

ACTIVANT EAGLE SPREADS SAVINGS ACROSS MULTI-STORE PAINT AND DECORATING BUSINESS



Executive Summary

C&S Paint began in Jacksonville, North Carolina 50 years ago, and today this regional chain of nine locations has earned a "top three" position, despite competition from other paint stores and big box retailers. "We've had aggressive growth over the past five years, and our Activant Eagle® system has helped us manage the challenges that come along with that growth. We've gained significant efficiencies

from the Eagle™ system and in particular, the Document Management module," remarks Ron Choate, owner.

Effective Monitoring and Management Reduces Inventory by \$250,000

C&S Paint has a complex web of product distribution. Large items are shipped from suppliers directly to stores. Smaller items are delivered to one of two warehouses and then redistributed to the stores. Products are also transferred between stores to balance stock and better meet customer demand. "We carry about \$1.7 million in inventory across our stores and warehouses. With the Eagle system, we keep a 13-month sales history, and we know the exact quantity of every product at every store. It's easy to transfer products between stores, and I'm certain that we carry at least \$250,000 less in inventory because we do that," asserts Ron.

Tracking and Managing Colorant

A unique challenge in the paint business is managing the inventory and cost of the tints that are used to turn white paint into the rainbow of colors that customers want. It's a big overhead expense, and C&S Paint spent just over \$200,000 in colorant in 2006. C&S Paint sells paint for the same price whether tinted or not, so it's critical that the price be set to be competitive and make an overall profit. This has become especially important with the dark, rich colors that are now so popular.

"A gallon of dark red paint can have \$15 worth of colorant. You might think you're making a profit by selling it for \$23.99, when you are not. Eagle shows us the true cost, including colorant, of the paint sold, so we know exactly how much is made on every sale. The system also helps us manage the inventory of colorant, which isn't easy given that it's used in small quantities all day long," explains Ron. "Colorant tracking also helps us account for mis-tints, which are a natural occurrence in this business. We know how much colorant is in every mis-tint so that when we write it off, we also write off the colorant. We were within 7% of our colorant inventory at the end of last year, which is very good in this industry."

PROFILE

Headquarters: Jacksonville, North Carolina

Annual Sales: \$9 million

Sales Breakdown: 70% contractor, 30% retail

Number of Employees: 42

Locations: 10

Founded: 1957

Affiliation: All Pro

"Eagle shows us the true cost, including colorant, of the paint we sell so we know exactly what we make on every sale."

RON CHOATE
OWNER
C&S PAINT

Document Management Saves Time and Increases Customer Service

Approximately 65% of C&S Paint's business is on account, and since implementing Activant Document Management 18 months ago, the company has experienced significant improvements in statement production, document storage and invoice research. "We see time savings in two main ways. First, we save two days each month in producing statements. Our accounting manager used to spend more than three days every month printing statements and manually attaching invoices and tickets to the statements. Now it takes less than one day, and she's doing other work while all the statements and documents are being collated and printed by the system," says Ron. "It's also much faster to research questions when customers call. We can instantly pull up account details and documents, copies and answer questions immediately. It's a huge time saver for us."

Document Imaging delivers additional services to C&S Paint's customers. "Almost 15% of our customers receive instant invoices, via fax or e-mail, every time a purchase is made against their account. This helps them control account usage. For instance, if a customer's employee leaves the company and then uses the company account to buy paint for a side job, the company knows instantly and can stop his account access before it becomes a bigger problem. This is an easy way for us to add value to our customers' businesses," continues Ron.

Offline Capability Keeps Business Running Smoothly

C&S Paint appreciates the ability to run transactions offline during power outages. "The Eagle system's offline capability runs almost identically to online. We have access to SKU detail, prices, quotes and bids, and our customers see no difference in the transaction. When power is restored, the system automatically updates with the offline data," explains Ron. "In 1996, before we had offline capability, we had two hurricanes, and I remember how cumbersome it was to write manual tickets and guess on prices. It's comforting to know we'll never have to go through that again."

Centralized Accounts Receivable Reduces Risk

The company manages credit and accounts centrally so that all stores have up-to-the-minute credit balances for every customer. This helps reduce risk by enabling C&S Paint to make better credit decisions. "A customer can't buy from other C&S Paint stores once he's exceeded his credit limit at one of our stores. And when a customer goes to a store to pay off his account, he sees an up-to-the-minute total balance owed. Other systems only update credit balances nightly, which isn't nearly as effective," remarks Ron.

"Eagle isn't the cheapest system on the market, but it delivers the greatest value," Ron claims. "After you factor in labor savings, inventory savings, reduced employee training costs and better reports from which to make decisions, no other system can compare."



Eagle helps C&S Paint increase customer satisfaction by saving time with Document Management.

ABOUT ACTIVANT

Activant, a leading technology provider of business management solutions serving small and medium-sized businesses, offers customers tailored proprietary software, professional services, content, supply chain connectivity, and analytics. Activant's systems are designed to help customers increase sales, boost productivity, operate more cost-efficiently, improve inventory turns and enhance trading partner relationships.

To learn more about this or other Activant products and services, please call 888.463.4700.



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