

A Seamless Records Management Solution

Industry

Agriculture Equipment

Application

Accounts Payable

The Problem

Approval Process Control
Distributed Access
Scalability

The Solution

FileBound Document
Management Solution

The Benefit

Process Control
Distributed Access
Cost Containment

Case Study: Accounts Payable Documents

RDO Equipment Company

Ronald D. Offutt opened his first John Deere agriculture equipment dealership in Casselton, ND in 1968. RDO Equipment Co. has since grown to 53 locations in 10 states, and has become one of the leading companies engaged in the restructuring and consolidation of the retail equipment and truck retail industries.

RDO Equipment Company has seven operating divisions:

- Agricultural Equipment
- Construction Equipment
- Rental Equipment
- Trucks
- Material Handling Equipment
- Used Equipment
- Financial Services

The Problem

RDO was receiving between 1,500 and 2,000 Accounts Payable invoices daily. The invoices were either mailed directly to one of the 53 RDO branch offices, or mailed to the main office and then routed to the branch. RDO required that the manager responsible for the ordering of the goods or services represented by the vendor invoice approve it and then write the general ledger codes for each line item directly on the invoice. Next, the branch managers were required to OK the invoices and the assigned general ledger codes. The approved invoices were sent back to the main office twice a week for entry into their accounting system and processing for payment. The existing process was very labor intensive, slow and prone to error. Also, at the end of the process, the paper documents had to be filed, maintained and retrieved from the main office.



The Solution

FileBound provided the perfect solution to RDO's Accounts Payable process challenges. The first step was to have all the incoming vendor invoices sent directly to the main office. There they set up 6 scanning stations where the incoming invoices could be captured directly at the mailroom. Next, the FileBound system routes the imaged

invoices to a user that identifies the location and manager responsible for the invoice from a configured dropdown box such as service manager Tom Smith, Bismarck North Dakota branch. This assignment initiates a workflow process that routes the invoice to the assigned user and establishes a due date for completion. The assigned user receives an email notifying them of the assignment and the work is displayed on the system in a list of open invoices that have been assigned to them. When the user opens one of the assigned imaged invoices the workflow process allows them to either approve or reject the transaction. If it is rejected the workflow reroutes the invoice back to a user that can take the appropriate action required to process the invoice. As an example, if the invoice was sent to the wrong branch manager it can be rerouted to the right user, or if the amounts or quantities are incorrect on the invoice it can be held in an open status queue and the vendor notified of the discrepancy. If the invoice is approved by the manager, they are presented with a data entry form that is used to enter the GL codes. This data entry process was integrated with their accounting system so that the values entered are validated against the accounting systems database. As an example, when the manager enters a GL code for an invoice, that GL code would automatically determine the bank account that the invoice would be paid out of and verify from a look-up table that the GL code is valid.

When the vendor invoice is paid, the accounting system's check print files are automatically passed to FileBound where they are processed, indexed and stored in the system. This allows RDO to retrieve the original invoice and the check image seamlessly from a single solution.

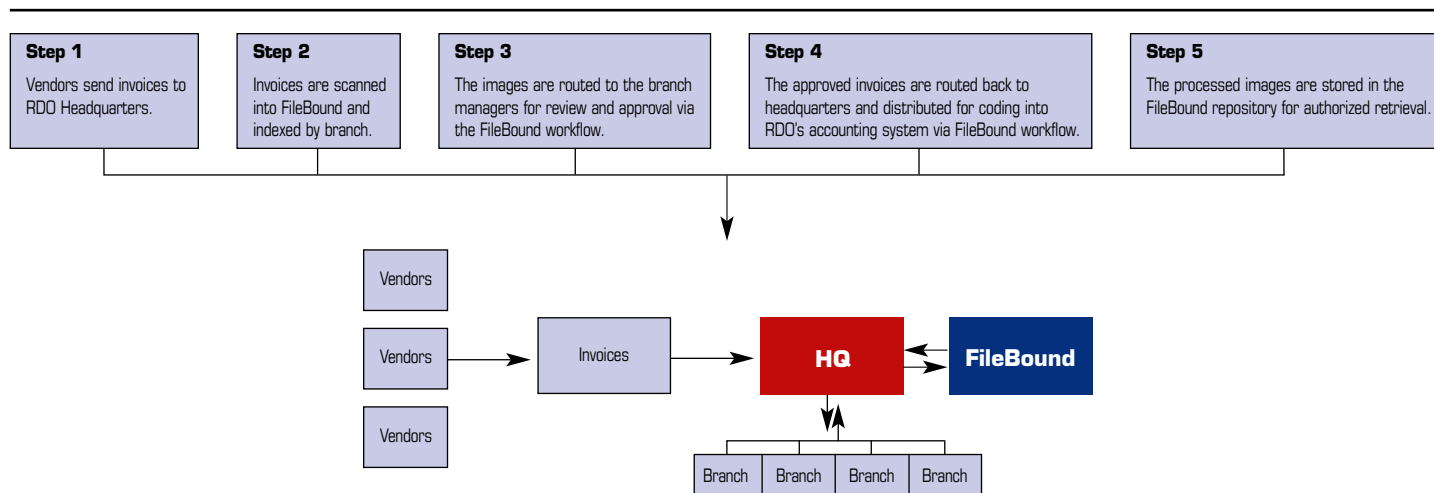
FileBound Results

By implementing the FileBound solution, RDO was able to increase their A/P invoice processing efficiency. By eliminating the express shipping charges RDO was able to realize a fixed



annual savings of approximately \$75,000 per year. They also were able to realize a savings by taking advantage of the quick-pay discounts that allowed RDO to achieve an ROI of less than one year.

WORKFLOW DIAGRAM



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