



# GAINING COMPETITIVE DIFFERENTIATION WITH SAP BUSINESS ONE

## AT A GLANCE

### Company

- Caldervale Technology - a specialist supplier of electro-fusion control units and tools.

### Solution

- The SAP Business One application, implemented and supported by Signum Solutions.

### Benefits

- Operational efficiencies
- Improved credit control and cash flow
- Ability to integrate with customer systems
- Automated stock call off, invoices and delivery notes
- Accurate stock levels
- Improved visibility of customers
- Up to the minute information about sales and purchasing

### Company

Formed in 1992, and still owner managed, Caldervale Technology designs, manufactures and supplies a range of electro-fusion control units and tools for joining together plastic-based water and gas distribution systems. Based in Dewsbury, and with distribution points in Warrington and Luton, the company has 42 employees and a turnover of £4.5 million. Its range of over 200 finished products is sold to utility and construction companies worldwide.

### A window into the company

Gordon Lilley, Managing Director, and Paul Myers, Chairman, Caldervale Technology, have a very clear vision of how they want the company to operate. "We want to make doing business with us as simple as possible for our customers. We want them to be able to have a window into Caldervale, to be able to place an order, monitor its progress, call off the stock we hold for them and have a paperless order chain."

Their vision grew from the work Caldervale had done with one of its major export customers - Georg Fischer. As the relationship grew, Caldervale started to hold stock for Georg Fischer, which the company could call off as required. Gordon recognised that, if he could give Georg

Fischer greater integration with Caldervale's systems, it would not only provide a higher level of service, but drive operational efficiencies and improve Caldervale's competitiveness with other customers. Today Caldervale is now in a position to offer this facility not only to Georg Fischer, but to all of its major customers.

### Industry standard

Georg Fischer is an SAP® customer, as are many other companies in the industry. In fact the use of SAP is almost an industry standard. So it was natural for Caldervale to look at implementing an SAP system. According to Gordon: "We had a number of presentations from SAP but, frankly, the numbers at the time were scary for a company our size".

Reluctantly Caldervale began looking at other systems. One option was to have a bespoke system written for them, but Gordon quickly discarded that idea. "We've been down that road before and I know the problems", he explains. "It takes a lot of time and resources to specify a system properly. Plus it has to be continually updated as the business changes and grows, which can be costly."

Although Caldervale looked at a number of other systems, none of them really met the

# SAP BUSINESS ONE ENABLES CALDERVALE TECHNOLOGY TO INTEGRATE WITH CUSTOMERS

company's needs. So, when SAP Business One was announced, SAP's integrated system for small and medium sized companies, Caldervale was delighted.


"Signum Solutions demonstrated SAP Business One to us and we could immediately see how flexible it was, and that it would do everything we needed, with minimal changes. In addition, it would easily integrate with our customers' SAP systems and, with SAP, we knew we didn't have to worry about the system having a long term future."

## **Minimal effort**

The first module of the system to be implemented was financial accounting. Caldervale's accountant is also the IT Manager. He threw himself into implementing the new system, with Signum's Implementation Consultant. Between them they brought the system online. "The changeover was seamless and surprisingly easy", says Gordon. "There were no major problems. The staff picked up how to use the system very quickly, without the need for a lot of training, and there were no adverse comments. It's also noticeable that any new staff we've recruited have been able to adapt to the system easily. Signum's Project Manager was a key driver behind the success of the project. He had a good understanding of what we needed and, if any problems did occur, he was very quick to find solutions".

## **A new acquisition**

As the implementation of financial accounting was coming to an end, Caldervale acquired the assets and stock of another company. Of necessity, this turned the attention of the company away from continuing the implementation of SAP Business One, with all the company's resources being focused on integrating the new acquisition.



***"BEFORE OUR ACCOUNTANT WOULD HAVE SAID WE SHOULD USE SAGE. NOW HIS ADVICE WOULD BE SAP BUSINESS ONE," SAYS GORDON LILLEY***

"The biggest effort was physically bringing the two companies together", explains Gordon. "Integrating the new company into SAP Business One was plain sailing."

## **Opening opportunities**

Even though Caldervale hasn't implemented all the functionality of SAP Business One, it has already seen major benefits. The company now has day-to-day, minute-by-minute information about sales and purchasing. There have been operational efficiencies, through a reduction in administrative errors. Credit control has improved. In addition, the tight

control Caldervale now has on its cash flow has been a significant benefit, as Gordon explains.

"Undertaking an acquisition can put a strain on cash flow", he says.

"Consequently, we agreed an overdraft facility with the bank. However, with the help of SAP Business One, we didn't even use half of it, so we've been able to maintain a good strong balance sheet, which is vitally important for us."

But the biggest benefit for Gordon is how SAP Business One will open up opportunities for the business. "We want to promote Caldervale as a small company, with SAP capabilities, that can integrate with its customers to provide higher levels of service", he says. "We see SAP Business One as a management tool which will be a major asset for driving our growth in the future." A demonstration of Gordon's conviction that SAP will bring competitive advantage is the fact that Caldervale proudly displays the SAP logo on its stands at major industry exhibitions.

## **Future plans**

Caldervale is now turning its attention to implementing the manufacturing modules of SAP Business One. In addition the company has linked its two depots in Warrington and Luton, automating stock call off and the production of invoices and delivery notes.

Gordon also sees the customer relationship management (CRM) elements of the system as a highly useful tool.

“Using CRM we will be able to quickly drill down into the accounts of our customers and partners and see a live picture of the current status. That will be extremely valuable in raising our levels of service.”

#### **Advice to others**

When it comes to advice for others considering SAP Business One, Gordon is clear. “Have a business plan and develop a definitive, realistic timetable for implementation”, he says. “By doing so you can understand and gain the benefits of each part of the system and then move on to the next.”

Gordon also believes involving staff in the selection process is important.

“Everybody, from the shop floor to accounts, was invited to the SAP Business One demonstrations we had. Gaining the commitment of everybody up front has made the adoption of the system straightforward.”

“In our industry having SAP speaks for itself”, Gordon concludes. “When I tell customers we have SAP, they are genuinely surprised. It’s a feather in our cap and an important differentiator. The system has also won people over internally. Before our accountant would have said we should use Sage. Now his advice would be SAP Business One.”

## **“SIGNUM’S PROJECT MANAGER WAS A KEY DRIVER BEHIND THE SUCCESS OF THE PROJECT.”**

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