

IPSEN USA

Ultra's Project Leadership Keeps Ipsen Moving with Infor

An Ultra Consultants Client Satisfaction Story

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Industrial Vacuum Furnaces for Domestic and International

Ipsen USA, headquartered in Cherry Valley, IL designs and manufactures industrial vacuum furnaces, atmosphere furnaces and supervisory control systems. Founded in 1948, Ipsen supports a wide variety of thermal processing markets including: Aerospace, Commercial Heat Treating, Medical, Energy, Medical, Automotive, and Tool and Die. It leads the industry in thermal processing technology.

Multiple business entities and international facilities make up Ipsen Global, with production locations in America, Europe and Asia, and representation in 34 countries. Ipsen USA operates two additional facilities: A plant in Souderton, PA focuses on manufactured items, engineered components, plus the production of hot zones, and another in Pecatonica, IL focuses on ceramics. The Cherry Valley facility is involved primarily in the final assembly of the finished products. The company is experiencing solid growth and sells products both international and domestic.

Ipsen functions as a fairly autonomous group, with common products and services around the world. The focus of this first phase of the project was for domestic operations; the next potential project phase for Ipsen will include its Asia and European operations. Because Ipsen had been operating on an old legacy system, they were impeded in their ability to grow and expand their business, due to the company's lack of industry best practices and the constraints of their legacy software's capabilities.

Ipsen Project Environment

Ipsen had been running a legacy version of Infor's Syteline product, originally implemented in 1999 and not upgraded since 2007. This placed the system on an older technology platform, lacking a modern user interface and capabilities that are inherent in more current systems. The system also lacked in several key functional areas, most notably advanced forecasting, project management, product configurator, and its capabilities to efficiently support multiple plant environments.

In addition to the core ERP system, Ipsen also employed SalesForce.com as its CRM platform, Concur for expense management, and a third party field service module that did not integrate seamlessly with Syteline. At the time of the project's commencement, there were approximately 120 users of the core ERP system.

Ultra's evaluation plan led off with an evaluation of the most current version of Infor's SyteLine product in conjunction with reviewing alternative systems in the market. Ipsen was current in their maintenance agreement with Infor, so had the option to upgrade without incremental license fees.



"Ultra's leadership in negotiation leverage with the vendor was instrumental in getting the best total cost of ownership for software and services. Additionally, Ultra's leadership and independent relationship with the vendor was key to escalate project issues/risks and get them resolved quickly."

- Heather McLellan
Director of Finance

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Reasons for Change

The primary reasons for Ipsen's transformation of their legacy systems lie in establishing a platform for growth to scale the business. The company wished to provide easier and better access to information, establish a single integrated system, improve communications and information flow with other systems, plus enable enhanced business processes. An overarching goal was to use Ultra's business platform established through the course of this project, which will be used as the template for implementations in other countries.

Managing Ipsen's diverse operations required an overreliance on a multitude of spreadsheets and custom reports. As the business became more complex with anticipated growth and additional acquisitions, the inefficiencies were expected to increase exponentially. The implementation of improved processes and an eventual technology upgrade would significantly reduce this reliance, thereby reducing overhead and increasing information accuracy.

Management recognized that information accuracy of business metrics and reports were lacking and should be tied to a "single source of truth", as operations were growing and becoming more diverse. Significant savings would be realized in both the elimination or reduction of manual processes and management would gain faster and more confident decision making and greater accuracy in reporting.

Selected ERP Solution

Ipsen chose to upgrade their ERP system from Infor Syteline v5 to the most current version, Syteline v9. As part of Ultra's services a business case was created to determine if a full system selection should be pursued versus an upgrade within the existing product family. Pursuing the upgrade path within the Infor-Syteline product family was primarily due to the following two factors:

1. The Syteline product is a solid solution for mid-market manufacturing companies, consistent with Ipsen's business model. Ultra arrived at that conclusion based on our industry expertise, and our understanding of the product versus other competitive ERP solutions.
2. Ipsen had sustained their maintenance with Infor, allowing for a 1-for-1 exchange to the upgraded current licenses without additional charge.

Project Points of Value

- Reduce General, Selling, and Administrative (SG&A) expenses as a percentage of revenues to support business growth.
- Desire an integrated view of supporting operations, i.e. Salesforce, Concur, and field service to the core ERP system.
- Improved scheduling and costing as well as streamlining the quote-to-order process.
- A seamless integration of all companies and also provides a "single version of the truth."
- Eliminate spreadsheet dependence in scheduling, costing and production control.
- ERP platform to support targeted growth.
- Up-to-date user interface and management reporting in a newer system.
- Single database view of three plants to eliminate redundant data.

Ipsen Responds

Heather McLellan of Ipsen USA describes some of the project stand-outs from their partnership with Ultra:

“All of the process improvement and documentation has enabled us to position a new investment opportunity in our group-level acquisition activities.

Designing the new production forecast department for the Production Systems was instrumental. This department formalizes the responsibilities surrounding material planning, production planning, forecasting and scheduling activities. Ultra lead the definition and organizational design, that has resulted in key areas of competency to ensure more focused activities and defined responsibilities for the department.

The future state design that educated us on best practices, which included the capabilities of a modern ERP solution, really drove value in improving our overall business activities and efficiency.”



Ipsen USA Vacuum Furnace

Value, Objectives Met with Ultra

Ultra's leadership of the project was critical to its success, according to Ipsen:

“Ultra's experience in establishing the budget in advance and then standing firm in delivering the negotiations within budget was a huge success factor. The formal steering team updates and risk mitigation activities and insight was a critical enabler to ensure everyone was on the same page and that the project priority was appropriately maintained.”

Ultra acquired an understanding of Ipsen's business operations and future aspirations. This allowed our resources to represent the Production Manager's role within the project team, allowing the Production Manager to keep up with day-to-day operations. Additionally, during implementation, Ultra provided necessary staff augmentation to organize Ipsen's master files and operations where we provided project management organization and diligence to keep the project on-track:

“What your consultant did to insert himself into the team and deliver value was outstanding. His business knowledge and credibility in the production activities was a key to drive improvements and establish credibility. He took the lead responsibility for data management and cleansing which proved instrumental in keeping the project on track to satisfy the piloting activities.”

With the new Syteline system in place, many manual steps have been eliminated and activities are more efficient. Ipsen expects that value and improvement will continue well beyond the initial go-live period. For Ipsen, work instructions are proving to be beneficial in reducing the “back-and-forth to find answers” and helping people do their job. There are far less IT help desk tickets to manage, and Ipsen has regrouped its core team to continue to improve documentation and revisit processes to seek further improvements.

Additionally, Ipsen has established a permanent process improvement team that will identify and drive continuous improvement opportunities. This team is focused on ensuring the sustained project value over the initial six months, and seeking new opportunities with ongoing quarterly process reviews. Projects are scoped for 90 days or less and approved by the executive steering team.

About Ultra Consultants

Ultra Consultants is a vendor independent research and ERP consulting firm serving the manufacturing and distribution industries throughout North America, as well as companies with global operations. Since 1994, Ultra has delivered ERP technology expertise and business process management to drive business performance improvement for our clients.

Ultra's projects deliver business transformation services and performance improvements. Our methodology focused on building and supporting a team of business process owners. Ultra Consultants provide Lean, Six Sigma, and ERP expertise to support business process improvement projects. Business process documentation, best practice education, and visioning become the foundation for our client's journey of continuous improvement. Our services within improving our client's business performance include ERP selection, ERP implementation management, and organizational change management.

Ultra Consultants are certified in APICS, Lean practices, Six Sigma, project management, and organizational change management

Contact Us

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