KOBAYASHI

sage

About Kobayashi

Healthcare manufacturer Kobayashi experiences huge gains through M&A expansion of its manufacturing processes with Sage Business Cloud Enterprise Management.

Growth set alight by Sage for leader in air-activated heat warmers

Celebrating its 100-year anniversary this year, Kobayashi Healthcare International, Inc. is a Japanese healthcare manufacturing company experiencing major gains through merger & acquisition activity within their industry. Known as the #1 supplier of air-activated heat warmers, Kobayashi manufactures and distributes medical device and over-the-counter personal care products to retailers for end consumers.

Introduction

Starting out as a family business and now operating as a subsidiary of their parant corporation Kobayashi Healthcare International, Kobayashit Americas is looking to continue their expansion through M&A into other verticals. "We are on a constant cycle of buying, consolidating into our operations and then looking at another purchase," Kory Keenan, IT Manager says of their ambitious growth strategy. Kobayashi develops products with a range of users - from relieving minor aches and pains, to staying more comfortable out in the cold. With so many different products already being manufactured and distributed, Kobayashi was experiencing the complexities of producing various branded products within one system. Keenan goes on to explain, "There's emergency blankets, emergency mirrors for campers and then also a full range of pharmaceutical products from topical creams to body warmers. That's over 600 different products that we manufacture and distribute from here."

The Challenge

Kobayashi's multiple brands within their umbrella created a very complicated accounting setup. Each brand had its own set of systems, many of those based on manual processes. If Kobayashi expected to continue their ambitious M&A success, streamlining supply chain systems was a top priority. When the existing warehouse management solution failed and other manual processes which were open to human interpretation began sending shipments with incorrect quantities and products to the wrong stores, the over-extended manufacturer knew it was time to bring all of their processes into a single system. "We have a lot of different brands and do an M&A every few years. We buy a new company and sell their products under their original brand name as if that company had never changed hands. Consolidating it was all a nightmare," recalls Keenan.

The Solution

Kobayashi implemented Sage Business Cloud Enterprise Management in 2016. The company knew it harbored a desperate need for the ability to perform dimensional accounting to accomodate their different brands. "We had an old system with a lot of manual aspects to it. We deviced it was time to really make a change and redo our whole business," Keenan explains. "We basically restructured all our business processes to take advantage of Sage Enterprise Management's flexibility, customizability, and the ability to run on-premise, or as a cloud-based solution - whichever we need.

When asked further about how Kobayashi came to select Sage Enterprise Management, Keenan reports, "We moved to Enterprise Management because we needed a system to allow us to focus on highly regulated markets and that would be compliant within those limitations. That way we grow without having to assess another system's compliance and available customizations.

"Sage Business Cloud Enterprise Management takes it from the point of purchase to distribution, to billing, to accounts payable in a single platform," Keenan notes relieved. "It keeps all of our electronic signatures, all of our compliance information and alerts us as it moves throughout our warehouse so that we know in real time where our product is and to which customer it was delivered."

Previously, with nearly all data stored on spreadsheets or on paper, there was no uniformity of access to data and Keenan recalls, "There was a tribal knowledge where only the managers could perform, then if the manager was out for a day, their whole department's operation was shut down for that time."

As a result, when implementing enterprise management, Kobayashi took the different data repositories and made sure they integrated easily into one system. "This way, you can essentially be hired and train for 10 minutes, then do the job," Keenan describes. "That's the level of automation that Enterprise Management provides us."

The Bottom Line

Automation and streamlining their processes has been nothing short of drastic. Keenan explains, "Our implementation is about five months old and we've already seen a huge impact on our ability to track shipments, access to data. It's been great in that respect. Since we implemented Enterprise Management, our sales have been 10 - 20% over forecasts, even in our slowest months. We're attributing that to increased productivity, increased visibility and increased ability to get product out the door in a timely fashion."

By solving manual processing issues with Sage Enterprise Management, Kobayashi increased productivity dramatically. "We beat our budget by 130%. Enterprise Management has enabled us to completed more M&A's with quick turnaround," Keenan admits. "We've grown to about $100 million in the United States now, and $1.4 billion globally in sales for 2017."

The Outlook

"We have noticed an amazing difference with Enterprise Management, with the flexibility to configure down to each line of business. It's very specialized and the remarkable flexibility has made a world of difference to us," Keenan is happy to report.

Kobayashi has big plans for the next decade as Keenan details, "In the next 10 years we're planning to double our business and aim our focus to the pharmaceutical side, growing significantly. I can see Sage growing with us and continuing to develop and grow as the industry develops and grows."

Keenan offers final advice for IT managers facing automation and efficiency concerns, "If you're doing it manually, you don't know how much you're leaving on the table."

For more info, visit: **www.sage.com/us/**
or contact us at **888-591-5151**