



LandAmerica automates accounting to save resources, speed processing, enhance customer service

SITUATION

LandAmerica's accounting office in Orlando, FL was unable to keep up with its high volume of check processing using its manual accounting system. The office also experienced occasional human errors.

OBJECTIVE

Automate the check processing system to deposit funds into the bank in the quickest, easiest, most accurate and efficient manner.

SOLUTION

Kodak i260 Series Scanner, Fairfax Imaging **Quick Modules** Software.

COMMENT

"With our **Kodak** Scanners, it now takes seconds and minutes to do what previously took hours and days."

~Morton Manassaram,
Controller, Southeast Region,
LandAmerica

LandAmerica Financial Group, Inc. is a *Fortune* 500 company and leading provider of real estate transaction services with over 1,000 offices and a network of more than 10,000 active agents around the world. In Florida, LandAmerica's Title Insurance Companies (Lawyers Title Insurance Co. and Commonwealth Land Title Insurance Co.) oversee accounting for the entire state's 30 residential offices and 700 Title Attorney Agents.

Based in Orlando, LandAmerica's Florida office handles accounting for search and exams, and title insurance documents. Title Attorney Agents pay a fee for each of these documents. The Florida accounting office receives, on average, 8,000-10,000 checks each month from Title Attorney Agents as payment for these documents.

Because of the high volume of checks, the office staff in Orlando was always at least a week behind in processing payments. Their time-consuming, labor-intensive, error-prone process included manually endorsing each check, posting it into the accounting system, depositing into a bank account, and then posting the cash related to invoices into the accounting system.

The manual process took too long, and checks were delayed by a week or more. As a result, LandAmerica missed the opportunity to capture a few days' interest on the funds. In addition, the manual process resulted in human errors. It wasn't uncommon for payments to be applied to the wrong customer or order number.

So Morton Manassaram, Controller, Southeast Region, LandAmerica, initiated the search for an automated system. He said, "Our objective was to automate processing of receivables — checks and remittance advices — to do it better, quicker, and cheaper."

"We knew we needed some type of automation," remembers Chris Smith, Regional Accounting Advisor for LandAmerica. "Because we weren't able to continue handling the processing in Florida, we looked at a number of options — lockboxes, a central mailing address — before talking with Dan Menzer, a consultant from Synergy Consulting Group in Chattanooga, TN. Dan knew a company that successfully automated its processes using a scanning solution, and he recommended we use a similar solution."

Together with Mr. Menzer ("Dan Menzer was instrumental in organizing and implementing our solution," noted Manassaram), LandAmerica selected Fairfax Imaging — based in Chantilly, Virginia — to be the system integrator and software provider for the company's **Kodak** Scanners and implementation.

"Kodak i200 Series Scanners are an integral part of our solutions"

Jim Everett, Vice President of Sales and Marketing for Fairfax Imaging, steered LandAmerica towards **Kodak** Scanners. "We like the **Kodak** i200 Series Scanners very much. They are the only lower-volume scanners that we found with the capability to give you dual image files — color and bitonal — along with the cropping feature. There doesn't appear to be anything else close to Kodak's price point with these important capabilities. And it goes without saying, the image quality is superb."

Dual image is an important feature for LandAmerica because the scanning software displays color images for operator functions, and TIFF bitonal images for OCR into the accounting system and for direct banking deposits in compliance with Check 21 (The Check Clearing for the 21st Century Act, which made it legal for businesses to replace paper checks with digital copies of the originals).

The cropping capability means each document is presented on-screen in its actual size — instead of with systems where even a check is displayed as an 8½" x 11" document.

"The Kodak Scanners deliver ideal images," said Everett. "The Kodak i260 Scanner, in particular, is appropriate for LandAmerica's volume, yet it delivers all the capability of higher-volume systems."

Automated accounting: a fast new way of working

Fairfax Imaging created a processing system so that documents were scanned and stored in batches according to the type of form (check, invoice, legal document, etc.). This allows the software to identify the form automatically.

Here's how the new system works:

"We get our payments for the day together, including the checks, remittance letters, and copies of each related invoice. Then we put the documents in proper sequence and feed them through the **Kodak i260 Scanner** according to batch type," explained Smith of LandAmerica.

"Fairfax Imaging's **Quick Modules** Software reads, scrubs, balances, and keys all the data automatically, and then outputs it into two streams. In one, it electronically deposits the checks into our bank account for a Check 21 deposit. Two, it inputs all of the data into our accounting system to post the payment to the appropriate Agent. The entire process now takes 24-48 hours ... and it used to take a week or more when we were doing it manually."

Less labor, less storage

The **Kodak** Scanners deliver numerous benefits for LandAmerica's Orlando accounting office. There's the already-mentioned time savings, and the fact that LandAmerica no longer has stacks of unapplied cash lying around, which results in greater cash flow opportunities.

The office also does not have to box and store the checks and documents after they've been processed into the accounting system. This saves the expense of off-site storage — and the effort of retrieving information in the future.

In terms of labor, the employees in the accounting office now enjoy an automated process on the back end. They use **Quick Modules** Software to manage their accounting, which makes their work easier and more accurate.

Before, accountants and bookkeepers typed in check numbers, order numbers, and invoice numbers *manually*. Now, the ordering information is captured electronically, which has reduced the number of errors.

As a result of automating the process, the Florida accounting office has reduced its personnel by almost 50% — from 14 full-time employees to 8 — all through attrition and without layoffs. Even while scanning at least 30,000 pages per month!

"This solution using the **Kodak** Scanners is working very well for us," says Manassaram. "We've reduced staff and are experiencing less keying errors. Fairfax Imaging's **Quick Modules** Software lets us set the confidence threshold on the system. When we set it at 100%, the computer kicks out all documents with characters it is not 100% sure of: like whether an "l" is an "L" or an "i". Those uncertain documents are the exceptions, and our accounting group now focuses on the exceptions which are less than 5% of our documents rather than the bulk of checks and remittance advices we receive each day. The other 95% of documents are scanned and OCRd by our Fairfax Imaging **Quick Modules** Software. The data is then uploaded into the internal software database to be read and used in our accounting systems.

Powerful and productive imaging

Kodak is raising your expectations for desktop production scanning by delivering powerful imaging plus a long list of productivity features. Perfect Page scanning makes scanned images sharp while SurePath paper handling minimizes jams. The optional dockable flatbed and document imprinter give you even more versatility.

Immediate response improves customer service

"A big benefit for us has been our ability to improve customer service," noted Smith. "When an Agent calls with a question, we can pull up the document while he or she is on the phone and provide an immediate response, along with an e-mail copy of the document."

For example, an Agent might call thinking a payment may have been applied to the wrong order. While the Agent is on the phone, a LandAmerica representative can look at the document on-screen, see the problem, and resolve it immediately.

In the past, the LandAmerica employee would have had to find the batch in one of three storage places — filed in the office, on someone's desk, or boxed in off-site storage — and then take all of the paper out of the batch to find the documents in question. All the while hoping the check and invoice were in their proper sequence in the batch.

"It could easily have taken us half a day to find the documents and research a problem. Now, with our **Kodak** Scanners, we are able to resolve issues immediately," said Smith. "This is especially important in the case of legal actions, where they are looking for documents from years ago."

Instead of spending days searching for the document, LandAmerica can now say, "What, you need to see that title insurance form from 1987? No problem, it's in your inbox now."

Everett adds, "The implementation has met all of LandAmerica's business objectives and goals."

