Case Study

MYOB Advanced

Client ATP Science | Partner Momentum | Location Australia Product MYOB Advanced | Industry Manufacturing; Wholesale & Distribution



ERP delivers healthy growth

ATP Science is a Brisbane-based manufacturer and distributor of nutrition and body-building products. In recent years, the company has achieved phenomenal business growth, averaging a massive 200-300% per annum. This hard-earned growth has seen the company look to new horizons, moving seriously into the export market, a feat it says could never have been achieved without its MYOB Advanced Cloud-based ERP system.



Problem

Systems not communicating.

Like many companies, ATP started out distributing products that were manufactured by a third-party contractor. However, when it decided to set up its own manufacturing plant, with a plan to go international, the limitations of its legacy business systems were already apparent.

Toni Doidge, one of ATP's directors, recalls the situation where the company was using Cloud-based DEAR software for inventory management and purchase orders, and Xero for financial management. "The two were meant to work together, but we just had issue after issue," says Toni. "Some actions it would replicate 3-4 times over and we could never control the inventory correctly. We could look from DEAR through to Xero but never the other way, so we had to look at things like credits in both to get an accurate picture of what was going on. It was an absolute nightmare, so when we started our own manufacturing the nightmare increased tenfold because we were now receiving in raw materials as well, building finished goods and then receiving them back into the warehouse for sale.

The legacy systems couldn't put together a manufacturing run or create a product from a set of ingredients and follow it all the way through to inventory with costings, etc. Obviously, ATP needed something that could handle production as well as the inventory, and in various warehouses.

Adding to these concerns was the fact that the lack of communication between the two systems was creating cash flow problems. ATP didn't trust its financial data and its creditors were complaining about money it didn't even know was owed. Compiling reports was a regular ordeal involving spreadsheets and pivot tables, and given the problems it was having keeping track of its on-the-road sales team's figures, it knew a better system was needed if it was to become a successful exporter.

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Solution

Integration delivered via the Cloud

Toni and her fellow directors were in no doubt that for ATP to fulfil its exporting ambitions they needed a single solution that solved all the problems. "The integrated inventory and financial control were the biggest things for us," Toni says. "We also wanted a Cloud-based system for convenience, so everything on the IT side could be managed for us."

To find the right system, ATP consulted <u>AusIndustry</u>, a division of the Department of Industry, Innovation and Science, which advises businesses on technology and processes. They introduced ATP to Momentum and MYOB Advanced. The problems and needs were discussed and subsequently a solution was created, with the key attraction for ATP being the integrated JAAS Advanced Manufacturing Software (JAMS) module.

The benefit for ATP is that this software module streamlines the process of filling batch orders with pre-configured lists of materials. ATP manufactures and distributes around 20 different products – powders, capsules, creams and oils – and JAMS ensures the products are processed, packed and stored correctly.

"Working with a company like ATP Science shows the depth and flexibility of our product, and its capability to meet the needs of many manufacturing production environments, including batch process, which is critical in the nutraceutical market," says John Schlemmer, Chief Operating Officer of JAAS Systems.

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Outcome

A huge boost for business

The impact MYOB Advanced has had on the business was apparent from day one and Toni is delighted with the benefits, particularly as she knows ATP has only just started realising its full capabilities. "I really enjoy the way Accounts, Warehousing and Production all integrate with each other," she says. "It all just makes sense, and we keep coming up with ways to tweak our processes to make ourselves more efficient."

The elimination of paperwork is another big plus delivered by Advanced. "Everything is just scanned in," says Toni. "We receive about 90% of our invoices via email, which is dumped straight into MYOB. We no longer have all that manual labour with purchase orders and invoices, and wrestling with spreadsheets to reconcile data from the two systems. The figures were always wrong, but now we have reliable data entry from one point and it's easy to see which figures are incorrect."

Another thing of the past is the daily stock-take of products on the shelves. Advanced delivers live data that is automatically updated as the finished goods enter the various warehouses. And sales tracking is so much better because Advanced enables the viewing of orders by customer and by salesperson.

Reports are now much more easily accessible, and Advanced offers an unprecedented level of information. "We can put in any parameters we want, any filters, and basically create any report we can think of," says Toni. "We can save the report with all the filters for regular use, then just push a button to produce that set of figures whenever we want them."

Cash flow analysis is also vastly improved. In fact, forecasting can be done for the year ahead which is especially important for a business like ATP who have a strong focus on growth. For Toni, having an approval process in which she can set the rules and parameters for credits and debits is another major benefit. "I can now drill right down into a bill, tick off my approvals, and only then is it released to the bank to be paid. Because I'm not a trained accountant, it removes a massive headache for me."

While ATP already has half a dozen international distributors, the USA is the next big target on its horizon. Plans include a third-party logistics operation and even opening a factory there. "We wanted a system that wasn't just for us now," Toni concludes, "we wanted a system that is going to work even if we continue this growth rate for the next 10 years. I believe MYOB Advanced will do this for us."

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Before	After
 + Disparate, non-communicative systems + Financial data not trusted + Stock-taking inaccurate + Too much manual processing + No scope to handle rapid growth 	 + Complete integration of Manufacturing, Distribution and Financials + Accurate data at a glance + Manual processing and paperwork gone + Reporting and analysis on the spot + Sound approval process + Plenty of room to grow

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