Note Printing Australia

ABOUT NOTE PRINTING AUSTRALIA

Note Printing Australia (NPA) is a wholly owned subsidiary of the Reserve Bank of Australia (RBA) corporatised in July 1998. NPA has been printing banknotes for Australia since 1913 and in 1988 introduced polymer banknote technology. NPA has since diversified into passports and security documents such as educational certificates.

In addition to producing banknotes for Australia, NPA also exports polymer banknotes to other countries including Malaysia, Chile, Brunei, and New Zealand.

NPA is based at Craigieburn in Victoria and employs around 350 people.

MAKING MONEY IS A SERIOUS BUSINESS

The very nature of the NPA business magnifies normal business operational requirements and controls. Banknotes and passports are highly valuable items, so NPA needed a system that could provide processes and tools to meet strict control requirements.

NPA also had unique needs around inventory control and handling:

- Specific batch tracking and control of security materials and work in progress through the entire process from receipt to production to sale
- Tracking and control of spoilage items until destruction
- Dual user handling of all inventory transfers to security items

NPA's existing ERP system, SSA Global's MK, had not been used well within the organisation and wasn't really meeting the needs of the business. In particular, the Board was not satisfied with the level of control and the information the system offered. MK could not provide sufficient details for each stage of production that NPA required. The printing of notes can take up to 45 days, but the system could not register the different stages. To overcome this, NPA had resorted to using spreadsheets and databases outside of MK to track production status and work in progress. The management of material requirements and production scheduling was also done manually and there was no functionality to allow dual handling of stock movements. These all caused security process concerns and significant audit issues.

In addition, NPA was feeling pressure to upgrade the system and determined that it would be significantly less expensive to investigate replacement systems.

SOLUTION

NPA assessed the market to identify ERP systems with functionality suitable for a manufacturing environment and that were targeted towards SMEs. This produced a list of between 30 and 40 ERP systems. NPA's primary consideration was that the project would address business needs, with budget a secondary concern.

By February 2005, NPA had come up with a shortlist of products which, amongst others, included Microsoft Dynamics AX (formerly Axapta). It then commenced the process of speaking to different implementation partners and assessing costs.

As part of this process, NPA approached Professional Advantage to discuss Microsoft Dynamics AX, having received a recommendation from credit card producer Placard.

According to Peter Annear, IT Manager for NPA, the Professional Advantage team impressed NPA with the breadth of skills it had available and the accuracy of its proposal." The proposal from Professional Advantage was realistic, achievable and addressed our business needs. The other resellers we consulted weren't anywhere near as impressive."

The Microsoft Dynamics AX solution selected by NPA is a full ERP system encompassing financials, inventory control, production order processing and other modules.

SNAP SHOT

Industry: Retail

Scenario: Printing banknotes and passports are highly valuable items, NPA needed a system that could provide processes and tools to meet strict control requirements.

Solution: NPA implemented the Microsoft Dynamics AX solution because its an ERP system encompassing financials, inventory control, production order processing and other modules.

Benefits:
$300,000 of savings to date
Greater information available and improved reporting
Real-time monitoring of production inputs & outputs
Analysis of production costs on a granular level

Software: Microsoft Dynamics AX

Implementation Partner: Professional Advantage

professional advantage

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THE IMPLEMENTATION - FIFTH TIME'S A CHARM

Following the selection of Microsoft Dynamics AX and Professional Advantage, an implementation plan was developed. The system went live in December 2005, with 108 users receiving training from Professional Advantage prior to this date.

A key goal in the design and implementation planning phase was to ensure the system did not have to be extensively modified. NPA wanted to keep customisations to a minimum, to ensure subsequent upgrades would be as straightforward as possible.

Microsoft Dynamics AX is the fifth ERP system NPA has implemented and it is the view of the management team and owners that this is the first system to truly succeed in addressing the needs of the business.

"The success of the project really reflects the role Professional Advantage played in helping to manage the change. In many ways, organisational change management was the crucial factor in the success of this project and Professional Advantage's experience was invaluable," stated Annear.

"The skills of the consultants added credibility to Microsoft Dynamics AX and the key users have accepted the system and acknowledged that it's a big step forward from where we were."

Since the completion of the implementation, NPA has conducted two audits which have confirmed the success of the project and demonstrated the improved security.

BENEFITS

NPA has already experienced significant cost savings since the implementation, with cost of ownership alone contributing to around $300,000 of savings to date. A large amount of money has been saved by the drastic reduction of production errors, such as application of the wrong product or colour ink. NPA has reduced these spoilage errors by 90%.

More importantly however, is the increased visibility of production, with NPA now able to check on stock at every stage of the printing process. "Simple questions like 'what have we got left' were impossible to answer. Now, if we were sold a faulty product which was used in the production of notes, we can trace it back and find out where it affected the outcome. Previously, this was impossible," said Annear.

Other benefits include:
- Greater amount of management information available from the system and improved reporting
- Real-time monitoring of production inputs and outputs
- The ability to analyse production costs on a granular level, something that was previously only possible through guesswork
- Better use of resources and infrastructure

"The new system is also much more stable than the incumbent. We used to have a serious system outage at least every three months - we've not had a single one with Microsoft and Professional Advantage," said Annear.

THE FUTURE

NPA is looking at upgrading to the latest version of Dynamics AX to take advantage of the features of SQL Server 2005. NPA anticipates this will further improve availability and provide better disaster recovery functionality. NPA is also looking to utilise the Professional Advantage resources to develop a Business Intelligence Solution and integrate Microsoft Dynamics AX with other systems, such as Press Security System.

"We definitely get good value and quality service from Professional Advantage and look forward to continuing our relationship with them," concluded Annear.

ABOUT PROFESSIONAL ADVANTAGE (www.pa.com.au/microsoft)

Professional Advantage was established in 1989 and today employs around 250 people in Sydney, Melbourne, Brisbane, London and Fargo, USA. The company is the largest provider of leading brand global business management systems, such as financial management, ERP, CRM, retail, and business intelligence, to midsize organisations in Australia, supporting over 850 clients nationally. Its multi product offering is complemented by its development, systems integration, consulting, training, and support services. Professional Advantage is the winner of many business and vendor awards, including Microsoft Global Customer Care Excellence 2006, Epicor ANZ Reseller 2005, Epicor Global Vertical Market Solution 2005 for Senior Living Solution, Microsoft Inner Circle and President's Club Member 2006 and SunSystems Asia Pacific Partner for 2005.

The company's clients include medium to large public and private companies and government departments. For more information go to ww.pa.com.au/microsoft

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