ImageSilo® saves Vulcan Materials more than $128,000 annually

Vulcan Materials Company is one of the world's largest producers of construction aggregates. In 2004, they shipped more than 243 million tons of crushed stone, gravel, and sand, but their proof of delivery (POD) ticketing system was costing them thousands of dollars in labor and paper filing and storage costs each year.

After implementing ImageSilo®, an on-demand document and content management (ECM) system, they are recognizing significant process and labor efficiencies. Last year, the system saved Vulcan more than $128,000 by streamlining their POD ticketing system and providing electronic access to tickets for both staff and customers.

The Situation

Vulcan Materials Company was founded in 1916 in Birmingham, Alabama. They began trading on the NYSE in 1956 and today are one of the key companies included in the Standard and Poors 500 Index (S&P 500). In 2005, the company reported revenues of $2.895 billion, and they employ approximately 9,000 employees. They are the largest producer of construction aggregates in the United States, with over 250 production facilities in 21 states and Mexico. Vulcan was named to *Fortune* magazine's list of Most Admired Companies each year from 2000-2004. Approximately sixty truck, rail, and water distribution locations shipped more than 243 million tons of product in 2004.

At the Midwest distribution headquarters, materials shipments generated more than 200,000 paper POD tickets per month. These tickets were shipped semi-weekly from 30 locations to headquarters to be sorted and filed by hand in a 200 square foot storage space. Vulcan kept records for 7 months onsite, and then re-boxed and shipped them to an offsite storage vendor. With a monthly shipment of about fifteen boxes and a retention period of three years, their records storage costs were averaging $21,600 per year.

Locating a given ticket within this complicated process was often difficult and time-consuming. Each customer service representative fielded 20-25 calls per day. For each call, it took approximately ten minutes to locate the requested ticket and pull it from storage. Vulcan had one fulltime employee entirely devoted to locating requested data.

The paper-based system was costing Vulcan in other ways as well. Temporary labor called in to help with audits for collections and cases cost approximately $1,600 annually. And, the accounting department was forced to write off receivables for deliveries for which they were unable to locate POD tickets.

Vulcan wanted to reduce the amount of time it took to field their customer requests and cut the overall costs related to storing and managing information.

Key Benefits

- 498% ROI and full project payback within 3 months (as verified by independent industry analysts at Nucleus Research)

- Reduced time to locate tickets from 10 minutes to less than 30 seconds

- Savings of more than $15,000 previously lost to delivery disputes

- Savings of more than $128,000 annually in labor and offsite storage

- More than 70 internal users were trained in just a couple of hours

- Provides unlimited access for Vulcan's customers to securely access their own records

The Solution

Datamation Imaging Services, a Digitech Systems Reseller, implemented ImageSilo at the Midwest headquarters in January 2005. The initial selection of ImageSilo was made due to the lower cost and extremely rapid deployment and training offered. As an on-demand system, ImageSilo provides users access to their data over the internet, allowing companies to reap the benefits of ECM without the upfront capital outlay required to purchase hardware and install it in-house. More than 70 users were trained—each taking only minutes—and Vulcan started retrieving data from the system right away.

To process the 200,000 tickets generated per month, Vulcan partnered with Datamation to provide scanning services. Datamation utilizes Digitech's PaperFlow™ to scan and index the tickets and then uploads them to the ImageSilo system. To date, Vulcan has almost 2.6 million POD tickets stored and indexed for rapid retrieval in the system.

Recognized benefits

The implementation of electronic ticket management at Vulcan has saved the company time and money. With ImageSilo, customer service representatives have reduced the time it takes to locate tickets from 10 minutes to less than 30 seconds. They are no longer searching paper records or calling for retrieval of files from their offsite vendor. Now, representatives pull up data immediately without ever leaving their desks. They have become so much more efficient that the company has released one fulltime employee, saving more than $40,000 annually.

They have eliminated the need to write-off receivables due to an inability to locate POD tickets that verified a shipment of stone or gravel had been delivered. Due to improper handling and misfiled documents, accounting had previously been forced to write-off almost $15,000 of revenue each year. "Although this wasn't happening frequently, we were concerned about the amount of money we were losing each year. With ImageSilo, all the delivery information is catalogued and retrievable almost from the moment the shipment leaves our yard," said David Muno, Credit and Collections Manager.

Independent analyst firm, Nucleus Research, verified **a certified ROI study that revealed the ImageSilo project offered additional savings, providing a 498% ROI and full project payback within three months of implementation**. "With a return like this," commented Muno "we are better able to focus our time and energies on servicing our customers and meeting corporate goals. ImageSilo has made us a better company."

Customers now look up their own tickets in the ImageSilo system, resulting in fewer disputes. The sales team loves the new system and uses it as a differentiator to establish new accounts. "The installation of the ImageSilo system allows the office staff to pull in tickets from last week to match the invoices they receive, which speeds up our processing. The system works great!" one Vulcan customer commented.

About Datamation

Since its founding in 1995, Datamation Imaging Services has provided document management consulting and imaging services for numerous clients in the Chicago area. Datamation has helped hundreds of businesses implement cost-effective, time-efficient document imaging solutions. They offer an array of imaging options and are a leading reseller of Kodak scanners. Datamation has been a Digitech Systems and ImageSilo reseller since 2000. Datamation is a 2006 Circle of Excellence reseller.

To learn more about Datamation, visit their website at www.datamation.info or call them at 630-321-0601.