

Best Practice Warehouse Management for Small to Medium Enterprise.



Produced by Datapel Systems Pty Ltd.

Whitepaper

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A Warehouse Management System...

Striving for best practice warehouse management and inventory control is a sure path to a more organised and profitable business. Regardless of inventory count, warehouse size or even if your current paper-based, in-house system works well, implementing an inventory management tool and order fulfilment process is to your benefit. This Whitepaper explores options for Australian “Small to Medium Enterprises” that use MYOB accounting software.

Have I outgrown my MYOB Premier accounting system?

Your MYOB accounting software is just that, “accounting software”. It provides many

outstanding features and add-on services that make running business and managing your compliance with GST, BAS, and payroll simple.

“In many cases there is pressure on business owners to **“change over” accounting systems**, only to realise **information integration** not accounting functionality was the problem...”

However, you need more as you grow. In all cases, sales entered into your MYOB accounting system triggers Order Fulfillment activities neither tracked nor monitored in MYOB. From this point forward you're flying blind.

It is little wonder that without visibility or control over this critical business activity many owners begin to wonder if they have outgrown their accounting system and start considering other software options.

Benefit from new but simple technology...

With the advent of the new MYOB ODBC interface independent software developers are now able to directly access accounting information stored within the MYOB database and exchange business information in a relatively seamless manner with external applications.



Datapel Systems are leaders in the application of this ODBC technology and have developed many large scale customised solutions managing thousands of

transactions per month for a multitude of organisations.

“By integrating

MYOB Premier with

Industry focused

applications we deliver

“Best of Breed”

business solutions...”

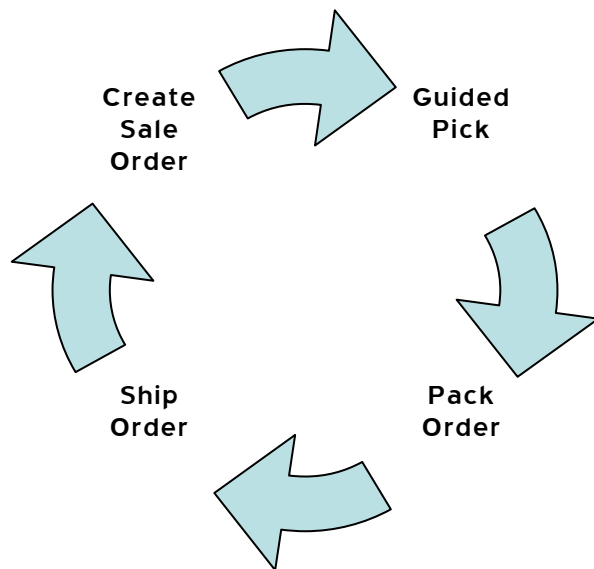
Your choices for better inventory control...

Three options exist for Australian Businesses:

1. Switch to a modular “mid-range” accounting system.
2. Invest in a customised system to address your specific needs.
3. Purchase an “Out-of-the-Box” Warehouse Management Add-On that is integrated and designed for MYOB accounting software.

Key system requirements for SMEs...

An organised warehouse will make the order fulfillment process fast, efficient, and more reliable. Picking is the act of gathering items from the warehouse for each order by following an order picking list. Packing is placing the items into shipping boxes or on palettes and creating the packing slip.



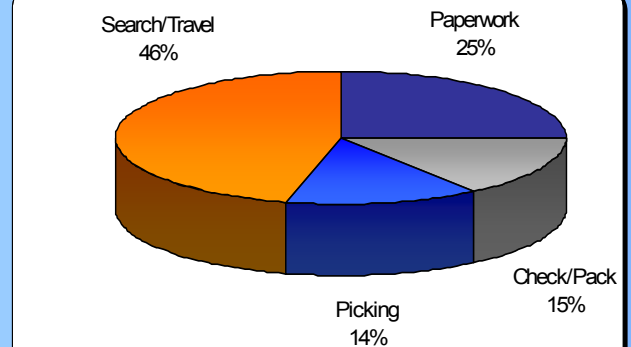
Order Fulfilment Process

Accurate stock tracking is the key to successful order fulfillment. Your new system must be capable of tracking individual item serial numbers,

stock groups using batch numbers, and stock allocation to bins or other physical storage locations. Some systems support advanced features like expiry dates for perishable goods.



A fundamental limit is placed on the scalability of your business without this level of tracking and stock visibility.

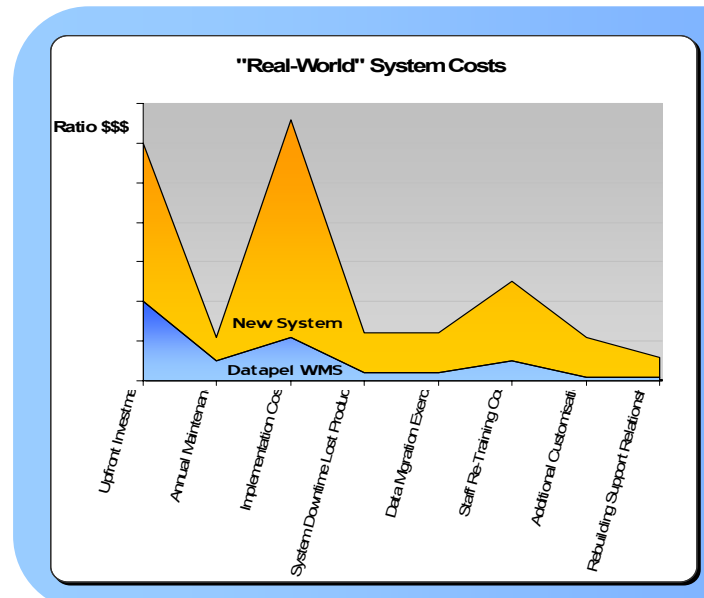


The pie chart above shows typical time spent in a manual, paper-based warehouse. An automated warehouse system creating guided order picking lists will significantly reduce search and stock retrieval travel times.

Assessing Return On Investment (ROI)...

To justify the investment in a new or add-on system there is more than just the software price to consider. The overall cost to your business is both direct and indirect. Direct expenses include the purchase price of software, hardware, and services including; consulting, installation, data migration activities, training, and customisation. Indirect costs relate to lost productivity due to system down-times, staff ramp-up times, and in building new supplier relationships.

Indirect costs and business risks are highest when switching entirely from one system to another. Fully customised systems tailored to your needs are costly and success is highly dependent on the skills and stability of your IT partner.



Compare New System:Datapel

Upfront Investment	2:1
Annual Maintenance	1.5:1
Implementation Costs	5:1
System Downtime Lost Productivity	5:1
Data Migration Exercise	5:1
Staff Re-Training Costs	4:1
Additional Customisation	10:1
Rebuilding Support Relationships	5:1

By selecting a warehouse management system that adds-on to your existing accounting system the risk and indirect cost to your business are significantly lowered.

The graph above shows the relative cost of the Datapel Warehouse Management System when compared to a typical mid-range accounting system that includes a warehousing module.

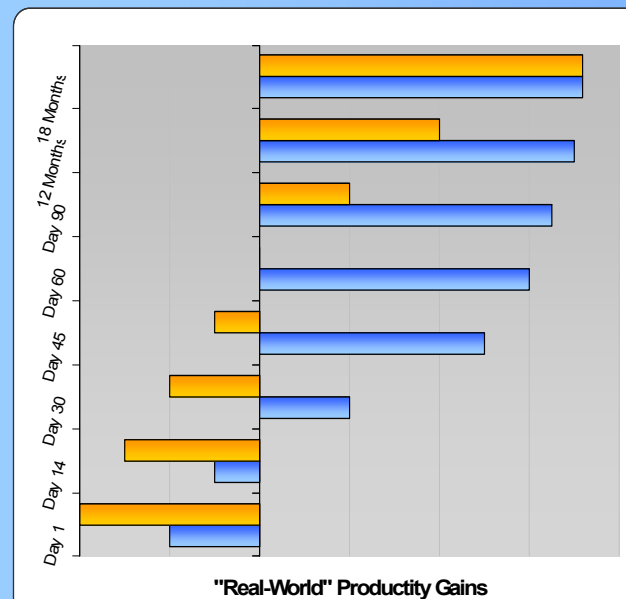
Staff productivity and change management...

Remember that any change to your systems will impact staff productivity. Your Staff must understand the reasons behind business changes so they become avid supporters of change allowing your business to grow. Staff Training is absolutely critical and they should be clear on how the new software will affect them and the way they work. Try involving your staff in the decision to improve systems, organise a special demonstration of the new system specifically for them and encourage them to ask questions.

Planning and implementation...

Be realistic about how quickly new software positively impacts your business. Plan to stage the implementation of key software features rather than expecting

everything to run smoothly from day one. Your existing workflows need to blend with the new system and your staff must gain confidence and familiarity with new interfaces and tighter processes.



The above graph shows typical impact on “whole of business” productivity when new software is introduced. From day zero staff are unfamiliar with interfaces and new workflows so things take a little longer than usual. After a couple of weeks productivity accelerates delivering expected efficiencies and time savings. For entirely new software systems measurable results can take up to six months and beyond.

Looking to the Future...

The Datapel Warehouse Management System delivers advanced inventory management functionality that underpins best practice warehouse operations.

Propel your business information systems with a "Best of Breed" solution that integrates your MYOB accounting software and Datapel's Warehouse Management System.

Call: 1300-137-082

Email: sales@datapel.com

Web: www.datapel.com

MYOB is a registered trademark of MYOB Limited. Datapel Systems reserves the right to change product and service specifications at anytime without notice. The Datapel Warehouse Management System suite has not been endorsed and is not supported by MYOB Australia.



DPL-REF-000138-C

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