

Norwood

harvests benefits with IDSe42 system

Background

CB Norwood Distributors is New Zealand's largest importer, distributor and retailer of farm machinery. This includes big-ticket items like tractors, harvesters, balers and cultivation equipment right down to ride-on mowers, chainsaws and brush-cutters and practically everything in between. In fact, with 55,000 customers on the client database, there wouldn't be too many New Zealand farmers who had not done business with Norwood.

The business, started by the Norwood family in 1936, is part of the Zuellig New Zealand Group, one of the country's top 60 companies. Norwood distributes its equipment through its company owned branches and independent dealers. Turnover is in excess of \$NZ100 million per annum.

The farm machinery business has complex logistics and customer requirements. Farms are a seven-day a week, 24 hour a day business that require around the clock support and service from their equipment and service providers. To meet this demand, Norwood is open all hours to support its 50,000 active product lines which are backed up by around 350,000 individual spare parts. Needless to say, logistics like these require a sophisticated approach to information management.

A strong working partnership

According to Neale Sinclair, Information Systems Manager at Norwood, when the company went out to tender for potential suppliers, it quickly became apparent that IDS offered the closest fit of any of the software solutions being examined, IDS personnel had skills and experience in complex supply chain systems akin to the

Norwood business, and IDS offered the most cost effective solution.

"The decision was straightforward from that point," Mr Sinclair said. Norwood uses the IDSe42 enterprise system to facilitate the complete business. This covers the full suite of modules ranging from import and distribution, inventory, warehousing, spare parts, workshop service, retail units, warranty and all finance functions. The company also uses Cognos PowerPlay®, a PC tool and web portal that provides the reporting and analytical functionality for the IDSe42 Business Intelligence module.

IDSe42 runs on most desktops in the organisation, with the majority of users operating at the business coalface – that is, in the dealer network.

Mr Sinclair said "IDSe42 controls a number of critical areas in the Norwood business".

Between the Norwood owned branches, the workshops generate around 30,000 service jobs each year.

"The spare parts, warranty and workshop modules of IDSe42 allows the user to meticulously track each job," Mr Sinclair said. "It can follow each spare part, kit, labour, and outwork, and identify and monitor warranty issues, workshop issues, or unit issues."

The system also manages all the information requirements associated with Norwood's import supply chain; from order placement, shipping, customs clearance through to delivery to the dealer. Then, there is the added complexity of 100 overseas suppliers spanning 14 different countries.

Company Profile

Name:	CB Norwood Distributors
Region:	New Zealand
Operation:	Import, distribution and retail
Products:	Farm machinery
Website:	www.norwood.co.nz

"We can turnover \$500,000 a day in sales across our wholesale and retail operations, and by moving to online ordering at the dealer level, we have eliminated consolidation and batching functions. This reduces cost and the possibility of error."

Neale Sinclair,
Information Systems Manager,
Norwood





On a day-to-day basis, independent Norwood dealers sign-in via the internet for all online ordering, to ascertain availability of equipment and parts, to monitor delivery schedules, to register, enter and monitor warranty claims. The IDSe42 dealer-connect facility is provided via IBM's websphere, a tool that enables internet access for remote users to existing IDSe42 applications.

Company owned branches are on-line 24 hours a day via frame relay circuits, and they have full access to all IDSe42 modules.

Forecasting future equipment requirements for the overall business and dealers is also performed through IDSe42.

"Sales of farm machinery tends to have seasonal peaks and troughs which means we need to build up stocks at particular times of the year and work out who is likely to need what across the dealer network," Mr Sinclair said. "IDSe42 provides us with the tools and information to do this efficiently."

IDS and Norwood IT staff have worked closely to extend functionality into new areas as needs arise.

"We knew that customisation would be ongoing," said Mr Sinclair. "In fact there is no such thing as an 'off the shelf solution' for this type of business, so ease of modification to reflect changes in the business as they occur is essential." He added that IDSe42 offered a very stable, robust and adaptable platform.

Business benefits

Norwood's IT Department has shrunk from 5 down to 1 staff member since the IDSe42 system was implemented. This was due to implementing IDSe42 over a single Wide Area Network rather than the separate 12 local area networks that existed previously. Staff savings have also been achieved in other functional areas due to the efficiency and integrity of the IDSe42 software.

"The system basically looks after itself – the amount of unplanned downtime has been almost non-existent," Mr Sinclair said.

Mr Sinclair also cited a number of other business efficiencies that flow from the system. "Stock turns have increased, and stock levels have reduced, all the while maintaining the same level of fill-rate service to our customers."

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Organising and vetting complex transactions is also an important functional requirement. Many of Norwood customers want to bundle large orders that might involve multiple equipment sales, trade-ins, finance deals, warranty variations and the application of purchase incentives. In this context, small errors can result in large costs to the business.

"We needed a system that could accommodate complex sales deals within a framework of rules," Mr Sinclair said. "The IDSe42 solution simply doesn't allow errors, which means deals can be organised quickly to the benefit of the dealer and the customer."

The future

New Zealand farmers are currently experiencing something of a mini boom. Commodity prices have been good and the low exchange rate has made New Zealand produce very competitive on world markets. Consecutive good seasons have helped lift volume and quality of farm output so Norwood is looking forward to strong growth over future years, with IDSe42 providing important behind the scenes support.

Issues

- Complex logistics and customer requirements
- 24/7 service required
- Large number of spare parts
- Need to control 100 suppliers in 14 countries
- Need to reduce staff costs
- Too much unplanned downtime
- Complex and time-consuming sales deals

Solution

- Supply chain software solution for the automotive industry
- Modules for:
 - Import
 - Distribution
 - Inventory and warehousing
 - Spare parts
 - Workshop service
 - Retail units
 - Warranty
 - Financials

Capabilities

- Automated import supply chain
- Cognos Powerplay interface
- Extensive job tracking and monitoring
- 24/7 on-line ordering for dealers
- Future equipment requirements forecasting
- Error free complex sales processing

Value

- Better control of stock through more efficient forecasting
- Reduction of IT department staff from 5 to 1
- Savings gained through greater efficiency and integrity
- Unplanned downtime non-existent
- Stock turns increased and stock levels reduced
- Improved service levels to customers and dealers
- Reduced costs by elimination of batch and consolidation functions



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