

# In it for the long term

**Shuttleworth Business Systems likes the customers that phone to demand changes and improvements. These are the best customers to have, says Paul Deane**

**E**XHIBITIONS HAVE ALWAYS had an important place for Shuttleworth Business Systems, one of the UK's leading print MIS companies. It was at Ipex 2002 that it first became apparent that the printing industry was consolidating, says joint managing director Paul Deane. In other words the company realised it could not expect to expand organically when there would be fewer businesses to sell to.

This led to both an acquisitions strategy and a plan to expand geographically, while staying close to its existing customer base.

The acquisitions strategy has so far brought four smaller MIS companies under the group umbrella, while the trends seen at Drupa last year confirmed that it has been right to look outside the UK for growth. "Drupa confirmed the importance of expanding world markets," says Deane. "There is no distribution infrastructure for MIS that we can plug into because distributors tend to be focused on equipment or consumables. Consequently we have to organise this ourselves."

This led Shuttleworth to select India as a prime target, with joint managing director Andy King working to set up the close links to a distributor in Bangalore and driving the changes to the system that are needed to operate inside the complex Indian tax system, for example. There could be no 'out of the box' approach as had at first been considered. "The Indian market is not a crock of gold: it takes hard work. Printers there have sophisticated presses, but the MIS is unsophisticated (something like the UK in the 1980s and 1990s). Printers there want the same sort



of project planning as in the developed world," Deane explains.

But Shuttleworth has persevered and has 30 customers in the country. It is also trying the same approach in south and east Africa and the Middle East, chosen because English is not only the business language but also used for service and support – aspects that are core to the Shuttleworth approach. He adds: "Our business is built on providing support, on understanding what we can do for your business."

As the business needs have developed, Shuttleworth (and other continuing MIS suppliers) has continued to enhance and refine its software and to take advantage of developments in the wider IT world. At Drupa last year it used the widgets functionality within Microsoft's Windows operating system to display key performance indicators and so provide a dashboard display of a company's performance.

The inclusion of many of these KPIs followed the Vision in Print report into MIS, which uncovered the finding that many printers only use MIS for estimating, a few for costing or scheduling, but that they leave much of the inherent

functionality untapped.

For Deane the reporting structures are useful but are not always the best way of determining the way that a company is performing. There is too much emphasis on the output indicators – how much work is being produced and the value of that production – and not enough on the input factors, he argues.

"MIS has tended to focus on the value of orders a business has, but this is just the end of the process. There is always a known ratio between the amount of business, the number of estimates that have been generated and the number of calls that have to be made to generate those estimates. If you only look at the sales values towards the end of the month and realise there is a shortfall, there will be a time lag before anything you do – increasing the number of customer calls, for example – has any impact. But if you focus on the input KPI's – the number of calls and visits made and other activity – you can predict what will happen to sales later in the month.

"If there is lots of up-front quality activity and there are no sales coming through, this is the fault of the market and the company has to make adjustments to respond to these conditions. When the market is really tight, a company cannot afford to wait for it to turn; it must cut its cloth accordingly, without doing so so deeply that it cannot take advantage of any improvement in market conditions.

"We have always been able to report historical data, about how well a printer did last week or month, rather than how well or badly the business is doing in the current month.

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vide information that is current and enables a business to make sound commercial decisions. We have to work to make sure that data integrity is a lot better than it might have been, and there has been a lot of work on the inputs side.”

For some companies this is going to include close integration with its customers via online ordering and integration with a procurement system. It is starting to happen; likewise, there are EDI links to paper merchants which are starting to be tested, HSPG in particular. All these smooth the process of purchasing and reduce administration costs.

Shuttleworth's own business has changed as it has grown through absorbing other companies (see panel). A couple of years ago, it had outgrown its office in the back streets of Kettering and moved to a purpose-built site on the edge of the Northamptonshire town. Everything was designed for smooth operation and optimal environmental performance. There are motion sensors to control the lighting, minimal footprint climate control, and filtered water on tap to eliminate brought-in bottles.

Rooms can be changed from meeting rooms to training spaces to presentation theatres, while the design has been deliberately minimalist and uncluttered. Staff have a café area and do not eat at desks. Chairs are the latest ergonomic design and everyone adheres to recommendations limiting time in front of a screen. There is a bicycle shed to encourage a move away from driving to work.

For remote workers (and the acquisition strategy has accumulated software engineers from Ipswich to the mountains of Wales) strong telecoms allow them to

work from home, while video conferencing helps cut down on unnecessary mileage.

It's an enlightened view that pervades the company. A strong culture of trust has been built up, helped through being a family-owned business and therefore one that has been able to take a long-term view on growth and expansion. “We want to promote ourselves as a high-technology business that is prepared to invest in the future,” he adds. This approach also favours long-term relationships with customers, requiring a strong ethos of service. Deane explains: “Our business is built on providing support. Once the

company has invested in the software it is then all about what we can do for your business. Our best users are those who have the closest relationships with us. If a company treats its suppliers as partners it can get a huge amount from them. These customers are always on the phone, making demands, and they become our best customers – and we go the extra mile for these people.”

What is happening is that Shuttleworth is laying the foundations for future growth at a time when many are retrenching. It's an approach which demonstrates confidence in its staff, its direction and in its customers. □

### Corrugated choice

**The Shuttleworth acquisition strategy has so far netted four smaller companies, three of which have been absorbed into the core product and consequently have lost their separate identities. These have been commercial print MIS provider Jenem, labels specialist Compass and Cabell for the carton sector. The latest purchase, however, will be treated differently. In October last year Shuttleworth bought CDM Solutions, which has a dominant share of the corrugated market and counts on a user base stretching from independent converters to groups like DS Smith.**

**CDM will retain its name and will stay in Utttoxeter. Shuttleworth will bring marketing know-how, particularly in the international market where there is greatest potential. It will also clean up the user interface to modernise this, as well as being able to include other features with relative ease because the underlying programming technology is the same. In return, the commercial industry will benefit from CDM's strength at assessing and recommending the most efficient means of production, and its ability to run across different sites through being able to interrogate separate databases. This feature is useful too in disseminating software upgrades. “It is very smart in being able to identify the best methods of manufacture. It is a very, very functionally rich software,” Deane says. “And it is a very technically able team which has perhaps not been as commercially exploited as it should have been. We are already encouraged by how the integration has been going.”**