

The Southern Co-operative

The Southern Co-operative, UK www.thesouthernco-operative.co.uk

Summary

The Southern Co-operative (TSC) is a regional Co-operative Society based in southern England. TSC manages 210 stores and funeral homes and cover the following counties: Berkshire, Dorset, Hampshire, Isle of Wight, Somerset, Surrey, Sussex, Devon, Bristol and Wiltshire.

Industry

Food retail is the primary business, plus funeral care, florists and crematorium.

Turnover £332 M (2013)

Members 137 000 (2013)

The Southern Co-Operative – Modern Business based on long tradition

The Southern Co-operative (TSC) is a regional Co-operative Society operating 210 community stores in southern England. The company - originally Portsea Island Mutual Co-operative Society - was formed already in 1873.

The Need: Homemade retail capital investment appraisal model causing trouble

When the **Group Financial Controller at TSC, Paul Rodford** got a brief introduction to *Invest for Excel*[®] in May 2012, he soon realized that this might be exactly what TSC has been looking for. It's not that TSC would be lacking tools for capital investment appraisals, but the complexity of retail business made the calculations labourous and difficult to compare. This led to the situation that the in-house template used for assessments of profitability of existing and new stored was under constant change, taking up too much personnel resources and it had become a risk because of its vulnerability.

Invest for Excel[®] appeared as an option worth to be explored further. The expectations were to have an improved model, higher flexibility and more transparent information for final decision-making.

As a result, after some consideration and discussions, the key financial team decided to advance to a Proof-of-concept stage and validating the tool benefits.

The Proof-of-concept stage – is the tool feasible for reproduction of the in-house retail model?

The Proof-of-concept objective was to reproduce and improve the inhouse retail capital investment appraisal model with *Invest for Excel*[®]. The team was aware that it was an old model that would require a fair amount of work to bring up to the desired standard in existing environment (Microsoft Excel). Redoing the model with a new tool seemed even more challenging. In the end, the model in *Invest for Excel*[®] was a success and gained positive reviews.

“This is a start just to confirm how easy/flexible the product is. I would like to really make whole thing much more flexible and with better output reports to give accurate, clear and complete management information for decision making purposes.”, said **Business Development Financial Manager, Pam Stuart**.

“The improved model was created by Datapartner’s senior consultant Jens Westerbladh and it was presented in Portsmouth in October 2012, leading to adoption of the first software Enterprise licenses in January 2013 and to a 2-day workshop in March 2013” **Stuart added**.

The final template in Invest for Excel[®] is used for the whole organization

As a result of the workshop, the final template for capital investment appraisals



The stores of TSC are located in the southwest part of United Kingdom.

for the whole organisation was created by the newly nominated super user of TSC.



TSC’s headquarters are located on 1000 Lakeside Western Road in Portsmouth, Hampshire.

New and existing store business case model

“The new model created with Invest for Excel is used for all feasibility studies for opening of new stores. A variation of it is used for refits of existing stores.” **Stuart confirmed**.

“We have good experience with Invest for Excel[®] and we can recommend the software for other businesses! We will certainly continue using it in the future” comments Rodford.

Post implementation reviews

Soon the number of users was increased and the areas of usage increased. Invest

for Excel® was to be implemented also for other businesses to be used for post implementation reviews and for impairment testing.

A 2nd set of workshops was held for new users in July 2013. After completing the course, the users have been able to work self-sufficiently.

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