

MYOB Advanced Business

Client Vadacom | Location New Zealand Product MYOB Advanced Business | Industry Communications



Cloud brings clear skies for Vadacom

Founded in 2005, Vadacom provides phone system technology to over 500 workplaces across New Zealand and Australia. Since 2013 its growth has been 40% compounding year on year.

Vadacom has strategic relationships with a number of telcos and ISPs. Its clients include Honda, Glidepath, The New Zealand Financial Markets Authority and the Controller & Auditor-General as well as contact centres including Colmar Brunton and Earthcare Environment / Green Fingers. It also works with the NZ government state-owned enterprise Kordia, a business communications specialist, which sells Vadacom's products to the SME sector.

"Our competitors are mostly large US-based companies that don't know the local market the way we do," says Vadacom's CEO, Aaron Ridgway. "We market a very, very easy-to-use user interface called Buddy that provides SME customers with much of the functionality that they'd otherwise have to spend a lot more money on to get a locally distributed, US-vendored solution.

"The key is that we're New Zealand-owned and operated, so we understand the local business needs and are able to offer more cost-effective solutions."

Problem

Managing multiple revenue streams

The need for better reporting, control of diverse revenue streams, inventory management issues and system accessibility led Vadacom to seek a new, cloud-based business system – MYOB Advanced.

"We'd been using a simple system: MYOB AccountRight," explains Financial Controller, Lena Ostrovsky. "We couldn't do deferred revenue, for instance. We offer support services that can be paid for in advance over 36 months, and we wanted to be able to allocate the money received over that period."

Other Vadacom customers opt for support payments on a monthly or ad hoc basis. With installation and hardware costs added to the mix, along with a range of cloud licence options, and sales from direct sellers and resellers, that's a sizable list of revenue streams that were becoming increasingly time-consuming to manage.

Solution

"We'd been using a simple system that couldn't do things like deferred revenue."

A better view, company-wide

Reporting capability in the legacy system was too basic for a company experiencing rapid growth.

"We have all these departments: administration, installation, service, sales and R&D," Ostrovsky says. "We needed to properly assess each department's performance, as well as comparing our direct sales with those of the resellers. We can do all that now with Advanced, to assess the profitability of each department, and can also assess the performance of each of our sales staff."

Stock control was another major issue for Vadacom. It kept finding at year-end stock-taking that items had been taken out and not accounted for.

“We may hold several hundred items at any time, ranging from small parts like headsets and switches up to phones and associated hardware,” says Ostrovsky. “Previously, someone could go into the stockroom, grab a couple of phones for a project and not tell Accounts, so we couldn’t be sure whether the items had actually been paid for.

“Now, using Advanced, serial numbers on items can be scanned before they’re taken out of the stockroom, which has been a major improvement for stock control.”

“With Advanced, we can properly assess each department’s performance.”

Outcome

A better view for the future

Another benefit delivered by Advanced is the ability to track work in progress. The hours spent on a project are entered as a WIP, which is turned into an installation cost.

“We’re able to look at projects and see what costs were incurred: commission, hardware, labour etc. versus what was made on the project, which is great,” says Ostrovsky.

“With MYOB Advanced we have a better view of our business because of the detailed reports it provides.”

“MYOB Advanced is a robust accounting platform that is world class that fits us now and will fit our plans for our future journey,” Ridgway concludes.

“With MYOB Advanced we have a better view of our business.”

Before	After
+ A tough job managing diverse revenue streams.	+ All income streams are transparent.
+ Lack of visibility across multiple departments.	+ Performance of each department and individual is easily monitored.
+ Difficulty tracking stock for invoicing.	+ Stock serial numbers are tracked.
+ Problems with remote access.	+ Cloud access streamlines timesheets and expenses claims.