

## South West Distributors

October 2001

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Established in 1972, South West Distributors is a Wholesale distributor of food products.

The company employs 30 people and supplies more than 6,000 different lines to just about everybody, from schools and government organisations to resorts and service stations. We talked to Mark Mayne at the main office in Halifax Drive Bunbury.

### **Who are your customers?**

Everybody. We supply food lines to government, resorts, shops, service stations, schools, golf clubs. You name the business or organisation and we've got a product that they'll buy.

### **How have you been successful?**

We supply goods that people need to run their businesses. The only differentiator is service levels. And that covers everything from politeness to order placement.

We also keep abreast of the technology. But what has kept us where we are is service levels. Whatever the customer wants... they get. Prompt delivery? Anything from an hour to a day... depending on where they are.

In the south-west, we're the biggest distributor of our kind. And our geographical spread is growing.

### **How do you use digital technology in your business?**

The trucks use mobile phones. We rely on phones to let us contact them when we need to. The reps use mobiles on the road. They ring or fax orders through.

We have 12 PC's and one server, running software called FACTS, developed for food and confectionery businesses by ACR... a company in Penrith.

We're a member of a group called The Distributors, which has 40-50 members. The FACTS software was developed specifically for the industry. We all receive continual upgrades. Any needs... and upgrades are designed to suit.

The FACTS software is fully integrated and handles accounting, stock control, payroll, invoicing and purchasing. It can generate all the sales reports necessary for running our business.

We're also a member of Countrywide... a grouping of wholesalers in food. Our company is about 30% food service and 30% confectionery.

It costs a lot of money for software... \$25-30,000. That's too much to find out that it doesn't necessarily do what it should.

We use e-mail for correspondence with suppliers and customers. And there is an Intranet for communication and sharing between the members of the industry group.

We also have two hand held scanners and five scanners connected to computers. The hand held scanners half the scanning time. The scanners will soon pay for themselves... and it could cut our staff numbers by two or three.

### **Who is your online audience?**

Suppliers and a few customers.

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### **How are you connected the Internet?**

Dial up modem and we only use one PC for e-mail.

### **Did you write a business plan before you started?**

No.

### **How much time did it take to get up and running?**

Three months to put in the system. The stock was entered at nights and on the weekends.

### **Where did you go for advice?**

Primarily from the Distributors group. We have regular meetings. The group researched the ACR software at the beginning.

Six years ago... we had no idea. The group said they would develop software for us all Australia wide and FACTS was developed by ACR from scratch. Early days, they'd ring up and say "We want to shut the system down". We said... "No you're not... we're too busy. Do it tonight, when we're not working". Once they got the idea of what we did... it was fine. It takes a lot of time. But now with all the feedback from the members... the system has improved dramatically.

### **How much did you spend?**

\$40,000 for the system, server and hardware. Plus \$16,000 for a new server.

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

Nothing critical. Only minor software hiccups.

### **What were the main risks you took?**

The only risk is the financial outlay and then the unknown as to whether you've got the right software system.

### **What advice would you give someone else?**

Seek advice. We sought advice and it was right. But it could easily have been wrong advice. ACR has been good. We've had problems at 2.00 am. Rung the support guy... got him out of bed to fix it.

We were the fourth company in Australia to go with this system. I spoke to the first company and they were the guinea pig. They had lots of bugs. By the time we got on it... it was OK.

### **What were the barriers within your company?**

None.

### **What are the benefits you were looking for?**

Cost savings. We're about to upgrade to a Windows system. Once we upgrade... we will save on staff costs. We'll have more accuracy in order fulfilment. And we'll stay ahead of the opposition.

### **Are customers happy with what you have done for them?**

As long as they get what they order. The bigger issue is getting orders wrong. At the moment the reps take the order...write it down and ring it through. Plenty of room for mistakes.

### **What are you planning to do next?**

Windows based system. Get our Web site set up. And more hand held stock reader units.

# case study

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We'll give the reps hand held – palm tops... so that they can take orders and see the entire stock list. The palm tops are WAP enabled and can be up loaded or down loaded at night. It's a GSM unit and works in a mobile phone area. The same people make our scanners. This should eliminate mistakes in ordering.

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

How fast things are changing. I've learned to be patient. A lot of this stuff we're talking about... I've been waiting for it for two years.