



New ERP system delivers increased profitability for Bridgend merchant

At the end of 2013, John Davey, a third generation family owned Welsh builders' merchant, upgraded from a manual invoicing system to ERP software from Kerridge Commercial Systems (KCS).



Client Focus

- A family owned and managed business
- 13 staff, with 5 currently using K8
- Upgraded to K8 from a manual system in 2013
- Now planning to open a second branch

A year later, General Manager, Rhys Davey, saw that margin and turnover had both increased significantly. He remembered, "Once we had a full year of history within our K8 solution we could see the scope of how much the software had helped us. Our turnover had risen from £1.1m to £1.5m and we were showing an increase of 2% in our gross margin. Using a manual system I think it had been easy to make mistakes in calculations plus we were always missing opportunities to increase our margin. I think the improvements were largely down to being able to work more accurately."

John Davey has been trading for 50 years and offers a mix of lightside, heavyside and timber to an equal mix of cash and trade account customers. The company operates from one site in Bridgend where five of the 13 staff use the K8 software. With the Pencoed site running at full capacity, there are already thoughts to open a second site in the future. Rhys believes their high quality customer service is what keeps customers coming back.

One key driver to upgrade from a paper system was the time it took Rhys and his team to manually input customer invoices into the accounting system each month end. He said, "It took us seven working days each month to do this – there was paper everywhere! Also, we'd had problems with pilfering and needed a system to monitor our stock levels more closely."

Rhys started his search for a new system simply by 'googling' software and speaking to other local merchants – a few of whom already used K8. He eventually invited three providers to demonstrate their systems. "K8 was in the middle of the road when it came to pricing," explained Rhys, "but we chose it because KCS offered us a perfect hosting option and also because of the strong endorsements for K8 from other local merchants."

Implementation was a fairly drawn out process, as typically for a small family business, Rhys had to oversee it single-handed. It was also made more complex by the wide variety of formats used by suppliers to submit their product data. "It was a lot of work for me," said Rhys, "but once the software was up and running it really was worth the effort!"

John Davey



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- Rhys Davey, General Manager, [John Davey](#)



Faster sales processing at the trade counter using bar code scanners was an immediate benefit for Rhys and his team. And, for the first time, he now had instant visibility and access to a mass of business intelligence allowing him to monitor and analyse sales, margin, and individual customer activity and purchase prices. Rhys said, "Sometimes, the only quick reference we had to what we'd paid for a product was in someone's head – and if that person wasn't there it could be a problem!" The integrated financials (a single general ledger system) within K8 also means that up to the minute sales figures, debtor position, cash, stock values, etc., are always available to the John Davey team for informed analysis.

Rhys believes customer service has been enhanced further by being able to respond immediately to customer requests for proofs of delivery. "The signature pads we use at the trade counter means these are all linked to customer transactions in the system. We don't need to go searching through mounds of paper for them now, they just get emailed straight away and the customer never has to chase us for them."

Rhys is now looking at boosting his retail business by setting up an eCommerce site using K8's Web Builder. Alongside this functionality he will also be able to offer an on-line portal to trade account customers where they can print off their own invoices and check their balances - without having to ring in and ask for them. "We'll also looking at the possibility of using the K8 signature capture functionality in the future to streamline our delivery management," he said.

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About Kerridge Commercial Systems (KCS)

We provide specialist software, services and support to deliver fully integrated trading and business management solutions to distributive trades customers, large and small – wherever they are in the world. Immersed in the distributive trades for over 40 years, our technical experts are thought leaders in trading and management technology, and our innovative and flexible approach ensures our customers partner with us for the long-term.

Our mission is simple: to design and deliver high performance, integrated ERP solutions that enable our distributive trade customers to source effectively, stock efficiently, sell profitably and service competitively.

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