



### Blundstone Pty Ltd

is Australasia's largest manufacturer of heavy duty work and protective safety footwear. The company is highly specialised, servicing markets in Australia, New Zealand, the South Pacific, Asia, Europe and North America.

The Tasmanian-owned company aims to be one of the world's most technologically advanced footwear manufacturers. It has adopted highly modularised manufacturing methods along with a 'just in time' approach to production. This has increased flexibility, shortened production lead times, improved quality and increased productivity. In addition, taking orders over the Internet has sped the process up for partners because orders are delivered directly to the manufacturing area. The company markets under the 'Blundstone Footwear' registered trademark. It employs about 300 Tasmanians and makes about 5,000 pairs of footwear each day.

### Electronic commerce keeps Blundstone ahead of its competitors

Blundstone Pty Ltd uses electronic commerce to give it an effective marketing and servicing edge over other manufacturers by reducing work load and allowing the company to 'add value' to its brand and products.

The company has a three-pronged approach to using the Internet, namely:

- a website containing a catalogue of its products and contact details for its registered distributors, commonly referred to as 'partners', in Australia and throughout the world;



- a secure online, interactive ordering and account facility for its partners; and
  - a secure 'document management system' – a library of internal documents for use by staff.
- Blundstone approached the Tasmanian Electronic Commerce Centre (TECC) for funds to help it develop its online interactive ordering and account facility for its partners. This business to business area was considered to be a major way of establishing a competitive advantage over other manufacturers. The TECC provided \$30,000 towards the project, which Blundstone more than matched from its resources.

### Online ordering has streamlined operations

The electronic trading system for partners, developed by ICS Multimedia, has benefited Blundstone and its partners in many ways.



**Benefits to Blundstone**

Blundstone's website, [www.blundstone.com.au](http://www.blundstone.com.au), establishes the company as a 'first contact' point for its products, allowing it to retain worldwide control over its brand and to directly deliver information and value to both Blundstone's partners and consumers. It strategically places Blundstone as a market leader in technological practices and services, enabling the company to be recognised as an established and competitive provider of services.

Blundstone's ordering and manufacturing processes have been streamlined through online purchasing by its partners. Purchase orders can be created 24 hours a day and entered instantly and directly into the manufacturing system. Orders no longer need to be phoned through, sent by fax or through the conventional mail system. Invoices are automatically generated when partners' orders have been fulfilled and shipped. This removes double handling and reduces errors that can occur when information is re-typed or transferred from one paper form to another, thereby saving time and money. In addition, the whole process is more immediate, helping the company to order raw materials needed to manufacture goods in a 'just

in time' manner. In effect, by getting orders quickly and knowing what they need to manufacture, the company can order raw materials so that they arrive 'just in time' to go into the manufacturing process. Businesses use this approach to minimise the amount of money



they have tied up in stockpiles of raw materials and to avoid extra expenses of storing and handling the raw material before they enter the manufacturing process. A further benefit is that partners can now pay for their orders electronically, which means the company receives payment for many of its orders sooner than through traditional means, improving the company's cash flow.



### **Benefits to partners**

Blundstone's registered distributors in Australia and throughout the world, commonly referred to as 'partners', have a 24 hour a day, secure, self-service, interactive interface to Blundstone's database for:

- placing and tracking progress of orders; and
- managing their account details;

Partners have access to their own secure areas containing all their ordering and invoice information. At any time of day, partners can order all styles of footwear using the catalogue on Blundstone's website. All the order details are stored on Blundstone's database, relieving partners of the need to maintain office files for keeping track of stock to be replaced or introduced. The process is reliable, immediate, flexible and efficient. It makes it easy for Blundstone's partners to order, stock and sell Blundstone products.

### **Tasmanian specialists used to build the website**

ICS Multimedia, a Hobart-based company, designed and built the website that links to Blundstone's registered distributors throughout the world, the online ordering facilities for partners and the Blundstone internal document management system. The company worked to develop components for this system that were more efficient than those readily available on the market, and also to ensure the system had the various levels of security needed to conduct Blundstone's business and transfer information confidentially.

### **Careful management of the project was important**

Blundstone was aware of the importance of this project to its business success in the future. It formed an internal IT Project Committee to oversee the initial research and implementation of

the online systems. The committee worked as a team with ICS Multimedia to design the systems so that they met the needs of Blundstone and its partners, test that they worked effectively and ensure they were easy to use. When the systems were completed, Blundstone promoted its new online services to its partners, who now deal interactively with the company from any part of the world, 24 hours a day.



## The future

Roger Coleman-Bock, Blundstone's Marketing Coordinator, states that the company's use of electronic commerce has made Blundstone more efficient and put it ahead of its competitors. He says the funds provided by the TECC helped progress the business to business area of its operations but that it was only the beginning. Blundstone plans to increase the information available to its partners by adding a freight tracking mechanism that ties in with freight organisations and to include pricing information for each of its registered distributors. Roger Coleman-Bock believes that Internet-based electronic commerce will be as important to Blundstone's operations in the future as telephones and faxes.



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