AWTA
Case Study

Performing at a good clip

After the Australian Wool Testing Authority (AWTA) diversified into the food and grain industries, the company turned to Abel® ERP to streamline its financial management and provide the flexibility and functionality it needed to expand.

Every business wants to be sure they get the quality they pay for. For nearly 60 years, the buyers of Australian wool have relied on the AWTA to independently certify the quality of the wool offered at auction in Australia – about AUD$2 billion worth a year.

In AWTA's raw-wool testing laboratories located in Melbourne and Western Australia, testing officers certify samples of about 350,000 tonnes of wool a year for yield, fiber diameter, vegetable matter content, staple length and staple strength prior to auction.

As the world's largest wool testing organisation, the AWTA has built a reputation as a trusted and impartial testing authority. With the decline in Australia's wool industry over a number of years, AWTA began to diversify its testing services into other industries, including food, fodder and grain.

For Chief Financial Officer Peter Walsh, AWTA's expansion and acquisitions magnified the need to replace the company's 30-year-old legacy system with a more flexible and adaptive ERP system to streamline its financial management and provide other capabilities.

"We knew we needed a flexible system that could adapt and expand with our business and deliver greater efficiencies across multiple departments, sites, divisions and countries" Peter said.

AWTA chose Abel® ERP three years ago in part because one of AWTA's acquisitions – the New Zealand Wool Testing Authority (NZWTA) had been successfully using Abel to manage its accounting system for about 15 years.

"We learned a lot about Abel ERP and how well it worked for NZWTA, and we decided we wanted to have the same system in Australia," Peter says. "It's an intuitive system with a logical sequence of menus and flexible reporting. We liked that any user could sit down and find it easy and productive to use from the start."

Peter says Abel ERP has delivered significant improvements in AWTA's financial management, particularly with its electronic purchase order system and statement delivery. In the old paper-based system, purchase orders were raised manually, mailed to head office, and then sat on someone's desk until an invoice arrived and was approved for payment.

"Abel has streamlined the whole process," Peter says. "It's integrated, has a full audit history and is a lot easier to control electronically. We're much more efficient now and we can manage the accounting processes with two less staff."

The COMPANY

The Australian Wool Testing Authority has provided independent and objective wool certification services since 1957. It is the world's largest wool testing organization, certifying the greasy wool produced in Australia from 38 sampling sites around the country.

The AWTA Ltd group also owns AWTA Product Testing, Agrifood Technology and the New Zealand Wool Testing Authority.

The NEED

Flexible ERP functionality to streamline financial management across multiple divisions with multiple departments, especially high-volume accounts payable and accounts receivable processes.

Faster, more responsive reporting capabilities.

Affordable customer relationship management (CRM) to better manage customer and industry contacts, especially in more competitive markets.

The SOLUTION

Automated accounting and financial management processes through Abel ERP.

CRM and other ERP functionality to assist with company's new divisions and to align with future plans.

Ability to extract and manipulate key data in usable formats and produce various financial reports in real-time.

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The other major improvement was with the electronic delivery of statements to AWTA's 4,000 customers. This change was especially significant in the wool testing division which raises an invoice for each of the 500,000 tests a year it certifies and routinely mailed 50+ page statements twice a month to some wool brokers.

"With Abel, 75 percent of our statements are now sent by email rather than by the traditional post," Peter says. "The uptake of emailed statements is a big customer endorsement of our new system, and it has delivered considerable savings in printing, postage and labour costs."

About 30 AWTA staff use Abel ERP across Australia, but none is happier with the new system than the Chief Financial Officer. With multiple divisions operating in two countries, Peter says he's now better able to get immediate and accurate financial data for an individual division or the whole organization from his Melbourne office or whilst travelling. That includes seeing the true value of AWTA's 15,000 assets, displaying trial balances on his screen in seconds, and the ability to extract and manipulate data in Excel, which quickens the month-end and year-end processes.

"In our old system, it could take many hours to put together key reports," Peter says. "With Abel, I have immediate access to data in a format that is meaningful to me. Given the nature of what we do and our various departments, that kind of responsiveness is very useful."

AWTA plans to utilise more of Abel's ERP functionality in the future. One area is Abel's customer relationship management (CRM) which Peter says is critically important in AWTA's more competitively orientated businesses like Agrifood and Product Testing.

"We have a captive market in the wool testing industry but not in our other markets," he says. "We knew we needed a CRM system to help us track customer contacts and industry relationships, but cost was critical".

"We looked at other CRM options but we couldn't justify their costs. One consultant gave us a price just to source a CRM option that was twice as much as it was to license Abel ERP".

The expandability, flexibility and overall value of the ERP system were critical reasons AWTA chose Abel. Another was Abel's growing presence across Australia, which Peter says helped to ensure AWTA would get the customer service and support it needed.

"Abel has come up trumps," Peter says. "The system works the way we want and the customer service is great. We like that Abel's team has gotten to know different aspects of our operation over the years and that they are in a position to actively advocate different functionality that we could "switch on" to further support our business. This helps promote thinking internally about all our processes and that's a good thing for any organization."

The BENEFITS

Intuitive, easy-to-use system that works seamlessly across company groups in Australia and New Zealand.

Improved efficiencies and control across accounts and financial processes, including electronic purchase ordering and statement delivery.

Reduction of two accounts staff, as well as significant cost savings in printing and postage.

Faster, more up-to-date and reliable reporting on key financial data – from assets and trial balances to month-end and year-end data across divisions.

Improved staff and customer satisfaction.

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