

Performance Made Healthy: Leading Nutritional Supplement Manufacturer Improves Customer Responsiveness and Competitive Advantage with QAD

The Company: Large Manufacturer of Vitamins for Global Nutritional Supplement Providers

These days, vitamins and nutritional supplements are big business. And with more than 50 years of experience, Vita-Tech International plays an important role in this growing industry. A leading supplier of custom nutritional supplements, Vita-Tech offers custom manufacturing and private label services to some of the largest and most well-known nutritional supplement providers around the world.

Operating out of a 128,000-square-foot facility in Southern California, Vita-Tech produces high-quality capsules, tablets and powders according to its clients' exacting specifications. With a strong focus on quality, Vita-Tech manufactures its products in a pharmaceutical environment, and meets and even exceeds good manufacturing practices as defined by the U.S. Food and Drug Administration (FDA).

The Challenge: Becoming More Responsive to Customer Requests

Over the years, Vita-Tech has invested heavily in its production facility, which now features state-of-the-art blenders, encapsulators, tableting machines and coating equipment. However, while the company's equipment was world-class, the same could not be said about the enterprise system Vita-Tech used to manage its sales quotes and production processes.

The company was burdened with a 15-year-old legacy system that was based on a platform that had since been abandoned by the software provider. The system was cumbersome and difficult to use, and its bar code scanners were obsolete. The system also lacked training materials, so that newer users would have to be mentored by longer-term employees in order to ensure they were using the software correctly—something frowned on by the FDA, which is a stickler for documentation and documented processes.

In addition, the legacy system failed to provide support for Vita-Tech's sales quote process, which was long, complex and paper-based. The company, on average, received 100 requests for quotes a week; each request was placed in a paper folder that was then transferred between the departments—located in different buildings—that needed to work on the quote. Creating a quote involved much more than simply looking up prices—instead, the research and development team in essence would have to create the requested product on paper before it could come up with an acceptable formulation and price point.

In an increasingly competitive marketplace, the long lead times needed for creating quotes were no longer acceptable. . . “We needed to compress a two-week process into 48 hours.”

Toni Clubb, Chief Financial Officer, Vita-Tech.

Because the long process made it difficult to respond quickly to prospects, Vita-Tech was forced to prioritize its quotes based on those requests that it believed were best suited for the company. And in an increasingly competitive marketplace, the long lead times needed for creating quotes were no longer acceptable.

“We needed to compress a two-week process into 48 hours,” says Vita-Tech CFO Toni Clubb.

The Solution: Paperless Processes Create Unity and Clarity

When Vita-Tech first began searching for a new enterprise system, it was determined to consider all of the available options. Starting with a list of 43 potential systems, the company eventually whittled it down to one: QAD. In addition, Vita-Tech selected QAD service alliance partner Strategic Information Group (SIG) to provide implementation support and services.

The company chose the QAD solution and SIG for several reasons. Vita-Tech needed a cost-effective system that would support its needs as a mid-sized manufacturer, but it also wanted to work with vendors that had technical experience in the life sciences industry.

Vita-Tech was also looking for a solution and support that would simplify its validation processes. The FDA requires life sciences manufacturers to validate computer systems by documenting evidence that a specific automated process will consistently yield a product that meets pre-determined specifications and qualities. With its legacy system, the process had taken Vita-Tech more than a year. But by choosing an ERP system that is designed to simplify validation, and a support vendor with considerable experience in this area, Vita-Tech was able to complete the process in just 90 days.

The Benefits: Agile Support for Unique Processes

Since implementing its new QAD ERP system, Vita-Tech had been able to address one of its most pressing concerns: its sales quote process. With the QAD system, the paper has been eliminated; instead, requests for quotes are posted online and all the relevant departments are automatically alerted via email about the request. People from different departments can work on the same quote at the same time, reducing lag time.

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The company estimates it has not only increased the number of quotes it processes by 20 percent, but also has considerably reduced the amount of time it takes to get information to customers.

“We’re much more responsive to customers,” says Clubb. “Our lead time for quotes used to be weeks; now it’s days.”

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The QAD solution supports other unique Vita-Tech requirements:

- Bulk-pick tickets—Rather than pull the same raw materials multiple times a day for different work orders, Vita-Tech uses its bulk-pick ticket process to pull all that is required of each ingredient for all the products being produced that day.
- Conditional release of raw materials—When Vita-Tech receives supplies from its suppliers, it is required by the FDA to verify the quality of each ingredient. While the ingredients are being analyzed by its lab, Vita-Tech can use them, but the company must be able to provide certificates of analysis before the final products that include those raw materials are shipped.
- Lot potency—Because the potency of herbs, which go into many of Vita-Tech’s products, can vary from crop to crop, the company sometimes needs to adjust the amount of the herbs being used depending on their determined potency.
- Theoretical yield—This Vita-Tech quality process ensures that the total weight of the final product equals the combined weight of the product’s ingredients, not including negligible ingredients, such as the gel used to create a capsule coating. This weight must also fall within the customer’s specifications for the product.
- Dosage requirements—Vita-Tech needs to ensure that information about each product’s dosage requirements is included on the product label.
- Linked documents—To eliminate paper from the quote process, all documents related to a quote—such as customer schematics—are made available online, so that all employees working on it can access the information they need.

In addition, with the QAD system, Vita-Tech now has access to comprehensive training materials and documentation. “The training capabilities are far superior compared to our old system. As we bring on new people, we have the materials we need to train and test them based on their roles in the organization,” says Clubb.

Now that QAD has helped Vita-Tech achieve its primary goal of improving its responsiveness to customers, the company plans on using the software in other areas, such as supply chain management. . . “QAD technology will be the foundation for future innovation.”

Toni Clubb, Chief Financial Officer, Vita-Tech.

The Future: A Foundation for Innovation

Now that QAD has helped Vita-Tech achieve its primary goal of improving its responsiveness to customers, the company plans on using the software in other areas, such as supply chain management. It also is looking at adding customer-service modules to the system.

“We want to give our customers better visibility compared to what they have with other manufacturers,” Clubb says.

But even before it adds this functionality, the new system seems to be helping Vita-Tech do what it does best: create a custom blend of services to achieve superior quality manufacturing of nutritional supplements.

“QAD technology will be the foundation for future innovation,” says Clubb.

Highlights

Company

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| Company Name | Vita-Tech International, Inc. |
| Industry | Life sciences |
| Products | Custom nutritional supplements |

Solutions

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|------------------------|--|
| QAD Solutions | QAD Enterprise Applications (version MFG/PRO eB2.1) |
| Hardware | 2X PowerEdge 2850 Servers Dual 3.6GHz Xeon Processors with 2MB Cache/800MHz FSB 8GB DDR2 400MHz (4X2GB), Dual Ranked DIMMs 6X 73GB, U320, SCSI, 11N 15K, PE2850, 3x RAID1 Drive Configurations, Dual Redundant Power Supply Configuration |
| Environment | Red Hat Linux v.3 ES Kernel v. 2.4.21-47.ELsmp |
| Languages | English |
| Number of sites | 1 |
| Time-to Benefit | Within the first 90 days. |

Results

- Increased number of sales quotes processed by approximately 20 percent
- Compressed quote lead time from weeks to days
- Reduced system validation time from over a year to 90 days
- Streamlined several unique manufacturing processes
- Excellent on-line and physical training materials have led to greater use and faster adoption of the system.



Our Passion. Your Advantage.

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