

Large North American transportation company completes research tasks 9,000 times faster using Kofax Kapow

Like many other successful businesses, this large North American transportation company has experienced its share of growing pains. The rapid growth that turned it into a more than \$2 billion company inevitably led to situations where the work outpaced the staff's ability to get it done. The solution was always to hire more people. Today the company counts on Kofax Kapow from Lexmark to deliver automated results that have increased customer loyalty, uncovered hidden cost savings, eliminated manual mistakes, and empowered staff to work smarter, not harder.

Challenge

Rapid growth outpaced staff bandwidth

Like many other successful businesses, this large North American transportation company has experienced its share of growing pains. The rapid growth that turned the company into a more than \$2 billion company inevitably led to situations where the work outpaced the staff's ability to get it done. The solution was always to hire more people.

"If something needed to be done and there weren't enough resources to do it, the company's philosophy has been to throw more people at it," said a representative for the large North American transportation company. "For example, if data entry wasn't getting done fast enough, the company would hire more data entry clerks."

The representative said this approach created a new set of problems. "Payroll was growing, and a lot of time was spent simply hiring people. We finally realized that rather than work harder, we needed to work smarter. That's when we brought in Kofax Kapow."

Missing documentation delays invoice payments

When a company operates more than 10,000 trucks, it must manage a staggering amount of data and paperwork—everything from load logistics and scheduling to payments, collections and invoicing. The company needs to know where its trucks are at all times, whether they're on schedule, what they're carrying, whether they've delivered, and when delays occur. This information also needs to be communicated to customers and the companies whose shipments it transports.

To get paid for making deliveries, the company needs to provide its customers with a set of documents and receipts, most notably the bill of lading. These documents are typically uploaded to a customer's website and must be complete before the customer will pay an invoice.

Meet this large North American transportation company

This large North American transportation company is one of North America's top truckload carriers, with many terminals across North America. Today the company operates more than 10,000 trucks and generates more than \$2 billion in annual revenue.

Products in use: Kofax Kapow™

Focus: Robotic Process Automation

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Company representative

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For example, one of its large retail customers contracts for more than 500 load drops per day. The company calculates that it would take one customer service representative (CSR) approximately 12.5 hours every day to track delivery information for that one customer—clearly an unacceptable arrangement. In the past, when a CSR fell behind because of a similar situation, the company’s solution was to pull a second CSR from his or her original task to help with the high volume. This in turn would set the other CSR behind and some of his or her tasks would have to be assigned to an overnight or weekend employee. In short, high-volume customers stretched staff too thin, raised costs, and destroyed efficiency.

Despite its own best efforts to provide required documentation to its customers, they learned that customers are not always proactive about paying invoices or providing notifications when invoices have been delayed. This puts the burden on the transportation company to track the status of payments and follow up with customers when invoices are overdue.

In the past, a CSR would log into the customer website, wait for it to load (which could be a while), enter information such as an invoice or bill of lading number and wait for a response. Websites can be slow, which drags out the process. Needless to say, the amount of time spent tracking invoices was significant, ultimately leading to more employees spending valuable time chasing invoices.

Moreover, if the company was unaware that an invoice was being held due to missing documentation, they would be leaving money on the table. At any given time, hundreds of thousands of dollars owed to the company might have been sitting in the bank accounts of its customers.

Slow response to inquiries threatens customer loyalty

Another drain on productivity was time spent researching delivery problems. Its customers wanted to know when their shipments were picked up and delivered. If there was a delay, they needed to provide a reason.

“One of our employees was spending 40 hours a month researching why some deliveries were late,” recalled the company representative. “Was it weather related? Was there a vehicle problem? Was there an accident that caused a delay? Was the road closed and we had to change the route?” For each delay, the employee would search seven different legacy databases to determine the cause. She spent so much time researching this information for customers that she was unable to give full attention to her primary responsibilities. “The faster she worked, the further behind she got. She finally just gave up.”

This action created a ripple effect. Companies want that information, and without it at least one customer threatened to reduce its business with the company—or cut it altogether. The challenge was how to handle manual, repetitive tasks like these more efficiently—without “throwing more personnel at it.”

Solution

To automate these and other manual tasks, the company turned to Kofax Kapow. The company representative remembered the first implementation of Kapow being relatively modest:

“We started off using Kapow to automate some data entry tasks but that changed quickly. It wasn’t long before word of mouth spread within the company. The data entry person talked to customer service who talked to revenue and treasury, and they talked to

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other departments. Before long, the demands on our Kapow team started flooding in."

The team quickly realized that many departments within the company could benefit from Kapow's capabilities, and it took off from there.

Robots automate manual document processing tasks

One valuable use of Kapow is for transferring files from the company's servers to customers' websites. For example, Kapow automates the process of sending a bill of lading, proof of delivery and other documentation required for the company to receive payment on an invoice. It first retrieves documents and receipts from the company's imaging system and then uploads them to the appropriate customer site or document filing system.

This may be one of the more straightforward processes automated with Kapow, but it represents a huge savings on personnel time. "Uploading documents manually can be a very repetitive and time-consuming process. Kapow does this task in a fraction of the time," said the company representative.

In addition, Kapow regularly checks customer websites for invoice status. "That's kind of grunt work. It's the sort of thing that happens the same way every time. That's perfect for Kapow," said the company representative. The company now does a lot of "screen scraping" with Kapow to pull information down from customer websites. "If Kapow discovers a problem or unexpected delay, it notifies the team so they can address any outstanding requirements. The minute there's a problem, we solve it, which turns into immediate cash flow. The executives like that."

When CSRs want to research a list of invoices, they can copy the invoice numbers to a spreadsheet, CSV file or text file, and drop that file into a specified folder on a shared drive. A Kapow robot checks that location every 15 minutes, picks up any new files, and processes the invoice request. If a CSR wants to research a very large number of invoices, he or she may choose to add the file to the shared file at the end of the day. Instead of spending four or five hours trying to retrieve that information. "All of their research is done when they show up at work the next day. This is something they're actually very excited about."

Collecting satellite tracking information automates freight scheduling

One of the company's more innovative uses of Kapow is for freight scheduling. The process not only reduces personnel time, it also helps eliminate an otherwise unavoidable cost.

When a truck arrives late for a delivery, regardless of the cause, the transportation company may incur additional fees or fines. Oftentimes deliveries are late due to unforeseen circumstances, such as road closures or freeway accidents.

To mitigate this problem and the resulting fines, the Kapow development team created a program that collects satellite tracking information, captures the number of hours a driver has driven and the number of hours available for driving that week, and calculates an estimated time of arrival. If it appears the driver is not going to arrive by the scheduled time, Kapow executes the commands of cancelling that appointment and rescheduling for a better time. The system then sends a message to the driver with information about the new appointment time. The immediate benefit is clear: the company avoids the fine.

"We were in danger of losing one of our most important customers. After putting Kapow on the job, we now do five times the amount of business with this customer. Instead of complaining, they sing our praises!"

Company representative

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Results

In the past, management had a simple solution for most problems: hire more people. For example, the supervisor whose responsibility was the national retail chain with more than 500 load drops per day was looking to hire two more CSRs just to handle this one account. Unfortunately, she only got approval to hire one CSR and was panicking, worried her team would not be able to keep up. Instead, they put Kapow on the job—and the need for additional CSRs simply evaporated.

Mistake-proof invoice processing

Because the company operates in Canada and Mexico, it may be paid by its customers in Canadian dollars or Mexican pesos. Rather than manually converting currencies for invoices, which occasionally led to errors, the company now uses Kapow to retrieve currency rates on government websites and automatically load this data into the company's legacy invoicing application and website. Now when customers log into the company's website, they can see billing information enumerated in their local currency. Best of all, said the company representative, "Kapow never makes a mistake."

Kapow has also helped the company reduce average days sales outstanding (DSO) for its cross-border deliveries. "We were having a problem collecting payment on invoices with intermodal foreign freight in a timely fashion. A Kapow robot was directed to search for accounts where invoices could be processed automatically, and it found over \$150,000 dollars that could be processed in 30 days or less. This resulted in faster recovery of invoices and reduced need for credit extension to international customers," noted the company representative.

Turning a negative into a positive

In addition to expediting processes and saving personnel time, Kapow is responsible for helping turn around one customer relationship that appeared doomed. This customer had threatened to reduce its business or stop using the company entirely due to an inability to get information about late deliveries. The employee who was tasked with conducting that research and providing it to customers was unable to keep up with the workload and fell further and further behind.

remarking on the new process, the representative estimated that Kapow does the research 9,000 times faster. The customer has been so happy with the improvement it has actually increased business with the company, from 400 loads per month to over 2,000 loads per month. "Thanks to Kapow we do five times the amount of business with this customer today. They're telling other people, 'You gotta use this company. Instead of complaining, they sing our praises!'"

Key results:

- ▶ 9,000 times faster completion of research tasks
- ▶ Kapow robot found more than \$150,000 dollars that could be processed in 30 days or less
- ▶ 40 hours of monthly manual research time reduced to 1 hour or less a month

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