

CASE STUDY

CLIENT:	Global Welding supplies
INDUSTRY:	Wholesale Industry/Construction & Trades
LOCATION:	Australia
PRODUCT SUITE:	EXO Business
MYOB ENTERPRISE PARTNER:	Momentum

Welding supplies business finds a way to improve visibility and accountability across multiple branches.

Overview

Global Welding Supplies (GWS) is one of the leading suppliers of welding and cutting consumables and equipment in Australia, servicing the construction, mining, heavy fabrication, engineering and sheet metal industries.

The business has grown rapidly. Founded in 2003, it now has seven branches in this country, an international client base and a new venture in Mongolia. But with expansion comes a huge increase in data, and that, until recently, was restricting visibility across the business and threatening to cripple progress.

Straining under pressure

For five years or so, GWS had been using MYOB Premier.

"We loved it," says Managing Director Glenn Betts.

"It was easy to use, we could reconcile inventory on prior periods and it had a great cash flow report. Perhaps best of all," he adds, "most new staff that joined us had already come across Premier before – so there was no need to train them up".

Unfortunately, Premier's popularity was also its downfall.

"We carried on using it longer than we probably should have," says Betts, "by which time there were 30 people needing access. Premier just isn't designed to handle that sort of volume of users, and it began to slow down."

There were other niggles. GWS needed more complex inventory control. They wanted to be able to divide stock across branches too.

So in the end there was little choice but to look for a new system.

Weighing things up

GWS considered several possibilities.

"On the face of it, we considered a few major players in the market, one in particular looked like it had a good product," says Betts, "until we realised that you never own the licences outright. Stop paying and you don't have a system – plain and simple.

"There was another large provider which was a contender too, but it was just too expensive to ever really be viable."

By chance, Betts happened to spot an advertisement for MYOB EXO in the Qantas in-flight magazine. He rang MYOB for more information and they put him in touch with local implementation partner, Momentum.

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The right fit

On paper, EXO seemed like a good fit for GWS, according to Betts. It is affordable, it's capable of managing inventory – and it can be used across locations, which is ideal for GWS' seven branches.

"It's also got the backing of a reputable company," adds Betts.

But it was the demonstration by Momentum that really convinced GWS of the advantages of using EXO.

"Al [Emery, Managing Director at Momentum] and Bryan [Jaynes] really made us feel comfortable from the outset," says Betts.

That, according to Emery, is what it's all about.

"An implementation like this is a big investment, so it's important the business you're pitching to understands exactly what it is they're getting for their money.

"Sometimes, as was the case with GWS," Emery continues, "not everybody is convinced of the benefits. That's why we do everything we can to put people at ease, including visiting them in separate locations."

Setting up the trial

After conducting interviews to assess GWS' key needs and pain points, Momentum built a trial database and used it to train staff in classroom style sessions. They also supplied preconfigured laptops for GWS to develop their hands-on knowledge of the new system.

EXO was launched on 1 May 2009, with Premier running in parallel until the end of the month.

Getting familiar

Betts reckons it took staff about 6 months to feel confident using the new system.

"Some staff were unhappy about the change, but that was more to do with not wanting to get to grips with a new system, rather taking issue with EXO itself.

"Really, Momentum did everything possible to make sure we felt at ease with EXO, and they've continued to be helpful to this day."

"It's a two way thing," adds Emery.

"Glenn saw the big picture – and the need for change. His commitment really kept everyone on track."

First impressions

Asked about first impressions, Betts says he doesn't know how they lived without EXO.

"EXO has improved our managerial visibility no end, particularly from an inventory point of view. It's made us realise just how little we knew what was going on with our stock before.

"We still get things wrong, but that's down to human error more than anything.

"Costs are clearer too," says Betts, "though I think we're really only scratching the surface in terms of what EXO could tell us there. Give us another couple of years and I think we'll be able to get some great results."

Clear improvements

Three distinct areas of improvement are:

More efficiency – historically, GWS has had to update the system seven times (once for each branch) every time there's been a change to a price or a product. Now, the update only has to be made once and it's reflected across the business.

Distinct pricing – historically, special pricing was recorded in manual files and had to be checked every time an order was placed. Now, prices can be applied to specific customers automatically.

Easier purchasing – historically, this used to be done using a manual requisition form. Now, a central purchasing process is run once a day using EXO's *forecast purchase orders*.

The ability to expand – despite being based in Australia, GWS are now using EXO for a new business venture in Mongolia, running off servers in Townsville.

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Accountability for the future

“Comparing Premier and EXO is like comparing chalk and cheese,” says Betts.

“It doesn’t pay to keep lining them up against each other because they’re designed for businesses at different stages in their development.

“The important thing now is that we have accountability. And that means we’re in a position where we can keep improving to build a sustainable business for the future.”



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