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Portola Packaging

Leading Manufacturer Builds Real-Time Framework and Gains Significant Control Over Operations and Major Inventory Reductions

Who: Portola Packaging is one of the largest designers, manufacturers and marketer of tamper-evident plastic closures, plastic containers, and related equipment and engineering services for the Dairy, Juice and Food industries. Now with a recent acquisition, Portola is also a leading supplier of plastic closures and jars, and high-impact decoration to the Cosmetic, Fragrance and Toiletries markets. www.portpack.com.

Location: Headquartered in San Jose, California

Business Problem: Due to an excess of manufacturing capacity brought on by the slow economy, Portola needed to improve tracking and control of its manufacturing and warehouse operations as well as streamline its financial and customer service operations to gain an advantage.

Solution: In 2002, Portola turned to Glovia's extended ERP solution, glovia.com, to provide a robust, proven solution to deliver accurate, up-to-date information, streamline financial operations and improve customer service.

Benefit: Since implementing Glovia, Portola has reduced inventory as much as 50 percent, improved the closing time on accounting books from ten to seven days and offered their customers enhanced 24 hour customer service via the web.



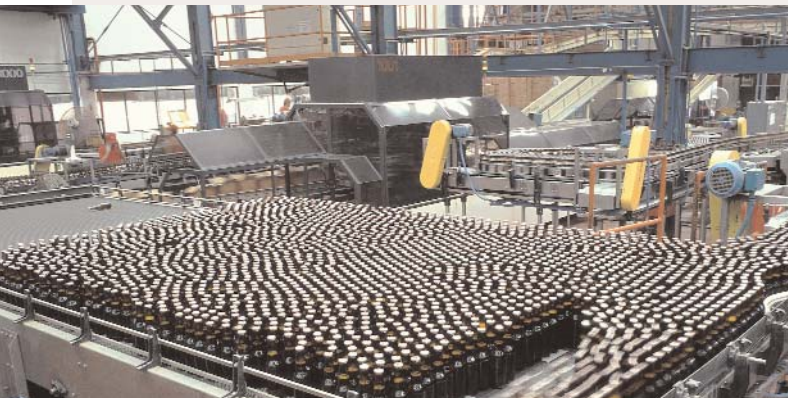
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Chances are, when you poured your orange juice this morning or sipped bottled water at lunch, that you were handling products manufactured by Portola Packaging.

Portola is the largest U.S. manufacturer of plastic, tamper-evident closures for non-carbonated beverages—think snap caps on milk bottles, pull-ring caps on orange juice cartons and pop-up sports caps on water bottles. Portola also produces plastic bottles and filling and capping equipment for bottling lines. The San Jose, Calif.-based company operates eight manufacturing plants in the United States and seven others in the United Kingdom, Canada, Mexico and China.

Over the past several years, Portola, like virtually every other company, has felt the effects of the soft economy. The beverage industry is highly competitive even in the best of times and is now in ultra-competitive mode, thanks to a glut of manufacturing capacity brought by the slowed economy.

Significant consolidation of industry customers has further exacerbated the situation. As a result, pricing pressures within the beverage packaging industry have never been greater.



To stay ahead of its competitors in this unforgiving environment, Portola CIO Ara Chakrabarti says Portola management must make sound business decisions quickly, based on accurate, up-to-date information.

Migration To glovia.com

In 2002, Portola migrated to Glovia's latest ERP solution, glovia.com. Portola is currently running the application in its U.S., Canada and U.K. operations, and is implementing it in its Mexico facility. glovia.com, designed to support companies that employ mixed-mode manufacturing (engineer-to-order to ultra-repetitive) offers project/contract management and service management capabilities plus integrated financial, business intelligence and customer relationship management tools. Portola employees can access the application from any location equipped with a browser and Internet connection.

“When we began using Glovia ERP, we were at 16 days worth of finished goods inventory in that warehouse — about \$1.1 million in goods. Three months later we were at eight days, or about \$500,000 in product.”

Dennis Berg, CFO

Thanks to glovia.com's capabilities, Portola is achieving “significant control” over its operations, says Chakrabarti. He points to a key early success: the application in its U.K. operation has allowed a major increase in data accuracy. Information on manufacturing activity or inventory movement at the U.K. location is now automatically captured via a bar code system and handheld RF terminals. Data entry errors are rare. “We've gained tighter control over that operation,” says Chakrabarti.

In particular, Portola CFO Dennis Berg notes that this increased accuracy and efficiency has let Portola considerably reduce the inventory kept in the U.K. warehouse at any given time. “When we began using glovia.com, we were at 16 days worth of finished goods inventory in that warehouse—about \$1.1 million in goods. Three months later we were at eight days, or about \$500,000 in product.”

“Push-Button Financials”

glovia.com capabilities also have permitted Portola to streamline its financials operations significantly. Portola, using the glovia.com Financials solution, today produces web-accessible financial reports from a single, unified database.

Before, the company generated multiple spreadsheets from various databases and then consolidated these into final financial reports. This time- and labor-intensive process led to inconsistencies and errors.

The time savings that accrue from the way Portola currently handles financial reporting, dubbed the “push-button financials system,” are also impressive.

“When we first implemented the new system,” Berg says, “we were closing our books on a 10-day cycle. We are continuing to improve our closing cycle and are now down to seven days, and I don’t see any reason why we can’t achieve a five-day closing cycle in the next few months. We may even be able to do better than that over time, going to a three-day closing cycle.”

With the more accurate, timely and richer information that Portola is gathering through glovia.com, company management has become more proactive and rapid in its decision-making.

“We are seeing the latest company data in real-time,” says Chakrabarti, “and we are more confident now when we make decisions.”

Operational updates, accessible via Portola’s Intranet, are now generated several times each day for company executives. Before Portola implemented glovia.com, these reports typically were generated just once a week, sometimes even less.

B2B Framework: Integrated, Seamless, Real-Time

On the online ordering side, glovia.com handles the complex pricing, delivery and scheduling issues inherent in the business-to-business (B2B) environment.

Glovia also offers Portola customers a shopping cart-style interface that speeds and simplifies the order entry process. The solution allows new orders to be built based upon previous orders, which minimizes mistakes and cuts data entry time. Product availability is automatically verified, credit checking is handled through a seamless integration with the accounts receivable ledger, and the solution instantly generates an order number at the time an order is processed.

“What the Glovia solution has let us do is build an integrated, seamless, real-time business-to-business framework,”
Ara Chakrabarti, CIO

On the customer service side, glovia.com lets Portola reach out to its customers in a highly visible way: via the web, these individuals can access a “customer-centric information source” 24 hours a day. Customers can



monitor and update order status, track deliveries, review and alter account profiles, and access Portola product catalogs—all in real-time. Portola has even found that this improvement in customer service comes with another benefit—company employees now spend less time

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answering customer inquiries on the phone or via email. "What the Glovia solution has let us do is build an integrated, seamless, real-time business-to-business (B2B) framework," says Chakrabarti. "We are always working in real-time, with the most current information."

A Smooth Move

New software implementations, even for a small application, can disrupt a company's operations. A major application deployment, such as an ERP solution, can shut down a company—if the implementation isn't handled skillfully.

In Portola's case, the migration to glovia.com proceeded smoothly. Chakrabarti credits this to Portola and Glovia working "hand in glove" to ensure a positive transition. "Because the migration was so well planned, we did not experience any stoppages," he says. "Throughout, we kept serving our customers: receiving orders, manufacturing product, shipping and billing."

Says Dennis Berg: "We were especially pleased with Glovia's people and the work they did for us. They made sure our employees were well trained so that when it was time for us to go live, we were ready."

"Over the years, I've witnessed other migrations," Berg adds. "Given all of the complications occurring in those, Portola's migration to Glovia ERP basically went off smoothly."



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