

case study

Breaking Chains of Paper

Vanguard Systems frees DTR Industries

By Gordon E.J. Hoke, CRM

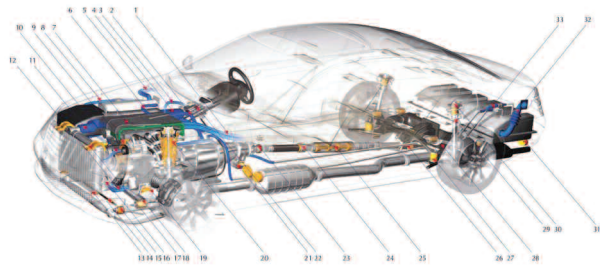


DTR Industries is the new world economy. Nestled into central Ohio and owned by a Japanese firm, the company uses digital document technology to manufacture consistently high-quality mechanics – auto parts to help Americans build better cars under nameplates like Toyota, Honda, and Nissan. With efficiency and precision, DTR applies 21st century technology to the highly competitive and rapidly evolving auto industry that defined the 20th century.

In 2007, DTR in Bluffton, Ohio, and its sister company in Midway, Tennessee, found themselves in a 20th century-style problem: **too much paper**. Documents spilled out of file cabinets and formed piles on office floors. The overflow of documents went to dingy, dusty warehouses, where retrieval of a single page could easily take an hour. Key processes depended on six-copy forms stamped by big, chattering dot-matrix printers that only sometimes got impressions down to the bottom sheet. As a result, frustration levels rose as productivity fell.

Then help appeared on the horizon. An off-handed remark got DTR's IT Director, Greg Koepfer, thinking about digital versions of paper documents. He found Vanguard Systems (www.vansystems.com)





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at Infor’s annual trade show. Bill Wilson (Vanguard’s Sales VP) arranged a demonstration of Vanguard’s IMS/2I document imaging software onsite at DTR.

Vanguard, an imaging leader since 1992, develops software for IBM midrange platforms and Windows PCs. Since DTR’s IT staff has great confidence in their iSeries model 520 computer (current versions are “IBM i Power Systems”), the match could hardly have been better. The IMS/2I software that first attracted Koepfer is Vanguard’s flagship, and a fleet of related products



IT Director, Greg Koepfer

offers well-rounded support. Of particular interest to DTR was Vanguard’s eliteFORMS suite, which converts paper forms into digital formats. eliteFORMS captures electronic signatures, automates incoming check payments and sends invoices by fax or email.

Vanguard did a Proof of Concept for DTR, and Koepfer built a solid business case for the purchase. He calculated a return-on-investment of less than one year. The IT department in Bluffton also supports a second Tennessee facility and a factory in Chihuahua, Mexico, so DTR purchased an enterprise software license covering all locations.

“Originally, the driver for change was document storage,” explains Mike Seay, Director of Finance for the Tennessee sites. “We were out of space in our storage room, and we had stuff piled everywhere in the accounting area. If I needed a record more than 30 days old, I would have to go to the back of the plant or the warehouse,

which could take an hour to find a single document. I was frustrated dealing with all the paper, including the piles behind my desk. My area was full. If I needed more room, I would have to send something offsite. Disaster recovery was a real concern, as well.”

Installation of IMS/2I commenced in Tennessee in November 2007 with the scanning of Accounts Payable invoices. The squeeze on space eased immediately, but, as Seay reports, “The best benefit is to be able to quickly look things up. Retrieval time is now a couple of seconds... pulling paper is a thing of the past.” Seay had spent his share of time searching for five-year-old checks, and he knew how unreliable the filing system was. The rollout of IMS/2I imaging software was a relief.

Seay sees another major improvement at audit time. “Now we get a request list from the auditors. Instead of pulling paper, we email the documents in a format that is easy for them. The auditors almost smile,” he notes with irony.

Going Enterprise

Building on the initial success, DTR expanded its use of Vanguard software. Purchase order receipts went digital in April 2008, and a month later Accounts Payable began storing checks and related documents electronically.



Greg Marshall, Training Coordinator in Tennessee, began scanning training documents. “If there are compliance issues that require proof of training, I’ve got them all with a few keystrokes,” he states. “It really cuts the time it takes for delivering documentation.”



A big boost arrived at Shipping and Receiving in March 2009 with the installation of Vanguard's eliteFORMS. S&R Supervisor Chad Rister describes the change it brought:

"Before, we had big-footprint dot matrix printers, and the noise was bad. The six-copy, preprinted forms were expensive, and they didn't always arrive on time from the printers, leaving us to scrounge. The dot-matrix impressions didn't always get down to the bottom copy, and if the forms got damp, they didn't work. There was a lot of waste, including copies that we'd save for a couple of months and then throw out.

"It was a relief to get rid of those printers, and we already had laser printers, so we didn't have to buy new ones for eliteFORMS. Now we order copy paper instead of pre-printed forms.

"DTR has no trucks – the auto companies send semi's to pick up orders – and there can be 40 orders to a truckload. Before, the drivers would have to sign up to 40 times to verify their pick-up... they really hated that. But the new system includes an electronic signature pad, much like UPS uses to verify delivery. Here, the drivers just sign once and it covers all the orders in a shipment.



"Our staff likes the system because we don't have to do all the filing. Before, if there was a discrepancy, you had to dig through records. It could take a couple of hours. Now it takes two to three minutes. Our biggest time savings come when there is a problem."

Rister reports there was very little training needed for his workers to use eliteFORMS. The staff size dwindled with the recession of '08, but he is confident that, with eliteFORMS, his current crew can handle increased volumes as orders return to more normal levels.

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The rollout continued. Human Resources began scanning their paper in June 2008, and the Quality Assurance department went live with IMS/21 the following April. Every few months, the scope of the automation grew, including:

- Business requests
- Abnormality Tags for Quality Assurance
- Customer payment reports
- Vendor quotes
- NAFTA documentation
- Vendor changes

DTR multiplied its return-on-investment by installing Vanguard's software beyond the iSeries platform. (The IMS/21 system interfaces with many other types of software.) For example, Abnormality Tags include scanning commands from a Microsoft Excel document, and Human Resources' scanning interfaces with a non-iSeries HR system.



QA Group Leader
Deb Smith

Not surprisingly, user acceptance is high. "Everyone in training loves it," Marshall relates. "It saves time and aggravation."

Accounting's gains in productivity are clear, and Shipping and Receiving's savings in forms and printing are significant and easy to quantify. Harder to quantify is IMS/21's important role in quality assurance practices. QA Group Leader, Deb Smith explains: "Using Vanguard's software saves us time and money, but more important, it raises the level of our Quality Assurance – we're more thorough and do more checking. We're not bogged down sorting paper, and that keeps our eyes fresh.

"On the manufacturing floor, we catch flaws before the products are made and shipped, in-process instead of after-the-fact. We do more sampling on the floor, and this makes the manufacturing staff more vigilant. The big difference is in attitude. They know we care and are out there.

"Our communication with the manufacturing floor is much better. Now they get a 'best copy' instead of a hard-to-read copy. For my group, we know we get 100 percent sure delivery of documents whereas, before, delivery was questionable. Now we are in control of our forms; our destiny is ours. Not incidentally, the software system saves us time and money – there is no more Saturday overtime," Smith added.

Cost Justification

DTR originally based its IMS/2I return-on-investment on improved procedures in the Accounting Department in Midway, Tennessee. Those improvements extended to Accounting in Bluffton as well. The savings from installing eliteFORMS in Shipping & Receiving were at least as dramatic. Even considering one-time costs for consulting, form design, and hardware such as electronic signature pads, S&R savings paid for its eliteFORMS component in about seven months. Much of this came from using plain paper and toner instead of multi-copy, preprinted forms. With rollout costs in the past, DTR expects an even stronger business case for Vanguard's products.

DTR's IT Department has nothing but good things to say about working with Vanguard. They appreciate the developer's focus on the IBM midrange, its dedication to customer service, and the quality of its software. "From the initial meeting with Vanguard, I have been completely satisfied with everything and everyone," Koepfer declares. "As with any software, we have had a few hiccups, but Vanguard resolved them quickly. The technical staff for the implementations was top notch, and all of the projects went smoothly."

For DTR as a business, Vanguard software means higher quality auto parts with reduced costs from a happier staff. As the economic recession slowly fades, DTR is well-poised to meet a rising demand.



Toyota trucker signs once for many orders.

Gordon E.J. Hoke, Certified Records Manager, is an independent consultant with two decades' experience in document, content and records technology. E-mail him at ghoke@mindspring.com.



If your business is
using paper...

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losing money.

Struggling with paper is a messy and costly business... indexing it, filing it, storing it and finding it. Vanguard's integrated suite of document imaging, forms creation, workflow and content management solutions solves paper productivity issues...providing instant access to information across the enterprise.

- **IMS/2I** – document imaging, management, storage and retrieval with workflow.
- **e-DMS.NET** – web-based, thin-client system works with your applications to manage documents from capture/authoring through review, distribution, revision and archiving.
- **eliteFORMS** – electronic forms design, transaction processing, transmittal and e-signature capabilities.
- **DIGIDOC** – intelligent document capture, imaging and data extraction.

The best part... a cross-enterprise solution typically **pays for itself in the first year** by eliminating paper, reducing archival costs, increasing staff productivity and improving customer service.

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when it uses
information
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1-800-445-1418

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