

SteriHealth Ltd

SteriHealth replaces five software systems with an integrated ERP and waste management solution

SteriHealth is the largest provider of medical waste services in Australia, leading a sector worth around \$150 million annually. The company's services include medical waste disposal, sharps disposal management, healthcare onsite waste stream management and pharmaceutical waste disposal. Clients comprise hospitals, medical and dental surgeries, pharmacies, laboratories and veterinary clinics.

In line with its objective of growing the business organically and through acquisitions, new markets, services and products, SteriHealth has made a large investment in sites, plant, equipment and business systems in every state.

Situation

When industry leader SteriHealth Ltd purchased two additional businesses, it realised that the company's operational efficiency and future growth potential were being severely hampered by five different software systems, four of which contained client databases.

Four standalone systems were used for finance and operations, other operational software tracked waste and sharps, and the four systems containing client databases were frequently out of sync with each other.

As Stuart French, SteriHealth Business Systems Manager says: "It was a nightmare. Financials and

invoices were being handled by two different systems, data migration was time-consuming, and in some cases data was being rekeyed two or three times causing discrepancies and incorrect reporting."

Invoicing the company's 13,000 clients was complicated by a plethora of master contracts, special pricing parameters and client invoicing requirements. Constant changes in client ownership of healthcare businesses meant frequent revisions in how customers were grouped, resulting in further amendments to invoicing procedures.

SteriHealth needed to implement an integrated solution which would:

- Improve the efficiency and effectiveness of business processes
- Reduce data and processing errors

"We have now moved forward with confidence, and because the enwis) system has a familiar interface that integrates seamlessly with Microsoft Office, everyone is reading off the same page."

— *Marcus Koch*
Executive Director,
SteriHealth



CASE STUDY



Overview

Country

Australia

Industry

Health Care, Medical Waste

Customer Profile

SteriHealth is the largest provider of medical waste services in Australia, leading a sector worth around \$150 million annually.

Business Situation

When SteriHealth acquired Daniels Sharpsmart Australia and Biocorp (now SteriHealth Laboratory Products), the company was utilising four standalone systems for finance and operations, plus operational software for tracking waste and sharps. These disparate systems were seriously impacting on the company's operations and efficiency, with four systems recording client details, all out of synch with each other.

Solution

After evaluating responses from 11 Australian and overseas suppliers of ERP and waste management software, SteriHealth selected Fenwick Software Pty Ltd and Microsoft Dynamics NAV (with enwis) software from tegos in Germany.

Benefits

- Systems integration
- Full visibility of everyone's work
- A central repository for all information
- Standardised and improved processes
- Productivity gains
- Improved customer service
- Regulatory compliance
- Scalability for growth



CASE STUDY
SteriHealth Ltd

“There are constant changes of ownership of businesses in the healthcare sector, and every time that happens it changes how our customers are grouped. That used to mean we had to change how we invoiced, who we invoiced and where that invoice went. Using NAV’s dimensions, we can handle more complex reporting,”

—Marcus Koch,
Executive Director, SteriHealth

- Deliver better information systems, procedures and reporting
- Provide opportunities for growth into new products and services
- Enhance customer service
- Ensure regulatory compliance

Solution

After evaluating responses from 11 Australian and overseas suppliers of ERP and waste management software, SteriHealth selected Fenwick Software Pty Ltd and Microsoft Dynamics NAV with enwis) software from tegos in Germany.

Specially designed for the waste management and recycling industry, enwis) is used by 85 companies in Europe and a similar number elsewhere in the world. enwis) uses the infrastructure of Microsoft Dynamics NAV and integrates and extends its ERP functions.

“A key feature of enwis) is its ability to record and utilise contracts,” says Fenwick Software Director, Andrew Ferguson. “This was particularly important for SteriHealth, with its 13,000 clients. “Multiple contracts can be held with clients for multiple services, with the key benefit of using the initial contract as a template for orders, thus avoiding errors and costly re-keying of data. SteriHealth’s data is now much better structured, and processes have become more automated. Data passes from stage to stage with less manual input and therefore fewer errors,” says Andrew.

Orders are automatically produced from contracts well in advance and

allocated to runs, while ad-hoc orders can be easily created and added to a run. Documentation, such as run sheets and pick slips, is printed when required.

A number of software customisations were made, including an interface to SteriHealth’s weighbridges and collector washing machines, along with enhancements to the pricing routines to deal with the company’s complex pricing requirements.

“The integration of the weighbridges and washer data directly into enwis) has reduced the amount of time drivers are spending transcribing, processing and reviewing weighbridge data, and has allowed customer service staff to identify and resolve errors efficiently,” says Andrew. “The weighbridge function is fully integrated, and the system automatically creates entries to track inventory levels of waste material and equipment at each site.”

A telematics module can be added in future to send updated information to and from vehicles throughout the day.

Three-phase implementation

The implementation was done in three phases: firstly the replacement of Great Plains for head office financial systems; then Business Manager was replaced for SteriHealth Laboratory Products; and finally, the waste management systems were moved from Phoenix and TracSmart2.

Major challenges with the implementation were related to the business rules, pricing rules, national standards, data conversion from legacy contracts and pricing and

stretched internal resources.

A key outcome from the process was that the degree of fit between enwis) and the business was very high, at around 80 to 90 per cent.

“There was also a large volume of existing customer and contracts data,” says Andrew. “Converting and loading the data from 13,000 clients required a huge effort by SteriHealth staff in cleansing and mapping the data.”

Benefits

David Pietsch, the external Project Director who was appointed by SteriHealth to examine its previous systems and assist with the new implementation, says NAV/ enwis) has given the company a much greater ability to implement complex but flexible business rules across the different states.

Each state effectively runs its own business, so the new system needed to allow a pricing change to be implemented in one state without affecting the rest of the country. For example, a new rental scheme was introduced in NSW, and was implemented without impacting on other states.

Greater visibility into effects of business rules

“SteriHealth now also has greater visibility into the effect of business and pricing rules, and can ensure every revenue dollar can be captured,” David says.

While extra staff were hired during the 12 months of go-live, data automation has returned staffing to normal levels according to Stuart, who says “The

system has moved certain functions away from the factory floor, so issues like overtime and data quality can be better controlled”.

Improvements to billing and invoicing
NAV/enwis) makes it far easier to manage the different ways of billing customers, for example some are billed as sales and others as rentals, and different service charges and fees are applied. Each of the 13,000 clients has its own contract with individual pricing, and some major client groups have individual clients within them which have special pricing on certain products.

The new system has improved invoicing processes, with invoices now going out within a few days of the end of each month.

Many are e-mailed directly to customers, while the rest are sent to a third-party printer, as PDF documents, for printing, enveloping and posting.

Staffing and postage savings

Savings include a reduction in postage costs of up to 20 per cent by utilising

address matching, barcoding and Australia Post’s PreSort Letters discount. Accounts staff who used to spend three days each month in printing and enveloping invoices have been redeployed to follow up overdue accounts.

NAV’s flexibility, particularly pricing, has delivered major benefits. “Pricing was a classic example, as we weren’t locked into the typical way NAV did things. Once we understood it, it was reasonably easy for Fenwick Software to change it. People like Fenwick’s Andrew Ferguson were magic, as he knew the software to such a deep level,” Stuart says.

New freedom and flexibility

Training was generally fairly simple, because of NAV’s relationship to Microsoft.

“The bespoke applications we had before really locked the users into a set workflow which didn’t always match what was happening in real life,” Stuart says. “NAV allows you to move around; you can duck out and

come back to it. That’s the freedom staff really enjoy over the old ways of doing things. You can also access it from home, so it allows for more work flexibility.”

Maintenance of the ERP system has dropped from three people to one and a half, and the assimilation of a full warehouse distribution system in to NAV has reduced reliance on external support staff.

A second wave project will address further business improvements including CRM, use of the enwis) telematics in-truck communications system, total waste management using existing systems but with the development of new business rules and processes to automate reporting.

Acquisition of other businesses in the future will also be simplified by NAV/ enwis), according to David.

“When you have the enabling technology, it allows you to absorb other businesses much more quickly, rather than facing a disparate set of non-communicating legacy systems.”

*— Marcus Koch,
Executive Director, SteriHealth*

Fenwick Software, Microsoft Dynamics NAV and enwis)

When you partner with Fenwick Software you’ll find people who care about your business. We’re not interested in supplying and implementing software for its own sake. Our approach is consultative and collaborative. We build enduring relationships that create long term benefits. We’ve been doing this since 1976.

enwis) builds on the strength of Microsoft Dynamics NAV with features developed specifically for the Waste Management and Recycling industry by Tegos in Germany. It has been implemented by over 200 companies worldwide. Fenwick Software is the exclusive implementer of enwis) in Australia and New Zealand.

Our team of consultants are highly experienced and understand business as well as technology. Microsoft Dynamics NAV is our ERP system of choice because it offers unparalleled functionality, flexibility and cost effectiveness. It means we can customise the system to suit exactly what you need, and continue to adapt this over time as your needs change. Microsoft Dynamics NAV has more than 86,000 customers, over one million users worldwide, and is available in more than 40 country versions. Powerful software, Fenwick’s team of committed experts and your business – together we’ll create a system that works.

