CreativeCFO

Case Study : The Tile House

Learn how Creative CFO's systems experts helped The Tile House, an industry leading supplier of high-quality wall and floor tiles in South Africa, implement a scalable system that can handle multiple locations, a large product list and that can be accessed by multiple users from anywhere

Business Type: Manufacturing

Industry: Building Materials

Size: 40+ employees, 2 locations

Region: South Africa

Integrations: Dear, Xero

Customer since: June 2018

Website: www.thetilehouse.co.za

"

Migrating to another inventory and manufacturing management system can seem daunting to a business, but it need not be. Over the past five years, we have differentiated ourselves by combining deep systems and process understanding with financial and accounting expertise. This combination of professional skills has allowed us to successfully implement the core financial systems for hundreds of businesses across a variety of industries

- Creative CFO Systems Team

About The Tile House

The Tile House was established in 1988 by John Almon - a hands-on family run business that sources and supplies wall and floor tiles for inside and outside for both residential and commercial projects. They have two showrooms, one based in Cape Town and the other in Knysna.

In 2018 this well-established building materials supplier approached the systems experts at Creative CFO to help them move from a custom Enterprise Resource Planning (ERP) to an integrated cloud-based inventory management and accounting system.

With Creative CFO's deep technical knowledge and extensive experience in Dear Inventory and Xero Accounting specifically in the Manufacturing Industry, The Tile House could look forward to a seamless and stress-free execution and rollout alongside many other benefits.

Through Dear's Inventory Management software, The Tile House was able to move away from a centralised and bureaucratic ERP to the cloud where real-time information would be available instantly. Through Xero Accounting, their financial reporting process became fully modifiable, eliminating all frustration caused by the previous ERP system.

Key Challenges

- The Tile House was breaking away from their previous group owners financial systems, so a change in ownership required a change in systems
- The business was lacking in operational independence - previously there were high levels of bureaucracy to deal with when implementing small changes
- Inventory valuation amounts sometimes differed from underlying supplier invoices - many older systems still have a GRN ('goods received note') process which is separate from the loading of supplier invoices
- Financial reporting was frustrating and not user-friendly - John and his team had a strong desire for reports which were easier to understand, navigate and customise
- Remote system access - information could not be acquired remotely for their old system was unstable and not cloud-based

Key Solutions

To implement:

- A scalable system that can handle the addition of outlets or warehouses, and also a larger product list
- A system with malleable reports that can be used for reporting to Sales Representatives, Stock Controllers, Management and Owners
- A live system which can adequately deal with multiple users at the same time (20 Dear users to start)
- Software that can easily accommodate a complex segregation of duties, utilising different roles and responsibilities for: Sales Representatives, Cashiers, Dispatch, Stock Controllers, Accounts, and Management
- A system that can help management maintain control

The Implementation Timeline

With a very short implementation time frame of approximately three weeks, the business was able to move over all operations on to Dear and Xero. There was a definite time constraint as the company was breaking away from the larger group at the end of June 2018. This created the need to be independent and fully operational on both systems from 1 July 2018. As time was limited, much of the refining of these systems, especially Dear, came only after the date the business went live on these systems.

The Solution

Customers

Customers were set up in such a way so that the revenue account is allocated based on customer rather than on product. This allows us to easily see the breakdown of cash vs credit sales. Credit limits were also allocated to credit customers. Only the accounts department and management can override credit limits.

Suppliers

Suppliers were brought into the system with special attention given to payment terms, currency and VAT treatment as there are a wide variety of suppliers. Suppliers are also separated into local and foreign using an additional attribute. Only stock controllers and management can add suppliers.

Sales

With a heavy segregation of duties in place for each sale, the sales process is best described using the Dear workflow

Quote, Order & Pick

Sales representatives perform a customer quote and/or authorise the customer order. They then pick the particular product for the customer. This is a very important step in the building supplies trade as certain batches may be of different measurements or colour shades. After picking, the representative prints a picking slip for dispatch.

Pack & Ship

These steps are performed by dispatch. Dispatch selects the stock from the warehouse and packs the stock. If the stock needs to be shipped in multi shipments the sale is converted to an advanced sale and each shipment is packed separately. A delivery note is printed upon shipping. The customer signs the delivery note after receiving the goods and this is uploaded to the Sales Order as an attached Proof of Delivery.

Invoice

For cash customers the invoice is authorised by the cashier who also applies payment. The invoice is then printed and given to the customer. For credit customers, the invoices are authorised in bulk (post fulfillment) by the accounts department. The credit customer invoices are emailed to customers.

Purchases

The stock controllers handle purchases. After the supplier has delivered the stock, the stock controller loads the supplier invoice and does the stock receipt at the same time.

> In conclusion, this implementation really demonstrated how versatile Dear Inventory is. Through a lot of hard work, and refining of the system, over a short space of time, we were able to successfully replace and upgrade a full-fledged corporate group ERP with Dear and Xero.

Naomi Uys - Systems Specialist, Creative CFO

The Solution

"

"The Creative CFO team partnership, implementing Xero and Dear systems, added great value to our business and provided unquestionable assistance with effective and efficient operational and financial requirements
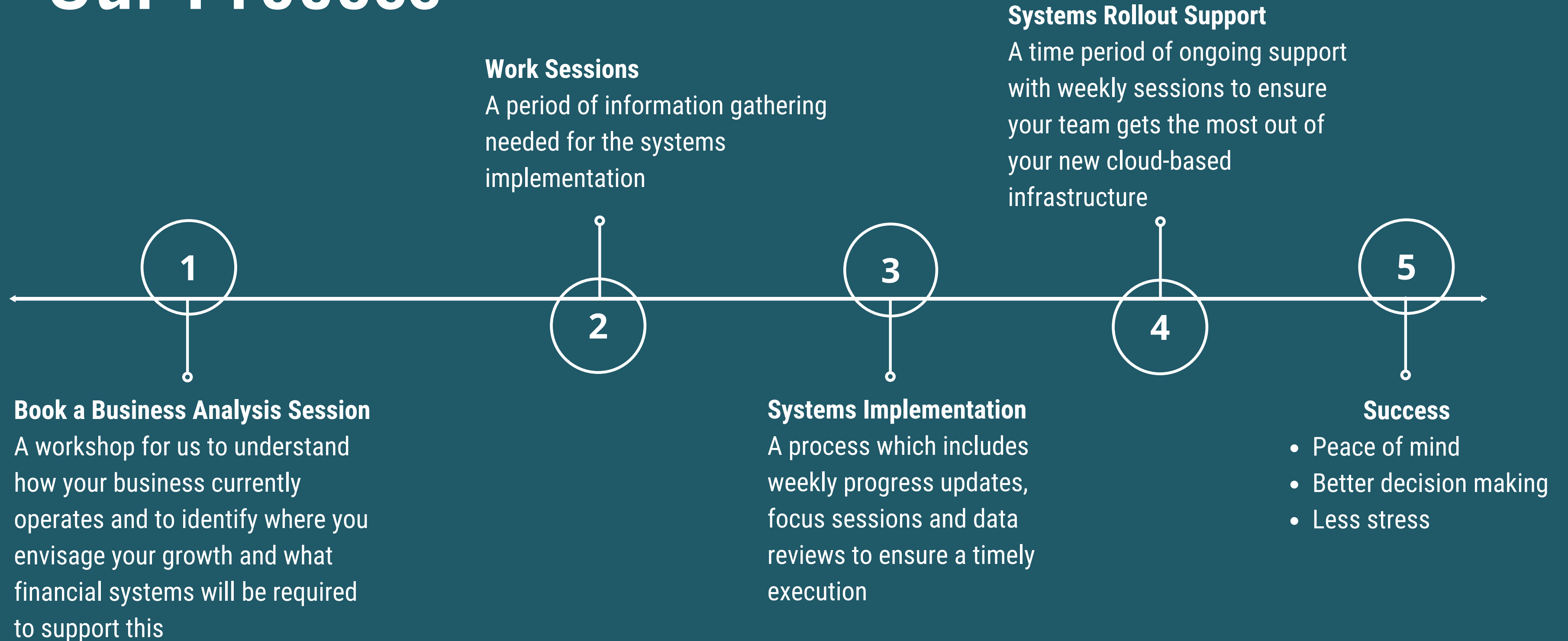
Working with the Creative CFO team has been a progressive two-way communication journey of brainstorming the business key outputs, implementing strategic structures, and specifications, with regards to customised templates and business needs. On-site, hands-on training enhanced and developed technical, analytical skills and confidence amongst employees, forming a positive teamwork climate.

The ultimate value of the Creative CFO team is their transparency, phenomenal people skills and their ability to work with a diverse team, unlearning and learning a new. Thank you Creative CFO."

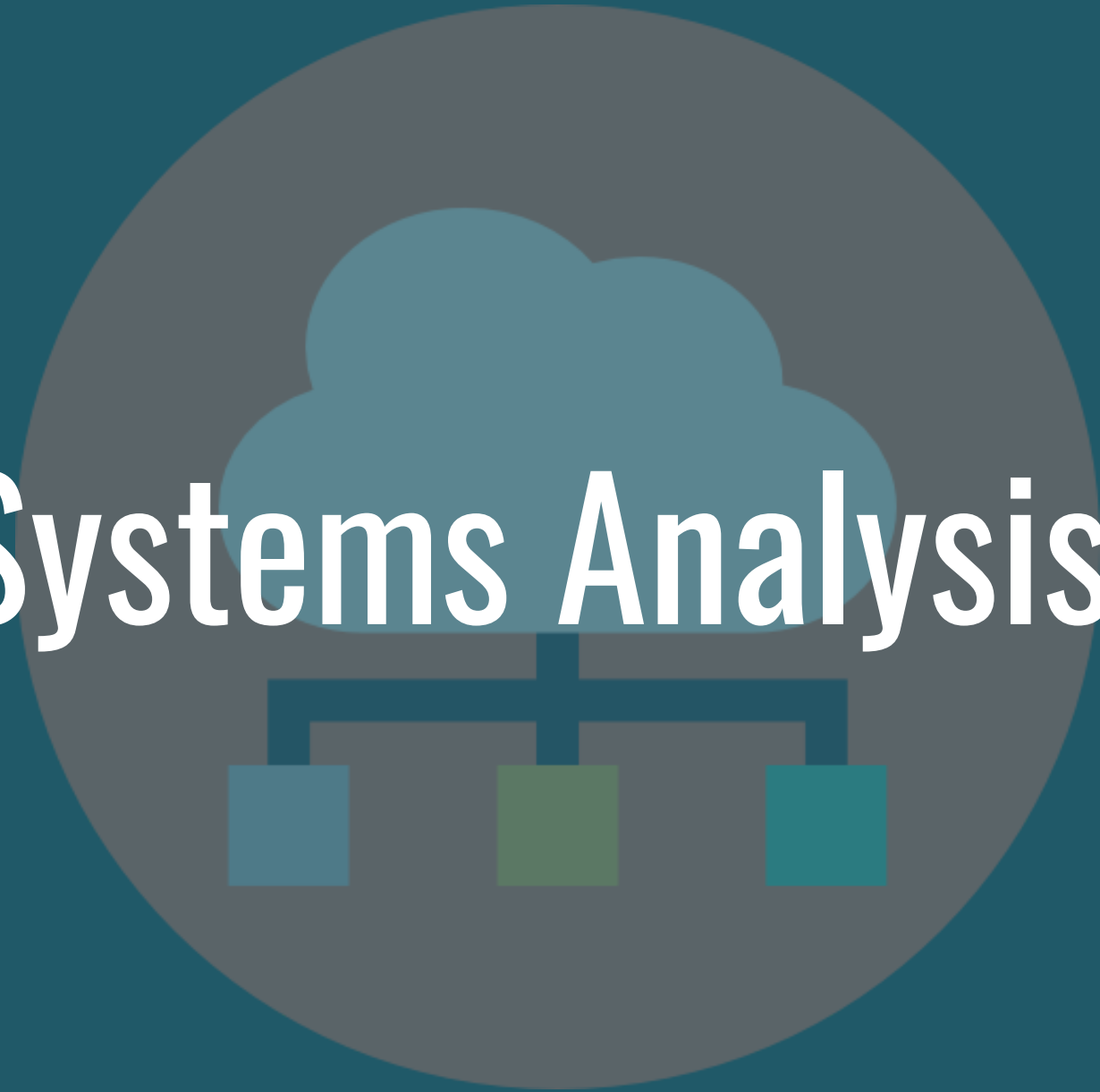- Nasuriena Lakay - Finance, The Tile House

Our Process

Work Sessions
A period of information gathering needed for the systems implementation

Systems Rollout Support
A time period of ongoing support with weekly sessions to ensure your team gets the most out of your new cloud-based infrastructure

1

2

3

4

5

Book a Business Analysis Session
A workshop for us to understand how your business currently operates and to identify where you envisage your growth and what financial systems will be required to support this

Systems Implementation
A process which includes weekly progress updates, focus sessions and data reviews to ensure a timely execution

Success
- Peace of mind
- Better decision making
- Less stress

Our Technology Partners

Book a Systems Analysis Session