

Steeling for Competitive Times with Sage 50 and ACT!

Fleming Steel, a one hundred and fifty year old steel supplier and manufacturer, and the largest company of its type in northwest Ireland, increases cost efficiencies and productivity with a powerful integrated solution from Sage.

About the Company

As a 5th generation family business, the managers and staff of Fleming Steel have seen it all. Established over 150 years ago, the company has survived and prospered during both good times and bad. The secret of their success? A commitment to the highest levels of product quality, customer service, and business management skills.

‘Fleming Steel was founded by my father’s great-grandfather,’ Fleming Steel purchasing manager David Fleming explains. ‘Initially set up as an engineering company, we expanded into the areas of steel supply, and related areas. The company has always considered our customers as the focus of our business. Our philosophy is simple: if a customer wants something and we don’t have it, we can get it, and will do that as quickly as humanly possible.’

Fleming Steel has two primary divisions: the Steel Products Division provides hundreds of lines of steel products including beams, girders and similar. The company’s roofing, building, and finishing capabilities enable Fleming Steel to deliver high quality value-added steel products to meet the needs of a wide range of sectors including commercial and domestic building contractors, agricultural, and engineering.

The company’s Door Division provides a wide range of steel doors: from robust roller doors for industrial applications, to PVC

coated domestic garage doors and insulated roller doors.

Fleming Steel’s dedicated technical support team works closely with end customers to assist in unique design or installation requirements. By doing so, the company ensures that satisfied customers will return to Fleming Steel again and again.

The Challenge: Minimising Costs and Increasing Productivity

Fleming Steel has been a long-time Sage customer, and has used its flagship accounting and management software solution, Sage 50, for almost 10 years. But recent economic conditions motivated the company to get even more out of Sage.

‘Ten years ago, our company operated what was essentially a manual accounting system,’ David states. ‘When we first installed Sage, we knew that we could increase our productivity and efficiency, and that’s been more than true. However, we wanted even more.’

‘We wanted to be able to accurately track stock on hand as well as stock prices, comparing those with forecasted orders. By doing so, we believed that we could minimise capital tied up in stock.’

'We also wanted a solution that would help us on the sales side. We believed that Sage might be able to provide us with a software solution that could be integrated into our existing Sage 50 capabilities, and that would assist us in increasing sales and market share even in tough times.

'The economy has changed,' David states. 'We wanted Sage to help us change with it.' David contacted Sligo-based Synergy Network Ltd, a Sage Business Partner. The result of that contact has been the installation of a powerful, fully integrated Sage solution.

The Solution: Sage 50 Integrated with ACT! from Sage

James Doyle, managing director of Sligo-based Synergy Network (a Sage Business Partner) works closely with his customers to understand their needs, and to provide solutions to meet those needs. In the case of Fleming Steel, James realised that he was working with a company that was anticipating the future.

'Ireland's economy has fundamentally changed and Fleming Steel is a company that desired to position itself to grow its market share,' James observes. 'Let's face it: many small and mid-sized companies had become used to the good times. But in today's economy, companies have to go back to business fundamentals in order to survive, let alone prosper.

'In today's economy, it's about solid data: what are my company's true costs? What are my real margins? What are our anticipated sales for the next period? What's our subsequent cash flow forecast? If companies can quickly access timely and accurate data of this type, they position themselves not only to survive, but to also grow in relation to their competitors.

'In talking to Fleming Steel, I knew that this was the type of data that they required. Synergy Network put together a

recommendation for a Sage solution that we knew would meet those needs.'

The Integrated Solution

Synergy Network recommended a two-part recommendation to meet Fleming Steel's requirements. Initially, it was recommended that Fleming Steel personnel receive additional training on Sage 50 in order to get the most from its powerful capabilities. Second, Synergy Network recommended the integration of ACT! (the Sage Customer Relationship Management solution) with Sage 50.

Sage 50 is Ireland's most popular accounting and management software solution. In addition to powerful accounting functionality (including debtors, creditors, complete nominals, online payment capabilities, multi-company/multi-currency, Revenue Online, VAT reconciliation and analysis, and similar), Sage 50 also provides tools that enable managers to accurately analyse product costs. Together with its intelligent stock module, as well as Bill of Materials and Sales and Purchase Order capabilities, Sage 50 provides the data required to minimise capital tied up in stock, while avoiding stock out scenarios.

Synergy Network then integrated ACT! from Sage into Sage 50. ACT! is a powerful CRM software solution. Its suite of tools help companies to manage customer databases, and to use those for a variety of reasons: targeting specific sub-groups with relevant offers; scheduling follow-up contacts; monitoring sales and the sales pipeline, and similar customer-centric activities.

The Substantial Benefits: Accurate Stock Valuation

'The Sage integrated solution is already paying for itself,' Fleming Steel's David Fleming states. 'For instance, we now use Sage for all Purchase and Sales Orders, as well as a method of accurately calculating stock valuations. We purchase steel stock on a price per tonne basis. However, we sell the product not in tonne weight, but on a per piece basis. So, for instance, while we might



purchase one tonne of steel for €1000, what is actually delivered might be fifty – by – six meter steel lengths.

‘The stock module not only records the fact that the steel has been delivered, but also tracks the per piece price of the order. This capability allows us to accurately track what we have in stock, but the actual value of each piece that we hold in stock. We’re also able to compare the actual quantity and cost of each product piece against anticipated orders. Those future orders, generated out of the data held by the integrated ACT! solution, enable us to hold enough stock on hand to fulfil orders, without holding too much stock. Therefore, we’re able to minimise our capital outlay in stock, thereby preserving critical cash, while maximising our cash flow.’

Bill of Materials

David also relies on the Bill of Materials function within Sage 50 to gain an accurate insight into the cost of manufactured products, as well as the anticipated margin accruing to the company. ‘I’ll use the doors that we manufacture in our Door Division as an example,’ David states. ‘Let’s say we receive an order from a customer for a large industrial roller door. Obviously, that door is composed of a number of components.

‘Prior to using Sage 50’s Bill of Materials, we could not accurately gauge our true costs of the door, nor of the anticipated margin. However, with the Sage 50 Bill of Materials capability, that data is available quickly and accurately.

‘We simply enter the order into the Bill of Materials, specifying the appropriate product to be built. The Sage solution automatically locates all components – and relevant cost prices – that make up that door. Consequently, we’ll know the exact cost of the components required to build the order. We’ll know what components are currently in stock, what we might need to fabricate, or what we might need to order.

‘We can then add on any other cost, such as estimated time and contribution to overhead, and compare that to the proposed customer charge. So very easily we’re able to understand our costs, as well as our margins.’

Understanding the Customer

With Sage 50 working to help Fleming Steel to manage its costs, the integrated ACT! solution helps Fleming Steel’s sales personnel to more effectively communicate with its current, and prospective, customers.

Mike Ryan, the company’s Door Division General Manager, explains the substantial benefits of ACT!

‘We only installed the integrated solution a few months ago, but are already quite pleased with it,’ Mike states. ‘Our division serves a number of market sectors including domestic and industrial, agriculture, roofing, engineering, and similar. ACT! allows us to group the company’s hundreds of individual companies held in our database by any one of these sectors. Using this Grouping capability, we are able to tailor communications to them in a manner that is relevant to their needs.

‘But ACT! does much more. For instance, it helps us to schedule call backs to customers when it is convenient for them. It also records all communications from both of our company’s divisions. This helps us to be even more effective and relevant: for instance, let’s say someone from our Steel Division rang a customer last week, and today someone from our Door Division is going to phone them. Using ACT!, the Door Division rep will see the notes left on the solution regarding the conversation between the Steel Division rep and that customer. So any conversation can be made more informative by using the data held on ACT! In that the solution holds complete communications histories, we can quickly gain an insight on any particular customer.

‘Because ACT! is integrated with Sage 50, we also find that the solution becomes even more powerful. ACT! has instant access to relevant customer-specific sales and



financial histories. At a glance, we can understand what the customer has ordered in the past: what products, when, and what quantities and values. This allows us to better understand – and anticipate – our customer’s future needs.

‘In addition, ACT! has powerful reporting features. This helps us to gain accurate insight into the value of our sales pipeline. In a difficult economy, that information is invaluable.’

Would Recommend

David Fleming recommends the integrated Sage solution and Synergy Network without hesitation.

‘The Sage 50/ACT! integrated solution is simple to use, and easy to understand. It offers exceptional value for money. Its capabilities are continuing to improve our productivity and efficiency, as well as helping us to maintain a cost-effective supply of stock on hand. To be honest, we looked at other software solutions, but we recognised that Sage is best positioned to help us now and in the future.

‘As to Synergy Network: we find them very effective. They are right there if we have any queries, and sort things out quickly with relevant and practical advice. They provide good support and excellent training.

‘The Sage solution that they recommended is providing us with effective tools to help us meet these challenging times,’ David concludes. ‘As importantly, we know that the Sage integrated solution and Synergy Network will enable us to avail of additional opportunities when the economy recovers.’

For More Information

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For more information on Fleming Steel and their wide range of superlative product, contact them:

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Sage

For more information on Sage 50, ACT! from Sage, and our range of powerful integrated accounting, management, and CRM solutions, contact us: **1890 88 20 60.**

