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Andy Thorne Financial Controller, Barkers (left) with John Pronk, Blue Sky Systems

Accredo helps Barkers dress for success

When Andy Thorne became Financial Controller of iconic New Zealand retail clothing brand Barkers in 2008, he set himself the immediate task of improving the company’s financial reporting procedures.

With signs of more challenging retail conditions not far off, the firm needed a financial management system that could provide accurate and timely reporting – not only to guide executive decision-making, but to also better incentivise shop managers.

A quick analysis of the firm’s accounting system told Thorne it was not up to task. “We had stretched our existing system to capacity,” he said. “It was spent. Adding cost centres was a time-consuming task and the reporting functionality was slow and cumbersome.”

At that stage Barkers, which now has 27 retail stores around New Zealand, was still expanding, and with the previous system unable to cope with the level of automation required, Thorne wanted to act quickly in order to mitigate risk to the business.

“One of our key roles is to report to our store managers, providing Profit and Loss statements to each branch. We then consolidate our retail and outlet stores. But with new stores coming on stream I struggled to get an overall picture of the figures.”

Thorne says it used to take a lot of “intensively laborious work manipulating spreadsheets” in order to produce accurate reports. “Even then, there was definitely no snapshot view, and that was hindering timely managerial decision-making.”

Thorne turned to his existing IT support provider, John Pronk of Blue Sky Systems, who suggested he try Accredo. Pronk, a longtime Accredo reseller, says Accredo immediately offered one telling time-saving feature over Barker’s previous system – it could upload electronic statements and allocate transactions to the correct cost centres.

“With their old system, Barkers was faced with a huge daily manual data entry task. But Accredo sucks up the transactions and allocates them appropriately. It is just one of a number of routine accounting tasks that Accredo automates.”

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Accredo helps Barkers dress for success ...continued

Experimenting with Accredo in a test environment, Thorne says he was extremely impressed with the usability and the value-for-money the system offered.

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Andy Thorne,
Financial Controller, Barkers

“It was fantastic. Choosing it as our new financial management system was a simple decision to make. Accredo comes in at an excellent price point. It offers significantly more functionality, for less cost, than what many other suppliers are offering.”

After a short implementation exercise, Accredo was up and running by the end of 2008. Thorne says the company spent the next few months fine-tuning the system to match Barkers' unique business processes.

“The difference between what we had and what Accredo now allows us to do is like night and day,” says Thorne. In addition to a radical improvement in usability, one of the key benefits has been the quality of financial information his team can circulate to store managers.

“Accredo has reduced our month end reporting down from 15 days to four.”

Andy Thorne,
Financial Controller, Barkers

“Our managers struggled deciphering the financial information we provided. But with Accredo, and John's help, we have totally overhauled the way we report to our stores and have hugely simplified our profit and loss statements.”

Now, Barkers breaks its expenditure into controllable and non-controllable items, with store managers only seeing the former on their statements. “We used to muddy the waters with expenditure accounts beyond the managers control. They simply didn't need to know that type of information. Now they only see the items which they have local control over, such as wages.”

Store managers now focus on the key metrics, says Thorne. “They don't have any other figures to cloud their thinking. They concentrate on gross profit and margins, and, thanks to Accredo, we have reduced the critical figures down to half a page – they get an instant view of their performance.”

As a result, Thorne says managers are taking more responsibility for the financial well-being of their stores. “They can now track current trade against the previous year's activity and because they are remunerated based on performance, having a clear picture of where they stand provides huge motivation.”

Accredo has also reduced his team's day-to-day workload and is allowing Thorne more time to concentrate on strategic matters. “It is very difficult from a managerial perspective to make decisions about whether to open a new store if you have not got up-to-the-minute figures. Accredo has reduced our month end reporting down from 15 days to about four or five days – a huge time-saving which means I spend less time number crunching and more time on data analysis, which helps us improve forecasting and future decision-making.”

Thorne says having on the ground support from Blue Sky Systems is a huge advantage. “John is an accountant by trade and has a fantastic understanding of what we require. If I need a change to the system it is literally a quick email, and often within hours, the work is complete.”

The flexibility of Accredo, combined with John's thorough understanding of the business, has set Barkers up extremely well to cope with the current bumpy retail environment, says Thorne.

“We can now see quickly and concisely how our retail stores are running, what our profit margins are like and can compare against budget and previous years performance – which is hugely important as we negotiate the current financial downturn.”