

Keymed

Business



**ASSIGN
BUSTER**

Company: interBizCustomer: KeyMedSubmitted by: Spreckley Partners LtdTo remain in excellent health, people are advised to have regular medicals to identify and help prevent future problems. KeyMed, a manufacturer and supplier of specialised medical and industrial equipment including endoscopes, did the same in 1992. Having expanded from four people in the 1970s to over 600 people based in the UK, Ireland and USA, the Olympus Optical Company subsidiary undertook a planned, preventative review programme to examine all its business operating methods. A company wide examination identified a number of potential constraints to KeyMed's planned enhancement of customer service and improved inventory management. The existing IT system was increasingly becoming a restriction on the company's continued success as it was not an integrated solution and extensive re-keying of information was needed.

Phase 1 – 1992

From the review the company realised that it needed to re-engineer its business processes to improve operational efficiency and control as well as support anticipated growth without increasing costs significantly. A number of specific business issues were identified as a result of the investigation.

KeyMed needed:

- to improve already high standards of customer service
- a complete and fully integrated business system
- to incorporate MRPII and sales operations planning principles
- to significantly reduce the manual upkeep of the business system
- to handle multi-currency transactions more effectively
- to improve financial reporting capabilities

The review clearly demonstrated that KeyMed's existing software was inadequate to satisfy those business issues. The company decided to install an integrated and comprehensive business solution to support its enhanced business operating procedures. KeyMed undertook a rigorous evaluation of the systems available and eventually the company chose Computer Associates interBiz Supply Chain and Financial Group to provide a comprehensive and fully integrated manufacturing and financial management solution for the IBMAS/400 environment. It opted for interBiz Supply Chain Group's PRMS™ and interBiz Financial Group's Masterpiece 3.0™ General Ledger functionality. Commenting on the decision Richard Cherry, KeyMed's Head of Business Systems said, " We selected the solution because our evaluation showed that PRMS™ and Masterpiece™ was capable of supporting our new ways of working more efficiently while also offering sufficient flexibility to cope with future demands. interBiz was able to provide consultants who really understood our business needs enabling us to implement the new solution effectively.

" KeyMed used interBiz Supply Chain Group's PC based implementation software, PowerBench, to refine business procedure definition. A dedicated professional project team was set up to ensure PRMS was installed quickly and the application's functionality fully utilised. Using a proven, business focused implementation methodology, the financial modules of the system were installed first with the full implementation completed nine months later. KeyMed chose this step by step approach to take advantage of seasonal differences in workloads. With the implementation of Masterpiece™ 3.

0, the company aimed not only to simplify many of its existing financial business processes but it also wanted to identify key financial information in the form of easily generated reports in a spreadsheet format. The reporting process can then be fed directly to senior management for establishing business forecasts. Describing the success of the new system, Barry Knight, KeyMed's finance director said, " Originally we estimated that it would take 36 months for the project to pay for itself. In the end we realised the payback on the investment in half that time - only 18 months." KeyMed has more than delivered against the benchmark business objectives identified in the original business operations.

In fact, the system was flexible enough to enable KeyMed to handle smoothly the dramatic growth in its business and expansion into new markets. One of the key results following the implementation of Masterpiece 3.0™ is the time taken to download financial information. It is saving KeyMed one and a half days of staff time compared to previous methods. The General Ledger function has now also become more streamlined and has eliminated duplication of effort involved in the initial data input stage.

Also, due to Masterpiece™ 3.0 built-in multi-currency feature it means KeyMed is now ready for the transition to the Euro if and when the UK joins. More specifically, KeyMed identified a number of key business improvements. Assisted by interBiz Supply Chain Group's complete business solution, the following were realised:

- Customer service was enhanced as accurate lead times could be quoted both for planned and unexpected demand

- Inventory levels were cut by 40%, while inventory held days fell by
- 50% thereby significantly reducing obsolescence
- Forecasting enabled the management of change with the supply chain more easily

With the interBiz solution illuminating all areas of the business, Richard Cherry, Head of Business Systems said, “ The integrated system was like a breath of fresh air and for the first time visibility of company information for everyone became a reality.” Finance director, Barry Knight added, “ For the first time we were able to use integrated forecasting as the company moved from a monthly to weekly ordering cycle for its core products, while achieving a 60% reduction in the time taken to handle goods inward receiving. Furthermore, we are now able to manage our business by exception concentrating on the few areas needing attention.

“” We can now also free our financial managers from some of the mechanical aspects of accounting and enable them to manage the business and look for improvements,” continues Knight. “ It has also allowed for greater access to key financial information which is vital to KeyMed’s senior management.” As regards implementation of the upgrade to the system, Richard Cherry said, “ This was the best implementation we have achieved to date. As a result of detailed planning and a committed project team, users described the process as smooth and seamless.”

Conclusion

From its original requirement to its current needs interBiz’s integrated solution has enabled KeyMed to make more effective use of its resources,

which has enabled employees to increase their productivity, and the company to be more profitable.

The company has achieved an 8% year on year compound growth in turnover since 1992. The system has also enabled KeyMed to maintain its commitment to quality both in terms of product and service by eliminating islands of corporate information and facilitating a structured way of working. Not only is the company ISO 9001 registered, but it has also received BS EN 46001 certification to meet strict international health and safety regulations for its products being used in the medical and aerospace industries. KeyMed is able to rely on its integrated business solution to track parts and equipment ensuring they comply with the appropriate standards. Richard Cherry concluded: " From the outset PRMS has provided an integrated platform that enabled the company to improve operational efficiency and support growth both in existing and new markets while maintaining customer satisfaction at an exceptionally high level." The continued enhancement and flexibility of PRMS has meant we were are able to overcome issues such as year 2000 compliance.

Furthermore, the system is a truly enterprise-wide business solution. In addition, it easily interfaces with PC applications such as sales information and service management."