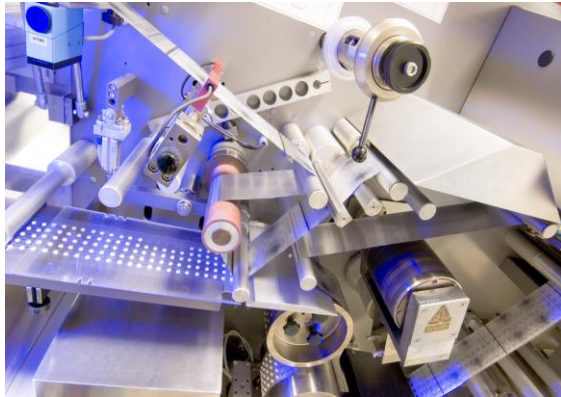


## Healthcare Packaging company Enestia enhances its future with Evologics, Preactor and Microsoft Dynamics



Enestia specializes in the production and packaging of pharmaceutical and healthcare products. In April 2007 it became part of the Irish company United Drug Plc and was previously known as Budelpack. Enestia, Greek for wellbeing, has operated for more than 50 year in Hamont, Belgium. Enestia's business is based on taking over the responsibility of production and packaging from pharmaceutical and healthcare companies who don't see this as their core business.

In this way Enestia allows companies to fully dedicate themselves to R&D and Sales and Marketing. For Enestia however production and packaging **is** their core-business and for which they have already built up a substantial track-record in the pharmaceutical and healthcare market. A very important prerequisite is to sustain a high level of quality which is as high or even higher than the quality level the customer expects. It is key to Enestia to invest together with key-account customers in the development of very specific, tailor-made solutions which comply with the real needs regarding product/packaging and conditioning.

The most important mission for Enestia is, as Ludwig Bastiaansen, Managing Director of Enestia states, to strengthen its position in the pharmaceutical and healthcare market with the ultimate goal of reaching a market leader position.



The main reason why Enestia chose Preactor for their advanced planning and scheduling system was slightly different than most comparable companies, who don't have one. Enestia already used a similar solution, called Quintiq, for some years. Budelpack's corporate department had already identified the added value of using this type of system and therefore rolled out Quintiq in all their production sites, including Enestia. The acquisition of Enestia by United Drug plc. in April 2007 triggered the management team to reconsider using the current system and started a selection process where, next to Quintiq, three other package/system suppliers were invited to demonstrate their solution.

A key reason to reconsider was the fact that the current package was heavily customized and limited knowledge was available to support the technical systems which led to an added continuity risk. Obviously the new solution would need to replicate the requirements of Enestia working in the pharmaceutical and healthcare market in which complexity and flexibility would need to be increased in the near future. Rudi de Loor, the Enestia Logistics Manager defined three important pre-conditions that had to be covered in choosing the new solution/system.



1. The new package should contain adequate flexibility to fulfill frequent changes in the planning. For that matter additional functional criteria were identified:
  - a. The ability to simulate forecast and planning changes without fixing the production planning on the basis of these simulations.
  - b. The ability to use specific Enestia planning parameters such as for example a matrix containing line change times.
  - c. The ability to use Bill of Material information.
  - d. The ability to configure changes in the setup of the system or parameters by Enestia in an easy and user-friendly way.
  - e. Provide well functioning, automatic interfaces with both the current ERP system used (Navision version 3.7) which also should be (re)usable for the final ERP system solution (Navision Dynamics version 5.0) after upgrading the old version.
2. Knowing the current business dependencies and the continuity risk attached it was also very important to provide trust and reliance on the new solution to be provided by showing knowledge, input and support by the (current) package supplier.
3. Last pre-condition was the necessity to find a good balance between costs of implementing and supporting the new solution and the provided quality and fit of the new solution.

Besides these pre-conditions, and not explicitly mentioned by Enestia, the chosen solution should comply with the pre-conditions set implicitly by using an already implemented system which fulfills part of the system requirements. On basis of test-cases provided by Enestia in July 2007 the four identified Package suppliers conducted their demo's of Microsoft Dynamics, Quintiq, Ortec and Preactor.



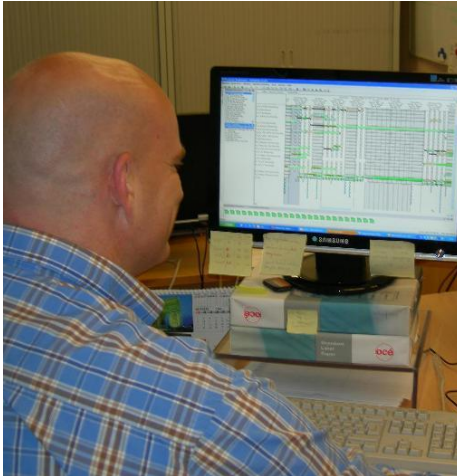
After a planned summer recess in August 2007 Enestia finally chose Preactor in September 2007.

Rudi de Loor commented “The most important motivation for choosing Preactor was firstly the good fit with the most important three selection criteria, secondly the very thorough preparation from Evologics the Preactor Network Partner based in the Netherlands, and thirdly the expertise and experience of Arjo Oldenbeuving that gave us a very reassuring impression of the quality of the solution and future support.”

Just after the final choice to go ahead with Preactor in September 2007 Enestia started, together with Evologics, the implementation process. Due to the “fixed” deadline of January 1st 2008, caused by the expiration of the licenses of the old system, it had to be a relatively short period in which the implementation needed to be prepared and finalized. Therefore Enestia also decided to link Preactor in first instance to the currently used ERP system (Navision 3.7). Then after the first implementation of Preactor, Enestia would start with implementing and linking it to Dynamics NAV 5.0. This was eventually implemented and went live in the last quarter of 2008 and is currently in a stable condition.

During the last months of 2007, after finalizing the implementation preparation phase in September, the implementation and preparation for Go-live of Preactor was started including the following phases:

1. The scoping phase by which the project formal started contained the following activities:
  - a. Conducting a reference visit in September 2007
  - b. Defining the “User Requirements Specifications”
  - c. Development of the required bespoke, preparation of a test case to be presented in the steering committee in October 2007
  - d. Further finalization of the development of the bespoke, and fine-tuning the system in November 2007.
  - e. Education or training of the production planner and users of the planning output during the month December 2007. Predefined slack in the planning to absorb potential issues or other setbacks appeared not to be relevant.
2. Subsequently the Execution phase was started with the Go-live on January 1st 2008. During January problem solving activities were executed and relatively few issues were found with limited impact were managed.
3. In April 2008 finally the Aftercare phase was started in which additional requirements were defined to manage the interface with the upgraded ERP system. These new requirements were then developed and tested in September 2008 and finally finished after the Go-live of the upgraded ERP system Microsoft Dynamics NAV version 5.0.



With the last Go-live and the availability of a complete End-to-End solution (Upgraded ERP system and a new Advanced Planning and Scheduling System, Preactor) Enestia is prepared for the future. The new planning system is running very successful and many other indirect departments are already using the output of the system as their basic information source. As Rudi de Loor again. “The organization is very satisfied with the implementation and the current status of the system.”

And the future? With the recent implementation of the final IT landscape including Preactor, Enestia set an important step forward in improving their previously defined criteria which the system has provided:-

1. Improved visibility in projected stock demand and the ability to anticipate issues in the forecast stock situation (such as purchase order delay, stock issues etc.)
2. Improved planning information to both internal Enestia clients (related departments such as sales, procurement etc.) as well as external Enestia contract packaging clients.
3. Improved the visibility on costs in stock maintenance
4. Improved ability to simulate different “what-if” scenario’s, or simulate consequences of changes or disturbances of planning and / or forecasts.

Next to these already currently visible improvements there have been concrete plans identified to further improve and optimize in the following process areas:

- Further reduction of manual transactions to realize more efficiency and effectively in the planning process and preventing faults
- Improve the visibility on the following data entities:
  - Forecast data
  - Make-To-Order data
  - Budget-Order data
- Starting up a pilot to further improve the process to manage specific and unique customer flows and expanding this and fine-tune this on-going.

Enestia has the right instruments and tools to their disposal to be able to better and actively manage new challenges which are foreseen for the future. Furthermore Enestia has a good view on where to further improve in order to fulfill their ambitions set. Their IT Landscape which is a prerequisite to achieve these ambitions is already in place, partly due to the implementation of Preactor. The last word from Mr L.J.T.M Moonen of IBM BeNeLux Global Business Services who managed the project and prepared this case study.

“I really would like to thank everybody for the time and effort they have put into the delivery of the input for this document and especially I would like to thank Mister Ludwig Bastiaansen, Managing Director Enestia, and Mister Rudi de Loor, Logistic Manager Enestia, for their hospitality, commitment and willingness to provide me with the Enestia specific information.

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