



‘Brilliant Business Intelligence’

An interview with Dominic Allan of Summertown Publishing

by Michael Collins

MC: I would like to talk with you briefly about your experience of using AVATAR software in your business at Summertown Publishing and how it helps you manage information.

DA: By and large, it looks deceptively like a standard accounts package if you like, but it's obviously focused on the publishing industry and up until last year when I started working here I had nothing to do with the publishing industry. I can only tell you how I find it in relation to having worked here. In terms of the package itself - the financial aspects of it, it is very much like an off-the-shelf package, given that it outputs all the expected types of reports, whether they be back order reports, lists of debtors, creditors, profit and loss, a set of management accounts, cash flows and budgets. Those are the sort of things that AVATAR has in common with all other accounts packages.

Where AVATAR comes into its own with regard to the management of publishing specific information is in areas like the Royalties and Rights modules. I find them very useful because it basically sources the information from the sales orders that are input and has a series of pre-prepared statements/reports that show royalties as they are earned for periods and details the books upon which all the royalties are based - so it gives you all the royalty information quite easily and I am sure it would do the rights as well but I don't use the rights.

With regard to the report generator as such, this aspect is covered by the Power Play Transformer. The way this works is that AVATAR collates all that information that is input and allows you to manipulate it in a variety of different ways with regard to sales and sales statistics. I find that this is the best aspect of this whole package because it allows me to determine how the sales have been achieved, in what geographic region, by customer, by showing all the profits and percentages, and the units sold, any variable you'd like to think of in terms of sales and costs in the gross profit area, not the net profit area. It just seems very, very helpful indeed. I can give all the information that I have ever been asked for through that.

MC: Any variable you care to think of.....?

DA: Yes, but of course you have to set it up correctly. If you want information presented by geographic region you have to actually set up one of the variables as being a geographic region.

MC: But do you need a PhD in AVATAR to do that kind of thing?

DA: No you don't, they do it for you. Actually I wasn't here at the time ours was set up but I can see how logical it is - when you set up the part number, if you input the variables, (i.e. this comes from this range of books as opposed to that range of books), you can upon extraction ask the system in a report to distinguish between them. If you sit down and you think about the parameters you want to cover then AVATAR can cover them for you.

- MC:** How do you use this additional information.....?
- DA:** From management reports to sales people, representatives who are out there in the market place, they can phone me up and say "I am just about to go to XYZ Ltd, I need to know what they've had over the last year, when they've had it, at what price, how many units they've had and, just by downloading once a month the information on the system and then going in to the Cube itself you can get these reports off really quickly.
- MC:** So you can respond to people in the field including potentially third parties.
- DA:** Absolutely right, I can tell them any of the variables they'd like – if Gardners phoned and wanted to know what they'd purchased in the last year, I could tell them basically book by book what they'd purchased and when they'd purchased it. If I wanted to I could even tell them the margin we'd achieved on it, but I wouldn't obviously want to tell them that! I can certainly tell them the prices and things like that....
- MC:** That sounds as though that represents greater capability than many other packages could offer....
- DA:** I've worked with quite a few other packages and I have never had a report generator and that's what I like to think of it as. I have never had anything that will generate information as quickly and in the detail that AVATAR can offer.
- MC:** So is that easy for you to demonstrate to yourself and others...?
- DA:** In fact, Pen and Sword, a company that were thinking of investing in AVATAR came here for a site visit and this is one area that I love showing people because it's nice, I mean I breeze through areas of the double entry aspects of the package because they are all very much-of-a-muchness in these accountancy packages - some have glitches in some areas, some in others. For example, one thing I've noticed about AVATAR is the way the system spools the report file, but actually you have to wait for no more than one minute for it to do this when you have decided on the report that you need.
- MC:** How often do you have to do that....?
- DA:** I tend to want to print as and when in real time rather than batching and printing one report at the end of a day or week - so more often than not.
- MC:** Have you talked to AVATAR about this...?
- DA:** I think they are actually looking at addressing this if not right now then in due course.
- MC:** So you've come fresh to publishing so you are not able to compare AVATAR with other publishing specific systems/solutions...?
- DA:** Absolutely not, I have no idea what the others do - I have heard of Vista but that's the only one I have heard of.
- MC:** I'm delighted to hear that you really do see real business benefit in the package and that you are able to access that easily and straightforwardly.
- DA:** Well, I do think that's brilliant. The other thing is that the people I deal with on the support side of things at AVATAR are always very helpful and react very quickly to any problems we do have.
- MC:** Do you think it's significant that the system is provided by a firm of accountants rather than a typical software vendor...?

DA: It helps because they obviously know all about the accounting functions if you like much more than a typical software vendor.

MC: So just staying with the question of support here do you think AVATAR is generally more responsive?

DA: Yes definitely.

MC: You don't think it's too expensive for a company such as yours with a turnover of between £800k and £1 million...?

DA: It isn't particularly cheap but I don't know what the comparative cost would be of an equivalent system in the publishing sector anyway. I must admit that sometimes when I look at the quarterly charges I do wonder, but then we are getting quite a few hours for those charges. So I think that, whereas I might occasionally think it a bit expensive, I am happy with the service and support we are getting.

MC: What about the lifecycle of your products? Do you find it useful to be able to produce accounts across a whole lifecycle of books rather than just a year?

DA: When I did last year's set of figures for our board through the Information Cube/Power Play Transformer I was able to extract all the information from 2001 which was when the package was first adopted. This made it so easy and it took me less than a day to analyse all sales since 2001 year by year. I was able to show them to the board by product, by customer, by geographical region, in units as well as values, showing the margins. You can basically extract whatever info for whatever period you want.

MC: Does the business use AVATAR for extraction of bibliographical data?

DA: No.

MC: Which modules are you actually using?

DA: Sales ledger, purchase ledger, nominal ledger, cash book, sales order processing, stock control. We also use the royalties element of the rights and royalties module. We do not use the purchase order processing, contact management, EDI or title management.

MC: If you did not have AVATAR how would you manage? For example, would you use Sage?

DA: Funnily enough I have actually never used Sage but if I didn't have AVATAR and I was using a standard package like Sage or Pegasus or Excel I am sure I would definitely not be able to report on sales, cost of sales, sales by regions, by products, and so on nearly as effectively or as fast. This is quite the best reporting capability I've seen in any reporting package I've come across.

I've said jokingly to AVATAR that it's a shame that we don't extend the functionality where the Cube will only report on matters above the growth line and doesn't report on expenses and things like that, and yet there is a logical extension into the bottom part of profit and loss - the expenses part and overheads part - and you'd then have an infinitely manipulatable type of reporting function which I think would be superb.

MC: What did they say?

DA: Well I asked if it could be done and they said there was no good reason why not; they just hadn't ever been asked that question before and hadn't thought of it as something that might be useful. But I'm fairly sure if they wanted to, and the right customer wanted it, it could be done.

MC: And Summertown is a fairly 'typical' publisher....?

DA: Yes I would say so. We've got about 25 titles, all English language training books so we are quite specialised. We are only doing ELT but, in a way, if another publisher had any number of topics - different types of books, I know just from the way that the variables are put in that the Cube that I talk of could be set up to cater for all of that as well.

MC: There's nothing very special about your distribution system?

DA: We sell to book stores, wholesale outlets, educational establishments and the students themselves sometimes – whoever we want to.

MC: Just books or multimedia as well...?

DA: We are pitching more of the multimedia but that is only recently really. To get the system to work properly you have a slightly extended input of maybe a stock number/stock part because you have to put in all the variables upon which you want that Cube to act. You must put in a geographic region, whether it's wholesale, retail or students, which country it's from, what set of books this book belongs to, otherwise your Cube would not be able to draw down the correct information in the correct manner. The Cube works as a result of better information going in at the front end.

MC: So you only get out as good as you put in...?

DA: Yes, that's exactly right; you have to be disciplined but that's normal, isn't it?

MC: Did you think Pen and Sword were 'getting it' from your presentation?

DA: I think they understood it quite a lot before they came here. I also think it helped that AVATAR were also aware of who the main competitor was and how their system worked. Pen and Sword were well prepared and so when they came to me they knew more or less what I was showing them - it didn't come as a big surprise.

MC: And to conclude our discussion...?

DA: Well, as I said, the system isn't particularly cheap but, having said that, you are either going to be in business or play at it. If you want it to work you need to know the information upon which you make your key decisions. And if you do grow this system will keep pace. A bonus for us has been that I haven't actually had to replace my predecessor's assistant, who has moved on since I arrived, because we are running things better and things like the cashbook is actually being used as opposed to doing a spreadsheet and then doing another set of journals. There's a saving of at least £25-£30k per year.

So there's no doubt that a system like this, when working properly, does make you more efficient and cost-effective.

MC: That's good to hear and perhaps a good note to conclude on. Thank you very much for your time.

DA: You're most welcome.

April 2007