

Procter & Gamble Boosts Group Productivity with OCR for Forms™

Direct stock purchase plans are hot with savvy investors who look to decrease brokerage costs and thus increase the yields of their portfolios. But to implement direct stock purchase plans, publicly traded companies must deal with increasing volumes of paperwork — and the cash management associated with payroll deductions or the personal checks that come paper-clipped to new account forms.

At Procter & Gamble (P&G), the \$37-billion consumer-products giant, efforts to curb administrative costs meant staff time was limited in the Shareholder Services Group — and growing more so as the daily volumes of Shareholder Investment Program forms increased. P&G found a way to process 600% more forms, accurately, in one-third of the time — by using OCR for Forms™, the market leader in automated forms processing software solutions from Microsystems Technology.

With more than 300 of the world's best-known brands including Tide, Crest, Pampers and Pringles, P&G places a strong emphasis on employee stock ownership. Every one of its 110,000 employees is given P&G stock as part of the company's One Share Program, and employees not in current stock option plans were recently given a 100-stock option grant. P&G was among the first to introduce a direct stock purchase plan primarily intended to allow employees and retirees to "roll over" dividends into equivalent amounts of P&G stock purchased directly through the company and not through a broker. The plan also is open to any individual investor, not just employees, who satisfies certain citizenship and residency standards and wishes to hold common stock registered in his or her own name. When employees or individual investors want to join the Shareholder Investment Program, they either contact their local Employee Benefits Center, call the Shareholder Services Group at P&G's headquarters in Cincin-

nati, OH or print a New Account Application Form posted on the web and mail it.

The Paper Doesn't Go Away

"Even though it's an electronic world, most of our transactions are done through the mail with a paper-based form," notes Karyn March, systems administrator for P&G's Shareholder Services Group. Individuals call and request a new account application from an 800 number, and a mail-fulfillment service routinely sends out application forms that people return. Because financial transactions are involved,

the system must rely on a paper-based process that provides documentation of signatures and other cash verification tracking. When P&G first implemented its direct stock purchase plan, the system it implemented to process each application required intensive involvement from administrative staffers. Two full-time staffers spent nearly all of their working hours processing the 500 New Account Application Forms sent to the department weekly. Staffers had to manually enter data written on each form into a PC, manually double-check each new account record, and manually roll up cash tallies to be

posted each day to the company's mainframe-based system for stock transfer data.

"It was obvious that we could automate this process and save a lot of labor time," explains March. "In order to keep up with the growth we anticipated without adding staff, we needed a more productive way to work that still preserved or improved accuracy."

In June, March contacted Van Ausdall + Farrar, an 84-year-old firm with a well-respected office-automation and networking-integration business in Indianapolis, IN. Van Ausdall had a long history of success with Microsystems' OCR for Forms, and helped P&G to design the system, integrate hardware and interfaces to OCR for Forms, and

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design forms that could readily be scanned. In August, installation began, and by November the full application was in production. P&G's system included a Fujitsu scanner and a Kofax scanner interface to OCR for Forms running on a Windows® 95 PC. P&G sends OCR for Forms data on new stock purchase applications nightly across a Novell 4.1 network to a mainframe-based SunGuard database used to tally funds managed by the P&G stock transfer agent.

"Almost a No-Brainer of a Purchase"

With OCR for Forms in place, P&G's Shareholder Services Group went from processing 20 forms an hour to 120 forms an hour. By implementing scanners to eliminate manual re-keying of data, P&G cut individual forms processing time from three minutes per form to 30 seconds per form, even when counting the limited manual verification that is imperative for assuring accuracy on such cash transactions. Accuracy rate of data entered from the application form jumped from 90% to 95%. P&G saved over 145 hours each month by freeing one staffer for other tasks.

"This was almost a no-brainer of a purchase decision," admits March. The system paid for itself in labor-cost savings alone in under a year. Administrative users of OCR for Forms software rate it highly for its ease of use, and March says the changes the system has enabled in the workflow of processing the forms are significant. For

example, in eliminating the need to review each individual new account record twice for accuracy, OCR for Forms has cut out entire tedious steps while relying on the software to identify suspicious entries an individual may have missed.

"It was so easy to use OCR for Forms, it made it easy for us to serve P&G's needs," says Kent Sipe, manager at Van Ausdall in charge of P&G's forms processing system.

Toward an Electronic Future

Van Ausdall and P&G are working to expand the application to include more automated forms, such as W9s for IRS tax status certification and forms for transferring certificates or shares to another person. "Soon, P&G will also add full document storage and electronic retrieval capabilities," March said. These are steps that will help ready P&G for greater leverage of the web in the direct stock purchase process. While only 10% of new account applications originate on the web today, March anticipates this will expand as investors continually seek streamlined ways of managing their personal finances.

"This is fantastic technology with many more potential cost-savings for the Shareholder Services Group," she said. "It's done wonders for productivity, and I'm eager to expand it in the months to come."



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