Kalamzoo
1993

From Boiling Pot to Market Leader

Originally synonymous with paper-based accounting systems, Kalamazoo is, today, recognised as one of the top six computer service companies according to computer industry research company Romtec.

It is a Birmingham-based organisation whose origins go back to 1896 when it was a printing company known as Morland and Impey. In 1904 Oliver Morland, head of this firm, travelled to the USA to find out more about a loose-leaf binder which had been invented in Kalamazoo, a town in the state of Michigan.

Morland was so taken with this idea that he acquired the world rights and changed the name of the company to Kalamazoo in honour of the birthplace of the highly successful product.

...less time than to boil a pot of water

Kalamazoo is a Red Indian word meaning boiling pot. Legend has it that young Indian braves, as part of their tribal initiations, were asked to run around a nearby lake in less time than it took to boil a pot of water on their camp fire.

In 1993 Kalamazoo plc is the holding company made up of two parts. Kalamazoo Business Systems with a turnover of around £20m comprises the paper-based systems, a recently enhanced printing and finishing factory, overseas sales to 65 countries and a range of print shop franchises. It also supplies first-time user computer systems and has over 2000 UK users.

Kalamazoo Computer Group plc has a turnover of around £40m, 50% of which is generated by systems sales to the retail motor trade. Two-thirds of the organisation's profit comes from the Computer Group which employs 800 systems professionals.

Kalamazoo Computer Group consists of four companies, Value Added Reseller Kalamazoo Software Services, Kalamazoo Training Consultants, Kalamazoo Maintenance Services and Kalamazoo Motor Trade, the UK's leading supplier of dealer managements systems to the retail motor trade. The group of companies is committed to Open Systems and specialises in accounting, manufacturing, construction, the motor trade and fleet management. Supporting each with hardware maintenance and training throughout the UK.

But it is to Kalamazoo Motor Trade Ltd that Information Management turns its attention.

Kalamazoo's partnership with the motor trade is as old as the motor industry itself. It entered the computer industry in the 1960s providing bureau services on a mainframe computer to the network of Ford main dealers and is still its sole recommended supplier of computer systems. This led to Kalamazoo Motor Trade being established. Celebrating its silver anniversary this year in information technology, Kalamazoo claims to be the UK's leading supplier of inhouse turnkey systems for motor dealers with around one-third of the market.

The principal systems are Elite, Motadata, Classic, VISItronic and DARTS (Dealer Accounting Remote Terminal System), and cover the needs of all of the major manufacturers' dealer networks including Ford, Vauxhall, Fiat, Mazda, Volvo, Rover, Jaguar, Honda, Alfa Romeo, Citroën and Daihatsu.

There are over 2000 motor trade businesses using one or more of the company's computer packages. These are wide ranging applications from the day to day systems for accounting, vehicles, parts, service, payroll, to specific packages for customer care which includes sales promotion and archiving and a showroom system. For dealer workshops and body shops packages have been developed to increase performance, professionalism and operating efficiency.

To understand the business one has to know a little of how it operates. Scott Ridout, bureau services manager takes up the story. "For example, Kalamazoo Motor Trade has 72% of the 400 Ford main dealers who run the DARTS system at their sites, backed up by a dedicated support and development team at Kalamazoo."

...over 2000 businesses

"We claim, and quite rightly so, that our range of systems solutions are 'second to none'. These systems meet the needs of the smallest dealer right through to the large multi-franchise, multi-site dealer."

Kalamazoo's sales teams are organised on a franchise basis, an account manager specialising on a given manufacturer would concentrate on the requirements of both the manufacturer and its dealers.

"On top of that," said Ridout, "you have another sales team which concentrates on the large groups where you have 40 or 50 sites with a variety of franchises. Perhaps here they would want to have a common system but with the ability to communicate with each other."

The computer bureau operates a 24-hour service to meet the demands of both local companies and motor trade giants. It comes under the motor trade umbrella and has certainly repositioned itself since those early days of paper based systems. The bureau now offers mainframe computer power and communications to small and medium-sized companies. For example it operates a daily service, via mainframe communications, between Ford and over 300 of its main dealers.

1600 or so companies nationwide use the bureau. Off-line customers can take advantage of its high quality printing facilities for personalised output. More than 400 on-line clients can connect with Kalamazoo's national network to use, say, the price updating service or direct connection to BACS.

Ridout "...spare capacity on our Novell Netware"

With its vast range of computing and communication facilities it now focuses and works closely with its clients in solving their business problems. For example a dealer may require a service parts pricing book. He gives Kalamazoo his pricing policy in terms of labour rates and whether he wishes to discount any parts. The end product is a pricing book exclusive to each dealer so that he, in turn, can give accurate job quotations to his clients.

"We take from the manufacturer all the elements which go to make up that job which results in a unique book for every dealer within that group," said Ridout.

Completing the picture, the bureau staff offer a full range of design and data capture conversion services for customer databases. They are also responsible for investigating any problems which may occur.

When the computer bureau was in its heyday, running 500 accounting systems and 500 stock systems for clients, there was a lot of data to be captured. To tackle this mammoth task the bureau had a ROCC 300 data entry minicomputer system with 14 operators to do all the number crunching work. As information technology moved apace and more companies have transferred to in-house systems and user

departments are handling data entry directly, so at Kalamazoo, over the last couple of years, the data preparation function has reduced to four and extra staff are called in as an when the bureau needs them.

"The problem was," said Ridout, "that the ROCC equipment was becoming very old. Kalamazoo had had it for nearly 15 years and although it had remained very, very reliable, concern arose about its compatibility with our other computer systems."

So Kalamazoo started to look at what was available in the marketplace, the main criteria being to search for a system that would enable them to continue with a reasonable level of investment.

"We did not want to spend a lot of resource on rewriting old code," said Ridout. "Initiallly when we were in discussion with ROCC the capital cost was relatively expensive for what we wanted, as ROCC's application package C-Check II was only sold running on ROCC PCs. There was spare capacity on our Novell network and it seemed an obvious solution to utilise this for the data prep activity as we no longer required a medium-sized facility, but still wished to use the same software."

However, ROCC subsequently released the application software on other vendors PCs and this came within the expenditure allocated for Kalamazoo's replacement system.

The company went for an eight-user licence, which can be expanded by contracting for a larger user licence, and bought one ROCC PC, to run alongside five Unisys workstations already installed which are linked into the network system. If any problems arise, these can be easily replicated and identified as to whether it is hardware or software problems.

"When we transferred the applications," commented Ridout, "we did the minimum amount of conversion work. However if we had rewritten the applications from scratch I'm sure we would have taken more advantage of all the facilities offered."

The difficulty was that Kalamazoo had something like 60 applications and could not afford the luxury of looking at each one individually. The conversion work was done by Kalamazoo's systems analysts and programmers working closely with data services manager Betty Groves and her team.

...staff have found that C-Check II is very user-friendly

The operators are capturing information from the bureau-based traditional accounting and stock control systems and also data for Kalamazoo Motor Trade's service manual pricing systems for dealers, together with any ad hoc work such as analysing the data for a series of promotional schemes for a large DIY concern.

Captured data is handled in various ways. It can be squirted down the network to a Unisys mainframe, dumped to tape until required for processing or more immediate work is just left on the network.

There are 30 plus inhouse workstations connected on the network with PCs running telephone communications, laser printing as well as the connection for technical staff and data prep operators. The beauty of the network is that you can use it for a variety of tasks whereas in the old days if you wanted to 'talk' to three different pieces of software you had to have three terminals to perform the task.

In case of disaster Kalamazoo has a back-up network system. There are two file servers, so if one has a problem then users can be switched over very quickly to the second server which is located in a different building on the Birmingham site.

Information Management asked Groves how had the operators responded to changing over from a traditional data entry system to a totally different beast. She told us they were initially nervous as the R300 system was designed with 029 keypunch ie numerics embedded in with the alpha characters. "However they soon became acclimatised," she said, "and have taken to the new technology, prefer the PC keyboard layout and would not revert back to the old system."

A new application for C-Check II may include an element of a marketing project for a printing and mailing service, which includes data capture, maintaining a database, printing any inserts, personalised and laser printing and posting using Mailsort.

Ridout says that for him the definite advantages in selecting this method of computing was the "low capital costs, the potential to expand the PC data prep facility fairly easily if needs be, which gives Kalamazoo ultimate flexibility for a very small investment."

"Our staff have found that C-Check II is very user-friendly, especially on the larger PC screens and it is a better tool for our development staff," he concluded. □