

# HOW COLOMBIER UK LTD MAKES PROGRESS



## COLOMBIER UK LTD “TRANSFORMS” ITS BUSINESS WITH PAPERSOFT AND PROGRESS SOFTWARE

Sleeping bags and 24x7 fast-food delivery are not typical measurements of business success or dedication. But, says Athol Manning, Finance Director for Colombier UK Ltd, they are precisely what cemented his relationship with PaperSoft, a Progress Application Partner and provider of software solutions for paper converters and brokers. Over the years, the two companies have developed a long-term partnership based on quality and trust. But the relationship began with PaperSoft employees camped out in the Colombier UK office for two weeks, refusing hotels or even a good meal until the PaperSoft implementation was complete and Colombier UK was 100% successful.

## ISLANDS OF DATA, REDUNDANT HEADCOUNT AND WIDE-SPREAD INEFFICIENCIES

Colombier UK Ltd, part of the Colombier Pan-European paper group, is a leading independent paper sales and conversion company providing sales and



### CHALLENGE

*Legacy ERP system unable to support the company's requirements*

### SOLUTION

*The PaperSoft System, from Progress Partner PaperSoft—an integrated system for managing the entire business*

### BENEFIT

*100% visibility and control across all operations; reduced the staff by 10%-15% in first three months; reduced inventory checks from four a year, lasting three days, using 60 employees to once a year, performed in under three hours, requiring only 15-18 employees; reduced waste by 4%; reduced buffer stock by 25%; increased margins by 30%*

service to primarily the UK, France and Ireland. The company offers numerous services, but its largest conversion activity is sheeting. For over five years, Colombier UK has relied on the PaperSoft System to run its entire business, from stock control all the way through to the sales process.



When Manning joined Colombier UK in 2004, one of the first issues he identified was that the existing ERP system was unable to support the company's requirements. Originally developed by a local software vendor for Colombier UK, the system was not integrated and was extremely limited. Over time, the company developed numerous databases in various software platforms to support different groups of information, but the results were duplication of both information and headcount and, at times, a lack of confidence in the accuracy of the data being generated.

"We had a tremendous amount of inefficiencies across our operations," explains Manning. "At the time, we employed three highly-paid IT programmers who, along with a local software house, maintained the system and constantly worked to provide updates. The goal was to eventually come up with a fully integrated system. But in reality it would take at least 5-8 years to complete a solution that could truly support our business which was clearly not satisfactory."

## **INTEGRATION, CONTROL AND INDUSTRY EXPERTISE MAKE PAPERSOFT THE CLEAR CHOICE**

In his search for a new solution, Manning was adamant that the company employ only one solution that could offer 100% integration and control over every aspect of the business. Specific functionality was also required, like the use of bar code scanners, to maximize control and efficiency and provide management with real-time visibility across every aspect of the company's operations. "We looked at numerous solutions that could satisfy maybe 40% or 50% of our requirements, but PaperSoft was the only software provider that could meet all of our needs," says Manning. "The PaperSoft System was developed specifically for our industry and the PaperSoft people understand our needs intimately. It may sound very easy—cutting paper down to size—but it is an extraordinarily complex market, so industry expertise was vital to our success."

The flexibility, reliability and low total cost of ownership associated with the underlying Progress® OpenEdge® platform were also appealing. "We

knew that Progress OpenEdge was an extremely stable platform with the flexibility to meet our ongoing needs. We were also determined to maintain sole focus on our core business versus managing technology, so the fact that OpenEdge requires little to no maintenance made it a great fit.”

## RAPID TWO-WEEK IMPLEMENTATION DELIVERS IMMEDIATE ROI

Colombier UK initially planned to conduct the implementation by running the old and new systems in parallel and then cutting over to the new PaperSoft system once they were more comfortable. But PaperSoft convinced them to dive right in, switching off the old system at 12:00 midnight and switching on the new system at 12:01. “During the entire implementation, the PaperSoft team never left our offices,” explains Manning. “They had McDonald’s ferrying hamburgers in 24x7, and they actually brought sleeping bags into our offices despite our offer to put them up in a nearby hotel. Our success was clearly their sole focus. The commitment was beyond anything I have ever experienced before, and I have implemented numerous systems.”

Though Manning admits there were a few bumps and restless nights, within two weeks the company was up and running with the new system. “I would recommend to anyone to follow the PaperSoft method versus a slow and gradual implementation. We encountered some issues along the way, to be expected with a brand new enterprise-wide implementation, but within two weeks we were seeing immediate and dramatic results. We completely transformed how we were able to do business; in the end, we transformed our business.

## 100% VISIBILITY AND CONTROL OPTIMIZE COLOMBIER UK’S BUSINESS AT EVERY LEVEL

### ***Eliminating the “Black Hole” Improves Efficiency, Reduces Costs and Delivers a Competitive Advantage***

The paper conversion industry is different than many businesses in that profit isn’t based on what a company is able to charge, but on the efficiency and productivity of its operations. “Being in a commodities market, purchase and sales prices are fixed by the market. The only influence we have is what we do between the buying and the selling,” explains Manning. “Success comes down to the gross margins which are dependent on driving

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*Athol Manning  
Finance Director  
Colombier UK Ltd*

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efficiency. Every place you can improve your business is going to impact the bottom line.”

Manning says the integrated PaperSoft System has brought absolute control and visibility to the business. “Today, every second of our operations is accounted for. This is fantastic without exaggeration.” Because the system is completely integrated, Colombier UK’s management has absolute visibility into what employees are doing and when they are doing it. Sales professionals are no longer able to undercut or offer discounts without management approval. Truck drivers who once had carte blanche to move around the factory now have to scan in all of their activity. And terminals located throughout the shop floor have time clocks that can calculate when employees clock in, how long it takes them to set up a job, run the job, if the machine was down, if they took a break, etc.

“Before PaperSoft, it was very difficult to pin down exactly where and how we were losing money. We called it the “black hole”. We knew the cost of materials coming in, the value of the sales, and what our gross margin could be—but it never completely lined up with our actual numbers. The black hole was made up of lots of little inefficiencies—something as seemingly insignificant as the length of time it takes an operator to step in the front door and start the machine. We believe that products should run at a certain rate, but we had no way knowing if they actually were. That black hole once accounted for an unacceptable large part of our total margin that the company achieved. But with PaperSoft we can account for every aspect of our business in real time, and that has not just reduced the size of our black hole, it has completely eliminated it.”

The paper converter industry has not been immune to the effects of the recent volatile economy. “5-10 years ago companies could operate with large black holes because the gross margins were that big. But gross margins have been squeezed tremendously, and efficiency and financial control are critical to remaining viable. Unlike some of our competitors, we have survived in a decreased margin environment because our operations are so efficient and because we have such control over our business. I would hate to think what would have happened if we hadn’t moved to PaperSoft.”

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### ***Reduced Headcount and Costs***

Within one week after the implementation, Manning says it was clear they would be able to significantly reduce redundant headcount. “We reduced our staff by 10%-15% within the first three months of implementing PaperSoft. Clerical positions as well as our three IT employees were no longer needed. We had a transport department of five people, and we were able to close that department down completely by using an EDI link between our system and our transport company.”

### ***Real-Time Visibility and Inventory Control***

Prior to PaperSoft, locating specific inventory could be a challenge. Everything was written down, so people would have to physically walk around the warehouse to look for the correct rolls. If they couldn't locate a specific roll, for example a 2 ton reel (Roll), they may choose the next closest roll, a 2.2 ton reel (Roll), which means before the job was even complete the company was already guaranteed an increase in waste by .2 ton. But with the ability to use bar coding, employees now scan all incoming rolls, outgoing jobs and movement of inventory around the warehouse. The information collected interfaces directly with the PaperSoft solution and is available for use or analysis in real-time.

“Bar coding and real-time inventory have motivated our workers to be far more responsible and accountable, increased our efficiency tremendously and subsequently reduced our cost,” says Manning. “But one of the greatest benefits has been our ability to reduce our inventory checks and streamline the entire process. Where we once conducted inventory checks four times a year, over three days with 60 employees, we now only conduct one inventory check each year, which takes under three hours and only requires 15-18 people—and I can supervise the progress in real time on my PC from any location in the world. If it weren't for accountancy practices, I would only conduct one inventory check every 18 months to two years. That is how confident I am with the accuracy of the system.”

### ***Reducing Waste***

For a paper converter, managing waste is critical to driving efficiency and reducing costs. “Since implementing PaperSoft, our waste has decreased by 4%,” explains Manning. “We are now intimately involved in every job on

every machine. We are watching the waste as it happens and are able to intervene during the process to make adjustments. In the past we wouldn't get this kind of information for perhaps 30 days after the event, far too late to rectify the situation."

### ***Increased Business Agility Crucial for Success***

PaperSoft has delivered increased business agility to Colombier UK, enabling the company to capitalize on new business opportunities. "In our business we don't work with long order books when it comes to sales; our deals are done in real time and it is crucial that we have live information available to make informed decisions. If we get a phone call with a job lot offer for paper, we need to immediately know what orders we have on hand and what product runs we have in the system to guide us in making a quote. In the past we would have lost out on many of those opportunities. Now we can really take advantage of new opportunities and be far more proactive because we are 100% confident in our information. This has absolutely been a significant factor in our ability to survive in this economic downturn when others have not."

The company also no longer needs to maintain a large buffer stock to satisfy occasional opportunities that may or may not come its way. "We have reduced our stock hold, i.e. our investment in stock hold, because we can now rely on the information available to make quick orders and quick purchases. The trick to success and profitability is to get the paper in and out, and having a buffer stock is a tremendous cost to a converter. Since implementing PaperSoft, we have reduced our buffer stock by about 25%. And because we are no longer paying interest on a line of credit used to buy the stock, which is typical in our industry, our working capital ratios have improved tremendously."

### ***Multi-Currency Support***

Manning admits that PaperSoft's ability to effectively manage multi-currency was one of his biggest initial concerns. "Though accounting is such a small part of the PaperSoft System, it has the biggest financial implications on a company. But PaperSoft has managed everything beautifully. We have a system that updates currencies every night at midnight. So any purchases or sales orders processed are done so at the current day's exchange rate, and

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*Athol Manning*

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my general ledger is automatically revalued to the latest exchange rate. All of this has been a tremendous help.”

## UNWAVERING COMMITMENT TO SUCCESS

When asked about Colombier UK’s current relationship with PaperSoft, Manning laments that they rarely talk these days. “The solution works the way it is supposed to work—we don’t have anything to talk about!” he jokes. “But to be serious, when we do need help or have any questions they are always available to us. We value our relationship with PaperSoft and the ongoing benefits we are receiving from the PaperSoft System. From the very beginning they have demonstrated an unwavering commitment to ensuring our success. They have been a true partner for us each step of the way.”

### PAPERSOFT

Since 1987, PaperSoft has specialized in the development, installation, and support of multi-user business management systems. Our mission is to provide paper, film, foil, non-wovens, packaging converters and brokers a computer software system designed to increase their business productivity and profitability, and to give them the competitive edge not only through PaperSoft technology but also with our objective and knowledgeable consulting. For more information visit our web site at [www.papersoft.com](http://www.papersoft.com) or call us at 205-443-0700.

### PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

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