



MYOB EXO Business

Case Study | Enzed Dandenong

Enzed Dandenong keep a watchful eye on their bottom line using MYOB's EXO Business.

Overview

Enzed Dandenong is an Australian manufacturer, retailer and repairer of hoses, fittings, flexible connectors and instrumentation products used in all types of fluid systems.

With an ever expanding warehouse consisting of thousands of different parts, Enzed Dandenong's success relies on a seamless stock control process.

It is also dependent on a hawk-like defense of the bottom line. Enzed Dandenong like to identify profit/loss in sales immediately, so that they can make appropriate adjustments there and then.

DOS legacy

For the best part of 20 years, Enzed Dandenong had been using an accounting package that was, by and large, solid and reliable. Its limitation however, was its operating system. Being DOS-based, it just wasn't flexible.

"Every time I started to move the company in a particular direction, I was hindered by our accounting software" says Tim Mortimer, CEO of Enzed Dandenong. "I couldn't do anything without our engineer first having to write new scripts."

"It was a good system," he stresses, "but for what we wanted it to do, it needed to be rewritten from the ground up. Not only would that have been extraordinarily expensive," says Mortimer, "but it would have taken months".

Enzed Dandenong's only alternative was to look for a replacement system.

Looking for a replacement

"Our requirements weren't excessive," says Mortimer. "All we really wanted was a Windows-based system with the flexibility to accommodate our business now and in the future."

Enzed Dandenong looked at a number of possibilities and found systems that were aimed either at sole-traders or much larger companies, but little in between.

Even amongst the more promising options, Mortimer says he was surprised by the number of software providers that couldn't get their heads around elements of Enzed Dandenong's business model, such as the way they run subcontractors on commission-based payments.

Mortimer wasn't far off abandoning the search all together when he stumbled across MYOB solution provider Oxygen Express. From that point, things moved on in leaps and bounds.

The design process

When it came to scoping out initial requirements, Enzed Dandenong wanted the key features in place before any stylised development was attempted. Chief amongst the 'must haves' were commission reports – essential to Enzed Dandenong's overall view of the health of the company.

Once the basics were in place, Oxygen Express began working on more customised solutions, including several franchise-specific workflows. Of these, a tool to calculate the management service fee was something Enzed Dandenong were particularly keen to see developed.

"MYOB EXO literally spits out the dollar figure of how much I owe the franchise at the end of each day," says Mortimer. "One click and I've got the answer," he adds – "something that normally would have taken half a day to work out".



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Breaking a 20 year habit

According to Mortimer, there were very few teething problems with MYOB EXO. Most issues, he says, could normally be resolved through a little more training or the use of detailed 'how to' sheets.

"MYOB EXO's end of month financials took a little getting used to," he adds, "but after a couple of Oxygen Express-assisted attempts, we were able to do the third month by ourselves. Not bad when you think we had to break a 20 year habit."

"Staff acceptance is often half the battle when it comes to the integration of a new piece of software," observes Mortimer. "The trick is to expose your staff to the product before it's introduced and talk positively about it from the word go."

Protection for your bottom line

With MYOB EXO now well established, Mortimer says the benefits are clear for all to see.

"Probably most useful of all is the margin function in management reporting.

"Twice a week I review margins," says Mortimer. "Using MYOB EXO Business, I can quickly identify sales that have gone out at a less than acceptable margin, which – for us – is typically anything less than 40 percent. Now, instead of waiting until the end of the month, we can identify our profit/loss in sales immediately, and make the appropriate adjustments there and then."

Stock control is also much improved, according to Mortimer.

"We now have a quick and easy POS interface and a defined purchase order system that allows us to review what's in stock at any one time. Prior to EXO, we were completely reliant on manual processes in the warehouse and that often led to errors being made."

By eliminating those errors, Enzed Dandenong has managed to reduce staff costs considerably. Mortimer reckons around 25 hours a week has been saved. It's not just costs either. Bad debt has been all but cut out altogether.

"With MYOB EXO I can get a snapshot view of our creditors and debtors any time of day from my computer. Before MYOB EXO I had no real time view of who was paying and who wasn't. With that information on my screen, I can go over the head of the office administrator – if I need to – to put a stop on credit to bad payers.

Planning for the future

According to Mortimer, there's much to recommend EXO – good stock control, excellent reporting and easy interface.

"Best of all though," he says, "it's future proof".

"We're now in the planning stages of introducing bar code reading and scanning into our warehouses. And we can do that because MYOB EXO Business is both compatible and adaptable. All that's required," says Mortimer, "is a couple of hardware purchases and we're ready to go".

"At the end of the day, MYOB EXO's just a big calculator," he adds. "But it's one we couldn't do without."