



## **Union Tiles cements efficient customer service and inventory control by implementing the fully integrated Embrace business solution, leaving no tile unturned.**

### **The Company**

Union Tiles (Pty) Ltd has evolved from its 1910 origin as a small Johannesburg based cement and terrazzo tile producer, to become a multi-faceted wall and floor tile corporation dealing in ceramic, porcelain and natural stone, while also offering a wide range of associated building material products and services.

The company expanded its operation into three separate divisions under the Union Tiles banner, each specializing in different floor and wall tiles, and related products.

The ceramic division, namely "Union Mosaic & Tiles", retails and wholesales a wide range of ceramic, porcelain and terracotta wall and floor tiles, as well as bathroom accessories and sanitary ware.

The natural stone division, namely "National Tiles", specialises in all forms of natural materials in tile and slab form, comprising of sandstone, slate, marble, granite, limestone, quartzite and Silestone® and also specialises in all natural stone polishing, processing and quarrying equipment.

The mother company "Union Flooring Tiles", manufacture a wide range of cementitious tiles, wall coatings, plasters, pebbles and coloured stone chips and in addition supply white and grey cement. Union Tiles currently have ten distribution outlets, situated in Bedfordview, Randburg, Tshwane, Nelspruit, Bloemfontein, Ballito, Pietermaritzburg, Cape Town, Windhoek and Lusaka (Zambia), with its head office located in Bedfordview. The group has over 400 employees within its various divisions and covers other outlying regions through its independent distribution network as well as supplying large export contracts to neighbouring countries.

### **The Challenge**

There was a lot of change and growth in the group and their previous ERP System soon became inadequate as it was rigid, had limited support, and could not meet their growing and changing requirements. More and more had to be done manually as the system was not giving the required internal controls. Union Tiles recognised that they needed an integrated, centralised business solution to manage their 10 branches, 2 Manufacturing Companies and 7 trading Companies. This included a fully integrated Accounting, Inventory Management, Distribution, Retail Point-Of-Sale and Manufacturing System, able to support a multi-company, multi branch and multi warehouse environment. The companies within the group are all individual entities, with their own cost structure that needed to integrate into a single Head Office.



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*"With Embrace came flexibility, a comprehensive suite of integrated modules which could be tailored or customised according to our unique requirements, ensuring a 100% fit. We did not have to change any of our business processes."*

**Ross De Abreu**  
Managing Director



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***Our stock efficiency has improved enormously.***

***We have clear visibility of Stock turn, movement, in process, with indicators of when and how much to order.***

***We can verify stock and have been able to close loopholes in terms of breakage and shrinkage by more than 25%.”***

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Cost was also a big factor and when comparing license and implementation costs to other ERP systems proposed, Embrace was the most cost-effective. A local product with easy access to local support was another key requirement. ***“The implementation and support team have been excellent, they met all our expectations and having them on our doorstep has been a huge advantage. ACS understands our business!”*** – Rhodri Harding, Assistant IT Manager.

## **The Solution**

Union Tiles buy locally, import, manufacture, distribute and retail to the public and all facets of their business are currently running on their Embrace end-to-end business solution.

### **Reduce Breakage and Shrinkage by more than 25%**

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Embrace gives full visibility of Group stock across all Companies, Divisions and Branches in real-time and on one screen, enabling stock enquiries, intercompany transfers and sales to other group companies. A purchase order, which includes transport costs is raised, invoiced and then “GRV’d”, in one seamless process.

### **Visibility into Stock Increases Sales**

Salespeople are able to advise customers immediately whether there is stock available, if there is sufficient stock in their specified colour, to meet their square metre requirements as well as where the stock is physically located. Embrace splits the number of square metres required into boxes, advising customers how many boxes are required and then determines the tonnage. They are able to assist customers in planning how they will take delivery of their goods, as Embrace gives them the weight in kilos, the weight their vehicle can safely load and the number of trips required.

### **Reduce Delivery Costs**

This has further assisted Union Tiles with distribution planning and delivery costs, as Embrace calculates the correct weight and volumes to be loaded onto their trucks, ensuring safety standards are met and avoiding delays and fines at vehicle weighing stations.





***"The integrated Embrace Retail and Point-of-Sale System has saved us a lot of time, money and administration while improving our time to service the customer"***

Ana Chaves  
IT Manager

***" This has helped save a lot of time in terms of administration and improved customer service. We now have time to focus on other risk areas as well as strategic aspects of our business."***

Nico Smit  
Chief Financial Officer

### Full Visibility into the Sales Pipeline

Stock can be assigned to a customer or project which the customer secures by paying for it up front. Embrace allocates this stock to "Prepaid", issues a Proforma Invoice and while the stock can be seen by other salespeople, it cannot be sold to another customer. The customer "draws" or takes delivery of the stock as he needs it and is invoiced accordingly. Although already paid for, the sale is not recognised or invoiced until the goods leave the store, giving Union Tiles full visibility as to what is in their sales pipeline.

*"We may consider implementing the integrated Embrace Warehouse Management System with scanning and barcoding in the future which will further assist with labour and stock efficiency as well as ensure faster and more efficient customer service."* - Ross De Abreu, Managing Director.

### The Benefits

#### Superior Customer Service

***"The integrated Embrace Retail and Point-of-Sale System has saved us a lot of time, money and administration while improving our time to service the customer."*** - Ana Chaves, IT Manager.

*"Client payments on the old system were cumbersome, because of the group structure. The management company is Union Tiles (Pty) Ltd and while we are one group, we would have to generate separate transactions. Clients used to receive three separate invoices, make three separate payments, then go to three separate areas, to receive their goods. With Embrace, the transaction is captured and the system will then generate separate invoices for the relevant companies as well as picking slips to the relevant warehouses so that when customers collect their goods, their goods are ready for collection. The client pays once and Embrace splits the relevant amounts between the different companies. There is one view of the transaction and it is now much quicker and easier for customers to collect their goods."*



#### Reduce Bad Debt and Increase Cash Flow

Embrace has a centralised credit management system, which can be viewed across the group, preventing customers from exceeding their credit limit at any branch. ***"With the consolidated reporting, we are able to generate and evaluate reports quickly, resulting in more accurate and timely information for focusing on reducing bad debt and increasing cash flow. This has helped save a lot of time in terms of administration and improved customer service. We now have time to focus on other risk areas as well as strategic aspects of our business."***

Nico Smit, Chief Financial Officer.

***“Embrace is running smoothly, without any intervention.***

***It is user friendly, cost effective and used extensively throughout the group.***

***Embrace gives us accurate, reliable, up to date, real time information at the right time to enable us to make important and strategic business decisions.***

***Our Return on Investment has been significant!”***

**Ross De Abreu  
Managing Director**

[www.embrace.co.za](http://www.embrace.co.za)

**Associated Computer Solutions  
ACS House, 370 Rivonia  
Boulevard, Rivonia, 2128  
South Africa  
PO Box 651872, Benmore  
2010, South Africa  
Tel +27 11 275 2000  
Fax +27 11 275 2233**

### **End-to-End Comprehensive Business Solution**

*“In the past we did not have a fully comprehensive accounting and business system. Now we have a complete business system, which is integrated and linked to stock management. Embrace has grown with us. We can take on new operations and factories effortlessly.”- Ross De Abreu, Managing Director.*

### **Cost Effective to Implement and Run**

*For example, “Africote”, a paint, plaster and coloured screed manufacturing division was brought onto the system, Bills of Materials (BOM) created and users trained, with limited assistance from ACS. “Five new branches have opened since Embrace was implemented and we were able to train the branch managers ourselves, who in turn trained their staff.” – Ana Chaves, IT Manager.*

### **Improved Overall Operational Efficiency**

Ana further explains that *“before implementing Embrace, Union Tiles had to run 15 month-ends, one for every individual company. This was cumbersome and time consuming and then still needed to be manually consolidated. Now, on Embrace, we run one group month-end, which is simpler and requires little manual intervention.”* Banking is also simpler and faster as payments are made into one Head Office account and in Embrace we can then allocate the payment across companies, and get a consolidated report showing the allocation between companies. *“Statements and invoices are being e-mailed directly out of Embrace, saving a lot of time, paper, ink and postage costs.”*

### **Significant Return on Investment**

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**- Ross De Abreu, Managing Director.**



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