



BUSINESS PROFILE

WAECO INTERNATIONAL IS A LEADING SUPPLIER OF MOBILE REFRIGERATION PRODUCTS WITH AN ANNUAL SALES REVENUE OF AU\$400 MILLION. WAECO PACIFIC STARTED IN 1999 TO FOCUS ON SALES AND CUSTOMER SERVICE IN AUSTRALIA AND THE PACIFIC RIM.

BUSINESS/IT CHALLENGE

WAECO PACIFIC HAD AN OUTDATED ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM THAT WAS NOT WELL SUPPORTED IN AUSTRALIA, MAKING IT A BUSINESS RISK. AS A RESULT, SEVERAL SYSTEMS HAD BEEN DEVELOPED BY SEPARATE DEPARTMENTS, LIMITING OVERALL VISIBILITY OF BUSINESS SYSTEMS.

SOLUTION

- MICROSOFT DYNAMICS NAV

BENEFITS

- BETTER INTEGRATION OF BUSINESS PROCESSES
- WELL SUPPORTED GLOBAL SOLUTION
- PLATFORM FOR FUTURE GROWTH
- HIGH LEVEL OF STAFF INVOLVEMENT

WAECO LIFTS LIMITS ON BUSINESS GROWTH WITH TECTURA AND MICROSOFT DYNAMICS NAV

A specialist in mobile technology, WAECO injects comfort, luxury and fun into customer's boats and cars with its range of mobile refrigeration products. WAECO is a dynamic business growing at around 25% per annum and it expects to facilitate its expansion with an enterprise resource planning (ERP) platform from Tectura (Australia).

BUSINESS PROFILE

WAECO Pacific Pty Ltd was founded in 1999 to focus on sales and customer service in Australia and the Pacific Rim. The company is part of WAECO International, a globally operating business group based in Germany.

In addition to its vast sales and service network, the WAECO group owns and runs production facilities at four locations: Shenzhen and Zhuhai (China), Novafeltria (Italy) and Emsdetten (Germany). It employs 1,350 people and has an annual sales revenue of AU\$400 million.

WAECO Pacific's Australian operation imports and distributes a full range of products made overseas. Customers include retailers and businesses throughout Australia, New Zealand and the Asia Pacific region.

THE CHALLENGE

WAECO's business was growing consistently and its old ERP system was seen as an impediment to future growth. This legacy system was little known, had few customers in Australia and lacked available expertise and local support. Obsolescence was identified by WAECO as a potentially serious business issue.

According to Jeff Coombridge, former Project Manager and Financial Controller at WAECO, another component of the rationale was that WAECO was starting to develop alternative system environments that were not integrated into the business environment. This included areas such as Customer Relationship Management (CRM), service management, warranty and processing product returns.

"Getting information out of the current application was a problem and it didn't have the functionality required for new growth," Coombridge said.

“What it came down to was the familiarity with Microsoft, some of the Microsoft smarts, and the easy integration into Microsoft products such as Excel and Word which was attractive to us.”

James Stuart
National Logistics Manager
WAECO Pacific Pty Ltd



WAECO required a well-supported and unified platform on which it could build the system that would support future growth and improvements. One such planned improvement was to manage the warehouse in a wireless mobile standard (WMS) environment, something not possible with the existing ERP solution.

FINDING THE SOLUTION

In August 2005, Jeff Coombridge defined the scope of the project, working with a core WAECO team to determine what elements were essential to the company.

As the company’s peak summer period was fast approaching, it was essential that implementation was completed within a strict three month time frame.

The first criterion was to select a business system that had a global reach and was well supported. This meant partnering with a major organisation that was investing in research and development for the future.

Also important given the time constraint, was to find a product that would meet WAECO’s needs with minimal modification.

WAECO reviewed the main players in the market and quickly narrowed its choice to a shortlist of Microsoft Dynamics® NAV, Microsoft Dynamics® AX, Greentree and Pronto. However, the latter two had limited global reach, making them a less than ideal fit.

Mark Maki-Neste, WAECO IT Manager said, “There were many products that would have theoretically suited us, however, key criteria were support, affordability, ease of use and timeliness of the implementation.”

Also important was selecting a product that had a familiar look and feel. With all areas of the WAECO business using the system, the team wanted to minimise the difficulty of change on end-users and support staff.

Boasting a career in distribution and logistics that included a 15 year stint in the Australian Army, WAECO National Logistics Manager James Stuart is well positioned to understand the importance of the human element in any such implementation.

James Stuart: “At the end of the day, we saw that all the systems had the functionality to some extent. What it came down to was the familiarity with Microsoft, some of the Microsoft smarts, and the easy integration into Microsoft products such as Excel and Word which was attractive to us.”

USING THE MICROSOFT DYNAMICS NAV SOLUTION

The rollout of Microsoft Dynamics NAV started in September 2005 and was completed in late November 2005—on time and within budget. Rather than divide implementation into separate phases, it was decided that all systems would go live on the same day. This was both to meet the required time frame and to ensure control of costs.

A critical part of planning the project was involving sponsors (staff representatives) from each part of the business. These sponsors helped to map out procedures to be followed that were specific to their own operational area.

“We decided that we wanted them to become subject experts and their responsibility was to learn about Microsoft Dynamics NAV and, more importantly, learn about how it could be applied to their own area functionally. They then created work instructions with screen dumps for every task effectively making a guide for colleagues,” Stuart said.

One factor that proved to be important was that WAECO kept control of the project, utilising Tectura as a resource rather than having them rollout the implementation alone.

James Stuart said, “Tectura gave us exceptional support and guidance but it would have been unrealistic to expect them to know our business processes better than we know them ourselves. Our teams worked extremely well in tandem to get the best results.”

Microsoft Dynamics NAV runs on a Microsoft SQL Server back end, making it easy to integrate into an existing Microsoft environment. Through a recommendation by Tectura, WAECO also implemented a simple wireless infrastructure. This enabled the company to upgrade the wireless capability of computers in its administration complex and also provided the necessary platform for integrating wireless processes in the warehouse systems.

Restrictions in the legacy system’s warehousing module had previously meant that WAECO had limited visibility and management options of their stock control.

“We weren’t able to create bin locations or look at a stocktaking module in the software. It was all done manually to compensate for having a poor system in place,” Stuart said.

Prior to the Microsoft Dynamics NAV, when order processing staff entered an order, they would take the printed order, go to the old freight system and type in the docket. Once or twice a day, an employee would take a run of invoice dockets to the warehouse where colleagues would then pick, pack and dispatch the stock.

“Obviously, we wasted time and efficiency there. Now, when someone places an order the delivery docket automatically prints in the correct warehouse location. It is also automatically printed at the dispatch supervisor’s desk so they can be married up to an automatically generated consignment note,” Mark Maki-Neste said.

These changes have drastically improved performance with less room for human error making the entire warehousing system more reliable and efficient.

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James Stuart
National Logistics Manager
WAECO Pacific Pty Ltd



When Microsoft Dynamics NAV went live 12 weeks later, the intensive planning paid off handsomely.

“It was smooth like a glove. We had cleansed and balanced our data in advance; we’d done the right planning

“(The implementation) was smooth like a glove. We had cleansed and balanced our data in advance; we’d done the right planning and involved the right people all the way.”

Jeff Coombridge
WAECO Pacific Pty Ltd



and involved the right people all the way,” Coombridge said.

According to Warren McElligot, Consultant with Tectura, WAECO’s commitment to the Tectura Solution Framework implementation methodology was a crucial factor in the success of the project.

“WAECO’s dedication to a quality outcome, coupled with our consulting and development team’s expertise, was an unbeatable combination. Everyone added value and worked together brilliantly and it was a great achievement,” McElligot said.

THE BENEFITS

Since November 2005, WAECO has had an ERP system that supports its business plans and processes, improved efficiency and removes constraints for future expansion.

INTEGRATION

Previously WAECO had a system that provided little visibility of key business information and made it difficult to effectively manage critical processes without resorting to manual methods. Now, systems such as CRM, warehousing and stock control are all integrated. Andreas Bischof, WAECO Pacific Managing Director said a key benefit was having one overall platform for all aspects of the business for all staff.

“We were starting to run individual solutions for each area of the business but now we have everything under one umbrella. This lets us integrate our business areas, making us more productive and more efficient in our use of resources.

“Every department is running on one database and that makes our internal communication much easier. This was sometimes an issue in the past where, for example, the marketing department worked from a different database to the one used by the service department,” Bischof said.

WELL SUPPORTED SYSTEM WITH GLOBAL REACH

Having realised that their former ERP system’s limited support created a business risk, WAECO needed to select a solution that had no such issues.

Microsoft Dynamics NAV has thousands of implementations in Australia and worldwide, which allowed WAECO to be confident that it was well supported with a global reach.

“Tectura is part of a large, global company which gives us the option to take advantage of its worldwide support network at a later stage. We are already doing this in Europe to develop a software solution for the whole group,” Andreas Bischof said.

PLATFORM FOR FUTURE GROWTH

WAECO’s implementation of Microsoft Dynamics NAV has given them a solid platform for future growth. Already, new and advanced wireless technology has been installed in the warehouse, making processes much more efficient and less cumbersome. In the future, WAECO plans to look at internet integration opportunities.

STAFF INVOLVEMENT

Because the ‘sponsors’ in each business group were involved early, each part of the business has some ownership of the way its processes are integrated into

TIPS

If WAECO were to give advice to others contemplating an ERP installation, it would be:

1. Don't get pulled into taking too long in the selection stages. Identify a shortlist of products that can meet your needs and decide which is the best fit.
2. Choose the product that only requires minimal modifications to fit your business environment, rather than a product that requires your business to fit it.
3. Ensure that product is well supported by an organisation you trust and which has a clear development road map.
4. Don't overlook the human aspect of the project. Involve people from all parts of the business to ensure that acceptance of the new product is as high as possible.
5. Make sure the transfer of data is included in the original plan, not as an afterthought. Data should be cleansed, balanced and loaded before you are due to go live.

Microsoft Dynamics NAV. This, combined with the well-planned Tectura training and the familiar Microsoft look and feel of the product, means that staff adoption of the new system has been high.

"It's a steep learning curve but we realised the benefits we were going to get later by having people with very intimate knowledge within their perspective areas of Microsoft Dynamics NAV," James Stuart, WAECO National Logistics Manager, said.

"We have key staff who are able to impart their knowledge and to monitor our processes to ensure we are utilising it properly and optimally."

CONCLUSION

Peter Maggs, Managing Director of Tectura (Australia) said the partnership between WAECO and Tectura was an excellent example of what can be achieved when the IT services company and customer work hand in hand.

"Our team was able to identify WAECO's requirements and to work with them to implement a system that gives them what they need today and a platform for where they want to go tomorrow," Maggs said.



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