

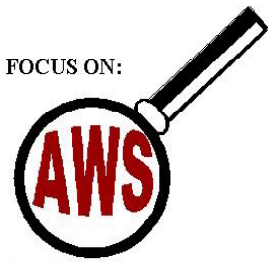


Chemical Industry Profile:

Strem Chemicals, Inc.

Specialty Chemical Manufacturing

FOCUS ON:



Automated Warehouse Solution

“Strem Chemicals business grows each year. With increased business you normally expect increased staff. ProcessPro’s ability to understand and automate our processes had a direct impact on our ability to increase our overall volume without increasing our staff.”

- Ellen Perley, Office Manager, Strem Chemicals, Inc.



Company History

Strem Chemicals, established in 1964, is a privately held company that manufactures and distributes specialty chemicals of high purity marketed through its catalog of chemicals for research. Strem Chemicals’ corporate headquarters is located in Newburyport, Massachusetts. Strem also has a European headquarters and warehouse located in Bischeim, France. In 1999, its corporate headquarters was expanded to 30,000 sq. ft. which tripled its capacity for cGMP manufacturing projects. Strem’s cGMP facility is regularly inspected by the FDA. Strem’s clients include academic, industrial and government research and development laboratories, as well as commercial scale businesses in the pharmaceutical, microelectronic and chemical/petrochemical industries. Strem Chemicals also provides custom syntheses and cGMP manufacturing services.

Situation

Strem Chemicals implemented ProcessPro® software in 1999. After completing their initial implementation, Strem partnered with ProcessPro to implement several value added enhancements to further streamline their processes and improve operational efficiencies. These enhancements included: a custom MSDS module to help eliminate the need to print MSDS sheets by making them available via Strem’s web site; a custom C of A format eliminating dual entry C of A data in multiple systems; and several business-to-business enhancements to tighten the integration between Strem’s US and European companies. Beyond these improvements, Strem still recognized additional opportunities to streamline their processes and again partnered with ProcessPro to implement an automated warehouse management solution.

Requirement	Description	Solution: ProcessPro® AWS
Integrated Label Printing	Because of the hazardous nature of many of their finished products, Strem has highly regulated requirements for their product labels. Strem faced additional challenges because they had two different label sizes. Prior to the implementation of the AWS, these labels were generated from an external label printing program. The process for determining the daily label requirements was time consuming and cumbersome.	Through the implementation of ProcessPro® software’s WMS, Strem was able to integrate the label printing function with the work order posting process. As the work orders are posted, the AWS automatically determines the number of labels to print and prints them directly to continuous label printers. This process eliminates the label planning process, reduces costs associated with label waste, and eliminates the need to maintain multiple inventory master files.
Reduced Data Entry	Strem ships many sales orders a day. Primarily a make-to-stock company, Strem offers a variety of packaging sizes for each item. A packaging work order is often required to fulfill a sales order. As a result of the volume of orders and packaging process, Strem was faced with a daily onslaught of data entry to record all of its inventory movements. Prior to the implementation of the WMS, these inventory movements were recorded by hand by the warehouse personnel and entered into the system by the accounting department. This resulted in a considerable amount of dual entry of data.	The implementation of the AWS provided the capability to record a large percentage of Strem’s inventory transactions as they occurred in the warehouse – eliminating the need for the accounting department to re-key this information. In addition, by providing the capability to scan the item numbers and lot numbers, the AWS further reduced the amount of time it took to record these transactions.

Requirement	Description	Solution: ProcessPro® AWS
Improved Shipping Process	Strem had very few shipping errors and high customer satisfaction levels prior to the implementation of the AWS. However, based on the size of Strem's products and labels, as well as the high volume of daily shipments, there was still the potential risk of shipping the wrong product or lot. This would not only lead to reduced customer satisfaction levels, it would also lead to increased operational costs.	With the implementation of the AWS, the warehouse personnel are required to scan the item number as material is being picked and also as it is packaged. The AWS warns the user if the wrong item, lot or quantity has been picked. The automated controls have added to the confidence that the correct product and lot are being shipped. These added controls should help ensure that Strem's low volume of shipping errors and high customer satisfaction levels are maintained.
Common Carrier Interface	The majority of Strem's sales orders are delivered to the customer via UPS. Prior to the AWS integration, ProcessPro® software and UPS were not integrated. The warehouse was required to enter each shipping address manually into the UPS system and the accounting department was required to manually enter the freight charges into ProcessPro® software when the orders shipped.	By interfacing ProcessPro® software to UPS World Ship, Strem eliminated the need to manually enter the shipping addresses into UPS. Instead, they simply scan the sales order number from the picking ticket and the shipping address is automatically displayed in UPS. In addition, the UPS freight charges and tracking numbers are automatically recorded during the invoicing process. The UPS Tracking Number is displayed on the Sales Order header and has a hyperlink to the UPS web-site for immediate traceability of the sales order.
Streamlined Invoicing	With many sales orders to fulfill each day, Strem spent a considerable amount of time generating invoices. Because the order fulfillment (picking and packing) functions and invoicing functions were segregated, Strem's front office spent hours each day reviewing each completed picking ticket against the sales order before the invoices were generated.	By automatically validating the items, lots and quantities, the AWS eliminated the need for the accounting department to verify each order before it was invoiced. 80% of the freight charges are automatically recorded leaving accounting very little data entry tasks. Combined with the common carrier integration, the AWS has made it possible to reduce the time it takes to generate daily invoices from hours to minutes.

Conclusion

By implementing ProcessPro® software's WMS, Strem Chemicals has been able to streamline their processes and reduce operational costs. Specifically, they have reduced their overall shipping errors, eliminated the label planning function, and eliminated the dual recording of a majority of their inventory transactions. The integration to UPS has allowed Strem to greatly reduce the time it takes to generate invoices, while enhancing their customer service levels. In addition, the implementation of ProcessPro® software's AWS has further improved the accuracy of their inventory reporting.

"The implementation of a bar-code system has reduced the potential for human error in our process of picking materials for shipment. These automated controls have increased our confidence in our picking process and should help us ensure that we maintain our strong customer service levels."

*-Jason Stevens
Warehouse Manager,
Strem Chemicals, Inc.*



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ProcessPro thanks Strem Chemicals, Inc. for sharing its business' success in using ProcessPro® software!