

# CASE STUDY

CLIENT:	Maddison Safety Ptd Ltd
INDUSTRY:	Manufacturing, Distribution, Mining Services
LOCATION:	Australia
PRODUCT SUITE:	EXO Business
MYOB ENTERPRISE PARTNER:	Indivia Pty Ltd

With EXO on board, safety goggles distributor Maddison gets a much clearer view of how the business is doing.

## Overview

Originally from Lake Macquarie, Maddison Safety is a leading supplier and manufacturer of personal protection equipment (PPE) and safety products for the mining industry.

The business started with just two people in a small back office. Today, there are 30 employees based in a custom-built building in Cardiff, NSW, serving customers right around Australia and overseas.

Despite such success, there can be a downside to this sort of growth. With increased volumes, internal systems often end up swamped and inefficiencies start creeping in. Not so long ago, Maddison were in danger of letting that happen.

## Committee for change

In 2006, the company were using a local-grown piece of software to handle job tracking, sales orders and their various financial reporting needs. To start with, it suited them just fine.

"Suddenly," according to General Manager Tim Maddison, "we found ourselves having to do a lot

of additional manual work in Excel to stay on top of things, and we realised the functionality we needed just wasn't there".

What Maddison were looking for, in particular, was the ability to create comprehensive bills of materials. They also wanted a system that wasn't going to render itself obsolete if they continued to expand the way they had been doing.

"We knew this was a really important decision," says Maddison, "so we formed a committee to work out exactly what we'd need from a system across the main three areas of our business: importing, distributing and manufacturing".

With a list of requirements in place, they set about evaluating potential replacement systems – starting with Pacsoft.

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## Choosing a replacement

According to Maddison, he first saw PacSoft in action while picking up some timber for a mate.

“The owner of the hardware store was creating a bill of materials and I thought this could be what we’re looking for. In the end, we realised it was probably a bit too retail-biased for us. But it was an interesting system.”

There was a lot to like about Microsoft Dynamics too, according to the Maddison GM, but two things really let it down – one was the price; the other was the time it took them to get back to him.

“I just thought if that’s how long it takes them to respond to a sales query, how long am I going to have to wait for support?”

Then somebody recommended they look at MYOB EXO.

## Real time data from vending machines

After contacting MYOB, Maddison were put in touch with local partner Indivia – who were quick to come out and demonstrate the system.

“Comparing it against our list of requirements,” says Maddison, “EXO’s standard out-of-the-box functionality alone ticked about 90% of our boxes. But the really interesting thing about EXO is its ability to be customised. That, Indivia explained, would take care of the remaining 10%.”

One such customisation allows Maddison to see how much stock is being sold in vending machines around the country. And it’s a real time saver.

“About 18 months ago, we started selling our PPE products out of vending machines.

“Now, if guys need a new pair of safety glasses or gloves while they’re on-site they can get them out of a machine, just like buying a coke.”

The clever bit, however, is the integration between these machines and EXO.

“We’ve got a little bit of software,” says Maddison, “which knows how much stock is available in the machines at any one time. This information is then automatically relayed to EXO, which updates stock levels and automatically raises invoices for the mining site.”

## Pushing through the chaos

This integration was handled expertly by Indivia, who were helpful throughout – according to Maddison.

“Probably the biggest piece of advice they offered us was right back in the beginning,” he says, “which was to appoint somebody within the business to be system champion.

“They were right. It definitely helped keep the installation on track, even if it did add to my workload!”

According to Maddison, 2012 was the company’s biggest year ever. With hindsight, he believes it was maybe a little ambitious to attempt such a large project when they did.

“If we were to do anything like this again, I think we would wait until the quieter months. We’d put the trial system in around the start of December, spend a couple of months getting up to speed and then go live after that.

“That said, everything has settled down now – and everyone’s very glad the system’s in place.”

## Immediate benefits

Over the past few months, Maddison has had time to reflect on what EXO means to the business.

“It’s a little early to quantify improvements in terms of dollar savings. EXO’s certainly good value. I mean, compared with our second choice system – Pronto – it was about \$60,000 cheaper to install.

“Much more noticeable is what we’ve gained. We’ve now got visibility over the footprint of our business and a better understanding of where we sit in the industries and markets we serve.”

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Maddison says they can see straight away who their debtors are, what industry those companies come from and what region they're based in.

"Before EXO, I might have thought mining made up about 60% of our business – but that was guess work. Now, just by putting debtors into groups, I can see that the true figure is perhaps closer to 80%."

It's the same with creditors. Maddison can put these companies into different groups and see immediately where they're selling most of their manufacturing gear.

"It's fascinating to be able to look at a pie chart and know where most of our business is coming from," he says.

## Full control of the business

Ultimately, concludes Maddison, EXO is about control.

"Our old system gave us control over maybe three quarters of the business. The shortfall was made up manually. With EXO, we can control every aspect of our business, and still have plenty of headroom to grow into.

"That," he says, "is great for a growing business like ours".



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