Integra LifeSciences

Curing growing pains with a platform for cost-efficient business expansion from Oracle and IBM

Overview

The need
On course to becoming a multi-billion dollar company, Integra is acquiring new lines of business – but the cost of managing many different processes and systems has cut into the financial benefit of expansion.

The solution
Integra has been redesigning its acquisitions' business processes in line with corporate standards, supported by a single instance of Oracle software – shrinking the number of business systems by more than 50 percent.

The benefit
Today, Integra can manage its global business with greater efficiency, reducing costs and positioning it to obtain substantial financial benefits as it moves toward the USD1 billion revenue target.

Founded in 1989 and headquartered in Plainsboro, NJ, Integra LifeSciences is a leading producer of medical technologies. The company serves customers via direct representatives and distributors in over 100 countries. Employing more than 3,300 people worldwide, Integra generates annual revenues of approximately USD836 million.

Side-effects of growth

As part of its long-term strategy, Integra strives to become a multi-billion dollar company. To achieve the objective, the company aims to capture incremental sales by expanding into new markets and adding new product lines – while carefully managing its costs.

William Compton, Chief Information Officer at Integra LifeSciences, explains: "Acquisition is an effective way to bring innovative products to existing customers and new prospects quickly. However, as we moved toward the multi-billion-dollar goal, the complexity of managing the new businesses meant that operational expenditure was increasing in proportion to our total revenues. To deliver the maximum financial benefit of growth, we want to keep costs lean."

Cutting out complexity

As a first step to solving the challenge, Integra examined its business processes to identify the most significant cost centers.

"Fast growth led us to acquire 27 separate business systems, including different types of inventory and accounting software," continues William Compton. "These systems generated large amounts of business data, which we had to collate for analysis manually.

"IBM Global Business Services team's strong collaborative approach and deep industry experience are helping us to integrate people, processes and systems across the enterprise without significant disruption to our operations – minimizing the risk of a major transformation," says William Compton, Chief Information Officer at Integra LifeSciences.

Solution components

Software
- IBM® Cognos® Business Intelligence
- IBM InfoSphere® Information Server
  - IBM InfoSphere DataStage®
  - IBM InfoSphere QualityStage®
  - IBM InfoSphere Information Analyzer

Applications
- Oracle E-Business Suite R12
- Oracle Fusion Middleware

Services
- IBM Global Business Services®

"As we expanded our operations, it became increasingly time-consuming and costly to answer important questions such as: are we meeting our objectives for on-time product delivery? Do we have sufficient stock to capitalize on all sales opportunities? And which products are most profitable? We realized that standardizing our processes and systems could help us answer such questions quickly, and steer the enterprise cost-efficiently."

Building on a trusted solution

To enable integration from end to end, Integra decided to extend its core business processes to all of the acquisitions, supported by Oracle E-Business Suite (EBS) Version R12 ERP software.

"For many years, Integra has utilized Oracle software to support its core business processes," says William Compton. "Because of our experience with the Oracle ERP solution, we knew Oracle was capable of supporting all parts of our business – from finance and human resources to manufacturing and inventory management. Our Oracle solutions have grown with the business, and we are confident that Oracle E-Business Suite has the scalability to satisfy our requirements in the long term."

Deep expertise from IBM

To help realize its goal rapidly and without disruption to its day-to-day operations, Integra decided to engage an expert partner, and selected IBM® Global Business Services®.

"We knew that our Oracle implementation would involve a far-reaching business transformation, and we wanted a partner that would enable us to achieve our goals without increasing our exposure to risk," says William Compton. "We felt that IBM Global Business Services offered the ideal combination of industry experience, technical knowledge and global reach to deliver our Oracle E-Business Suite solution."

Applying corporate standards

Working together with the IBM Global Business Services team, Integra mapped its global business processes. After identifying the process changes required for the standard global processes, Integra and IBM designed the Oracle software configurations to support the integrated approach.

"IBM went above and beyond to ensure the success of our Oracle solution implementation," continues William Compton. "IBM made certain that technical resources from around the world were at our disposal when we needed them, which helped us to resolve issues rapidly. Members of the IBM team had expertise in functional areas such as manufacturing and order to cash, and it was clear that they had prior experience of similarly complex projects."

"With the help of Oracle and IBM solutions, Integra has substantially reduced operational costs as a proportion of revenue – and we predict the solutions will unlock greater financial benefits as we move towards our USD1 billion revenue goal."

— William Compton, Chief Information Officer, Integra LifeSciences

Single source of truth

To lay the foundation for the new Oracle business systems, Integra needed to cleanse and integrate its operational data. Integra used the IBM Infosphere® Information Server platform to facilitate the data migration process. With IBM InfoSphere QualityStage® and IBM InfoSphere Information Analyzer software, the company created consistent definitions of its business data, and removed duplicate entries from its systems of record.

Next, Integra worked with IBM to deploy IBM InfoSphere DataStage® software, enabling it to extract, transform and load the business data from its Oracle databases to a central data warehouse. The solution offers Integra rapid access and a single source of the truth for data related to inventory, logistics, sales and more, enabling faster reporting using best-in-class IBM Cognos® Business Intelligence software.

Integra has now consolidated more than 50 percent of its acquired business systems into Oracle E-Business Suite R12, with applications for Financials, Procurement, Agile Product Lifecycle Management, Manufacturing, Advanced Supply Chain Planning, Order Management and Human Capital Management. The solutions are fully integrated with the company's third-party business systems using Oracle Fusion Middleware software, delivering a truly end-to-end solution.

William Compton comments: "Our partnership with the IBM Global Business Services team helped us to manage multiple work streams in a single project – from human resources all the way through to supply chain management. The IBM team orchestrated worldwide resources, including virtual co-location with personnel in India, Germany and US locations, and helped us to reduce the risk of an intricate transformation process."

Keeping operational costs lean

By moving towards a single solution to manage all parts of the business, Integra is reducing the cost and complexity of managing a global enterprise.

"Prior to the new Oracle R12 solution, it took significant amounts of time and resources to deliver the insights our decision-makers need to steer the business effectively," says William Compton. "With trustworthy data from our Oracle business systems feeding our IBM Cognos software, we can now deliver the same detailed reports to our decision-makers at the touch of a button.

"Crucially, we no longer need to spend time, effort and capital managing, maintaining and querying separate business systems – reducing the proportion of our operational expenditure to total revenue. In the future, we are interested in using IBM Cognos Mobile software to deliver our reports on iPhones and iPads, offering stakeholders access to key insights on the move."

He adds: "For our financial teams, month- and quarter-end closing processes were previously a time-consuming processes. By consolidating our business systems using Oracle solutions, we have eliminated many repetitive manual tasks in the process, enabling us to close the books significantly faster than before. This frees our financial teams to invest more of their time on analysis, and add even greater value to the business."

Capturing sales

With tighter business process integration, Integra can identify opportunities to drive incremental sales – supporting the revenue-boosting objective.

William Compton comments: "Our new order processing process and systems enable us to fulfill a larger number of orders more quickly".

Ready for growth

Using its standard corporate template for business processes and systems, Integra can onboard new acquisitions faster.

"We completed an important acquisition shortly after the solution went live, which confirmed the positive impact of our new way of working," recalls William Compton. "Integra can now integrate and obtain the value of new acquisitions far faster than before – and all without driving up operational expenditure. As a result, we can shorten our time-to-market for new products, continue to surpass our customers' high expectations for service quality, and hone our competitive edge in the global marketplace."

He concludes: "With the help of Oracle and IBM solutions, Integra has substantially reduced operational costs as a proportion of revenue – and we predict the solutions will unlock greater financial benefits as we move towards our USD1 billion revenue goal."

For more information

To learn more about IBM and Oracle solutions, contact your IBM representative or IBM Business Partner, or visit the following website:
ibm.com/solutions/oracle