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MANUFACTURING AND DISTRIBUTION

Patient Monitoring System Designer and Distributor Plans for Growth with OptiProERP

Vios Medical improves visibility, transparency, and connection into remote warehouses, and soon, direct access to global subsidiary

Case Study:

Vios Medical

Vios
MEDICAL
A Murata Company

Overview

Vios Medical designs and distributes an FDA-approved patient monitoring system, the Vios Monitoring System (VMS). It began operations using QuickBooks and various spreadsheets to manage its business. However, during his first few years with Vios Medical, it became apparent to general manager Jody Hurlbut that the company needed more than a basic accounting package. Vios Medical selected OptiProERP, gaining auditable finances, automated workflows, and sophisticated analytics to track assembly and deployment operations and metrics.

KEY BENEFITS

· Gained a single, end-to-end ERP system with robust functionality

· Acquired widespread, automated serial number visibility, improving inventory, shipping, and regulatory compliance

· Gained connection into the remote warehouse and will soon bring online connection to its global subsidiary

· Replaced spreadsheet data entry and manipulation with multi-company and multi-currency systems and reporting

· Improved inventory visibility across operating units, eliminating dual transactions while increasing accuracy

· Gained a user-friendly interface with controlled access to all modules, enhancing internal audit requirements

· Full visibility on warehouse assembly of products sold in kits and associated transactions, centralizing production in a single system

· Gained visibility into the cost of goods and other data that automatically flows to appropriate business units

· Improved decision-making with data visibility across the organization

INTRO

Vios Medical, a subsidiary of Murata Electronics America (Murata), develops, assembles, distributes, and installs a proprietary medical system, the Vios Monitoring System (VMS), that monitors patient vital signs wirelessly through an existing network. The VMS frees nurses, doctors, and other caregivers at nursing homes, hospitals, and other medical facilities to perform higher-priority tasks.

COMPANY	Vios Medical
HEADQUARTERS	Woodbury, Minn., with a warehouse in Georgia and a subsidiary in India
INDUSTRY	Medical Devices (healthcare patient monitoring systems)

Vios' products are manufactured by its Japanese parent company, Murata, and Vios also stocks various third-party items to meet the installation needs for the VMS based on customer requirements. Additionally, it offers a remote monitoring service it sells as a subscription package along with the VMS.

"We're more of an assembler and distributor," explains Jody Hurlbut, General Manager, who joined the firm as it began selling medical devices. In addition to installing the patient monitoring systems, Vios Medical also trains medical personnel on how to use the equipment and manages the technology infrastructure associated with it.

CHALLENGES

At first, the parent company's finance organization in Dallas handled Vios' accounting using QuickBooks Online for day-to-day basic accounting functions, including inventory. "When I joined Vios, all finance responsibilities and system processing were transferred to me. However, tracking revenue recognition to doing more complicated analysis was really done using spreadsheets," Hurlbut says, adding that QuickBooks really wasn't built to handle the growth Murata executives envisioned. It also couldn't handle compliance issues associated with FDA and ISO requirements for medical device manufacturers.

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> **Jody Hurlbut**
> General Manager
> Vios Medical
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Vios Medical's warehouse is located in Georgia, and its staff uses a separate warehouse management system, which makes it a challenge to track inventory and shipping information. Also, Vios Finance could only view the information; they couldn't edit it. "There was a disconnect between our processes and what was going on with our inventory," Hurlbut says.

Vios Medical also has a subsidiary in India that uses different accounting and inventory systems, which made compiling information and gaining a true picture of operations difficult. "It made sense to find a system that not only could serve our purpose in the U.S. but was a multi-currency, multi-company system with which we could link the two operations and get visibility on all activities," he says.

In addition to having each business unit operate on one system unifying financial information and inventory processing, Vios Medical needed an ERP system that provided product serial number traceability for ISO 13485 requirements, a standard that Vios must meet as a medical device company.

SOLUTION

The company evaluated seven ERP providers, including Epicor, NetSuite, and OptiProERP. After demos, studying user interfaces, and running Vios data through various systems, "We ranked the final three, and it was a unanimous decision by the project team that OptiProERP was the one to go with," Hurlbut says. "It really came down to OptiProERP being able to handle the India side of the business. They had a person who was familiar with India's regulatory tax issues and processes, and that sealed the deal for the India team members."

"OptiProERP's partnership with SAP Business One added to my comfort level because I knew it was a stable financial system I didn't need to be concerned about," Hurlbut says.

The evaluation team also liked OptiProERP's friendly user interface and dashboards, he says. "It has a look and feel to the system that the other ones did not have."

The U.S. implementation went well. "The OptiProERP team did an excellent job really digging into our current transactions and what we wanted to do during the discovery process. By asking all the right questions, we laid out our processes and were able to make the changes that we needed to make."

With a process map in place, implementation was smooth, he said, adding that user acceptance testing using Vios Medical transactions helped ensure everything was operating correctly prior to go-live. Issues that surfaced during testing were dealt with promptly.

Vios Medical opted for an express installation that focused on core accounting, finance, sales, purchasing, warehouse, and supply chain functions. Vios continues to evaluate other modules within OptiProERP for future use. The implementation took about four months.

BENEFITS

Full Visibility in One System

Previously, requesting and approving purchases required manually sharing hard copy documents or emailed documents. This is not considered a best practice for mitigating fraud and errors.

With OptiProERP, Vios Medical has systematic transactional approvals in place, and executives are confident the company has strong controls in place for its financial reporting.

Vios Finance gained inventory transparency and can systematically confirm the warehouse handles transactions appropriately. They also have visibility into where transactions may have gone wrong and can instantly correct issues. "Previously, if errors were made, there was no way of preventing them," Hurlbut says. "Now, when a transaction is processed, I or the supply chain team sees it before it is finalized and can correct it."

Vios Medical sells its products and services in kits, which caused headaches previously because the warehouse team had to itemize single components on quotes individually and had to pull each one out of inventory separately.

"Now we can sell a Vios Monitoring System, and it automatically pulls those items out of inventory for us in the system," Hurlbut says, adding that he knows they are saving time, but how much is difficult to quantify. "With disconnected systems, we weren't really tracking it before," he says. "It's really just a comfort and visibility factor that has improved significantly since bringing on OptiProERP."

Previously, he assumed the warehouse was processing inventory correctly but wouldn't really know until month's end when a physical inventory count didn't match with what the system showed. "I know exactly what's happening now," he says.

The warehouse team loves OptiProERP and is lobbying the parent company to adopt it for other inventory. Warehouse transaction processing is more efficient and streamlined. They scan serial numbers automatically into OptiProERP, reducing data tracking via spreadsheet.

"They scan the device, and OptiProERP picks up the serial number, which is automatically tracked as items are shipped or received from a third-party manufacturer."

Shipping options are automatically visible and available to choose from, and packaging lists are created automatically, making the operations much more efficient. Shipping information also flows to invoices automatically and is visible to every department.

Returns were disjointed previously, with information stored in disparate places, and serial numbers were hard to find. With OptiProERP, "we can process a transaction right away that says this customer is shipping these items back, and we can see the serial numbers and confirm the receipt. Then we can quickly turn around and ship replacements."

"The ability to track everything makes our lives much easier," Hurlbut says.

That's especially true when dealing with its FDA requirements.

"Knowing where items are moving at any given time is very important in case we ever get a question from the FDA or ISO auditor," Hurlbut says. "If they want to know where serial number XYZ is, we can instantly say, well, we sold that to a customer three years ago, and they still have it, or we disposed of it five months ago. Having that instant visibility and traceability is important."

Unlimited Growth

Vios Medical executives look forward to incorporating additional functionality from OptiProERP in the coming months and continuing to streamline operations. "I expect that we will see even more benefits, for example, using the quoting system better to set up our quotes and sales to our customers," Hurlbut says.

The company is currently implementing OptiProERP at its India subsidiary and likes that the ERP easily handles multiple companies and multi-currencies. It will be much easier to provide consolidated information to its Japanese parent, and OptiProERP can help the parent company distribute its products in the U.S. – after achieving FDA clearance where applicable, Hurlbut says.

"We've got some lofty goals for our business continuing through this year and the next five years," he explains. "Our parent company is looking at us as a growth business, and with OptiProERP, we can grow our customer base tenfold or hundredfold and not be concerned that we're going to outgrow the system."

OptiProERP can handle an unlimited expansion of SKUs, Hurlbut notes.

He added, "If you're looking for an ERP system that will give you the flexibility to grow with multiple companies, multiple currencies, and all the visibility that you can possibly have available to you, OptiPro is definitely the way to go."

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