CASE STUDIES

OCR *for* Forms™ Helps Cap Manufacturer Usher in New Era of Customer Service

If at first you don't succeed, try, try again. That philosophy is a difficult one to maintain in the world of IT, because every "mistake" represents a sizable amount of wasted money.

Thus, Norm Baker of Buffalo, NY-based Biel's Information Technology Systems found a gun-shy prospect in Dan Marmion, manager of information services at New Era Cap Company, when he demonstrated OCR *for* Forms™ and an imaging system to Marmion in 1996. New Era, a Derby, NY-based baseball cap manufacturer that produces more than 24 million baseball caps a year, had installed an information capture system in 1993 and had been very disappointed in the results. "After several months of trying everything to get the forms processing software and the scanner to communicate, we pulled the plug on the whole thing," Marmion remembers.

That experience made Marmion a tough audience for Baker's forms processing/imaging pitch three years later. Still, Marmion couldn't deny New Era was being hurt by its inefficiencies in handling information — especially in the critical area of customer service.

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The Old Way "Too Slow"

For New Era, keeping up with the 2,100 pages of sales orders that arrived daily was virtually impossible with their old system, which used manual data entry and filing. Because of the backlog in processing, and with no quick method for determining an order's status, New Era's three manufacturing plants had difficulty obtaining quick, accurate information from headquarters. Individual customers were having the same problem. "The filing, the retrieving, the faxing — it was all too slow, too cumbersome," Marmion admits.

It wasn't just unhappy users who were accumulating. The huge volumes of paper forms had to be stored, and Marmion watched as filing cabinets ate up the headquarters' open floor space — a valuable commodity at a fast-growing company. "We needed to fill that space up with something more valuable — like people," he recalls.

Enter Baker, touting the advantages of an OTG imaging system that scanned in using OCR *for* Forms. Marmion was very impressed with Baker's presentation, particularly a reference to a hospital in Ohio that turned freed-up filing space into an X-ray room after installing OCR *for* Forms software. "That hospital reference really caught my eye," Marmion admits. Marmion was also impressed with OCR *for* Forms' user-friendly design, and the fact that the software processed New Era's own sales orders with ease during the presentation.

From the beginning, the plan was to take OCR *for* Forms beyond the order processing application into expediting inventory management and payroll. But order processing was the first stop on the journey. "The application was simpler and I knew it would have a quicker payback," Marmion explains.

In this new automated system, New Era staffers batch sales orders, checking for torn or skewed pages. The pages are then fed into a Kodak 3500 scanner at headquarters. OCR *for* Forms automatically retrieves scanned characters and places them into an electronic, on-screen version of New Era's form. The software flags any form with missing fields or information requiring verification, such as incomplete fields, numbers printed in the wrong place or illegible hand-print. Staff at verification stations manually review any suspect forms, make corrections, and then, at day's end, forward all information to New Era's database. After that, sales order information can be called up on a computer in seconds.

There is a full OCR *for* Forms' processing/server station, two scanning stations and three verification stations at headquarters. The forms processing software works with a Kodak 3500 scanner to feed the imaging system. In addition, each of the production centers uses one OCR *for* Forms' scanning/verification station and two Canon DR 3020 scanners.

Six Weeks that Revolutionized Customer Service

The benefits quickly became obvious. A four-person filing team was quickly reduced to one full-time and one part-time person. Filing just one document used to take hours, even days, during peak times. "Today," says Marmion, "it takes only one day to process an entire day of paperwork."

Most of the filing cabinets are gone. The space is now utilized as a conference room, two offices and a display of the company's products. Most importantly though, customer service has been significantly improved. Marmion calls the time involved in installing and getting up to speed on the total system "six weeks that revolutionized our customer service."

These days, New Era's manufacturing plants can look up orders and confirm details for a cap — the color, embroidery and style; rather than having to place a call to headquarters and wait for them to retrieve the information from files. Most

importantly, employees can retrieve this information from their desktops in seconds, instead of requesting the information be pulled from a filing cabinet and faxed over to them. "This used to take anywhere from half a day to two days to accomplish," says Marmion. "Now all they have to do is get on a computer and they've got it in seconds."

More than 35% of New Era's orders are for customized caps, and Marmion says this is the group that has benefited most from the switch to automated forms processing. Repeat customers typically want the details about previous custom cap orders. With the new system, "when a customer asks 'what did I order last year,' it only takes seconds for a customer service representative to key in an identification number and have the entire order, including a visual, displayed on the screen. Customer Service can answer questions about what the caps looked like, how the order was shipped, tracking numbers on new orders, everything over the phone, or quickly fax the details off to them," Marmion says. In the past, that request also required a trip to the files for retrieval and a lengthy wait for resolution of the customer's inquiry.

Not only did OCR *for* Forms improve the speed of retrieving order information; it also bettered the quality of the information customers received. "Because our old process for updating order information was so time-consuming, the information customers got was often behind the times," Marmion explains. A customer asking for a status update on an order might be told to expect a week before shipping when actually the order was ready to go.

Now, New Era is moving on to other applications for OCR *for* Forms, one of which focuses on payroll and inventory control accuracy. Of course, New Era is also expecting customer service benefits from these new uses of OCR *for* Forms.

The majority of New Era's 1,500 employees are paid "by the piece" or per cap. Each cap moves along different stations, with a separate process done at each. There's a station where buttons are placed on caps; at another station, an employee puts the brim on the cap. Each time a process is completed on a cap, the employee places a bar-coded sticker on a time sheet, called a "traveler" at New Era.

These stickers are used not only for payroll; they also help in inventory management. One full-time employee at each of the three manufacturing facilities was needed to scan bar code information off travelers. This data was then forwarded to both the payroll and inventory management departments.

Each employee time card being scanned could have as many as 20 travelers attached each day. With approximately 400 employees doing piecework at each of the three manufacturing facilities, manual scanning was a nightmare. "With a hand gun scanning the labels, there's a tendency to miss a label or make some other mistake," says Marmion, adding that much of the hand-scanned data was unreadable and had to be rekeyed in manually. "There was just way too much opportunity for error," he says. In addition, the hand-scanning method couldn't keep up with the volume and there was a 24-hour lag in information, crucial information needed for payroll and inventory management.

System Designed for Maximum Accuracy

The new system involves scanning in information on the travelers using OCR *for* Forms. Pertinent information, such as the order number and quantity, is captured and sent on to the database, which is then sent on to New Era's mainframe computer. The automated forms processing system is much faster; information can be captured within two hours, instead of the 16 man-hours needed previously. Best of all, the information is completely up-to-the-minute. There's no 24-hour lag anymore. This will allow for more timely payroll processing and will benefit the inventory adjustment area.

By using OCR *for* Forms, Baker expects New Era's processing time to decrease by about 88%. "We'll also have more timely information on the order status and we're achieving accuracy in this initial phase of more than 99.9%," says Baker. Everything in the system's set-up was geared to generate the greatest accuracy, he explains. "This was really set up to get maximum information with the minimum verification needed," he notes. Forms have been redesigned using check sum routines and a special OCR type A font. The application also incorporates numeric rules that lessen the amount of information that needs to be verified.

"Having been burned once, I'm so glad New Era gave forms processing technology a second chance," says Baker. "That's why we like selling the OCR *for* Forms/OTG combination. Those systems never let us down."

Calling the responsiveness of OCR *for* Forms "amazing," Marmion sounds like someone who's glad he gave forms processing — this time with OCR *for* Forms — a second chance. "The quicker and more accurate we are in customer service, the more we endear ourselves to our customers and win repeat business. The help OCR *for* Forms has given us on the customer service side is invaluable. And Norm continues to keep us abreast of improvements in the OCR technology and give us ideas for new applications," he concludes.

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