



MYOB EXO Business Case Study

A leading hydraulic repair shop

Brisbane-based hydraulic component supplier finds a way to avoid gridlock in the warehouse and prepare for future growth.

Overview

Since 1994, this leading hydraulic repair shop has provided quality parts and servicing for the mining industry.

The Brisbane-based company is now the largest supplier of blast hole hydraulic components anywhere in the world and plays a significant role in improving the efficiency, reliability and service life of rig machinery.

It operates everything in house, from the testing of individual components to the receipt and dispatch of parts worldwide.

Trying to manage a warehouse with pen and paper

The shop had been running MYOB Premier to assist with payroll and speed up general accounting. And for the first few years of operation, it was really the only administrative system they required.

But as sales started to increase, the need to integrate other processes became apparent – processes such as job costing and stock management that had, until then, been performed on an entirely manual basis.

Traditionally, customer orders at the shop were filled out by hand and entered in a job book. The same details would then be re-entered into Premier before being printed out and physically ticked off a list, item by item, as they were used by the engineers.

“That was all very well with only a handful of jobs or clients,” says the company’s accountant, “but an entirely different matter with increasing volumes of stock moving in and out of the warehouse”.

“There was really no way we could manage a huge warehouse with pen and paper,” she adds. “And without the ability to track or manufacture stock items using serial numbers, we knew ultimately we’d just grind to a halt.”

So the shop set about looking for an integrated costing and stock management system.



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Compatible approaches

The shop's accountant first heard about EXO Business from a customer who'd recently switched from Premier.

Encouraged by EXO's MYOB parentage, she did a little more digging around online before arranging to meet with MYOB integration partner Accounting North.

"On paper, EXO looked pretty good," she says. "However, it was meeting Alistair Emery that really cemented our decision. Not only was he extremely helpful from the outset, but his methodical approach matched our own."

The accountant describes how Accounting North used flow charts to get an idea of exactly what it was the shop wanted to get out of the system, before setting up a customised trial that let them experience first hand how the product really functioned.

"Alistair was obviously keen to ensure his team had a clear understanding of our business," she says. "But his approach actually shed light on certain aspects of our own management too."

Adapting to a new way of working

According to the accountant, the transition between Premier and Exonet could hardly have been smoother.

"Within a fortnight of Accounting North completing the installation – which in itself took less than two days – most of our staff had at least a basic understanding of how it worked," she says.

There were a handful of teething problems early on. And she concedes, with the benefit of hindsight, that they should probably have done a little bit more training before getting so involved.

"But given that many of our users were used to using Premier and had been using it for several years, there was very little real resistance to the new system."

"Much of that's down to the usability of Exonet," says the accountant. "However, there's no denying that Accounting North's determination to remedy any queries as we raised them made our lives a lot easier."

Ten or so people use Exonet on a daily basis and they're reportedly all very comfortable doing so.

Noticing the big differences

On a day to day basis, the accountant says it's EXO's ability to track items by serial number that has made the biggest difference.

"Using serial numbers, we can track back to the original works order for the repair job. In doing so, we can see when the job was completed, which technician performed it, how long it took to complete and which parts were used. That gives us a huge amount of useful intelligence on stock movement within the warehouse," she says.

Before EXO, performing the same search was at best, hugely time consuming and at worst, virtually impossible. Searching by serial number is as easy as running a Google search.



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Looking to the future

As Premier is really only a financial tool, it's perhaps not surprising that the accountant finds EXO's management ability notable by comparison.

That said, the shop isn't rushing to create hundreds of additional reports. They are content, for the time being at least, to use EXO as a tool for job costing and stock control.

"We know we're really only scratching the surface in terms of what EXO can do," she says. "And there'll come a time, for sure, where we start to dig a little deeper. There are a number of management reports and dashboards in particular that look like they're going to be extremely useful."

"But for now, we're looking to consolidate on what we know and really get to grips with the basics."

More than anything, it's the potential to be able to do things, as much as actually doing it, that they say they appreciate at the shop.

"Knowing you've got a system that will grow as you do, and not become obsolete overnight, counts for a lot in business today," the accountant concludes.