

CASE STUDY

RED CIRCLE GROUP
www.redcircle.co.nz

COMPANY

Red Circle is a wholesale supplier of items for retail sale through its 350 shareholders that include trading service stations, motor repairers, garages and convenience stores. It also negotiates cheaper services such as communications, insurance, and security.

It is a public liability company that operates as a co-operative with all profits returned to shareholders pro rata of their spending with the Group.

OVERVIEW

With an in-depth understanding of Red Circle's business, developed over 10 years, Helm has identified and implemented productivity-enhancing technologies that have allowed for sustained business growth.

KEY RESULTS

- Ongoing growth in transaction volumes and turnover met without need for increased staff
- Significant time savings also gained as Data Entry Errors and resulting Data Reconciliations are removed
- Electronic integration and automation of invoicing and ordering handled seamlessly

PRODUCTS

- MYOB EXO Business
- Flow Software
- ABBYY optical character recognition software

Multi-millions in monthly invoices handled by minute team

BACKGROUND

Red Circle was originally set up to provide better bulk buying for independent Mobil operators. Today, Red Circle and sister company Convenience Stores Buying Group, has 350 shareholder members throughout New Zealand. Its Hastings-based office handles invoices from 150 to 180 suppliers each month totalling around \$100million, and a team of four coordinates these into monthly invoices for members.

MAKING TECHNOLOGY WORK SMART

In the early days, invoices were received by mail and hand punched by the admin team, with creditors and debtors managed manually. Obviously laborious and timely, technology provided the opportunity to automate much of this; MYOB EXO Business was chosen but it was Helm's expertise that has made the whole process pretty much automated.

EDI AND OCR TECHNOLOGY HELPING TO MAKE WORK FLOW

Helm's Dean Tiffen added on two

applications. First up Flow Software allows suppliers' invoices received electronically to be automatically allocated to respective members' accounts, without the need for human touch. For some six or eight main suppliers, it was necessary for Helm to write specific definitions to cater for peculiarities.

Surprisingly though, some of the larger suppliers were not geared to provide invoices electronically so hand punching was still required. Up until six years ago that is, when Dean suggested that the ABBYY (OCR) software be trialled. Originally developed in Russia to translate documents into other languages, the optical character recognition software scans a hard copy turning it into a transaction file, which gets passed through Flow and posted appropriately into members' accounts. "It was phenomenal," says Roger Bull, Red Circle CEO. "It has made our central billing system almost 100 percent automated; we only have to punch the odd one now and then." The automation has meant that the Red Circle admin team has remained at four, despite the increasing volume of monthly invoices and growing number of



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members. Three of those four are very longstanding, testament to the work satisfaction aiding staff retention, and associated intellectual knowledge. Covering staff leave is also no longer an issue, with no temps required.

TECHNOLOGY BOOST OVER SNAIL MAIL

The next challenge for Red Circle and Helm is to sort out sending accounts including back up invoices to members electronically. Given the changes in postal delivery services in recent times, accounts are not guaranteed to reach recipients in time for prompt payment.

“We’re confident that we can make this work as seamlessly as everything else in Red Circle’s system; it’s just a case of looking at the big picture and putting the pieces together to make a cohesive whole,” says Dean Tiffen from Helm.

“Helm has had a good understanding of our needs right from the start. We work a bit differently as a cooperative, yet that’s never been a problem for them. They’ve got an eye out for ways to help us. Coming up with the Russian programme (optical character recognition) was really innovative. It shows they really listen and add value.”

ROGER BULL, RED CIRCLE CEO

