

# **IT - THE RIGHT DIRECTION**

**Interview with  
PAUL MURRAY  
CHAIRMAN  
PAUL MURRAY PLC**



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.

PAUL MURRAY CHUCKLES TO recall an essay he wrote, while studying business in the sixties, about the use of computers in commerce and industry. "My conclusion was that computers had a massive part to play but because of their size they would never become popular among small businesses," he reflects.

He's happy to have been proved wrong, he says. His eponymous business, Paul Murray plc, couldn't actually function without IT, he cedes. Indeed, he has always invested in IT since the company was launched in the early seventies. "Back then we used a Daro electronic invoicing machine, and then in the early eighties we invested in a i386 PC to send our invoices by EDI to Superdrug," he recalls.

"Then we were one of the first companies in the UK to run Tetra on an IBM machine. When we outgrew that, we moved to Microsoft Dynamics Navision on our own servers, and we are constantly reviewing and looking to upgrade our IT to keep up with the latest support, regulations and security, because it is increasingly mission critical.

"We've been using barcodes since their early days to identify our products, and

from this we can generate an EPOS file on demand for our customers, pass data to our tablets for picking and replenishment and to our salespersons tablets to take the orders.

The company is a supplier of health, beauty and nursery brands to the retail trade in the UK and Ireland, including Baylis & Harding, Eylure, Philips Personal Care, Remington, as well as private label. Plus, Paul Murray own brands of their own such as Miners Cosmetics.

The company has a policy of regularly reviewing where the business is at. "People blame the 2008 recession for damaging their businesses," says Murray. "But it was not that at all. It was that their business model was not really working anyway; the recession just found that out. You need to continually challenge your direction and tweak it to make sure it works."

The underlying model remains relatively straightforward – simply supplying brands to retailers – and that's been key to the company success, says Murray. But behind any simple model lies a lot of complexity. There's a worldwide sourcing infrastructure, with some 40% of the products imported – from China

in particular - and the business deals in four currencies: sterling, euro, US dollars, and the Chinese Yuan.

There's also a long supply chain, with products coming in from overseas, going through quality control and packaging and then being shipped out - to independent pharmacies, major multiples, supermarkets, and online retailers, usually within one or two days of the order.

Effective IT is critical to flexible logistics and supply chain management, says Murray. With more than 5000 customers and in excess of 4000 product lines, the most important contribution of IT is easier access to data and generation of information. IT manager Danny Frampton, who has been with the company since 1982, recalls receiving faxed orders, using a manual card system to hold customer information, and having to remember where everything was in the warehouse.

Murray says he likes the discipline and standardisation that computers offer. "If you type in the product and the customer, they connect up and you have the price. Computers are brilliant for that binary yes or no answer."

The company deploys a system which spends its nights manipulating and analysing data, "and working out the answer to any question we might ask it the next day," says Murray, "such as how much of a particular product did we sell, where, and to whom? We get that mission-critical information in nanoseconds."

The systems can also simplify the ordering process for customers. "We have a pharmacy customer who has twenty-eight different planograms which show how they want their products displayed, and their buyers can see only the products that they are supposed to order for a particular planogram," Murray explains.

Meanwhile, the Paul Murray sales team input orders into iPads, which are then downloaded to the 50,000 sqft warehouse the company moved to in January 2018 - for picking and packing. Warehouse staff also use iPads, which tell them where to find each product and lists the orders in such a way that they only need to walk up and down the aisles of the warehouse once without having to retrace their steps.

And picking will continue to be done manually; Murray doesn't think a fully automated warehouse system is either cost effective or desirable.

"We did discuss having full automation but I don't want computers to replace humans, I want them to work together in a symbiotic way. Humans are one of the most sophisticated bits of kit. They come with inbuilt video, audio and brains and dexterous hands. Humans are good value for money. They can spot problems and deal with situations. And they can think outside the box, not just yes and no. Why would you not want to use that to its full potential?"

It doesn't mean that the actual 'paperwork' process cannot still be electronic, right through to raising the delivery note and then the invoice.

The data is kept on in-house servers, with backups taking place both in situ and offsite. Murray's not keen on the idea of working in the cloud. "The word cloud is a misnomer, a clever marketing tool," he maintains. "The cloud is just another storage facility, in a building somewhere. Do you know where it will be? Our position is that if we are going to have our data in a box somewhere, it might as well be here."

A particular focus is addressing the threat of cyber crime. So all emails go through Mimecast which filters out spam and checks all links and attachments for signs of virus activity or phishing. And anything with an attachment get sandboxed (digital quarantine).

Paul Murray plc have achieved accreditation from Cyber Essentials, a government-backed, industry-supported scheme to help organisations protect themselves against online threats. "I went to a conference last year where the speaker was the head of cyber security for business at GCHQ," says Murray. "He said that 80% of security issues could be addressed with three things: change your password regularly, make it more complicated, and get your cyber security certification."

Staff are restricted at Paul Murray as to what they can do with the systems, with only 'super users' being allowed to delete certain files, for example, and even then only when certain procedures have been followed. But Murray himself is a realist. "It doesn't eradicate the problem of garbage in, garbage out if someone entering data isn't paying attention," he points out, "or they skip parts of a procedure that they have been taught."



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KFA Connect  
First Floor, 28-30 Southampton Road,  
Ringwood, Hampshire, BH24 1HY  
Email: [info@kfa.co.uk](mailto:info@kfa.co.uk)  
Tel: 0800 167 0844

[www.kfa.co.uk](http://www.kfa.co.uk)

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