

## At a Glance Company

The Capital Equipment Group

### Industry Sector

The supply of agricultural, construction and forklift equipment with a strong spare parts base

Rental Equipment

Service & Maintenance

### The Challenge

Contain IT and ERP costs

Support multiple diverse companies and divisions

Unique reporting requirements – consolidated and per division

Cater for growth, process changes and new business models.

Support an array of “self-service” options

### The Solution

Embrace end-to-end ERP Solution

Integrated Service & Maintenance Contracts

Cradle to grave management of all rental assets

Strategic financial management

Sophisticated reporting tools

### The Benefits

Minimal hardware and bandwidth requirements with 100% up-time

Consolidated real-time information for on-demand decision making



Embrace enables the CEG Group to successfully:

- Manage assets in excess of R16 billion
- Process 300 000 invoices per annum
- Report on turnover in excess of R4 billion
- Manage multiple companies and divisions throughout South Africa

## The Company

**Invicta Holdings** is a South African based investment holding and management company, operating since 1989 and is the only JSE listed company to achieve Top 100 Performers status for 20 consecutive years - and be ranked in the elite Top 20 Companies!

The company currently manages assets in excess of R16bn and subsidiaries include the leading distributors of capital equipment, spare parts and engineering consumables in Southern Africa.

Invicta Bearings implemented Embrace in 1987, being only the second Embrace client, and has since been consolidated into BMG.

**The Capital Equipment Group (CEG)** is a division of Invicta Holdings Ltd headed by Tony Sinclair, CEO, which consists of local and international companies and divisions focusing on the importation and distribution of Capital Equipment, with a distribution network of over 152 outlets which operate in the supply of agricultural, construction and forklift equipment with a strong spare parts base. CEG has adopted Embrace as the preferred ERP System in order to manage their dealer network and after sales support operations.

*“For the past 30 years we have partnered with ACS-Embrace to meet the challenges of a rapidly changing business and ERP environment and to remain competitive within our industry.”*

**The Capital Equipment Group (CEG) directs business growth based on reliable, real time information!**



*During this time CEG has acquired various companies and grown in leaps and bounds. We have added companies and users to Embrace easily, with the new company's being fully operational within short lead times,”* states Tony Sinclair, CEO, CEG Group.

## The Challenge

**Evolving business model with intense IT and information needs**

The CEG Group is hardly what one would call a single process company! In a company of this size, and with such a wide array of process, keeping IT and ERP costs in check is obviously of utmost importance.

In line with the CEG Group strategy, their ERP solution needs to cater for multiple diverse companies and divisions; be robust, flexible, scalable, customisable and able to meet evolving business requirements and rapid company growth; be easy to use with minimal training requirements; accommodate new acquisitions quickly, easily and cost-effectively, enabling them to be integrated into the Group; and support expansion into other countries as the Group seeks diversification of their geographic footprint.

## The Solution

**A fully integrated, single, real-time system**

To ensure a stable and cost-effective operation, the CEG Group relies on the Embrace end-to-end ERP solution, with all companies and divisions running on a central server, with a single data base.



***“Embrace has proven to be the right choice for controlling costs, optimising the use of people, maximising revenue and making investment decisions that help grow the company.”***

***“With complete visibility and access to real-time information, Embrace enables us to optimise and improve gross margins through improved sourcing of products and careful product mix management!”***

Geoff Balshaw  
Chief Financial Officer  
The CEG Group

***“Embrace has proven to be the right choice for controlling costs, optimising the use of people, maximising revenue and making investment decisions that help grow the company,”*** states Geoff Balshaw, CFO, CEG Group.

CEG uses almost all the Embrace ERP modules, including accounting, asset management, inventory management, WMS, supply chain, sales, distribution, rental & hire, service, maintenance contracts and OBDC solutions, throughout the group. All the modules are tightly integrated, delivering the most comprehensive, reliable, real-time data at the fastest processing speeds available.

440 concurrent Embrace user licenses supports 640 end users, across 8 different companies, as well as 268 dealers.



***“The Embrace licensing model is extremely cost-effective! New acquisitions can be added to the system without affecting the license cost,”*** explains Geoff Balshaw, CFO CEG Group.

#### **Cradle to the grave management of all rental assets**

Tracking of Rental equipment, availability, usage capturing and monthly invoicing is efficient with Embrace! The integrated solution tracks depreciation and has enabled CEG to review the performance and profitability of their entire fleet as well as individual machines. All assets are managed from acquisition, through the rental process, swaps and service requirements, through to disposal.

#### **Grow revenue by increasing volumes sold at optimised pricing**

The Embrace shipping and costing modules are extremely powerful, with unlimited costing methods and pricing scenarios. CEG are able to add actual as well as provisional costs to allow for accurate landed cost calculations - which affects the selling price and the bottom line!

Each company is able to select and set their own costing methods and the price breaks that best fit their industry, e.g. Standard, Average or FIFO.

Purchase orders are uploaded into foreign suppliers systems preventing dual capturing of data and errors. The ability to have multiple suppliers, with their pricing loaded onto products, enables CEG to select the best possible pricing for their orders, while the tracking of supplier performance ensures accurate lead times and superior customer service.

***“With complete visibility and access to real-time information, Embrace enables us to optimise and improve gross margins through improved sourcing of products and careful product mix management!”*** – states Balshaw.

#### **Warehouse Management System - WMS**

With seamless integration, implementing new Embrace modules is relatively easy. CEG recently implemented the Embrace WMS, which is now fully operational and has enabled CEG to manage their picking priorities and queues to suit their delivery deadlines.

#### **The Benefits**

##### **Contain IT costs, minimal hardware requirements and 100% uptime**

Embrace is robust, reliable and with minimal hardware and bandwidth requirements, is extremely cost-effective to run! The software is flexible and scalable to accommodate CEG’s rapid growth, with the breadth of function to cater for new businesses and processes. ***“Where we have unique requirements, Embrace is really easy and economical to customise, ensuring we have an exact fit for all our processes,”*** adds Balshaw.



***“CEG dealers “self-service” their Stock Ordering and Warranty claims with the Embrace ERP system, streamlining the management of the dealer Network.”***

Tony Sinclair

Chief Executive Officer

The CEG Group

***“By linking processes and information from claims, parts return and supplier recovery we ensure a seamless flow of information, which improves our reporting capabilities, drives new efficiencies and enables us to better serve our dealers,”***

Geoff Balshaw

Chief Financial Officer

The CEG Group

### **Dealers “self-service” their Stock Ordering and Warranty claims**

***“CEG dealers “self-service” their Stock Ordering and Warranty claims with the Embrace ERP system, streamlining the management of the dealer Network,”*** explains Sinclair.



To further streamline the process, CEG dealers are able to access Embrace through the web, view the parts catalogue and place their orders on-line, directly into Embrace. Embrace then sends an email response to the dealer, thanking them and confirming their order number. There is minimal human intervention, which has significantly improved accuracy and reduced the cost and time of order processing!

Another huge benefit to the dealers is that they are able to submit and track their warranty claims on-line, ensuring fast, satisfying warranty management service, while at the same time, minimising administrative costs.

***“By linking processes and information from claims, parts return and supplier recovery we ensure a seamless flow of information, which improves our reporting capabilities, drives new efficiencies and enables us to better serve our dealers,”*** adds Balshaw.

### **Fleet maintenance - of the entire CEG Group – comprehensive, consolidated and controlled**

CEG has real-time visibility into every aspect of their entire fleet, including operating expenses, warranties, parts installations, service histories and location changes, giving the company complete control. All the different types of service jobs carried out within the Group are supported in Embrace, including Warranty jobs, which are tightly integrated into the Warranty

module. Serialised items are tracked and monitored throughout the system. Future planned servicing requirements of the fleet are also tracked and monitored, maximising equipment availability and operational efficiency!

### **Parts Replenishment**

Given the broad array of heavy machinery and other equipment the CEG Group provides and supports, the company maintains a huge parts inventory. The company’s inventory management, sales and service teams have complete visibility of current inventory status, how inventory items turn over, and the availability of items.

***“CEG’s parts stock replenishment has been automated ensuring excellent stock fills and low excess stock levels. Along with a superior level of technical service and support, we are able to add value to our customers by providing them with unrivalled availability of product from the significant inventories we hold,”*** explains Sinclair.

### **Support multiple currencies and sites with ease**

As a lot of Inventory is shipped to Africa, CEG uses Embrace Foreign Inventory, Cash Book, Debtors and Multi-Currency. Doing business in foreign currencies across all operational modules requires minimal setup. Embrace handles currency exchanges as well as the valuing of assets recorded in multiple values.



***“The number of different businesses you can put onto 1 single package, is incredible! It’s just a case of adding new companies!”***

***“Embrace has been instrumental in assisting us to maximise growth, improve efficiencies, generate cash and improve returns on capital from our businesses!”***

**Geoff Balshaw  
Chief Financial Officer  
The CEG Group**



To ensure an accurate financial snapshot, The CEG Group maintains multiple general ledgers in multiple currencies.

#### **Complete control and visibility throughout the business**

Embrace enforces better control, streamlines processes throughout the Group and reduces risk! One of the most significant benefits of Embrace is the level of visibility and data integrity the system delivers. The business is able to access meaningful data at a glance, with the option to drill down into the source transaction or document for any enquiry, saving a lot of time and making managing the business simple. Management is able to monitor performance, be proactive and make strategic business decisions.

#### **Embrace change, growth and new acquisitions effortlessly**

As the company has grown and business models have changed, Embrace has evolved and adapted to meet all of the CEG Group’s new business requirements. The scalability, agility and flexibility of the software has played a critical role in catering for the company growth. Adding new acquisitions, regardless of what software they are using, takes between 30 and 60 days, depending on the number of users being added and their training requirements. This helps ensure the stabilisation of new acquisitions in a very short period.

***“Embrace – with the right team - is quick and easy to implement, move new acquisitions over to, as well as to upgrade. The software is intuitive and user-friendly, making it very easy to train new staff to perform their job functions,”*** explains Balshaw.

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In order to manage multiple different companies, CEG has implemented templates to ensure all companies operate within specified frameworks, enabling reporting and management accounts to be uniform.

Setting user access for the various companies in Embrace is simple, ensuring each company operates individually without access to one another’s information. Menus and screens are easily configured to suit the end users job roles, and these are cloned when new users join the group.

***“The number of different businesses you can put onto 1 single package, is incredible! It’s just a case of adding new companies!”*** – states Balshaw

#### **Accurately consolidate group information for ease of reporting**

Embrace caters for the financial accounts and statements of the different companies and divisions throughout the Group. Information can be extracted at any level, in the format required, allowing for easy consolidation which is critical when preparing financial statements, investor reports and annual reports.

***“We are able to consolidate all financial data and reporting across the Group and because of the integrity of the data, we balance!”*** adds Balshaw.

#### **Embrace informed data driven decisions**

Embrace enables instantaneous access to a comprehensive and reliable real-time set of financial and performance data. The sophisticated reporting tools in Embrace empower divisional managers to make quick and informed decisions that help maintain their competitive advantage in their respective markets.

To further enhance the reporting capabilities of Embrace, the Cognos suite of business intelligence tools have been tightly integrated into the system. By leveraging the information uploaded from Embrace, CEG management are able to assess the impact of assumptions and business performance in multiple dimensions.

***“Embrace has been instrumental in assisting us to maximise growth, improve efficiencies, generate cash and improve returns on capital from our businesses,”*** concludes Balshaw.

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