

Meridian Bioscience, Inc.



About the company.

Meridian Bioscience manufactures, markets, and distributes innovative diagnostic test kits, purified reagents, and other related products that are designed to provide speed, simplicity, and accuracy to aid in the early diagnosis and treatment of gastrointestinal, viral, urinary, and respiratory infections.

With four facilities in the United States and a European operation, the Cincinnati-based company markets its products to hospitals, reference laboratories, research centers, veterinary testing centers, physician offices, and diagnostics manufacturers in more than 60 countries around the world.

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KEVIN POWELL, DIRECTOR AND US CONTROLLER, MERIDIAN BIOSCIENCE



Setting the strategy.

In the biological product industry, Meridian Bioscience continually faces the challenge of needing to develop innovative products that will help doctors accurately diagnose patient diseases—and at a low cost. To successfully meet that challenge, the company believed it needed to address its issues of inventory control, inventory accuracy, and inventory discipline. It decided to re-engineer its entire business processes to improve these areas and control costs.

According to Kevin Powell, director and US controller at Meridian Bioscience, the company planned to take advantage of the unused functionality of Infor™ ERP XA that had been implemented. “We needed to re-engineer our processes because we were taking a silo approach in using each Infor module—inventory management, purchasing, cost accounting, and customer service—and not taking full advantage of the integrated system functionality.”

The plan involved developing a high-level project team, using consultants from Guide Technologies, an Infor business partner, and re-introducing Infor ERP XA first locally in Cincinnati, and subsequently to business units in Maine and Tennessee. One of the company’s main objectives was to standardize all US businesses on the same ERP and financial systems. The plan also included implementing Infor ERP XA’s advanced planning capabilities.

Getting business specific.

Key differentiators in re-engineering the Meridian Bioscience business processes were utilizing the full functionality of Infor ERP XA, integrating the application with the company’s financial systems, using EDI, and gaining full control over the shop floor. Powell attributes the success of the project to two factors: functionality of the software, and the knowledge and dedication of the team. “Infor helped us integrate the data so it flowed from the production floor all the way to general ledger—to match the beginning of the order process to accounts receivable,” says Powell. “We wanted to use XA in the way it was intended, and now we’re confident it will do the job for us.”

facts at a glance:

- > company Meridian Bioscience, Inc.
- > solution Infor ERP
- > product XA
- > industry Pharmaceuticals & Biologicals
- > revenue US \$123 Million
- > employees 400
- > country USA

Guide Technologies played a key role in both the original sale and the re-engineering of Infor ERP XA. “Guide Technologies has done a great job of making sure that our needs are being met and that we are being trained and serviced,” says Powell.

Seeing results.

Since implementing Infor ERP XA and re-engineering its business processes, Meridian Bioscience has gained several important benefits. Inventory write-offs, which were once a major concern, according to Powell, are no longer an issue. “Although our sales have doubled,” notes Powell, “our inventory has increased only very slightly. XA has enabled us to increase our inventory accuracy from 60 percent to 99.9 percent. Physical inventories that we needed to do four times a year meant shutting down the plant for a whole day each time, but we’ve eliminated that need by implementing cycle counting with XA. We’ve reduced our scrap rate by 90 percent, and our accounting close cycle dropped from 8 days to 3 days.”

With increased control over its costs and planning systems, the company is able to practice just-in-time inventory and maintain minimal inventory levels. Powell says, “XA has allowed us to achieve operational excellence and gain competitive advantage by reducing inventory and manufacturing costs, and improving shop floor control—through an integrated inventory system.” According to Dan Yahle, senior director of materials management at Meridian Bioscience, Infor ERP XA allows

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the company to tackle one of its biggest challenges in the industry—product innovation at a low cost. Yahle notes, “When three critical issues faced our company—lack of accurate financial information, lack of good inventory records, and less than desirable customer service levels—we looked at XA and realized we weren’t using it effectively and that it offered the flexibility and robustness we needed to create a closed-loop system. An FDA requirement is that we have full traceability, and XA provides a method for tracking the expiration date on all raw materials.”

Two other key reasons confirmed the belief that Meridian Bioscience needed to stay with Infor ERP XA. Yahle adds, “It was being used in other medical device manufacturing companies—a big plus for us—and we wanted to partner with a company that was going to continue to improve the product, which we believed Infor would do.”

Reginald Thomas, manager of MIS business systems at Meridian Bioscience, adds that another Infor ERP XA strength is that it runs on IBM® iSeries®. “It has a reputation for reliability and stability. In addition, XA is flexible because its multiple environment support allows us to run all of our business units across the globe on one system in Cincinnati. We can do seamless customization to meet our unique business needs. Also, we could drive the application down to the user level so users would buy in to the important discipline of collecting the data.”

Yahle attributes success of the re-engineering project at Meridian Bioscience to the fact that upper management supported it, Infor and Guide Technologies were involved to resolve the issues, and the project was organized as a cross-functional team. Yahle explains, “It became not just a finance or materials management department initiative, but involved every department and helped to increase employee skill sets. It improved the culture of our company.”

Yahle affirms that increased inventory accuracy accounts for the most significant gains at Meridian Bioscience. “We’ve consolidated our US businesses on the same ERP and financial system, so now our financial and inventory information is accurate, and our first-time customer-order fill rate keeps growing while we maintain the same inventory levels. XA is a solid ERP solution that has helped us streamline our operations, reduce costs, and enhance employee skills while still growing the customer base.”

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Doing business better.

Current plans at Meridian Bioscience are to use the Infor ERP XA workflow tool to help eliminate all paper purchase requisitions, which will amount to a major savings, according to Thomas. “We also plan to implement the latest release of XA, and to leverage the customer service module, moving to a GUI- or Windows-based interface for our customer service team.”

Additional company plans are to standardize the application across all of its European operations. Thomas adds, “Because Infor has shown a commitment to continually improve Infor ERP XA, we plan to utilize it for some time, adding upgrades and integrating it with other applications within the company. XA is the solid foundation of our business systems.”

About Guide Technologies.

Guide Technologies works with manufacturers and distributors to provide solutions that enable companies to gain market share, operate at peak efficiency, and exceed their customers’ expectations. For more information, visit www.guidetechnologies.com.

About Infor.

Infor makes business software better by acquiring and improving proven, functionally rich software backed by domain experts. Infor makes it better through continuous innovation, faster implementation options, global enablement, and flexible buying options. In a few short years, Infor has become the third largest provider of business software. For additional information, visit www.infor.com.

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