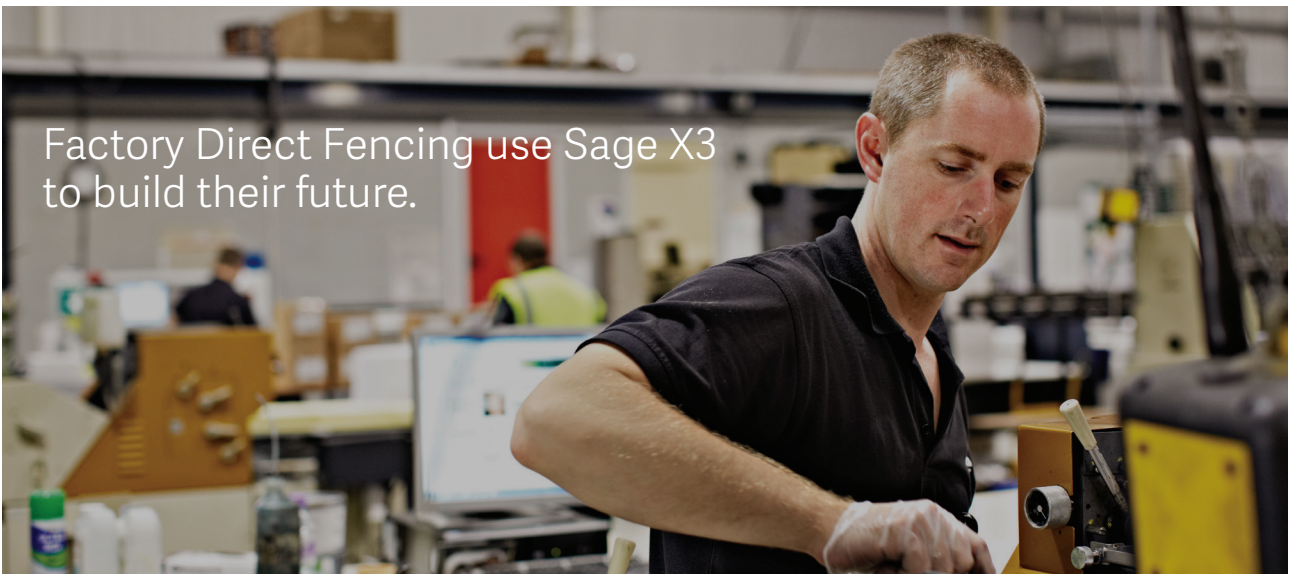




# FENCING FIRM BREAKS NEW GROUND

thanks to Sage X3



Customer

**Factory Direct Fencing**

Industry

**Manufacturing**

Location

**Australia**

System

**Sage X3**

## A bit of Background

Factory Direct Fencing (FDF) is Australia's largest family-owned manufacturer and distributor of fencing products. For twenty years the Queensland-based company has pioneered many of the innovations and techniques commonly used in fencing manufacturing today. Its commitment to quality, backed by a ten-year warranty on most products, has helped to build a thriving business that turns over approximately \$35 million annually.

In the past few years FDF has been awarded a number of national contracts. These provided the impetus to expand the business into new geographic areas, resulting in FDF establishing a presence in Western Australia, Victoria, and shortly, New South Wales.

## A bigger company needs a more systematic approach

Before opening its interstate warehouses, FDF management methodically planned its growth strategy. The first step was to upgrade the company's manufacturing capacity to cope with the anticipated increase in demand. Next, they considered how managerial practices and support structures might need to change for a larger, multi-site company.



Glenn Hosking, Managing Director, Factory Direct Fencing explains, "We used to have a lot of spreadsheets and manual processes. It all took a lot of time, so when we looked at how we wanted to run our business, we realised we were going to need an ERP [enterprise resource planning] system. We have a complex operation in that FDF directly distributes quite a few products but more than half of our business is manufacturing and custom manufacturing. This means we not only have a huge number of standard SKUs (Stock Keeping Units) but we can manufacture anything to order as well. We needed a system that could tie these two parts of the business together."

Hosking identified his major requirements as being; multi-warehouse management, radio frequency scanning to support inventory management and speed despatch, and component manufacturing functionality. In addition, he listed two other crucial functionalities; an efficient way of managing custom manufacturing and the ability to set and measure KPIs.

"With one hundred staff and growing, we wanted to be able to measure the contribution each person makes," Hosking notes.

## Seek advice

To find the best ERP software for FDF's business, Hosking sought the advice of peers and professionals. "I spoke to our bank manager, the accountant and a couple of other people in similar positions to find out what they were using and what to look for," he says.

With their input in mind he investigated four leading ERP solutions, one of which was Sage X3, a full-service enterprise management software system that combines

all the advantages of large scale ERP tools while maintaining the simplicity, flexibility and scalability essential for mid-market businesses.

"We shortlisted two systems that had good track records and strong support. One thing that tipped us towards Sage was the fact that there were no bolt-ons. It had good manufacturing, warehousing and financial modules all contained in the one package. We didn't want any issues with upgrades and software getting out of sync. We wanted to be able to simply set it up then get on and do our job. Sage had the benefit of modern software features but was also mature enough to be stable.

"Another appealing aspect of the suite was its Configurator module. I can give the same custom job to ten different sales reps and they'll all price it differently. Configurator gave us a nice, easy way for sales people to come up with accurate pricing and get enough information for our production team. It makes them conform to the way we want things done," Hosking adds.

Deployment of the Sage X3 system was carried out in early 2012 with the support of local Sage business partner and ERP expert, Leverage Technologies. Given the change from manual to automated systems was likely to cause some culture shock among staff, Hosking chose to phase in the system, going live with a core set of functionality on 1 July 2012 before gradually introducing more modules as familiarity with the system grew.

"Leverage Technologies have been great right throughout the project," Hosking says. "We've been working with two people there and they've been really, really good. This was a big upgrade for us and they've been very accommodating. We work well as a team."





## Less effort; more information

"The streamlining of processes and reduction in duplication of data entry delivered immediate dividends. Within three months FDF redeployed four administrative staff that used to facilitate orders from production through to dispatch. All that paperwork is automatically generated so they've been redeployed to more productive roles now," Hosking says.

"Reporting has also become much more reliable. We've got access to a lot more information and gained timeliness," Hosking asserts. "For example, we can more accurately measure the output of fabrication teams against budgets. The advantage of this is twofold; Firstly, we're getting more out of the guys because we can give them feedback on their performance. Secondly, we are becoming more accurate with our costings and time frames. We've never had the tools to be able to compare actual costs before. Since putting in the new system, we've been able to make adjustments where needed with either labour or machine or purchasing resources."

As FDF now move onto the additional phases of the roll out Hosking anticipates more time saving benefits will be realised. "We're in the process of automating all our order confirmations, invoicing, statements, remittance advices, purchase orders and so on. Many of our processes are still evolving. We're no longer constrained by system limitations or by how we used to do things, so now we need to work out how we want to do them in the future.

"We are evolving with the software. It all comes down to better customer service at the end of the day. If we can make things quicker and better, the customers benefit." he concludes.

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Managing Director