



finance

CHALLENGE

- Manual invoice processing slow and expensive
- Processing of sales documentation subject to regulatory compliance

SOLUTION

- Scanning equipment
- Kofax Capio and Ascent Capture
- Westbrook Fortis and PowerWeb
- Paradatac PROSAR-AIDA
- IKON Professional Services

RESULTS

- Reduced paper handling
- Increased data accuracy
- Solution implemented in 90 branches across nine states
- High user acceptance

America's Car-Mart

Accelerating Document Processes

ABOUT THE CUSTOMER

America's Car-Mart (ACM) was founded in 1981 in Rogers, Arkansas. At that time, hard working people were being refused credit by car dealers, so Car-Mart stepped in and provided financing on quality vehicles, accepting anything from electronics, to household appliances and even farm animals as trade-ins. Car-Mart's reputation for customer service grew from there. Today, with 90 locations, revenues around \$205 million and over 36,000 customers throughout the South Central United States, they are the largest publicly held "buy here, pay here" automotive retailer in the nation.

CHALLENGE

As Car-Mart grew, so did their pool of suppliers and customer base, creating two major paper-based problems — invoices and sales documents. The number of invoices that had to be processed was growing on a daily basis and keeping up with the filing and processing was an overwhelming task. Invoices were opened at the dealership, approved and sent to headquarters for payment. Most were sent by mail or courier, which was slow and expensive, and while faxing was a faster alternative, image quality was a concern. At the corporate office, six accounts payable clerks sorted the invoices, manually keyed them into the accounting system for payment, and filed them in cabinets. This manual process was slow and prone to lost documents. As a result, early payment discounts were often not realized. In addition, because all supplier management was handled at the dealer level, the company was not in a position to negotiate enterprise level agreements or price breaks.

Another concern was the growing number of customer sales documents. For every car sold, multiple forms and documents have to be completed, which are scrutinized during visits to the lots by auditors and corporate staff. Because requirements vary by state, this was a laborious job but it had to be done because a mistake meant the customer had to come back to the dealer to fix the paperwork, which could damage the relationship. "Part of our success at Car-Mart through the years has been due to our ability to track and maintain a repeat customer base, so customer relationships are very important," said Rob Hey, ACM Director of Information Technology.

America's Car-Mart

SOLUTION

Car-Mart turned to IKON Office Solutions to find a solution to their document management challenges. "At one of our initial meetings, the IKON Solution Consultant sketched a schematic of a solution on my office whiteboard. I left that drawing there for months because I was excited about the impact the solution would have on our business," said Hey.

After testing some alternatives ACM chose a distributed capture solution that would gather the invoices and customer documents electronically, so they could be reviewed quickly and kept in a central repository that everyone could access immediately.

Dealers were equipped with a scanner and Kofax Capio with VRS (Virtual ReScan) technology, which cleans the image, significantly reduces the file size, and sends it to Car-Mart's corporate office. "File size was a key factor for us," said Hey. "We had to minimize the impact of the new system on network traffic." The image files are received by a Kofax Ascent Collection Server at Car-Mart's corporate office, processed and indexed for easy search and retrieval using Kofax Ascent Capture and released to a Westbrook Fortis document management system. Once archived, dealers can access invoices to answer inquiries via a browser and Fortis PowerWeb.

To reduce manual data entry, Paradatac PROSAR-AIDA software is used to extract information from invoice images and automatically enter it as index information. To prevent double paying an invoice, the Paradatac engine also extracts the vendor and invoice numbers and looks for a match in the Fortis repository. If a match is found, that invoice is already in the system and an alert is raised. If no match is found, Fortis exports metadata to Car-Mart's accounting system to pay the invoice.

The Paradatac engine also classifies contracts into seven document types, including sales contract, maintenance contract and title, and reads the document using Optical Mark Recognition to validate that signatures and initials have been placed according to state requirements. This helps Car-Mart comply with regulations, and if an error is found, the branch can be notified immediately instead of waiting for an audit to occur at their location.

RESULTS

Car-Mart is excited about the performance of the solution. "The IKON team took the time to really understand our requirements and developed a proof of concept that demonstrated the productivity benefits I was looking for," said Hey. "To orchestrate a roll out across 90 branches in nine states required meticulous planning and management," he continued. "I have never seen three software applications work together so seamlessly. The lot managers love it because it has taken care of our paper problems, so we can focus on what we do best, which is serving our customers."