

**PGDM, Batch 2019-21**

**ERP for Managers**

**DM-356**

**Trimester-III, End-Term Examination, June 2020**

**Time Allowed 1 Hrs. & 30Mins.**

**(Case Study)**

**(30 Marks)**

### **INTUITIVE AT LARCIMEDICS**

**The Company:** Lacrimedics, Washington, USA.

Founded in 1984, medical device manufacturer Lacrimedics is a provider of Lacrimal Occlusion Therapies to physicians, hospitals and distributors around the world. Lacrimal Occlusion is a treatment for dry eye syndrome and related ocular surface diseases.

#### **The Problem/ Situation**

When Lacrimedics decided to replace their accounting and manufacturing systems, they wanted an integrated enterprise resource planning (ERP) solution that would support the growth and address a number of operational problems. After 15 years in business, inventory was growing faster than revenue, on-time delivery was slipping and general lack of information was negatively impacting financial and operational performance. Very little IT resources were available.

#### **The Solution and Implementation**

Lacrimedics looked at several ERP systems targeted to small and mid – sized manufacturers and systems from the industry giants SAP, Baan and J.D. Edwards. The systems were judged based on overall functionality, ease of use, scalability and underlying technology and Intuitive ERP was chosen. The goals of the implementation were:

- Integrate and standardize business processes.
- Increase customer responsiveness.
- Deliver greater access of information to employees
- Improve scheduling and inventory control
- Streamline accounting

#### **The Benefits**

The main benefits of the ERP implementation were as follows:

The ERP system was implemented in 45 days

- Return on investment of over 200%
- Reduced total inventory from 90 days on – hand to 15 days on – hand
- Improved on – time supplier delivery from 30% to over 80%
- On – time delivery improved from 75% to 99%
- Faster month – end closing
- Reduced overdue accounts from 12% to 2%
- 10% revenue growth year – to – year

**QUESTIONS with 10 Marks each.**

(a) What were the main challenges that prompted Lacrimedics to go in for an ERP System? (CILO-1)

(b) What were the objectives laid down by Lacrimedics behind ERP implementation? Above these which are the other objectives of ERP Implementation? (CILO-2)

(c) Explain how Lacrimedics created and used integrated system to improve their operational efficiency. Was it successful? (CILO-3)