

Masterpet upgrades to Navision for greater business efficiency



“Thanks to the integrated Navision system, orders can now be turned around in a day”.

GRAHAM STIRLING,
MASTERPET

Established 50 years ago, Masterpet supplies premium pet food and pet accessories to hundreds of supermarkets, veterinary surgeries and pet shops in New Zealand and its neighbouring islands. The privately owned company employs 125 people in its Wellington headquarters and sales offices in Auckland and Christchurch. Masterpet is also a 50% shareholder in Pets International Pty Limited and has a total turnover of around \$NZ 50 million.

According to Financial Controller Graham Stirling, the company recognised that it needed to upgrade its financial software in early 2000. “We were using an old DOS-based system which didn’t allow us to extract the information we needed to manage the business well,” Mr Stirling said. “Getting the systems administrator to run some reports could take several days. The system wasn’t reliable and needed lots of support and it was clear that we needed to make a change.”

Masterpet received a string of responses to its request for proposal and in September 2000 made the decision to install Microsoft Business Solutions Navision, an integrated financial and warehouse management system. According to Mr Stirling, Masterpet was happy with its existing warehouse management software but decided to take the opportunity to install an integrated system at the same time as the financials upgrade. “We wanted a system capable of handling both requirements if possible and, of the vendors which responded, Microsoft Business Solutions had the better warehousing product,” Mr Stirling said.

Mansur Zwart, Manager, Microsoft Business Solutions in New Zealand, said Masterpet was one of a growing list of distributors in the region to

recognise the potential productivity improvements an integrated Navision solution could deliver. Masterpet accepted a joint proposal from Microsoft Business Solutions Partners, the Wellington based Topaz Consulting and Avanti Solutions in Auckland, in September 2000. They agreed on a total project budget of \$350,000 and a go-live deadline of April 1, 2001 to implement the full software suite.

The two partners worked together to provide project management, installation, training and support services throughout the life of the project. Mr Stirling said, “The two organisations worked well together and accomplished a lot in a short time. They worked through most of the issues quickly and dealt with problems as they arose.”

Masterpet already had in place the country’s first paperless voice activated warehouse picking system, which was responsible for warehouse productivity increases of around 80% in its first year of use. As part of the installation, this Vocollect system was linked to the new Navision infrastructure. “When orders are created they’re logged directly from Navision to Vocollect, the Navision system checks for shortages and an invoice is automatically created,” Mr Stirling explained.

“All the pricing queries and other instructions are sorted before the order goes to the warehouse so problems are solved before the order is fulfilled.” Previously the financials and warehousing systems were not linked and as a result, double handling and discrepancies between the two were frequent.

“The Navision system has forced a lot of discipline into the organisation in terms of business processes,” Mr Stirling said. “In the past, people

The Facts At A Glance

> MASTERPET

It is New Zealand’s largest wholesaler of pet accessories and premium pet food to hundreds of supermarkets, veterinary surgeries and pet shops in New Zealand and its neighbouring islands.

> THE CHALLENGE:

Masterpet was using an old DOS-based system which didn’t allow extraction of information needed to manage the business well. The financial and warehousing systems were not linked, resulting in double handling and discrepancies between the two.

> THE SOLUTION:

Microsoft Business Solutions-Navision® edition.

> BENEFITS:

Navision has reduced the cost of doing business, and increased efficiency. It has allowed Masterpet to achieve same day picking for many orders and given instant access to information such as what’s profitable and what’s not.



were only focused on their own concerns and would only amend one system when they made changes. Making it impossible for that to happen has delivered a major improvement to internal control.”

The Navision software, linked to Masterpet’s state-of-the-art warehouse picking system, gives the company a real edge over other wholesalers, Mr Stirling said. “No other pet wholesaler has done anything as high level as this in New Zealand,” he said. “It gives us a real advantage in the market. We can cope with bigger workloads and bring new products on board more easily which is a key to successful business for wholesalers.”

Masterpet is already the country’s biggest pet accessories wholesaler which makes it difficult to increase its market share. Instead, the company is focused on doing business more cheaply and efficiently, according to Mr Stirling. Thanks to the integrated Navision system, orders can now be turned around in a day which means customers are guaranteed of receiving goods more quickly. “This may be even less in the future,” Mr Stirling said.

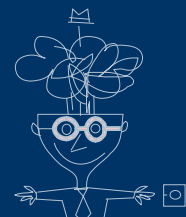
“We’re now achieving same day picking for many orders, depending on the time they’re received.”

The new financial system is also delivering substantial business benefits by providing management with timely access to a range of previously inaccessible data. “Navision allows us to have instant access to information such as what’s profitable and what’s not,” Mr Stirling said. “We can look at figures on a daily, weekly and monthly basis and determine what our best selling lines are and who’s buying them. It took days to get these figures from the previous system but with Navision you can extract them by yourself from the desktop.”

Sales data can be used by the marketing team to proactively target customers and encourage them to stock product lines which have proved popular with other stores. “This information will allow the system to pay for itself,” Mr Stirling said. “In addition, we can add value to our customers’ businesses by providing them with data about what’s likely to sell well for them. It works well for both parties.”

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