

Esker solution cuts customer invoice sending time in half for KONE Corporation



KONE is one of the global leaders in the elevator industry. It provides innovative and eco-efficient solutions for elevators, escalators and autowalks. KONE supports its customers every step of the way; from design, manufacturing and installation to maintenance and modernisation.

KONE employs 34,000 dedicated experts globally and locally in 50 countries. In 2010, KONE had annual net sales of 5 billion Euros.

www.kone.com

Customer Management

KONE Corporation, one of the global leaders in the elevator and escalator industry, has selected Esker to automate and outsource the sending of its customer invoices in France – over one million pages. Deployed in less than eight days, the Esker Accounts Receivable solution enabled KONE to cut in half the time spent sending customer invoices and to benefit from a return on investment solely based on the decrease in postage costs. KONE's project with Esker is part of its strategy to outsource IT and will enable KONE to progressively move from paper to electronic invoicing.

Situation

In France KONE manages over 100,000 elevators and 130,000 building doors for its 100,000 customers. This sizeable customer base generates a large volume of customer invoices – over 355,000 envelopes are sent yearly, with peak volumes capable of reaching over 40,000 on certain days.

Challenge

Having already decided to outsource the processing and sending of its customer invoices, KONE was looking for a new vendor capable of addressing issues including high incident rates, lack of invoice traceability and occasional restricted mailing needs. Its objectives were to:

- Implement a solution compatible with its existing framework
- Automate processes with vendor technologies
- Reinforce security in exchanges with suppliers
- Track all invoices on an individual basis
- Manage document formatting – capability to insert a background image on the front page and an advertisement on the back page
- Put in place statistical reports
- Secure a quality SLA
- Progressively move from paper to electronic invoicing

“ When working with a critical process such as customer invoicing, we require a level of quality and traceability beyond reproach. Esker was able to perfectly respond to our needs and even delivered solutions beyond what we initially imagined – grouping invoices to the same recipient in one envelope, transpromotional capabilities and the ability to provide information on returned mail, such as when the recipient had moved and no longer at the indicated address. Our decision to go with Esker was based on its double expertise in mail production and document process automation, which will allow us to gradually move from paper to electronic invoicing. ”

Arnaud Allavena ▪ Project Manager ▪ KONE France

Solution

Implemented in less than eight days without any custom development, the Esker AR solution has enabled KONE to automate the sending of over 355,000 envelopes per year – 1,200,000 pages – via Esker production facilities, where they are printed, folded, stuffed into envelopes, stamped and handed off to the postal service.

The Esker solution met KONE's objectives in terms of compatibility, document formatting, traceability, security and quality of service. It also enabled KONE to benefit from the automatic grouping of invoices to the same recipient in the same envelope – resulting in significant postage cost savings.

Today, invoices that require special handling (1 to 2% of invoices) are easily identified and submitted for approval prior to being sent. This process, which previously required internal sorting and took anywhere from three weeks to two months to complete, is now accomplished within 72 hours.

One of the keys to the success of outsourcing the sending of customer invoices was our business approach to the project. Beyond a technology project, it was first and foremost a business project, which required the understanding of the different business processes. Today we are very satisfied with the Esker AR solution. The implementation was achieved in a record eight days – less than 10 days were required before we had it up and running with no training needed! We have seen a profitable return on our investment entirely based on the savings achieved on postage costs and the grouping of invoices by customer.

Arnaud Allavena ■ Project Manager ■ KONE France

Benefits

Customer invoice sending time reduced by more than 50 percent

By automating invoice sending, KONE has dramatically reduced the time to send over 200,000 mail items – from one week to two days.

Significant reduction in sending and postage costs

Despite an increase in costs due to colour printing, KONE has nonetheless achieved substantial savings on sending and postage costs, due to the automatic grouping of invoices to the same recipient in the same envelope.

Transpromotional communications

With the ability to print invoices in colour and systematically include one page of customer communications on the back side of the invoice, KONE benefits from the advantages of transpromotional communications by using invoices to convey marketing messages.

Flexibility and traceability

KONE also benefits from:

- **Increased mail sending capacity** due to the Esker production facility infrastructure which enables KONE to better respond to peaks in volume related to invoicing.
- **Improved tracking** due to status updates fed back directly into its business application.
- **Handling of returned mail** within 48 hours (recipient no longer at indicated address).

Following the success of this first project, KONE has extended its use of the Esker solution to the sending of 25,000 collection letters, of which 2,700 are registered letters with acknowledgement of receipt, and to the sending of value-added tax certifications.

Thanks to the Esker AR solution, KONE will soon be putting in place electronic invoicing and online archiving.

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