

Lexmark's accounts payable department uses the company's own MFP and software routing technology to dramatically improve its processes.

Lexmark technology saves company \$100,000+ annually, streamlines accounts payable process

The Challenge

Before desktop computers, networks and databases, businesses stored their mountains of customer, inventory and accounting information on sheets of microfiche or on reels of microfilm.

Measuring 4" x 6", microfiche sheets are well-suited for computer-generated output, such as accounting reports. Microfilm is different. It's a photographic process that stores images of paper documents, such as magazines, newspapers, invoices and forms on reels of high-contrast film usually 16mm or 35mm wide.

Microfilm isn't exactly modern technology. Microphotography was invented in 1839, before the Civil War. In 1926, a New York banking executive developed a rotary camera that filmed bank checks as they were being processed. Microfilm's popularity soared during World War II, and that's where things stayed, until its use began to decline in the 1980s as computer technology advanced. But not everywhere.

Corporations, including Lexmark, found that it was convenient to store accounts payable information on microfilm but, over time, found that retrieving information for audits for example, became a painfully arduous task.

Microfilm is so simple and foolproof that the idea could easily have lasted forever. At its most basic level, documents are simply photographed and the film is developed. But it's what comes before that, and after that, which makes it so complicated and clumsy.

"When we sent invoices out to get processed, it took months," said Sharon Votaw, formerly of Lexmark's accounts payable department. "And when the films came back, they'd often be fuzzy or hazy, making the images very difficult to read."

Before being photographed, documents have to be collected, prepared, cataloged and placed in the correct order. Staples and paper

clips have to be removed. Each sheet has to be assigned a unique identifier, so it can be located later. Photographing is a slow, manual process. Two-sided documents have to be manually flipped.

It can take months from the time the invoice is originally filmed to when the developed microfilm roll comes back to Lexmark. During that time, Lexmark's accounting staff had no easy way to refer to any of those documents when a question or discrepancy arose.

When the reels of film finally come back, many images are difficult to read. Instead of crisp black text on a white background, document images often are dingy shades of gray. The machines used to read the rolls of microfilm, relics of a bygone era, often break down. Using a microfilm reader forces employees to work away from their desks,



negatively impacting productivity. In fact at Lexmark, many employees had to travel to another campus building to use the reader for locating a particular document.

Lexmark has eliminated weeks of preparation time and months of delays in preparing documents for being microfilmed. We've also eliminated the cost of using an outside service to scan and produce microfilm. Documents can now be located in seconds instead of hours, image quality is vastly improved, and copies can be sent via e-mail, eliminating the need to print and fax them.

Sending a copy of a document to an auditor further complicates matters. Printing from the microfilm roll and faxing it is time-consuming and often yields nearly unreadable results. Imagine trying to pull up all invoices for a particular vendor in response to an auditor's request. It could take days to hunt down just a handful of invoices.

The Solution

Using its own multifunction and document routing technology, Lexmark has modernized its process, boosting productivity and cutting costs at the same time.

Archiving vendor invoices to microfilm, a process that once took months at Lexmark, has been eliminated. Images that were nearly impossible to locate and even more difficult to read have been replaced with digital ones. With Lexmark's own scanning and imaging technology and powerful enterprise resource planning (ERP) software, research that once took days or weeks can now be done in minutes.

As soon as invoices arrive in the mail each day, they are scanned into FileNet using a Lexmark MFP. The FileNet system is linked to our JD Edwards system. There's no longer a need to put invoices into a particular order. Each document is scanned and automatically assigned an image number. The original hard-copy is then keyed into our accounts payable system for processing and payment. Documents never leave Lexmark's premises, and the results are nearly immediate, a vast improvement compared with weeks or months of waiting for microfilm.

Retrieval is even better. Instead of going on a dusty scavenger hunt to locate the correct reel of microfilm, a document can now be called up from any networked computer and viewed in seconds through the JD

Edwards system. Employees no longer need to look farther than their own PC for a specific invoice.

"There's no more need to walk down the hall or across campus," said Melissa Rasmussen, of Lexmark's accounts payable department. "It's all there for anyone to access, just seconds away - right from their own PC."

The Results

By imaging documents on-site, Lexmark has eliminated weeks of preparation time and months of delays in preparing documents for being microfilmed. We've also eliminated the cost of using an outside service to scan and produce microfilm. Documents can now be located in seconds instead of hours, image quality is vastly improved, and copies can be sent via e-mail, eliminating the need to print and fax them.

Able to stay at their desks instead of sitting in front of a microfilm viewer, workers are more efficient. And, they can find what they need themselves rather than by making a call to someone in the accounts payable department.

The cost savings of this new system is estimated at more than \$100,000 annually. These savings include both hard and soft dollar costs, including staff time for manual document retrieval, equipment maintenance, film processing and the cost to replace the equipment.

Lexmark's tax department has been one of the biggest beneficiaries of the new Lexmark solution. "The new process for retrieving paid invoices for tax audit purposes is so much easier and faster than the old process," said Dean Stork of Lexmark's tax department. "In the normal monthly process, we probably review 100 or so invoices. In the months that a tax audit is being performed, typically three to six times each year, we probably average another 200 to 400 invoices. Now, right from my desk, I can print a nice, clean, legible invoice immediately."

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Using technology developed and built by Lexmark, we've helped our own company to work smarter. In the end, that's what technology is all about.