The Whole Package:
How Fox Trading streamlined their operations with Gaina

Gaina & *Fox*

Overview

The JJ Fox Trading Group (Fox Trading, Fox) is the sales, marketing and distribution team for many global brands into the Channel Islands.

A series of acquisitions in the fast-moving consumer goods (FMCG) sector in the 1990s enabled the firm to establish a reputation as the main conduit through which international brands are distributed on Jersey and Guernsey. Further diversification and trade strengthening occurred when Fox entered the vending products market, and then again with the acquisition of packaging and hygiene products companies.

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Number of systems in ERP capacity that Fox used prior to Gaina

60%

Reduction in length of time to stock take in each area where Gaina Software employed

50%

Reduction in stock picking errors

Systems simplification for efficiency, planning & growth

Prior to the Gaina upgrade, Fox were running seven different software systems in an enterprise resource planning (ERP) capacity. These were supplied by third-party providers, and were accompanied by seven different license costs. The number of software used by Fox in an ERP capacity was reduced to one when the company enlisted the help of Gaina Software in 2013.

Fox's acquisition strategy meant that it evolved to incorporate three distinct divisions – FMCG, vending, and packaging and hygiene. While Fox Trading was branching out and growing, managing the business uniformly as a single entity, particularly for the purpose of government reporting and business planning, was made difficult by the lack of a fully integrated IT system. Each acquisition came with its own legacy software and set of processes, and consolidating these operations into one was a key challenge for the company.

Fox Trading entered into partnership with Gaina to deliver a single scalable solution that would chiefly result in better stock management and increased profitability. In addition, a single system frees up time by automating many back office functions (e.g. repeat supplier claims), allowing managers to concentrate on strategic business objectives, such as acquiring new suppliers and overseeing growth.

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Gaina Software has enabled us to re-organise our warehouse by supplier, and undertake ad-hoc supplier stock takes by supplier or locations

Rupert Russell Biggie
Warehouse Manager
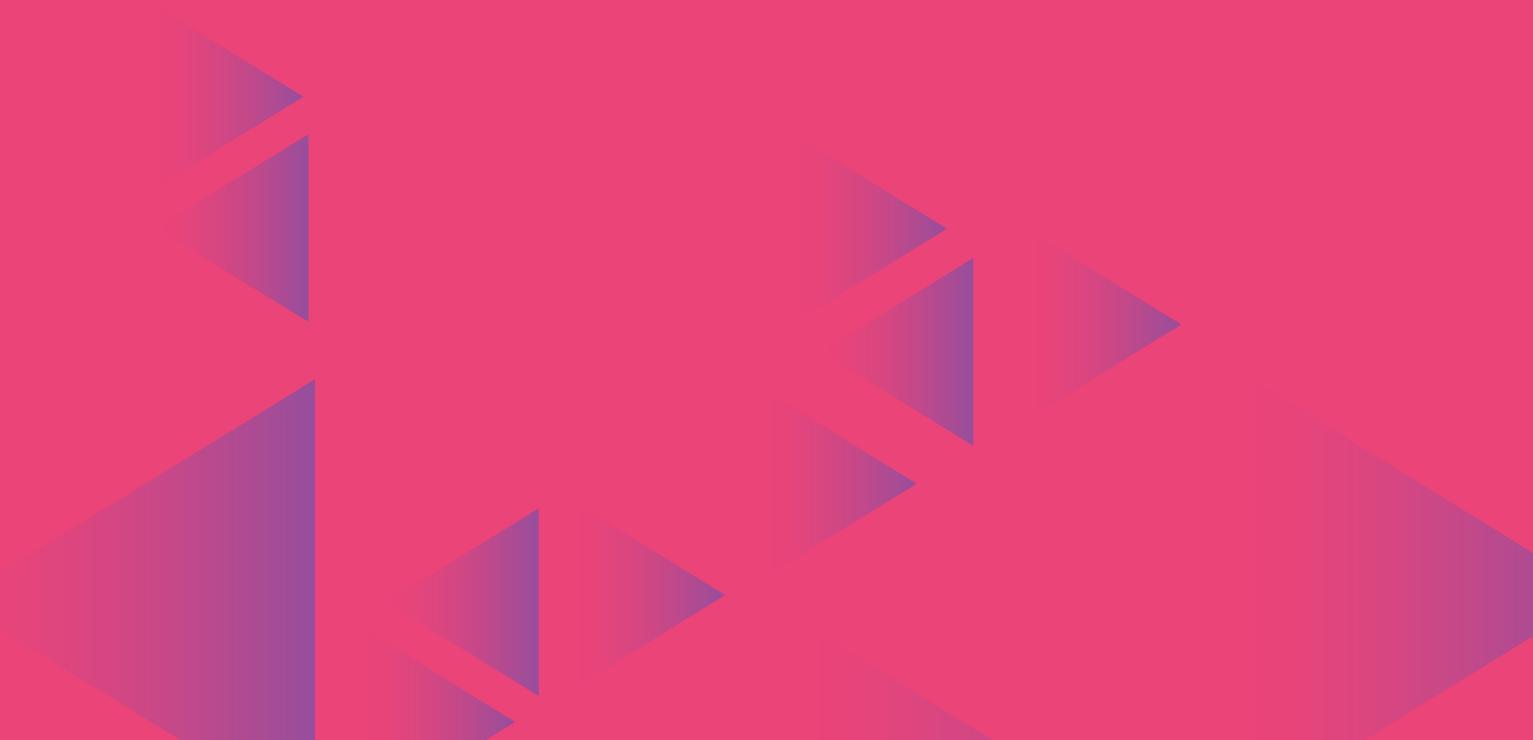
Fox wished to make the most of Gaina's wholesaler functions particularly around areas where there were pre-existing problems, such as stock management. They also had problems with product knowledge, staff training and reporting that they hoped the systems upgrade would alleviate.

Stock, sales and oversight: impacting the business at all levels

Gaina's system paved the way for each branch of the business to perform better both as subsidiaries and as part of the overall family group.

–   Increased accuracy with better stock management

Problems with stock management and reporting were key areas Fox wanted to improve to increase efficiencies. With the Gaina system, operational staff were able to reduce the time taken to stock take by at least 60% without compromising accuracy.

Counting took place with the help of RF (radio frequency) bar code scanners, which were integrated with the Gaina system, enabling figures to be updated instantly regardless of location. Generating daily reports was also made possible, resulting in better day-to-day and future planning. For example, expiry date reports helped recoup some of the value of stock nearing obsoletion and clear identification of actual costs helped determine appropriate sales prices.

Time savings were the immediate benefits of the system. Stock-counting time was reduced by using RF - particularly in packaging where a lot of the merchandise looked the same, distinguishable only by a unique barcode.
 Demand Planning software to re-order stock has meant that Fox now re-order only sufficient quantities to meet demand. Having the optimal stock levels for their business improves warehouse efficiencies and operations. They can create count lists by supplier or by business area (FMCG, vending or packaging,) and they can create a count list by location within the warehouse. Out of stock alerts are issued by the system when stock levels fall beneath the threshold set up by Fox managers.

Demand Planning software means Fox are re-ordering only sufficient quantities to meet demand ensuring optimum stock levels at all times.

The generation of worksheets, annotated with preferred pick-up locations speeds up the picking process and makes the process more accurate. Improved accuracy in picking and dispatch resulted in fewer stock adjustments (due to taking erroneous stock out of the warehouse and returning it.) Speedier picking also meant more orders could be fulfilled during each working day. Customers were happier that the correct stock was delivered faster, which increased customer satisfaction and confidence in Fox's services. This positively impacted on the propensity to place more orders and resulted in a greater number of discretionary sales.

Using the system, efficiencies were increased since the technology was familiar to everyone across the organisation after training – something that hadn't been possible with the disparate legacy systems. Staff can focus on their job without worrying about their computer fluency. Stock counters no longer need to be familiar with the products they are counting after the deployment of RF scanners and barcode identification.

–   Reports, analytics and better business planning
Reporting and analytics is now possible, which in turn are useful for business logistics, decision-making and planning future growth strategy.

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We didn't monitor picking accuracy statistics prior to Control-IT (Gaina product) as we operated across several IT platforms, but now we are able to do so, and we review this on a weekly basis within our management meetings

Terry O'Brien
Operations and Customer Services Manager

Drawing from business intelligence and reporting means that Fox has a better oversight of their business as a whole as well as additional branches. They can make informed decisions based on real data as opposed to rough estimates.

As well as using the software to help with warehouse organisation and distribution planning, it also holds a central nominal ledger. A centrally held ledger was one of the main goals of the integration and consolidation project, and it means Fox can get financial reporting on all 3 business areas from one single source. Operationally Fox Trading are still three different businesses even though their accounts, assets, liabilities, revenue and expenses, are housed under the same digital roof. The nominal ledger allows postings to each division to be separated out if required. It is now easier than ever to extract meaningful information and make sound decisions that come with company-wide implications.

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Fox Trading's accounts and financial transactions, assets, liabilities, revenue and expenses, are housed under the same digital roof.

Jimmy McCormack
Finance Director

Loss-making parts of the business (and low margins areas) and can be readily identified and acted on by refining the inventory or closing down unprofitable accounts. This frees up time and energy to focus on those accounts that are doing well – as well as allowing the reassignment of resources to those areas in order to boost profitability.

> " Our added Credit Control options, i.e. maximum periods and credit limits, have reduced the receivable days, allowing Fox to maximise its working capital cycle. On the other side of the coin, suppliers have benefitted from more timely payments which has strengthened relationships and increased accounts payable days – adding more maneuverability into financial operations.
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> **Ewa Mamczur**
> Financial Controller

As well as offering time savings and a comprehensive overview on the financial health of the business, our auditors are happier since their lives are made easier by only having to audit one set of ledgers governed by common processes.

Maximising market penetration of supplier brands, and beyond
By consolidating its ERP legacy systems with Gaina, Fox has given the company the tools it needs to be more efficient and work smarter. It has also helped them better serve their supplier base, maximising their market penetration on the Channel Islands.

Fox are now the leading supplier of confectionery vending solutions and packaging products in the Channel Islands

Building on the trend of simplified systems, and processes, Fox's future aspiration is to offer better customer service with improved channels of sales and ordering that is quick, convenient and above all, accurate.

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