

CASE STUDY

CLIENT:	Pneutech
INDUSTRY:	Wholesaling
LOCATION:	Australia
PRODUCT SUITE:	EXO Business
MYOB ENTERPRISE PARTNER:	Exoserv

Streamlining processes with MYOB Enterprise Solutions helps Victorian distributor function better as a business.

Overview

Based in Ringwood, near Melbourne, Pneutech is an Australian owned and operated company that prides itself in providing a competitive, quality service.

As a leading supplier and distributor of solenoid valves, pneumatic cylinders, air clutches, brakes and hydraulic shock absorbers, Pneutech's technologically advanced products are in demand across Australia – and further afield. But the pressure to stay competitive means coming up with increasingly creative, flexible solutions for customers.

In recent years, exponential growth has forced Pneutech to streamline its processes. But without a comprehensive system capable of giving them better visibility across all areas of the business, that has been difficult.

Taking it easy

For the best part of 20 years, Pneutech did have a system of sorts in place. But being DOS based, its configurability was limited. According to Damian Smith, the company's managing director, the system wasn't being used for payroll or profit and loss either.

"We were really just using DacEasy as a sales tool," he says – "looking at debtors and creditors, pricing, customer history – that sort of thing".

"There was an inventory module of sorts," Smith adds, "which was capable of spitting out delivery dockets. But we never really used it properly. In fact we were still writing out dockets by hand until quite recently".

Despite its old school interface, DacEasy did have one significant thing going for it – its support.

"It was second to none," says Smith – "that's why we hung on to it for so long".

"The only problem," he adds, "is that our tech support guy wasn't getting any younger. Without him, the system just wouldn't have been supported and that would have forced us to make a very sudden decision – something we didn't want to have to do".

So Pneutech started looking for a replacement.

A new product with shelf life

Smith says Pneutech considered a number of systems, and came close to settling on several. But in the end, they chose MYOB EXO for Business "because of the way it was sold".

"We wanted a product that would be around for a good few years and was well-supported. With EXO, we got the feeling we were getting onboard at the beginning of its life, but not so early it was still in

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nappies,” he says.

SQL was another selling point.

“EXO was written using SQL from the ground up – not just written out of the top of the existing operating system, like other products out there. And that gave us confidence that it was something that would grow with us as an organisation – and not become obsolete too soon,” Smith says.

Playing all the way to go live

Pneutech approached Melbourne-based EXO-specialist Exoserv for help installing and customising EXO. Almost immediately, they knew they were in safe hands.

“The great thing about EXO is that you don’t have to be particularly computer-literate to understand what’s going on. But any new system install is a big deal. So to have guys like Andy Ford and his team at Exoserv go out of their way to make sure all things were clear to all people was a great comfort,” says Smith.

Central to Exoserv’s approach is their Playstation – a test environment that gives companies the opportunity to experience EXO using real data, but in a non live setting.

“We’re not good at doing things just for fun,” says Smith – “but it was important to spend those hours playing with EXO to see what we did and didn’t like about it, and find out where we needed it customised”.

The Playstation also allowed Pneutech to continue to use DacEasy right up to the point they were ready to go live – at which point the changeover was little more than a case of switching one off and the other on.

Better clarity

One of the major pieces of functionality Pneutech wanted to implement with the introduction of EXO was formal stock control.

“A lot of businesses out there using book keeping software perhaps don’t realise it’s possible to implement stock control and accurate import costing without spending a fortune. We certainly didn’t,” says Smith.

“In the past, we’d get something in from the States and know the rough percentages of purchase price to cost. But we never worried too much about being accurate down to the nearest dollar or cent. We’d just counter any potential inaccuracies by leaving, say, 50 grand in the bank.”

With EXO however, Pneutech can get accurate costs down to the nearest cent.

EXO gives Pneutech visibility on many other areas of the business too. And according to Smith, what’s really helped in that respect is Clarity – the EXO reporting tool that Andy and the team at Exoserv use to simplify the process of customising reports.

“I’m pretty sure we’ve doctored all the reports we use now,” he says – “particularly the sales reports. We can basically split sales up in any way we choose – by product, category, supplier or staff – so we can see exactly who and what is most profitable.

“We can even see whether a particular item is being sold more individually, or as part of an assembled item,” Smith adds.

Feeling the benefits across the business

Several months down the line, Pneutech staff have adapted well to the new system.

“There have been a few hiccups of course,” says Smith, “but many of those are down to us getting to grips with a Windows-based system after so many years using DOS”.

“It’s not been a hard sell internally,” he adds – “the advantages are there for all to see. End of month used to take hours, and it drove the girls in the office mad. Now it’s little more than a key stroke – as is end of year come to that”.

“It helps being able to assign different levels of accessibility to different staff too. It means we’ve been able to open up the entire system to everybody.”

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Keeping check 24/7

Smith says that they probably only use 10% of EXO's total capability at Pneutech. But even at that level, they can make better strategic decisions on what they're doing and where they're going as a company.

"We keep the EXO management report function open all day every day – as a kind of running report on daily activity," he says.

"Almost at a glance, we can see what we've invoiced today, or for the month. We can identify margins that are too low too – using our margin mistake tool [which triggers an alarm if a product goes out with a margin of less than a given percentage]. And at a click of the mouse, we can see how much cash is tied up in stock on the shelf."

EXO also allows Pneutech to split up debtors and creditors into one, two or three month pie graphs and calculates average days to pay.

Probably the best words to describe EXO's benefit are accuracy and visibility, considers Smith – "accuracy you can rely on – and visibility on an ongoing basis rather than one big chunk at the end".

Streamlining for success

Summing up Exoserv, Smith says he couldn't recommend them more highly.

"When we first met them, they were clearly doing well. And in the wake of such exponential growth, we were concerned they might start leaving clients behind. But to their credit, they employed more consultants and support people and made sure they had the resources available to service clients old and new."

"We've always felt looked after – and that's so important for a small business like ours. Maybe it's more emotional than anything, but feeling comfortable with your suppliers or support really matters," Smith adds.

"I think we probably thought in the beginning that we wouldn't really use EXO – at least not to its full

capacity. But if somebody told me now that they were going to take it away tomorrow, gee would that cause a problem!"

Smith says it's hard to attribute an actual cost saving to EXO in terms of reduced time spent handwriting delivery dockets or invoices.

"I suppose we've been able to get rid of a couple of grand's worth of stock sitting around on the shelves. But what EXO's really allowed us to do is streamline processes – and that means we can function better as a business," he concludes.

Client and Enterprise partner details

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