

MYOB Advanced

Client Raw C (Coconut Water) | Location Australia
Product MYOB Advanced | Industry Wholesale & Distribution



Thirst for growth no problem for MYOB Advanced

“Everyone has gone a little mad about coconuts, which makes us incredibly happy because we love them,” says the website of Raw C, which in a little more than four years has become Australia’s second biggest distributor of coconut water products.

“We’ve been doubling our turnover year on year and that’s going to continue to grow,” says Dennis Ghetto, Raw C’s co-owner, CFO and Operations Manager. The company imports its products from Thailand, Vietnam and Sri Lanka, and distributes them to supermarket chains across Australia from warehouses in Sydney, Brisbane, Melbourne and Perth.

Raw C’s MYOB Advanced ERP system has equipped the company to handle major growth now and for the future.

Problem

Lack of comprehensive analysis

Raw C’s rapid growth soon began to reveal deficiencies in its business systems. It had launched with a basic web-based accounting package that was fine for a start-up, but required too much manual labour with spreadsheets and wasn’t really delivering the financial reports the company needed.

“We needed more consolidated reporting from a sales as well as a financial perspective,” Dennis explains. “We needed to know we were making money and to analyse our sales data in order to control and grow our business. We needed a fully integrated system because we couldn’t do pre-payments in the old system, or find out what stock in transit was coming from our factories offshore.”

Warehouse management was another pain point: lack of live inventory visibility caused problems. Raw C could only determine what was in its warehouses by actually going into them every week and doing a physical stock-take. Handling products with a limited shelf life added further complexity.

“We have to handle the two sets of controls of batch numbers and also use-by dates,” says Dennis. “There were times when we didn’t notice the dates in sufficient time, and so we’d have to shift the products heavily discounted, which was costing us money.”

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Solution

A user-friendly system that fits

Raw C went shopping for an ERP system that would link its supply chain and financial management, and ensure compliance with Australia’s very tight health and safety regulations.

“I knew that products like SAP were too big and expensive for our needs,” Dennis says. “We also looked at NetSuite, but it was too complex and had features we’d never use. Then the MYOB Partner introduced me to MYOB Advanced.”

Advanced was chosen as the best fit for Raw C’s business model, for its user-friendly interface and the promise that the company’s staff could do a lot of modifications themselves without the need to constantly call for a consultant’s help. A Cloud-based system was another prerequisite.

“We didn’t want anything server-based,” says Dennis. “We use web-based systems for everything, even our phones. I’m always travelling and so it’s easy for me to keep in touch with the office via the web.”

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Outcome

Better reports and a total business view

MYOB Advanced allows Raw C to do everything it wants – and more developments are planned.

Dennis and his staff can now get reports on customer sales and margins, in detail that was not possible before. The products stored in all the warehouses are visible as live information, including batch and use-by details. Products nearing the end of their shelf life can now be flagged in time to be sold at a margin that enables cost recovery, rather than taking a loss.

“Advanced’s reporting capabilities are a great help,” Dennis says. “We now have detailed profit and loss, as well as sales order reporting. Our warehouse people can also run reports to see where stock is, so if we need to move it to another city to fill an order, we can do it instantly. This makes it seamless, rather than having to check 100 emails and make lots of phone calls.”

Manual spreadsheets are now history; automation gives Raw C’s accountant live data about creditors and debtors, smoothing the process of invoicing, payments and debt recovery. Terms can also be flagged for specific customers, rather than one set of terms for everybody.

“We’re even getting customer profitability reports, which is great, because we’re taking it to a new level – Business Intelligence,” says Dennis.

Paperwork has largely been eliminated, pleasing both Raw C and its larger customers, who’d been lobbying it to adopt electronic ordering and invoicing. The company has been able to handle its rapid growth without having to employ more office staff. As an importer, Raw C does a lot of dealing in foreign currencies. Advanced handles all the transactional calculations easily; Dennis can now see the true costs. “Previously we’d just pay the bill and hope for the best!” he laughs.

Raw C has also recently entered the fresh produce market, selling fresh coconuts. This creates another level of regulatory compliance from health and Customs officials, which would have been very hard to handle without Advanced.

“All fresh products need health certification before they’re sold and if they’re coming from overseas, they have to go to a government-controlled warehouse for testing,” Dennis explains. “We now simply attach all the necessary documents to a shipment before it reaches Customs. With Advanced all the documentation is handled seamlessly and to date we’ve never had any problems.”

The MYOB Partner draws praise from Dennis for their contributions.

“We’ve asked them to do various modifications and there’s never been a problem. They showed us new ways to run our pre-payments and purchase orders, giving us better control and flow-through of data. That helped us to control what’s in the factory, what’s on the water and what’s here locally; we never had that visibility before.

“When we started selling fresh coconuts they did a quick customisation for us to handle all the red tape. They also did a profit and loss customisation so we can segregate our promotions, fixed terms, rebates and so on.”

While Raw C intends to continue its growth in Australia, it also has its eye on markets further afield.

“We plan to expand into other continents, which means new suppliers and warehousing needs. We’ll need more sophisticated tools because we’ll be employing more people, so we’ll need to work smarter on monitoring KPIs, sales and margins.

“We have 100% confidence that Advanced will continue to grow with us. It has every element we need as a business to jump forward.”

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Before	After
+ Inadequate reporting	+ Live financial and warehouse data
+ Lack of stock visibility	+ Stock easy to check and move
+ Health & safety compliance issues	+ In-depth reporting instantly available
+ Currency transaction problems	+ Regulatory compliance handled smoothly
	+ Foreign currency costs transparent
	+ Plenty of room to grow
