

CASE STUDY

SAGE LINE 500

► JH TURKINGTON
& SONS LTD

Sage Business Partner



TURKINGTONS MAXIMISE BUSINESS VALUE WITH SAGE LINE 500



CLIENT PROFILE

Based in Portadown, County Armagh, J H Turkington & Sons Ltd are a major force in the Northern Ireland construction industry. Founded in 1951, they employ a multi-skilled 170-strong workforce, with annual turnover in excess of £35 million.

Over the years, Turkingtons have evolved from a general building company into a large services and manufacturing organisation, involved in construction, civil engineering and the production of services and materials for the building trade in Ireland, the UK and beyond. The company's activities are diverse, ranging from the manufacture of windows and conservatories to bespoke precast concrete products, to major construction projects and property developments. It has completed many prestigious projects in the public and private sector. Successes include being named key partner in the award-winning £100 million Laganside Courts Complex in Belfast and being awarded the prestigious £16.8 million design and build contract for the Rathgael Juvenile Justice Centre in Bangor





THE CHALLENGE

Running a business encompassing six divisions makes management control a complex challenge, as Financial Controller Mark Dundas explains, "Construction is a highly competitive business. You are only as good as your last contract, so there is no room for complacency. Keeping the work coming onto the order books, costing contracts accurately, and then monitoring those costs closely are all critical to sustained success."

In 2002, management at Turkingtons received an 'end of life' statement from the suppliers of their business software. The search began to find a future-proof software solution backed by the right level of support, one which could accommodate Turkingtons' immediate business processes and offer a long-term, secure investment. Summarising the selection criteria, Mark says: "Among our foremost priorities were the ease with which we could extract timely and accurate management information. We looked at what was available on the construction-related IT market and could see that Sage Line 500 would fulfil our business requirements. The level and quality of support available locally was extremely important for us, so while we initially looked at suppliers in both the UK & Ireland, we chose Sage Business Partner Pinnacle as they had a strong presence here and are locally based."



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MARK DUNDAS,

FINANCIAL CONTROLLER JH TURKINGTON & SONS LTD



THE SOLUTION

Turkingtons purchased Sage Line 500, running on the Microsoft Windows 2000 Server platform and HP hardware, with a Microsoft SQL Server 2000 database. Support is provided by Pinnacle for 32 users.

Sage Line 500 offered full accounting and distribution support, while the tight integration of an industry-leading contracting module provided specific support for contract sales, costing, subcontractors and other functions critical to any business in the construction sector.

The implementation was timed to coincide with the end of the tax year, both for subcontracting and payroll purposes. With this added pressure, Mark recalls that the installation went smoothly: "We welcomed the professional support we received from Pinnacle's support team and consultants. They prepared our users for the new system with training in the lead up and helped us to resolve any queries day to day once it was up and running. In the months that followed, Pinnacle continued to develop the system to generate the management information we require."



THE BENEFITS

Since the implementation, Sage Line 500 has extended into almost every corner of the business. Powerful management reporting enables Turkingtons to capitalise on the business information held across their operations. Mark comments, “On both sides of the equation – purchasing and sales – it helps us to maximise the value of our relationships.”

A major benefit is having real-time visibility of actual, committed and forecasted costs relating to specific projects. Mark notes the advantages this has brought: “We are now able to analyse closely our profitability on every contract in each division, with instant access to real-time cash flow figures for both applications for payment and contract sales invoices. With every job in our windows and conservatories business being treated as a new contract, this saves us huge amounts of time and effort in that division alone, as you can imagine.”

He continues, “We can generate reports on outstanding debts and can obtain a clear picture of what retentions are owed to us, with the system prompting us to chase moneys owing. Conversely, we understand what payments are pending to our subcontractors. The system has helped us recoup debts, some long standing, and through Sales Order Processing we can now produce invoices virtually in ‘real time’. For example, in our manufacturing division, we now invoice on delivery. All this has contributed to improved cash flow.”

Like many companies in Northern Ireland, in recent years Turkingtons have moved away from reliance on government contracts and have become proactive in the development sector. They have been involved in some of the largest and most high-profile PFI (private finance initiative) contracts awarded in Northern Ireland. As Mark points out, “For legal and banking reasons, every PFI project is required to operate as a separate company, so Sage Line 500’s multi-company capabilities are essential for us.”

Furthermore, the solution has empowered Turkingtons with the ability to analyse completed purchases with suppliers, therefore strengthening their purchasing power across all sites for both materials and labour. “Any single contract on the construction side of the business could be worth between £3 million and £20 million. When going out to tender, we can track and instantly retrieve our purchasing history with the main Northern Ireland suppliers and negotiate terms from a strong position.”

In addition, Turkingtons have gained huge benefit from Sage’s investment (currently 18% of its UK software revenue) into research and development. Sage R&D is based in the UK and ensures that Turkingtons’ Sage Line 500 system is compliant with HM Revenue & Customs requirements before new legislation comes into force. In this way, Sage Line 500 helps Turkingtons to save time and reduce overheads by removing the burden of meeting statutory obligations. For example, it generates monthly and annual returns automatically for subcontractors.



THE FUTURE

In Sage Line 500, Turkingtons have a scalable system to support their goals for strategic growth and substantially reinforce their competitive advantage in the construction and building industry.

The system is continually reviewed in line with evolving requirements. Mark outlines some of new areas that lie ahead: **"We are looking to link our estimating software into Sage, and the precast division is investigating deploying Sage in production planning. We are forging ahead on these developments with Pinnacle's assistance, as managers are keen to extend the system's reach to further improve efficiency across our business."**



SOLUTION OVERVIEW:

- A comprehensive solution integrating leading finance and accounting software from Sage with configure-to-order functionality from Pinnacle Computing Solutions.
- Support across all the firm's processes – from receipt of order to fulfilment.
- A solid platform for informed management decision-making.
- Increased efficiency so higher volumes of business can be handled with the same head count.
- A system with the power and capacity to accommodate and sustain future growth





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