

Success Story:

Waitomo Petroleum



Waitomo pumps up efficiency with Hosted Accpac Solution.

Accounting and reporting can strain most managers. But when you have 6,000 delivery points a month, up to 3,000 transactions a day, and 5,000 clients - including a number managed by 'group agents' or co-operatives with specific reporting requirements – it becomes a formidable task. Throw in mobile, wide-spread, self-scheduling distributors, plus the date-based pricing of the fuel industry, and you're facing a potential administrative nightmare.

Such is the business of Waitomo Petroleum Limited, a Mobil fuel distributor whose fleet of 15 tankers and 6 mini tankers deliver fuel and lubricants to rural service stations, commercial operations and agriculture operators in the Auckland/Waikato/Coromandel/Bay of Plenty/King Country area of New Zealand. The company also operates a customised 'into machine' mini-tanker service in the Auckland metropolitan area, plus two truckstops and three lubes depots.

Until April 2002, the company managed its accounting operations with a PICK-based system called Petsys, which was implemented over nine years earlier. As Waitomo Petroleum grew through acquisition and natural expansion, the system could no longer handle the increased complexity and quantity of accounting and reporting processes.

Waitomo Petroleum wanted to invest in a fully integrated system that was easy to use, flexible, had long-term upgrade viability, and that had New Zealand-based software support services. Leanne Milligan, administration manager/accountant at Waitomo Petroleum, added, "The industry in which we operate is both complex and changing. Our challenge was to find software that could support the unique requirements of liquid product inventory reconciliations - at both company owned sites and customer sites - a complex date-based pricing system, and detailed reconciliations between company records and Mobil, as well as coping with everyday accounting functions."

Anticipated benefits of the new system included reduced risk to the business through a wider system support choice; efficient reconciliation of major supplier accounts; reduced administration time and cost; improved relevance, reliability and timeliness of management information; improved and more detailed reporting; and improved supply chain management and transportation planning.

Hosted, Customised ACCPAC Solution

Chosen Over a period of 12 months, Waitomo thoroughly evaluated around 14 Tier 1 and mid-range packages. It ultimately chose the ACCPAC solution from Hamilton-based Business Enabling Systems Limited (BES), with a fuel industry vertical solution developed by Pacific Technology Solutions Limited (PTS).

For cost efficiencies, Waitomo elected to adopt a hosted model, and appointed PTS as its hosting provider. Leanne Milligan, administration manager/ accountant at Waitomo Petroleum, said, "During evaluation, ACCPAC proved to be the most adaptable offering, and provided the flexibility to allow us to meet all our stakeholder needs in a complex, dynamic and specialised accounting environment." A key factor in the software selection decision was PTS' development of a Fuel Distribution module that integrates with ACCPAC Advantage Series to handle the specific

quirks of tracking liquid product sales, plus the inherent complexities of the pricing system, site monitoring fuel reconciliations and automated daily fuel and payables reconciliations.

Harnessing Web Power

Ms. Milligan said, “The web-enabled feature of ACCPAC has vastly improved communications throughout our diverse organisation. Now, authorised users can send and receive relevant and up-to-date information from anywhere - simply over the ‘Net.” It’s not only employees who are sharing real-time information. With ACCPAC’s EDI capabilities, and the fact that ACCPAC’s solution is fully integrated, Mobilcard transactions can now flow directly into Waitomo Petroleum’s systems for easy on-billing.

Additionally, Waitomo Petroleum now automatically sends digital reports to major customers without having to conduct any additional processes. This means that group agents – such as farming cooperatives for example - can receive daily updates on members’ purchasing activities direct to their billing systems, allowing them to on-bill individuals in a timely manner with minimal effort. Ms. Milligan said, “ACCPAC’s ability to rapidly implement effective business-to-business electronic transactions has proven a major improvement on our old system. This all adds up to us offering superior customer service, which is critical for ensuring repeat business in this industry.”

Integration Pays

Cross-module integration has made it easy for Waitomo Petroleum to drill down to source documents. This has enormously improved reporting and querying, and particularly the ability to assess the profitability of different areas of the business. For example, ACCPAC’s billing system is integrated with mobile data terminals on the trucks. This means that not only is customer usage reported daily, but data is provided to allow Waitomo Petroleum to analyse individual truck profitability.

Ms. Milligan said the benefits of the new system, along with a complete overhaul of control systems, have led to a number of business efficiencies. “Thanks to the reduction in manual data entry, our administrative workload has been reduced by 22 percent. Despite rapid expansion through the acquisition of another Mobil distributor, among other things, we still require fewer administrative staff than our pre-ACCPAC days and are producing monthly debtor statements and financial results quicker than ever before. “When a system delivers this kind of return on investment, you know the fit is right,” she said.