

## IMS/21<sup>®</sup> AND PHILADELPHIA COKE

POP WITHOUT THE PAPER



VIEW IT,

SCANNED IMAGES

*Mine it,*

STORE IT,

*Find it...*

Instantly.

COLD



## POP WITHOUT THE PAPER

### VANGUARD SYSTEMS AUTOMATES PHILADELPHIA COKE

*As seen in Midrange Technology Showcase*

The Philadelphia Coca-Cola Bottling Company has both a venerable history and a progressive outlook. Recent years have brought significant growth, but there have been growing pains as well. Handling the accompanying increase in paper documents was a challenge, but at this writing, the problem has been solved in a way that augments the present and augurs well for the future. The bottler's path from problem to solution is one of the notable successes of document technologies.

Philadelphia Coke is over a half-century old and has over 1200 employees. It bottles and distributes Coke products, Seagram's Ginger Ale and Dr. Pepper in three states from three locations to over 25,500 customers. Each delivery — some 3000 daily — generates a delivery receipt. Each distribution driver acts as a mini-business. Drivers take product in the morning and return at the end of the day with either unsold soda or receipts verifying delivery.

In years past, each distribution center forwarded its receipts to the Erie Street headquarters where clerks manually verified them against iSeries 400 database reports. The process was fraught with problems of both accuracy and lost or misplaced documents. Denials of delivery ranged from hundreds to thousands every month, and without the paper, it was hard to prove the customer wrong.

While getting documents into the system in an orderly, comprehensive way was a problem, output was even more challenging. Philadelphia Coke generates invoices from the delivery receipts, so missing receipts meant restricted billings. Also, some customers require copies of the receipts to accompany invoices; when an invoice was lost, delivering a duplicate was a major effort.

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#### **Taming the “Paper Elephant”**

“We had four full-time clerks dealing with 1000 requests per month for duplicate invoices,” reports Michael Rose, corporate credit manager. That works out to over 40 minutes per request, on average.

“It got to be a paper elephant,” asserts Bill Marquis, manager of systems and programming on Philadelphia Coke’s iSeries 400 team.

“You couldn’t budge it. It took too long to answer questions. Looking for invoices, our clerks would have to find the right file or box and thumb through them, trying to find the right store. This could be a problem because, for example, there are so many SuperFresh stores.

“If we couldn’t prove that a claim was wrong, we didn’t get paid,” he adds. “Our financial group saw the losses. Our ‘over 90 days’ was atrocious. Finally, a financial manager said, ‘Let’s look for a solution to this problem.’”

Corporate management formed a team made up of financial people, IS people, and the credit manager. The team did feasibility studies of document imaging, identifying requirements, workflows, and strategies. They considered hardware capabilities and identified the imaging system’s requirements for the company’s needs. Then the team gathered information on prospective vendors and eliminated those that did not fit well.



When Philadelphia Coke contracted with Vanguard, they set stringent requirements. The system needed to:

- Handle both signed receipts and computer reports.
- Match invoices to the iSeries 400 database in order to notify drivers of missing invoices.
- Reside on the existing iSeries 400 and work with the current infrastructure.
- Integrate remote locations into centralized processing.
- Work seamlessly with existing MS Windows applications.
- Integrate with the proprietary line-of-business software from Coca-Cola International without programming. Source code was not available.

## The Right Solution...Vanguard

Eventually, they narrowed the vendor choice down to three: two multi-nationals (which Marquis notes were “very expensive”) and Vanguard Systems ([www.vansystems.com](http://www.vansystems.com)). Although Vanguard Systems was smaller, a check of company stability, references, personnel, technology, and four site visits were all very positive. Roughly eight months after its formation, the team selected Vanguard to put its plan into action.

“What really sold us was the ROI (Return on Investment),” Marquis reveals. “The more we looked at it, the better it got. We expected to save the cost of the system just from people who were handling paper all day, to say nothing of copying and storage costs and recovery of lost revenue.”

Although most of the specifications were set before proposals were requested, there were still decisions to be made in the installation process. “We had to decide on indexes,” Marquis recalls, “and we needed to choose the right components for testing and capture. We needed some customization, and Vanguard came right in and did it. **The Vanguard solution — IMS/21 — integrated well with the proprietary national Coca-Cola software. The implementation met or exceeded all timetables and was within the estimated cost.**”

Under IMS/21, duty desk workers look over the paper receipts as drivers return from their routes, and these are compared to the iSeries 400 database. Drivers learn of missing paperwork immediately, when it is easiest to recover, instead of weeks later. The credit department scans charge

receipts, and, as soon as possible, these images go to optical disks for permanent storage. Copies of the documents are retained on DASD for a few weeks, then automatically purged as long as they have been successfully copied to optical for permanent retention. Since few requests come in for images over 15-weeks old, most are retrieved from DASD with the older documents automatically retrieved from optical. A 10-platter jukebox holds the electronic equivalent of 20,000 sheets of paper per GB — that's over 2,000,000 documents on near-line optical storage. Older disks are stored off-line and requests for documents stored there are filled overnight. These requests typically come when a major customer is having an audit.

When it is time to invoice customers, IMS/21 prints delivery receipts automatically and includes them with the consolidated bill in the order printed on the invoice.

When Credit Department representatives field questions about deliveries or invoices, they retrieve the appropriate images in seconds. When there are requests for duplicate documents, they can be faxed or e-mailed almost immediately. Operators can retrieve images by invoice number, customer name, or retail location.

### **Impressive Cost Savings with IMS/21**

While customers enjoy the near-immediate document retrieval, the changes within Philadelphia Coke have been no less impressive. While growing rapidly, the bottler has still saved the cost of:

- **2 credit invoice pullers**
- **1 billing clerk**
- **1 copier**
- **Offsite paper storage**
- **Excessive day sales outstanding**
- **Lost revenue from denied deliveries**
- **Paper storage areas now used for office space.**

Recovering revenue that would have been lost under the paper-based system is the most dramatic turnabout.

Vanguard's IMS/21 has been remarkably reliable since installation, the staff reports, and both Rose and Marquis applaud Vanguard's training and support. The in-house project manager answers most user questions. Only rarely is second-level support from Vanguard required.

While imaging storage and retrieval with some basic workflow make up the main Vanguard application, Philadelphia Coke is eager to use other capabilities built into the system. "We use the COLD module for some monthly reports, putting them on to optical storage," explains Marquis. "This replaces even more paper in boxes. The search engine, with its full text retrieval, gives us quick access."

**Taken as a whole, Philadelphia Coke sees only pluses in their IMS/21 software. They achieved their automation goals without compromising their other IT systems. Their ROI was rapid, and their service from Vanguard is gratifying.**

The next application will be in the Human Resources department, where paper storage runs high. Other projects wait their turn. "We have thought about doing our rental statements, leasing, and equipment tracking with IMS/21," Marquis notes. "It is convenient, and it certainly saves an enormous amount of time and money."

Taken as a whole, Philadelphia Coke sees only pluses in their IMS/21 software. They achieved their automation goals without compromising their other IT systems. Their ROI was rapid, and their service from Vanguard is gratifying. Finally, they have yet to see the end of ways that their document technology can help streamline their operation and make it more efficient.

The logo for IMS-21, featuring the text "IMS-21" in a stylized, bold font with a registered trademark symbol, set against a dark background with a white swoosh underline.

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