

IMAGING AT:



Hanson Aggregates

A LITTLE ABOUT HANSON AGGREGATES...

Hanson Aggregates has over 450 locations throughout the country. They wanted to centralize the receipt of their invoices while allowing each location to approve and cost code the invoices. Once approved they wanted to have the information from these invoices to be input into their JD Edwards Accounts Payable software with no keystrokes!

Construction Imaging who had successfully integrated its imaging solution with JD Edwards' customers including Baker Concrete (over 5000 employees) and Martin K. Eby (four applications were implemented in four consecutive weeks) was chosen to do the job. Construction Imaging is the only nationwide provider of document imaging systems for construction companies in the country. Construction Imaging has over 200 customers and integrates with 30+ accounting and project management software packages for construction.

GETTING STARTED...

In the initial system design meeting one of the hurdles was determining which of their various locations had ordered goods per invoice that was received in their Irving, TX office. Each location deals with multiple locations of the same vendor, and since invoices would be entered centrally, some confusion might exist. Construction Imaging created a virtual PO for use at each of the 450 locations. When orders were placed a PO# was generated by the system and the vendor name was entered (a vendor # with the correct address is selected from a list). The plant # or job # and the amount of the order is also entered. Vendors are required to put this PO# on every invoice submitted for payment.

SCANNING INVOICES AND INVOICE ROUTER...

All invoices are received in the Irving, TX office and scanned with the Bell and Howell 8080D scanner. This scanner, considered by many the best in the industry, does a line-by-line contrast adjustment on the images (making blue, pink, red, and shaded areas readable). Its elevator feeder allows feeding of multiple sized documents with multiple thicknesses at 80 pages per minute (reading both sides at one time)!

Hanson Aggregates Fast Facts:

- Location:
Irving, TX
- Contractor:
Aggregates
- Implementation Date:
January 2002
- System Payback:
6 months
- Accounting Software:
JD Edwards





Scanning the documents only takes a few minutes. It's like making copies and distributing them to the appropriate people, it's that easy.

– Patty Adams,
Pay Roll Manager

After the invoices are scanned in batches an Accounts Payable Clerk will open a batch and pull up each invoice, one at a time, and enter some basic information. This includes PO# (which will pull in vendor name, vendor #, plant # or job #, and amount), invoice date, due date, and the amount will be checked.

Once the invoice is entered, it will be routed to the person responsible for approving the invoice based on the plant # or job # in a centrally maintained table. The system also allows unlimited levels of approval and approval by dollar amount. For example, an invoice under \$ 500 (if designated in the table for that plant or job) could be approved by the first level and then back to Accounts Payable, not having to go through the additional levels.

APPROVAL OF INVOICES

Once the approver pulls up the invoice, they can cost code the invoices and the system validates the cost code as a valid cost code for that plant or job. A nightly file is downloaded from JD Edwards that contains over 1.5 million combinations for the validation. An invoice must be cost coded and all fields must be valid before it is routed back to the home office.

The CIS system scans all invoices received back in the home Office and generates a Z-file that is imported into JD Edwards Accounts Payable process. Once imported a batch report is generated, again validating each invoice (a standard JD Edwards report).

Once the checks are printed a file is received from JD Edwards (like a detailed purchase journal) that includes all cost code breakdowns by amount, the check # and check date of the check that paid it as well as other information that was not entered earlier like journal date. The indexes in the imaging system are automatically updated to include these fields and if an invoice has multiple distributions, additional index fields can be created.

At any time a report can be displayed showing the status of any invoice and a report can be displayed that lists all locations and approver's in sequence by how many invoices they have waiting for approval! Most of Construction Imaging's customers are able to reduce the approval time for an invoice from three weeks to less than one week. Optionally, an e-mail can be generated periodically going to all approver's as well as management showing the status of invoices.

If an approver has questions on an invoice, the material has not been delivered, or the invoice is wrong, they can place the invoice on "hold" in the imaging system until they are ready to authorize approval. They can even e-mail the vendor with a copy of the invoice from the approval screen. With some Construction Imaging customers this has resulted in a 20-minute turnaround rather than a two-week turnaround by eliminating the need to send a fax or mail a copy to the vendor. These invoices could even be put up on the web for viewing by the vendors to see why they were not paid.

At any time the user can pull up an invoice or group in the imaging system by invoice #, vendor #, job #, or plant #, amount, cost code or any other of 24 fields to review a group of invoices. For example, all invoices over \$ 5,000 for the last week can be reviewed for a job or location, or all invoices for job # 445, over \$ 5000, in the last 30 days for cost code 567. The invoices can then be browsed for any information that was not keyed into the system.

Accounting, when viewing a JD Edwards screen in Accounts Payable or Job Cost, can hit the display button and display the invoices that match that screen. Training manuals with lots of illustrations and pictures have been created and customized to Hanson's operation for use by their personnel.

Many benefits are anticipated from this combination of JD Edwards/Construction Imaging's system for approval of invoices.

They include:

- Centralized receiving and monitoring of status of invoices to include prompt approval, reduce lost invoices, and keep the vendors happier.
- A per seat cost of about half of having the JD Edwards client at each location. Plus a Graphical User Interface, easy to use Windows screen with validation that is customized to Hanson's system.
- Ease of rollout and training, reducing the time to get the system going as well as give the user an easier interface to cost code and approve invoices.
- Being able to pull up an image of an invoice or invoices at anytime, anywhere and being able to email, fax, or print right from the screen.
- Never losing an invoice or have an approver hold one.
- Eliminating double entry. Formerly in the paper system, information was written on a voucher then re-keyed into JD Edwards; here, once it is in the system it is validated at the user level and then automatically input into the system.

Construction Imaging's Invoice Routing and Workflow system was developed for the construction and construction-related industry. Any change made for any customer is incorporated in the master system and each customer gets that master system. Through the Construction Imaging site administration tool, the system can then be customized or configured for each user. This allows each user to immediately use any system updated made by Construction Imaging after a quick re-configuration.

Hanson employs this solution over a VPN using Citrix Server. This allows fast access and transmission of the images and central administration of the software (new releases are applied centrally) as well as allows the remote PC's to be less powerful and less expensive than one to house a normal JD Edwards or imaging client. The cost of the imaging system was significantly less and much easier to implement and train than the JD Edwards system.

Other features of Construction Imaging software that are in use at other locations include being able to pull up subcontract and change orders while viewing an invoice, automatic matching of Purchase Order and Delivery Tickets if scanned at approval time, retrieval of cost coding information and review at the time an invoice is initially scanned which allows approval of some invoices without routing, and many other features.

Construction Imaging Quick Facts:

- Construction Imaging's customer base includes companies ranging in size from \$12 million in sales up to \$4 billion in sales.
- Construction Imaging's first installation was at ST Wooten Company (located in Wilson, NC) in 1995.
- Construction Imaging's corporate office is in Rocky Mount, NC.
- The typical payback for an imaging system is less than ten months!
- Jaynes Corporation in Albuquerque, a \$300 million GC, had invoice routing up and running in two consecutive weeks.
- Construction Imaging's software also works with the major vendors of project management software.

