

FAST PAYBACK AT SK CHILLED FOODS



Introduction

In October 2000, SK Chilled Foods Ltd, a fast-growing UK company specialising in the supply of own-label ethnic meals and snacks, installed an NT-based Open Options Employee Resource Planning system from Crown Computing. Much to the company's delight, the system had paid for itself within six months; reduced the workforce by 14%; and realised a 40% improvement in unauthorised absences. With a wealth of management and employee information now available at the touch of a button, SK can now plan ahead to an even more successful future, confident that the Crown system will support its growing business demands.

Background

Based in Cleveland, SK Chilled Foods Ltd has expanded at a phenomenal rate over the past five years and by October 2000, was employing over 700 people across its three main Teeside manufacturing sites. The one problem was the company's reliance on a manual clockcard system, which had been in place since 1986 and had become woefully ineffective at keeping track of overtime costs and unauthorised absences.

Anne Yare, Human Resources Manager at SK, explains: "We are a very fast moving organisation and we have to be able to respond and plan very carefully and that includes people as well. We were losing time and money because we could not react to events fast enough. The manual clockcard system was merely a mechanism to pay people. What we needed was a management tool that would enable us to generate reliable information in a timely manner".

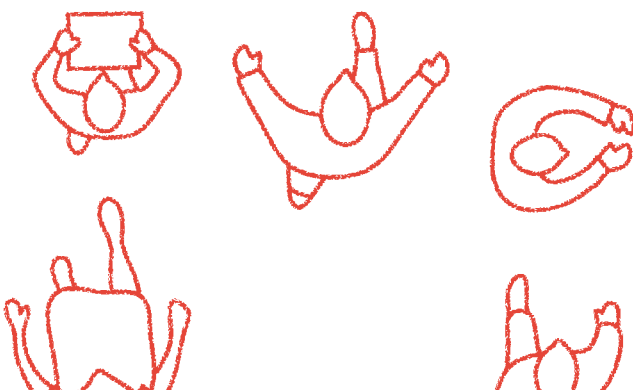
The company did not realise it then, but time lost due to unauthorised absences amounted to around 700 hours per week. Given the increase in the employee base, there was clearly an urgent need for an electronic time and attendance system that would provide the company with all the management and financial information it needed to control shifts and plan staffing levels to match the production requirement. And would provide the reports needed to meet the requirements of the European Working Time Directive.

The Selection Process

The requirement was an Attendance Reporting and Management system that could be linked to and integrated with, existing SK systems and would provide multi-level Access Control, a direct link to the Pegasus Opera payroll system, real time monitoring of live data, Roll call reporting, Working Time Regulations compliance, Manpower Planning and Skills Profiling, a full audit trail facility and, to meet future requirements, Activity Management.

Having agreed the outline specification, SK invited four companies to tender for the business. Two of those firms were asked to make a final presentation to the entire management team, including the personnel department, the finance team and the manufacturing teams.

At the end of the selection process, only one company could meet the brief, Crown Computing with its the Windows NT-based Open Options system.



Benefits

Anne Yare, Human Resources Manager at SK said: "Although the Crown system was admittedly more expensive, it was easy to cost justify because it offered far more features and benefits. There are not a lot of costly add-ons as with the systems offered by other system suppliers. For example, Crown was a far better system in that HR Planning and Activity Reporting integration are part of the standard package.

"It was important for our business to have an holistic approach to an overall site control and people management solution. Crown's Open Options system allows the full integration of our Payroll and Human Resources Planning systems, which helps with the complexity of our site planning process. Rather than losing people or using temporary labour when we don't need to, we now plan our output around the rolling sales forecast, taking into account absences due to holidays and work time requirements".

Proof of the success of the Crown Open Options systems is the number of benefits that have accrued since it was installed just one year ago. The main benefit, says Anne Yare, "the one which made us whoop with delight, was the automatic transfer of time and attendance data to the payroll system. With the old manual system, it took four payroll clerks three days to input the data into the Pegasus system. It now takes one person just 20 minutes".

The ability to produce timely and accurate management information is another major benefit: "As with any company in the manufacturing sector, absences, particularly unauthorised absences, were a big problem for us. But having the visible information available in real-time and being able to see individual records makes it much easier to identify and control the problem".

Not only are over-payments a thing of the past, SK now has the ability to plan resources according to the production requirement, taking into account such things as holidays and working time requirements. As a result, the company has been able to reduce both the direct and indirect labour force from 700 down to 620. That is a drop of around 14% which represents a cost saving in excess of £600,000.

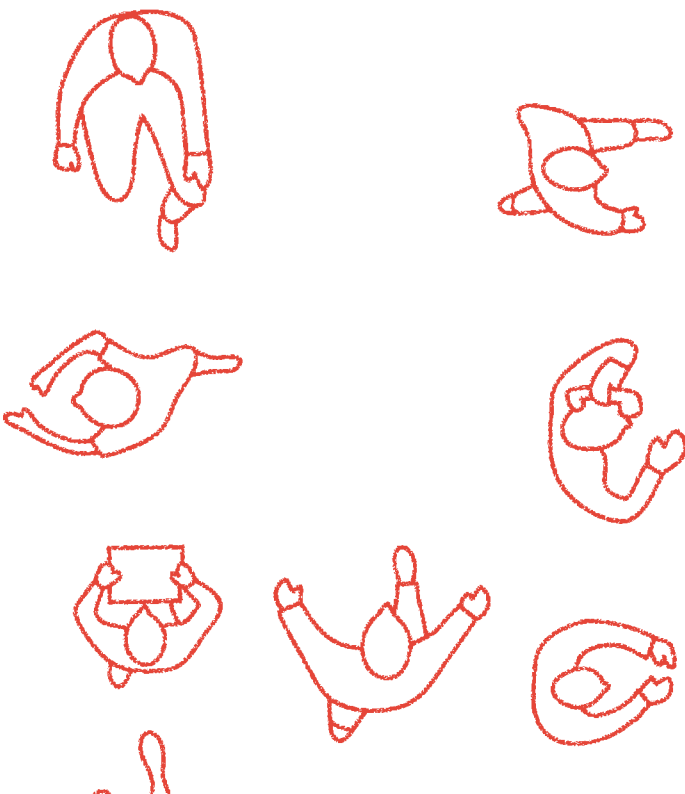
SK Chilled Foods has discovered that the benefits of the Crown system go beyond simply the business benefits. Being Windows-based, staff found the system both easy to use and less stressful, as Karen Sudron, Payroll Manager, explains: "Being able to download the information from Crown on to the Opera Payroll system has made immense savings in time. We can also answer wage queries very quickly, too, because we have all the information to hand. We no longer have to trawl back through mountains of clock cards. The transformation in the way we work is incredible".

Cheryl Henry, Personnel Officer, adds: "The main benefit from my point of view is the ability to keep an eye on absenteeism for reasons of holiday, sickness, taking unauthorised breaks etc. Unlike some systems, which are complicated and boring, the Crown system is so easy and interesting to use, too, because it makes use of icons and graphics. Having to check up to 100 exceptions a day is now a simple, quick process that can be done by one person. The Crown system is just a joy to work with. I would recommend it to anyone".

The Future

The company plan for 2002 is to install an employee kiosk within the canteen that staff can use at their leisure to check on their holiday entitlement, hours worked to date and so on. "The system can print off holiday cards very quickly and it will avoid people having to ask supervisors for that information".

And following the successful trial of Activity Management, full scale implementation is yet another plan for 2002, as Anne Yare confirms: "The advantage of Activity Management is that it should provide a true costing of each product we make. Furthermore it will give us all the information we need to produce a more accurate projection of actual costs; and that will make us even more efficient".



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