

## **High-flying Biotech Company Finds Protean ERP the Perfect Prescription to Manage Growth**

MedImmune (Gaithersburg, MD) has been one of the biotech industry's brightest stars in the 1990s. In less than three years, the company's annual revenues have grown from about \$20 million to over \$300 million and climbing.

The company focuses on developing and marketing products for the prevention and treatment of infectious diseases and for use in transplantation medicine—currently marketing three products through its hospital-based sales force, with four new product candidates in clinical trials.

According to Greg Warth, manager of application development at MedImmune, one of the factors supporting the company's rapid and stable growth has been the performance of its enterprise resource planning (ERP) system, Protean, a product of the recently acquired Marcam division of Wonderware Corporation (Irvine, CA).

“At the time when we were making a decision about which ERP system to implement, we were a much smaller company than we are now,” says Warth.

This was in 1996.

“Our sales were about \$20 million annually, and we were in the process of bringing a new manufacturing plant on line,” says Warth. “We needed a system that could not only control inventory and run the plant but also provide financials and purchasing to replace our legacy system.”

### **Finding the Right Functionality**

Warth describes the parameters that drove the ERP search at MedImmune: “We are a process manufacturing company, so we needed a package that could do process manufacturing,” he says. “We also were a small company and couldn't afford a really large package. So that limited our field.”

The process supply chain (including production) has requirements not found in other industries. These include managing aged materials with relatively short shelf life throughout the to-market process; providing support for orders by specifications such as pH factor; bulk shipment management; by-product and co-

product planning; tracking of inventory units, lots, and sublots throughout the production process; and potency.

Process manufacturers also require that decisions based on availability of capacity be checked against availability of materials and vice versa—in real time. This is especially critical when tank capacity is limited. Additionally, the constraints of process manufacturing are typically complex. Production can be limited or costs significantly affected by the availability of ingredients with specific quality characteristics; access to certain utilities; the availability of specialized labor; government restrictions; or any combination of these factors.

According to Warth, Protean is specifically designed to meet the tough requirements of process manufacturing. It provides end-to-end definition, ordering, planning, and tracking of all resources. As a suite of fully integrated software components, it offers asset maintenance and management, financials, customer order management, inventory management, production planning and scheduling, cost modeling, and cost pegging/procurement.

### **Just What the Doctor Ordered**

MedImmune purchased the Protean module at the end of October 1996. The first modules were up and running in May of the following year, with the implementation online fully in August 1997. Warth states that the system performance has been simply outstanding.

“The biggest thing off the bat was how it helped us improve inventory control,” he says. “We were looking for a system that, when we received inventory, would make the proper journal entries and integrate seamlessly with financials. Also, we wanted accurate planning numbers—we needed to know what would be required for production six months out. Protean has been very helpful in this regard.”

With Protean, MedImmune does a planning run on a weekly basis—using a six-month window—that tells the company what it needs to order.

“With this improved visibility, we have information we can use to negotiate better prices from our vendors,” notes Warth.

He adds that the system also has significantly reduced shipment costs.

“Instead of having to ship next-day air because of the urgent need for a raw material, which used to happen regularly with our legacy system, we can now schedule shipments well in advance at lowest freight rates. Protean allows us to employ proactive logistics, which is much more cost-effective than the reactive mode that can trouble process manufacturing,” he says.

With the special demands of the process environment in mind, MedImmune began their selection procedure. “We originally looked at 30 packages, and winnowed that down to four that were called in for review,” says Warth.

After an exhaustive review of the finalists, MedImmune selected Marcam’s Protean as the ERP solution to meet their growing requirements. “Protean was the best fit for the process industries,” says Warth. “It was clearly the strongest package. A couple of factors were key in our decision. First, the technology Marcam used made it easier to expose APIs in other systems to the ERP system, and that was important to us; second, the screens were much more user-friendly than the other packages considered.”

Because MedImmune was installing the system before its new manufacturing plant came online, it was imperative that the application be able to handle the growth the company expected—and which the market has borne out.

“In this respect,” says Warth, “Protean has been excellent. We’ve gone from \$20 million to \$300 million without having to add additional memory or beef up servers. It’s handled the increased workload without missing a beat.”

### **Easy to Use, Easy to Extend**

One of the features Warth cites as a major Protean benefit is the ease with which users become familiar and comfortable with using it. “We don’t have to do a lot of training for our users,” he says. “Protean is Windows-based and follows the Microsoft model very closely. Anyone who knows Word, Excel, or Access can use the Marcam product very easily—and that’s been a big benefit for us.”

There are 35 concurrent users of Protean at MedImmune.

Warth cites the application's open, object-oriented architecture as another powerful benefit. "The structure behind Protean is very open, so we were able to connect a lot of other systems we had to the enterprise system with minimal effort," says Warth. "That saved time, labor, and money—and it really helped out in day-to-day operations."

Part of this operational improvement is the freeing up of personnel who were formerly tied up with logistical issues in inventory and planning. "By automating our processes and transactions, Protean has significantly reduced the time spent by personnel in tracking down production-related problems," says Warth. "This has allowed us to reallocate those resources to improve overall operating efficiencies."

### **The Road of Opportunity Ahead**

"We're really excited about where Protean is right now," says Warth, "but we're even more excited about where it's going. We see that it's improving each year, and we observe these improvements with delight and amazement."

Warth says that MedImmune is eagerly anticipating the implementation of other Protean features—the new QA module, in particular, as well as the automation of the company's posting routine and, ultimately, the web-enabling of the full application. He expects these to occur in late 2000 or early 2001.

"The important thing is that Wonderware and Marcam aren't standing still," he concludes. "They keep moving forward—and, in doing so, they keep helping us move forward. Which is, after all, exactly what you're looking for from strategic partners."

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