

E J Steel

March 2003

EJ Steel is a manufacturer of steel framed buildings and shade structures providing design, fabrication and the erection of a variety of structures including garages, car ports, farm sheds, pergolas, gazebos, industrial and commercial buildings.

The business commenced in 1963 and is now managed by the sons of the founder. EJ Steel has ten full time employees and five sub-contractors.

We talked to Gregg Trevorrow, operations manager and part owner, and Lesley MacKenzie, office manager, at the premises on Chickerell St, Morewell in the Latrobe Valley of Gippsland, Victoria.

Who are your customers?

Farmers including dairies and egg producers are our largest customers, but we also have significant sales to private households, businesses and schools. Previously our sales were mainly to domestic customers but over the years we evolved into commercial and agricultural buildings.

One of the largest structures we have constructed is a 75m x 22m x 10m industrial workshop. We are currently in the process of erecting a 54m x 21m x 4.8m workshop for a car sale yard and a 43m x 16m x 4m incubator building for a Company in the "Egg Industry". Though most of our work is local, we manufacture and supply to other localities and states. For example in 2000 we sold 30 steel houses to Darwin, shipping the prefab frames from here and buying the sheeting in Darwin.

Do you have an established customer base?

We do get repeat sales but the nature of this business is that most customers purchase only one structure from us.

Are you trying to attract new customers?

Yes because few customers are repeat customers. We depend a lot upon word-of-mouth to attract new customers, but also run TV and radio advertising, rely on our "Yellow Pages" entries and attend Field Days, for example the one held at Lardner Park every March.

How will they benefit from your service?

We are an established business with a good history and so we have a lot of experience and expertise we can draw upon. We work with each customer and will suggest alternatives that will provide them with better options or lower costs.

Who are your competitors?

We are really in a niche because most competitors offer only kit garages or a limited range of structures. We have the scope to do virtually anything.

How have you been successful?

By the commitment of the owners to the business. For example we were willing to move into new and untested areas such as gazebos and shade structures before they became popular in the community. Because we design and manufacture, we can tailor our structures to each customer and give them what they want. For example we can provide curved roof structures in place of the standard flat roof.

How do you use digital technology in your organisation?

We use digital mobile telephones as we have a mobile workforce.

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We have six desktop computers with five networked on a hub. The five networked computers run on Windows98 and the sixth computer has only recently been purchased and operates on Windows XP. We use Microsoft Office 97, Quickbooks for accounts and Qpay for payroll. The main industry specific software is AutoCAD which we use for the design of structures. We now also use PhotoImpact as a sales aid. About five years ago a family member with IT experience developed a quotation and estimating system in Excel.

We are connected to the Internet by dial-up modem connection to two of our computers only. We believe that broadband is available at our location but have been told that it is too expensive and that it is not reliable. We have been advised to wait a while before exploring this option. We do not use online banking facilities because we have to bank cheques from customers on a daily basis. However we would like to use online banking.

Do you use e-mail?

We receive about four to five e-mail enquiries per week from prospective customers otherwise we do not make great use of e-mail in the business.

Do you use a regular e-mail newsletter?

No.

Have you ever had problems with viruses?

Yes, we once got a bad virus and we had to get in a contractor to repair the damage.

What measures do you take?

We use Vet antivirus and Penicillin software.

How often do you back up your files?

We backup QuickBooks and all files weekly to a zip drive and a spare hard drive.

Any other equipment?

We have a fax and digital camera and have not required a scanner or security cameras.

Do you have a Web site?

No, but we have had a domain name registered since 2000

Do you have or are you connected to an Intranet?

No.

Do you use an Extranet?

No.

What is your Web site for?

We registered the domain name so that we could secure reliable e-mail addresses. We changed our ISP a number of times, and owning a domain name seemed the best solution to having stable e-mail addresses for the business. The intention has always been to have a Web site at some stage.

Did you write a project plan before you started?

No, the purchase of a new computer two months ago did not warrant a project plan. The main use of the computer is for providing quotes and estimates to prospective customers using our spreadsheet system that was developed in-house a number of years ago. The major focus with the new computer was the installation of PhotoImpact software. This software allows building plans to be superimposed onto a digital image of the intended building location.

Case study courtesy of Digital Business Insights Pty Ltd

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How did you know who to trust?

It was a personal acquaintance.

Did you do the work yourself or use outside contractors?

We used an outside contractor to setup the computer.

Were you happy with the work and help given?

Yes.

What mistakes did you make that you wish you hadn't?

None to my knowledge.

What were the barriers within your business to your digital project?

None really as we have been using computers for many years. Experience over a number of years using the spreadsheet estimating system has demonstrated to us the value of computers in the businesses.

Do you know what technology is used in your company?

Yes.

Do you understand what it does?

Yes.

Where can people find useful advice about the subject?

Local contractors – we have found Sage to be a good source of information and we also refer to business associates.

What are the business benefits you are hoping for?

Increased sales. We needed the new computer for PhotoImpact. We take site shots with the digital camera and superimpose the proposed structure onto the digital site image for a realistic image of what the finished structure will look like.

Are these benefits quantifiable?

Yes, providing the prospective customer a digital image of the finished structure at the customer's site has definitely helped with sales across the board.

Are customers happy with what you have done for them?

Yes. Customers can even e-mail us a request for a quotation attaching a digital image of their site, and we can return the digital image with the proposed structure superimposed with the quotation.

What is the most important thing you've learned in the last year?

The addition of PhotoImpact and a digital camera is an excellent sales tool for our business. We no longer have to rely upon external photo processors and enlargements which was a slow and tedious process.

Given what you know... would you do it again?

Yes.

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What are you planning to do next?

We would like to develop the Web site in the coming year. It will basically be an online brochure that will clearly indicate the various structures and options that customers can select. The site will probably have a quotation form.

Generally customers supply us with insufficient information for us to be able to supply an accurate quotation. An online quotation form should solve this problem. We may be able to provide an instantaneous budget or rough price for the customer online. We also want to be able to directly update the site ourselves.