

oOh! Media



ASX listed Out-of-home Media Group Shares the Secret to Growth without Increasing Overheads

Large format billboards, shopping centre signs and mobile billboards are all part of Australia's \$400+ million out-of-home advertising industry and its ability to provide clients targeted locations to display messages that are seen by the right audience.

oOh!media is the fastest growing company within the Australian out-of-home industry (ASX code: OOH), a dynamic company that manages to combine a fresh approach with a twenty two year history of experience and growth. oOh! is Australia's largest provider of retail out-of-home advertising; arguably the nation's number one large format player, being the only major provider of both metropolitan and regional billboard coverage, the leading large format mobile billboard operator and the only out-of-home company to have an in-house experiential marketing team.

In the last four years, oOh!'s annual growth has outstripped the industry. When out-of-home spending contracted nationally by 12 per cent in 2009, oOh!'s revenues increased by 14 percent. In 2010 the company looks set to once again buck the trend with a growth rate greater than the industry average.

Problem

In 2002 oOh! set out on a path of company and site acquisition, growing its inventory to create an extensive national network of out-of-home sites throughout metropolitan and regional Australia. Within four years however, it was apparent that the company's existing enterprise resource planning (ERP) software could not keep up with the rapid expansion.

Simon Yeandle, Chief Financial Officer (CFO) at oOh!, explains "We'd had the software for three years but the financial capabilities weren't as strong as we required. It couldn't handle the billing side of things, it wasn't as flexible as we needed and it failed to have any integration with applications such as Microsoft Excel. Plus the development and support that we needed weren't really there."

Yeandle decided that the only solution was to replace the current system with a new integrated business software suite. "We knew that the company's growth would continue and when opportunities arose we had to be in a position to take them. That meant we needed to be able to execute and integrate acquisitions, and get the back office systems up and running, very quickly."



At a glance

Business Objective

To support the company's organic and acquisitive growth, and to integrate a growing inventory of outdoor media sites into the finance function without increasing headcount.

Solution

- Microsoft Dynamics AX
- Professional Advantage's Collections module for Microsoft Dynamics AX
- Microsoft Dynamics Office

Business Benefits

- Revenue has grown 55% and inventory doubled without additional finance staff required
- Personnel savings are estimated to be in excess of \$200,000
- Month end closing has halved from 6 to 3 days

Implementation Partner

Professional Advantage



oOh! Media



Before going out to the market, Yeandle set down three primary goals for the new software. First, he wanted to bring efficiencies to current business processes. Secondly, the software had to help deliver standardised processes across all of oOh!'s businesses – new and existing. Thirdly, the system chosen had to be scalable so that it could support the company's growth without increasing processing times, monthly closing periods or finance staff headcount.

"We have reduced finance department headcount...at the same time as the business has been able to deliver revenue growth of 55 percent."

Simon Yeandle, CFO

Benefits

The difference between oOh!'s business eight years ago and now is significant. Yeandle says that since that time, "We've purchased more than 15 out-of-home media businesses and developed a portfolio of more than 320 shopping centres through acquisition and organic development. In total, the group has over 8,000 media assets."

Logic suggests that the task of managing the business should have become far more complex given the changes. Yet Yeandle is quick to point out that with the help of its Microsoft Dynamics AX solution, "We have reduced finance department headcount from eight to seven at the same time as the business has been able to deliver revenue growth of 55 percent, a doubling of media asset inventory numbers and the volume of transactions being processed through accounting systems increasing by 300 per cent. As a listed company it is critical for us to manage costs as we increase revenue, so that all growth is value accretive."

Business reporting has improved markedly with month end now occurring within three days, compared to the previous six day turnaround. Consolidated group results are now prepared automatically. Data accuracy has also improved due to the ease of software navigation and an improved ability to double check input, which is helping to pick up any errors far sooner.

Future

At the time of writing, Professional Advantage is working with oOh! to develop a custom screen that Yeandle is confident will "...revolutionise the finance relationship with property owners and customers. The screen will give staff a 360 degree view of any sales contract, enabling them to conduct on screen enquiries in the same way that they'd run reports."

By the end of 2010 oOh! plans to further add to its system with the Professional Advantage developed collections module for Microsoft Dynamics AX. The software will integrate with the core Microsoft Dynamics business applications to support efficiencies in collections, improving cash flow control across the group. Further down the track Yeandle also hopes to investigate the potential for efficiencies with other options such as the Microsoft Dynamics AX purchasing module.

Yeandle describes the relationship with Professional Advantage as being "Very good, very close, open and honest. I think, without exception, the people that we've encountered at Professional Advantage at all levels have been very good. From our point of view Professional Advantage is an enjoyable company to deal with. Clearly they have expertise in the product and the quality of service is second to none as are their methodologies. From a delivery point of view, most things if not all have come in on budget and on time."

"For us, knowing that we can ring up if for any issue or a problem and that we'll be able to talk to someone and something will happen is very important. I think that response to customer issues is part of the service ethic that we at oOh! see as being very important. It's an ethic that we drive within our own organisation," Yeandle concludes.

For more information

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