

Furniture retailer processes credit applications faster and reduces costs with solution from Lexmark.

Lexmark's solution for a major furniture retailer streamlines a laborious process

The Organization

As one of the nation's top furniture retailers, this company trucks more than 2,000 rooms a day from its enormous distribution centers, and delivers to homes in 48 states. With more than 14 years in business, the company has developed an innovative retail solution that works by offering its limited selection of furniture to brand-conscious, time-pressed customers.

The retailer packages moderately priced furniture and accessories, offering discounts for those willing to buy a roomful. It also offers immediate credit, subject to credit approval, for no down payment, no interest and delayed payment. This makes the purchase process easier for the customer, but creates an enormous paper-based process for the stores.

The Challenge

When its Vice President of Operations Planning approached Lexmark with the problem his business was facing, he wanted a solution that would provide a profound impact. The retailer was bogged down by paperwork.

When a customer purchases new furniture on credit, applications have to be filled out manually. In the old process, these forms would be sent from the store locations to the corporate office via courier and UPS. At the corporate office, the credit applications were organized and sent to the company's financial holding companies for processing and scanning. All hardcopy documents were scanned and stored electronically by third-party document imaging companies so that all documentation could be available on-line.

Utilizing the third-party company was not only costly, but the procedure sometimes took three months to execute based on the backlog of applications waiting to be scanned. This situation made researching fraudulent charges quite difficult for the finance companies during the

"We have changed from a manual paper-based process to a highly automated process by scanning and moving documents over the network."

—Vice President of Operations Planning
Furniture Retailer

period. When applications were waiting to be scanned, the retailer did not have access to the original supporting customer credit history and documentation. While the hardcopy documents were being processed at the holding companies, the retailer had difficulty disputing write-offs without its own online documents.

The Solution

The Lexmark solution centers on creating an electronic version of the documents that customers fill out in order to purchase furniture on credit.



“Now all of the finance applications are scanned and verified at the store level, then stored on optical drives at the corporate headquarters,” said the Vice President. “Not only are customer applications significantly more accessible to authenticated employees via a custom application, the same information is no longer available to those who don’t need access to the information.”

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After the applications are sent to the headquarters, the information is transferred by an FTP connection to the financial holding companies. This creates an electronic record of all forms that have been scanned. It also eliminates the cumbersome paper trail, the delays in shipping, the delays in scanning and the expense of shipping documents between locations.

The Results

The success of the Lexmark solution has been significant. Results include:

- The ability to research and prevent credit fraud has been greatly enhanced; now an immediate electronic copy of all documentation can be viewed online.
- Security of confidential customer information has been dramatically improved.
- The need to ship paper via UPS and courier was eliminated. Savings are expected to be approximately \$40,000 on shipping alone.
- The three-month delay to have financial documents scanned has been eliminated.
- Costs can be lowered dramatically for the financial holding company because the need to send hardcopy documentation for scanning is being eliminated.

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