

Danny's Automotive, a leading supplier of automotive parts in southern Africa, has improved efficiency, expanded management decision-making and become more competitive through its use of solutions based on U2 software.



Danny's Automotive provides quality replacement parts and accessories to auto dealers and other customers throughout South Africa and regions of sub-Saharan Africa. Originally founded in 1959, Danny's has grown rapidly over the past seven years and now employs more than 250 people. The wholesaler's recent growth has been fueled by demand that has surged as the market for new vehicles softened while owners kept their existing vehicles longer.

Situation

When Renier Smit first started as Danny's financial manager, the company had a number of information systems that were not integrated. Inventory control didn't connect to the general ledger, and payables and receivables didn't interact seamlessly. This made it difficult to get accurate, up-to-date information for management to use in making key purchase decisions.

According to Smit, the need for integration became more critical as the pace of change in the market quickened and competitive pressures increased. Misreading demand could lead to importing the wrong parts or the wrong quantities. Either way, it would adversely impact sales and profits. "From a management perspective, you need answers quickly to stay competitive. We need all these figures at hand—it can't take weeks to compile before we make a decision."

Implementation

To solve this critical problem, Danny's selected Tecfinity, an information technology provider that incorporates Rocket's U2 software into its solutions. Tecfinity's service manager Khaled Dawood says his company's ability to customize its solution for the client was a key selling point in earning their business. "The business requirements at Danny's involved a high volume of data transaction processing coupled with a quick turnaround time on management reports. The dynamics of the Tecfinity Software and Rocket U2 database software allowed us to achieve and maintain that correct balance, with the robustness of the U2 database ensuring a 99% uptime, another critical requirement."

Smit agrees, and reports that the implementation went smoothly and quickly. Tecfinity copied all the data and history from the previous systems and slotted it into the new, integrated, modules with security checks in place. The provider/client relationship has been marked by a high degree of collaboration, which resulted in system design and customization that delighted Danny's management. The team implementation approach, says Smit, not only met the original project objectives, but also resulted in new capabilities. Examples, including email modules and the ability to search on pictures of parts, have helped sales people, buyers and others throughout the company's importing divisions.

Rocket U2

Key benefits:

- Increased information accuracy for key decision making
- Shortened lead time for information access
- Expanded management reporting capabilities
- Improved inventory control
- Reduced staff time spent on information processing

CASE STUDY

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Renier Smit, Financial Manager, Danny's Automotive



Benefits

Tecfinity's solution helped Danny's enjoy various benefits. The overriding goal was to make decisions more quickly. Smit reports that he can have an updated income statement on his desk by 10:00 a.m. daily "with the push of a button." This helps him analyze gross profit margins, examine liquidity ratios and make instant performance comparisons to last year and against budget.

Importing bank statements into the cashbook now requires less time and effort, and it's more accurate than the previous system. Inventory, which Smit says was "always a nightmare," is now less stressful with the new tools in place. Barcoding technology integrated with the information system has enabled the parts wholesaler to streamline daily stock counts. There are now shortcuts to get to certain menus, so input and lookups are much faster than before. And, the system's report writing features instantly download data into any format (Word, Excel, etc.) for graphing and analysis.

"Now we can quickly tell if we are losing sales and why, and take corrective actions faster," said Smit. "As the markets get more competitive, I think there will always be new ways to measure results and do things. Tecfinity has continued to grow with demand, developing new ideas and new ways to apply their solutions."

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