



CASE STUDY

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AQ2 Offers Robust Corporate Remittance Solution

Dr. Leonard's Healthcare Corp. Improves Operations with AQ2 Technologies Solution

For years Dr. Leonard's Healthcare Corp. manually processed tens of thousands of mail orders for its products each day, requiring a large staff of full-time employees working full days to handle the influx.

Dr. Leonard's Healthcare Corp. produces two mail order and online catalogs, Dr. Leonard's Healthcare and Carol Wright Gifts, which market health and home comfort products to the elderly population. The Edison, NJ-based company began operating in 1975 and now processes more than 25,000 orders for products each day, with an average 15,000 of those orders received by mail and accompanied by a check.

"Although online orders have increased over the years, most of our customers are senior citizens who prefer to pre-pay for their orders with a check," says Gary Porto, Dr. Leonard's VP of Operations. "Checks are a large part of our order processing."

Already using a large-scale OPEX letter opener and sorter, in 2005 CPT Intelligent Technologies, Inc., recommended and coordinated the implementation of an OPEX scanning component and AnyDoc data entry system to help automate Dr. Leonard's order processing. Combined, these two components accelerated the order entry rate at Dr. Leonard's by 80 percent, resulting in a significant cost savings. But there was still a big piece of the processing puzzle that needed to be solved—check amount verification and reconciliation between check and order amounts.

With checks comprising more than half of its payments, Dr. Leonard's check processing volume was substantial. Manually verifying and documenting check amounts and encoding checks was still consuming a considerable amount of Dr. Leonard's processing time. It was apparent that the company still needed to automate this portion of its order processing.

This operational gap was soon filled by AQ2 through recommendation by CPT in early 2006, with Dr. Leonard's realizing an immediate acceleration of order processing by close to 60 percent, along with a labor reduction of close to 60 percent. By implementing AQ2's Corporate Remittance Solution, Dr. Leonard's was able to speed up its processing while decreasing its staff from eight full-time employees working 50 man hours a day to only two full-time employees and one part-time employee processing the same 25,000 daily transactions in just 20 man hours a day. The labor cost savings paid for the cost of implementing the AQ2 solution in little over a year, with continued annual savings.

"AQ2's Corporate Remittance Solution has saved us a lot of time and hassle, says Porto. "We used to have two tapes running with manual 10-key entry and the need to reconcile check amounts with order amounts at the end of the day—a difficult task that was not at all pleasant. Now, this is all done for us automatically and with high precision, which has been a huge relief."

With AQ2's Corporate Remittance Solution, checks that are processed by Dr. Leonard's have the courtesy amount and legal amount cross-referenced and verified automatically using the latest CAR/LAR and optical character recognition (OCR) technology. Checks are automatically encoded, prepared for deposit to the bank and listed by ABA routing number for easy look-up by processing agents whenever needed. AQ2's Corporate Remittance Solution also generates a deposit letter, automatically listing the day's checks for deposit to the bank. Currently, Dr. Leonard's is exploring options with its bank

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to take advantage of AQ2's built-in check 21 features, which will allow the company to deposit directly to the bank electronically, eliminating daily bank trips.

Dr. Leonard's also is preparing to implement a new AQ2 solution feature that provides integration with Global Payments, an electronic transaction processing and payment service information company. This feature will enable Dr. Leonard's to instantly flag and validate or deny checks based on check history compiled through Global Payments' database. AQ2's new solution feature will further progress Dr. Leonard's order processing by replacing its current manual protocol for checks exceeding a predetermined amount with an automated method that will allow the company to validate a greater number of checks at a lower dollar amount, with no additional labor spent and funds available faster.

By implementing AQ2's Corporate Remittance Solution, Dr. Leonard's has taken its order processing to the next level, experiencing greater operational efficiency that has streamlined both its workflows and its operational expense. For Dr. Leonard's, the AQ2 Corporate Remittance Solution already has paid for itself and has proved to be an operational asset for the company now and in years ahead.