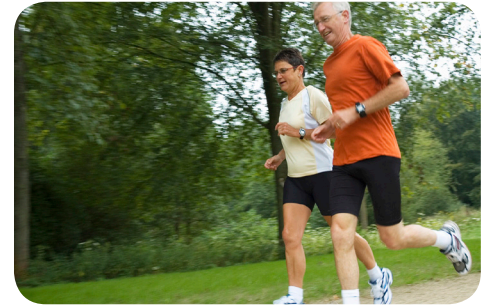


Case Study: Ortho Development



Medical Device Manufacturer Implants Success with Microsoft Dynamics AX

Ortho Development Deploys Microsoft Dynamics AX to Restructure for Managed Growth

BUSINESS SITUATION

Ortho Development Corporation (Ortho) is a medical device company with specific emphasis on orthopedics, including total knee and hip joint reconstruction and spine treatment. The Company is a majority owned subsidiary of Japan Medical Dynamic Marketing, Inc. (Japan MDM) and sells its products primarily in the United States and Japan.

As a leader in the orthopedic implant marketplace, Ortho has enjoyed continued growth in both its product offerings and its level of business activities. By 2009, it became apparent to the management team that they had outgrown their existing Sage MAS 200 business management system. In January 2010, Ortho made a commitment to select a new ERP system that would allow for better financial management and audit capabilities, planning and production management, and customer/supplier collaboration.

Based upon demonstrated experience and success in the FDA regulated medical device space with companies like Ortho, Tribridge was selected to assist Ortho with generating a thorough requirements analysis. Working with the Ortho team, Tribridge conducted an analysis of more than 1,000 different system capability data points and generated a solution selection matrix that the team could use in performing a thorough and fair analysis. This working document also became the envisioned solution road map for the future system to be deployed at Ortho.

THE SELECTION PROCESS

As an FDA regulated organization, Ortho Development not only needed a system that would meet their day-to-day operational requirements, but also an FDA auditable system that would generate meticulous tracking and production records that met industry regulatory standards such as 21CFR part 820 and 21CFR part 11. Based upon the responses to an RFP that Ortho generated, two finalists were selected – Epicor 9 and Microsoft Dynamics AX. Ortho then developed a series of software demonstration scripts against which the two finalists were required to perform to ensure that the selection team was exposed to pertinent system capabilities on a level field of comparison.

SOLUTION: Microsoft Dynamics® AX

ABOUT ORTHO

Ortho Development Corporation is a medical device manufacturing company founded in 1994. The company designs, manufactures, and sells orthopedic implant devices and related surgical instrumentation—specifically focusing on hip and knee joint reconstruction and spine treatment. The company owns a 40,000-square-foot facility in Draper, Utah (suburb of Salt Lake City) that includes its corporate offices, manufacturing, inspection, and warehouse space.

Ortho Development is a majority-owned subsidiary of Japan Medical Dynamic Marketing, Inc. (Japan MDM). Japan MDM is a publicly traded medical device distribution company headquartered in Tokyo. With more than 150 direct sales representatives and eight branch offices, Japan MDM is one of the largest distributors of orthopedic trauma devices in Japan.



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Tribridge was once again called upon to assist, and presented Ortho with a comprehensive solution based on Microsoft Dynamics AX and SharePoint.

Based upon the facts gathered in this meticulous evaluation process, Ortho Development chose to proceed with Microsoft and Tribridge. "Good homework actually made for an easy final decision," says Greg Larson, CFO for Ortho. "Amongst all competitors, Microsoft Dynamics AX easily outpaced the other solutions and was awarded the highest evaluation rating against our established criteria."

THE SOLUTION

As a growing midmarket company, Ortho was faced with the common challenge of implementing a completely new business system with staff resources that also needed to manage day-to-day business needs. As a medical device manufacturer, Ortho also had to address the additional demands placed on the deployment of this new system to ensure uninterrupted compliance with FDA regulatory mandates. Tribridge and Ortho agreed on an approach that broke the implementation into three successive phases.

In Phase I, Tribridge led the implementation of a core Dynamics AX solution, providing support in the following areas: back office administration, financials, sales, purchasing, planning, production, quality control, warehouse management and logistics. In conjunction with this ERP backbone deployment, the Rental Management for Dynamics AX solution published by Sycor was added to enhance Ortho's ability to sell, track, service, and account for Ortho assets and inventories that are placed in orthopedic hospitals on consignment. Creating a direct link between these assets and goods, as well as tracking the selling and servicing activities for them in Microsoft Dynamics AX was a key requirement at Ortho – one which other solutions they reviewed could not adequately address without extensive and risky customizations.

Implementation began in August 2010 and was completed on schedule with a successful go-live in April 2011. As part of the Phase 1 go-live, key forms and reports were generated from Microsoft Dynamics AX to allow Ortho to continue to meet FDA tracking and audit requirements with a paper based system. Larson and his team cited strong management commitment, avoidance of temptations to repeat past mistakes with heavy customizations in favor of adopting the best business practices inherent within Microsoft Dynamics AX, and the skilled services of the Tribridge implementation consulting team as the keys to their success. "We now have much better visibility into and control over our business environment and the factors that will contribute to our continued success in the future," says Larson. "While challenging, doing this project was the right decision for Ortho Development and we will be a much better company for it going forward."

Ortho Development is now working with Tribridge on Phase 2 of this project which will focus heavily on enhancing the production data management capabilities of the new system. Phase 2 will leverage the Shop Floor Control suite of Microsoft Dynamics AX, in conjunction with bar code data collection devices. This effort will position Ortho to meet its long-term goal of migrating to a fully paperless system that will meet FDA requirements. At present, Phase 3 of the project will focus on extending the Project Management and Reporting functionalities of Microsoft Dynamics AX to assist Ortho in gaining better control of its R&D and internal facilitation activities.



SOLUTION: Microsoft Dynamics® AX

THE RESULTS

- Supported FDA Tracking and Audit Requirements
- Improved Visibility and Control
- Enhanced Financial Management Capabilities
- System Scalability to Support Future Growth
- Streamlined Planning and Production Management
- Tighter Collaboration with Customers and Suppliers
- Integrated Systems to Manage Trade and Logistics Production, Purchasing, Orders and Warehouse Management

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