

# A Radius Solutions Case Study



## Colbert Packaging

### **Colbert Packaging Improves Inventory Accuracy, Reduces Costs and Meets Compliance Regulations with Radius Solutions.**

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#### **Solution Snapshot**

**Business Fit:** Colbert Packaging is leveraging PECAS Vision, a suite of manufacturing and financial modules developed by Radius Solutions, to support business growth and streamline production across its three plants.

**Business Results:** With 99.9 percent inventory accuracy and improved visibility, the company is running a tighter business—reducing costs, improving customer service levels and achieving compliance with tri-weekly audits.

**Operational Results:** Integration between scheduling, costing and accounting operations has significantly improved the company's ability to estimate projects—improving its ability to manage delivery dates and reduce overtime costs.

**IT Results:** The company has been able to consolidate 80 percent of all its technology using PECAS Vision. And the system has proven to be very low maintenance and stable—with no history of downtime.

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#### **Business Challenge**

Founded in 1959, Colbert Packaging Corporation is a \$45 million independent privately held company with customers located throughout the U.S. and parts of Europe that include Abbott Labs, Anderson Packaging, Wrigley Co., Novartis and Blistex. Producing approximately 272 million boxes, 350 million cartons and 15,000 tons of board each year, the company is also environmentally conscientious, recycling 5,000 tons of material annually.

Though the company has built a solid reputation as a manufacturer of the highest quality rigid paper boxes, Colbert realized a few years ago that to remain competitive it needed to branch out from being a traditional carton manufacturer. The company added additional product offerings and today is considered a one-stop-packaging shop that also offers a variety of folding boxes and paperboard specialty products.

As Colbert Packaging's business strategy changed to capitalize on new opportunities, it was clear it also needed to update its manufacturing and financial systems to support the new growth and streamline production across its three plants. The company's existing home grown systems lacked integration and were outdated. Managing inventory was done manually, which was both time consuming and often led to inaccuracies.

With a lack of integration between its systems and across the multiple facilities, thousands of dollars of materials were unaccounted for due to limited visibility into inventory. Because the company had no way to anticipate these problems, customer orders often missed delivery deadlines because materials were out of stock or difficult to locate.

Overtime costs were also an issue. With its old system the company was unable to anticipate what resources were required for various projects. As a result, the entire staff would work on a Saturday to ensure there were enough people to complete the job.

Another major challenge was meeting compliance regulations. With a large percentage of its customers in the pharmaceutical industry, the company was audited every three weeks to ensure it was in compliance with FDA regulations. With the lack of integration and visibility across its operations, it was difficult for the company to anticipate any potential issues and rectify them before an audit.

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## Solution

In 2005, Colbert Packaging implemented PECAS Vision from Radius Solutions – a suite of manufacturing and financial modules. According to Bill Snyder, Operations Manager for Colbert Packaging, “We chose PECAS Vision because unlike other solutions, it was developed specifically for the packaging sector. We were also impressed with Radius Solutions’ existing customer base and extensive knowledge of the packaging business.”

Colbert Packaging has implemented the full Solution Suite, including Estimating, Order Handling, Raw Materials, Purchase Ordering, Costing, Production Scheduling, Shop Floor Data Collection, and Financial Accounts, all of which feature EDI, bar coding, e-commerce and a wide range of management reporting.



*“The system is extremely intuitive and easy to use.”*

The implementation was rapid and seamless, beginning in September 2005 and completed in January 2006. “We didn’t need to make any modifications up front – the solution worked right out of the box. And the Radius Solutions professionals were terrific, a great group of people to work with,” said Mr. Snyder.

“The system is extremely intuitive and easy to use. We have people using the system who have never used a computer. Also, our supervisors are now able to access the information they need wherever they are—their office, on the road, etc.—with access back to the people on the floor,” said Mr. Snyder.

Colbert Packaging has been able to consolidate 80 percent of all its technology using PECAS Vision. The system has also proven to be very low maintenance. Mr. Snyder says, “Though we have one and a half IT resources dedicated to PECAS Vision, they don’t do much in the way of firefighting because our system is so stable—it has never shut us down.”

### Control of Inventory Improved Accuracy and Reduced Costs

Colbert Packaging has significantly improved its inventory control through automation. Prior to implementing PECAS Vision, the company had about \$80,000 worth of materials that were unaccounted for. By the first year after the implementation this number was down to \$7,000, and today the company has achieved 99 percent accuracy.

Not only is this saving the organization money, it is also enabling them to more accurately estimate projects as a result of the tight integration between scheduling, costing and accounting. "Today we have the same lead time," explains Mr. Snyder, "the difference is that we now know immediately if we have the required materials in stock. We are much better at managing delivery dates – we know if we need to push out a job, provide a customer with a revised time frame or change the order of the jobs to streamline operations. We are now able to predict things in the future, and as a result run a tighter business and provide better customer service."

*"Prior to PECAS Vision we really didn't know what resources we would need for a given job."*

The company has also reduced overtime costs because it now knows what resources it will need in advance of a project. Mr. Snyder notes, "Prior to PECAS Vision we really didn't know what resources we would need for a given job. For example, you would want the die cutters in before the finishing crew, but we had no way of knowing when we would need these people. So our solution was to bring in everyone at one time. Today we can anticipate who we will need and when we will need them."

### Increased Visibility Enabling Better Business Decisions and Customer Service

With one integrated system for the entire enterprise, all 220 employees across the three plants now have access to the same, real-time information. "Scheduling has become a much more simplified process because now everyone can see the same schedule. Also, we can now do analysis by customer and by order which we never had before. Everyone is on the same estimating standards. Our analysis has improved tremendously and as a result we are making better business decisions," said Mr. Snyder.

This improved visibility extends directly to the customer as well. Employees can connect to the system from any location, accessing customer information immediately. Customers also have the ability to login to the system to track their orders and connect with customer service representatives. "The great thing is really now, all employees can essentially be customer service representatives because everyone is able to access the same information – about orders, scheduling, costing, etc. Not only is this good for our customers, but it also helps us to manage our costs and keep our headcount down because our employees can multitask," notes Mr. Snyder.

### Taking a Proactive Approach to Meeting Auditing Requirements

Since implementing PECAS Vision, Colbert Packaging's ability to comply with cGMP (current good manufacturing practice) and tri-weekly FDA standards has significantly improved. "We went through a successful audit yesterday. Only 10 percent of this market can stand up to an audit," explained Mr. Snyder.

With PECAS Vision, Colbert Packaging can auto generate certificates of compliance, track customer complaints and collect any other data relevant to compliance. Mr. Snyder adds, "With PECAS Vision we now have visibility into our processes and procedures.

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If anyone wants to know how we are doing they can go into the system, see any defects, generate a report and understand how these defects are impacting the company. We can then tag the problem to a person or piece of equipment and make any necessary changes. This also gives us a great tool to justify to senior management why we need additional resources.”

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### About Radius Solutions

Radius Solutions is a global software company focused on the development, implementation and support of PECAS Vision, the leading integrated manufacturing and business management system for the printing and packaging industry. Radius Solutions has delivered strategic business advantages to top printing and packaging companies for over 30 years.

The PECAS Vision system was developed specifically to fit the needs of its industry, providing specialized solutions to a range of sectors including labels, flexible packaging, folding cartons, magazines, journals, books and commercial print. The strength of PECAS Vision lies in its unmatched functionality among software developed for these industry sectors – evidenced by the hundreds of sites worldwide currently benefiting from this system. For more information visit [www.radiusolutions.com](http://www.radiusolutions.com).



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