

CASE STUDY

Carter Lumber centralizes 100% of their invoice to cash operations



Carter Lumber is the nation's 10th largest lumber and building materials supplier headquartered in Kent, Ohio. This privately held, family-owned company was founded in 1932 and has 146 locations across 12 states in the Midwest, Mid-Atlantic and the Southeast. Carter Lumber currently employs over 3,100 people. More than just a lumberyard, the Carter Lumber family of companies is dedicated to providing professional builders and do-it-yourselfers with a broad range of quality building materials and exceptional customer service.

With sales surpassing \$1.1 billion, Carter Lumber is continuing with their expansion plans. Jeff Seder, Senior Vice President, knew their growth into new markets was straining their account receivable operations. "Throwing more people at this problem wasn't the answer, as we had to regain control of our cash application processing while continuing our growth into new markets."

Challenge

Carter Lumber has had a 70% growth rate over the past several years. The company prides itself on a strong reputation of providing excellent service, which includes giving customers immediate credit for checks that sales people pick up in the field. Providing for immediate credit was difficult given the operations were expanding outside their footprint of Ohio. The company modified their cash application processing by establishing a number of manual processes for posting these payments to their Epicor Eclipse™ ERP system. In addition, the company was forced to open accounts at local banks to process the volume of checks and this caused them to decentralize their cash application processing to regional locations. Seder comments "When we started expanding several years ago, we were able to manage by modifying our process to have the sales people report their deposits at the local banks and call or fax the remittance information to our office." As the



INDUSTRY

- Building Materials

TECHNOLOGY

- DadePay AR Automation
- DadePay Mobile

KEY BENEFITS

- Efficiency
- Cost Savings
- Reduced DSO

KEY RESULTS

- Reduced Staff
- Efficiency in AR and Sales
- Better Customer Service

company continued expanding, the cash concentration reporting became unmanageable as they continued to open more accounts at local banks in markets their primary bank did not serve. The company deployed their bank's remote deposit capture, but it lacked the functionality to fully automate the process. "This reduced our time in some markets by making the deposit, but it was costly both in terms of the hardware required and the backoffice and field effort to process the remittance information to maintain our high standard of customer service" said Seder.

Solution

Carter Lumber selected DadePay's Accounts Receivable (AR) automation to fully automate their invoice to cash application process. By selecting DadePay's Software-as-a-Service solution, Seder was able to quickly implement the solution and assigned his Information Technology group top priority to get the project completed. "The implementation process moved along quickly and our bigger challenge was to re-engineer all the manual processes we had in place" said Seder.

"Implementing DadePay was a win-win for us. Our peak days have been reduced from 2½ days to less than a day. We were able to continue with our growth plans, improve our efficiency and provide better customer service with no additions to our staff"

Jeff Seder
Senior Vice President
Carter Lumber

In addition, Seder knew that deploying DadePay Mobile to its large national sales force would make significant improvements in their efficiency. DadePay Mobile will enable Carter Lumber to capture payments and remittance documents from the field and automatically match to the open invoices, post them and deposit the payment as part of one integrated, straight-through process. "Our sales people were liberated from the administrative burden of running checks to the bank and faxing remittance copies to the office. This freed their time to spend with customers and make sure we could deliver the exceptional level of customer service we have depended on over the past 84 years" remarked Seder.

Results

Carter Lumber was able to centralize 100% of their invoice to cash operations back to their headquarters. Prior to using DadePay, half of the AR processing was done in regional offices which also handled daily reconciliation of the deposits. The AR staff was reduced by over 50% after DadePay was fully implemented and those employees were reassigned to credit management and collections, which help maintain the service level for their customers. Cash concentration reporting is now simplified as DadePay can handle all of the deposit processing regardless of where the check, ACH, wire, or credit card is received.

DadePay Mobile was fully implemented by Carter Lumber's 400+ field personnel. The field team can now download the app to their smart phone or tablet from their respective marketplace store (Apple App Store and Google Marketplace) and begin to service the customer immediately. DadePay mobile takes a picture of the check(s) and remittance copies, and processes the transaction just as if the AR staff was receiving the payment at the office. The app can even handle receipt of cash and credit card transactions from their customers.

Make sure to check out our solution overview video and always be up to date about all the exciting developments at DadePay. Just follow us below!



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