CASE STUDY

CLIENT:	Swing Gifts
INDUSTRY:	Wholesaling
LOCATION:	Australia
PRODUCT SUITE:	EXO Business
MYOB ENTERPRISE PARTNER:	Oxygen Express

MYOB's EXO helps Swing Gifts plan the optimal route through the sales order process.

Overview

Swing Gifts is an importer and wholesaler of gifts and home wares, and a leader in the Christmas décor field.

Established in 1975 in Victoria, the company now has over thirty staff in Australia with offices in all but two states, and imports over 2000 product lines from across Asia.

After enjoying double digit growth in the late 1990s, Swing Gifts is looking to consolidate its market leading positions. It sees improved stock management and the streamlining of its sales order process as a key factor in that.

DOS legacy

For a decade or more, Swing Gifts had been using a DOS-based accounting system for its general ledger, sales order and financial reporting needs. And for much of that time, according to Swing Gifts MD Andrew Irving, the system was exactly what they needed.

"Compared with many systems available today," he says, "it was very cheap to maintain and virtually unbreakable". But it had its limitations.

By early 2002 Swing Gifts was distributing more than 2,000 product lines to over 2,500 stores across Australia. Manually inputting all that data was becoming labour-intensive.

The age of the system also prevented it from easily being integrated with more modern warehouse management tools, such as palm pilot bar code readers.

Choosing to upgrade: first attempt

Choosing to move on from its existing set-up wasn't an easy decision. But in 2003 Swing Gifts took the plunge and upgraded to the Windows-based SQL version of its current DOS-based system.

It was a disaster.

"We went live for about an hour before switching it off," says Irving. "It struggled to invoice in a timely manner and it couldn't handle negative stock, which made it no more useful than our current set-up."

So Swing Gifts reverted back to their DOS system.

Once bitten...

In 2005 however, largely on the recommendation of their bar code partners Scan Express, Swing Gifts began looking at MYOB's EXO.

Scan Express had already witnessed EXO in action in a number of successful warehouse operations and vouched for its stability and capability as an integrated business management tool.

"Given our previous experience, we were highly

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sceptical of moving to any Windows-based platform. But EXO appeared to offer the kind of functionality, at the kind of price, we were looking for," says Irving. "So we decided to trial it."

Irving was impressed with the online trialware for EXO.

"Nobody wants to run a limited trial with one customer and a handful of stock lines," he says. "To really get a feel for a software package like this, you need to try sending out 30 lines of stock to 30 different customers, using real data – which is what we did with EXO."

Choosing a partner and a process that suits

After satisfying themselves that EXO was up to the job, Swing Gifts selected MYOB's implementation partner Oxygen Express to help install and configure the software.

"After our first messy foray into the non-DOS world, we really needed the reassurance of a company that knew their own product inside out. Oxygen Express demonstrated that depth of knowledge with EXO."

Swing Gifts' initial brief to Oxygen Express was to replicate the functionality provided by the original DOS-based system.

"We had faith in the greater flexibility we'd get from a SQL database further down the line," says Irving. "But before getting too carried away, we wanted to ensure that EXO was giving us the same general output in terms of invoices, sales reports and general day-to-day inventory management that our DOS system gave us."

"Only once we were happy we'd replicated the crucial output did we set about defining additional requirements and really putting EXO to the test," he says.

The sales order selector

For Swing Gifts, chief amongst these requirements was the development of a sales order selector – a tool that would allow them to analyse sales orders in EXO and determine which ones to fill first based on current stock levels and other criteria.

Scoping this functionality took months of iterative refinement between Swing Gifts and Oxygen Express. But the resulting tool is a winner, according to Irving.

"It gives us the visibility to plan the most efficient route through the sales order process."

"We can sort customers by the size of their order, or know instantly how much of an order is deliverable here and now. And that's hugely beneficial when you're processing hundreds of multi-item orders," he says.

Better visibility, more flexibility

Increased managerial visibility is just one of the differences between EXO and the previous system Swing Gifts was running.

Irving finds that being able to drill-down into transactions with EXO gives him more control over the data he wants to see. You can choose whether to view an overall summary, or very specific customer or supplier detail, and you can view it at any point in the day.

EXO's flexibility is another key difference.

Irving says that while EXO gives them the same sort of basic data from an inventory and debtors point of view that they got from their DOS-based system, it gives them far more flexibility in other regards.

"If we were assessing whether to extend a customer's credit, our previous system saw no shades of grey – it was just 'yes' or 'no'. EXO allows for the possibility that you might want to extend credit just a little, rather than ruling it out all together," says Irving.

EXO also allows Swing Gifts to forward-date invoices, which means they can offer customers extended payment terms, or deliver early without affecting inventory. "That's something we just couldn't do before", says Irving.

Seeing the long term benefits

While Irving says the transition from DOS to a Windows-based SQL system was relatively seamless, he offers a word of advice to any business looking to implement a major change such as this with minimal disruption.

"Do it at the quietest time of year," he says. "Make sure you give yourself three to six months to cement in your core processes, and envisage your benefits coming a year or two down the track."

To Swing Gifts, EXO is not so much about saving costs as increasing the ability to generate revenue. After all, says Irving, "our DOS-based system was about as economical as accounting systems come."

"However, we would never have been able to grow to our current level without EXO".

Client and Enterprise partner details

www.swinggifts.com.au

www.oxygenexpress.com.au