

Extract Technology removes information bottleneck and boosts aftermarket sales with SYSPRO

Extract Technology is a leading UK-based supplier of containment systems for the pharmaceutical, chemical and biotech markets. The company is renowned for its product range and has an expanding aftermarket division that is growing by 10 per cent year-on-year. Jason Armitage, Chief Financial Officer and Martin Price, Business Process Manager, acknowledge this success is supported by an innovative enterprise resource planning (ERP) system called SYSPRO. The system, supplied by K3 Business Technology Group (K3), was implemented in just under three months in August 2006.

Extract Technology is owned by the \$300 million turnover Walker Group Holdings. A make-to-order, configure-to-order business, Extract Technology provides high quality turnkey containment solutions. Downflow Containment Booths that protect operators from respirable dusts, custom designed



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At a glance

Company

Extract Technology

Industry sector

Manufacturing

- Containment solutions

SIC Code

28990 - Manufacture of other special purpose machinery n.e.c

Number of employees

60 +

The challenge

- Basic system in place
- Manual tasks
- Lack of Integration

Solution & services

- SYSPRO Financials
- SYSPRO Distribution
- Quotations
- Projects and Contracts

The benefits

- Greater level of automation
- Quote directly from SYSPRO through to dispatch and invoicing means a quick and accurate way to work
- Streamlined processes has enabled the sales team to concentrate on proactive selling
- Projects and contracts has enabled Extract to gain complete visibility of costs from beginning to end of each contract
- More information enables for a clear view of most profitable lines and increased visibility
- Project engineers able to manage contracts in real time
- SYSPRO provides a solid platform to work from that does not restrict Extract to rigid procedures

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Dispensing and Sampling Facilities, and Rigid and Flexible Isolators for containment of potent compounds are all core company products with new designs for aseptic processing coming on stream. It also offers a complete range of Pack-Off systems to safely offload powdered product into drums or individual bulk containers. The aftermarket division supplies a comprehensive line of replacement parts to existing customers and to field service engineers as well as a range of complimentary services such as upgrades and relocations. The company's high profile pharmaceutical customers include GlaxoSmithKlineMerck, Pfizer and AstraZeneca.

The company uses SYSPRO as a key management tool to help drive the business forward. The system replaced an off-site hosted Sage accounting package that was shared with another company up to the time of its sale to another group. As Martin Price recalls: "We lost our accounting system overnight. Rather than treating the loss as a problem we saw it as an opportunity to install an ERP system rather than replace pure accounting software. Prior to Sage we had been using an ERP system so we knew what we wanted to get back to."

Jason Armitage adds: "The old system was very basic, so we saw this as a chance to implement a powerful solution that would provide us with greater control over our business processes. We looked at several systems narrowing them down to Microsoft Dynamics AX, Visual Manufacturing - as used elsewhere within Walker Group Holdings - and SYSPRO.

"I was familiar with SYSPRO as I had used it while working at other companies over a period of about 15 years, so I knew what it was capable of. We wanted the level of automation that the system would provide to gain efficiencies throughout our processes. By driving out manual non-value added tasks we knew we would have more time to concentrate on improvements, customer service and sales."

Extract use the Quotations module throughout their aftermarket business. For example, Extract quote directly from SYSPRO, convert the quotes to orders, produce requisitions & purchase orders, receipt goods, pick the goods, dispatch finished goods and then invoice using the system. It is an extremely quick and accurate way to work and allows their team to maximise time spent on customer service and sales.

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This point is underlined by Jason Armitage: "Aftermarket is very important to us and accounts for 20 to 30 per cent of the overall business. Growing at 10 per cent year-on-year, we realise that SYSPRO has given us the ability to extend this part of the business. Speed and flexibility of automating the aftermarket processes has been the key to this. Before we had to draw up the quote manually and we had no integration. Now, SYSPRO helps to create the quote and streamlines the entire process through to dispatch and cash collection. This has given our sales team more time to concentrate on proactive selling, which has ultimately benefited the business."

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A key feature of the system is SYSPRO's Projects & Contracts module. This enables Extract Technology to gain complete visibility of costs from beginning to end of each contract.

Knowing the status of each contract is essential. With SYSPRO, Extract Technology has been able to identify each item allowing the company to manage margins.

For make-to-order and / or configure-to-order contracts they use the module to set up a job for each product. There is on average 2 to 8 jobs created for the products involved, which they tie together into one contract. This also covers high value purchased equipment required for the contract. The cost of the equipment can be as low as £8,000 but will reach as much as £250,000 for larger items.

Jason Armitage adds: "Some contracts can be worth as much as £1 million, so it is extremely important for us to know the costs involved. SYSPRO allows us to take the contract and define it as individual products. This gives us a complete view of all costs contained within the contract. This is powerful business intelligence we would struggle to obtain without the software."

"This is far more information than we have ever had in the past. Before SYSPRO we used to collect everything into a single job, now we can identify each item – be it labour or materials – on a product by product basis. We can quickly identify our margins for individual products, giving us a clear view of what are our most profitable lines. Using the software, we track this on an ongoing basis, which is important as some contracts may last as long as a year. With it we are able to monitor actual costs against anticipated costs throughout the life of the contract."

"With a few mouse clicks we can access all the information we need to review how each contract is progressing. It gives us much better visibility to minimize exposure to risk," says Martin Price.

"I agree. Visibility of information is much clearer than it has ever been. Previously, we would have to run various reports and painstakingly go through these. Now at a press of a button we have access to a visual representation allowing us to see how our costs are tracking directly in SYSPRO. This level of control was not available before we installed the system as we had to rely on manual reporting and cross referencing," adds Jason Armitage.

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Extract Technology constantly develops the use of its SYSPRO system. The company is currently engaged in a major project led by Martin Price that will enable the company to quote capital equipment directly from SYSPRO.

"This will give us a seamless passage of information throughout SYSPRO. We are prototyping this with our Downflow Booths that contain as many as 200 individual components, plus all the labour required to assemble the product. The module ties everything together for us – it is a pertinent tool for our business," states Jason Armitage.

"The system allows the project engineers to manage contracts in real-time. The ability to gain access to and

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interrogate live information on screen is a huge benefit. They can see precisely where material is allocated to the contract and it gives them the ability to steer the jobs in the direction they need to be to complete the contract."

Martin Price adds: "SYSPRO gives us a framework and infrastructure to handle complex jobs effectively. These are jobs that change, as we never sell the same piece of equipment twice. The system underpins our business process and gives us the flexibility to change components and assemblies to meet clients' needs."

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