

Eason & Son Ltd

Making Christmas smoother

WS Eason & Son Ltd is a household name throughout Ireland and Northern Ireland where it has 32 bookshops and 29 newsagents. The company grew rapidly during the 'Celtic Tiger' boom but spiraling wage costs and fears of economic slow down persuaded management to approach Renoir Consulting for help.

"This has been the smoothest Christmas I've experienced!"

Sean Waldron
Book Warehouse Manager

Key Results

Book Warehouse

€141,000 saved in wages
€98,000 saved in interest

Stationery Warehouse

€79,000 saved in wage costs

Retail Division

€307,000 in improved margins

News and Magazine Division

€170,000 saved in reduced credit payments

Overall annualised benefit

€795,000

ANALYSIS

Renoir's preliminary analysis reviewed every area of the operation, from IT systems, business processes and product and service costs down to the behaviour and culture of the company, from top management through to technical, sales and warehouse staff. They found a company that functioned by entrenched habit rather than logical systems and processes.

Each of the warehouses and retail outlets had its own specific problems, but some were common to all; lack of standardized procedures and poor communication; too much 'fire-fighting' and reactivity; inconsistent, inaccurate and late management information; and targets were not effectively communicated.

In addition, book warehouse was overstocked with large numbers of new titles being ordered and delivered, while returns were not processed quickly enough to make room for them. At the stationery warehouse the problem was under, rather than over, stocking, results in outages.

PROJECT

A ten week Focus Process™ involved the company's two book and stationery warehouses and its 32 shops.

De-stocking and Developing the Core Range

An action plan for better inventory control at the two warehouses was developed by management and supervisory staff working alongside Renoir. Overstocking was addressed by cutting orders of new mid-range titles by 20% and halving the returns cycle from six to three months using new processes. Book sales were closely monitored; slow moving titles were fast-tracked for return resulting in 'goods in' being cleared on a daily basis, even at peak periods.

At the stationery warehouse, newly defined minimum levels of core range items were agreed and lead times for delivery from suppliers guaranteed and constantly monitored through better vendor management programmes.

Increasing Margins

The Eason-Renoir team drew up a best practice matrix of standard procedures for key activities and profit margins at individual stores were investigated with action plans developed to remedy the downward causes.

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Cutting Credit Payments

Although Renoir's original brief had been to focus on the book and stationery operations, the Eason Board invited them to look at the news and magazine division. "We soon discovered that a lot of shops weren't receiving their full allocation of magazines and newspapers," explained Duncan Ferguson, Renoir's Project Manager, "resulting in systems getting clogged up with credit payments." Tighter control over all stages of the sales process eliminated the problem.

Following the project completion, the steering group continues to meet and the implementation plan remains on target.

THE RENOIR GROUP

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