



Microsoft Customer Solution Customer Solution Case Study

Australian Hay Exporter Adopts Leading Quality Assurance Strategy with Business Management Software

Overview

Country or Region: Australia

Industry: Agriculture

Customer Profile

Based in South Australia, Balco was established in 1990 to develop exports of hay to regions of Australia. It now exports 98 per cent of its processed hay to East and South East Asia.

Business Situation

Balco's different sites ran their own planning software, with no connection between the disparate systems. Most communication was done by e-mail or fax, and data was being re-keyed up to 13 times.

Solution

With the help of Microsoft® partner Open Systems Technology, Balco rolled out Microsoft Business Solutions–Navision® to manage the whole manufacturing cycle, from procurement to tracking stock.

Benefits

- Single system for all information and processes
- Virtually eliminates re-keying of data
- Helps business comply with quality-assurance legislation
- Efficient support and maintenance
- Boosts customer service and industry competitiveness

“The ARGIT programme has recently changed from a voluntary policy to legislation. Our ability to accurately trace our hay production means that we automatically comply with the legislation.”

Craig Cox, IT Systems Manager, Balco

Australian organisation Balco processes hay for export, mostly to East and South-East Asia. Until recently, the business relied on numerous disparate systems across its different sites. With quality assurance and customer service at the top of Balco's priorities, it was keen to roll out a more efficient solution. Microsoft® Business Solutions–Navision® offers Balco an end-to-end solution, which manages the whole manufacturing cycle, from procurement, to tracking stock. Microsoft partner Open Systems Technology rolled out the solution at Balco. It now automatically complies with new quality-assurance legislation, thanks to detailed tracking features. Payment processes for growers, which previously took three and a half weeks, take just a day. Accurate information is accessible across the business in real time, and will soon be made available to global customers.

“We were also comfortable that we had the longevity of a product from Microsoft balanced with personal attention and mind share we get from a local partner.”

Craig Cox, IT Systems Manager, Balco

Situation

Established in 1990 to develop hay exports to regions of South East Asia, Balco now exports 98 per cent of its processed hay to East and South East Asia. One of the organisation’s key strategies is offering a fast response to clients’ diverse needs. It takes pride in consistent delivery of quality products on time, at competitive prices—an approach that is supported by Balco’s investment in leading-edge technology.

But until 2003, the organisation’s IT strategy did not scale with the organisation’s own rapid expansion. Craig Cox, IT Systems Manager, Balco, says: “Our head office is separate from the manufacturing plants. They ran their own planning software, with no connection between the different systems, and most of the communication was done by e-mail or fax.

“We were running disparate accounting systems, access databases to track stock, and a separate exporting program. Much of our planning was done on simple spreadsheets. In some cases, we were re-keying the same information up to 13 times.”

Balco was keen to extend its IT infrastructure to handle the whole manufacturing cycle, from procurement—including providing customers with information about the growers, to tracking stock. “We needed an online, real-time insight into what stock was available, both at the farm, and what was used and sold. It was taking us weeks to get any sort of measurement and even then we weren’t confident that it was accurate,” says Cox.

Finally, it was important for the organisation to track and assure the quality of its hay. In the agriculture business, annual rye grass toxicity (AGRT) can affect crops, which is a serious issue for the market. “If we have any bales of hay that are ARGV positive, they

need to be rejected as they are dangerous for livestock. This is an issue that could potentially jeopardise the whole export market,” says Cox.

Solution

A demonstration by Microsoft® partner Open Systems Technology showed Balco how business management suite Microsoft Business Solutions–Navision® could meet its needs.

Cox says: “The solution can be easily modified for our business. And we were impressed by the granular licensing model. The more modules you buy, the more cost effective it becomes. With the alternatives, adding more modules makes the solution more costly even though some users may not use all the modules available to them.”

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Microsoft Navision was rolled out in phases across the organisation. It is used for financial administration and warehousing, and has been modified by Open Systems Technology for procurement. Balco now uses the solution to trace grower deliveries, and monitor grower contracts, crop testing, and fertiliser levels.

Microsoft Navision helps Balco to track the quality of all its hay from production to export. “Bales of hay are bar-coded. We use the serial numbers to track the raw material through the entire production cycle,” says Cox.

The organisation is using Microsoft Navision in its unmodified form to record sales orders, and Microsoft Business Solutions CRM to track annual correspondence with growers to identify how much hay will be supplied. Tony

“All our branches are connected. We have one version of the truth because all of our data is held in one place. We have information much faster, in real time, which is accurate and auditable and has meant we can make decisions much more quickly.”

Craig Cox, IT Systems Manager, Balco

Ciccone, Delivery Manager, Open Systems Technology, says: “We worked closely with Balco to customise Navision. The modifications are specific to agribusiness. Using the solution, Balco can track weight and bale levels in different measurements and capture test results for quality to monitor AGRT levels.”

Balco’s different sites connect to the Microsoft Navision network through virtual private networks (VPNs). “We have a sales representative who is based in Japan to promote our business. We can resolve issues in real time over the Internet.”

Parts of the solution, such as stock control and finance are already in place, and Balco expects the main implementation to be complete by the end of 2005, when it will be used by up to 50 employees. “A granular system like Microsoft Navision is flexible and scalable, so it can be rolled out in a staged fashion that fits in with Balco’s business strategies,” says Ciccone.

Benefits

Accurate Data Streamlines Business Processes

Balco now uses a single system to capture, process, and analyse critical information. Says Cox: “All our branches are connected. We have one version of the truth because all of our data is held in one place. We have information much faster, in real time, which is accurate and auditable and has meant we can make decisions much more quickly.

“We are handling foreign exchange better because we know what our costs are much earlier than ever before. We can maintain our profitability based on real figures rather than projected figures.”

Balco operates pool payments, where payments to growers are linked to market

conditions. Payments can be lower or higher depending on the market and Balco has to revalue the stock accordingly. “Microsoft Navision has helped us to truly streamline this. Payments can now be made in a day, where before they took us three and a half weeks,” says Cox.

Keeps Track of Information across the Business

In future, Balco aims to integrate Microsoft Windows Mobile™ devices into the solution, which will automatically capture and download test results direct from the farms. In the meantime, traceability features in Microsoft Navision have become critical to the organisation.

“The AGRT programme has recently changed from a voluntary policy to legislation. Our ability to accurately trace our hay production means that we automatically comply with the legislation,” he says. “We know many of our competitors are way behind and they will be faced with huge costs to bring their businesses up to the same standards of compliance.”

Boosts Efficiency with Low Impact to IT

The IT department at Balco now has a dedicated resource for the rollout and management of Microsoft Navision, but the organisation no longer has to maintain several different systems requiring specialist knowledge.

Cox says: “We expect that when rollout is complete, there will be less impact on the IT department, where before, we had lots of different programs and different ways of administering them. Now, it’s all in one area and will be much more efficient.”

Now that data doesn’t need to be re-keyed into each different system, Balco also benefits from fewer errors. “But if there are errors, we can trace them back to their

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Ciccione, Delivery Manager, Open Systems Technology

source. This was extremely difficult with disparate systems,” says Cox.

Supports Market-Leading Strategies

Microsoft Navision gives Balco the flexibility to integrate new cutting-edge features and modules quickly and easily. “This is our tool for competitive advantage,” says Cox. “The automation that the solution offers gives us benefits that we had no hope of achieving before.

“Traditionally our industry has not placed a great deal of importance on IT. But we have proven why an IT investment in agribusiness is worthwhile. While our competitors are struggling to get up to speed with their ARGV requirements, we are developing leading-edge solutions. We are setting the standard in the marketplace.”

Says Ciccione: “Microsoft Navision helps Balco to quickly deploy its innovative ideas by supporting and enhancing its visions.”

Improved Customer Services

The customer servicing improvements that Microsoft Navision offers are also highly valued. Balco can now extend its streamlined processes to its customers, offering them faster, more accurate information in real time, and develop more efficient relationships.

Balco also aims to develop a Web portal for its customers so that even from Japan, they can track their orders, payments, and locate the origins of their order.

Cox says: “The solution really has become the backbone of the business. It has grown from a \$2 million a year, to a \$40 million a year company. We now have a system in place to reflect a company of our size and we are a lot more confident in everything we do.”

For More Information

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Software and Services

■ Solutions

– Microsoft Business Solutions–Navision

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