

## Sterigenics focuses on improving global operations by selecting IBM to host its enterprise applications.




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### Overview

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■ **Challenge**

*Provide the single applications platform needed for global operations*

■ **Solution**

*IBM Applications on Demand™ hosting for a JD Edwards EnterpriseOne solution*

■ **Key Benefits**

- *Single version of enterprise data*
- *Improved allocation of capital*
- *Lower cost compared to an in-house implementation*

### Staying focused on core competencies

Sterigenics International Inc. ([www.sterigenics.com](http://www.sterigenics.com)) is a provider of sterilization and laboratory services to the healthcare, food safety and advanced applications market segments. The company has earned its leadership role in the industry by offering services in all leading sterilization modalities, including gamma, ethylene oxide, electron beam, X-ray and steam.

With headquarters in Oak Brook, Illinois, this privately held company employs more than 1,100 professionals in 40 service centers across North

America, Europe and Asia. Its services include overnight sterilization of reusable surgical instruments; custom solutions for food safety and packaging; and radiation processing for the polymer, automotive, aerospace, semiconductor and gemstone industries.

### Keeping up with growth

In 2004, Sterigenics became independent from its parent company and had a collection of disconnected legacy systems in its application portfolio. It launched a project to standardize its enterprise applications, starting with finance and operations. The new strategy focuses on replacing these legacy systems around the world with a single, global IT platform to improve links with customers and partners and deliver a real-time view of worldwide operations. To support this work, Sterigenics launched a global rollout of the JD Edwards EnterpriseOne solution.

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— *Mike Smith, vice president of information technology, Sterigenics International Inc.*

“Our goal was to provide not only an enterprise solution for financial management, but also one that could help run our production environments,” says Mike Smith, vice president of information technology for Sterigenics. “We wanted a platform that could support and expand into other areas such as salesforce automation and human resources. We wanted a solution that could grow with us and meet our needs down the road.”

Sterigenics has more than 40 facilities worldwide, employing various methods for sterilization of equipment and instruments, and these facilities serve hundreds of clients with exacting demands. Supporting this effort required a supply chain management solution that could be extended across the enterprise and could provide a unified view of operations. Sterigenics also needed a solution that could help it maintain compliance with regulatory agencies such as the U.S. Food and Drug Administration.

After working through its selection process, Sterigenics decided to implement a JD Edwards EnterpriseOne enterprise resource planning (ERP) solution with implementation at Oracle’s Solution Center.

“The EnterpriseOne solution had a strong showing in the life science community, and we felt it had the appropriate features for a midmarket company like Sterigenics,” says Smith. “The scope of capabilities that the package offered provided flexibility and growth opportunities down the road.”

Next came the decision about who was going to manage the solution. Sterigenics briefly considered bringing the new system in house, but the company realized that it would have difficulty building out the data center necessary to support a 24x7 global solution. Power supply, redundant systems, disaster recovery, staffing and security were essential to delivering such a solution, but the Sterigenics IT staff did not have sufficient resources to build and maintain such a solution. An extensive data center was not something the company was interested in building out. Colocation arrangements were also considered, but because the Sterigenics IT department had no prior experience with this ERP application, the company decided to secure application support services in addition to 24x7 operational support.

Sterigenics began to look for a strategic partner focused on application hosting that could quickly implement a low-risk, highly stable and scalable solution. It considered a number of providers, but eventually Sterigenics signed a contract with IBM for a full-service Applications on Demand solution. This comprehensive solution included all application management and infrastructure support services for a predictable monthly fee.

### **Achieving increased growth with reduced risk**

The new system went live in February 2007, starting with a rollout of the financial modules to all North American locations. The supply chain management and production applications went live the next week, starting with a facility in Southern California. The phased rollout will continue to other geographies and plant operations in the coming months, allowing the Sterigenics IT staff to train users and ramp up internal processes as each location goes live.

By using Applications on Demand, Sterigenics was able to avoid large up-front project and infrastructure costs, allowing working capital to be allocated to other strategic activities. The flat monthly

fee makes budgeting for IT easier and more predictable, and it allows the IT department to directly correlate costs and application usage. Sterigenics was also able to save time with the hosted approach, gaining access to the applications faster than if it had to build the infrastructure from scratch.

“We did some preliminary cost analyses, and it was pretty clear that the hosted approach was going to be faster and much more cost-effective,” says Smith.

Using a single, integrated platform for all enterprise applications will help simplify operations and provide a more comprehensive view of the business. Previously, the various Sterigenics locations ran multiple versions of various legacy applications, and extracting meaningful information required manual reporting processes that were prone to error

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and took too much time to complete. With migration to a single platform, all accounts, master data, transaction data and business processes will be supported in one place.

“Eventually, there will be one source of data available for extensive analysis from which to make business decisions, and that, I think, will prove to be of significant benefit to the company,” says Smith.

Although the initial implementation of the EnterpriseOne Applications on Demand solution is focused on streamlining internal operations and processes, Sterigenics will leverage the unified data to provide information directly to its customer base. In addition to preparing the platform for internal users, Sterigenics is also engaged in the development of a customer portal that will allow customers to check on the status of their products sent for sterilization. By opening up their systems to customers—both electronic data interchange and interactive Web-based access—Sterigenics can provide a significantly improved level of customer service.

Expandability was an important consideration in the decision to deploy EnterpriseOne. Future plans include turning on additional EnterpriseOne modules for business areas such as customer relationship management, human resources and others, adding further to the improved view of operations and integration of processes.

On a day-to-day basis, Smith and his staff don't have to monitor the infrastructure, tune databases or perform tasks such as data backups; they can focus on getting the most value out of the applications. And Smith can depend on IBM to provide expertise as needed, whether it's help rolling out the applications to new locations or advice on how to configure the applications.

“We are excited about the partnership,” says Smith. “IBM has a lot of reach in a lot of areas and can provide the right expertise, when and where we need it.”

#### **For more information**

To learn more about IBM Applications on Demand solutions, contact your IBM sales representative or visit:

**[ibm.com/services/aod](http://ibm.com/services/aod)**



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