

# Founded on service



An integrated Sage Accpac solution helped Medshop, the largest online distributor of medical equipment in Australia, diversify and expand its business by 50 percent

**I**N 2005 Steve Cumper was a medical student at university, wanting to order equipment for himself and his classmates. He found the level of service offered by most medical equipment suppliers to be extremely poor.

To address this shortfall in the market, Cumper founded Medshop. Starting life as a small online business catering to the university market, Medshop now offers products and services to all areas and specialties in the healthcare industry, including aged care, hospitals, universities, clinics, allied health care providers, nurses and the general public. In 2008,

Medshop opened its first retail outlet and in the beginning of 2010 the company opened a showroom in Melbourne as well as upgrading to a 2,000-square-metre warehouse. In addition to a strong physical presence, Medshop is now the largest online distributor of medical equipment in Australia.

"Initially, we focused on just daily use 'hands on' medical equipment for practitioners, simply because that was all we could handle in terms of managing inventory levels and deliveries," Cumper says.

"To begin with we had limited infrastructure and

capability, and maintaining top-quality service was imperative to our business model."

Prior to implementing Sage ERP Accpac, inventory was managed by sight, limiting the range of products the company could offer.

Cumper wanted to grow Medshop by offering a greater choice of products to a broader range of customers. He realised the company needed to move away from Quickbooks and implement an integrated, robust and flexible ERP and warehousing solution that would give Medshop greater automation, process efficiency and management control.

Prior to talking to a consultant or a sales person, Medshop did a lot of investigation into what was available on the market.

"We wanted a solution that would best address our needs for the price," Cumper says.

"We didn't want to be influenced by a clever salesperson or consultant, but to select a solution based purely on its merits."

As well as Accpac, Medshop looked at SAP, an advanced version of MYOB, and a number of others.



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"We could prove that Sage ERP Accpac had the functionality and flexibility to adapt to our workflows," Cumper says.

"Automation was one major reason we went for Sage ERP Accpac and when combined with Accellos, the warehouse management component, that was the real draw card."

Medshop selected Enabling Victoria as its implementation partner and bought eight licenses for Sage Accpac ERP, Sage CRM (customer relationship management), Accellos warehouse management and the Icinity e-commerce solution.

"Previously we couldn't expose inventory levels and closely manage our wholesale and regular customers," Cumper explains.

"Icinity has given us the ability to provide our customers with greater transparency through a member-based e-commerce platform and allows them to make more informed decisions when ordering."

Before implementing Accpac, Medshop ran the new system in parallel with the old system for a while. With a core focus on maintaining a high and consistent level of service, it was imperative that the company experience no downtime.

The implementation of the Sage Accpac ERP, CRM, warehouse and e-commerce solution has allowed Medshop to meet its objectives for growth while maintaining high levels of service. The new solution delivered a return-on-investment within three months.

"The roll out is still evolving as we discover new aspects and functions in the solution as well as adding new modules," Cumper says.

"However, within three to four months of

implementing the new system, we were able to achieve 50 percent growth in the business.

"The fact that we achieved this growth, took on eight new staff in the last year, and maintained gross profit and high levels of service, has been quite impressive.

"The new system enables us to greatly increase the range of products we offer," he adds.

"Due to the greater management controls in place and the automation, we are now able to offer consumable products. With consumables it is important that the chain of responsibility is clearly defined, where we need to closely manage the quality and the service of the products we supply.

"Turn around times and accuracy is really quite critical in that sort of environment. A hospital may have a requirement for a surgical instrument needed for a particular procedure, happening at a particular time."

Cumper says going forward Medshop intends to make greater use of Sage CRM to empower its account reps in the field.

"Currently we are coming to grips with CRM and the potential benefits it can deliver," he says.

"Already CRM has given us the ability to manage our sales staff better and give them the information they need to do their job properly. We are able to see the success and conversion rates for individuals and whether everyone is adhering to best practice."

Cumper says it is expected that the more confident and familiar Medshop becomes with the system, the greater use it will make of it.

"The idea being, the most efficient way for the sales team to work is to be out in the field rather than in the office," he says. ||