



Client Case Study

How SmartSearch and PrintFree Can Result In Substantial Cost Savings By Eliminating Pre-Printed Forms

A small, local manufacturing company needed to find ways to reduce their daily operating costs. Like so many companies of their type, they were printing various forms using pre-printed, multi-part forms. For example, they had been using a four-part pre-printed invoice form.

One copy of the invoice was sent to the customer and three copies were being distributed and filed "internally" for various accounting (one copy to accounts receivables, one copy to commission accounting and one copy to the salesperson).

This company printed about 60 invoices a day and the cost for each pre-printed form was \$.31 each – so their annual cost for just the forms was about \$4,650 per year. By mailing the invoice to a customer, their postage costs were at least \$6,300 per year (60 invoices/day X 250 working days X \$.42 = \$6,300).

This company estimated they spent at least 2 hours a day (10 hours a week) bursting the multi-part forms, distributing them and filing three of the copies for internal purposes. They estimated their burdened wage rate was \$20/hour. The company also understood that they would occasionally misfile documents and they typically spent at least three hours a week of someone's time searching for invoice copies they needed to resolve a receivable's question or some other question. Therefore, the annual labor costs associated with routine distribution, filing and retrieving the invoice documents was estimated to be \$13,520 (estimated 13 hours a week X \$20/hour X 52 weeks = \$13,520).

They preferred to use those skilled resources for sales and marketing related activities versus doing filing work.

InfiNet Business Systems quickly implemented a SmartSearch document management system along with a print output management system called the PrintFree. This "forms creation and management" software allows them to print a hard copy invoice on a single cut-white sheet of paper using a laser printer thereby eliminating the need and cost for pre-printed invoice forms and the cost to maintain an impact printer.

The PrintFree software also allows them to automatically route an invoice based on a customer's preferences. They estimated that at least 30% of their customers would prefer to receive their invoice via an email (as an attached Adobe pdf file) since many customers wanted to take advantage of an early payment discount offered by the company. By sending invoices via email, they are cutting the number of days until a customer receives an invoice by about

three days (normal postal delivery times) and they are reducing the collection times (the time between the issuance of an invoice and the payment of the invoice).

By cutting the number of invoice documents that need to be printed and mailed by about 30%, the company estimates it will save at least \$1,900 a year currently spent for postage. It further reduces postage expenses since copies of the invoice are no longer being mailed to the sales representatives. They salesperson (and their sales managers) now receive them automatically as an email attachment when the invoice is generated.

As invoice documents are generated (either printed or emailed to a customer) a digital “copy” of each invoice is passed to the SmartSearch system and filed automatically using several index values – so they can be easily retrieved in the future if a copy is needed. Therefore, all of the labor time associated with bursting, distributing and filing the invoice forms has been eliminated. No more time is spent searching for any misfiled invoice documents; they are easily retrieved from the SmartSearch system. Commission accounting has been simplified since the accounting people can quickly and easily look up any invoice(s) for a salesperson – for a specific customer or for a date or a range of dates.

By eliminating the costs for pre-printed invoice forms, by reducing postage costs and by eliminating the labor associated with managing their invoice documents in paper form, the company estimates the SmartSearch and PrintFree forms management system will yield a net savings of approximately \$60,000 over a four-year period. The system resulted in a pay-back in less than ten months. In fact, their savings were estimated to be higher since the company is growing rapidly and the volume of invoices generated has been steadily increasing.

The company is now planning to reduce additional costs by adding other document types to the SmartSearch system - such as payable's invoices, quality certification documents and human resource documents for their employees, all of which are currently filed in traditional paper-based filing systems.

They are very pleased with the automation benefits and the cost savings they have achieved by working with InfiNet Business Systems.