



Parker Hannifin Corporation – Accounting Department

**VISIBILITY ACROSS
THE ENTERPRISE**

Leading manufacturer achieves efficient nationwide purchasing card program, while reducing overall costs

CHALLENGE:

To cost-effectively manage a national purchasing card program and eliminate highly manual, paper-based processes.

SOLUTION:

Leverage Iron Mountain Digital Record Center® for Images solution, and Day-Forward Conversion and Image on Demand™ services, and secure storage facilities.

RESULTS:

A centralized repository of digital images – proving greater efficiencies and visibility, immediate access to information and reduced costs.

**PARKER HANNIFIN: A DIVERSIFIED
GLOBAL MANUFACTURER**

Parker Hannifin is the world's leading manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of mobile, industrial and aerospace markets. The company operates in 54 countries on six continents and prides itself on offering the maximum flexibility and autonomy for its business units worldwide.

**GAINING ACCESS AND VISIBILITY ACROSS
A NATIONAL PROGRAM**

In an effort to streamline its procurement process, Parker Hannifin implemented a purchasing card (P-Card) program, enabling over 3,000 employees nationwide to conveniently cover expenses, such as travel and office supplies. The program generates up to 60,000 transactions every month and accounts for \$11 million in spending. Under the program, P-Card holders submit hardcopy receipts to corporate, which are then entrusted to Iron Mountain and kept in a secure storage facility, while the Accounting and Tax department handles payment.

Although the P-Card program streamlined pre-approved purchases, it did not offer its Accounting department the visibility to effectively and efficiently validate purchases by reviewing receipts. Moreover, the program created a compliance bottleneck with routine state tax audits when temporary workers were required to visit the Iron Mountain storage facility to manually locate, copy and submit backups of select receipts.

After further analysis, Parker Hannifin also discovered the amount of time and travel required to utilize temporary workers was nearly the same cost as having full-time personnel complete the task.

“Our biggest challenge was one of accessibility. We had the procedures in place to maintain the documentation required for audit compliance, but accessing the information was time consuming, expensive and inefficient,” says Jason Lance, Tax Analyst at Parker Hannifin.

These inefficiencies led to conversations with its trusted partner, Iron Mountain, to begin identifying alternative solutions.

“The time I was spending securing the documents I can now spend answering the audit questions.”

– JASON LANCE, TAX ANALYST, PARKER HANNIFIN

ACCESS TO DIGITAL INFORMATION

Thanks to a long-standing partnership with Iron Mountain, the Accounting and Tax team leveraged a solution originally developed for Parker Hannifin's Transportation and Logistics department. This first-of-its-kind solution replaced a manual import compliance documentation process with an automated, electronic solution, via the Digital Record Center for Images. Now, the same centralized repository would be used by the Accounting department to address the inefficiencies of its P-Card program.

Iron Mountain now images P-Card receipts as they are submitted via its Day-Forward Conversion service, and uploads them to the Digital Record Center for Images – where they are centrally located for indexing, storing and auditing. For the physical records already stored, Parker Hannifin takes advantage of Iron Mountain Image on Demand service, where Iron Mountain personnel locate, scan and submit only those receipts necessary for each audit.

“Iron Mountain showed us what they could do – we already had a great working relationship with them and we were up and running in two months,” says Bernardinetti. “The Iron Mountain solution has completely changed the way we audit.”

The benefits of the solution include:

- **Increased visibility into P-Card expenditures.** Parker Hannifin now offers immediate access to nationwide receipt submissions by authorized personnel – enabling a method to detect fraud and greater process control through auditing, reporting and management oversight of all P-Card users.
- **Elimination of temporary workers.** The Image on Demand service eliminates the need for temporary workers to help with tax audits – reducing costs and improving the turnaround time for each request.
- **Reduced risk and storage requirements.** The solution improves the chain of custody and security of the information by eliminating temporary workers from the process.

RESULTS

- \$30,000 net savings annually
- Improved visibility across the P-Card program
- Greater enterprise-wide, online access to information
- Enhanced fraud detection capabilities
- 60-70% reduction in the average cost per audit request

“The time I was spending securing the documents I can now spend answering the audit questions,” says Jason Lance, Tax Analyst at Parker Hannifin.

EXPANDING VISIBILITY TO NEW AREAS OF THE ENTERPRISE

Parker Hannifin's Accounting and Tax department now has a centralized repository of digital images that streamlines its P-Card program and the audit process. More importantly, the company anticipates further time and cost efficiencies as it extends the use of Iron Mountain Digital Record Center for Images solution to other areas of the enterprise. To learn how Parker Hannifin has improved business efficiencies in other departments, refer to the Parker Hannifin Corporation – Transportation and Logistics Case Study.



ABOUT IRON MOUNTAIN. Iron Mountain Incorporated (NYSE: IRM) provides information management services that help organizations lower the costs, risks and inefficiencies of managing their physical and digital data. Founded in 1951, Iron Mountain manages billions of information assets, including backup and archival data, electronic records, document imaging, business records, secure shredding, and more, for organizations around the world. Visit the company Web site at www.ironmountain.com for more information.