

## Case Study: Purdon & Featherstone

### Tasmanian supplier receives real benefits from TBO electronic purchasing system

Richard Fader, Managing Director of Hobart-based provedore, Purdon & Featherstone, is involved in a business where deadlines are highly important, not only for the provedoring of ships visiting the port of Hobart, but for the growing business of re-supply to the Australian Antarctic Division (AAD), including four Antarctic bases.

"It's not so long ago that we used to get orders on pieces of paper, then by fax, and more lately, by email," Richard Fader says.

"But when we heard about the services being offered by Tasmania Business Online, we could immediately see the potential in being able to receive orders electronically."

Richard was interested in a system that would allow him to slash the time that it traditionally takes to enter purchase order data into their sales order processing system (MYOB), and also to comply with requests from the Australian Antarctic Division for integrated electronic ordering services from their suppliers.

The reward for producing an electronic catalogue? Increased revenue through the awarding of a major supply contract, and decreased costs by dramatically reducing manual data entry of purchase order data into our system.



**Richard Fader, Managing Director of Purdon & Featherstone**

#### Time and Cost Savings...

*Purdon & Featherstone provide the AAD with four major re-supply orders every year, which equates to approximately 50 individual purchase orders. Each order contained hundreds of items (the equivalent of 5 to 10 faxed pages), and took one full day to enter into their accounting package because product codes were not usually contained in the order.*

*Thus, a staff member, costed at approximately \$20 per hour (including on costs) would expend \$160 per day for each AAD order, or approximately \$8000 over a given year (\$160 per day x 50 orders), whereby they could have been used for alternative duties.*

***"What used to take 8 hours now takes 3 minutes"***

*With the help of Tasmania Business Online (TBO), Purdon & Featherstone have published an electronic catalogue and have implemented a simple system for integrating incoming orders into MYOB. What used to take 8 hours now takes 3 minutes.*

*All this was done for approximately \$3000, giving a \$5000 overall saving in the first year of their involvement. This does not factor in the recovered productivity of staff members or potential savings from other customers...*

#### Future plans

Richard is currently considering enhancing the current system by developing software that will automatically construct outgoing purchase orders for his preferred suppliers, thus reducing costs. This works by analysing item codes within incoming purchase orders in a database, assigning items to his suppliers based on pre-determined business rules, and automatically generating the outgoing purchase order within MYOB. The order can then be emailed, faxed, printed or sent via TBO to the respective suppliers.