

SUCCESS STORY

SAND International Pty Ltd
Alfred E. Chave Pty Ltd
Horticulture Australia Ltd



The Australian horticultural sector is moving from a focus on individual participants to a more value chain based view



Australian horticulture has traditionally existed as a vertically fragmented industry. The rise of value chain management with its enabling technologies provides a great opportunity for increased competitiveness and enhanced export performance.

*Paul Evans
Executive Director
SAND International Pty Ltd*

The Organisations

Strategic Alliance for Network Development (SAND) is a Queensland-based provider of value chain technology and services to the horticulture industry in Australia. It also provides solutions in the beef sector. Alfred E. Chave is a wholesaler of fruit and vegetables at Brisbane Markets in Queensland. Horticulture Australia Ltd is the lead industry body for horticulture in Australia.

The Project

The project focused on the value chain associated with the marketing of fruit and vegetables through the Brisbane Markets. SAND provided the technology and value chain management systems for the project.

Alfred E. Chave tested the SAND e-Sales system and reviewed the application of enabling technologies for value chain management in their operations at the market.

The objectives were to reduce the costs in trading operations by automating the transaction processes associated with the sales of fresh produce from the trading floor, and increase the accuracy of this process by eliminating the cumbersome paper-based system used at present.

Specifically, the project utilised wireless-enabled Personal Digital Assistants (PDAs) to capture the trading data at source on the trading floor, and to relay it by wireless LAN to Chave's back office business system. This also enabled new stock entries made in the back office to be instantly available to the traders on the trading floor.

A further objective was to achieve universal roaming capability for the system by providing access to the business system by Wireless Application Protocol WAP-enabled cellular phones.

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VALUE CHAIN
MANAGEMENT
PROGRAM



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Project Methodology

The overall project first mapped the value chain as it applied to the marketing process, whereby produce arrives by refrigerated road transport and is received into the warehousing operations at the Brisbane Markets. This produce is then sold to retailers, food services and exporters by wholesalers.

The analysis of the data from this mapping and measurement process provided the input for the design of the PDA-based software to greatly improve the conventional paper-based system currently in use in markets all over Australia.

The system was then developed and installed at Alfred E. Chave's stand on the central market trading floor. During this test, qualitative and quantitative feedback was collected to assess and validate the system. The traders were able to effectively use the technology after a few minutes instruction.



Benefits and Outcomes

The wireless-enabled e-Sales system has been established and tested by effecting trades over the system in Alfred Chave's operation.

The system automatically updated the stock inventory during the electronic transaction process and flagged any discrepancy immediately. This eliminated the need



to enter the sales data manually and to balance the stock at the close of trading. The savings demonstrated were approximately \$40,000 per year in removal of duplicated data entry labour and improved accuracy.

Using wireless technology, business operating systems are updated immediately with both sales and stock information. The mobile interface permits anytime, anywhere, any device access. Traders can leave the market floor when trading is finished and book stock in and out using any mobile device, even from the golf course.

Looking to the Future

The system's ability to extend the technology to warehousing and logistics will be explored in the future, and it will be linked to a web-based electronic trading system.

Handling information more accurately will reduce shrinkage and will ensure quality, safe, fresh produce is available to global buyers on a daily basis.

The SAND e-Sales system is available for fruit and vegetable wholesalers and is appropriate for many reasons but the most compelling is that it simply makes good business-sense to value chain organisations.

This project was facilitated by Bill Newnham of CTG Consulting, a project manager accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

