



SEEDMARK ... Software helps deliver business re-engineering.

SEEDMARK

Headquartered in Adelaide, South Australia, Seedmark is one of the oldest and most respected seed companies in the Southern Hemisphere.

Now in its fifth decade, the company currently produces in excess of 80 individual proprietary varieties and over 40 common varieties.

It successfully market these in over 65 countries and boasts one of the most substantial, professional and dedicated teams of growers globally, many of whom are also shareholders in the company.

Technology

HP Proliant Dual Xeon Server with RAID redundancy for disk

Microsoft Windows 2003 Server

PROMADIS Financials for 16 users

PROMADIS Central

PROMADIS Seedlink

D3 Database Server

Microsoft SQL Server

Background

In 2004, Seedmark completed a comprehensive restructure of its ownership and operations involving, among other things, a move from a cooperative to a corporate business model.

One initial step in this process involved appointing a new CEO, Mr. Mark Sowerby, who notes of the time, "the organization lacked much of the control that was necessary to properly manage and drive such a complex and competitive business. There were a range of structural, financial and marketing challenges that were being addressed. Staff turnover was excessively high. And many operational procedures were seen to be substantially inadequate.

In terms of computing too, systems were deemed to be deficient, with a detailed review suggesting that major concerns included IT's inability to:

- Provide effective inventory management data for stock on hand, forecast receipts, locations and value.

- Provide accurate and timely management information as the organization's three different systems (accounting, seed pooling and export sales) often presented conflicting and contradictory data.
- Manage the fast approaching and significant business process changes.
- Support additional short, medium and long term changes to the business, already anticipated.
- Deliver effective management reporting without the need for complex and time consuming effort.
- Produce standing and customized management reports when needed.

Business objectives

To address these concerns, and allow the organisation to deploy future strategies without another IT replacement, Seedmark determined that a new corporate computer system was needed and that the specific requirements for this must include the:

- Ability to provide the organization with accurate, flexible and real time information on its stock, costing and financial position.
- Capacity to automate processes, wherever possible



Mark Sowerby, CEO of Seedmark, “we now have full control over our business once again”.

- Integration of all related data into management and financial reporting systems for real-time reporting of balance sheet and P&L.
- Flexibility to easily adapt to future business structure and strategy changes for an evolving business model.
- Recording ability to be able to track and trace all information.
- Connectivity to coordinate staff, clients and growers in one framework to foster cooperation and shared information whether through a local or remote connection.

Business Complexities

The new system, and its customization, also needed to address the inherent complexities of the organisation and which Mr. Sowerby depicts as “an absolutely unique business, that is highly regulated by Government, works with a very large number of independent producers, has a small number of buyers, has a considerable domestic and export market and works with a wide range of distribution models”.

For example, as well as its business of seed production, sales and distribution, Seedmark is also highly successful in the fields of ‘seed multiplication’ and ‘seed commercialisation’. The former referring to situations where an overseas principal’s seeds will be produced by Seedmark, under contract, here in Australia. With the later focussing on those many situations where seed-R&D companies contract Seedmark to grow and distribute their products. In each such instance, unique inventory management and accounting requirements are needed.

Additionally, Seedmark:

- Has many hundreds of independent growers who make up its ‘production’ capabilities thus requiring considerable IT focus upon the inventory holding and payment processes and transactions relating to individual farmers.
- Markets product globally under a vast range of differing national import and quarantine regulations that, among other things, demands that rigid stock allocation control be exercised.
- Acquires seed stock by outright purchase or on consignment, with these alternatives demanding differing inventory control, stock allocation, royalty and payment disciplines.
- Blends seed varieties and stocks to create unique products for specific requirements while tracking the source and quality of all seed, forecast and actual pooled sales returns, and the required revenue distributions for accurate payment of growers.

Set against a background where no other IT solution had been able to achieve this total outcome successfully, Seedmark was well aware of the difficulty of fulfilling these requirements.

The Solution

After examining a range of IT options, Seedmark selected a solution and implementation approach proposed by PROMADIS.

This solution was based upon PROMADIS' proven family of integrated system modules including Financials and Inventory. However, and most importantly, the solution was tailored by PROMADIS, to deliver an application that would precisely match the unique business operations, commercial requirements and continuing strategic changes of Seedmark.



In selecting PROMADIS, Mr. Sowerby also notes that considerable emphasis was placed on having an IT supplier who could be totally trusted to work in an environment where system specifications would evolve and change during development and implementation. "In the complex and unique management of seed inventories alone, no one anywhere had yet been able to produce an effective IT solution. And so for this, and many other operational requirements, we began the project with a broad specification, knowing that we would need to adjust this as we progressed.

"One of the risks we faced was that this project could have become highly stressful, with ongoing debate about what work had been done and what was and was not covered. This was not the outcome. Partly because of the ongoing review processes and disciplines we and PROMADIS put in place, as well as the teamwork involved, the process was always positive."

To meet the exacting and demanding requirement involved consideration of business needs, operational requirements, software capabilities and some 'outside the square' thinking. The outcome was to tailor the PROMADIS software to treat pools as if they were separate subsidiary companies, each with their own P&L and Balance Sheet. But, necessarily, all of these are also consolidated into the Seedmark-wide enterprise financial reporting.

Importantly, even though delivering comprehensive and unique capabilities, all of the software components are fully integrated meaning that staff training, user access and reporting are simplified and yet powerful.

Indicative of the PROMADIS solution's success is Mr. Sowerby's assessment of the all important inventory management that is now provided. "PROMADIS found innovative ways to solve this perennial stock control problem of the seed industry. That work was done very effectively."

Next Steps

During the next 12 months, one of Seedmark's principal new IT goals will be to introduce a much higher level of integration into its customer management systems. The principal objective of this will be to more effectively give growers access to key day-to-day information about such things as current prices, the status of pools they have seed in and the payments that are being made. Such an initiative being delivered by allowing growers to use the internet to log into especially created files under password control.

In addition, the company will also make further enhancements in its already comprehensive logistics activities. With IT being called upon to deliver much more real time information on inventory and its status.

"Overall, we are now very comfortable that when ever we need IT help PROMADIS knows our business well and is well equipped to help drive us along the way", says Mr Sowerby.

The Last Word

"In contrast to two years ago, we now have full control over our business once again. We are much, much, much better off than we were."

Mr. Mark Sowerby CEO Seed Technology & Marketing Pty Ltd (Seedmark)