

Rootstock Software® Customer Case Study

Xtellus Deploys Rootstock Manufacturing Modules



The Company

Xtellus is a leading supplier of ROADM technology and dynamic optical modules for Agile Optical Networking systems. Agile Optical Networks are reconfigurable DWDM networks that are used to provide rapid provisioning and efficient operation of triple-play high-speed Internet, video and telephone services.

Xtellus market leadership is based on a broad family of ROADM products including wavelength selective switches, wavelength blockers and ROADM modules with integrated power monitoring and muxes/demuxes.

Xtellus is a multiple plant operation, headquartered in Morris Plains, New Jersey, with manufacturing and development facilities in Israel and South Korea.

The Problem

Xtellus is experiencing rapid growth and can no longer afford to depend on disparate systems; one for accounting and the other for manufacturing. Given their company's expansions into a multi facility manufacturing and engineering operation, they required an integrated manufacturing, planning, sales, accounting, purchasing, inventory and shop floor control ERP system.

Xtellus also required a system that addressed their multi plant manufacturing requirements supported by a centralized engineering organization. Both manufacturing plants required standard cost and are project based.

Their customers mandated that certain key components and end units be 'serial controlled' and other purchased goods be 'lot controlled'. Their planning requirements were such that

they wanted to provide the MRP plan a forecast by customer (i.e. project) for each manufacturing plant – yet rely on a common set of bill of materials developed and controlled by the engineering facility.

They not only wanted visibility of costs (at standard) but wanted to view these costs , online, real time, and at the cost component level by material, labor, labor overhead, fringe overhead, material burden and subcontract. Additionally, given that they operate in a project based environment it was important to view these costs at both an item and item/project level.

Xtellus also wanted a contemporary, SaaS (Software as a Service) ERP system which insured that they could minimize their investment in an IT infrastructure – as well as be confident that they could enjoy ‘on demand’ access to the system globally from any of their ‘worldwide’ operations – at any time. They also wanted system functionality that would support their growth both now and in the future for many years to come.

The Solution

Xtellus chose Netsuite’s ERP with Rootstock’s integrated manufacturing functionality which was developed for Netsuite and integrated seamlessly within the Netsuite Core system.

Xtellus observed during product demonstrations, that this combined functionality could support the needs of a discrete, project based ‘build to order’, manufacturer but also recognized that it could also support a build to stock operation should

Xtellus migrate any of their manufacturing facilities from ‘project based’ to repetitive as product lines changed and became more standard and less custom.

The Implementation

Xtellus, migrating from their old software, has adopted a four phased approach to implementation. They went live in February,

2009 with Netsuite Accounting, Sales, Purchasing, General Inventory, Average Cost, CRM and Rootstock Item Master, Inventory Policies, Bills of Material and Commodity Codes. The assignment of Items and Bills of Material support a multi division environment using a 'Centralized Engineering' organization, with the manufacturing divisions located in New Jersey and South Korea and the Engineering Division located in Israel.

In the months of April and May of 2009, Xtellus then installed the Rootstock Revision Control, Purchase Order and Receiving Extensions. In June and July the Rootstock Cost Accounting, Project Inventory, Routings, Work Orders, Lot and Serial, and Shop Floor Control have been installed and implemented in the New Jersey facility. Standard Cost is now being used for Work Order valuation and the last module, Material Requirements Planning with Forecasting, will be implemented in 2009.

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>.