

IT - THE RIGHT DIRECTION

**Interview with
GRAHAM YATES
MANAGING DIRECTOR
GRAYTONE GROUP**



In a series of interviews with KFA Connect, company directors talk about the issues which need to be addressed to align IT with their business strategy and operations.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.

ONE OF THE BIG challenges with IT isn't so much the technology itself but getting people to embrace it and use it to its full effect.

That's a common thread, but Graham Yates, managing director of the Graytone Group takes it further. He suggests companies need to adapt to IT and not simply expect it to adapt to them.

"With the integration of enterprise planning systems with customer relationship management, IT still has the potential to reduce overheads massively," he says. "It is a powerful tool provided you can get it working for the business and don't become a slave to it.

He's alluding to the need to be able to pull meaningful information from the system rather than simply data.

"Every day we get a transaction report of debtors, creditors and of stock levels. We can see what we are selling and at what margins, and how many orders are in the system."

But he says it takes time to learn to trust an IT system. "You go through a period of not knowing whether the information is really accurate," he says. "I would be checking what the computer said

against what I thought the answer was." Through their subsidiaries PSG and Pexa, Graytone Group distribute coatings, packaging, adhesives, composites and energy to the aerospace and defence industries.

What Graytone have invested in is "a bigger pair of trousers than we need," Yates explains, "but something we intend to grow into; the idea being that we have the capability to scale up and manage growth expectations." The stock control aspect is particularly important, he says, because in the aerospace coatings industry there are thousands of colours and finishes.

"We have got an inventory of £1.8million and all of it has a shelf life and a release life of two years, so order forecasting has to be accurate. It follows the 80/20 rule: eighty per cent of the value comes from twenty per cent of the product range. It's easy to get stock-bound and that soaks up cash so it's critical that we manage stock rotation. A large number of aerospace customers demand a 75% shelf life on any product at the point of sale."

When it comes to the sales process and the collection of customer data, one challenge is to streamline CRM. "We

have to define the sales process and build the CRM accordingly," explains Yates, "otherwise you can lose yourself in it. In return we will get good information about the sales pipeline, our customers and their needs, and that has real value.

"When I was in sales we didn't have anything like it. There was a manual reporting system which everyone hated and the company had to take a whip to sales people to get us to use it.

"Even now, the big obstacle can be the sales people themselves. They don't like administration so getting them to embrace the CRM system is difficult.

"But it's no good trying to blame IT. The system is only as good as what you put into it. Managing CRM requires discipline, and it is a constant challenge."

Worth the effort, he maintains, because IT could help make the company easier to deal with, maybe through offering a portal that customers could use to identify stock availability, and find for example material safety data sheets.

Similarly, he rather likes the idea of going into e-commerce, enabling customers to place orders at any time. "IT can be a great enabler. I like the idea of selling a

product to someone on the other side of the world while we're sleeping."

"That said, we are quite happy to talk to people on the phone; you can get a good bond with a customer that way. Our businesses want to build relationships; there's no substitute for it. On the other hand, having a portal that works could make customers more reliant on a supplier, but there are some issues to address before launching that kind of initiative. For example, how do we avoid corporate customers having to duplicate effort by inputting purchase orders and then ordering online?"

But, he continues: "You can get too carried away with wanting to offer something that customers are not ready for. In any market sector, customers are going at different speeds and not everyone is ahead of the curve with digital information. We need to be flexible to ensure we don't sacrifice customers for the sake of IT advancement."



For 30 years, KFA Connect have been "developing innovative software solutions that make sales order processing, logistics, procurement and eCommerce functions run perfectly." This is achieved by uniting the best parts of current systems with modern bespoke software so that it perfectly fits an organisation's own individual processes and ways of doing business.

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