

Butler Machinery Company Streamlines Business Processes With XtenderSolutions

Case Study



The Challenge

Managing Accounts Payable

The Solution

XtenderSolutions provides a solution that streamlines business processes.

Products Used

- APPLICATIONxtender
- WORKFLOWxtender
- DISKxtender

“ Today we maintain most of our records with LEGATO’s ApplicationXtender and destroy the documents after a few months. This has helped us reduce the need for paper storage systems and offsite storage. ”

David Scott
Butler Machinery
System Administrator

About Butler Machinery Company

Butler Machinery Company (BMC) is a regional Caterpillar dealer for North and South Dakota. Founded by Francis J. Butler in 1955, the Company has expanded its operations to eight stores, which provide sales, rental, parts and service for Caterpillar products in North Dakota, South Dakota and Clay County, Minnesota. BMC serves several industries, including building construction, material handling, mining, road maintenance, electrical power generation, farming, trucking, landfill and paving. The Company has full service facilities in Fargo, Grand Forks, Jamestown, Bismarck, Minot, Aberdeen, Sioux Falls and Rapid City. These facilities are dedicated to furthering BMC’s mission - to build long term relationships with its customers, founded on trust, and generating mutual growth and success.

The Challenge

Managing Accounts Payable Is Business Hurdle

As a leading Caterpillar dealership, BMC receives an average of 200 invoices per day. In order to keep on top of the paperwork, BMC had previously used a legacy imaging system for its accounts payable. Invoices that were received in the corporate mailroom were routed to an accounts payable clerk, alphabetized, manually keyed into the mainframe and temporarily filed. Then, printed checks were matched with the invoices and mailed. Finally, the invoices were scanned and indexed into the imaging system for company files. This long and complex process resulted in late payments and/or bills being paid after the discount period expired. In addition, information within the mainframe was not always in sync with the imaging system. Therefore, time that could otherwise have been spent on revenue growth and sales was spent entering accounts

payable information, and resolving conflicts between the systems. In addition, Butler needed two full-time employees, working overtime, to process accounts payable, and the Company needed to add a third full-time clerk.

Ability to Access Critical Information Vital for Optimum Productivity

BMC also kept many of its company forms - such as customer statements, financial records and technical reference records - in offsite storage and at its headquarters. When BMC employees needed to access the information from headquarters, they would have to search through filing cabinets, which could take hours. Accessing information from offsite storage was even more difficult. BMC employees had to either pay the storage company to locate the records, or an employee would have to travel up to 30 minutes to the offsite storage facility to find the records. Due to the quantity of paper records, it could take an employee up to an entire day to search for the correct file and return to the office. In addition, offsite storage costs were quickly adding up. Butler had approximately 600 boxes in storage, at the cost of 30 cents for small boxes and 60 cents for large boxes. With the combination of having to retain records for 20 years, and the ever-growing amount of documents each day, there was no end in sight for off-site storage costs.

The Solution

ApplicationXtender Provides Cost Savings, Boosts Productivity

In 1996, dissatisfied with its legacy system, BMC began to look for a solution that would quickly and efficiently store, manage and retrieve company statements and invoices, while integrating with its mainframe AP/AR application. After seeing the successful implementation of LEGATO’s

solutions to manage accounts payable and service invoices at J.A. Riggs, another Caterpillar dealership, BMC turned to XtenderSolutions to provide them with a solution that would streamline its business processes.

Butler Machinery Company first implemented LEGATO's XtenderSolutions® – including ApplicationXtender® and DiskXtender® – to manage, store and access the Company's accounts payable information. BMC integrated ApplicationXtender with "screen scrapes" – which captured information from mainframe terminals – and an application written by a LEGATO system engineer to compare the checks to the Company's invoices. Now, the Company simply scans batches of invoices to ApplicationXtender, where the documents are keyed into the mainframe and automatically indexed into ApplicationXtender. As a result, the information held within ApplicationXtender is always an exact match to the information on the mainframe, streamlining the invoice approval process and dramatically reducing data entry time. Checks can then be printed and mailed quickly.

As a result, Butler Machinery pays its bills on time, and often takes advantage of prompt payment discounts, providing significant savings for the Company. The improvement in its payment status also helped improve relationships with the Company's various vendors. In addition, the solution has increased the Company's efficiency. Previously Butler had two full time employees working overtime to process accounts payable, and was expecting to hire a third. Now, only one employee processes accounts payable full time. The second employee now focuses on more critical business processes such as statement reconciliation.

In addition, since documents are now stored electronically, BMC no longer needs to file paperwork, reducing the need for large filing cabinets, both on and off-site. Retention requirements on older documents are also expiring, so records in storage are being destroyed, diminishing and saving money on the existing storage space.

"Today we maintain most of our records with ApplicationXtender and destroy the documents after a few months. This has helped us reduce the need for paper storage systems and offsite storage," explains David Scott, Butler Machinery system administrator. "In fact, two years ago we moved to a new building. It wasn't just because of our records volume, but it was definitely a factor. Now, it's impossible for us to run into that problem."

Due to the success of LEGATO's solution within accounts payable, BMC has expanded its use of the system across the enterprise. Today, the Company uses ApplicationXtender to store and manage records in human resources, customer invoices and statements, financial records, machinery sales and service records, as well as technical reference records. Every department of BMC has information stored on ApplicationXtender, and more than 340 users access the various records to provide assistance to employees, customers and vendors.

Butler's expansion of ApplicationXtender into additional departments has provided substantial benefits to the Company. Users can now access information from their desktops within seconds, enabling them to better serve customers, respond to information requests and prepare financial statements. For example, prior to implementing LEGATO's solutions, many of Butler's checks and vendor statements would cross in the mail, creating confusion during statement recon-

ciliation. Approximately 25 percent of Butler's invoices would have finance charge disputes. Today, there is almost a zero percent dispute rate with vendors over finance charges.

Within the last year, BMC has also deployed WorkflowXtender™ to replace another legacy system. WorkflowXtender helps automate the flow of information through the Company, and associates use the solution to help track orders and payments on new Caterpillar equipment for inventory and new sales.

Future Plans

Due to the success of expanding ApplicationXtender throughout the Company, Butler Machinery plans to expand use of WorkflowXtender to streamline other business processes in the next year. As additional Caterpillar dealerships see the overwhelming benefits of LEGATO's solutions, more have chosen to use LEGATO's content and storage management software. To date, 23 of 63 Caterpillar dealerships in the country are taking advantage of LEGATO's solutions



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