

# Innovation in Action - Shared Services Sales Order Processing

Lexmark integrated our own solutions for streamlining sales order processing with SAP to reduce revenue cycle time, increase order accuracy and allow workers to spend more time in strategic, customer-facing roles.

With 20,000 active customers in 152 countries, and 1.8 million purchase order lines received annually in over 30 currencies, Lexmark's shared services center literally had its hands full with manual and cumbersome processes that directly affected many business-critical outcomes.

## Challenge

The system for entering sales orders into SAP was inefficient. Half of all purchase orders come in as PDFs attached to emails, instead of the preferred EDI format. And the entry process was made even more complex by lengthy orders that could consist of 30 pages or more.

Three major challenges for those entering lengthy purchase orders were: 1) the SAP system often timed out in the middle of the process, causing the employee to have to backtrack and increasing the potential for errors. 2) Multiple windows needed to be opened to manually cross-check and validate information 3) Image upload time was significant for large orders and slowed the entire process.

In addition to these major problems for data entry, many areas surrounding the order process were difficult to manage. Data housed in SAP was difficult to access. Without a real-time view of order status, sales orders with issues were not readily visible to users. Finding problem orders required workers to go into SAP and run a report they would manually review. Other tasks, such as finding contracts and providing pricing information for upfront rebates, were also difficult and time-consuming.

## Solution

Lexmark matched the sales order processing pain points to its own software solutions: Lexmark Capture and ReadSoft Process Director. The two-phase implementation of the solutions began in July, 2013, with the second phase ramping up in April, 2016.

## The technology

Lexmark Capture addressed the problems created by the lack of a standard sales order document format. The capture solution can learn to read new file formats and automatically recognize and collect relevant data, removing the need for templates.

## Meet Lexmark's Shared Services Center

Lexmark's shared services center in Cebu, Philippines, has been in operation since 2005. The center has a focus on driving rapid innovation in global processes, technology and tools, and employee engagement.

**Employees:** 1,500

**Scope:** Global back office / all English language front office operations

**Functions:** Accounting, finance, order-to-cash, sales and marketing

**Solutions:** Lexmark Capture, ReadSoft Process Director

**Awards:** Best Shared Services in Asia, 2014

*“Overall we are really happy with the tools we are using. They have improved morale. Workers no longer feel it is an entry level function, as they need to be knowledgeable of the document processing system and be able to analyze data.”*

**Kendall de Ama**

Manager, EMEA Order Entry and Management

*“Our response time to our customers is way faster now. If a customer needs an order processed right away, we are able to help them.”*

**Zenith Fruto**

EMEA Order Management Team Leader

And while the capture solution was an excellent first step for the sales order team, Mark Craig, a Business Analyst with Lexmark, said “the marriage of automated data extraction and in-SAP workflow with Process Director has created a very powerful solution.”

Process Director acts as a mission control center for all incoming documents, including the creation of custom workflows, archiving and linking attachments and organizing documents. It is fully customizable, and its interface matches the user’s current SAP environment.

Aaron Dunteman, also a Business Analyst with Lexmark, explained, “Process Director makes integration very easy. Developing directly inside SAP is intensive. Process Director sits inside and is in a different name space, so it’s much easier and quicker.”

## Results

With the full-scale implementation of the solutions just nine months old, project stakeholders are already reporting encouraging results and making some confident projections for the near future.

## Simplifying SAP

Many of the complicated tasks previously performed in SAP were streamlined with Process Director. Dale Mullins, Global Process Owner for Order to Cash Activities, lists frontend rebates as one area that has seen major improvements with the new system. When discounts are offered and fulfilled through a channel distributor “we have to reimburse the channel for the discount,” said Mullins. “It used to be very time-consuming to look up the SAP contract and find the right pricing.” Process Director makes it easier to find the contract and provide accurate pricing to the customer.

Order management is another area where streamlining SAP is creating more efficiency. According to Dunteman, prior to the implementation of Process Director, the team had to go into SAP to pull a list of orders with issues that needed to be resolved. Now users have a consolidated view where they can see a queue of problem orders sorted by category. This speeds order processing and response time for customers.

“We call it moving from a pull model to a push model. We push orders to people so they can start workflows and clear them out of the queue as soon as the block is addressed,” said Dunteman. “The team has much better visibility into issues that are pending resolution.” Mullins added that the Order Management Worklist tool makes it possible to work from the SAP system in real time rather than having to pull a report.

Finally, Dunteman noted an ancillary benefit of Process Director. Previously, modifying a sales order after it was put into SAP was not allowed because of audit controls. With Process Director, said Dunteman, “you have a greater degree of flexibility with what you can do with the sales order before it becomes a formal financial transaction in SAP.”



**Less manual work**

The reduction in manual work can be seen by comparing the pre- and post-implementation order entry process:

Pre-Implementation Process		Post-Implementation Process	
	Customer sends order via email with PDF attachment		Customer sends order via email with PDF attachment
	Employee monitors inbox and receives order		Emails received and attachments extracted for processing automatically
	Employee captures and uploads image of purchase order.		Purchase orders and email content saved in SAP automatically
			Intelligent Capture reads document and extracts relevant data
	Employee identifies the contracts; assignment process requires multiple steps		Process Director identifies valid contracts and assigns in one step
	Employee manually inputs order into SAP and performs manual validation		Employee verifies for accuracy and submits to SAP

The post-implementation process drastically reduces the amount of manual work required from employees, especially when it comes to long orders. With the exception of verifying that the data was properly extracted, employees who have adopted the new system are freed from entry-level data entry work.

**Improved employee mindset**

Prior to implementation, employees viewed order processing as clerical, entry-level work, according to Kendall de Ama, Manager of EMEA Order Entry and Management. But with the integration of the capture technology and Process Director, employee mindsets are beginning to change. "Overall we are really happy with the tools we are using," he said. "They have improved morale. Workers no longer feel it is an entry level function, as they need to be knowledgeable of the document processing system and be able to analyze data."

**Faster Response Times to Customers**

And with more time to work directly with customers and perform technical support, there has been a big improvement in communication. "Our response time to our customers is way faster now," explained Zenith Fruto, EMEA Order Management Team Leader. "If a customer needs an order processed right away, we are able to help them."

**Conclusion**

Lexmark's shared services center's commitment to innovation coupled with the imperative to use Lexmark's own solutions is making the benefits of process improvement a reality for the sales order processing team in Cebu. Though the center has not yet achieved full user adoption of the technology, employees are starting to see new possibilities for career growth and advancement. Streamlined processes, advanced workflows and visibility into critical data are making both internal and customer-facing tasks easier and faster to accomplish.

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**Projections**

Dale Mullins noted that the Cebu center has not yet reached full user adoption of Intelligent Capture and Process Director. But he expects to see the encouraging preliminary results blossom into widespread benefits like a reduction in key strokes, improved visibility and better workflows as a part of improved financial controls.

The team has also set targets that are well within reach. These include:

- ▶ Up to 60% faster order processing time
- ▶ 99.6% order accuracy
- ▶ 20% increase in order volume without adding additional headcount