

## Midt Factoring doubles business capacity with Web self-service.

### Overview

#### ■ Challenge

Retain competitive edge by making it easier to access realtime accounts receivables information as well as various factoring services

#### ■ Solution

Cross-company integration enabling B2B Web self-service for Midt Factoring's clients and their customers

#### ■ Why IBM?

Midt Factoring wanted its Web application to leverage the security and reliability of its legacy IBM AS/400® environment

#### ■ Key Business Benefits

100% ROI in 2 years; significant growth in business volume; 90% reduction in per-transaction customer support costs; improved customer service

#### ■ Business Partner

Multi-Support

Transfer description	Last transfer	Time	
Carsten A/S to Midt Factoring, Unico International ApS, TST	28-10-03	13:56:18	TRANSFER
Opinion A/S to Midt Factoring, Unico International ApS, TST	28-10-03	9:14:37	TRANSFER
Invoice A/S to Midt Factoring, Unico International ApS, TST	28-10-03	13:56:52	TRANSFER

With close to 100 employees and annual revenues of several billion Danish kroner, Midt Factoring helps companies of all sizes optimize their cash flow through improved invoice management.

From its headquarters in Ikast, Denmark, Midt Factoring A/S holds the purse strings of hundreds of companies throughout Europe, helping them manage their accounts receivables and maintain a smooth cash flow to support successful business operations. Like most factoring companies (also known as factors), Midt Factoring manages its client-companies' invoices, advances the clients payment on a portion of their receivables, collects the money from the clients' customers and then delivers the balance of the invoices to the clients.

*“To enable efficient self-service, we needed to collect and store the invoices and proofs of payment electronically and present them, along with the associated account statuses, over the Web in a secure and reliable fashion.”*

– Mogens Jensen, Director of IT,  
Midt Factoring A/S

## ***e-business—redefining the competitive environment in your favor***

### **Key Components**

#### *Software*

- IBM WebSphere® Application Server, Standard Edition, Version 3.5.2
- IBM DB2® Universal Database™ for AS/400
- MultiArchive/400

#### *Servers*

- IBM @server iSeries™ Model 820
- IBM AS/400 Model 170

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*—Kim Hellum, General Manager, Multi-Support*

While it is the leading factoring company in Denmark with a 33 percent market share, Midt Factoring is facing a rapidly consolidating domestic market, as well as competition from other pan-European factoring companies. Since companies that work with factors entrust them with the lifeblood of their business—their customers—it is critical for them to have immediate access to the latest collection status of their invoices and the ability to quickly obtain the funds they need to generate additional sales. The more convenient a factor can make these services, the more clients it will attract and retain.

To this end, Midt Factoring set out to streamline two key business processes: uploading its clients' invoices, and providing realtime account status updates—including displaying the invoice images on-screen to clients and their customers for dispute resolution and other purposes. Up to that time, getting invoices into Midt Factoring's database was largely a manual process—most clients mailed or faxed their invoices to Midt Factoring, which then had to manually enter the data into its systems. Only 20 percent of Midt Factoring's clients were large enough to be able to afford electronic data interchange (EDI) for uploading invoices.

For account status inquiries, clients relied primarily on Midt Factoring's call center. Although the company had deployed a terminal-emulation application to provide some degree of client self-service, the client software was costly to maintain at every client site, and the text-based interface did not lend itself to viewing document images.

#### **Web self-service: an appealing concept**

As Midt Factoring sought ways to improve on the terminal-emulation application and provide a more affordable alternative to EDI for uploading invoices, it was intrigued by the concept of Web self-service. Midt Factoring surmised that its clients were more likely to adopt Web self-service, since nearly every company could afford to connect to the Internet, and Web browsers would provide a zero-maintenance, graphical interface that anyone could use.

However, translating the concept into reality was no trivial matter. “To enable efficient self-service, we needed to collect and store the invoices and proofs of payment electronically and present them, along with the associated account statuses, over the Web in a secure and reliable fashion,” explains Midt Factoring's Director of IT Mogens Jensen. “Years ago, we chose the IBM AS/400 platform for our factoring applications because of its security and reliability. We wanted our Web self-service solution to leverage these strengths.”

### Choosing Java infrastructure for the long term

To carry out this vision, Midt Factoring turned to its long-time technology provider Multi-Support, an IBM Advanced Business Partner specializing in intelligent document management solutions for the AS/400—and now IBM @server iSeries—platforms. Multi-Support knew it could use its flagship content management system, MultiArchive/400, to provide the invoice imaging, archival, indexing and search functionalities that Midt Factoring needed. But when it came to delivering realtime account status over the Web, Multi-Support wondered whether it should use some form of screen-scraping technology to simply display the terminal screens in a Web browser, or invest in a new Java™ technology-based infrastructure to mediate between Midt Factoring's legacy RPG-based environment and the Web.

Although a screen-scraping solution would be initially simpler to implement, it would not lend any extensibility to the Web-based application, which would still require costly, large-scale changes to the RPG business logic as Midt Factoring added to its online services. "With insight from the IBM Application Framework for e-business, we realized that providing a realtime interactive Web application—to hundreds of clients and hundreds of thousands of their customers worldwide—would require a scalable, high-performance infrastructure," says Kim Helling, Multi-Support's general manager. "That's why IBM WebSphere software and IBM DB2 Universal Database on the AS/400 platform were key elements of our solution."

### Midt Factoring saves service costs as clients turn to the Web

Midt Factoring's new Web self-service application, called MF Online, enables clients to upload new invoices, check the status of outstanding invoices, view images of invoices and payment confirmations, change their customers' credit lines and perform a variety of other functions. The customers can also use MF Online to check their debt status, view invoices and communicate with representatives at Midt Factoring. DB2 is the main data management system supporting Midt Factoring's legacy applications as well as MultiArchive/400, which resides on an iSeries Model 820 server. IBM WebSphere Application Server, running on an AS/400 Model 170 server, provides the runtime environment for the Java code that routes requests from MF Online users to these backend systems.

*"We are sustaining a 30 percent growth in business—a feat we could not achieve without this IBM e-business solution."*

*—Carl Aage Nielsen, Managing Director, Midt Factoring*



*Kim Helling (above) notes that Multi-Support relies heavily on DB2 for its MultiArchive/400 content management system. DB2 stores not only information about the invoice content but also an index of the invoice images, enabling their immediate retrieval from the iSeries server's Integrated File System (IFS).*

The e-business solution has undeniably met an important need—Midt Factoring now receives 85 percent of its clients' invoices through MF Online. And, not only is MF Online a more convenient and less expensive way for clients and customers worldwide to access Midt Factoring, but it also costs the company 90 percent less to perform these transactions through the Web than through its call center.

Since MF Online went live, Midt Factoring has seen the number of invoices it handles grow at an annual rate of nearly 40 percent. Says Midt Factoring Managing Director Carl Aage Nielsen, "We are sustaining a 30 percent growth in business—a feat we could not achieve without this IBM e-business solution."

### **Cross-company integration—a higher level of e-business**

In becoming an e-business, Midt Factoring has not only bypassed screen scraping, it has achieved what most companies have only sketched out in their long-term plans: end-to-end integration with its clients. "We can take the invoice data right out of a client's billing application and upload it to our production system," Nielsen says. "The only human intervention required is clicking on a SUBMIT button on the Web site."

### **Growing judiciously**

As Midt Factoring increasingly interacts online with its clients and their customers, it will want to expand the range of information it shares with them. For example, the company may choose to extend its internal Lotus® Domino™ document sharing capabilities with its clients. To facilitate this, Multi-Support will likely be called into service to help integrate Domino with WebSphere Application Server.

As it takes on this challenge, Multi-Support will turn, as it has in the past, to IBM's Application Framework for e-business for guidance in its development decisions. "By staying within the Application Framework for e-business, we can avoid making decisions that lead to dead-end solutions," Hellum says.

### **For more information**

Please contact your IBM marketing representative or IBM Business Partner.

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