

CASE STUDY

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| CLIENT: | Chapman Grove Wines |
| INDUSTRY: | Agriculture |
| LOCATION: | Australia |
| PRODUCT SUITE: | EXO Business |
| MYOB ENTERPRISE PARTNER: | Horizon Business Systems |

From start up to success story in just four years, WA wine company Chapman Grove Wines discovers the secret to knowing what your business is doing at all times.

Overview

Founded in 2005, Chapman Grove Wines is a rapidly growing, privately owned company in the Margaret River region of Western Australia.

Although a relative newcomer to the market, the winery has twice been awarded five stars by James Halliday in his Australian Wine Companion – most recently in the 2010 edition. It has also been rated in his 'Best of the Best' list of Margaret River Wineries, Australian Cabernet Producers and Australian Chardonnay Producers.

It may be a young company, but Chapman Grove Wines is by no means a fledgling operation. It has significant export markets, contract sales staff in Western Australia and Victoria, distributors in Queensland and NSW – and wine stored in five warehouses across Australia.

However, the task of tracking sales and stock levels across all four states falls to just one person – managing director Ron Fraser. And that's a job that depends on visibility.

Looking for the right functionality

Fraser knew from the outset that the company needed a reliable and robust accounting and stock keeping system. So he immediately set about looking at options.

"As we saw it," says Fraser, "the main contenders were Quickbooks, which we'd been using in our other businesses, and Premier".

The only trouble was both had their limitations. Neither featured integrated stock control or customised reporting – which was something Chapman Grove Wines saw as critical to future growth.

The alternative was to have a system custom built from scratch. But for a start up, the cost of something like that was prohibitive. So Fraser continued his search until, finally, he stumbled across EXO.

"Straight away, EXO seemed to have the functionality we needed," he said "for a price that was far more realistic for a start up business like ours".

"And in the short time it took the guys at Horizon Business Systems to give us a demo," says Fraser, "we were convinced it was the system for us".

A text book installation

Chapman Grove Wines was one of the first businesses to sign up to EXO in Western Australia – and as such, one of the first implementations

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conducted by Horizon.

From Leederville, Perth, Horizon's Michael Pendred and Julian Lange made the long journey south to configure the system to Chapman Grove Wine's specific needs. And despite certain challenges, Fraser says Michael and Julian made the implementation, and the subsequent development, very easy.

Chapman Grove Wines had a number of specific requirements, including:

- integrating stock control as part of the sales invoice process
- customised reporting around wine equalisation tax (WET)
- component costing of product.

"Horizon met them all," says Fraser.

Adding, "They're always prompt and helpful. Any niggling problems, we only have to put in a call to Michael or Julian or one of their team and they are normally able to fix things over the phone – or remotely."

Building in confidence

Within a day or two of installation, Fraser says he had a basic understanding of how to use EXO – thanks in part to Horizon's expert guidance. It took a few more weeks to feel fully confident.

"EXO operates differently to Premier or Quickbooks," he says, "so you need a different mindset when inputting data".

"The system keeps an audit trail of everything you input, so it can be a bit daunting at first – not wanting to make a mistake. But once you understand how to 'undo' your entries, your confidence grows."

Tweaking to taste

"The great thing with EXO," comments Fraser, "is that it's customisable – which means that if you get a few weeks down the line and think something might work better a different way, you can tweak it".

Indeed, since going live Chapman Grove Wines has identified a number of opportunities for improvement – and tasked Horizon with helping

tighten up the system accordingly.

One such opportunity was the development of a report to calculate and track Wine Equalisation Tax applicable to all sales. EXO calculates the WET on every invoice and reports monthly for the purpose of BAS reporting.

Better visibility all round

Fraser says there are a number of obvious advantages with EXO – compared to their old set up.

"From time to time the Australian Taxation Office requests additional information from us in support of our business activity statements. Not only do they take confidence from the fact that we use EXO," he says, "but the instant visibility EXO gives us through its various reports means we can quickly and easily access any data on the business we need to".

Visibility on stock control and costs is another big plus.

Because EXO has fully integrated stock control, Fraser can see how much stock is in any of the five warehouses at any point in time – something he says he could never have done with Quickbooks or Premier without additional entry.

"We can also determine the exact cost of a bottle of wine using component costing. And creating bill of material builds for each type and vintage of wine we produce gives us great confidence on profit margin performance," Fraser adds.

"We can see profit or loss figures at any time in any period based on real time costs – which means we never have to rely on historical data, or manually enter costs. They filter through the system automatically. Not only that, but because cost codes are searchable, data is instantly retrievable."

Looking to the future

From a start up to a business with warehousing and sales operations in multiple states in just four years, Chapman Grove Wines is a real success story.

"And we don't want to stop now," says Fraser – "we want to keep growing".

"EXO gives us the ability to keep doing that, letting us scale things up to match the growth in our business.

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So as we get bigger, we'll start to use even more of the functionality available to us – particularly in the areas of customised reporting and staff management.”

“For now though, EXO helps us make well-informed decisions - and that intelligence,” he says, “is the key to ongoing success”.

Client and Enterprise partner details

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