



Allergy Therapeutics

Company Facts

- Locations: United Kingdom, Germany, Italy, and Spain
- Industry: Pharmaceutical Manufacturer
- Web site: www.allergytherapeutics.com

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Andy Giles, IT Manager | Allergy Therapeutics

Success Highlights

Challenges

- Provide better control of inventory, manufacturing and sales processes
- Support a complex and growing business

Solution

- Epicor Tropos ERP

Benefits

- Good visibility of inventory and stock control, linked to sales orders
- Ability to prioritise manufacturing
- Logistical efficiency; tangible benefits of £50,000 to £100,000 after one year
- Support for FDA approval to aid business growth

Allergy Therapeutics is at the forefront of vaccination treatments for allergies. The vaccines, used by a growing number of allergy sufferers, deal directly with the causes of allergic reactions by correcting the body's own immune defence system. Allergy Therapeutics has seen its business expand rapidly in recent years. A management buy-in from owners SmithKline Beecham in 1998 sparked a 50% rise in sales to £19m in 2004, the year in which the company also floated its shares on the London Stock Exchange's AIM market.

Maintaining control of its manufacturing and order processes has always been one of the company's biggest challenges. Although only medium-sized in its sector, the nature of Allergy Therapeutics' business—bespoke products for many of its 50,000 individual customers, often produced in batches of one vaccine—means a very high number of orders, and extremely complex manufacturing and logistics.

Control is also imperative because individual customisation of products requires Allergy Therapeutics to adopt the highest standards of traceability. Control information about the company's customers and their symptoms, the prescribing doctor and dispensing pharmacy is much more detailed than most pharmaceutical companies need to carry for their generic products, which are usually delivered to distributors.

The company currently supplies mainly European markets, with the majority of its business in Germany.

Allergy Therapeutics is now using Epicor Tropos ERP to help meet its product and order control challenge. Within months of implementation, it is also delivering business benefits likely to translate into savings of between £50,000 and £100,000 for the full year.

Control Means Better Planning and More Efficiency

Allergy Therapeutics knew in 2002 that it had reached a key decision point about the kind of information system it needed to meet future plans. If it wanted to add new functions to its incumbent system, a completely new implementation was required. As the system did not support Manufacturing Resource Planning (MRP) and its costing functions were inadequate, Allergy Therapeutics decided to undertake a wholesale replacement.

IT Manager Andy Giles says: “We needed a system that would help us control our complex and growing manufacturing business. But we had very specific requirements.

We needed a system that could interface flexibly with some of the specialist systems that ensure our product quality and reporting to exacting regulatory standards—both those of the UK’s Medicines and Healthcare Regulatory Agency now and the FDA in future. We were also looking for a system that would improve our planning and forecasting, so that we could drive efficiency up and cost savings down as our business grows.”

Tropos and Epicor A Comfortable Fit

Allergy Therapeutics selected Tropos from four competitive solutions short-listed, mainly because of the system’s interfacing flexibility. “You can integrate other systems with Tropos very easily,” says Andy Giles. “It has a very open and easily accessible application program interface. That was a key differentiator for us.”

The company also liked the fact that they could use standard Microsoft development tools to develop new applications for Tropos—the wide availability of these skills makes the task of recruiting programmers relatively easy and cost-effective. Allergy Therapeutics also felt that Epicor was a comfortable fit as a supplier. “Epicor was easy to deal with and willing to accommodate our requirements,” says Andy Giles. “We felt it has a 20 year pedigree and great loyalty amongst its people who have good knowledge

of their products. We were also greatly impressed by the levels of satisfaction expressed by Epicor other customers.”

Complex Implementation Made Easier

Allergy Therapeutics wanted to use Tropos as a core system for controlling inventory, manufacturing processes, sales orders and deliveries. The company already had financials in place, and Tropos is designed for easy integration with a customer’s existing system.

Tropos’s adaptability and ease of interfacing with other specialist systems was put to the test early in implementation. The IT team had to build interfaces to specialist quality control systems, like the Laboratory Information Management System (LIMS) which measures and tests each manufacturing batch. Allergy Therapeutics’ special validation requirements made the Tropos implementation much more complex than usual. The regulators’ high demands for proof that the system had been tested and challenged, and the staff trained to use it in a consistent manner, meant six months extra implementation time for the 30 user system.

“It was a major implementation programme made a lot easier by the ease with which we could interface with Tropos, says Andy Giles. “The Tropos Software Development Kit (SDK) is good for my people to use. We also found Epicor were very helpful in working with us in a regulated environment, which is probably not typical of customers outside of our industry. They supported us wherever we needed it, fixing problems and changing configurations.”

A further pressure on implementation was caused by the seasonal nature of Allergy Therapeutics’ business. Allergy vaccines have to be administered outside the season when the allergen tends to be most active—usually in the summer months in Europe. So production and order processing pressure occurs in the winter, when the company manages around 1,500 orders a day. For this reason implementation had to be completed by October—and it was, with a ‘Big Bang’ cut over being made from the old system in August 2004.

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A Better View of the Business

The test of Tropos’s ability to help Allergy Therapeutics gain FDA approval is still to come, but the company began to gain tangible business benefits after only three months of implementation.

Greater visibility of inventory positions is now enabling more cost-effective ordering and stock control. Sales forecasts now link to inventory, so management has a clearer view of when product ingredients are likely to need re-ordering, and can better prioritise the production schedules.

“Before, if someone asked ‘when are we going to run out of ingredient x?’ we could take half a day just assessing the position for that one ingredient,” says Andy Giles. “Now we can look at the entire stock in 15 minutes.”

The new system is also driving up efficiency in logistics. Over 50% of the company’s sales are to German patients, and lorries travel from the Worthing factory to Germany almost every day during peak production times.

With the previous system in place, customer invoices were printed and despatched separately from the product deliveries. Now that orders and delivery information are linked through Tropos, invoices are printed in the UK and sent with each product package, saving postage every time. Also, because the company has a better view of which orders are being despatched and when, it has been able to reduce the numbers of packages overall, saving around four Euros on each package.

Andy Giles believes that the new system is likely to save Allergy Therapeutics around £50,000 a year on delivery efficiencies alone.

Support costs for Tropos are also less than the previous system. Andy Giles says: “I expect that Tropos will have saved us between £50,000 and £100,000 within twelve months. So there is no doubt it has been a good investment. The real dividend will come in the next few years, as we expect to grow very quickly and enter many new markets.”

About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise, and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.



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