

From a small start-up in 2002, Fibrelogic has grown to become Australia's leading fibreglass pipe company and an inspiration to small and medium sized companies.

"We started six years ago with sales of under \$5 million. Last year we achieved \$30 million. This year, we expect revenue of \$55 million and next year even more with additional capacity," said Finance Manager, Mr. Peter Clayfield. Staff strength has risen from about 10 in 2002 to 140 today.

This quantum leap in performance is due to a confluence of several factors – a unique technology, strong product demand and availability of funds.



In 2005 the company secured the licence to manufacture a fibreglass pipe and fitting system called Flowtite, which allows for fast and efficient production of large quantities of corrosion resistant pipes. With grants from the South Australian government under its Structural Adjustment Fund, a purpose built plant was established on a five-hectare site in Lonsdale.

This has allowed Fibrelogic to tap into the demand surge fuelled by the expansion of the Australia mining and resource industry and drought across the country. As the only Australian company with this technology, the company is operating round the clock, seven days a week.

FIBRELOGIC



- ◆ Established in 2002
- ◆ Largest and leading Fibreglass Pipe manufacturer in Australia
- ◆ Rapid revenue growth

Growing Pains

Exponential growth in sales and staffing levels demands a corresponding growth in management capabilities and systems.

Since its inception, the company had been using spreadsheets for almost all data recording from inventory management to financials. All systems were totally standalone and the manual reporting was resulting in substantial delays in month-end reporting.

The company recognised that such delays were starting to have an impact on decision making. For example, without accurate and up-to-date data, production planning was a big challenge, that at times resulted in the over order of raw materials to ensure production would not be comprised. This in turn caused the unnecessary use of working capital.

"Production commitments and scheduling were maintained manually causing inaccuracies. The accounting system was also not designed to handle a complex staff arrangement of 4 rotating shifts – 2 days, 2 nights – on 12-hr rotating shifts.

"We were just not getting management information to support the forecasted company expansion. We needed to reform our systems using a fully integrated ERP solution," said Mr. Clayfield.

Signing on PRONTO-Xi

Appointed to his role in April 2007, one of Mr. Clayfield's first tasks was to improve the visibility and timeliness of management information. This required not only internal systems reform, but also the engagement of a partner company to help deploy a suitable ERP system.

Considerable discussion was held with managers spanning all facets of the company's operations to determine precisely what they needed. After completing an initial investigation of various software implementations, a decision was made to select a mid-range solution.

Initially five solutions were considered including a modified SAP solution, and other common industry systems. Following a thorough review of all the short-listed systems, the full integration and depth of functionality of PRONTO-Xi coupled with the strong local references and local consulting support, created a compelling argument.

"The depth of functionality of PRONTO-Xi was seen to provide everything we wanted as well as catering to our future growth. Further, the integration of the PRONTO-Xi system across all our business processes gives us the full visibility we need," said Mr. Clayfield.

"I don't want to get a complicated system with too many screens. When you have too many screens, it is difficult for those who are going to operate it," Mr. Clayfield added.

From PRONTO-Xi's suite of integrated business solutions, Fibrelogic selected five modules which best suited its purpose - financials, which formed the backbone of the ERP system, manufacturing, sales orders, inventory management and payroll.

Ease of roll out

After seven months of intense work, the system went live on 1 April 2008.

KEY BENEFITS

- ◆ Fully integrated solution delivering comprehensive operational visibility
- ◆ User-friendly system
- ◆ Able to cater for future growth
- ◆ Access to timely information for strategic decision making
- ◆ Improved customer service

It was an "exciting but challenging time" for the company but the staff was well prepared for the introduction.

Implementation was performed by Pronto Software's South Australia Business Partner, MDS, who provided consulting, comprehensive training and Project Management. PIM, the Pronto Implementation Methodology, was diligently employed to guide the project from the first meeting to "go live".

While it may be early days yet, the ERP's performance has proved valuable, providing timely information that is already under-pinning decision making.

The manufacturing module, which comprises Shop Floor Manufacturing, Planning, and Scheduling, has also created an unexpected bonus: positive feedback from customers as a result of the improved delivery documentation.

Phase 2 is already under way and involves the implementation of the Fixed Assets module as a prerequisite to the implementation of Plant Maintenance from August onwards. Some advanced inventory controls will also be implemented and the Quality Assurance and Laboratory modules will be assessed.



Pronto® Software is a global provider of fully integrated Enterprise Management Systems. With more than 30 years experience, Pronto Software enables over 1,200 businesses to maximise productivity, streamline their supply chains and deliver superior customer service.

Pronto Software
Melbourne, Sydney, Brisbane
Phone +61 3 9887 7770
Fax +61 3 9887 7779
info@pronto.com.au