

Veridian Healthcare, LLC

COMPANY BACKGROUND

Veridian Healthcare (Veridian), founded in 2009, imports and distributes approximately 750 healthcare products for both the consumer and professional markets. Their product line includes such items as blood pressure monitors, thermometry, and stethoscopes.

The founders of Veridian had also founded a similar company in the early 1990's. During that time, they researched and evaluated ERP solutions. They selected FitriX because of its breadth of functionality; ease of implementation and use; and low acquisition, deployment, and maintenance costs.

This original company experienced rapid growth and before long FitriX was being used to help run a firm that had more than doubled in size. With \$60 million in annual revenues, 5,000 different items to distribute, and a number of warehouse locations, FitriX handily scaled to accommodate the firm's growth and expansion. One full-time employee dedicated about half of his time to managing and maintaining the FitriX system.

Two years later the firm had been acquired by a much larger company and the parent firm dictated that this distributor use its existing large ERP solution – one that is today among the top five large enterprise ERP applications. Rick Shutter, Veridian's VP of Finance, who was also with the earlier firm, jokingly called this application "the full employment system." Prior to conversion to the larger application, the parent company justified the conversion by claiming that the behemoth application would allow them to eliminate 6 to 10 full-time employees. In fact, IT staffing to maintain and operate this system grew from half of one person's time to 25 full-time employees. Many of the system's users found themselves spending an hour or more each day maintaining the application. The annual cost of using the system was exponentially more than the annual cost of using FitriX.

BUSINESS SITUATION

In 2009, as a start-up, Veridian's founders knew the value of ERP software from their earlier endeavor. Second only to people, the most important investment for a distribution company is in inventory. The ability to manage inventory is critical.

A mandatory feature of any ERP application they were to use was the capability to calculate Landed Cost. Because they import much of their product line, getting at the true full cost or "Landed Cost" of each item was critical. This includes the price paid to the supplier, but also the costs of getting the product from the supplier to the distributor. Landed cost includes purchase price, transportation costs, excise taxes, and duties or import fees. This net cost has a major impact on setting an item's price.

OVERVIEW

Company

Veridian Healthcare imports and distributes healthcare products for both the consumer and professional markets.

Industry

Healthcare products wholesale distribution.

Location

Waukegan, IL

Challenges

Acquiring an affordable, low-overhead ERP solution to better manage inventory and that allowed Veridian to calculate landed cost for each item carried.

Results

FitriX gave Veridian Healthcare the functionality they needed while meeting their budgeted cost requirement. They know that they have an ERP solution that is capable of scaling as their business needs grow.



Customer Success Story

“There are plenty of ERP systems out there. The trick is to find one that is affordable and adaptable to the way you work. For many systems these two requirements are mutually exclusive – but not for FitriX.”

**Rick Shutter,
VP of Finance**

Another ERP application feature important to Veridian was “Multi-bin Functionality.” Multi-bin functionality allows the user to associate an unlimited number of locations for a specific item.

SOLUTION

Veridian needed a system that could handle their accounting, customer service, inventory management, and purchasing. They took a cursory look at a few other ERP solutions but were familiar with FitriX and knew it could do the job and fit their budget. Rick Shutter remembers their quick ERP application evaluation, “We needed a system that offered the required functionality and was quick and easy to implement, we wanted to hit the ground running. When we compared FitriX to other systems that offered the same functionality, it was about one-half their cost.”

FitriX provided the capability to capture and allocate all of the ancillary costs to calculate net landed cost as well as the multi location capability.

There were other reasons that Veridian leaned toward acquiring FitriX. They knew from prior experience that they wouldn’t need a programmer on staff and that if they ever needed customized programming FitriX would either offer a pre-existing method or quickly and economically develop something that met their requirements - and provide the training to use it. They would be able to dedicate only a portion of an employee’s time to operate and maintain FitriX. They also knew that FitriX was readily scalable and could grow with them. FitriX was stable and reliable and they could have confidence in the accuracy of the system’s output.

The decision was straightforward. Veridian acquired FitriX ERP and quickly implemented the modules they needed: various ones in the Financial Management, Item Management, Sales Order Management, Purchase Management, and General & Administration module families.

RESULTS

Veridian has annual sales of around \$15 million and management is confident that in acquiring FitriX they have an ERP solution that can grow with them.

Implementation costs totaled less than \$30,000. This included the licensing costs and the addition of a dedicated server that would have been acquired for any ERP solution. Rick Shutter handles all the routine user application maintenance on the system and estimates that it takes less than 5% of his time.

According to Shutter, Veridian made a wise decision in going with FitriX. “The software provides us with all the functionality we need to manage and operate our distribution business. It is so much easier to use than the “full employment system” we were using back at the old business. Fourth Generation came in and gave us 4½ days of training and we were immediately productive.” “We have a great working relationship with Fourth Generation. FitriX is a great product at a great price. The level and the quality of support and service they provide are second to none.”

Fourth Generation
Software Solutions

700 Galleria Parkway
Suite 480
Atlanta, GA 30339
Tel 800.374.6157
770.432.7623
Fax 770.432.3448

www.fitrix.com
info@fitrix.com