
Digital Solutions for Receiving Area

**Automating the Capture, Storage and Retrieval of
Supply Chain Records**

Consulting Whitepaper

Information for Manufacturing and Distribution Companies

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LEXMARK

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Receiving Area Record Keeping

One of the most critical areas of a business is the receiving area. This is where all products and supplies enter the business. Having an inefficient receiving model can effect a company's bottom line. Being able to process the merchandise quickly and efficiently is essential to a smooth running warehouse.

Typical Receiving Process

What Records Must Be Maintained

Today, a company will have hundreds of suppliers and receive dozens of deliveries a day. Each shipment will come with varying documentation such as packing list, manifest and/or bill of lading. This is where the problem begins. Since there are multiple suppliers, this means different types and styles of documentation. Each supplier has their own set of documents, which are formatted with the required receiving information in different locations. This requires additional processing time to locate each field of data and enter the information into the system. Many times the information is difficult to read which further slows down the operation.

These documents are then required to be stored locally for up 1 year, then offsite for up to 6 additional years, adding additional cost to the receiving process. In many cases, a copy is also mailed or faxed to accounts payable or the purchasing department.

Discrepancy

When the shipment has a problem such as incorrect quantity, this is called a discrepancy. The receiving clerk then sets the shipment off to the side and faxes a copy of the documentation to the buyer. The buyer then calls the supplier to solve the problem. The product may sit in the receiving area for several days until the problem is resolved. This could result in lost sales since the shipment couldn't be received into inventory.

Digital Receiving Process

Today software and hardware is available, to help companies streamline their receiving area process. Manually keying information from receiving documents, as well as storing these documents in hard copy, can be eliminated. The time it takes to process discrepancies can also be reduced dramatically.

Standardize Documentation

A Company needs to implement an enterprise wide receiving strategy. This strategy will document all the requirements for receiving documentation that suppliers will have to adopt if they want your business.

The first step to improving the receiving process generally starts with standardizing the receiving documentation. This can be difficult because this change will have to be implemented by the supplier. The purpose of standardization is that all packing slips, manifests and bills of lading will be designed with the same format where all the information, such as order number and customer number, is located in the same area of the form making it easy to locate.

Adding barcodes to the documentation will also speed up the receiving process. Below are some examples of information that will be required. The information will also be given specific location on the document include:

- Customer number
- Order number
- Date
- Bar codes for customer and order number
- Bar codes for all part numbers

There are software packages available that can design the documentation very easily.

OCR receiving documents

Now that the receiving documents from suppliers have been redesigned and all information is located in the same area on all documents, we can start looking at capturing the data digitally.

There is software available to design templates for each type of document, bill of lading, packing slip, manifest, etc. The templates will be designed with zones. The zones are the critical data that is required to process the shipment. The software uses optical character recognition (OCR) to capture the information. Any information in the zones will be sent electronically to your receiving software. This will eliminate keying in the required information from the documentation, which will speed up the receiving process immensely. It will also eliminate keying in wrong information.

At the same time the document is scanned, the software will send a digital copy to your electronic data management system (EDMS) or to a file folder for storage. A copy can also be routed anywhere you would like, such as accounts payable, the buyer or even the supplier. The documents are then available to view at any time for quick retrieval.

If there is a discrepancy, it can be emailed to the supplier as well as the buyer. The supplier can find the error and get it resolved, route it back to the buyer explaining the resolution often before the buyer has had time to look at the problem. This will expedite the resolution of discrepancies and get the products into inventory so they can be sold.

Format for Record Keeping

The records may be kept in paper or electronic format. For easy storage and retrieval, electronic formats offer greater security and faster retrieval.

Critical Business Issues

There are several major impacts on business when there is a problem receiving merchandise. The results are out of stock and back orders which customers despise.

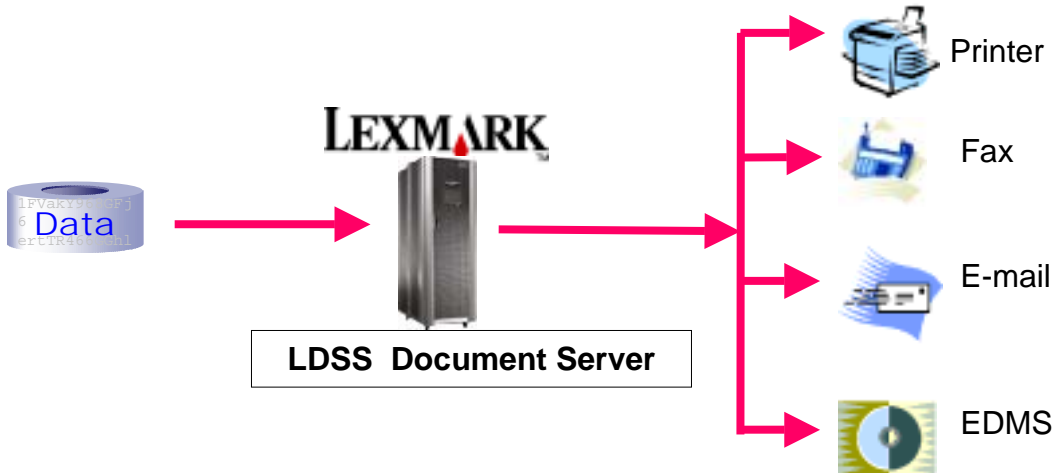
- Discrepancies delay the receiving of merchandise into inventory, which could result in lost sales and upset customers.
- Poor inbound documentation will slow up the receiving of merchandise and cause problems for the warehouse manager.
- Trying to locate and retrieve filed documentation from inquires will slow down any receiving area.

The Lexmark Solution

Lexmark multifunction products (MFP) coupled with Lexmark Document Solution Suite (LDSS) tools enable companies to easily capture critical information into a digital format. This information can be indexed and stored in electronic document management systems, where it can be quickly retrieved.

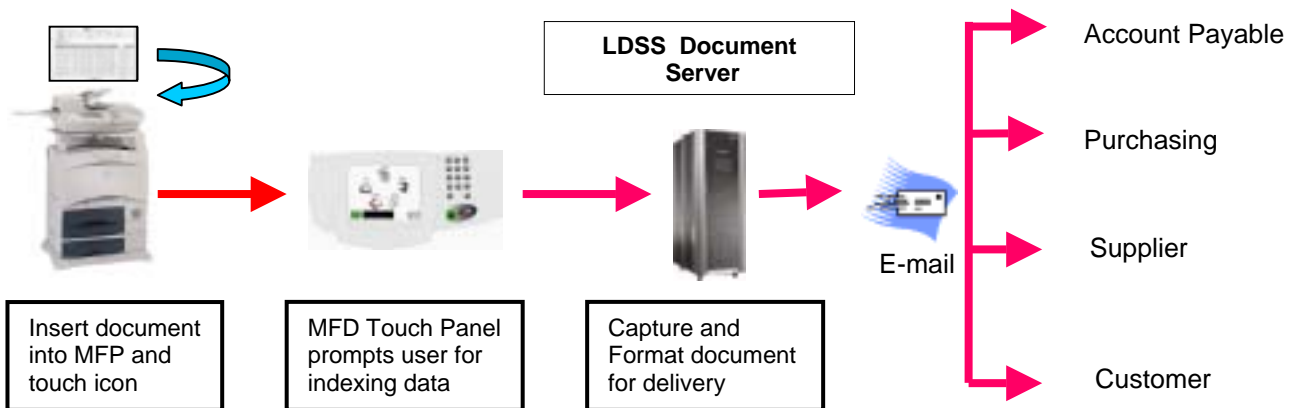
Records Received Digitally

Information, which is produced from internal logistics systems and typically printed, can now be routed through LDSS to create a digital image and automatically indexed (based on content) and stored.



Documentation Received in Paper

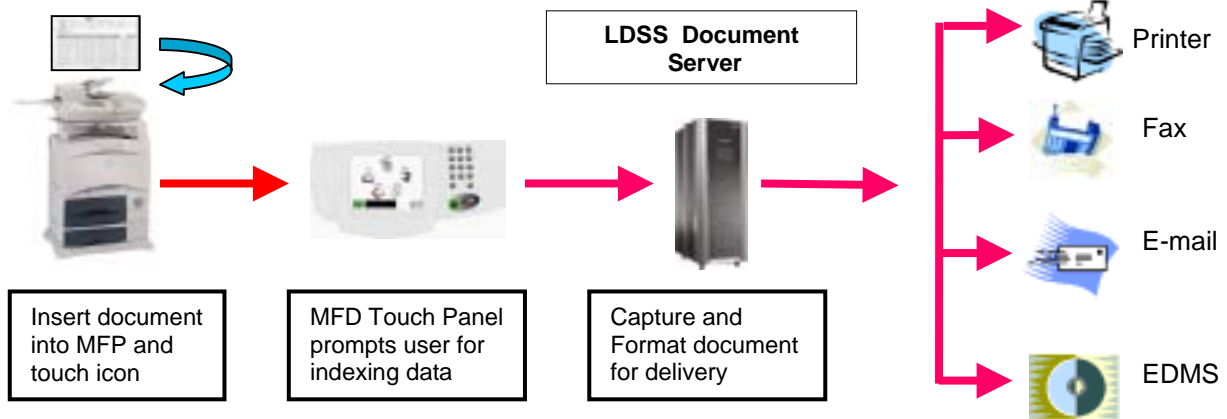
Information received in paper format such as bill of lading and packing lists can be scanned into your system using a MFP. Using Lexmark's user friendly interface and the touch screen on the MFP, the information then can be routed electronically to other points in the supply chain, such as suppliers and customers, via email, fax, ftp or print. This can also provide a value add to customers by simplifying their records capture needs – leading to improved vendor-to-customer relationships.



Storage, Distribution and Retrieval

Documents can be stored in various digital formats, such as PDF, TIFF, or JPEG. Lexmark Document Solution Suite (LDSS) can interface directly with a wide range of electronic document management systems, such as Filenet, Domino.Doc, Microsoft SharePoint Portal 2003. LDSS can also deliver this information into over 100 other systems through its interface with Kofax Ascent Capture.

The documents can be retrieved quickly, printed, faxed or e-mailed to multiple locations.



Business Benefits

Using Lexmark’s software and hardware can expedite the receiving process. It will also eliminate the costly process of storing and retrieving hardcopy documents. Your company will have immediate access to the information at a touch of a button. You can improve customer relations by providing advanced shipping notices. Your buyers will be able to address discrepancies quickly and efficiently allowing for improved inventory management. The Lexmark solution will provide cost effective methods for implementation, often with little or no changes to existing systems.

Getting Started

Contact your Lexmark Account Manager to arrange a consultation regarding Lexmark document solutions. Members of the Lexmark team include Industry Consultants specializing in solutions for Manufacturing, Distribution and Retail businesses. These consultants are available to describe how this advanced technology can improve business processes and reduce your operational costs, including those required to comply with legislated compliance laws.

Solutions are custom designed by Lexmark Services Technical Integration organization to meet the unique needs of each company. Lexmark specialists will consult with the logistics and receiving department managers to thoroughly understand your business process. These specialists will then design an automated workflow, which captures and delivers this information to meet your specific business needs.

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