs easier, and it’s the kind of system that I don’t have to worry about because it just runs.”

– Pam Gesin, Senior Systems Analyst
Berner Food and Beverage

“We save \$125,000 each year with OnBase, and we realized a complete return on investment in only 6 and a half months,” says Grove. “Plus, our days sales outstanding [DSO] fell from 38 days to 32. At \$250,000 per day, it nets a \$1.5 million gain in cash flow.” With the increased cash flow, Berner now has more options to reduce days payable outstanding (DPO) as needed. They can take better advantage of early pay discounts and avoid any late pay penalties.

AP improves service and spends more time on what really matters

Previously when a vendor called with a question, AP clerks wrote down the details, hunted down the associated paper documents and hoped to find the answer. Now, the information they need is all in one place and accessible from their computer on the first call. It improves vendor service and relationships, and frees up AP to spend more time on doing higher value tasks such as processing and resolving exceptions.

“Physical files limited us to only one way (one way meaning a document is filed by one chronological value) of looking for something. With OnBase, authorized users at all five of our facilities can quickly search multiple criteria – invoice number, vendor name, any keyword they know,” says Pam Gesin, senior systems analyst. “Not only is it much easier to find what we need, but staff don’t have to wait for information as it can be viewed by many people at the same time.

Low maintenance keeps IT solving business problems, not software problems

“OnBase is a win-win for both the IT and business sides of the house,” says Gesin. “The departments use OnBase on a daily basis to make their jobs easier. At the same time, it’s the kind of system that I don’t have to worry about because it just runs.” With OnBase, Gesin doesn’t have to deal with bugs and fixes. Instead, she can focus her team’s time on making enhancements to business processes and expanding OnBase into new departments.

Why OnBase?

For food and beverages companies, reducing DSO and increasing cash flow means that they improve their financial health. With OnBase, you eliminate much of the time wasted on finding and processing paper. Finance departments AP and AR functions work at top efficiency. That’s why Berner still only has one person processing AP invoices, even though the company has tripled in size since initially implementing OnBase.

time to make a difference.

Get more information out of existing business applications. Reduce, even eliminate, wasteful, redundant tasks. Now you can spend your time on the things that really matter. That’s effective document and process management.

That’s the OnBase difference.

Learn more at Hyland.com/Commercial

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a Hyland Software solution