Acumatica
The Cloud ERP

Simplify Government and Industry Quality Compliance with Acumatica

A Solution Brief for Wholesale Distributors and Manufacturers

HOW MODERN ERP SOFTWARE PREPARES MANUFACTURERS AND DISTRIBUTORS FOR QUALITY AND COMPLIANCE REGULATIONS

Managing daily operations is not easy, and it is increasingly difficult with federal and industry compliance regulations. In fact, the National Association of Manufacturers (NAM) estimates that the manufacturing industry faces nearly 300,000 regulations and restrictions.[1] In addition, there are hundreds of thousands of equally disruptive requirements for the wholesale distribution industry.

Quality compliance regulations force manufacturers and distributors to complicate otherwise simple processes to lock down systems, audit processes, document changes, and make significant investments in training and systems to streamline the audit process.

Every business faces general regulations ranging from PCI credit card compliance to Sarbanes-Oxley (SOX) financial reporting requirements, IFRS/GAAP accounting principles, OSHA safety requirements, and more. These regulations are compounded with federal requirements enforced by government agencies such as the FDA and EPA and industry regulations in every supply chain sector.

This solution brief from Acumatica and eWorkplace Apps provides wholesale distributors and manufacturers with an overview of modern ERP features supporting quality and compliance initiatives. In addition, it gives a summary of standard quality requirements across industry segments with strategies to implement quality systems and steps to execute on quality software implementations.

QUALITY AND COMPLIANCE ERP SOFTWARE



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[1] *How Regulation Is Affecting the U.S. Manufacturing Industry*, February 2020.

COMPLIANCE OVERVIEW

Quality and Compliance Regulations

Global supply chains face six regulation categories—business and finance, information technology, industry compliance, labor regulations, trading partner requirements, and government regulations. In addition, government regulations span multiple industries with a high concentration in aerospace and defense, electronics, food, and chemical industries.

"Without the Acumatica framework, it would take twice as long to develop and test [FDA Drug Supply Chain Security Act] Pedigree; the platform is so powerful."

– CHARLES SNYDER, IT DIRECTOR, PROPHARMA DISTRIBUTION

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BUSINESS AND FINANCE

Sarbanes-Oxley (SOX) financial reporting, tax compliance, IFRS, and GAAP accounting standards, are common across businesses.

Acumatica supports GAAP and IFRS with Tax Management powered by Avalara. Acumatica completed SOC 1 and SOC 2 with annual audits.

INDUSTRY RESTRICTIONS

ISO is the leading quality standard across industry segments. Other industry regulations are provided by independent groups such as the Automotive Industry Action Group (AIAG), American National Standards Institute (ANSI), ASTM for materials, and SAE for automotive and aerospace.

Acumatica provides a framework to support many industry regulations with embedded wikis, user-defined workflows, and connected applications.

TRADING PARTNER COMPLIANCE

Customer and vendor quality restrictions include EDI for electronic document transmittal, labeling and packaging specifications, product quality standards, and other quality and compliance requirements.

Connected EDI apps, native labeling and packaging, and other features streamline partner compliance.

INFORMATION TECHNOLOGY

IT compliance includes PCI credit card regulations, US CAN-SPAM Act, General Data Protection Regulation (GDPR), and SOC, SSAE, and ISAE by the American Institute of Certified Public Accountants. Other regulations are FEDRAMP and ISO 27001.

Acumatica and the Amazon Web Services (AWS) platform are ISO 27001 accredited.

LABOR LAWS

Labor laws include Occupational Safety and Health Administration (OSHA) regulations, Health Insurance Portability and Accountability Act (HIPAA), Fair Labor Standards Act, workers' compensation, Family and Medical Leave Act (FMLA), and more.

Connect to HCM apps for skills and training with Acumatica Payroll for worker's compensation and union dues. HIPAA confidentiality is also supported.

GOVERNMENT REGULATIONS

Federal agencies such as the EPA, FDA, and others manage pollution control, fair marketing and advertising, and product safety.

Harness the power of connected applications and low-code and no-code customizations to create solutions for virtually any government requirement.



QUALITY MANAGEMENT APPLICATIONS

Connect Quality Data and Processes

Few ERP systems support every quality or compliance requirement. Legacy ERP apps may provide specific features for some quality regulations. However, legacy ERP software is often rigid and challenging to adapt to recent regulation changes. Modern applications like Acumatica provide an adaptable platform to tailor system workflows, secure data, and connect disparate applications for ever-changing regulations.

"Without the Acumatica suite, we would certainly not have gotten ISO certified . . . We framed our entire quality management framework around Acumatica . . ."

– NATHANIAL FAIRWEATHER, MANAGING DIRECTOR, TRIODE

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DOCUMENTATION

Acumatica wikis enable companies to document standard operating procedures, work instructions, safety protocols, and manage quality documentation requirements with embedded document management and role-based security with system audit logs.

Manage quality documentation with Acumatica wikis and embedded document management.

TRAINING

Acumatica's employee file provides custom attributes to manage skills and certifications. Use embedded CRM to create tasks for recertification and training. Connected apps are available for Human Capital Management.

Manage training with embedded CRM and connected applications.

ACCURACY

Barcoding, artificial intelligence with machine learning, and other technologies eliminate human error, improving accuracy. Connected apps capture quality test results.

Automate data collection and capture test results for improved data accuracy.

REPORTING

Connect ERP data and external data with flexible inquiries and live dashboards to evaluate vendor performance, machine downtime, and more. BI tools present data visually with notifications.

Connect data across platforms for real-time quality and compliance reporting.

SECURITY

Multiple levels of security protect the integrity of your data. Avoid cyber-attacks with the super-secure Acumatica platform. Built-in role-based security provides internal controls to limit access to information.

Protect systems and data with Acumatica's role-based security.

PROCESS CONTROL

Automate business processes eliminating data entry errors. Engineering change control and connected product lifecycle management apps track change requests with audit logs. Use the rules-based product configurator to establish standards for configured products.

Manage engineering changes, define product configurations, and manage quality traceability.

"Having a robust quality management system that works effectively across all our SKUs and can be managed all in one place, and provides a massively beneficial lot recall report, is an imperative for any growing company like ours. eWorkplace App's Quality Management Suite for Acumatica will be the backbone of our quality program . . . Seamless integration is an imperative. It makes it so all inventory movements are traceable, quality inputs happen at every process level and are documented. You can't do that on spreadsheets and with inventory tracking alone."

– ADAM LAPPE, QUALITY MANAGER, LAKANTO FOODS USA

Best-in-Class Quality Management Features

The combination of the people, processes, and software ensures quality and compliance in every organization. A best-in-class Quality Management System serves as the foundation for building a QMS environment that meets or exceeds expectations and requirements. Significant components of enterprise QMS applications include the following nine elements.

SECURITY & CONTROL

The system must have multiple levels of authority that control who can create, perform, and approved functions, edit records, and access quality data.

AQL / SAMPLING

The QMS application provides users with a flexible system to define sampling levels such as Acceptance Quality Limits (AQL). Further, evaluation results are based on severity level (major, medium, minor) and the result criteria (rigorous, moderate, flexible) with the end goal of supporting ISO 2859 / ANSI/ASQ Z1.4 and similar standards.

TRAINING & EDUCATION

The QMS system provides a framework to manage training and certification requirements for employees with controls to restrict access to specific tasks based on training levels.

TOOLING & EQUIPMENT

Users define tools used in the quality control process with details related to tool conditions such as calibration dates and certificates of calibration, and equipment status.

AUDIT LOGS

The QMS system enables users to define and control multiple audits for both data and processes to ensure compliance with quality standards. Audits must be flexible to accommodate systematic and manual processes.

NC & CAPA

QMS features support internal, customer, and vendor non-conformance (NC) and Corrective and Preventive Actions (CAPA) procedures to document steps for quality test failures and product disposition.

HEALTH & SAFETY

The QMS application provides tools to manage employee health and safety incidents with steps to mitigate, correct, and prevent future issues.

INSPECTION PLANS

The QMS application provides a flexible framework to develop inspection plans and checklists for all inventory or manufacturing transactions, such as inventory receipt of goods from vendors, warehouse transfers, material issues to production, and physical inventory activities.

TEST PLANS

QMS applications enable users to create test plans with flexible evaluation criteria using Boolean, alphanumeric, numeric, validated lists, and other evaluation methods against a predefined, expected result to ensure products fit and function.

STRATEGY

Strategies for Improved Compliance

STEP 1: FOUNDATION



Set the proper foundation for quality with a modern ERP application built from the ground up with open connectivity and native tools for process automation and control. What quality features are included in your current ERP application? Is there a module available that extends compliance capabilities? Consider upgrading or replacing your existing ERP software before any quality or compliance project. You may be surprised to find that new software versions provide features to simplify quality regulations.

"One of the best things about Acumatica is how customizable it is . . . We've also implemented different quality control sets and created dashboards."

– TAYLAN SEVIMLI, BUSINESS DEVELOPMENT MANAGER, TAYSE RUGS

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STEP 2: RESEARCH



Research and document quality and compliance technologies so you can prioritize activities. First, identify quality and compliance issues. Then, conduct a thorough business process review to identify processes that can be improved. Document quality and compliance capabilities in your current (or potential replacement) ERP system. How are these capabilities used in the system today? Start small and work on high-priority quality and compliance activities first. Then, contact your ERP partner to learn more about available modules, features, or third-party applications.

STEP 3: PRIORITIZE



Create a list of quality issues and rank each one based on cost and potential benefit. Look for ways to get more out of your current applications first. Be mindful of cost. Further, many advanced regulatory requirements may push you into expensive and unnecessary quality management systems or intrusive customizations. Review previously completed quality projects to find ways to improve processes by tweaking setups or configurations. In addition, stay current with updates as new releases may provide features that can improve existing processes or open up new opportunities for improved quality and compliance management.

STEP 4: DEVELOP A PLAN



Develop a plan that defines the desired goal, supporting technologies, and a timeline and process for conducting the quality system implementation from start to finish. Document the current state of quality and compliance projects and initiatives beforehand so you have a benchmark to use as a measure of your success. You may not have a start date for the quality project, but you can develop the detailed phases and timeframes to complete each step in the process. Define contingency plans in case you run into technical issues.



EXECUTION

Quality System Implementations

It is time to execute the quality and compliance project. Remember that you do not have to tackle everything at once, and it is easier to start with simple requirements first.

PHASE ONE: PREPARATION



The time it takes to prepare will depend on the project's complexity, technologies, and scope of changes. Preparation should start well in advance of your desired go-live date. It should include a review of the project plan with everyone involved in the process. Set the start date for the project and assign dates to each step. Consider the contingency plan to ensure there is a process in case something goes wrong. Notify participants of timelines and their roles and responsibilities. A conference room pilot (CRP) improves success rates dramatically.

Replace with this: "We are able to upload all our COAs (certificates of analysis), our microbial tests, and quality tests, and if we're audited and someone wants to know what happened in April, we're able to pull a PDF. The quality department always tells me how much easier it is now."

– DUSTIN DICKERSON, ERP ANALYST, cbdMD

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PHASE TWO: GO-LIVE DAY



Identify one person as the project lead to delegate tasks to team members and guide the entire project. Last-minute changes inevitably happen along the way. Document project changes so you can revisit go-live plan deviations down the road.

PHASE THREE: REVIEW



Give users time to adapt to new processes while providing time to collect data. Review the go-live notes for last-minute changes. Talk to users about new techniques and technologies. What do they like? What do they dislike? Do they feel they are beneficial? You will find that users have some of the best ideas if you take the time to ask them. Review the early results. Were you able to meet or exceed your goals? Continue monitoring results and create dashboards and reports to improve quality and compliance data for ongoing analysis.

PHASE FOUR: CONTINUOUS IMPROVEMENT

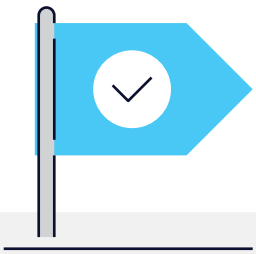


Stay current on the latest updates of your ERP and QMS software. Set up a sandbox for testing upgrades. Review product road maps and understand technology lifecycles. Look for ways to use existing features to improve processes and automation further. Stay informed of quality and compliance changes. Know what's coming and create plans to address changes to remain in compliance.

Quality Compliance Simplified with Acumatica and eWorkplace Apps

There are hundreds of thousands of quality and compliance regulations impacting wholesale distributors and manufacturers. Businesses using legacy, on-premise ERP applications or entry-level accounting applications struggle with disconnected processes and manual workarounds. Conversely, companies with modern, cloud-based ERP applications have the tools they need to stay ahead of ever-changing rules and regulations.

Acumatica, combined with eWorkplace Apps Quality Management System (QMS), provides a modern business framework to comply with the most comprehensive regulations. Empower employees with tools to document quality initiatives, manage employee training, improve accuracy, and control system and data security. Tailor process controls and develop meaningful quality and compliance reports with key performance indicators on real-time dashboards with mobility and drill-downs to source transactions.



"We chose Acumatica because we wanted to have a partner that was willing to understand the complexity of the cannabis industry."

– CHRISTY REIMANN, COO
CRAFT, DENVER, CO

ABOUT EWORKPLACE APPS

Exclusively focused on the Acumatica platform, eWorkplace Apps provides industry-specific products, integrations, extensions, consulting services, and training that address the end-to-end business needs of discrete and process manufacturers and distributors. Our flagship products include Quality Management and Process Manufacturing for Acumatica. eWorkplace Apps is a spinoff of BatchMaster Software, a 30-year global market leader in manufacturing software. Based in Irvine, CA, eWorkplace Apps is comprised of over 30 Acumatica developers, implementation consultants, and analysts with deep industry expertise to help optimize your business on the Acumatica platform. Learn more at www.eworkplaceapps.com.

Acumatica
The Cloud ERP

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on LinkedIn.