

Hazeldene's Chicken Farms Pty Ltd

Hazeldene's continue to identify
NAV efficiencies and improvements

Founded by Dick and Mavis Hazeldene in 1957, Hazeldene's is a major regional poultry processor which has enjoyed compound growth of more than 5% annually over the past five years. The company employs around 500 staff and annually processes millions of chickens in its plant near Bendigo, Victoria. Hazeldene's supplies the wholesale and retail markets with a wide range of whole birds, portions and valued added items. ISO 9002 Quality Assurance, free-range accreditation and a best practice hatchery attest to the pursuit of quality throughout its operations.

Situation

Hazeldene's proprietary software was at the end of its life, struggling to cope with the company's growth and lacking the features required by a new IT strategy.

Hazeldene's sought an integrated, web-enabled ERP solution which could deliver long-term benefits including better analysis and reporting, higher quality financial and customer information and improved customer service.

When the company realised its old system could not support continuing growth, Hazeldene's spent two years identifying the IT foundations needed in an ERP system. Overall requirements were:

- A web-enabled integrated solution which could facilitate current and future e-commerce initiatives

- Better analysis and decision making through a central, integrated database of customer and corporate information
- Better management and access of common customer and financial management information and greater ability to share information between business areas
- Better delivery of customer services, including the introduction of web services, e-commerce capabilities and unified communications
- More effective and efficient management of customer information that would assist in delivery of improved customer services.

Solution

After a lengthy process of identifying new IT foundations and shortlisting potential solutions, Hazeldene's concluded that Fenwick Software Pty Ltd and Microsoft Dynamics NAV

"NAV has proven to be a robust framework upon which we can make incremental enhancements over time, matched to our business needs."

—James Thompson,
Hazeldene's
General Manager



CASE STUDY



Overview

Country

Australia

Industry

Food Production

Customer Profile

Hazeldene's is a major regional poultry processor that supplies the wholesale and retail markets with a wide range of whole birds, portions and other items.

Business Situation

Hazeldene's proprietary software was at the end of its life, struggling to cope with the company's growth and lacking the features required by a new IT strategy.

Solution

Fenwick Software Pty Ltd provided an integrated ERP solution that included: centralised data base, efficient processes and increased flexibility.

Benefits

- More rigorous financial reporting with greater clarity
- Up to 20% productivity improvement through minimising data re-entry
- Improved accuracy and productivity in managing pricing changes
- Further opportunities for improvement identified



CASE STUDY
Hazeldene's
Chicken Farms Pty Ltd

“Our operations are pretty much 24/7, and a lot of the personnel critical to the success of the project are very time poor.”

*—James Thompson,
 General Manager*

offered the best value for money. NAV satisfied Hazeldene's needs for an integrated solution which had:

- Centralised database for financial, supply chain and customer relationship management information
- Efficient sales order process, including sales history to maximise each sale
- Ability to handle complex pricing with day-to-day variations
- Flexibility in providing costings at departmental and project levels to improve decision-making
- KPIs on dashboards to aid timely, accurate senior management decisions.

The project ran from February to October 2010, with Hazeldene's retaining its external advisor as project manager.

“Project management was nearly a full time role at different points, so we came to this decision after talking with other industry partners about processes they'd been involved in. The project manager already had a good knowledge of the business, which was critical. There was a cost, but the project manager played an important day to day operational role between our people and Fenwick Software,” says James Thompson, General Manager.

A rapid project-planning workshop fleshed out the client's business benefits and objectives as a benchmark for successful implementation.

Detailed discovery meetings were held in the key areas of Hazeldene's, with Fenwick consultants watching operators perform everyday tasks so they could flush out any unique processes. A data workshop was scheduled to identify data requirements, highlight potential issues in data transfer and test

availability of data needed to run the system.

“Data conversion can be a major risk in IT projects, and it's important that clients fully understand their involvement in it,” says Fenwick Software's Steve Langmaid. “We include this process to mitigate risk and keep costs under control, and provide templates so clients can upload data.”

Workshops were also held on processes and requirements for each functional area, and on documents and reports.

Hazeldene's exacting approach to the project ensured that staff were fully trained before go-live. More than 20 training sessions were conducted over three weeks, and two trial go-live simulations enabled the final cutover to be smooth and seamless.

“There had been problems with a previous IT installation some years ago, and the directors were understandably nervous,” says James.

Benefits

Six months after implementation, Hazeldene's has achieved 90% of business benefits sought and is extremely happy with the new system.

Benefits include:

- NAV's high degree of flexibility
- More rigorous financial reporting with greater clarity
- Up to 20% productivity improvement through minimising data re-entry
- Improved accuracy and productivity in managing pricing changes
- Further opportunities for improvement identified.

Ongoing improvements

Hazeldene's IT enhancement committee continues to identify opportunities that will create even greater efficiencies and improvements in the company's

operations.

“The committee meets every week and has identified a lot of enhancements, particularly in pricing systems and despatch, which we couldn't have realised in the specifications or project implementation,” says James Thompson, Hazeldene's General Manager. “This is a work in progress – it's only in the shakedown and use of the system that we can see new opportunities for improvement that suit our business model.

“It's a good thing, and NAV has the flexibility to deal with that.” Hazeldene's has already achieved 90% of the business benefits it sought,” James says.

An exacting process

Hazeldene's approach to replacing its old “very closed and clunky proprietary system” was exacting, from its use of an external advisor in the development of a new five to 10 year IT strategy through to extensive staff training sessions.

Consequently, the company was extremely happy with the final cutover and staff acceptance of the new system.

“You've got to spend time, money and effort on the foundations of the house,” James says. “We did that, and it was a credit to Fenwick Software, our project manager and staff that the changeover went extremely well.”

NAV flexibility

Microsoft Dynamics NAV is a flexible system which can be modified to meet specific business needs.

In Hazeldene's case, the base reporting function of NAV was insufficient, and the ZAP Business Intelligence software was added to enable reports to be produced quickly and efficiently.

“ZAP will meet our needs, but we’ve really only scratched the surface as we build up a body of knowledge as to how to best operate the system,” James says.

As all customer information is now contained within one NAV database (purchasing was previously on a separate system), staff can easily trace transactions. Purchase orders are visible to appropriate users, and matching of invoices against goods received is more straightforward.

EDI (electronic data interchange) functionality is going well with major supermarket customers, with key benefits including accuracy of information and data going into the NAV database. “We’re getting order information coming straight through from one computer system in supermarkets into our own system. We’re not relying on inaccuracies of

information relayed over the phone, or staff keying in errors that inevitably happen with information put manually into a database,” he says.

Productivity improvement

Hazeldene’s estimates it has achieved a 15 to 20 per cent increase in productivity through minimising redundant data entry. Staff requirements in the customer service area have reduced, enabling the company to divert resources into other business areas.

A more rigorous financial system has been achieved, with greater clarity around information collected. The previous system had very basic reporting capabilities, however NAV is enabling a move to full cost centre accounting from July 1 2011. “We’ll see greater benefits of the system once we’ve gone through a full financial year,” James says. “Once we have

nine months’ data we can then move towards zero based budgets. We are very much at the ‘crawling’ stage, however NAV will certainly help a lot with cost minimisation.”

NAV has also generated efficiencies in inputting and changing prices in an extremely complex pricing matrix with more than 500 SKUs.

“The system has been set up in a way that meets our business needs, and has saved a lot of time in changing prices in different market segments. It’s now much easier, and improvements in accuracy mean that error rates are reduced, which in turn reduces credit and debit adjustments.”

Other modifications included minor changes to sales and distribution routines, and web services were written to enable scanners to interface directly with NAV sales orders.

“Ultimately, the strength was in the project management and in the essential foundation of training before going live. We spent a lot of time and money on that, and it was a credit to Fenwick, our project manager and staff that the changeover went extremely well.”

—James Thompson
General Manager

Fenwick Software and Microsoft Dynamics NAV

When you partner with Fenwick Software you’ll find people who care about your business. We’re not interested in supplying and implementing software for its own sake. Our approach is consultative and collaborative. We build enduring relationships that create long term benefits. We’ve been doing this since 1976.

Our team of consultants are highly experienced and understand business as well as technology. Microsoft Dynamics NAV is our ERP system of choice because it offers unparalleled functionality, flexibility and cost effectiveness. It means we can customise the system to suit exactly what you need, and continue to adapt this over time as your needs change. Microsoft Dynamics NAV has more than 86,000 customers, over one million users worldwide, and is available in more than 40 country versions. Powerful software, Fenwick’s team of committed experts and your business – together we’ll create a system that works.

