

**Company Name**

BioZone Laboratories, Inc.

Location

Pittsburg, CA

Industry

Cosmetics, Pharmaceuticals and Supplements

Employees

150 Employees

Goals

- Handle Sales Growth
- Predict Inventory Needs
- Improve Build-to-Order delivery times

Solutions

- BatchMaster ERP

Results

- 100% Growth
- ROI in one year
- 99% Delivery Accuracy
- Improved Customer service
- Rapid Quoting

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Christian Oertle
General Manager

BioZone Labs Relies Upon BatchMaster ERP to Survive and Thrive in Challenging Economic Times

BioZone Laboratories, Inc. (Pittsburg, CA) is a global developer, manufacturer, and marketer of unique products and technologies that enhance the performance and delivery of active ingredients and improve personal health. BioZone is committed to exceeding its customers' expectations through excellence and continuous innovation. Biozone services customers in cosmetic, pharmaceutical and supplement markets worldwide, and is committed to acting as a responsible, valued contributor to international health.

Since 1989, BioZone Laboratories, Inc. has operated as a developer, manufacturer, and marketer of over-the-counter drugs and preparations, cosmetics, and nutritional supplements. Founded by Dr. Brian Keller and Dan Fisher, their initial focus was on intellectual properties for drug delivery systems. BioZone specialized in technologies for cosmetics and dermatology. Those technologies, over time, lent themselves to growing opportunities as new innovations appeared in cosmetic ingredients.

BioZone's participation in supplement manufacturing gave way to custom manufacturing of product in pharmaceutical applications like decongestants, and advanced cosmetics like anti-aging creams. BioZone typically wins business on quality and effectiveness of product, excellent customer relations, and prompt fulfillment. As their industry and business have morphed over the years, their ability to thrive in a diversified and competitive marketplace has leaned heavily upon their technology selection of BatchMaster ERP.

Time for a New System

In 2004, the staff realized that the manufacturing system then in place, a semi-custom DOS-based inventory, sales and purchase order management system, was no longer adequate to support their business.

With the market dynamics changing and sales growth forecasted, the company was aware of their system's short-comings. Though at the time, the company functioned and flourished, BioZone questioned their ability to accurately predict and manage inventory requirements, quickly develop new Build to Order product offerings and understand short-term profits if their growth predictions came true.

General Manager, Christian Oertle was hired as part of the company's initiative for improvement. Oertle had participated in implementation and use of DOS-based manufacturing systems in past positions and had been exposed to the benefits of Enterprise Resource Planning (ERP) systems available in the software market.

In order to succeed under the new paradigm of the industry, BioZone needed to acquire a system that would provide them accurate inventory reports for maintaining stock levels, replenishment of common base materials and “Just in Time” receipt of specialty ingredients called for in new customer formulations. Oertle and the selection team wanted to find a system that precisely managed their Average Cost Method by capturing true costs at order, receipt, manufacturing, packaging and delivery. Because of BioZone's Build to Order business model, the company was convinced that the system they employed should be leveraged in foreseeing profitability of upcoming months and investing capital and resources accordingly.



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BioZone set out to identify a small field of “boutique” software vendors that specialized in servicing either the process manufacturing industry generally, or the supplement and cosmetics marketplace specifically. This new system would focus on overcoming limitations in the area of inventory controls, availability to promise custom manufacturing and quick turn-around of new products.

In 2005, BioZone implemented BatchMaster ERP to address the needs of their enterprise and staff. BatchMaster supplied BioZone with a solution that manages every aspect of their business from sales to production and through to delivery.

Since their acquisition of BatchMaster ERP, BioZone's industries have experienced a number of different paradigm shifts. According to Oertle, “Over the past few years, the economy has been challenging for everyone, especially BioZone. Many of our products are oil-based. That's means that not only have we faced the same challenges that others experience, in paying for and suffering through fluctuations in transportation costs, but our raw-materials costs have been just as volatile.”

Proving invaluable in their daily operations, Oertle adds, “Without BatchMaster, surviving these changes would have been like driving blind. Instead, we're able to effectively job-cost, while maintaining product integrity and customer satisfaction.”

When asked about recouping the investment costs of acquiring this ERP solution, Oertle says, “BatchMaster paid for itself in the first year. The labor costs alone (in maintaining a card system) would have ensured we lost new customers to other competitors.” In fact, BioZone has doubled their facilities, staff and yearly sales numbers since their acquisition of BatchMaster in 2004.

Keeping Pace with Customer Requirements

In the cosmetics marketplace especially, the need to quickly create, quote and turn-around new formulations is key. In a market where the average turn-around time for new formulations can run eight weeks or longer, BioZone prides themselves in service, quality, turnaround and price point value.

Christian explains that, “There has been much movement towards boutiqueing of the cosmetics industry. Walk into any high-end cosmetics store, and you'll see a vast array of selection in products and manufacturers. The traditional model of seeing a few key companies dominating the entire marketplace has gone away.”

While many small cosmetic companies have chosen to focus on product development while contracting out the actual manufacturing, other large brands are choosing to close manufacturing facilities to outsource existing and new product lines. Oertle adds, “Today, the market has given way to more and more specialty providers. Most of these companies don't have the facilities or capacity to manufacture their products for themselves. They need the assistance of companies like ours to maintain a constant flow of existing and new products while minimizing their investment in overhead. Companies like BioZone allow these labels to deliver quality products and meet evolving demand, just in time.”

By relying upon BatchMaster for planning, quoting, selling and purchasing, BioZone delivers new product formulations (many times) in three weeks or less. In order to secure these contracts, BioZone must capture customer requirements, create new product formulations, manage customer approval processes while securing the data and, in many cases, protecting the anonymity of the customer. BatchMaster provides all this and more.



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Surviving and Thriving

Oertle says, “We've really been able to reside in the industry sweet-spot over the past five years. This would have been impossible without BatchMaster.” BioZone offers a product that is high-quality, price-sensitive and available for short-term acquisition. BioZone achieves this level of customer satisfaction by leveraging the inventory management modules of BatchMaster to balance stock. They use BatchMaster ERP's reporting capabilities to predict availability of both production capacity and raw materials for new formulations.

Christian explains, “We use the batch ticket screens of BatchMaster to reserve availability of lines when we commit to a customer. BatchMaster's inventory reports tell us what we have in-house and available and exactly when we can get the active ingredients from our suppliers. Once we know that, we can do a soft-allocation of on-hand inventory, reserve the line and confirm the contract delivery date. That goes a long way in closing new business.”

According to Oertle, “BatchMaster has really kept us going. We're a lot more nimble now than before, and certainly more so than most of our competitors. Our customers have seen dramatic growth over the past few years and often find themselves out of stock. They rely on us for fast turn-around of product to meet market demand.”

Measuring the Difference

“With BatchMaster, we're able to manage an enormous amount of data, from inventory on-hand to materials management. We've seen improvements in customer satisfaction, on-time delivery, over ninety-nine percent delivery accuracy, and faster quoting in competitive sales cycles,” says Oertle. “In addition, we can accurately utilize BatchMaster to look one to two months into the future, predict our profitability and adjust our investments and spending. That really makes a difference in today's economy.”

Partnership for the Future

“Right now,” says Oertle “We're talking to BatchMaster about the next phase of our implementation. There are a lot of features available to us today that have been developed for our industry.” BatchMaster had developed industry-specific vertical incarnations of their award-winning ERP solution to limit the need for customizations, drastically reduce implementation times, and service common needs amongst BatchMaster customers in verticals like cosmetics, supplements, Nutraceuticals, food manufacturing and more.

According to Oertle, “We know that BatchMaster can electronically enable our 21 CFR Part 11 compliance (of federal regulations). That's one part of an overall push now, to make FDA compliance automated in the system we use. We're investigating the newest release of BatchMaster to realize this goal.”

BatchMaster has also made great strides in reducing the need for it's customers to call for customer report-writing or training of individuals for report development. With the use of Operational and Management Dashboards, users can drag and configure multiple iterations (formatting) of data from inventory, purchasing, sales, quality control, production and distribution. BatchMaster also provides their “Drag and Analyze” feature to load all historical data entered into any BatchMaster screen and quickly design graphical and color-coded Pivot Tables (MS Excel) to report and communicate throughout the enterprise. BioZone is taking the next steps to understand how the newest features of BatchMaster can conquer the challenges of the next five years and beyond.

For more information about BatchMaster Software, contact sales@batchmaster.com
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