

Software
Case study:

Avid Technology

BT is perfect procurement partner



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Challenge

The leading provider of post-production software to the film, video and broadcast industry, Avid Technology runs a logistics operation out of Dublin, Ireland, serving customers and resellers throughout the EMEA (Europe Middle East and Africa) region. Central to its proposition is qualifying hardware with the performance specification to run its software. This underwent a radical change 15 years ago when Avid made its products available for PCs as well as Apple computers.

Rather than deal with the contract manufacturer directly, Avid wanted a third-party to take responsibility for hardware with a managed procurement service that would allow the firm to concentrate on its core business. “We didn’t have the resources to go through all the transactions you need to deal with a manufacturer on an almost daily basis,” says Robert O’Doherty, European Purchasing Manager at Avid. “The initial qualification is done by Avid in the US, but we needed a partner here to test it again, ensure it is packaged correctly, ship it to the customer or reseller, and then deal with any follow-up service issues.”

Solution

BT became Avid’s procurement partner in Ireland nearly 15 years ago. The longevity of the relationship is testament to its success and BT’s ability to meet Avid’s demanding requirements. With BT as intermediary, HP

supplies the bulk of the qualified workstations and servers that are sold out of Ireland. Between 200 and 280 units are shipped out of Dublin each month, where a single order of six machines may be worth one and a half million dollars.

The responsibility of BT is to ensure that such high value shipments are delivered exactly as specified by Avid. So stringent are the specification requirements that each new machine is taken out of its box and re-tested by BT. If a machine arrives damaged or scratched from HP, it’s up to BT to step in and make sure the issue is resolved before it is shipped.

A long-standing partner of both Avid and HP, BT manages all elements of the supply chain to ensure that the end customer receives precisely what they ordered, the optimum hardware to run the software.

Results

With BT taking care of procurement, Avid is able to focus on its core business rather than allocate resources to managing its hardware supplier. One of the reasons that the partnership continues to flourish is BT’s commitment to continual improvement and agility around changing needs. When Avid wanted to achieve a faster turnaround of sales without holding excessive stock, BT agreed to retain responsibility over the inventory up until the order is taken and it’s ready to ship.

As well as being an HP reseller, BT has a broad range of other partnerships that gives Avid quick access to other IT vendors. Whether it’s for extra storage or an operating system upgrade, BT has it

covered. But BT has proved equally adept at stepping outside its comfort zone to meet Avid’s requirements. When a factory was unable to supply packaging to the right specification, BT stepped in for six months, providing the additional packaging materials to the required standard.

BT has also taken on the role of wholesale provider, dealing directly with the reseller community who benefit from bigger margins on the hardware, while freeing up Avid to focus on its software.

With weekly meetings, BT and Avid have developed a seamless working relationship that allows them to deal with any situation as it arises. They cover off all eventualities and analyse sales forecasts from one month to the next quarter. “We have such a long history that we know each other’s needs so well,” said Robert O’Doherty.

Value

Such has been the success of the partnership that Avid’s parent company in the US encouraged the European operation to stick with the arrangement even though it had changed its Northern American strategy and started dealing with HP direct.

“BT offer us so much, with buffer stock and pre-testing the hardware, that we’re sticking with them,” says Robert O’Doherty. “The relationship with BT enables us to recognise revenue sooner. It allows us to sit on stock without the inventory responsibility. This has made us much more responsive to customer needs.”



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