

# IntelliChief Case Study: Building Stronger Cash Flow with IntelliChief ECM Automated Accounts Payable



Company: Pacific Steel

ERP: B&L BLIS-400 Odyssey

## Solid as Steel

Pacific Steel Casting Company (PSC) was founded in 1934 to make steel castings for the U.S. Military. The foundry quickly gained a reputation for notable quality, and grew steadily during its early years. As time passed, PSC began to face its fair share of challenges, including pricing pressures from internationally-produced steel products and several recessions. However, with a lot of hard work and bit of ingenuity, the company has managed to remain as solid as the products it produces. Today it is one of the largest steel foundries in the United States.

PSC has managed to survive by maintaining loyal customers who return for superior quality castings and excellent service – but it's also successfully battled high operating costs by continually implementing internal efficiencies. One area of inefficiency that PSC recently tackled was its plethora of paper processes. According to Jennifer Freeman, Database Administrator at PSC, "We had a real need to go paperless, not to just go green, but to also enhance accuracy while saving time and money." Freeman and the company's Controller agreed that an automated, paperless flow would benefit **Accounts Payable (AP)** and their interdepartmental colleagues, making sure that important documents never sat on anyone's desk too long. It would also help the company with issues involving multiple document copies, outdated information circulation and duplicate payments.

Freeman indicated that PSC had been using Quadrant Software's Formtastic™ and FastFax™ solutions when they began their quest to go paperless, and they were excited to discover that IntelliChief enterprise content management (ECM) was a partner product and provided/supported both Formtastic and FastFax, and could help them reach their document management and business process workflow goals. At first glance, the solution seemed like a perfect fit, but the company decided to evaluate other ECM options for comparison. In the end however, IntelliChief's process workflow-matching configuration, and seamless integration with PSC's B&L enterprise content management (ERP) system, made it the right choice for them.

"All the paper was costing us a lot of time and money," Freeman relayed. It also resulted in too many mistakes. **"We ended up double paying vendors two or three times a month, well, that we knew of. We had a team of four in AP who were struggling to keep-up with the increasing paper volume. They were doing the best they possibly could, though the backlog of ERP information keying and constant 'walking-workflow' put them in an unwinnable cash flow situation. IntelliChief was our way to fix this through automation."**

## Piles (and Piles) of Paper

Before the IntelliChief implementation, all purchase orders were created manually. An initial requisition was drafted, and once approved three copies of the document were made. One went to AP, another to **Purchasing** and the final to the requestor. The information was then manually keyed into the B&L ERP in order to create an official purchase order (PO) for the requisition. This PO would then be printed in triplicate and distributed. At this point in the process, Freeman explained that, "at least six pieces of paper had been generated to secure a single item."

Once the item requested arrived, its receipt would be entered into B&L. The receiver who signed for the goods would, according to Freeman, "hopefully be able to send the packing slip over to AP that day, preventing processing hold-up, or worse – documentation loss." If the packing slip made it there, AP would then attempt to make a four-way match, trying to marry up the original requisition, the PO, the packing slip and the inbound invoice from the vendor. More often than not however, all four documents did not make their way to AP, causing AP to have to request new copies from various parties within the process. If any originals did resurface, some items were entered twice and invoices paid twice.

The time was definitely right for PSC to implement IntelliChief, and activate additional tandem features within B&L that would enable the company to reliably go paperless.

## Paperless Purchasing

The first thing PSC did was to activate the Requisition Approval function within B&L. This ability automates the requisition process, meaning no hard copies are produced. Once the requisition is approved in B&L, a PO is generated within the system and faxed or emailed directly to the vendor through FastFax. No copies of the PO are required – every single document within the purchasing process is archived within the IntelliChief system.

PSC also activated the Receiving function within B&L that's integrated with IntelliChief, which allows the company to scan a packing slip at **Receiving**. AP no longer has to wait for the physical slip; once it's scanned it becomes available electronically via IntelliChief to all authorized users. When an invoice arrives (whether via fax, mail or email), it's captured by IntelliChief and made available via their B&L screen. With a mouse-click users can retrieve all AP documents quickly on the screen, making the four-way matching process a snap. Also, there are no more checks to print, copy and file, as IntelliChief retains copies of each and every payment's documentation, through automated capture and archival.

In the event that a snag ever arises within the purchasing process (IE the quoted price on a PO doesn't match the price on an invoice), IntelliChief makes it easy to resolve the issue. There's no more walking paper across the building, instead AP simply forwards the item within IntelliChief's workflow to the proper parties to resolve the issue, with the system's assistance. The best part, said Freeman, "is that all transaction documentation history is organized and stored in IntelliChief, making it very easy to archive and retrieve any aspect of any transaction, with all the steps and notations added in workflow retained."

### Automated Cash Flow Improvement

Freeman feels that IntelliChief has fundamentally changed the way PSC conducts business. Most of the company's filing cabinets are gone. Everything and everyone is comfortably more efficient, helping to add dollars to the company's bottom line. According to Freeman, **"IntelliChief has really streamlined the invoice matching process and approvals, and payment scheduling, greatly enhancing our cash flow. We're also benefiting from vendor discounts for the first time in our company's history, and finding them to be significant in our case."** Payment errors are virtually non-existent now, according to Freeman.

### The Future

With IntelliChief, PSC now operates a paperless **Purchase-to-Pay** process. They also recently implemented IntelliChief to handle their **Order-to-Cash** operations. While they haven't had the system in place long enough to fully calculate its payoff, they're already benefiting from on-screen visibility to order projects that they, and all of their colleagues involved in fulfilling each order, haven't previously had. The days of running between departments to retrieve, review, add notations and approval files are over. The **Shipping Department** is also better equipped to work with Customer Service, with both having real-time access to each order's status. Any customer-requested order documents may be sent to them directly from IntelliChief by email or fax.

When asked if she would recommend going paperless with IntelliChief to other companies, Freeman responded, "Absolutely! Get rid of the paper, it will immediately save you time, money and frustration!" She also said that for most people letting go of paper was easier than she had expected, and that the few who struggled were convinced after just a few days, as they realized how easy it was to retrieve a document from IntelliChief. Freeman stated, "The IntelliChief search function is as intuitive as an Internet search engine. Whether the documents are linked to B&L or they're stand-alone items created within IntelliChief, the system makes it very easy to search for and access them right away. We've moved in the right direction – away from the filing cabinets."

### Contact IntelliChief Today

To learn more about how PSC and other organizations are utilizing IntelliChief ECM to eliminate paper and improve cash flow, contact [sales@intellichief.com](mailto:sales@intellichief.com) or visit [www.IntelliChief.com](http://www.IntelliChief.com).