



“Thanks to the interface between Accredo and 4Operations we have all the information we need for informed decision-making and can exert tight control over the company as a result.”

Andrew Nixon, CEO, AJ Bates (pictured with Accredo OSP, Sue Brunton, Brunton NZ).

Two systems working as one breeds operational excellence for family owned firm

The integration of two best-of-breed software solutions has provided a growing family owned manufacturing firm the functionality of an enterprise ERP system for a fraction of the cost.

The combination of the Accredo accounting system and 4Technology manufacturing software has proven a winning formula for Auckland-based wallboard painting company, AJ Bates Ltd. A single point of information entry and a seamless 'order to invoice' workflow process has been achieved, ensuring all orders are invoiced accurately, fulfilled and delivered on time.

With the two systems working in harmony, CEO Andrew Nixon can drill down and accurately track all his business overheads.

“Data flows seamlessly between the two systems and we don't have to double handle information. Thanks to the interface between the two we can access all the key information we need for informed decision-making and can exert tight control over the company as a result.”

AJ Bates business software support partner, Brunton NZ, moved the company off its Prophet accounting system onto Accredo in 2005. “That change gave us a Window's based accounting solution that was easy to use and allowed us to do more advanced business analysis,” says Nixon.

AJ Bates supplies a small number of customers – including James Hardie, Laminex and Winstone Wallboards – with high quality coated wall panels. Nixon says those companies look after the marketing of the final product, whereas his key concern is maintaining close control over the company's quality control, plant and materials. “We are quite demanding when it comes to managing the efficiency of each of our coating machines. Our repairs and maintenance runs to around 40 odd sub-accounts on the General Ledger.”

To streamline scheduling and production processes AJ Bates installed 4Technology's, 4Operations manufacturing software in 2011. In doing so, AJ Bates became the first company to integrate 4Operations software with their Accredo accounting solution.

...continued >>

Two systems working as one breeds operational excellence for family owned firm...continued

"We now have all our key scheduling, manufacturing and compliance processes fully automated," says Nixon. "The 4Operations software tracks the consumption of labour and materials for specific jobs and passes data onto Accredo to produce the invoices. Any updates in one system are immediately reflected in the other," says Nixon.

Nixon says the integration has equipped AJ Bates with a level of functionality way beyond what a mid-sized manufacturing firm would usually retain. It has also prevented information within different parts of the business becoming 'siloes'.

"We now have a single point of truth for information and have avoided what many growing firms end up with – systems bolted-on but not fully integrated with the core accounting system. That situation leads to information building up in different departments and usually a mess of spreadsheets. All of which causes inconsistencies in your reporting."

That becomes a bigger problem with time critical events such as ordering materials and production scheduling, says Nixon.

"We process thousands of panels each week, and as a growing business it would be easy for mistakes to start creeping in when you are under pressure. Thanks to our two systems working in partnership we

have a full picture of everything that is going on, enabling predictive decision-making and planning what needs to be attended to in advance."

Nixon is a heavy user of the reporting function in Accredo. "Brunton's has created a range of customised reports that provide a very nuts and bolts view of all our expenditure. I previously completed this type of data analysis manually using spreadsheets and now have all the reporting parameters in Accredo with reports produced automatically by the system. I can go into Accredo two days before month end and pull the numbers straight out."

Nixon keeps a close eye on yields and product sales trends. "It's important to keep tabs on our yield. It costs the same to produce an 'A' grade

board as it does a reject, however no revenue results from rejects. With the systems I have in place I can see what the fluctuation is month by month and monitor whether we are improving or slipping back."

One of the Accredo features Nixon says he has really grown to appreciate is the ability to scan invoices and store them on the system. "Six months later when you have a query about an expense, rather than having to physically find the piece of paper, we just bring up the scan search function on Accredo."

He says it is particularly handy when doing budgets. "It allows you to look back and identify trends. For example, when I analyse why maintenance is higher in one month than another, the scans on the system provide me with a very useful narrative."

Accredo is also delivering better day-to-day control to the company. While its administrative expenses haven't dropped it is getting more value for the same amount of spend. "Thanks to the automation of some time-consuming tasks we have freed up staff that previously were doing transactional activities and reassigned them to work more strategically on the business."

Grant Meikle of 4Technology helped undertake the integration of the two systems, and he says the unique thing about Accredo is how advanced its automated programming interface is for a mid-sized product. "Accredo has an exceptionally smart programmable interface for a product its size. It's well written and well documented and allowed us to build the interface relatively simply."

As a result, Meikle says AJ Bates now has a best of breed solution for a fraction of the cost a customer would normally spend on installing SAP or a similar enterprise system.

Nixon says the next challenge for his business is to use the data interchange capability of Accredo to integrate more closely with his customers. "In the near future we will be looking into more direct data integration and exchange with our customers' systems to further automate the electronic invoicing process."

"We now have a full picture of everything that is going on and a single point of truth for information."

Andrew Nixon,
CEO, AJ Bates