

## CASE STUDY

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### **Business Success Through Focused Technology Solutions: A Profile of Radius Solutions Inc.**

Sponsored by: Progress

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*The printing and packaging industry can best be described as mature and low margin. Radius Solutions helps companies in this industry control costs and maximize their efficiency through software that is tailored to their needs. IDC believes that automation and integration of business processes via industry vertical applications save companies money because they increase business precision. IDC is the premier global market intelligence advisory firm in the information technology and telecommunications industries. We analyze and predict technology trends so that our clients can make strategic, fact-based decisions on IT purchases and business strategy. This IDC Case Study presents the results of IDC's exploration of Radius Solutions and its use of Progress OpenEdge technology to deliver a solution specifically tailored for the printing and packaging industry.*

### **FOCUS ON THE PRINTING AND PACKAGING INDUSTRY**

Despite promises of the paperless society, the requirement for printed materials persists in the twenty-first century. The technological age and the demands of today's business environment have impacted the printing and packaging industry in several ways. Customers expect high quality, fast turnaround, and low prices, even for the complex printing jobs arising from sophisticated marketing practices, such as targeted and personalized direct mail campaigns.

In 2002, the North American printing and packaging industry experienced its lowest profit in years, with the top 10 companies clearing only 8% before taxes. Given a choice, printers would naturally prefer to spend their limited cash on printing machinery rather than enterprise resource planning (ERP) systems. In reality, however, the choice is not quite so straightforward. With continual pressure to compete on price, cost control is essential and impossible to achieve without adequate management information. Computer systems are therefore an important part of the equation.

### **HOW RADIUS SOLUTIONS MEETS PRINTING AND PACKAGING INDUSTRY NEEDS**

Estimating and scheduling jobs are major challenges for printing and packaging companies. Printers need to have high utilization of their equipment and an accurate understanding of their actual costs. Every job needs to be set up based on the unique specifications of the output that needs to be produced. The collection of these specifications forms the basis of the finished product and, consequently, the cost associated with production is different for each job. Handling this process can be difficult for generic ERP software, which is geared toward a classical manufacturing process built around the philosophy of a "bill of materials."

Radius Solutions was established nearly 30 years ago to provide a customized end-to-end manufacturing solution for the printing industry. Through the experience of hundreds of implementations, Radius has built up a vast store of knowledge about the activities, processes, and challenges of the printing and packaging industry. All of this has been funneled into their product, PECAS Vision.

PECAS Vision supports the entire printing and packaging product life cycle, including estimating, sales orders, production run scheduling, materials orders, inventory management, and billing. The multiplant capabilities of the solution allow businesses with multiple manufacturing plants to operate as a single, cohesive entity and share data about customers, vendors, materials, and the shop floor. This multiplant feature, allows the production scheduler to transfer jobs between plants and, consequently, to balance the manufacturing load.

Having an excellent software solution is not enough to guarantee a successful project; the skills of the implementation team and the implementation methodology are critical success factors. Many of Radius' consultants come from the printing and packaging industry and bring practical experience that allows them to add value via their knowledge of industry best practices. Radius has also developed a five-stage implementation methodology that manages the client's expectations throughout the life cycle of the project.

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#### MOORE WALLACE

Moore Wallace is one example of a company that is using PECAS to meet the special needs of its industry, including estimating and pricing, shop floor data collection, and materials management. After attempts to use both a homegrown system and a generic ERP package, Moore Wallace decided to take a best-of-breed approach to its information technology needs and selected PECAS as its manufacturing solution. The company needed a solution that was tailored to the printing industry and could handle estimating and pricing, shop floor data collection, and materials management tasks. When looking at alternative solutions, Moore Wallace assessed the total cost of ownership (TCO), the cost per transaction, and the degree of alignment to its business functions. Although the initial purchase cost of the candidate software packages was similar, the company determined that the long-term cost and functionality of the PECAS Vision software was the best fit for the business. Moore Wallace reports that although they were initially unfamiliar with the Progress database, it has turned out to be completely as advertised — very low maintenance, with minimal requirement for tuning and tweaking.

PECAS Vision has allowed Moore Wallace to lower its cost per order and increase productivity. Prior to implementing the Radius solution, Moore Wallace did not have a job cost system. It was impossible to make a job cost evaluation without a detailed study — customer by customer — to compile the cost data. Now this information is readily available to anyone who needs it. The solution is also a platform for enabling Moore Wallace's aggressive growth strategy, a key component of which is a solid integration architecture that can accommodate XML and emerging integration standards within the printing industry, such as Job Definition Format (JDF).

### **THE RADIUS SOLUTIONS AND PROGRESS PARTNERSHIP ADVANTAGE**

Successful software companies understand the importance of partnerships and alliances. Partnerships maximize the capabilities of software solutions by taking advantage of each partner's strengths. Through teaming with companies that

understand the unique needs of different industries and geographic regions, software vendors both expand their market reach and the value of their solutions.

IDC research has shown that the key benefits of strong partnerships from a customer perspective include one-stop shopping for software, hardware, middleware, consulting, services, and financing; the ability to engage with a single, prime contact; and an increased focus on the application or solution rather than the technology components required to make it work. These all contribute to an improved ability to meet the varied requirements of business users and IT decision makers.

Radius Solutions' success at meeting the special needs of the printing and packaging industry is a result of their depth of industry knowledge and their partnership with Progress Software. The PECAS solution was developed using OpenEdge technology from Progress. Progress is a global supplier of software and services that simplify the development, deployment, integration, and management of business applications. The Progress OpenEdge platform is an integrated software platform that was built on and integrates with industry standards, such as XML, SOAP, Java, Web services, and ActiveX. The embedded Progress database is a turnkey solution that requires minimal support. OpenEdge also provides complete access to alternative data sources, including Oracle, Microsoft SQL Server, DB2, Sybase, and Informix.

Radius Solutions selected OpenEdge primarily because of the following characteristics:

- ☒ **Efficient software development.** Progress designed OpenEdge with software developers in mind. Radius Solutions was able to design and build the PECAS application quickly and, therefore, get it in the hands of its customers as fast as possible.
- ☒ **Low maintenance database.** The OpenEdge database needs very little onsite tuning and ongoing maintenance. This means that Radius customers can concentrate on running their business, rather than on building technical expertise; many customers do not even have their own IT department. The low maintenance requirements also reduce the TCO of the software.
- ☒ **Integration capabilities.** Many of Radius' customers take the best-of-breed approach to their technology requirements. The PECAS product can easily link to third-party products, including well-known ERP packages. The Progress architecture also allows the software to run on a number of platforms, allowing customers to retain their existing infrastructure.

## SUMMARY

IDC has coined the phrase "complexity crisis" to explain the slowdown in the software market growth rate that began from 2000 through 2001. Software purchased prior to this era created complexity for several reasons, including proprietary code, incompatible technologies, and more functionality than most customers needed or could ever use. In response to complexity issues, software buyers are now looking for granular applications that solve their business process problems. In IDC's opinion, Radius' PECAS solution for the printing and packaging industry demonstrates several characteristics that address the complexity crisis challenges:

- ☒ **Industry specialization.** Industry vertical applications provide a faster path from acquisition to implementation because customization requirements are minimal. Solutions that solve specific industry problems are likely to result in a faster return on investment than those that address generic business issues. Radius'

PECAS software meets the unique estimating, costing, and scheduling needs of the printing and packaging industry.

- ☒ **Process automation.** Radius' solution focuses on the business logic and best practices that are of particular importance to the printing and packaging industry. Process automation in general substantially reduces manual effort; industry-specific process automation further reduces effort by removing the requirement to augment generic capabilities with additional standalone tools, such as spreadsheets and calculators.
- ☒ **Out-of-the-box capabilities.** Mature, low-margin industries cannot afford the luxury of expensive and complicated technology implementations. PECAS can be configured with minimal modification, which lowers the implementation cost and allows companies to achieve benefits quickly.

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