

TRANSCORE – VISIBILITY.NET ROI ANALYSIS

Business objective

Reduce corporate costs and increase efficiency through upgrading current software solution.

Expectations

Savings of over 1-2% annually, and full ROI on upgrade within 12 months of implementation.

Solution

Upgrade to VISIBILITY.net, a fully integrated product which utilizes the latest Microsoft.NET technologies.

Transcore of Harrisburg, PA is the largest global manufacturer of transportation based Radio Frequency Identification (RFID). Transcore's Amtech Technology Center has employed VISIBILITY 6 as their ERP system of choice for the past 15 years. Despite the successes of VISIBILITY 6 within Transcore, their requirements and expectations of their technology solution changed as the company grew. With this in mind, the decision to upgrade their system to VISIBILITY.net ERP was easy to make.

The core project team at Transcore felt that VISIBILITY.net incorporated significant enhancements and efficiencies over the current system; however senior management felt it had to be about more than functionality; tangible fiscal benefits and a proven return on their investment were the primary objectives. Dennis Wilson, Director of Finance and Project Leader of the upgrade told us, "The approval of this project was based on several criteria, not the least of which is the expected financial return. The initial expectation was that the annual cost of manufacturing operations will be reduced by no less than 1%, by lowering our on-hand inventory requirements and improving our material handling and manufacturing efficiencies."

Transcore's decision to upgrade to VISIBILITY.net was based on a number of detailed objectives identified as the result of a comprehensive ROI analysis inspired by an ROI session at the Visibility International Conference (see table 1). In addition to the benefits identified during the ROI analysis, Transcore was looking to move to a system that utilized the latest web based Windows technology. The flexibility of the technology has allowed the VISIBILITY.net to be designed as Sarbanes-Oxley Compliant and incorporates both workflow and document management capabilities thus enabling Transcore the ability to eliminate add-on applications and "work-arounds". Dennis and his team now have access to this new functionality and much more in VISIBILITY.net which would ensure that their fiscal and performance targets could not only be met, but beaten.

TRANSCORE

Harrisburg, PA

Number of employees
300

Industry
Manufacturer of transportation
technologies

Company Facts

Established for over 70 years

More than 31 million RFID tags
and 53,000 readers deployed
globally.

*"We were
pleased to
confirm that
despite the costs
in upgrading,
the ROI was less
than 12 months."*

*Dennis Wilson
Director of Finance*

Further ROI Justifications:

Bad Debt Reduction

Inventory Reduction through Timely Receipt

Reduced Cost of Purchased Material

Improved accuracy through improved pricing and cost capture

Savings from improved generation of quotes, orders, configurations and services

Reduction in current OS, database and 3rd party tools

Improved Productivity through better engineering controls

Reduction in current server & desktop hardware costs

Direct purchasing and payment savings through improved methods

Staff savings through further automated matching capabilities

Improved Customer Service

Obsolete Inventory Write-off reduction

Setup cost savings by elimination of expediting

Elimination of Invoicing Float

Improved Credit and Collections

VISIBILITY.net Implementation - Benefits			
#	Objective	Success Factor (KPI)	
		Description	Suggested Implementation Objective
1	Inventory Reduction	Inventory Turns	↑ turns .5 to 1
2	Favorable PPV*	PPV%	1% to 2% ↑
3	Reduce E&O Inventory	% of Average Inventory	0.5% to 1% ↓
4	Reduce Manufacturing Material Overheads	Material Burden Rate	0.5% to 1% ↓
5	Reduce Variable Manufacturing Overheads	Variable (DL**) Overhead Rate	1% reduction
6	Improve AR Cash Collections	Days Sales Outstanding	10% to 15% improvement
7	Reduce Report Delivery Time	Month-end Close Time	33% reduction

Table 1: Sample ROI Justification Criteria

* Purchase Price Variance ** Direct Labor

On a more functional level, the clear benefits of VISIBILITY.net to the Transcore team covered a number of areas including; sales & service, finance & accounting, manufacturing, product engineering and production & procurement. Key benefits from these areas extend from progress billing with automated invoicing to order entry which allows for parent/child company structures and on to scheduling tools and pegging information to improve inventory usage and identify overstock potential ahead of time.

Since the original presentation to senior management, additional cost benefits have been identified. Further financial and engineering efficiency improvements should account for over an additional .25% in annual cost savings.

VISIBILITY.net is a cutting edge technology enterprise solution which enables your business to significantly optimize business effectiveness and dramatically enhance performance. It is the only fully integrated web-based ERP software developed to specifically meet the unique needs of manufacturers of complex products.

Visibility Corporation has been developing business solutions for manufacturers of complex products since 1988 and now has an installed base of more than 20,000 end users and over 200 manufacturers around the world. Visibility is recognized worldwide as a leading ERP vendor and one of the few that has retained a genuine niche focus. The company's strategic concentration and dedication to growing profitably has ensured consistent financial health allowing for continuous investment in product development.

For further information regarding VISIBILITY.net and the savings it could bring to your company please contact a Sales Representative using the contact information below.



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