



**Aptean Process Manufacturing ERP**  
*eBook*

# Does your ERP Solution Know Nutraceuticals?

Four ways an ERP solution increases efficiency and ensures compliance across key operations for nutraceutical and dietary supplement manufacturers





Ready for  
**What's  
Next, Now™**

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# Introduction

The use of nutritional and dietary supplements is on the rise. Factors like an aging population, obesity and an increased awareness of the importance of a healthy lifestyle have expanded the use of supplements. Americans spend over \$30 billion a year on these supplements, a number that is expected to continue to rise.

This is encouraging news for manufacturers of nutraceuticals, also designated as “dietary supplements” by the Food and Drug Administration (FDA). But it also presents challenges: Small and mid-sized manufacturers will need to continue and likely grow their business, yet not miss a beat in delivering quality and consistent products or developing new products to fulfill growing demand.

## An ERP Solution for Your Operations

The technology at the core of your business will be instrumental in helping your company meet this challenge. An enterprise resource planning (ERP) solution can tackle your mission-critical business functions (manufacturing, quality, inventory, financials and sales), while linking all of your information through integrated business intelligence (BI) functionality. In addition, the proper ERP will support, help sustain and limit the problems normally associated with business growth. You gain security, stability and total visibility into all your information in real-time so you can run more efficiently, increase profits and outgrow your competition!

Perhaps you’ve been considering an ERP solution for a while. Or perhaps you’ve implemented a one-size-fits-all ERP, but it doesn’t support your specific needs and now you have disparate systems that don’t communicate efficiently with each other and cause concern when facing the demands of a growing business.

Make an honest assessment: How easily can your ERP solution provide the precise functionality, compliance, reporting and data intelligence you need to run your nutraceutical or dietary supplement operations? And how easily can it provide the accuracy, timeliness and integrity needed to meet customer, industry and regulatory demands?





## The Bottom Line

Technology is a long-term commitment and it's important to have the right fit. An ERP solution developed for small to mid-sized nutraceutical companies that use batch process manufacturing must go beyond the basics of an accounting or Microsoft® Excel-based system, or even a one-size-fits-all ERP solution. An industry-specific ERP solution will provide you with a higher level of control over your inventory, formulas, research and development (R&D), sourcing and regulatory compliance. And when it comes to support, the ERP vendor team will be knowledgeable and helpful with your industry issues because they are solving those challenges on a daily basis.

In this eBook, we'll examine specific real-world examples of how an ERP solution built for the nutraceutical industry can increase efficiency and ensure compliance across these key operations:

**1** Regulatory Compliance

**2** Formulation and Quality Control

**3** Inventory Planning and Management

**4** Research and Development

## ERP for Process Manufacturers

Our robust ERP solution designed for batch manufacturers that produce nutraceuticals and dietary supplements is defined by the FDA as a product taken by mouth that contains an ingredient intended to supplement the diet. This includes vitamins, minerals, herbs or other botanicals, amino acids and more. Aptean tackles your mission-critical business functions (manufacturing, quality, inventory, financials, purchasing, sales and reporting), while linking all of your information through integrated business intelligence functionality.

At Aptean, we have in-depth experience working with batch process manufacturers. We go one step further to provide the nutraceutical manufacturing industry with specific functionality to maintain compliance with ever-changing regulations, such as 21 CFR Part 11, FDA audits and validation and conform to current Good Manufacturing Practices (cGMP) requirements. Aptean Process Manufacturing ERP also provides exceptional controls over the complex, multiple-level formulas typical of the pharmaceutical and nutraceutical industries that are regulated by the FDA.

We develop ERP software for batch process manufacturers. With our complete solution, you have the power to make smarter decisions more quickly and profitably.



# 1. Regulatory Compliance

An industry-specific ERP solution goes beyond ensuring compliance with long-standing rules. It also helps keep you aligned with the latest regulations by providing flexible tools for processes and reporting. This includes 21 CFR Part 11 electronic signatures final rule, FDA audits and validation and cGMP requirements for compliance and quality control. Exceptional controls over complex formulas, accurate labeling practices, exact auditing tools and sound reporting standards give you peace of mind that no matter how or when the regulations change, your system will help you keep up to date.

## Operational Controls and Security

From maintaining security regulations at login to precise control over user or group access, an ERP solution ensures you have the control and flexibility to run your operations securely and stay in compliance.

## Electronic Signatures

An electronic signature is needed to ensure the integrity of an electronic document and to identify the author, by analogy with the signature of a paper document. ERP solutions offer document security and access control.





## Labeling

Accurate material and product labeling is a must for nutraceutical and dietary supplement manufacturers. An ERP solution provides more accurate labeling practices for properly labeling inventory. Accurate information for handling such as vendor, lot, expiration and allergen information can be printed on the label. As well, labels can be customized to fit internal or customer needs.

## Audit Trail

To meet regulations, computer-generated and time-stamped audit trails are needed to track and record changes to critical data and confirm the integrity of the recordings, including digital signatures. For nutraceutical companies, this means features like a robust Bill of Material tracking log with audit trail capabilities for formula creation, modification, revisions and activation status; a complete work order audit logging report of all material transactions; and computer-generated user and time-stamped audit trails with detailed records.

## 2. Formulation and Quality Control

Consistency in your manufacturing process and products can make or break your business, so it's critical that core functions of your ERP solution include formula management and quality control.

### Creating the Formula

An ERP solution gives you exceptional control over complex, multiple-level formulas. For instance, a chemist can create a new formula, observe physical property calculations as the formula is developed, record manufacturing instructions, set up quality control tests and distinguish costs for labor, material and overhead – all from within one system.

This increased visibility into the creation of your formula and the physical characteristics of your ingredients allows you to quickly and securely adjust formulas as needed. This is important for ensuring you are meeting label claims, adjusting serving sizes or changing ingredients due to market demand or availability.

### Maintaining Quality

Whether you're producing your flagship product or creating a new one, flexible formula tools and industry-specific quality control tools are necessary. An ERP solution can protect your reputation and quality standards by recording and tracking all materials, product data and quality control results, along with real-time data on your operations. It makes completing complex quality control routines easy, efficient and accurate, which results in quicker turnaround times for your inbound and outbound materials.





## Labeling

Consider this scenario: If you're sourcing plant ingredients that are arriving at your facilities in raw form, there's going to be variability in the material you're receiving: Maybe there's a higher or lower count of a mineral or vitamin that affects the color or texture; perhaps a bad growing season affected the taste. These attributes recorded in your ERP solution will help you determine whether you need to use more or less product to ensure consistency and compliance with your label claims.

### An ERP can...

- › Observe physical property calculations during formula development
- › Allow you to enter manufacturing usage or instructions
- › Set up testing specifications for quality control
- › Determine label requirements
- › Distinguish costs for material, labor and overhead
- › Factor and track landed costs for more accurate profit analysis



### 3. Inventory Planning and Management

Many manufacturers struggle with accurately planning, managing and tracking inventory. Knowing that you have the right materials at the right time is essential for keeping costs low and complying with regulations. Inventory planning and management should be the backbone of your ERP solution.

You need an ERP provider that knows your industry, speaks your language and understands your specific concerns:

- › Real-time updates and on-hand, allocated and projected inventory levels by combining batch tickets, sales orders, purchase orders, and current inventory levels allow you to maintain accurate inventory, improve efficiencies and reduce errors
- › Tools to inform you of when a material is nearing or past its expiration date
- › Track material yield or loss factors for better planning, costing and margin analysis so you know how much inventory to buy, stage, use and how it is impacting your bottom line
- › Accurate and timely consumption of inventory
- › Elimination or reduction of inventory deviations
- › Informed communication reduces production delays

Let's take a look at some specific capabilities and how they benefit your operations.

#### Lot Tracking

Lot tracking gives you a more comprehensive view of your inventory and its state. But while inventory visibility is a huge concern for many nutraceutical and dietary supplement manufacturers, it's also an area that many companies need to improve. An ERP solution gives you greater visibility to help control costs, reduce expired inventory and better track all inbound, production and outbound materials. By connecting lot tracking to inbound materials, you know what the material is and its attributes, who sent it, its location, which products it was used in and more. It provides complete traceability from supplier to buyer.

## Visibility

An industry-specific ERP solution also gives you better visibility into who provided an ingredient, what the ingredient is and when it may expire. It takes into account material yield or loss factors for better planning, costing and margin analysis. It knows what material is out on the floor, in production, in current work areas and more. Knowing these data points in real-time is key for determining the timing and quantity of purchases and production, as well as how these aspects of your inventory are affecting your business and ultimately your profits.

## Planning and Sourcing

Successful companies aren't only focused on managing the processes within the four walls of their facilities: They know that their sourcing relationships and vendors are key to a high-quality, consistent product. Perhaps you are also utilizing contract manufacturers, packagers or toll manufacturers. An ERP solution built for the nutraceutical and dietary supplement industry can give you the flexibility to respond quickly to issues.

Let's say it takes 60 days from the time you place an order to the time the product arrives at your facility. An ERP solution can help you plan the quantity and timing of your orders to ensure you're never left without inventory. If inventory falls below a certain amount, it triggers a demand to replenish and takes into account the 60-day lead time. An ERP solution considers your planning and sourcing timelines to help protect your inventory while avoiding the common pitfalls of overstocking.



## 4. Research and Development

New product development is key to your continued success, whether you are developing your own products or creating them in response to a customer request. But it's also a long and grueling road: You have to conceptualize the product, create it, test it, get the right approvals and meet all regulations and labeling requirements before going to market. The development process involves many formula adjustments, test runs and cost reviews prior to approval, but it cannot affect the mass production of your original product.

An ERP solution that knows the nutraceutical industry can help you manage these iterations without impacting your mass production environment.

- › Store new product development information and various product iterations in the ERP solution without ever impacting live production data
- › Manage R&D information; including materials, costing and margins, in a “sandbox” environment instead of trying to maintain this information within your mass production data and fight through the clutter
- › Capture and manage all formulas, versions and pilot batch runs, from conception through formulation
- › Once approved, copy R&D formulas to the mass production environment for easy transition



# Aptean Process Manufacturing ERP Meets your Business Needs

## Manufacturing

- › Formula and Recipe Management
- › Production Planning and Scheduling
- › Manufacturing Execution
- › Allergen or Other Key Attributes / Chemical Properties

## Sales

- › Quoting and R&D
- › Order Entry
- › CRM
- › Contract Management
- › EDI

## Financials

- › AR and AP
- › General Ledger
- › Lot / Batch Costing
- › Project Costing
- › Payroll / HR

## Inventory

- › Purchasing
- › Inventory Control
- › Material Requirements Planning
- › Warehouse Management

## Quality

- › Quality Control
- › Lot Traceability
- › Certification and Validation Tools
- › FDA Compliance and Validation
- › GHS / SDS



# What our Customers Say

**“ProcessPro is a key component to the structure of our daily operations. We depend on it, and ProcessPro does not disappoint.”**

– Doug Hardy, President, All American Pharmaceutical

**“The exceptional implementation and support teams are really what make ProcessPro stand out.”**

– Bob Miller, Controller, Pacific Nutritional, Inc.

**“ProcessPro makes completing the complex QC routines easy, efficient and accurate, resulting in a quicker turnaround time for inbound and outbound materials.”**

– Nick Janofsky, Director of Quality Control, All American Pharmaceutical

## Appendix: All American Pharmaceutical Case Study

All American® Pharmaceutical & Natural Foods Corporation (AAP) is a leading manufacturer of dietary, food and nutritional supplements. They specialize in producing private label and custom formulations for a variety of products from general health and sports nutrition to anti-aging products and food products. AAP has the capability to produce liquid, capsule, powder and tablet products from concept all the way to finished packaging.

### Challenge

Business had grown rapidly, and AAP needed a solution to support its quality control (QC) requirements and its long-standing reputation, as well as to secure the formulation and manufacturing components.

### Solution

AAP capitalized on their rapid growth opportunity to seek out a new ERP software solution; one that was industry specific and fully integrated, allowing them to keep record of all the material and product data and quality.

### Software Add-on Applications

- › Research and Development (R&D)
- › Credit Card Processing





## Benefits Achieved

- › **Improved Quality Control:** ProcessPro was able to correspond with AAP's process for quality control: all materials undergo scientific testing, microbiological testing and quarantining to measure quality; all products are screened for unwanted materials that may adulterate the final product; and finally, once approved, a Certificate of Analysis (CofA) displays the purity, safety and potency of the finished goods. "ProcessPro makes completing the complex QC routines easy, efficient and accurate, resulting in a quicker turnaround time for inbound and outbound materials," said Nick Janofsky, Director of Quality Control, AAP.
- › **Ensured Compliance with FDA Validation:** AAP has exceeded industry standards for quality control and current Good Manufacturing Practice (cGMP) standards by achieving 100% of all inbound raw materials and finished products are Food and Drug Administration (FDA) validated. In addition, 100% of finished products consistently meet label claims.
- › **Increased Accuracy with Real-time Inventory:** Utilization of ProcessPro's fully integrated solution provided AAP with real-time information that could be accessed across the entire company increasing the accuracy and efficiency of their production flow. "ProcessPro allows us to easily look up any item and find out everything we need to know about it," said Alma Reichert, Director, Material Requirements Planning, AAP.
- › **Incorporated Industry-best Practices Throughout Organization:** AAP recognized ProcessPro as the perfect fit for its growing business, but furthermore, they acquired a true partner who is more than just the software developer – ProcessPro also implemented, trained and supported AAP directly. This vested interest was important to AAP and produced the end results they desired.

## Appendix: Pacific Nutritional, Inc. Case Study

Pacific Nutritional, Inc. (PNI) is the Pacific Northwest's leading custom manufacturer of dietary supplements focusing on multi-ingredient formulas of vitamins, minerals and botanicals in capsules, tablets and powders since 1980. PNI is USDA Organic Certified, Natural Products Association current Good Manufacturing Practices (cGMP) certified, and every step in production meets the requirements for Kosher and Halal Certification.

### Challenge

When PNI began their search for an ERP solution they addressed three main agents of change that they would require in a new system. For starters, PNI was in need of fully integrated ERP system that was specifically designed for their highly regulated industry. They were operating on a manufacturing system that wasn't connected to the accounting system they utilized. Another search criterion was a strong, committed, client service team to support the software. Finally, PNI wanted to upgrade from DOS operating system to a Windows system.

### Solution

PNI implemented ProcessPro's ERP solution in 2008. Staying abreast of the industry requirements, PNI felt confident in ProcessPro's commitment and ability to meet the highly-regulated industry needs.

### Software Add-on Applications

- › Scheduling
- › Warehouse Management System (WMS)





## Benefits Achieved:

- › **Scalable Growth:** PNI was experiencing an essential need for a software system that would be able to meet their long-term needs and grow with them in their changing industry. ProcessPro offered a fully customizable ERP software system that could handle their current situation and projected future growth. PNI's focus is to help their customers develop products and services that will increase their client's market share. PNI has nearly doubled its annual revenue.
- › **Complete Lot Traceability:** PNI also required the ability to track lot numbers for raw materials and finished goods. ProcessPro provides complete lot traceability for incoming raw materials, quarantined inventory, finished products and outgoing shipments. PNI has a solid system in place to provide for complete audit trail capabilities to meeting the Food and Drug Administration (FDA) guidelines and uphold cGMP compliance.
- › **Increased Accuracy with Real-time Inventory:** PNI's manufacturing operations experience thousands of inventory transactions per day that move through quarantine and into inventory for use in production. Their previous system lacked the ability to facilitate this need and was time consuming of their staff. ProcessPro has simplified the inventory control process, making it easily traceable and less time consuming for their staff.



# Are you Ready to Learn More?

We'd love to show you how nutraceutical companies like yours are benefiting from Aptean Process Manufacturing ERP technology.

Contact us at [info@aptean.com](mailto:info@aptean.com) or visit [www.aptean.com](http://www.aptean.com).



Aptean provides very specific industries with very specific ERP, supply chain management, and customer experience solutions. In today's fast-paced, highly competitive economy, organizations don't have time to waste forcing homegrown software, spreadsheets, and one-size-fits-all solutions to do things they were never designed to do. Aptean is on a mission to end those work-arounds – with industry-specific solutions instead of generic software, expert support instead of making you go it alone, and a steady influx of new ideas instead of the status quo.

For more information, visit [www.aptean.com](http://www.aptean.com).