

A Radius Solutions Case Study



Multi-Color Corporation

Multi-Color Corporation Manages the Challenges of Growth through Acquisition with Radius Solutions and Progress® Software

Solution Snapshot

Challenge: To realize the full potential of acquired operations, to mitigate risk and to meet compliance regulations, it was imperative that Multi-Color Corporation achieve integration of its production processes across its eight facilities.

Solution: PECAS Vision, based on the Progress® OpenEdge platform, has been specifically designed to be a fully integrated, industry leading ERP/MIS solution supporting best practices for packaging: flexibles, labels and folding cartons.

Technology: PECAS Vision was specifically developed to support the needs of printing and packaging operations, out-of-the-box. And the flexibility of the underlying Progress Version 9 platform gives Multi-Color Corporation a competitive advantage to meet customer demand and support business change.

Benefit: With PECAS Vision integrated across all eight facilities, Multi-Color Corporation has achieved streamlined business operations, from estimating and order entry through to delivery. The company has been able to attain increased visibility across the entire production process, enabling accurate performance measurement and facilitating executive decision making.

The Challenges of Growth through Acquisition

Multi-Color Corporation (NASDAQ:LABL) is a premier global resource of packaging services and decorating solutions. From graphics to product placement on the shelf, Multi-Color Corporation helps consumer product companies, national retailers, and container manufacturers sell their finest packages worldwide. The \$222 Million (Fiscal Year 2007) company provides innovative decorating solutions to many of the world's largest consumer goods companies. Its customers include the leading producers of health and beauty, food and beverage, personal care, automotive and household consumer brands.

Multi-Color Corporation has grown through a series of mergers and acquisitions and consequently faced the challenges associated with managing five different plants running on disparate and, in some cases, manual systems. In 2004, the organization implemented the PECAS Vision Solution for Packaging, developed by Radius Solutions, a Progress Application Partner, to standardize operations across all of its plants in order to maximize efficiencies and gain visibility across the entire production process.

As part of the company's continued growth strategy, Multi-Color Corporation acquired NorthStar Print Group, Inc., in 2005. According to Greg Myers, Vice President, Information Technology for Multi-Color Corporation, for the organization to realize the full potential of its acquisition, it was imperative that they integrate the three NorthStar plants to enable transactions and visibility across all eight plants.



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“Generally speaking, we were trying to standardize on a single ERP/MIS solution and embrace best practices across all facilities, in order to leverage the skill set and information we already had in place. This included common reporting from all plants in order to gain insight into the acquired plants’ operations and to enable us to better utilize all available capacity for optimized performance,” explains Myers.

“We were also driven by the need to mitigate our risk. The existing systems within the NorthStar plants were relatively old and had little support. We needed to eliminate systems where the risk of failure with a difficult recovery process was a real possibility.”

“Finally, compliance is very important to our organization,” continues Myers. “We are a publicly traded company and are mandated to meet Sarbanes-Oxley (SOX) and other financial requirements. It is crucial that we have control over and visibility into our processes and information.

PECAS Vision: The Logical Step

“We wanted a fully integrated solution within each plant that allowed us to standardize, gain some efficiencies within our production processes, run things all the way from estimation, through sales order, production scheduling, production, shop floor data collection and shipping, and of course provide visibility into the data across all of those processes.”

Leveraging PECAS Vision to integrate the three additional plants with the existing five was a logical step, according to Myers. Based on the Progress platform, PECAS Vision has been specifically designed to be a fully integrated, industry leading ERP/MIS solution supporting best practices for packaging: flexibles, labels and folding cartons. Multi-Color Corporation is leveraging the entire PECAS suite, which consists of: Estimating, Order Handling, Production Scheduling, Shop Floor Data Collection, Material Purchasing and Inventory Control, and Job Costing.

By leveraging one system across multiple plants the company would benefit from having visibility into capacity and materials at any given plant and gain the agility to modify processes or move materials from plant to plant in order to maximize production efficiencies. “We knew this level of integration would help us to make better use of the capacity available to us, regardless of location. We would also benefit by gaining visibility into some of the critical key performance indicators (KPI) around our production processes at a given plant. These metrics can help drive some of our lean initiatives because we can leverage that knowledge to introduce those best practices and standardize on processes across all plants.”

Smooth and Fast Implementation with a Focus on Business Process

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As part of the implementation process, Myers and his team put together a cross functional group. With a business solutions project approach, the IT group identified business process owners from the business side to take leadership for their particular areas. “Ultimately they are the ones who make the decisions moving forward,” explains Myers. “They are the ones responsible for ensuring that they can do what they need to do to run the business, using the technology we deliver. At Multi-Color Corporation, technology always follows the business; that is how we run things. We work with the business to prioritize the portfolio of opportunities to use technology to improve operations. Even though we are IT, our first priority is not putting in technology; it is focused on improving the business, adding value, and enabling the business strategy, by delivering appropriate technology solutions.”

Dennis Linnevers, Manager of Production Applications for Multi-Color Corporation, explains that the company completed the successful multi-plant implementation

process by taking a phased approach. “We did it one plant at a time, starting with the largest plant to maximize the gains of integration and minimize the risk of the legacy systems. Overall, it was a smooth process; the third plant had the fastest implementation we have ever done.”

Benefits of an Industry-Specific ERP Solution

According to Myers and Linnevers, PECAS Vision was able to successfully support their multi-plant rollout initiative due in large part because it was developed specifically for the printing industry. “The terminology that is used, the processes that are supported out-of-the-box, they all fit the nature of our business,” says Myers. “For example the solution offers modules for estimating and scheduling that fit the business of printing labels. You aren’t trying to force fit the terminology of a generic industry or another industry onto the business people here. It makes sense to the users and that is critical for success.”

Flexibility is a Competitive Advantage

According to Linnevers, the solution also offers the flexibility the business needs to support customer demands and business change. “PECAS Vision is flexible enough to handle several different types of printing technology that we use to produce our labels. For example, there are different ways you can apply ink to a substrate, different types of presses and finishing operations. The system is flexible enough in its design to easily support those differences in production.”

This flexibility has translated into a competitive advantage for Multi-Color Corporation. “We are one of the few companies in our industry that runs the gamut with regards to the technologies of the products we deliver,” explains Linnevers. “That is true on two fronts. One, in regards to the printing technology itself, we make sure we are using the print technology that best fits the customer’s needs, whether it be flexo, litho, rotogravure, digital, and so forth. Two, with regards to the product technology itself and the type of label that is delivered, we are one of the few in the industry that can offer our customers a solution on in-mold labels, heat transfer labels, cut and stack labels, pressure sensitive labels, or shrink sleeve labels. So we cover just about every technology across the board. It is imperative that our ERP solution is able to support all of our various production processes, and PECAS Vision does just that. It is a competitive advantage to be able to quickly and easily do what we need to do and provide customers with the kind of service they are looking for. That is what it is all about in the end.”

Improved Efficiencies through Streamlined Business Operations

With PECAS Vision integrated across all eight plants, Multi-Color Corporation has streamlined business operations from estimating and ordering through to delivery. For example, prior to the implementation, scheduling was done manually in the smaller plants. “With PECAS in place, we have been able to realize efficiencies from the online scheduling system. We can react much more quickly in moving jobs around and making the most effective use of our capacity”, says Myers.

Increased Visibility across the Entire Production Process

Multi-Color Corporation has also achieved visibility across its multiple plants. “Prior to the implementation of PECAS Vision in the additional facilities, we had limited

Using Technology to Move the Business Forward

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visibility into the NorthStar plants. They were independent and we were not comparing apples to apples when we looked at some of the metrics across all plants," says Myers. "Today we can run standard reports, such as the waste report, for each plant, break things into standard categories, and allow an even comparison of the performance at each facility."

Myers also notes that they have significantly reduced the use of Excel in tracking and passing data. "Prior to the implementation, there was a lot done offline in Excel that required somebody to do something manually and send it off to the next person to do something manually; you lose control that way. We lacked visibility into the information we needed to make decisions in a timely manner."

Maintaining a Focus on What Really Matters: Delivering Value to the Customer

Multi-Color Corporation is now able to support PECAS Vision across eight facilities with a minimal number of people. "If you look at it from an IT perspective, the fact we can leverage the skill sets we have on one technology, allows us to be more cost effective in delivering solutions that really matter to the customer," says Myers. "This allows us to focus on that value stream rather than numerous different technologies or managing skill sets on different systems."

Continuing to Optimize Business Operations with PECAS Vision

Multi-Color Corporation's goal is to continue leveraging existing and new technology to improve the business. "We are about to kick off a project that we call Process Optimization," explains Myers. "IT will review all of the standard business processes we are supporting in the system today. We are going to work hand-in-hand with the business to identify opportunities to improve our efficiencies or optimize those processes. Because we are on a single, integrated platform, once we identify those areas we want to make changes to, we can immediately push those modifications out to all eight plants versus managing the roll-out of those changes eight different times. All of our facilities will simultaneously realize the benefits from those changes and, as a result, they will be in a position to better serve the needs of the business."

About Radius Solutions

Radius Solutions is a leading provider of global, integrated business information management systems and services, specifically designed to fit the needs of the packaging and printing industries. With more than 35 years of experience, Radius Solutions' PECAS Vision software has become an industry standard for leading converters wanting to streamline their operations, respond more quickly to customer demands and gain immediate access to critical business information. Radius Solutions is headquartered in Chicago, Illinois, with offices in several countries around the world. For more information please visit: www.radiusolutions.com.



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