

# INDUSTRY

Manufacturing

# SOLUTION

Apparel Producer Saves \$700,000 Per Year  
By Installing COLD, Imaging and Workflow

A major apparel producer is saving over \$700,000 per year by implementing a personal Windows NT-based COLD, imaging and workflow system that streamlines the flow of information through the company. These savings represent only identifiable costs such as eliminating microfiche, avoiding host maintenance charges, reduced paper consumption and lower document distribution costs. It cost less than \$300,000 to implement the system for eight different divisions that have a total of several thousand potential users. Besides saving money, the new system has provided greatly improved access to and security of critical information such as import and export documents, financial and manufacturing reports, etc. "The implementation of this system has significantly improved our competitive position," said Ray Parker, Systems Manager for Sara Lee Knit Products (SLKP), Winston-Salem, North Carolina. "We have achieved cost savings, faster information flow, reduced cycle time and greater document security."

SLKP produces brand name apparel including Hanes, Stedman, Champion Underwear and Spalding, and operates multiple textile and cutting plants in five southern states and Puerto Rico. SLKP is a division of Sara Lee Corporation, a global consumer packaged goods company with approximately \$20 billion in annual revenues. The company's branded consumer apparel products are, for the most part, basic apparel products like t-shirts, underwear, and socks. Its Hanes knit brand for a variety of apparel products is its largest, with annual sales of more than \$2.5 billion. In a typical year, the company produces about 1 billion garments. The knit products business has recently expanded its offerings in casualwear, kids' clothing and designer

fashions. The processed materials or cut parts from these plants are packed into containers and shipped to many apparel plants within North and Central America where workers assemble the materials into finished knit products.

### Document management issues

Large numbers of documents are required to track the cutting of parts and supplies at SLKP's plants, exporting the parts and supplies and importing the finished apparel. Retention of import and export documents is particularly important

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because government regulations require that these documents be kept for a period that normally ranges from 5 to 8 years depending on the individual document. In addition, the firm generates hundreds of different reports from IBM AS/400 and System 390 hosts used for enterprise resource planning. They include production schedules, inventory, accounts payable, accounts receivable and many other reports. The documents are primarily generated at SLKP's headquarters but often need to be distributed to its manufacturing plants.

In the past, the reports mentioned above were all generated as paper documents

# ORGANIZATION

Sara Lee Knit Products

on high speed printers at the company's computing center. Millions of pages of documents were generated each year that then had to be assembled and distributed to users located in various parts of the organization. The bulky size of the paper documents made them impractical for use in archiving. As a result, the company spent about \$200,000 per year converting key documents to microfilm. Because it was so easy to lose a microfilm document, two copies of critical documents were made with one copy stored on-site for fast access and the other kept in a secure remote facility where it could be copied in case the original tape was lost.

### Delays in document distribution

While producing the paper and microfilm reports was expensive, the primary problem was the difficulty in distributing, accessing and the company's critical documents. Paper reports were sent to managers by intercompany and conventional mail. This meant that documents were often several days old by the time they were received and it was not uncommon for them to be lost in transit. Many of the documents needed to be reviewed by people in several departments which increased the complexity of the logistical task as well as the cycle time involved in completing the business process. A few divisions, on the other hand, had their own host-based document management systems. This increased the efficiency of their internal communications but did little to aid in other areas. For example, reports from the company's ERP system were still delivered on paper. These host-based

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systems also involved considerable hardware and software leasing fees.

Parker was assigned to head up a project of implementing a document management solution with the target of improving the flow of information throughout the company. "One of the biggest challenges that we faced was the fact that we had so many different types of document management issues," Parker said. "First of all, there are the reports that are generated by enterprise resource planning and other corporate information systems. This situation can be addressed by a COLD solution that reads host report files and distributes them over a network. On the other hand, we have many types of documents, such as those related to the import and export process, for which we are required to maintain document images, in many cases with signatures. Normally this type of problem is addressed with an imaging system. Finally, the fact that many documents must move back and forth between divisions located at great distances from each other calls for some type of workflow solution."

### **An integrated solution**

"When we started investigating alternatives," Parker continued, "we found that it would be easy to find an economical solution to address any one of these needs in isolation. But the higher end systems that are capable of handling all three in a single integrated solution generally run into millions of dollars and years of implementation time, which was more than we wanted to spend. Then we heard about Metafile, a company that offers COLD, imaging and workflow in a single integrated solution at a very reasonable price. The company provides print capture and imaging products that feed a single print output and imaging warehouse. The information stored in this warehouse can be accessed with a viewer client or over the

web and operated on with workflow software. Documents can be easily written to CD-ROM for off-site storage. We were able to purchase a license that covered the use of the software at 8 different divisions by 2000 possible users throughout the organization for only \$300,000. The software was easy enough to implement and run that we did it ourselves in a few weeks without the need for consultants."

Parker's implementation team set the COLD system up to read the host spool files and convert them to a compact, searchable file that resides on a Windows NT server. No host code changes were required. The team installed the client software on users' desktops at headquarters and at eight manufacturing plants in the southern United States, Puerto Rico and Mexico, where the server is accessed through a wide area network. The software automatically scans a specified location for a new spool file and, if it is found, automatically downloads and indexes it. Paper documents such as bills of lading and vendor invoices, on the other hand, are scanned as an image into Metafile. Keywords for each document are entered at the time of scanning, such as the vendor name, vendor number, invoice number and invoice date, so the documents can be easily retrieved using a search feature.

### **Streamlining information flow**

"The new software immediately improved the flow of information through our company," Parker said. "Instead of waiting for reports to be distributed, our managers can access the information contained in them almost as soon as they are created. Rather than paging through the reports to find the relevant information, they can perform a text search and zero into any section of interest in a few seconds. The improvement in the time required to access documents that were previously stored on

microfiche is even faster. In the case of these documents, it used to take hours to locate the microfiche tape in the records room, deliver it and then more time for the person to find the document. Now, we can simply perform a text search to find the document in a few seconds."

Even greater savings have been achieved in handling documents that must move between several departments for processing. They are automatically distributed electronically through the Metafile system, reducing the time required for processing and avoiding the possibility that they will be lost in the mail system. Recent reports are stored on disk for the fastest possible access while older information is burned onto CD-ROMs. Document security has been improved by storing data on CD's and placing the Plasmon 240 CD changer in a locked room. In the past, the potential always existed for someone to remove a microfiche but now access is limited to the CDs and hierarchical security means each person only has access to the information they need.

"The net result is a substantial savings that paid for the new system in a remarkably short period of time," Parker said. "We are saving approximately \$200,000 per year by eliminating maintenance charges for the host systems previously used in several divisions. Eliminating microfiche has saved about \$200,000 per year. The cost of paper has been reduced by about \$100,000 per year. We have also saved about \$200,000 per year in labor costs by reducing document distribution costs and the costs of retrieving documents. The total is \$700,000 per year and this doesn't include the intangible savings that we have realized by streamlining our business processes."

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# APPLICATION OVERVIEW