

Norwood's turnover is in excess of \$100NZ million per annum.

The Modular Distribution System

About Pentana

We've been delivering innovative solutions to the automotive industry for the past 40 years and climbing. Our focus is exceeding the requirements of a day to day software solution for any automotive organisation.

All distributor operations have had a product tailor made to suit the process and operation. Our experience has allowed us to receive first hand feedback into the use of dealer management systems. We've taken a broad approach and tailor made a suit of products to suit specific requirements.

We have achieved what others in the industry thought could not be done. We are driven by our customers, our passion for the industry and our expertise in the field drive us to always look for the next opportunity. This allows our customers' businesses to operate more profitably which is a key component to measuring the success of what we do.

Background

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CB Norwood Distributors is New Zealand's largest importer, distributor and retailer of farm machinery. This includes big-ticket items like tractors, harvesters, balers and cultivation equipment right down to ride-on mowers, chainsaws and brush-cutters and practically everything in between. In fact, with 55,000 customers on the client database, there wouldn't be too many New Zealand farmers who had not done business with Norwood.

The business, started by the Norwood family in 1936, is part of the Zuellig New Zealand Group, one of the country's top 60 companies. Norwood distributes its equipment through its company owned branches and independent dealers. Turnover is in excess of \$NZ100 million per annum.

The farm machinery business has complex logistics and customer requirements. Farms are a seven-day a week, 24 hour a day business that require around the clock support and service from their equipment and service providers. To meet this demand, Norwood is open all hours to support its 50,000 active product lines which are backed up by around 350,000 individual spare parts. Needless to say, logistics like these require a sophisticated approach to information management.

A strong working partnership

According to Neale Sinclair, Information Systems Manager at Norwood, when the company went out to tender for potential suppliers, it quickly became apparent that the Modular Distribution Solution (MDS) suite of products offered the closest fit of any of the software solutions being examined, MDS personnel had skills and experience in complex supply chain systems akin to the

Norwood business, and MDS offered the most cost effective solution.

"The decision was straightforward from that point", Mr Sinclair said. Norwood uses the MDS to facilitate the complete business. This covers the full suite of modules ranging from import and distribution, inventory, warehousing, spare parts, workshop service, retail units, warranty and all finance functions. The company also uses Cognos PowerPlay®, a PC tool and web portal that provides the reporting and analytical functionality for MDS.

The product runs on most desktops in the organisation, with the majority of users operating at the business coalface – that is, in the dealer network.

Mr Sinclair said "the MDS controls a number of critical areas in the Norwood business".

Between the Norwood owned branches, the workshops generate around 30,000 service jobs each year.

"The spare parts, warranty and workshop modules of MDS allows the user to meticulously track each job", Mr Sinclair said. "It can follow each spare part, kit, labour, and outwork, and identify and monitor warranty issues, workshop issues, or unit issues".

The system also manages all the information requirements associated with Norwood's import supply chain; from order placement, shipping, customs clearance through to delivery to the dealer. Then, there is the added complexity of 100 overseas suppliers spanning 14 different countries.

The solution was simple to MDS.

“It’s the foundation of our business”.

On a day-to-day basis, independent Norwood dealers sign-in via the internet for all online ordering, to ascertain availability of equipment and parts, to monitor delivery schedules, to register, enter and monitor warranty claims. The MDS dealer-connect facility is provided via IBM’s websphere, a tool that enables internet access for remote users to existing MDS applications.

Company owned branches are on-line 24 hours a day via frame relay circuits, and they have full access to all MDS modules.

Forecasting future equipment requirements for the overall business and dealers is also performed through the MDS.

“Sales of farm machinery tends to have seasonal peaks and troughs which means we need to build up stocks at particular times of the year and work out who is likely to need what across the dealer network”, Mr Sinclair said. “MDS provides us with the tools and information to do this efficiently”.

MDS and Norwood IT staff have worked closely to extend functionality into new areas as needs arise.

“We knew that customisation would be ongoing”, said Mr Sinclair. “In fact there is no such thing as an ‘off the shelf solution’ for this type of business, so ease of modification to reflect changes in the business as they occur is essential”. He added that MDS offered a very stable, robust and adaptable platform.

Business Benefits

Norwood’s IT Department has shrunk from 5 down to 1 staff member since the MDS was implemented. This was due to implementing the system over a single Wide Area Network rather than the separate 12 local area networks that existed previously. Staff savings have also been achieved in other functional areas due to the efficiency and integrity of the software.

“The system basically looks after itself – the amount of unplanned downtime has been almost non-existent”, Mr Sinclair said.

Mr Sinclair also cited a number of other business efficiencies that flow from the system. “Stock turns have increased, and stock levels have reduced, all the while maintaining the same level of fill-rate service to our customers”.

“We can turnover \$500,000 a day in sales across our wholesale and retail operations, and by moving to online ordering at the dealer level, we have eliminated consolidation and batching functions,” he said. “This reduces cost and the possibility of error”.

Organising and vetting complex transactions is also an important functional requirement. Many of Norwood customers want to bundle large orders that might involve multiple equipment sales, trade-ins, finance deals, warranty variations and the application of purchase incentives. In this context, small errors can result in large costs to the business.

“We needed a system that could accommodate complex sales deals within a framework of rules”, Mr Sinclair said. “The MDS solution simply doesn’t allow errors, which means deals can be organised quickly to the benefit of the dealer and the customer”.

The Future

New Zealand farmers are currently experiencing something of a mini boom. Commodity prices have been good and the low exchange rate has made New Zealand produce very competitive on world markets. Consecutive good seasons have helped lift volume and quality of farm output so Norwood is looking forward to strong growth over future years, with MDS providing important behind the scenes support.

Complete Functionality

The Modular Distribution Solution offers 12 key components, that when in used in totality, gives Importers and Wholesalers efficiency gains and decreased costs in every area of their operation.

- Vehicle Production
- Vehicle Management
 - DocuSmart
 - PareX
- Data Warehouse
- The Configurator
- Warranty Claims
- Warehouse Management
- Electronic Parts Catalogue
 - PartsEye
 - CAMS
- 5 Star Hub

Competitive Advantage.

MDS' comprehensive solution includes software, hardware, implementation, integration, training, maintenance and full customer support.

With over 40 years of investment in research and development, MDS products have both the maturity and flexibility needed to support today's automotive sales and aftersales industry.

MDS solutions help companies worldwide achieve a rapid return on their technology investments, streamline processes, optimise routines and give real-time control of the information that flows through their businesses.

As our customers can attest to, the MDS software quickly pays for itself by helping to reduce operating costs and capital outlay without cutting quality of service. It lets you allocate your precious resources where they are most needed: looking after your products, sales and customers.

Through it all, Pentana Solutions provides top-level support, from implementation through to training and support. MDS consultants are industry experts with years of Automotive experience. They work on-site with your company, sharing best-practice knowledge to provide a smooth transition to a fully optimised and integrated supply chain solution.

MDS' intelligent software is completely scalable and able to grow with your business well into the future.

Start your journey today.
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