

Vivid Arts builds business success on SYSPRO ERP keystone

K3 Syspro (K3) customer Vivid Arts is a superb example of how a well specified and designed IT system backed by excellent support can help a brand new company develop its fledgling business into one that is projecting a turnover of £2 million in its first year of business.

This effort is due to the enthusiasm of the individuals within the company to succeed in their mission to achieve a £4 to £5 million business within three years of startup. Supporting this enthusiasm is a SYSPRO ERP system that provides the company with confidence to press on with its business goals.

Vivid Arts is a relatively new name in the garden pot and ornament market. The operation of the company was set up by Richard Owen - a seasoned logistics specialist of 25 years experience and a further 15 years practical experience of the gardening industry. Richard Owen is the Operations Director at Vivid Arts and together with his colleagues he has built a company from ground zero to the position of heavyweight contender in the fiercely competitive and highly seasonal garden supplies market.



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At a glance

Company

Vivid Arts

Industry sector

Distribution

- Supplier of garden pots and ornaments

SIC Code

46499

- Wholesale of household goods (other than musical instruments) n.e.c.

Number of employees

100 +

The challenge

- Start up business
- Seasonality and competitive nature of the market, Vivid arts need to ensure the right items are in stock
- Plan for rapid growth
- Shipping from the Far East is volatile due to fluctuations in the value of the US Dollar

Solution & services

- K3 Syspro ERP

The benefits

- A slick order/accounting operation. That saves a phenomenal amount of time and is enabling Vivid Arts to move forward
- Ability to monitor and manage its standard costs, SYSPRO generates clear overview reports for these standard costs enabling the management team keep a close eye on the business.
- Supporting the business for future growth



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He and his colleagues have a total of 40 years market knowledge and backed by Owen's supply chain know-how are proving to be very much a company to watch.

Based in Alltami North Wales, Vivid Arts was established in September 2006 and offers over 250 lines of garden pots and ornaments which it distributes to garden centres throughout the UK. Its customers include the Dobbies Group and major independent garden centres such as Longacres and Byrkley Park. The company sources its products from manufacturers in the Far East with Vietnam, China and Thailand being the main large-scale producers of garden pots and ornamental specialities. Because of the seasonality and competitive nature of the market Vivid Arts has to be on the ball when it comes to having the right items in stock. It means that orders are placed 8 months in advance to ensure adequate supplies are in the warehouse ready to be shipped immediately to customers.

Vivid Arts took a decisive step to implement an enterprise resource planning (ERP) system from a very early stage. In only six months the company's ERP system was up and running. Spurning the easy route of simply installing an accounts package, Richard Owen guided the management team to look harder at how the company would need a more functional and featured package going forward. This made perfect sense as it meant choosing to work with one system from the outset and then develop it as the company itself would develop.

He had a good understanding of what the IT market offered and soon shortlisted SYSPRO ERP from K3. Vivid Arts chose to implement a suite of core modules including Purchase Order and Sales Order Processing, Accounts Receivable, Accounts Payable, Cash Book, General Ledger, Inventory Management, Bill of Materials and Report Writer.

"The easy choice would have been to opt for a basic accounts package, but because we wanted to grow rapidly we decided to implement an ERP system on an SQL platform. Had we gone down the alternative route, we would have only had to take out the system in a year's time and replace it with something more substantial," said Richard Owen.

The Operations Director admits that it is still early days in the SYSPRO implementation and there is much more that Vivid Arts could be doing with the system. For the time being however the company is capitalising on using SYSPRO to drive sales order processing right through to cash collection

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SYSPRO also provides Vivid Arts with the ability to monitor and manage its standard costs. This is extremely important as these can vary because the cost of shipping from the Far East is volatile due to fluctuations in the value of the US Dollar which is the currency of the market. Unit costs are easier to deal with as the cost of pots and ornaments are less volatile although they are beginning to climb as the Far Eastern economies grow. SYSPRO generates clear overview reports for these standard costs enabling the management team keep a close eye on the business.



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So on one hand it would appear that our use of SYSPRO is relatively simplistic but the system comes into its own when it comes to delivering management information. This is crucial for our business as we have to maintain a careful balance," said Richard Owen.

Looking at how SYSPRO is used explains Richard Owens "relatively simplistic" use of the system. In his words: "The order comes in via fax and these are keyed in. Pricing is already set up within the system and includes discount schemes. These then sit on the books as unplanned orders. I then generate pick notes for TDG, our third-party warehousing partner situated on the same site as us. The TDG warehouse uses these paper notes to pick from our stock. Large orders go out on TDG's trucks and smaller consignments are shipped using the Christian Salvesen shared-user network." Looking beyond his explanation of simple usage it is clear that SYSPRO provides a solid system for Vivid Arts' supply chain management. What's more, it's ready for future development.

Richard Owen talks enthusiastically about how he sees using more of SYSPRO features, which are available to him now. "On the supply/warehousing side we will use SYSPRO to generate our barcode labels. We are also looking to implement EDI for integrating the accounts with our banking partner. We will also use SYSPRO to email out documentation with the products to our customers."

Summing up Vivid Arts decision to implement SYSPRO Richard Owen added that K3's support has and continues to be crucial to the company.

"We know we made the right decision to choose SYSPRO. Not only has K3 provided fantastic software I have to say that its biggest success is its support. K3's helpdesk is tremendous. I am not an IT person but I know that it only takes a phone call and any issues are rectified quickly and efficiently," he concludes.

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