OMD: Streamlining Processes for Increased Profitability

The management of OMD (Optimizing Management Decisions) understands what it means to be a small business looking to grow. OMD originally opened its doors in 1977 as a small software division under Modern Business Systems Inc., one of the country’s largest office equipment dealers. In an effort to meet the company’s own internal needs, the division developed an in-house software program to monitor and streamline its business processes.

The potential for this software was soon realized, and it was eventually transformed into a commercial product. That product, titled Vision, is now OMD’s primary offering. Vision is an integrated software program that helps companies both in and out of the imaging industry streamline their internal processes and increase their overall output and profitability.

Vision is designed to provide flexibility and assist companies applying what Dave Nagel, vice president of sales and marketing, calls “business logic.” According to Nagel, this logic allows companies to reach three primary goals. The first is to automate all internal processes so they can be performed consistently, correctly and efficiently with minimal effort. Nagel said this “safety net” manages the transaction flow and prevents critical data and events from falling through the cracks such as ensuring contracts are billed promptly and accurately.

The second goal is to give business owners and managers the ability to create exception reports, enabling them to extract the information needed to evaluate the company’s operations. Nagel said this data will better allow “business owners and managers to examine their organization’s overall performance and focus on specific, strategic areas.” The reports, which can highlight any business department or inter-department process, can be shaped and retrieved on demand.

The third and final goal is to provide integration of the company’s newly automated processes so all areas, regardless of location or corporate hierarchy, are operating cohesively. These blended functions avoid communication, production, service, and administrative lags and promote seamless operations.

“Vision users will see a significant ROI by streamlining every facet of their businesses. Our newer customers are often stunned at the immediate increase in their profits and efficiency,” said Nagel.

The increase in profit and efficiency is the result of the ability to utilize over 1500 business functions available with OMD Vision, which include features to manage all aspects of the dealer’s operation: purchasing, inventory tracking, accounts payable, order entry and invoicing, accounts receivable, financial management, service dispatch and management, sales force automation, system security and system reporting. Nagel said automating and streamlining “these specific areas are absolutely essential to a company’s success or failure, especially for those in a highly competitive market.”

In addition to these standard business functions, OMD offers several product accessories: Sales-on-the-Go, Service-on-the-Go, iManager and Bar Code Scanning. The Sales-on-the-Go and Service-
on-the-Go products allow the in-the-field sales force and service technicians to link to the system through the remote use of PDAs, laptops or tablets. It provides them with access to the home-base Vision software for up-to-the-minute data on customers, sales prospects and service work orders.

Two other accessories are Bar Code Scanning and iManager. The Bar Code Scanning utilizes handheld devices to collect data on physical inventory and sends it back to the Vision server for automatic input. Not only can it track all of the components that go in and out of a cartridge being remanufactured, but it can also compute the production cost. According to Nagel, “The system can also track components within a remanufactured cartridge to gauge a product’s true refilling cost.” The ability to track components reveals where a company’s true profit or loss on each product comes from.

iManager is an Internet-based accessory that allows a company to host a Web site and sell its products online, as well as collect meter readings, both single and multiple meters for cost-per-page billings. In addition, meters can be collected directly from the metered equipment and automatically used to generate invoices with OMD Vision. This process requires no manual intervention and provides several obvious benefits. First, this ability saves the company payroll dollars by eliminating the requirement to send a technician or make a phone call to collect the meter reading. It also eliminates transposition and entry errors and improves profitability by charging the customer for exactly what they use.

As some organizations within the remanufacturing industry move toward value-added or cost-per-page programs, Nagel said Vision allows companies using metered-billing programs to “discern between the different levels of service being used and bill for black-and-white and color copies, prints and scans.” In essence, the system can determine if each print or copy is black and white or color. It can then break down the billing not just per click but by type of click. This detail allows each level of use to be treated as a separate, billable item, increasing a recharger’s billing accuracy and collectible fee range.

One company that has seen a significant increase in profitability of both its cost-per-page program and remanufacturing efforts is Applied Laser Technologies (ALT), a Cleveland-based laser and inkjet service and supplies company that is expanding into the copier market. Dov Nisman, the owner and general manager, realized that his company needed more support for his growing business and adopted the OMD Vision system. The company sorely needed software that would replace its current system and support the marketing and operational needs of running a copier dealership. ALT also needed a system that would provide significant support of its existing remanufacturing and sales operations with the flexibility to evolve as the company grew. OMD was able to accommodate ALT in every instance.

“Looking back on our decision to enter the copier market three years ago, I am pleased we decided to invest in a new software system. Without OMD, we would not have been able to accom-
lish our goal of providing a complete, one-stop document management solution to our customers.” Nisman said.

ALT’s operations were completely transformed. Specific areas, once dreaded for their time-consuming and problematic nature, are now handled by Vision. The company implemented real-time technician dispatching, enabling it to extend both its service program and revenue generating ability. The company’s manual billing process became fully automated, improving the accuracy and timing of the entire procedure. Vision also improved ALT’s ability to manage its inventory with the new bar-code scanning system.

“OMD software allows us to monitor the movement of our cores from the minute they come back from our customers all the way through the production cycle. We know how many cores we have at one time, what customer they came from, how many cores each customer returns, and the process is automated. I don’t need an expert at the dock trying to determine what cartridge is being received into inventory. The bar code is scanned, and the system takes care of the rest,” Nisman said.

Since the implementation of Vision, ALT’s profitability has increased significantly. “We are now more profitable than we were before. I would tell anyone who is trying to get into this business: If we were trying to do this without OMD, we would be in trouble,” Nisman said.

To assist companies like ALT make the transition from its old system to Vision, OMD has a 30-person customer service staff available to help anyone in need of support. These staffers are the same people who conduct the training sessions OMD offers to its customers. Company management finds this service and training link important because the practical knowledge gained in one area not only benefits Vision users in the other areas, but guarantees its training programs are truly in touch with the needs of its customers.

And because OMD is constantly upgrading Vision, with more than 150 enhancements added each year, keeping up with the latest in customer training is crucial. These enhancements enable its customers to stay current in the latest software technological advances and evolving business requirements. And to ensure that OMD’s updates are relevant to its customers’ needs, the company has an advisory panel of Vision users in the imaging industry to oversee and recommend future enhancements.

According to Nagel, the biggest challenge the company faces is not its
ability to keep up with changing technology, but “convincing others to embrace the conveniences and resources that are so readily available to them.” He describes the reluctance to change what he calls the “20/60/20 Rule.” He finds that 20 percent of people in any industry will take advantage of new opportunities and capabilities presented to them. Sixty percent are people either content with the current status of their business or wish to grow their companies but aren’t willing to make the commitment needed to make that happen. The remaining 20 percent, said Nagel, are “people that technology will simply never reach, or ones who will never realize what they are missing.” The company’s client base includes major acquisition companies which use Vision software in their processes. Nagel emphasizes that utilizing Vision’s technology “is a great way for all companies which use OMD Vision to maintain a competitive edge.”

“Companies that benefit the most from Vision are the ones with revenue over a million dollars a year — they need the streamlined processes to push them into the next level of growth and challenge the OEMs. We are able to help them sort through their different levels of service and simplify their workloads. It’s a great feeling to see we have uncomplicated their lives,” said Nagel.

While generating a million dollars in revenue may seem like a tall order for a small company looking to grow its business, OMD also offers a program called Quick Start. This program is perfect for entry-level and small companies. Nagel noted, “About 40 percent of our customers use Quick Start. As companies’ profitability increases and they grow, they begin to take advantage of more of the features of the OMD Vision program to gain the full benefit of the system.”

It is of little surprise that 87 percent of OMD’s customers are in the imaging industry and use Vision to streamline processes, maximize efficiency and grow profits. But then, isn’t improving profitability and edging out the competition what business is all about? 

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