IT Intervention Meant Millions

SME Specialist Saviour of Billion Dollar Industry

XchangeIT, the information exachange for a billion dollar industry
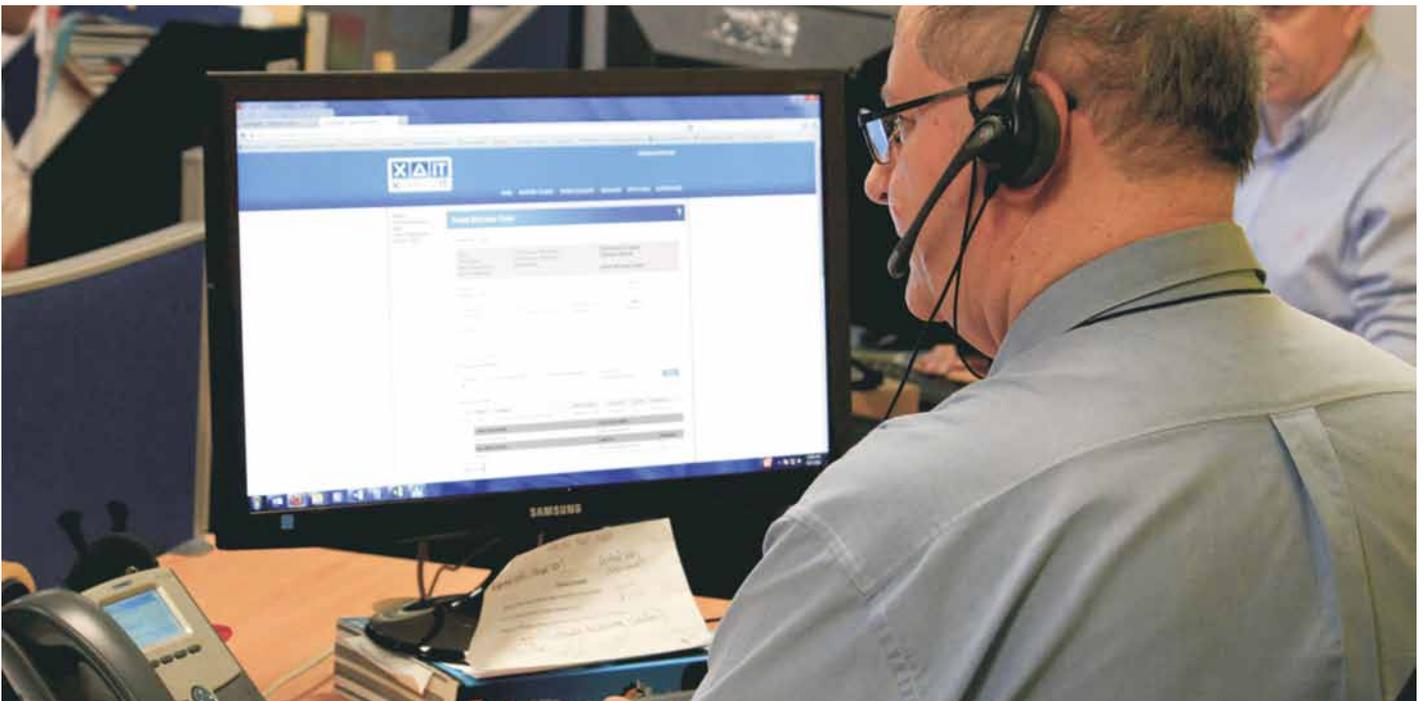
When XchangeIT CEO Chris Leach started his new job he had to hit the ground running. After 18 months and more than a million dollars the company's already announced and much vaunted new operating platform was six months late and at least six months away from launch..

Not only were more than 2000 newsagent members waiting on the system, but Chris was under immense pressure from his Board and stakeholders – Australia's largest magazine publishers. The system's business data was critical to the bottom line of their billion dollar industry.

XchangeIT was established by magazine distributors more than seven years ago to reduce supply chain costs.

Where the first generation platform exchanged just delivery and sales inventory data between distributors and newsagents, the second generation was to provide a richer range of services from a larger range of suppliers and distributors.

International Projects Trusted To The Cloud

James McLeod's OEM Technology Solutions exports to 37 countries around the world, relying heavily on cloud-based, integrated SharePoint management to run a collaborative document control and processing system for projects involving its industrial computer solutions.

Every project OEM is working on at any one time has a separate project site to store documents, log and document activities and record phase reviews.

It's a sophisticated system providing the functionality and capacity necessary to work 24/7 anywhere in the world, yet it's a system James is more than happy to entrust to a relatively small IT firm, PicNet Information Technology Services.

James is a "horses for courses" man and a pragmatist. While his fellow electronic engineers on OEM's staff of 30 could probably deal with many of the in-house IT issues, James has long since recognised that taking them away from designing computer boards and writing applications would be a false economy.

"Sure, there was a time when our Linux or Windows developers may have looked at the odd computer failure or server fault, but it's not what we do and it's not economical when you consider not just their wages, but their charge out rates – what they could be doing otherwise," James said.

"We have for some time outsourced our IT. We only require four hours a week. They come in, go through the servers, check that everything is running properly, that the backups are happening and that the configurations are right.

"Then, under another agreement they look after the backend of our websites, provide the odd fix or bit of coding and help with SharePoint.

"Plus they're on call with remote access to our system if something goes wrong.
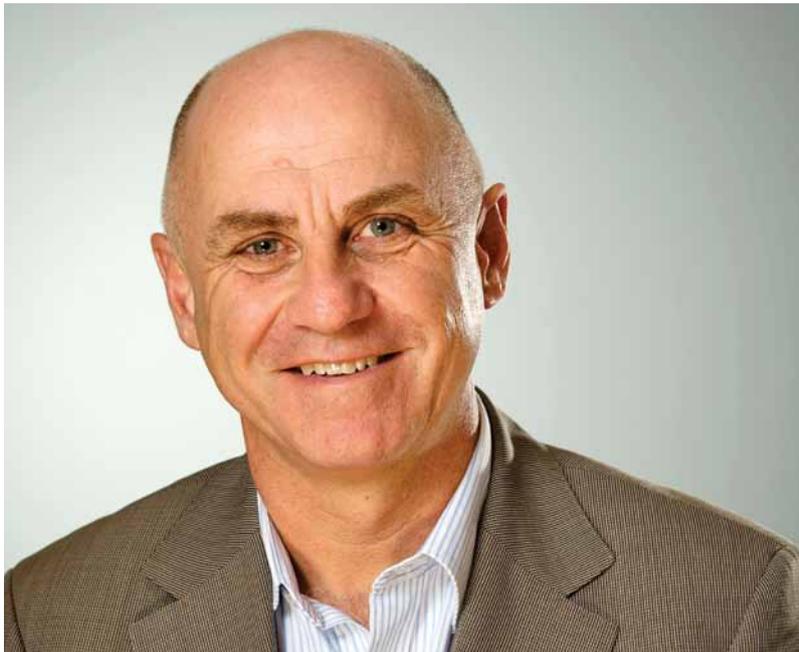
James McLeod's business works internationally thanks to affordable IT

"That has proven its worth more than once when they have acted very quickly to resolve VPN connectivity and some of the other miseries that usually happen at the most inconvenient time with any computer system."

James is confident that his system and the support provided by PicNet provides a solid platform for OEM's growing presence in the two largest international markets, the United States and China, where he sees huge potential for the company's specialised computers for rail transport.

When the company started 20 years ago, OEM pioneered a multitude of applications for industrial strength computers in a range of industries, everything from computers to make water valves open and close to a delivery system for Orica Explosives that manufactured explosives on site in the delivery truck, a system now used worldwide.

But it was an air conditioning manufacturer's request for a computer for a train air conditioning unit that eventually lead to a specialisation in rail.

Today OEM designs and manufactures control systems for train air conditioning units, toilets, doors and condition monitoring systems used in 37 countries.

Last year the company won the NSW Premier's Award for Innovation in Exports.

The US and Chinese markets will be challenging but having OEM's entire integrated management system in the cloud will ensure a cost-effective approach to project management.

"All of our ISO9000, Environmental Management and OH&S management systems can be accessed via SharePoint along with the Project Management side.

"We can work anywhere around the world through a browser. This not only provides a lot of opportunities but it is also very inexpensive, costing $3 to $5 per user per month."

Despite OEM's export business, which accounts for 50% of the company's revenue, it is still essentially a small business with just 30 employees. Yet, through PicNet the company has a resource and a pool of expertise that only a few years ago would only have been accessible to a much larger enterprise.

"They're a great company. Everyone I have dealt with from the Managing Director down has his heart in the right place. The boss is just a phone call away if we have a problem. They save me money and resources," James said.

Ex IBM Manager Full Of Praise

Chris, who had had five years with IBM during which time he had established PC Training Centres in South Africa, the UK, Canada, Malaysia and Denmark before setting up dealer programs in South Africa, was not prepared for the state of the new software's pilot program when he started with XchangeIT.

"The backend wasn't great. In many instances it was non-existent and in all instances dark to the stakeholders.

"Nobody knew if the files were going out or coming in and nobody could rely on the data," Chris said.

"Newsagents thought they were sending data to magazine distributors who had nothing in their data base. Point of Sale vendors thought everything was OK while XchangeIT's two support people didn't know what was happening where or when and consequently didn't care.

"There was nothing about that scenario that worked!"

XchangeIT had paid a lot of money to an external developer and then employed a full time project manager to re-invent the system.

Chris had a lot of stakeholders to answer to – the magazine publishers and suppliers such as the greeting card companies, six Point of Sale providers, 2000 newsagents and the state and national associations for the newsagencies.

"That's a wide range of stakeholders and the developers weren't getting it right so we had to look at someone else doing it."

In the search for a developer Chris left no stone unturned. He made inquiries of his own exhaustive network as well as using search engines to come up with a comprehensive long list that was qualified out on the basis of five or six questions to a short list of six and then down to three.

"Essentially the firms on the short list were those who demonstrated that they understood what had been done and how it could be improved. Of these, PicNet went a few step further.

"One of the things that they realised, that we had not told them, was the over complexity of the code as a result of the original developer having had for or five different teams working on parts of the software."

XchangeIT CEO and former IBM man Chris Leach

PicNet started by removing the complexities and increasing the program's speed, two processes that immediately reduced the number of issues cropping up and also made them easier to identify and rectify.

Chris said that XchangeIT had been operating the problem software for nine months in pilot form. Before PicNet's appointment he was looking at either labouring with it for a further six months or starting again.

"PicNet had fixed the bulk of it within three months so we could roll it out to everybody. It was a very fast turnaround."

"That reduction of the delay from six months to three probably meant 10's of millions of dollars for the stakeholders as this is a billion dollar industry in which savings and supply chain improvements has a significant impact."

With the dark days behind them, the PicNet XchangeIT relationship has continued to grow.

"They have a really good combination of seriously good software architectural capabilities, senior development and project tracking capabilities and good support systems around those – something that in the world of small to medium enterprises is hard to find."

Apart from being proactive with improvements, especially in the backroom operations of the application, PicNet has become a sounding board.

"We might get enthusiastic about changing the content management system and they will bring us back to earth, quantifying the costs and benefits. Just those sorts of conversations are worth dollars," he said.

Chris's confidence in PicNet's depth of expertise is such that he is now looking at a range of ways to improve the XchangeIT business, even to looking at other industries that will benefit from the supply chain capability improvements his now stable software is able to offer.

Affordable IT Allowed BNG To Meet Demand

Brian Govindasamy epitomises many small businesses with a big ideas. After proving a demand for a web based service enabling large companies to track their contractors' compliances, he was stymied by the development costs to keep his program up to the growth and client demands.

His one-man band software developer was unable to provide the support Brian needed to get his business, BNG Contractor Services, to the next level.

Brian's growing need for both hardware and software support was obvious but he had seen too many businesses run into trouble with unchecked capital expenditure and he was very cognoscente that at the end of the day his small business needed a cash conservative approach.

In November, 2011 Brian discovered Sydney's PicNet Information Technology Services and he has not looked back.

Now he has affordable access to a diverse range of services, a scope that not so long ago would only have been available to large enterprises, and already his program is "100 times better."

Not only that, but PicNet's proactive approach has slashed his costs in the order of 40-50% through the introduction of cloud based technology.

"Migrating to the cloud was PicNet's idea and I admit I was a little reluctant at first, unwilling to use services hosted in Singapore or Hong Kong" Brian said.

"But once PicNet advised Amazon's web server was locating in Sydney we decided to follow PicNet's advice and no longer do we have the cost of dedicated servers at the Global Data Centre as well as the hosting company's costs."

Brian said that while he was 40-50% better off, the saving was not PicNet's singular advantage.

"You can't put a dollar value on the flexibility we have. It's a no brainer. Before it would take us weeks to get anything done.

"Now we have a PicNet IT person spending half a day here every two

Brian Govindasamy and his staff are already looking at new opportunities

weeks doing diagnoses, ensuring the backups are in place and all computers are working, plus if I have a problem help is just a phone call away, whether it be for technical or software support.

"We really are a small business, yet I have access to the owners of PicNet and can speak with them at any time. Their approach to customer service is impeccable and they are among the best have dealt with.

"In just 18 months they have put us into the cloud and re-organised my whole IT infrastructure plus, in the software area, we are now able to continually update and improve our program as needed."

With a set fee per months service agreement and an agreed hourly rate on top of that, Brian believes he has the perfect arrangement in as much as PicNet does not get caught out and he always gets what he wants as soon as he wants it.

Brian said that any cost-benefit analysis comes out in favour of contracted services as against in-house software and IT people for a business of his size.

"Plus, an in-house software developer would not have the exposure to as many different industries as do the PicNet

people and this is experience and knowledge that I can feed off.

PicNet also brings an outsider's perspective to Brian's software needs and he welcomes their creative suggestions.

PicNet's professionalism was particularly evident in their approach to the cloud migration project in January 2013.

"They came into our premises and did a complete due diligence report and then returned with an implementation plan and a timeline so that I knew exactly what was taking place and when and we could plan the move around those times when our clients are using the service the least.

"I knew the times, the potential problems and the costs up front and at no stage were there any issues. I really have to take my hat off to them, they did a tremendous job."

If your business is struggling to meet its full potential in the face of high IT costs, a call to PicNet on 02 8437 7977 will have you on the right track very quickly.

PicNet
Information Technology Services