

# Penflex makes its mark with SYSPRO

CASE STUDY

## At a Glance

### ORGANIZATION



### REGION

EMEA

### KEY CHALLENGE

Insufficient management reports; application erosion; inefficient use of SYSPRO

### KEY BENEFIT

Streamlined operations, simplicity and ease-of-use

### INDUSTRY

Manufacturing - Printing and Stationery

### END USER MARKET

Retail / B2B

### SOLUTION

SYSPRO 8

## Customer Profile

Penflex is a Cape Town based writing instrument manufacturing company, with top technical expertise and a production team widely respected for its collective know-how and professionalism.

Selling pens, markers and stationery in a competitive market is a challenging business model, but Penflex continues to rise to that challenge, making their mark as one of the premium stationery brands in South Africa.

## The Business Challenge

Sean Stuttaford joined Penflex as CEO in 2014, with over 20 years of SYSPRO experience. He realised that while Penflex was already running SYSPRO ERP, the company was not taking advantage of most of its features. Sean quickly realised that without a thorough re-implementation, employees and management would lose faith in the system.

## The Solution

Sean knew the standard business processes within SYSPRO were sound and there was no reason to change software – they just had to modify what was already there. The GL was entirely restructured to align with the structured GL functionality, using three new sections. Further the product classifications were re-structured using a taxonomy approach.

## The Outcome

The re-implemented system is now working at optimum capacity. The WIP module was integrated utilising labour and overhead recovery accounts integrated to the GL, and an in-house written job creation and factory documentation software system was replaced, which together with the implementation of scanning capabilities has further reduced much of the existing administrative duties and freed-up even more time in the operations of the business.

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*The re-implementation of SYSPRO is saving us at least 20 man hours per week.*

**– Sean Stuttaford, CEO, Penflex.**

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## Why SYSPRO?

Penflex is a medium sized manufacturing business and, knowing how well the SYSPRO solution functions in this arena, Sean understands that SYSPRO is the perfect ERP for Penflex.

“When I first got here, I realised that the software was being extremely ineffectively utilised and I decided to go through a thorough process of re-implementing the system.”

“The total cost of ownership of SYSPRO is exceptionally low, so for those reasons it made sense for us to keep the software and just re-implement the functionality.”

## Repairing Application Erosion

Experience has taught Sean that, very often it is not the solution at fault, but the lack of understanding and correct implementation thereof – commonly referred to as application erosion. He was aware that while SYSPRO had been used for many years at Penflex and had been through numerous upgrades, the company used the system less and less effectively over time and had not implemented new functionality made available through the version upgrades. In order to address the symptoms of application erosion, a review of the business processes took place followed by structured implementation and training, on the new functions being rolled out, all of which was undertaken in house.

## The Importance of Aligned Processes

A critical component for any successful ERP implementation remains management buy-in. Sean says that the reimplementation was successful because he, as CEO, was able to dictate the terms and drive the project to ensure it was done correctly and effectively.

Sean is very confident that SYSPRO will remain their chosen ERP system going forward: “Modifying these processes and integrating SYSPRO better into the business, has improved the efficiency of the system tremendously, and has most definitely saved us time and money – no question.”

## A Financial Overhaul

Sean found that the software wasn't properly integrated to the general ledger (GL), the inventory module in particular, with the work in progress module being used in a rudimentary manner. Furthermore, the GL made no sense structurally, from the perspective of the management information needs of a manufacturing concern.

The financial reporting function was not up-to-speed, due to the lack of integration to the GL and a GL structure which required manual journals to be posted as well as Excel workings to finalise the group financial statements.

Penflex's financial reports were rewritten using Microsoft Sequel Reporting Services, which together with real time GL, provided immediate value for the CFO. An additional benefit of the implemented solution is that sales and cost of sales are monitored real time during the month in the financial reports, and compared to budget thus tracking the turnover and gross profit performance as it happens. Additionally revenue is forecast based on orders taken in and compared to the sales budget daily.

In order to streamline the finalisation of the consolidated financial statements a consolidation company was set up to cater for the consolidation entries. This provides the ability to print individual company accounts or consolidated accounts by selecting the SYSPRO companies to report. The restructuring and standardising of the GL gave Penflex the ability to drill down in much greater detail through the new reports, from consolidated financial statement headings through the business functions to the individual GL account in each company.

Further to this landed cost tracking, which was being done on an Excel Spreadsheet was added, this improved the accuracy and speed of shipments being received and inventory cost accurately reflecting the real landed cost.

Bar-coding and scanning weren't being utilised and this meant frequent mistakes in sales order fulfilment and distribution. Production is now also scanned from production into stock, saving time and improving accuracy.



## About SYSPRO

SYSPRO is a leading, global Enterprise Resource Planning (ERP) software provider, specializing in key manufacturing and distribution industries. Our Industry-built solutions and services are designed to make things possible.

SYSPRO's ERP solution empowers customers to take the next step – whether it is expanding into new territories, adding new product lines, transforming business processes, or driving innovation. Through our ERP software, customers gain access to solutions, processes, and tools to assist in the management of data for key business insights and informed decision making. The solution is scalable and can be deployed in the cloud, on-premise, or both, and accessed via the web on any device to provide customers with choice and flexibility.

As a trusted advisor, SYSPRO remains focused on the success of partners and customers. With a strong commitment to channel partner growth, SYSPRO customers are backed by a team of global experts that drive maximum value out of IT systems and business solutions. We are committed to addressing the unique needs of our customers, enabling them to easily adapt and remain resilient. Our evolving solutions are aligned with industry trends and leverage emerging technologies that will enable partners and customers to secure a digital future and to gain a competitive advantage.

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Learn more about SYSPRO's solutions for printing and stationary industries  
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