Old Dominion Freight Line

Old Dominion Freight Line (ODFL), a leading less-than-truckload super regional carrier, uses Perceptive Intelligent Capture to drive greater value and efficiency in accounts receivable. As a result, AR boosted its productivity by 400-500 percent, from processing 400 remittances hourly to regularly observing 2,000 in an hour. The remittance documents are exported into the system where Intelligent Capture validates the information against known data sources in AS400 and SAP.

Challenge

Old Dominion Freight Line (ODFL) is a leading less-than-truckload super regional carrier. Through its non-union workforce and four operating groups (OD-Domestic, OD-Expedited, OD-Globaland and OD-Technology), Old Dominion offers an array of innovative products and services and provides complete 50-state coverage and international services around the globe.

The limitations of manual data entry

Ken Erdner, ODFL vice president of information technology, describes the organization's original process for handling remittances and what caused them to evaluate automation solutions:

"We had a pretty efficient manual process; 400 (remittances) per hour is what they were averaging. What we would do is, as soon as we'd get the remittance from the bank, and it was scanned and everything, we'd have to print that remittance off and we would key it in based on what the remittance looked like, key some check data in, things like that," explains Erdner. "The people doing it were very good, but our business kept growing, and as the business grew you'd have to add people all the time."

"One thing we did have trouble with is that because we were behind, especially on the weekend, it would take us a couple days to get out, so if they got their payment in on Friday, we might not get it keyed in until Tuesday," Erdner says. "If we invoiced or they checked online to see where they stood, it will say they didn't pay when they did, and it'll lead to a call. It may even cause another invoice to go out that says, you owe this money, when they really didn't, because it wasn't done."

Solution

After implementing Perceptive Intelligent Capture Erdner notes that they are "current." "In fact, we're processing before anyone even comes in in the morning, and so 80 percent of those remittances are handled before we've even walked in the door," says Erdner.

Meet Old Dominion Freight Line

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- **Founded:** 1934
- **Employees**: 15,000
- **Location:** Worldwide
- **2014 Revenue:** $2.79 billion

Products in use: Perceptive Intelligent Capture

Integration: SAP

Lexmark™

Boosting productivity by 400 to 500 percent

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"We're putting about 70 percent of our remittances through Intelligent Capture, and of those, almost 80 percent go automatically right through the system, so we're only handling 20 percent of that 70 percent to verify why something didn't get paid; it could be a valid reason, but it didn't match up perfectly," Erdner says. "But despite that, we're getting four to five times the productivity that we had with what we thought was a good manual system."

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> **Ken Erdner**
> Vice President of Information Technology
> Old Dominion Freight Line

Results

Achieving accurate data capture

ODFL not only surpassed its productivity goal, the organization now has unparalleled control of working capital and are able to gain immediate visibility into cash inflow in real time. This helps the company better manage cash position, and also improves customer service.

Accuracy and accountability are critical in the trucking industry because any customer's shipment might be flagged and delayed due to late payment of their previous bills. Because Intelligent Capture extracts remittance and payment information as soon as it enters the business, these delinquent accounts can be cleared at the earliest possible moment, releasing their shipment. This earns ODFL additional revenue sooner, and helps maintain their exemplary customer service.

Improving efficiency without adding AR staff

"As a result of all the automation that we've deployed, we're using the same number of staff members in accounts receivable today as a $1.5 billion company (approximate 2010 revenues), as we did as a $200 million company, so it really has performed well," reports Erdner. "Our continuous improvement in this area is obviously driven by several initiatives, but Intelligent Capture is a key element of keeping our AR staff at an effective and efficient level."

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