

# Process efficiencies for Thompson Tractor

*CAT dealer for Alabama and North-west Florida rolls out CODA finance system, Financials*



## Transaction handling

## Analysis tools

## Smarter processes

## Expert services

When Thompson Tractor embarked on a new finance system implementation, it quickly realized it had underestimated the significance of the project. With a dedicated project team in place, it was critical that they got the software up and running on time and in budget. The company is already enjoying business process efficiencies as a result of a well-managed rollout.

For five decades, Thompson Tractor Co., Inc. has grown through the line of products and equipment it carries. From its origin as the Caterpillar dealer for the 39 northern counties in Alabama operating out of three locations, Thompson Tractor has become the full line Caterpillar dealer for Alabama and northwest Florida, and the MCFA (Mitsubishi Caterpillar Forklift of America) dealer for most of Georgia. The Company operates out of 27 locations and is still growing.

The company specializes in the sale and service of Caterpillar products, including earth moving, compact construction and material handling equipment, and engines used for electric power generation, on-highway and marine propulsion applications. It is headquartered in Birmingham, Alabama and employs 1,500 people. Thompson Tractor provides a diverse range of services to customers in its service territory through four divisions: Thompson Tractor Company, Thompson Power Systems, Thompson Lift Truck Company and The Thompson Cat Rental Store.

Thompson Tractor approached its finance system implementation in a very organized and strategic way. Paul Tombrello, Treasurer, firmly believes that working together as a team is the key to a successful implementation.

### WEB SERVICES HELP CREATE JOINED-UP BUSINESS

Thompson Tractor quickly realized the benefits of having a highly flexible, browser based system. The project team spent time getting the configuration right so that it would meet business process requirements. Having built-in web services capability offered additional benefits. It

simplified the integration process for Thompson Tractor and CAT when linking the CODA system with CAT's dealer system, DBSi, which manages all business transactions relating to sales, parts, warranty and service.

"The CODA system is implemented centrally at the head office and can be accessed securely via the web," continued Mr. Tombrello. "It is important that we implement systems that make use of the latest technologies for better integration and increased proficiency. Using CODA's XMLi capabilities, we have integrated the finance system with our DBSi system so that they talk to each other, but it means that the CODA system is independent which makes upgrades much more straight forward. CODA's open design and Microsoft compatibility has also helped to make integration easier. As an IT strategy moving forward, the increased flexibility that web services allows us makes a lot of sense."

### PROCESS AUTOMATION DELIVERS QUICK, LONG-TERM WINS

Thompson Tractor's overall objective was to improve labour intensive processes that existed within the business, to make operations more efficient. Given the nature of the business, it has always had to handle vast quantities of checks – around 10,000 per month. CODA has helped to remove much of the manual processing from the business associated with this, saving time and money lost through the traditional accounts payable process.

Mr. Tombrello explained: "We were made aware of CODA's ability to automate the check writing process early on and wanted to leverage that and pay vendors primarily by electronic methods. As a result, we have implemented an Automated Clearing House (ACH) set-up with vendors. Their account information is kept on file and payments, once authorized, are made automatically and the information is updated in the CODA system. ACH payment remittance information is no longer mailed either. We now automatically send this via email from CODA's e-Pay utility."

Some vendors are still paid manually where they choose that option, but Thompson Tractor has outsourced most of its check production to its bank.

Another business process efficiency afforded by the CODA finance system was that of Thompson Tractor's Lock Box application. Previously, when a customer paid by check, it would be sent to a lock box and the bank would capture only summary information from the check including the routing number and bank account number and not any invoice details from the invoice remittance. The bank would then send an electronic file of this information to Thompson and then it would be imported into the finance system and posted to the customers' account. The payment would be manually applied to individual invoices on the customers' account.

Thompson Tractor wanted to expand the amount of information being captured from the invoice remittance and to improve automation. "Summary and detail information is being captured from the bank and is applied to the customer account and also automatically matched against individual invoices while reducing the amount of manual intervention," said Mr. Tombrello. "Now, 45-55% of these payments are processed automatically, freeing up resources to focus on more value-added activities. We have significantly enhanced a very labour intensive process."

**RELIABLE, REAL-TIME REPORTING**

"Running balances on customer accounts are available which is very helpful and valuable for credit and customer inquiries," claims Mr. Tombrello. "In addition, CODA's XL solution provides us with a simple and effective tool for loading vendor invoices and journal entries into the finance system."

Thompson Tractor relies on Cognos software for its management reporting needs. Cognos is integrated with CODA for multi-dimensional reporting. "Everything is going to plan thanks to a pragmatic implementation and a flexible system which has allowed us to configure processes to suit the business. The system is easy to use and navigate and offers us additional elements to our previous system improving daily access to information and the content of reports."

**THE FUTURE IS BRIGHT**

Thompson Tractor is optimistic about integrating other software applications with CODA's web service enabled technologies. The dealer recognizes this may not be an easy undertaking and may require some Caterpillar and CODA assistance along the way.

"We are keen to continue driving further efficiencies throughout the business through reduced manual processing," concluded Mr. Tombrello.



**ABOUT CODA**

**CODA is the choice for finance professionals who need business software and services they can count on.**



We provide award-winning solutions that help organizations to streamline and automate their finance processes (from accounting and procurement to reporting and analysis) and to achieve better compliance and corporate governance. CODA applications work seamlessly with each other or independently and they integrate with other leading operational systems to maximize the return on your broader IT investment too. And our products are all underpinned by expert consultancy, training and support services, delivered by teams of experienced accountants, business analysts and technology specialists.

Founded in the UK in 1979, the CODA Group now employs around 600 and has offices around the world to deliver easy, local access to sales, service and support. Around 2600 medium and large organizations, across all sectors, use CODA solutions to control costs, drive performance and ensure compliance, while remaining agile and responsive.

CODA is part of Unit 4 Agresso NV. Headquartered in the Netherlands, the group provides business software solutions to its customers internationally.