

Gardner Denver

Brainware Enables Gardner Denver to Achieve Best-in-Class AP Processing Efficiency, Support LEAN Manufacturing Standards

Gardner Denver, Inc. is a leading worldwide manufacturer of highly engineered products, including compressors, liquid ring pumps and blowers for various industrial, medical, environmental, transportation and process applications, pumps used in the petroleum and industrial market segments and other fluid transfer equipment, such as loading arms and dry break couplers, serving chemical, petroleum and food industries.

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With the economic downturn, manufacturers in the United States have been required to find innovative, effective ways to control costs and maximize the management of cash flow. While internal process improvements can lead to a great deal of operational efficiency, automation technology offers an additional capacity to optimize those processes beyond the capabilities of mere reorganization. Gardner Denver has a company-wide LEAN culture in place which promotes a continuous improvement mentality. They proactively seek technologies that offer value propositions that enable them to streamline the process, achieve greater accuracy and velocity, and minimize labor and processing costs.

Gardner Denver's Director of Manufacturing Accounting & Domestic Shared Services, Lynne Degand, describes the organization's decision to evaluate automation solutions, and what drew them towards Brainware Distiller:

"We did a value stream mapping on our accounts payable process and found that there was a lot of waste in the process; we knew we needed technology to help reduce some of that waste. So we began looking at a dozen different vendors that could possibly fill that need, with respect to OCR and an automated workflow solution, and we chose Brainware because of the technology. It was not necessary to have templates, and that was one of the things that caught our attention. We'd be able to get immediate results right out of the box, rather than having to wait month after month, adding templates for each of the vendors."

"We already had a data imaging solution in place, so we needed a solution that could interface with that imaging database system. We needed a software solution that was global in nature because we knew that we would be needing something that could handle multiple currencies, multiple languages, special considerations for VAT, and that also would be easy to roll out to additional businesses without creating a lot of individual templates for each of those vendors."

"We chose Brainware because of the technology... immediate results right out of the box... everything's accounted for, versus the old way, where you didn't know how much was in everybody's accounts payable drawer... we've got about 50% of our invoices going through untouched now... it gives (accounts payable personnel) more motivation and more enjoyment of their jobs."

Gardner Denver was processing a considerable volume of invoices, and saw an opportunity to streamline the process by converting paper invoices into easily transmitted digital data at the front end.

"In the United States, we process over 200,000 invoices a year, and greater than 80% are PO-based invoices. The statistic is much different in Europe; it is a lot more non-PO-based, so the workflow solution was very important to them—to not have to take that invoice, go scan it, e-mail it out and wait for an answer to come back, or send it through the mail to get a signature on that invoice—they found it very important to have a tool where they could automatically send that invoice electronically, get it approved and coded, and send it directly into our ERP system for processing."

A manual process that relied on paper, including the need to function at full capacity to minimize backlogs, created a number of challenges, in terms of maintaining visibility and basic organizational protocols.

"In the old days, we would have a drawer full of invoices; a clerk would try to enter the invoice, there would be something that stopped them from entering the invoice, and it would go back in the drawer. Then they would send out an e-mail requesting more information, followed by waiting, then they would try again, and if it still didn't work, it would go back in the drawer." Upon implementing Brainware Distiller, she notes that "we got all the paper out of the drawers, so we have visibility now with all the invoices we have received. We process invoices daily; we get the new mail in the morning, it gets scanned in and everything is accounted for, versus the old way, where you didn't know how much was in everybody's accounts payable drawer." She adds, "we are also utilizing an e-mail connector solution offered by Brainware, where the vendors that e-mail their invoices to us, it will automatically strip those invoices off that e-mail and feed it to Brainware, so that it can go touchless. We don't have to print it out and scan it in, so it saves us those steps."

Finding a software vendor that was willing to approach Gardner Denver as a partner, drawing upon previous experiences in best practices and establishing an understanding of the organization's priorities and goals, was key to ensuring they achieved the maximum benefits and return on investment from their Distiller application.

"You really need to know your processes: how you process an invoice, the steps, all the types of invoices, the nuances, do you have service invoices, do you have PO invoices, do you have non-PO invoices, are there special considerations for the ERP system...we

use SAP, and SAP certainly has its own requirements to feed data. You really have to have a knowledge of your ERP system, so that it also works well with the imaging solution.

“Brainware has been very supportive; they helped us look at what we can do to take it to the next level. They’re certainly helping us now to expand that solution into Europe. They have an understanding of what the requirements are, so the first time I met and discussed the U.K. expansion with a Brainware representative, he knew exactly what I would need with respect to getting the vendor name audit rule; I’m from the United States and didn’t know that, but he knew that was something I’d have to consider. Understanding the different requirements in that region of the world helps me administer that project from the U.S. without day-to-day support from that operation.”

As a result of implementing Distiller, Lynne is pleased to report that their operation is running far more efficiently than ever before, and a considerable portion of their invoices are being processed with no human intervention whatsoever.

“(With PO-based invoices), either we’ll receive invoices in an e-mail, they are stripped off and get sent through the process to SAP, or they are scanned and sent through the process and then to SAP. Straight-through processing means the invoice does not have to be touched or reviewed by an accounts payable person. When the invoice is perfectly read by Distiller, the only thing they have to do is open up the mail, basically, and they don’t have to verify any of the data in Distiller or SAP.

“I’ve been very happy with the solution; it exceeded our expectations, as far as savings. We were fully using the system in 2010, and the cost per invoice in 2010 was 23% less than in 2009 by eliminating a lot of that waste in the system. Approximately 50% of our invoices go through untouched now. Our intention is to increase business, and continually improve, bringing in more business without adding any additional headcount, and keep improving our percentage of straight-through processing.”

Gardner Denver’s invoice processing costs have fallen below recognized best-in-class levels, as recognized by the Hackett Group. Their invoice backlog—those waiting to be processed at any given time—has been reduced by 35% year over year, and continues to shrink. Furthermore, the Brainware Visibility module is used to track the number of invoices processed (by each payables clerk and in total), rates of straight-through processing, invoices awaiting approval, and parked or blocked invoices. It also enables management to post progress reports for the department to view.

Also, a “soft” ROI was observed as it pertains to the staff’s job satisfaction:

“Other companies might have a set of people that scan and do the image verification, the Distiller solution, and they have other people doing the workflow. We have our people doing both ends of the process, so they see from beginning to end what’s happening with the invoice; they will do the Distiller work if there is an issue with reading the invoice and they’ll also do the problem resolution—to be able to keep their interest, the work is not as repetitive, it gives them more motivation and more enjoyment of their jobs.”

Brainware CEO Carl Mergele discusses the value proposition for operations like Gardner Denver when they automate their invoice processing with Distiller:

“Intelligent data capture provides an unparalleled ability to minimize touch points while extracting and verifying data with both speed and accuracy. The bottom line is that Distiller boosts productivity, which saves our clients a great deal of money. We are proud to serve Gardner Denver in their endeavors and be a part of their ongoing success.”

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