

SAP Customer Success Story Agriculture



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Jory Lamb, President, CRCS

AT A GLANCE

Summary

BioVision Seed Labs, a Canadian seed and grain testing company, wanted to integrate its financials with its laboratory information management system (LIMS) – to reduce data entry duplication and errors. The SAP® Business One solution for small and mid-size businesses met its needs.

Web Site

www.biovision.ca

Key Challenges

- Duplication of data entry, particularly invoicing data
- No analytical capability in the existing financial management system

Project Objectives

- Integrate LIMS data with financials and invoicing
- Reduce data-entry errors and duplication

Solutions and Services

SAP Business One solution for small and midsize businesses

Why SAP Solution

- Ability to integrate with existing LIMS
- Flexibility in reporting and customization
- Future potential to add customer relationship management

Implementation Highlights

- Twelve-day implementation
- Three-month pilot running in parallel with existing system
- Among the first SAP Business One implementations in Canada
- Uneventful cut-over at go-live

Key Benefits

- Data integrity improved
- Resource requirements reduced by the equivalent of one half-time employee
- Information infrastructure no longer limiting growth
- System estimated to pay for itself in two years

Implementation Partner

CRCS, Calgary, Canada

Existing Environment

QuickBooks

BioVision SEED LABS

SAP® Business One Helps Small Canadian Company Integrate Its Laboratory Information Management System with Accounting and Invoicing Processes

“One of BioVision’s biggest challenges was a lot of duplication of entry – duplication of invoicing, specifically – which was costing them a lot of extra manpower and creating some potential data integrity issues. They wanted to make that a one-step process.” This is how CRCS president Jory Lamb describes the situation he encountered when his counterpart Trevor Nysetvold, at BioVision Seed Labs, contacted him to discuss some IT requirements. CRCS is a qualified SAP business partner, and he and Nysetvold had known each other for years.

“The other thing we also looked at was the budgeting reporting – the whole analytical side of financial management that really wasn’t there in their existing QuickBooks solution,” says Lamb. “And third, the existing system had no means of incorporating approval processes and alerts management.”

Growth Is a Continuing Fact of Life at BioVision

BioVision is an ISO 9001:2000–registered seed analysis laboratory. Founded in 1996, BioVision operates seed labs in Edmonton and Grande Prairie in Alberta, Canada. The company is accredited by the Canadian Food Inspection Agency to test seed and grain products for such factors as purity, germination, and seed health. It is a relatively small operation, with only 20 employees and 3 or 4 IT users. Nevertheless, growth is a continuing fact of life, and the company’s existing IT systems were in no way suited to handle it.



BioVision developed its own laboratory information management system (LIMS) to handle everything from data entry to invoicing but had no facilities for financial reporting, tracking, or accounting. “We were in the process of upgrading our LIMS,” says Nysetvold, “and we did not want to have to rebuild the financial component back into our lab software. We had used QuickBooks before but, because we’re a very high transaction company, there’s a lot of information within our financials that we need to extract in order to improve our processes. We wanted something that could integrate with our LIMS so the two would talk, something that would handle all aspects of financial accounting and financial reporting as well.”

“Just based on the fact that our accounting software is talking to our LIMS software – based on the efficiency gain alone – we can pay for SAP Business One in two years.”

Trevor Nysetvold, President, BioVision Seed Labs

“They are a high-volume, low-cost service provider,” says Lamb, “and they produce a lot of invoices.” According to Lamb, BioVision was transferring invoices from the LIMS software into its accounting system manually. Inevitably – when the company got really busy – it experienced delays in invoicing, increased labor costs, and a greater risk of error during manual entry. Lamb explains that this potential for errors could have caused delays in cash flow and diminished customer satisfaction. BioVision also has many clients with multiple pricing schedules – something the current accounting system could not manage. These multiple pricing schedules again increased the risk of error and the length of time it took to complete both billing and collections. “To be proactive,” says Lamb, “BioVision sought out a management system that could eventually tie in with their LIMS.”

SAP® Business One a Great Fit

Being an SAP business partner, CRCS sees new SAP developments as they appear. “When we came across SAP Business One and had a chance to see it, we just knew right away it was a great fit for BioVision,” says Lamb.

SAP® Business One is an integrated affordable, business management solution that offers a comprehensive assortment of capabilities necessary to run a small business like BioVision. From general ledger and banking activities to service, sales, and inventory operations, SAP Business One provides all of the functions needed to gain complete control of the enterprise.

Because it is designed to meet the immediate and long-term needs of small and midsize businesses, SAP Business One provides a true and unified view of operations across customer relationship management, manufacturing, and finance – an area of particular interest to BioVision. Easy to use, the powerful SAP Business One solution puts the owners of companies like BioVision in charge, arming them with the critical, up-to-the-minute information they need to make smart business decisions.

It was clearly the right choice for BioVision. “They’re in a growth mode and they were challenged to keep up,” says Lamb. “Invoicing was the obvious opportunity but in addition, as an ISO company, they’re very attuned to process, to deviations from process, and to the need for continuous improvement. And that’s where the SAP solution outshines any other application,” adds Lamb. “Management by exception is about triggering or alerting the appropriate person to take action if something deviates from the norm established within the program. And SAP Business One provides that capability.”

Monitoring Processes for Decisive Action

SAP Business One automatically allows BioVision to stay on top of processes that require decisive action. “Inside of the SAP Business One solution we have alerts,” explains Lamb. “They’re triggered by deviations from, say, budget or gross profit or credit limits – wherever you’ve established thresholds. Exceed a threshold and the system will notify you. That’s a perfect example of

management by exception.” Another example of using an alert, according to Lamb, is to have the system trigger it when an approval threshold is reached. For example, purchases under a certain amount are automatically acceptable at a given management level. Purchases beyond that amount, however, can only be made with the approval of the company’s president. Lamb points out that these tools for “management by exception” were not available in the QuickBooks system BioVision was using.

End Users Trained from the Outset

BioVision formally agreed to implement SAP Business One in the spring of 2004. The implementation process began with preparation of the hardware and the servers for installation. Then followed system analysis and scoping the requirements. The approach to end-user training was unorthodox, however. “We took a somewhat different approach to training,” says Lamb, “in that we installed the system and trained them on it right from the outset. Usually you train the user at the end. We trained them at the start so they could truly understand the capabilities of the systems.”

As the implementation progressed, BioVision users were active in their own implementation. CRCS transferred the data and BioVision validated it. Similarly, CRCS transferred the chart of accounts and BioVision validated that too. In some cases, the users set up their own chart of accounts. The two organizations worked together very closely, with BioVision users demonstrating the willingness and the technical ability to manage some of their own data validation. The implementation of SAP Business One at BioVision took just 12 days.

BioVision began using the application in July. Initially, the company ran the new solution in parallel with the existing system. Then they did the initial implementation and migrated all the existing data from the current software into the SAP solution. Next they ran the two systems in parallel for three months. “We knew there would be lots of little issues and glitches and we didn’t want to be reliant on the SAP software while we were working them out,” says Nysetvold. “In September we cut over.”

Anticipating Payback in Two Years

BioVision began reaping the benefits almost immediately. “Just based on the fact that our accounting software is talking to our LIMS software – based on that efficiency gain alone – we can pay for SAP Business One in two years,” says Nysetvold.

The ISO 9001:2000–mandated continuous improvement aspect of the operation has benefited from the SAP solution as well. “Part of our quality management system is trying to build efficiencies into the system and reduce potential points of error,” says Nysetvold. “By linking the two sets of software, we reduce the data-entry points and a potential source of error. So there’s an intangible quality management benefit as well.”

BioVision also succeeded in reducing its headcount requirements by the equivalent of a half-time employee. “That’s how we justified the purchase, just based on that fact,” says Nysetvold.

Further Integration and CRM in the Future

Nysetvold has both immediate and long-range plans for the future of BioVision’s SAP Business One solution. “We want to further integrate and link our LIMS and enterprise software,” he says. “And essentially we want to merge our two client databases, the accounting and the analytical, and just have one active database. So that’s the objective over the next year.” And, with the expansion of some sales and marketing capabilities, Nysetvold also hopes to implement the customer relationship management capabilities of SAP Business One.

“I wouldn’t hesitate to recommend SAP Business One,” Nysetvold says. “The fact that CRCS recommended it carried a lot of weight with me. CRCS took us by the hand, understood where we wanted to get as a business, and made a recommendation. And we have benefited from it.”

“The beauty of it is: as a growth company, BioVision will continue to grow into the system,” says CRCS’s Lamb. “And now that they’re in the SAP family of products, they’ll never have to leave. They can add functionality indefinitely. While they continue to succeed and grow, there is a solution for them at all levels.”

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