



# The Home Depot

## Merchandise Accounting

### Business Challenges for Merchandise Accounting

Efficient business transaction cycle times, quick information access and expense control are the keys to enhanced vendor/supplier relationships and customer service in the retail industry. The Merchandise Accounting process is traditionally paper-intensive and complex, with hundreds of documents—vendor buying agreements, purchase orders, invoices and freight bills—piling up at local stores and company headquarters at an astounding rate.

Retail organizations require an effective way to collaborate with vendors and resolve “out-of-tolerance” business transactions, or discrepancies between vendor and supplier communications. Such discrepancies in billing, shipping and fulfilling orders often require documentation and research to clarify, resulting in significant financial and productivity losses for both the retail

company and its supply chain. In addition, retail organizations streamlining merchandise accounting and vendor support processes need a way to handle multiple types of documents and various electronic formats of information, including Internet forms, fax, ERP and EDI. Organizations must give employees quick access to this crucial information, as well as find ways to collaborate more closely with valued trading partners.

*“Acorde enables The Home Depot to simplify merchandise processing and accelerate transaction cycles, allowing us to enhance relationships with customers and vendors while dramatically reducing our operating costs.”*

**Alison Hamilton**  
VP of Merchandise Accounting  
The Home Depot

### What Acorde Offers to Merchandise Accounting

Acorde Context™ and Acorde Process™ address the specific needs of the retail marketplace by offering powerful, web-based imaging, electronic report management/computer output to laser disk (COLD) and workflow. Acorde™ also enables companies to effectively manage and streamline their existing and electronic transactions with powerful collaboration tools.

By leveraging Acorde Context’s high-volume production imaging and report management technology, merchandise accounting associates can begin to get a handle on the influx of paper in their organizations. Users can capture, retrieve, share and route documents of virtually any format.

Optika’s Acorde solutions:

- enable users to quickly access critical information;
- offer a single integrated user interface; and
- provide a single desktop point-of-access to multiple document types.

With Acorde Process, Optika delivers an enterprise-wide workflow solution that allows businesses to graphically design and electronically manage work processes, controlling the flow of information and resources integral to merchandise accounting.

This results in:

- improved communications and collaboration;
- electronic document distribution; and
- efficient processing of invoices, purchase orders and vendor contracts across the organization.

Acorde provides the only solution with a flexible, web-based architecture that adapts to the changing needs of today’s businesses. While Acorde effectively manages existing paper-based processes, it also provides integration of the latest e-business technologies.

With the power of Acorde and the ease of a web browser, companies can allow vendors to check payment status, enable remote users to access information, and leverage an electronic method for B2B transaction resolution with suppliers.

### SELECT OPTIKA RETAIL CUSTOMERS

Best Buy  
Costco Wholesale  
Eddie Bauer  
Food Lion  
Home Shopping Network  
House of Fraser  
J. Crew  
Mary Kay Cosmetics  
Menards  
Payless Cashways  
Phar-Mor  
Sara Lee Corporation  
Spiegel

## QUANTIFYING THE PROBLEM:

- Employees spend an estimated 30 minutes to 2 hours daily (400 hours per year) searching for paper documents.
- The average worker maintains 20,000 pieces of paper in a file cabinet.
- 25% of enterprise paper documents are misplaced and will never be located.
- Document mismanagement claims:  
40 - 60 % of employee time  
20 - 45 % of labor costs  
12 - 15% of corporate revenue



## Merchandise Accounting

### What Acorde Accomplished for The Home Depot

Due to rapid expansion, The Home Depot, the world's largest home improvement retailer, recognized the need for a more efficient way to manage the growing number of business transactions between its Merchandise Accounting department and more than 10,000 vendors and 900 retail stores. With a time-consuming manual process, The Home Depot was managing more than 250,000 pieces of paper daily, including invoices, receipts, vendor buying agreements and freight bills. Approximately 15,000 of these forms represented "out-of-tolerance" transactions - transactions which contained discrepancies or needed resolution.

To resolve vendor discrepancies, accounting representatives were required to access information via the micrographic shop, which could take more than 2-3 days. Before the implementation of

Acorde, the micrographic shop was processing over 8,000 requests per month, consisting of 12,000 - 15,000 pages. In addition, the manual payables process was causing long payment cycles and preventing The Home Depot from taking advantage of early payment discounts and rebate programs. In a strategic initiative to streamline its merchandise accounting and vendor support processes, The Home

Depot chose Acorde Context to manage both its paper and electronic business transactions. Acorde Context's high-volume production imaging and ERM, combined with Acorde Process workflow, enables The Home Depot to store, archive and access various documents, reports and EDI information.



With Acorde, The Home Depot has improved response time, enhanced customer service to stores and vendors and accelerated payment processes by allowing associates to quickly and efficiently collaborate to resolve transaction issues. With Acorde, users have access to all transaction information necessary to resolve billing discrepancies and have eliminated tedious re-keying — resulting in greatly reduced response times and increased customer and vendor satisfaction.

In addition to meeting The Home Depot's current business needs, Acorde, through its scalable, web-based architecture, is capable of supporting all levels of growth. Future system extensions include interdepartmental workflow, which will further reduce cycle times and proactively manage out-of-tolerance transactions. Ultimately, The Home Depot would like to extend Optika's solution to its entire retail chain via the Internet, enabling a secure way to more efficiently share information and conduct B2B e-commerce transactions with suppliers and vendors.

Just as Acorde addresses the specific business needs of The Home Depot's Merchandise Accounting process, it provides enterprises with increased efficiency, improved vendor and supplier relationships and reduced operating costs. Acorde is the only solution that streamlines retail marketplace operations and manages business transaction processes, while improving collaboration and keeping trading partners loyal.

### THE HOME DEPOT REAL BUSINESS BENEFITS:

*Maintained staffing levels while transaction volume increased 25%*

*Eliminated thousands of dollars per month in microfilm costs*

*Reduced document retrieval time from 2-3 days to only seconds*

*Currently processing 250,000 pages & electronic invoices per week*

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