



Union Tiles Cements Efficient Customer Service and Inventory Control with Embrace ERP.

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Ross De Abreu - Managing Director - Union Tiles Group



Embrace enables Union Tiles Group to successfully

- ✓ Manage and control multiple companies, branches and warehouses
- ✓ Deliver superior customer service
- ✓ Reduce breakage and shrinkage by more than 25%
- ✓ Reduce bad debt and increase cash flow



Industry Sector

- Tile Manufacturing
- Wall Coatings, Plaster, White and Grey Cement
- Retail and Distribution



The Challenge

- Change and rapid growth within the group
- Previous ERP system inadequate, rigid, with limited support
- More and more was being done manually
- Cater for the different cost structures of the different group companies while integrating into a single Group Head Office



The Solution

- A local product with easy access to local support
- A flexible, comprehensive and integrated suite of modules
- Tailored to a 100% fit to meet complex business requirements
- Integrated supply chain management with inventory optimisation



The Benefits

- Improve overall operational efficiency
- Reduce delivery costs
- Save a lot of time, money and improve time to service customers
- Increase sales with end-to-end stock visibility

The Company

Union Tiles, founded in 1910, is a multi faceted wall and floor tile corporation offering a wide range of products and services to complete any home or commercial project.

Today, the Union Tiles Group is the largest independent tile distributor in South Africa, handling the widest range of floor and wall tiles in the country, in either Ceramic, Porcelain, Natural Stone or Terrazzo Finishes, with branches in all the major metropolitan regions as well as in Namibia.

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 and 7 trading companies. This included a fully integrated Accounting, Inventory, Sales, Distribution, Retail Point-Of-Sale and Manufacturing System, able to

support a multi company, multi warehouse, and multi branch environment. The companies within the group are all individual entities, with their own cost structure that needed to integrate into a single Head Office.

***“We looked at various ERP solutions but most were rigid, could not adapt to change or growth and we would have had to change our business processes to accommodate the system.*”**

“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,” explains Ross De Abreu, Managing Director.

Cost was also a big factor and when comparing license and implementation costs to other ERP systems, 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-Embrace understands our business!”*** – Rhodri Harding, Assistant IT Manager.

The Solution

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



Reduce Breakage and Shrinkage by 25%

“Embrace stock management and reporting is excellent! Our stock efficiency has improved enormously. We have clear visibility of stock turn, movement and 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%,” adds De Abreu.

Embrace gives full visibility of Group stock across all companies, divisions and branches in real-time and on one screen, enabling stock enquiries, inter-company 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, 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, determines the number of boxes required as well as the tonnage. They are able to assist customers in planning how they will take delivery of their goods, as Embrace gives the weight in kilos, the weight their vehicle can safely load and the number of trips required.

“With Embrace came flexibility, a comprehensive suite of integrated modules, tailored to our unique requirements, ensuring a 100% fit.

Ross De Abreu - Managing Director - Union Tiles

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.

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,” adds De Abreu.

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,” adds Ana Chaves, IT Manager.

She explains how, because of the group structure, customer payments on the old system were cumbersome. The management company is Union Tiles (Pty) Ltd and while they are one group, separate transactions had to be generated for a single sale. Customers received three separate invoices, made three separate payments, then went to three separate areas to receive their goods.

With Embrace, the transaction is captured and the system generates 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 customer 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,” states Chaves.

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,” explains Nico Smit, Chief Financial Officer.

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,” adds De Abreu.

Cost Effective to Implement and Run

For example, “Africote”, a paint, plaster and coloured screed manufacturing division was brought onto Embrace. Bills of Materials (BOM) were created and users trained, with limited assistance from ACS-Embrace. *“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,”* explains Chaves.

Improved Overall Operational Efficiency

Chaves further explains that before implementing Embrace, Union Tiles had to run 15 month-ends, one for each company. This was cumbersome and time consuming and then still needed to be manually consolidated. Now, on Embrace, they run one group month-end, which is simpler, faster and requires no manual intervention.

Banking is also simpler and faster. Payments are made into one Head Office account and then allocated across companies. A consolidated report shows the allocation between companies.

“ *Accurate timely information has helped us to reduce bad debt and increase cash flow. We now have time to focus on other strategic aspects of our business.* ”

Nico Smit- Chief Financial Office- Union Tiles

Significant Return on Investment

“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,” concludes De Abreu.

