

Summary

SkinMedica, Inc. is focused on developing, acquiring and commercializing products that treat dermatologic conditions and diseases and improve the appearance of skin. They market and sell both prescription pharmaceutical products and physician-dispensed, non-prescription skin care products. The company has two wholly-owned subsidiaries: SkinMedica Pharmaceuticals, Inc., which markets prescription pharmaceutical products primarily to dermatologists, and SkinMedica Aesthetics, Inc., which markets non-prescription skin care products primarily to physicians who specialize in aesthetic procedures.

SkinMedica selected Tridea Partners to assist them in the implementation of an ERP system that would help them to manage the production and distribution of their products, as well as streamline the sales order processing function and the financial reporting for the parent and subsidiary entities.

Challenges

Fast and accurate processing of customer sales orders was one of the key concerns expressed by the management team. This meant finding efficient ways to address the challenges of: 1) allowing a mobile sales force to place orders while on the road with physicians located throughout the county; 2) ensuring the proper application of a dynamic schedule of marketing and sales promotions; and 3) meeting FDA regulations for direct dispense of pharmaceutical products.

It was also important to optimize the planning, handling, and tracking of inventory while complying with the FDA's Good Manufacturing Practices requirements, including the need to trace lot-controlled inventory from "cradle to grave", automate some of the functions of the inventory receiving / Quality Assurance, and protect against the use of either expired or not-yet released inventory.

Finally, even though the company is privately held, they wanted to begin introducing financial controls that are consistent with the Sarbanes-Oxley legislation, thereby ensuring very high standards of accountability and responsibility in financial reporting.

Solution

Tridea Partners worked with SkinMedica to implement Dynamics GP as an ERP system, along with a custom web-based sales order entry portal.

The order entry portal allows the sales force in the field to enter their own orders real-time, while SkinMedica retains the ability to enforce their many business rules related to sales & marketing promotions and FDA requirements at the time of order entry. This has resulted in a vastly streamlined and more accurate sales process.

By using Dynamics GP's Manufacturing Order Processing, Material Requirements Planning (MRP), and Inventory Control functions, SkinMedica's operations team has improved inventory planning and tracking functions, and has even provided the finance team with improved visibility into product costing as well.

SkinMedica also adopted the best practices associated with Dynamics GP's Requisition Management, Purchase Order Processing, and Payables Management modules, which allowed them to make substantial gains in their internal controls and segregation of duties related to the procurement processes, in accordance with their goal of improving accountability.