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## Purchased Material Specifications Using Quality Management

Sue Rochon, Principle Application Analyst, IDEXX  
Bob Nigro, IT Business Partner, IDEXX  
Carl Dunlap, Principal, QMS Inc.  
Session ID #84278

# About the Speakers

## Sue Rochon

- Principal Application Analyst, IDEXX
- 20 Years SAP Experience – MM, PP, PP-PI, QM...
- Member of Portland Choral Arts Masterworks choir

## Bob Nigro

- IT Business Partner, IDEXX
- 25 Years Manufacturing /Quality roles
- 8 Years IT
- IDEXX employee #5

## Carl Dunlap

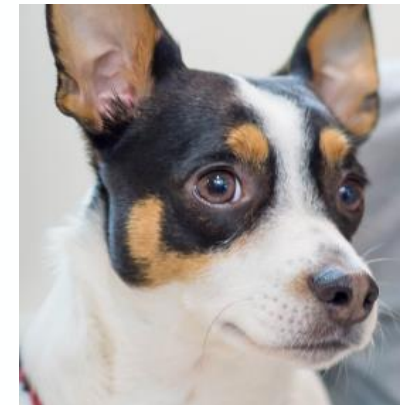
- Principal, QMS Inc.
- 24 Years SAP Experience – QM & QIM
- Own a Sportfishing Charter business in the FL Keys

# Agenda

- Company overviews
- Why did we embark on this journey?
- Where do we want to end up?
- How we are getting there?
- Where are we?
- Lessons learned



IDEXX Laboratories, Inc. is a member of the S&P 500<sup>®</sup> Index and is a leader in pet healthcare innovation, serving practicing veterinarians around the world with a broad range of diagnostic and information technology-based products and services. IDEXX products enhance the ability of veterinarians to provide advanced medical care, improve staff efficiency and build more economically successful practices. IDEXX is also a worldwide leader in providing diagnostic tests and information for livestock and poultry and tests for the quality and safety of water and milk.



ASUG

## Our Purpose:

... enhancing the health and well-being of pets, people and livestock



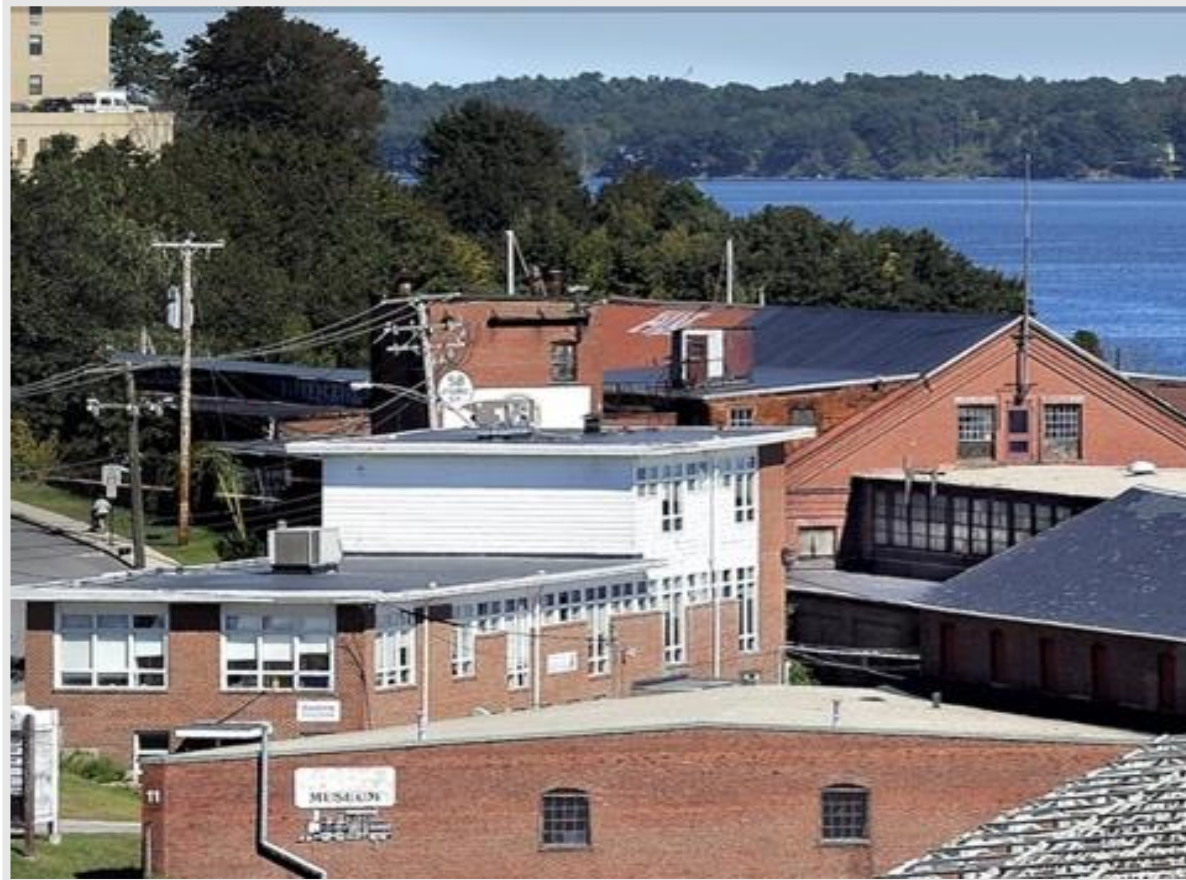
1984

5 Employees  
Portland, ME



2019

8,000+ Employees  
Corporate Headquarters  
Westbrook, ME



IDEXX today...

**105**

locations  
serving  
customers  
in over

**175**

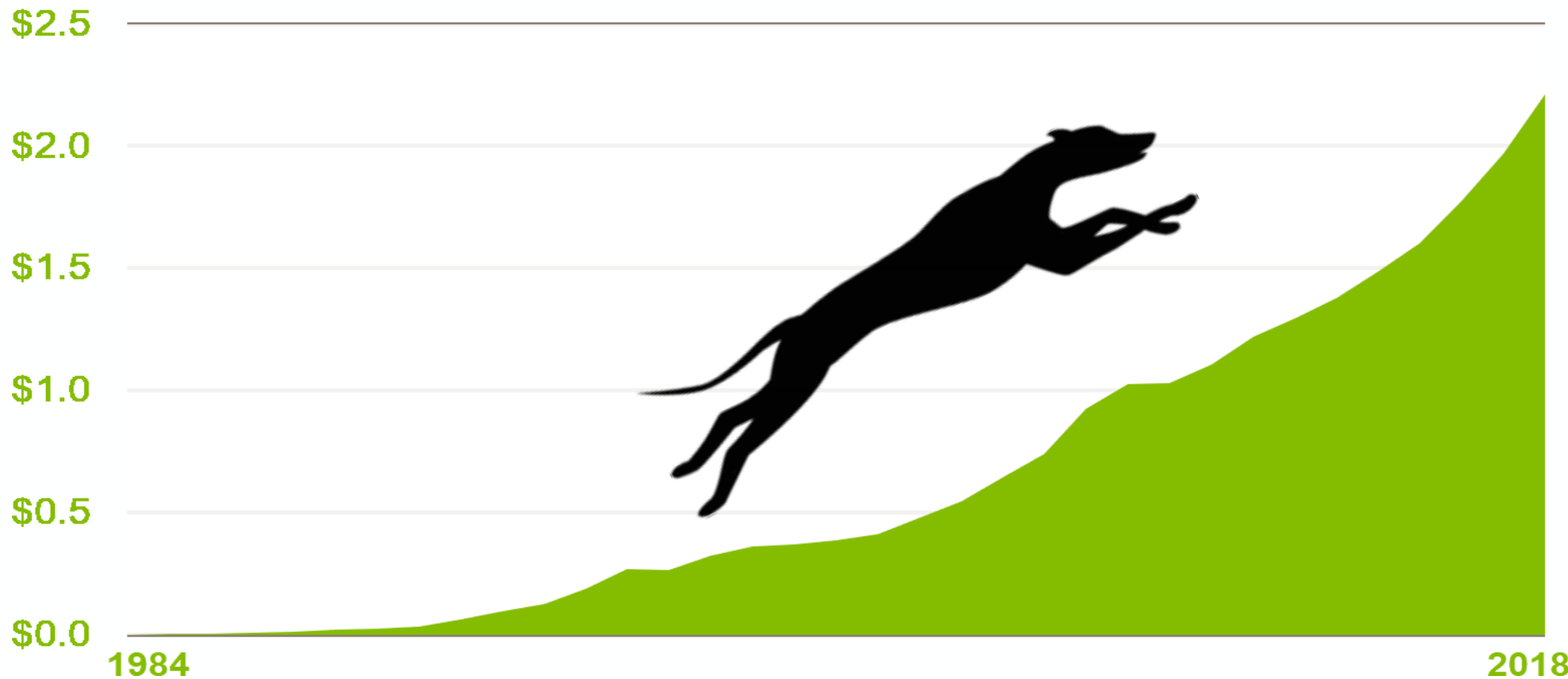
countries  
... and growing!



# Creating Exceptional Long-Term Value

From small beginnings to a \$2.2 billion company

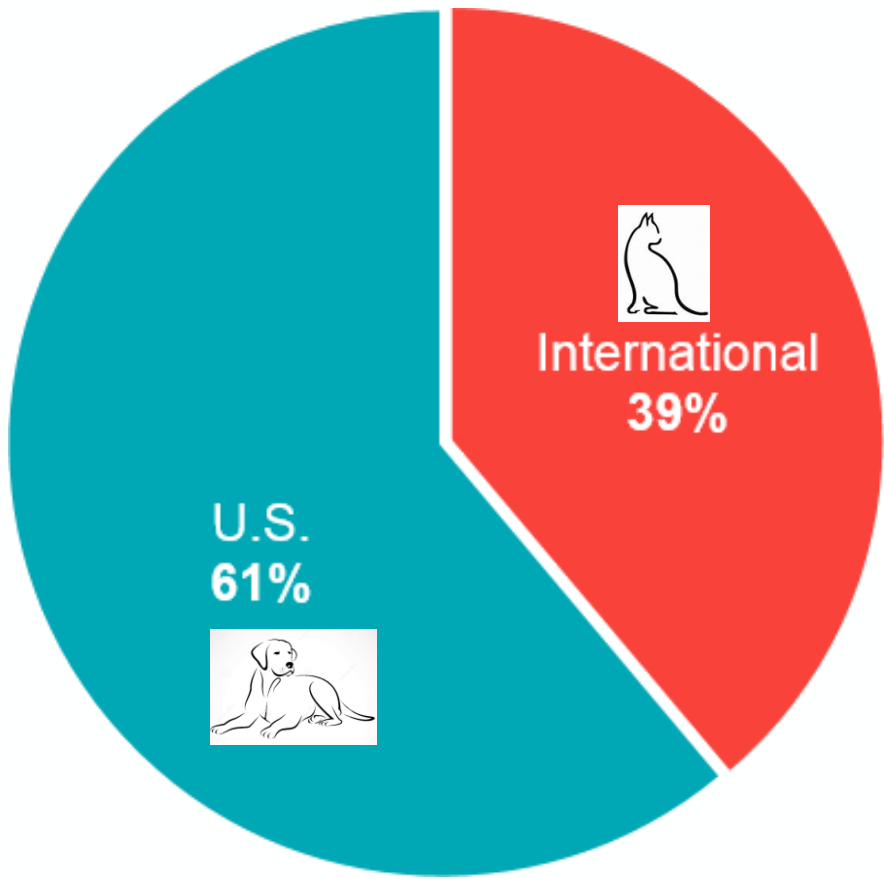
## Annual Revenue



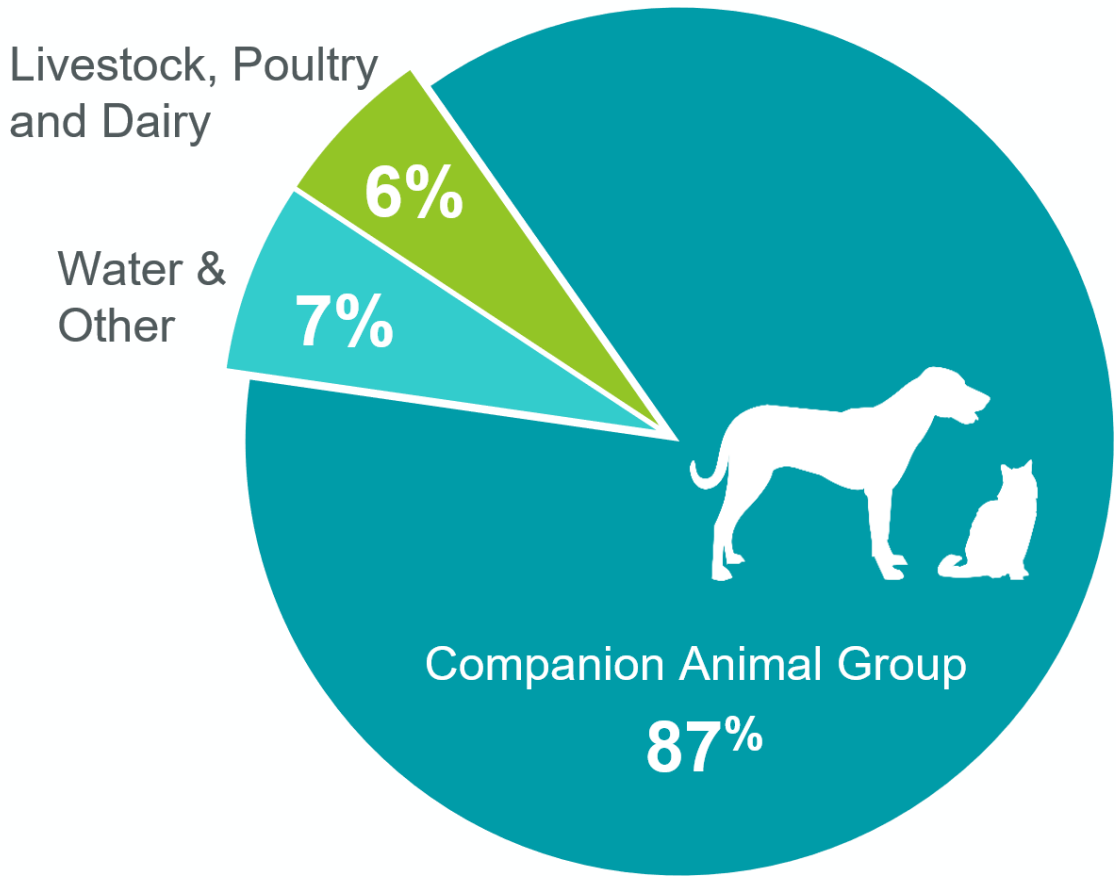


# Strong International Presence

2018 Total Revenues:  
\$2.2 billion



# Our Lines of Business



## OUR WORK AND WHOM WE SERVE

### Small animal diagnostics



IDEXX Small Animal Health provides diagnostic products and services to veterinary practices, including state-of-the-art pet-side tests and bench-top laboratory systems, and more.

### Reference laboratories



IDEXX 24/7 diagnostic reference laboratory and consulting services enable practice integration and complete reporting including digital radiography and practice management systems.

### Practice management



Practice management software includes IDEXX Pet Health Network Pro, VetConnect PLUS, Cornerstone, and other veterinarian practice informatics solutions.

### Water quality



IDEXX Water is the global leader in water microbiology, providing tests that ensure the safety of drinking water and other water supplies for over two billion people in 100 countries around the world.

### Livestock, poultry and dairy



IDEXX Livestock and Poultry provides diagnostic tests and software monitoring systems for managing herd and flock health and productivity. IDEXX Dairy offers tests that detect antibiotic residue and other contaminants in milk.

### Research and human health



IDEXX BioResearch offers biological materials testing, laboratory animal diagnostic services, and analyzers.

OPTI Medical Systems provides blood gas and electrolyte analyzers and reagents for veterinary and human health.



# ABOUT QMS INC.



## QMS: The SAP Consulting Experts

QMS is the SAP Consulting Services Partner focused on the Manufacturing Sector. As the recognized global industry leader in SAP Manufacturing and Quality Management, our practical industry experience and expert SAP skills can be leveraged to assist with SAP business and IT consulting to help you achieve your business goals.

- Global Leaders in SAP with unparalleled experience in SAP Manufacturing Solutions, SAP Quality Management and SAP Extended Supply Chain
- Deep industry experience: [Automotive](#), [Chemicals](#), [Consumer Products](#), [Durable Goods](#), [High Tech](#), [Industrial Machinery & Components](#), [Life Sciences](#), [Oil & Gas](#), [Retail](#), [Telecommunications](#), [Utilities](#), and [Wholesale Distribution](#)
- Focused on delivering results using SAP to meet complex regulatory, quality and unique business requirements while creating Best Practices throughout the SAP Ecosystem.
- QMS – Winner of the Inc. 5000 “Fastest Growing Companies Award” 5 Years running- a remarkable achievement.



**Our Mission is to set a new standard of excellence for SAP Consulting, worldwide.**



# Key Drivers

## Support IDEXX business growth

1. Automate unstructured process to provide material specifications to suppliers with Purchase Orders
2. Utilize standard SAP QM/MM functionality
  - Purchase Order layout
  - Qualified Suppliers
3. Data accuracy with conversion effort
4. Provide visibility of specifications to internal IDEXX

# Why did we embark on this journey?

- We have neither a Lean nor an IMS-compliant process to provide specification requirements accompanying production material Purchase Orders
- Scope – direct purchased materials at Westbrook site
  - Control of qualified suppliers
  - Critical to Quality Characteristics
  - New PO Layout

# Project Benefits



## Savings

- Eliminate waste, automate unstructured manual process
- Reduction in Document & Record control processing time
- Reduction in transactional activity labor
- Efficiency for IQA and Receiving



## Quality

- Integration within single system (SAP)
- Harmonized method to query specifications
- Accuracy of CTQ requirements provided to suppliers
- Accuracy for IQA and Receiving
- Ability to link OOP USDA acceptance criteria to specifications



## Eliminate Risk

- USDA audit based on SAP
- Manual data entries
- Submitting wrong or incomplete information
- Breaching supplier confidentiality agreements

# What is an IDEXX PMS?

- Controlled documents – 5800
  - Word Documents that contain
    - Material specification requirements
    - Expiration dating
    - Incoming inspection requirements
    - Qualified supplier names by material
    - Document references
- Information Referred to by Receiving, IQA, SQE, R&D...

**PURCHASE MATERIAL SPECIFICATION****Material Description / Name: Latex Particles, 0.8 µm**

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**1. SPECIFICATIONS**

Approved Supplier: [REDACTED]  
Catalog Number: 60-008-2A  
Particle Size: 0.775 – 0.824 µm  
Concentration: 5 ± 0.25% (w/v)  
Preservative: 0.02% sodium azide

**2. QUALITY REQUIREMENTS**

Certification to these values to accompany each shipment.

**3. PACKAGING**

Appropriate for containment and storage requirements. Use 1L bottles, packed appropriately to prevent damage or leakage during shipping and storage.

**4. LABELING**

Outer carton or packing slip to be labeled with IDEXX Purchase Order Number, Manufacturer's Lot Number and Quantity at a minimum.

**5. STORAGE AND HANDLING**

Store at 15-30°C.

**6. EXPIRATION**

5 years from the date of receipt.



1. SPECIFICATIONS

Manufacturer	[REDACTED]		
Approved Supplier	[REDACTED]		
Manufacturer Catalog Number	107	Tastone 901	Tastone 901
Supplier Catalog number	K889-IDX	N395	
Appearance	Light brown to buff powder	Free-flowing light tan (beige) homogeneous powder	
Loss on Drying	NMT 6%	NMT 5%	
Ash	NMT 15.5		
Nitrogen	9-12%		
pH @ 25 degrees	6.4 -7.2 (1% solution)	6.5-7.3 (2% solution)	
Manufacturer (Supplier)	Report	Report	Report
Lot number			

2. QUALITY REQUIREMENTS

Certification to these values to accompany each shipment.

**Sample size = 100 grams from each manufacturing lot to be provided for lot qualification.**

**Approval of pre-shipment sample of each new *manufacturer* lot required before receipt of bulk shipment.**

3. PACKAGING

Appropriate for containment and storage requirements.

4. LABELING

Outer carton to be labeled with IDEXX Purchase Order Number, Manufacturer's Lot Number and Quantity at a minimum.

5. STORAGE AND HANDLING

Store in a well-closed container at 15-30°C. Protect from humidity. Open containers should be tightly sealed and desiccated.

6. EXPIRATION

Manufacturers stated expiration or two years from the date of receipt.

# Current Process to Create PO for Direct Material

Create Purchase Order

Print Purchase Order to PDF

Print PMS Document to Printer or PDF

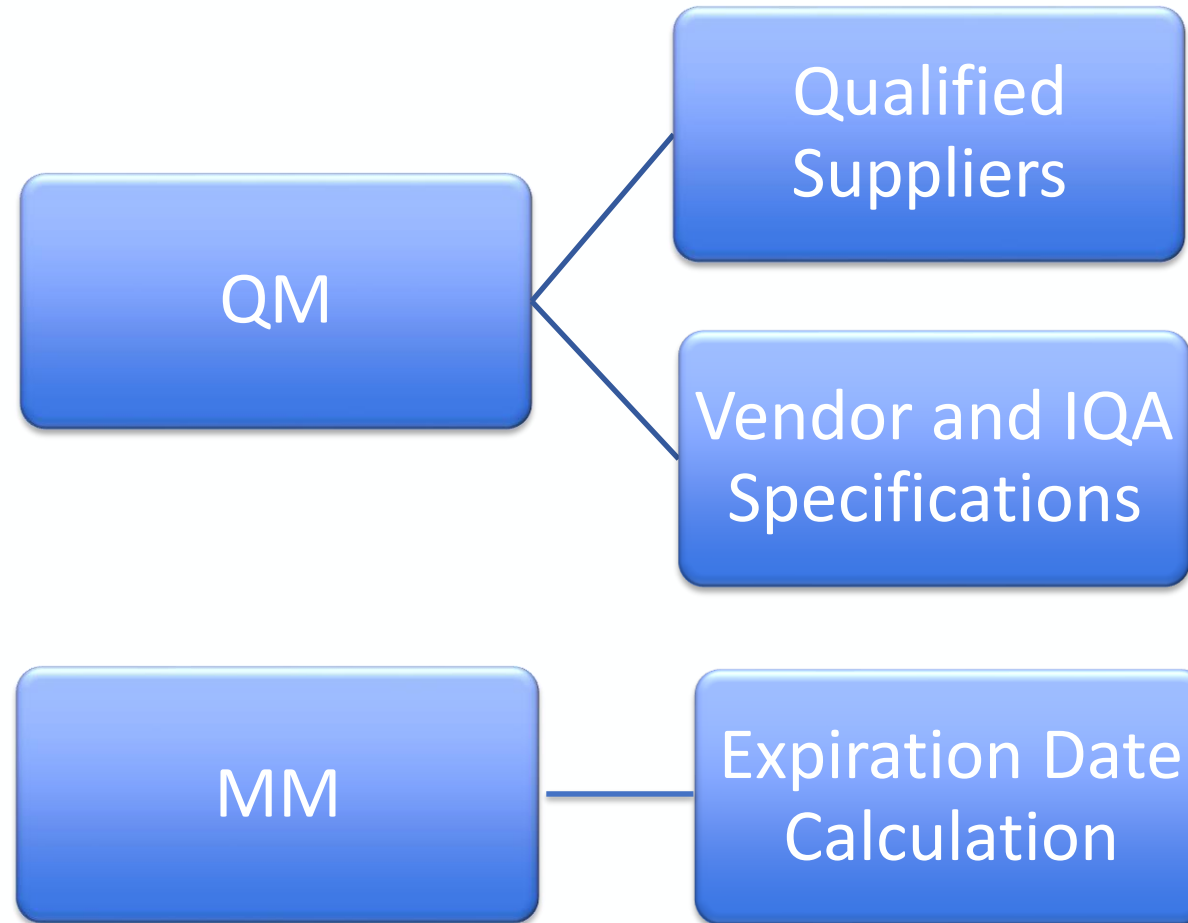
Create PDF of Drawings, Other Attachments

Redact Inappropriate PMS Content

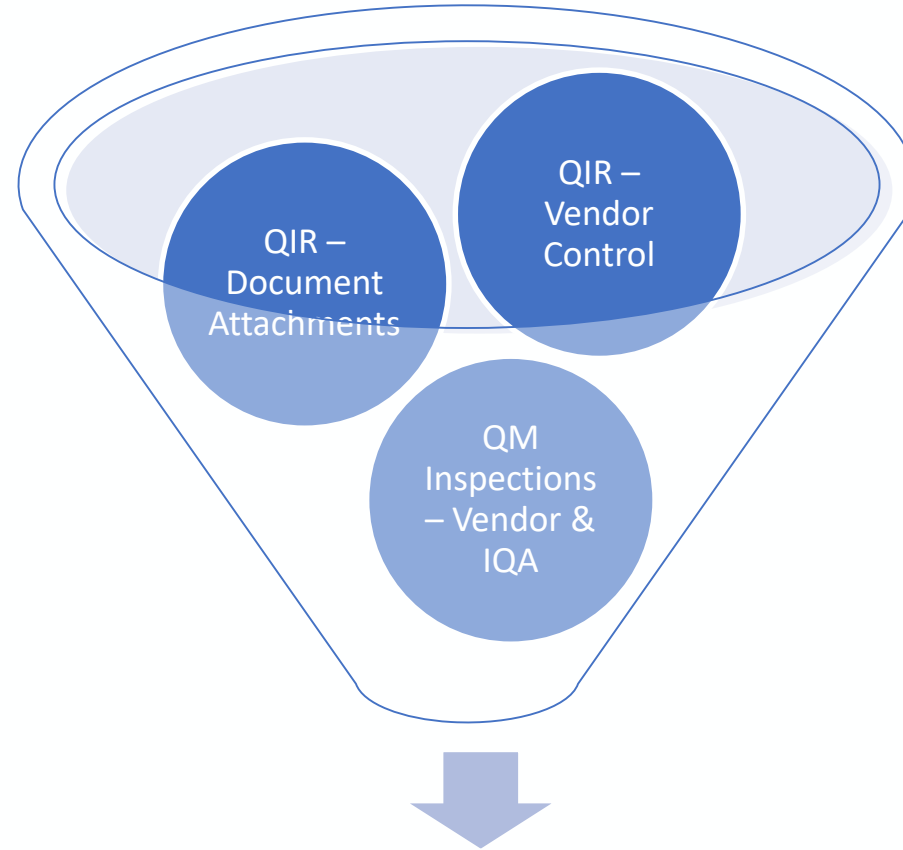
Scan Redacted PMS Document to PDF

Create/Send Outlook Email With Attachments

# How can we use SAP to improve this process?



# Ask an Expert - QMS



QIR = Quality Info Record

**New Process**

# Where do we want to end up - PO?

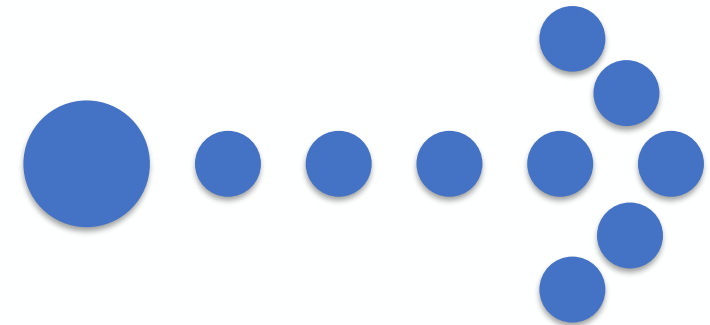
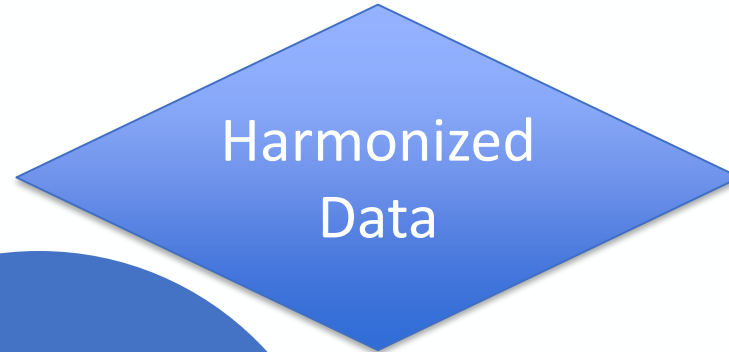
QM Specifications



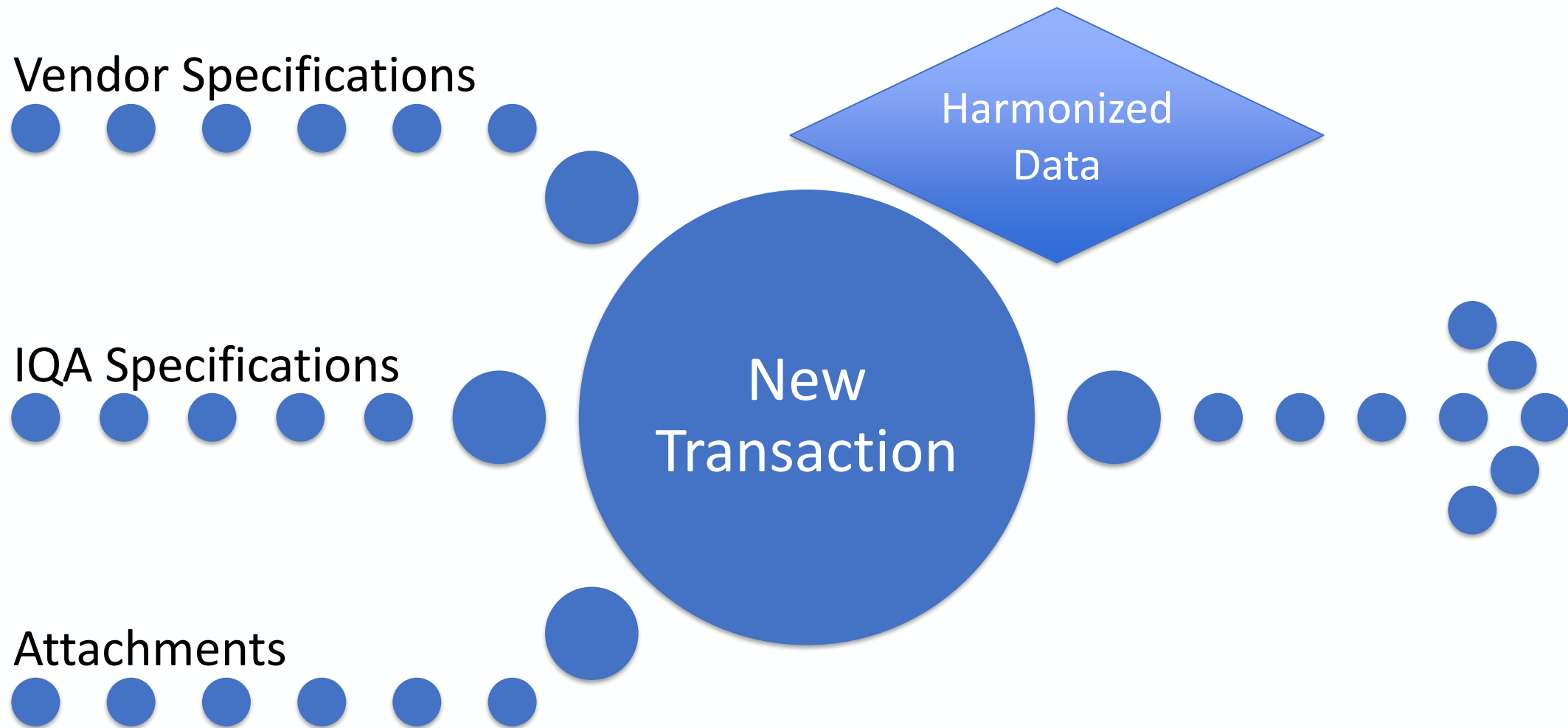
Other Attachments



Purchase Order



# Where do we want to end up – Internal IDEXX?



# How we are getting there?

Transpose PMS  
to Excel

Analyze Raw  
Data with SAS

Harmonize  
Characteristics

Harmonize  
Long Text

Convert  
Supplier Info to  
Vendor Codes

SAP QM  
Training

# How we are getting there?

Create Master  
Inspection  
Characteristics

Create Image Files

Create SAP  
Documents

Create Quality Info  
Records

Create Inspection  
Plans

- Vendor Specs
- IQA Specs



# How we are getting there?

New PO  
Layout  
Developed

Attachments  
to PO Emails  
Developed

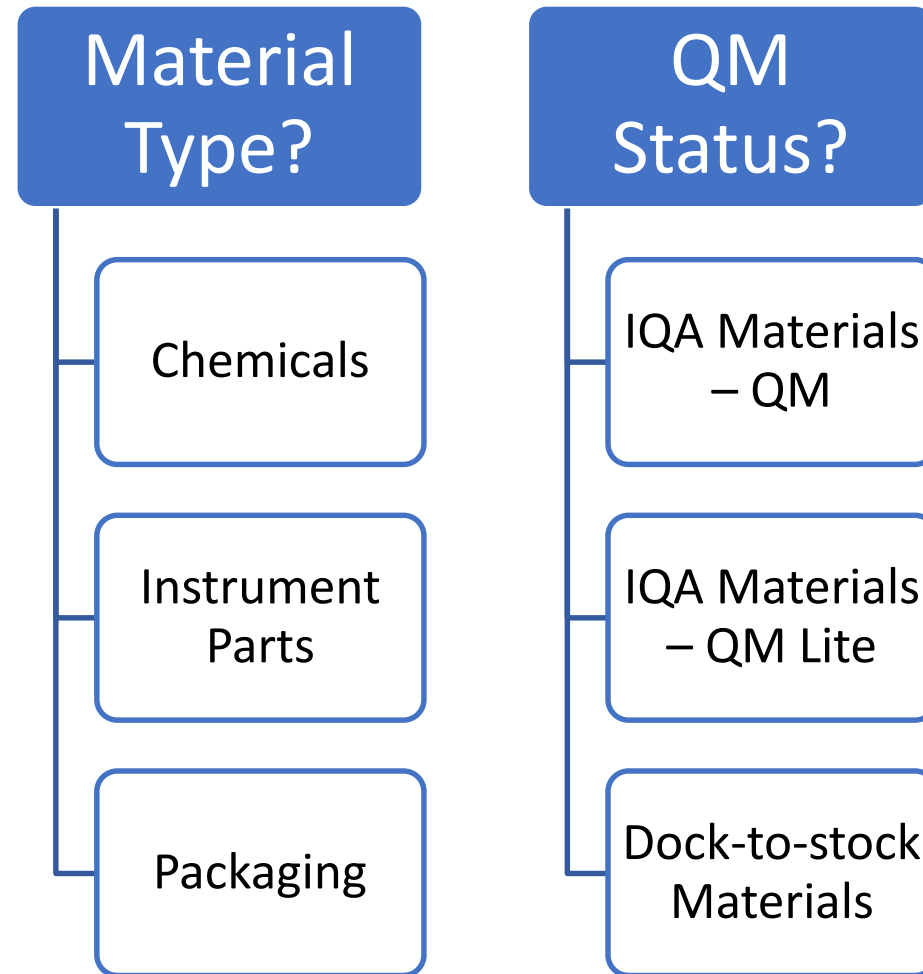
New Vendor  
Specs Output

New  
Transaction to  
View Specs

# Evaluate Impact of Implementation Approach

- Which organizations are affected adversely and which benefit by each approach?
  - Support staff for change control
  - Interruption in Receiving or IQA
  - SQE resource allocation

# Implementation Approach Possibilities



# Where are we?

- Still have commitment to do this in 2019
- Business Project Manager assigned
  - Project Timeline
  - Identify IT resources
  - Identify business resources
    - Use Temporary Workers for “unskilled” tasks
    - Get SQE commitment for “expert” work
    - SAS resources to crunch data to minimize manual work

# Lessons Learned

- This is very much the right work to be done
- SAP has the tools that we need
- This is hard
  - Lots of data to convert
  - Where do you start and will we be able to get to the finish line?
- The team is committed

# Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.



# Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

# Q&A

For questions after this session, contact us at [Sue-Rochon@idexx.com](mailto:Sue-Rochon@idexx.com) and [CDunlap@qmsinc.com](mailto:CDunlap@qmsinc.com)



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