IBM Case Study

Bretford builds a better workflow with a Lotus Domino document management solution.

Overview

- **Challenge**
  Bretford needed to eliminate the inefficiency brought on by outmoded order processing and document management systems.

- **Solution**
  A document management system that integrates faxes, e-mails and phone calls with existing manufacturing and financial applications.

- **Why IBM?**
  Bretford was already using IBM Lotus® Notes® and Domino® for messaging and was pleased with the stability and features; a Lotus document management solution would leverage the existing infrastructure, require the least employee training and provide the shortest time-to-value.

- **Key Business Benefits**
  100% payback within 12 months; over $116,000 a year saved in employee time and resources; improved customer service due to faster, more accurate order processing; flexible, easy-to-use platform for future service improvements.

Office and school furniture maker Bretford Manufacturing, Inc. is known for its sleek, computer-friendly desks, tables, storage units and more.
It employs about 575 people at its head office and plant in Franklin Park, Illinois, and a factory in Schiller Park, Illinois. A network of 3,000 active independent dealers sells Bretford products, mostly to schools and businesses.

Although the company designs products to support cutting-edge, fully networked work environments, its internal operations were hampered by an inefficient order management system.

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Integrating solutions that help enable on demand business

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Process that depended on outdated software, faxed orders and manual data entry. When Bretford's document management software began crashing several times a day, preventing customer service representatives from filling dealers' orders, the company knew a change was overdue. At the same time, Bretford hoped to streamline its business processes, removing inefficiencies and becoming more profitable and easier for its customers to work with.

Bretford upgraded its IBM Lotus Notes platform to Version 6.5.1, which provided a smoothly integrated and easy-to-use order management system based on IBM Lotus Domino Document Manager, along with Lotus Domino Server Version 3.1 and Domino Client Version 3.5. Now the company can process its orders much more quickly and accurately because the system automatically captures information from e-mail or scanned faxes and enters it into its enterprise resource planning (ERP) system. The Lotus Domino Document Manager solution saves Bretford over $100,000 a year and frees employees from tedious data entry. It’s also a springboard for future e-business initiatives, such as a self-service Web portal for dealer inquiries.

“The new system cut a lot of waste out of our business processes, and opens up all kinds of new opportunities,” says Jim Dumke, the IT manager at Bretford. “We only wish we'd made the change sooner.”

Replacing an aging application

Bretford decided to replace its order management system in early 2003, when its previous document management application, called Lava, was reaching the end of its lifecycle. Lava's vendor had gone out of business. The 16-bit application couldn't keep up with server and operating system upgrades, let alone a rising tide of orders (up to 500 a day). It crashed four or five times a day.

“You can imagine how disruptive that is while you're speaking to a customer—having to keep saying, ‘Excuse me, I've got to reboot my PC so that I can look up that document for you,'” Dumke says. “We knew we had to replace that system, right away.”

Bretford decided to take advantage of the upgrade to audit all its business processes. A company-wide team representing each department worked with systems integrator PSC Group, an IBM Business Partner, to identify bottlenecks and recommend new features. PSC used the stated requirements to develop the new document management system.
Reductiong the pain of transition

Bretford considered several document management systems, including one from Canon, Dumke says. The company opted for IBM Lotus Domino Document Manager, Version 6.5, because it was pleased with the stability of Lotus Notes and Domino, which it was already using as a platform for e-mail, intranet and extranet functions. Also, employees would have an easier time mastering a system with a familiar look and feel. “One of our goals was to reduce the pain of transition as much as possible,” he adds.

The crucial go-live date came in spring 2003. Bretford had several temporary data-entry clerks standing by in case the Domino system didn’t work. “When the new system went live that morning, it just took off running. I don’t think there was any loss of productivity at all in the changeover. We were holding our breath all day, waiting for something to go wrong with the new system, but nothing did. It was the smoothest implementation I have ever been part of,” Dumke says. “After two hours with nothing to do, we sent the temps home.”

Lifting a paperwork burden

The Lotus Domino Document Manager system has the flexibility to support legacy processes such as taking orders by fax, the method many Bretford customers still prefer. The Domino solution automatically converts the faxes into images that it queues up and e-mails to the document coordinator. The system also adds the ability to take orders by e-mail.

“More and more customers were asking to e-mail us orders, but we couldn’t have obliged them before,” says Marilyn Zachwieja, a clerical support supervisor at Bretford.

The Lotus Domino solution is tightly integrated with Bretford’s ERP suite from J.D. Edwards, so it automatically enters new orders into the ERP system, which triggers assembly, shipment and billing. Orders now show up in the J.D. Edwards system within minutes of being faxed—a real convenience for customers who can check on the status of their order before the custom-built furniture is assembled. “And it pretty much eliminates typing errors,” adds Dumke.

Lotus Notes smoothes out the order-placement process in several other ways. In the past, bills of lading were mailed to Bretford’s main office where they would be manually scanned. A clerk would examine each image and add in the order

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number and customer information before manually indexing them. Lotus Domino Document Manager can read the bar codes that the J. D. Edwards system prints on the incoming bills of lading, so that the bills are automatically indexed, saving several minutes per order.

In addition, the Lotus Domino Document Manager system no longer requires all orders to go through a time-consuming editing process. Only the ones that have formatting errors or missing information (about 20 percent) are pulled aside for editing; the 80 percent that are clean go straight to fulfillment. If an order is placed in the wrong queue, or a non-order message somehow slips in, the user-friendly Lotus Notes interface makes it easier for a supervisor to spot and redirect it, says Zachwieja. “Solving problems is much quicker now,” she adds.

Generating value in every direction
It only took 12 months for the new system to reach 100% ROI. According to Dumke, in a typical year Bretford saves over $116,000, including:

- $37,440, representing more than 2,000 hours of system reboots.
- $30,000 from eliminating editing of 80 percent of orders.
- $14,000 through faster processing of bills of lading.
- $35,000, representing one full-time document coordinator job.

“Overall, it frees up our staff for more value-added projects. Plus, it helps us build better relationships with our customers and dealers—you can’t put a price on that,” Dumke adds.

Bretford plans to expand its Lotus Domino Document Manager solution to new areas, starting with accounts payable. Scanning paper bills into the system for electronic payment should eliminate considerable clerical overhead and lead to faster payments, Dumke predicts.

Bretford will also beef up its dealer communications, adding self-service inquiry features to its Web site, and implementing Lotus Instant Messaging and Web Conferencing.

“One of our major goals is make it easier for dealers to do business with us than with our competitors. Lotus Domino Document Manager helps us do that because we’ve always got the necessary information at our fingertips,” Dumke says.

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