MYOB Advanced

Client Residentia Group | **Location** Australia
Product MYOB Advanced | **Industry** Wholesale & Distribution

Residentia

MYOB finds a happy home with wholesaler

Residentia Group is a leading supplier of electrical appliances to retailers throughout Australia, including Bing Lee, Betta Electrical and Buyrite Group.

It's carved out a strong position in the marketplace; its turnover tripled in its second year of existence, and has doubled in successive years since.

"Our competitive advantages are a low-overhead business model and a good product range across the price spectrum," says Co-founder and Director, Nathan Cary. "We have two of our own product brands and have exclusive distribution rights for two of Europe's largest brands, Teka and Elica."

MYOB Advanced was Residentia's choice when it wanted to upgrade to a full ERP solution.

Problem

System slowing the business down

Residentia started out with a user-friendly, Cloud-based system. Xero handled the financial management and an add-on called Unleashed controlled the inventory.

"It was good for us at the time," Nathan recalls. "There was a certain amount of automation for month-end processes and third-party apps could connect easily to it."

However, Residentia's rapid growth soon overtook the system's capabilities.

"Xero's performance in terms of speed was really slowing down at peak times," says Nathan. "For instance, we might want to process about 500 invoices all at once and it couldn't cope. Also there was a discrepancy in the way that Unleashed and Xero valued stock – each system would deliver a different figure."

The discrepancies between Finance and Inventory meant staff were often working outside the system on spreadsheets. Residentia's warehouses nationwide are managed by a third-party logistics firm, and handling orders via email brought the risk of errors, which might not be detected for some weeks.

Payment reconciliations were another laborious task and some of Residentia's larger customers wanted it to switch to EDI trading – a difficult prospect with those separate systems.

"We felt it would start to affect our competitiveness moving forward," Nathan says. "We wanted to be at the forefront of EDI, we wanted to be easy to deal with and we didn't want to have to employ more staff."

"We wanted to be at the forefront of EDI."

Solution

Integrated ERP in the Cloud

Residentia brought in a systems consultant to review its ERP requirements. It wanted to continue with a Cloud-based system, to avoid infrastructure costs. Microsoft Dynamics NAV and SAP Business One were both considered and SAP was close to getting the nod before the MYOB Partner suggested MYOB Advanced.

"It ticked more boxes for us than any of the other systems we looked at, being a true Cloud-based system that was already set up for Australian payroll," says Nathan. "We could also see that it had the capacity to handle future growth."

Netstock was added for inventory optimisation and the B2B Gateway for EDI and electronic communication with customers and the 3PL partner.

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Outcome

Electronic trading delivers major efficiencies

Residentia's customers and suppliers are now connected electronically. Automation of processes brings major savings in time and paperwork; statements can be set up to run automatically and formatted to suit each customer.

"That EDI integration is a huge benefit for us," Nathan says. "Netstock is another big positive for inventory management because we're truly able to forecast our requirements and see where we've got too much stock."

"As Netstock automatically creates the ideal model inventory profile for every item at every location, it highlighted for Residentia where they were holding too much stock and where they were likely to stockout," says Netstock CEO, Andy Hiscox. "Going forward, every future recommended order will drive the inventory towards these models, thereby ensuring the lowest possible inventory for the highest possible fill rate."

Advanced's reporting capabilities deliver live information for a proper view of the supply chain, customisable for individual needs.

"The data visibility is vastly better and the graphic displays are very helpful," says Nathan.

The Cloud-based system is accessible from anywhere and a mobility application is a big time-saver for the back-office, allowing sales reps to file their expenses claims remotely. Advanced's total integration also enables smooth handling of foreign currency transactions.

Residentia doesn't stand still; it has plans to expand into the New Zealand and UK markets, and is looking to establish a sourcing office in Asia. Advanced's ability to handle multiple businesses and branches will bring further benefits as the business continues to grow.

"Replicating our business model in other countries will be our biggest challenge," Nathan concludes.

"Advanced is positioning us to continue our trajectory of growth and we like to think it's keeping us ahead of our competitors in terms of how our customers can deal with us. We're really excited about the future."

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Before	After
+ System slow at crucial times	+ Manual processes automated
+ Too much manual labour	+ Inventory control streamlined
+ Limited stock visibility	+ EDI implemented
+ Errors in orders	+ Live data for everyone
+ Pressure to adopt electronic trading	+ Cloud system accessible anywhere

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