

Rootstock Software® Customer Case Study

CertiCell Implements Rootstock Software® at Multiple Manufacturing Sites



The Company

CertiCell was founded in 2005 by a group of experienced professionals from the wireless, reverse logistics and remanufacturing industries. While the initial focus was on the development of a process for testing, re-initializing and certifying used cellular batteries in a high-input production environment, the company continues to quickly evolve with the wireless market.

Today CertiCell, a privately-held company with over 600 employees, is a leader in the repair and deployment of carrier grade, premium class mobile phones, PDAs and smart phones. The company understands the demands of today's market and, through its suite of services, delivers high quality, cost effective solutions in the most environmentally sustainable manner possible.

CertiCell is a global multi-facility operation, headquartered in Brentwood, Tennessee, with additional facilities in Louisville, Kentucky, the Philippines, and Hong Kong.

The Problem

CertiCell is experiencing rapid growth and could not support their business objectives with their legacy software and complex manual processes for operational and material planning. The growing global need for refurbished and repaired cellular phone products has also fueled the company's expansion to a multi-facility manufacturing operation.

To maintain high customer service levels, CertiCell required an integrated manufacturing, planning, sales, global accounting, multi tiered costing, purchasing, inventory and shop floor system. This integrated system was needed by the company in order to be more responsive to changing customer demand.

As a large and sophisticated business, CertiCell would also benefit from improved operational efficiencies from an integrated solution due to their complex global organizational structure and unique requirements for each manufacturing facility.

Critical to CertiCell's success was replacing antiquated systems that required inefficient manual entry of data via spreadsheets within their manufacturing operations. The company required a solution for their multi-plant global manufacturing operations that would support a centralized engineering organization with engineering change control and revision control capabilities.

Due to significant demand volatility, robust manufacturing demand-supply capabilities were essential to CertiCell so that real time customer forecasts could be used as the real demand that needed to be satisfied. This data then could be input into detailed Material Requirements Planning (MRP) plans that would include inventory and fully integrated disassembly/assembly activities resulting in a complete demand-supply plan at each specific facility as well as globally across all facilities. Equally important to the company was the capability to capture accurate cost information within their manufacturing operations effectively and efficiently.

These new manufacturing systems would be required to include out of the box integration with the current industry leading ERP solution. CertiCell had implemented a contemporary, SaaS (Software as a Service) ERP system in 2006 which insured a high return on the investment in IT infrastructure – as well as ensuring a high level of confidence that they could realize 'on demand' access globally from any of their worldwide operations – at any time. They also wanted system functionality and an operating SaaS platform that would support their growth both now and for many years to come.

The Solution

CertiCell chose to upgrade from its "legacy" NetSuite platform to NetSuite OneWorld ERP with Rootstock's integrated manufacturing functionality. Rootstock was developed specifically for NetSuite with the NetSuite SuiteFlex development tools and is seamlessly integrated within the NetSuite SaaS architecture and platform. During the product demonstrations, the company quickly realized

that the combined functionality of NetSuite and Rootstock would support the needs of this growing mid-market manufacturer today as well as the future growth opportunities of tomorrow.

Because of their need to support multiple manufacturing sites with one global manufacturing system, CertiCell chose Rootstock's fully integrated manufacturing software. The company required a solution that supported the multiple yet critical operations of their complex business including the business critical function of integrated disassembly/assembly material planning across multiple facilities. NetSuite and Rootstock delivered this complete solution.

Since their manufacturing requirements included disassembly, repair and assembly, the MRP planning engine for CertiCell would be required to include anticipated yields of components from a disassembly process. Cost tracking for the disassembly process would also need to be supported. Cores are received against purchase orders and stocked in non-nettable inventory locations until the final disposition of components. The cost of non-nettable inventory must be valued at a different cost than the nettable inventory.

The Implementation

CertiCell decided to simultaneously migrate from its "legacy" NetSuite platform to NetSuite One World as well as implement NetSuite OneWorld with Rootstock Software®. They went live in February 2010 with NetSuite OneWorld and Rootstock Software®'s MRP, Production Engineering, Manufacturing Inventory Control, Cost Control, and Shop Floor Control modules. Future planned enhancements include the Disassembly Planning and Tracking module.

Prior to the 'go-live', Rootstock conducted an extensive pilot which previewed all the CertiCell business functions of Engineering, Inventory, Costing, Planning, Purchasing, Sales Orders and Work Orders. The purpose of the pilot was to simulate the company's manufacturing processes in a 'pre-live' environment as well as train the CertiCell team on how the software

would work specifically for their manufacturing operations.

During the implementation, the joint team quickly understood CertiCell's unique business requirements to support multi-plant operations with high business volume which included: sales orders with as many as 125 lines on a single sales order; inventory including more than 9000 inventory items; purchase orders with hundreds of line items; work orders with an average of 25 components; and 8,000 inventory records across three different manufacturing plants located around the world.

The implementation project, which included the conference room pilot and the actual 'go-live', was led by Rootstock's Implementation Project Manager Mike Dreimiller. The Rootstock functional and technical support team was managed by Rod Petersen. CertiCell's project team was managed by Mike Willett, Director of Materials Management and Planning. This joint CertiCell and Rootstock implementation team worked closely to prepare as well as execute the successful go-live in a managed and controlled manner.

Subsequent to the successful go-live, CertiCell is now starting to reap the benefits of the integrated solution built on the proven NetSuite platform. The centralized product engineering function for items, bills of materials, and revision control is achieving a more accurate and complete product definition. Component and finished goods inventory is now visible in all plants in all locations within those plants. When transaction activity requires research, the on-line transaction history provides a complete audit trail. The materials planning process, which previously consumed may hours of data entry and spreadsheet calculations, is now recalculated in just minutes with Rootstock's MRP engine.

CertiCell now has greater visibility and control over costs in their manufacturing operations. CertiCell uses average costs. The average costs for manufactured items are now recalculated upon completion of the manufacturing work orders for those items. Specific to CertiCell, items may have two

different costs (a non-nettable rework cost and a nettable original cost) which provide a true picture of final product cost.

With NetSuite and Rootstock's rich and comprehensive solution, CertiCell is now effectively managing increased business volume on the proven SaaS platform resulting improved business performance at a lower total cost of ownership.

About Rootstock Software®

Rootstock Software® is the leading Software as a Service (SaaS) provider of manufacturing enterprise software serving discrete manufacturers in the mid-market. Rootstock Software® was launched in 2008 in response to the growing need for a SaaS solution for mid-market manufacturers to cut costs, improve processes, and drive revenues. Rootstock is a premier partner with NetSuite Inc, a leading vendor of on-demand, integrated business management software suites for the mid-market enterprise and divisions of large companies. Rootstock and NetSuite deliver these critical manufacturing capabilities to the underserved mid-market with minimal IT infrastructure investment. For more information, please visit <http://www.rootstocksoftware.com>.