

Whyte Chemicals Ltd

Establishing Organic growth in the **Chemical Market**

- **Whyte Chemicals is one of the world's leading chemical wholesalers, serving a diverse range of markets**
- **It has deployed Internet technologies both within the business and as a service to customers and suppliers**
- **With the carefully planned implementation and roll-out of its new infrastructure it has gained substantial and sustainable returns, both in terms of cost-savings and improved customer relationships**

The Company

Established in 1976, Whyte Chemicals are an independent chemical distribution company employing 70 people. The company operates in the UK, Europe and the USA, and has offices and suppliers in India and China.

“We are one of the leading companies in the industry,” says IT manager Gary Hughes. “Our growth has been mainly organic, although we have acquired some companies and we have entered into some partnerships. We have doubled the number of staff and increased our turnover by 40 percent over the last three years.”

As you might expect in a business operating in the scientific sphere, Whyte Chemicals has adopted a measured and carefully planned approach to its deployment of Internet technologies. Whyte's have found that as the market consolidates – and their competition intensifies – that Internet technologies are injecting substantial cost-savings and operational benefits into Whyte's infrastructure.





The Challenge

“In a changing market place we have a sustainable share of the world-wide wholesale market for chemicals and intermediates across a number of industries,” says Gary Hughes, “including pharmaceutical, cosmetics, polymers, paints and resins, dyestuffs, intermediates and pigments, foods, detergents, industrial chemicals and plastics.”

Gary Hughes initiated the e-business project about five years ago. “I had an interest in the technology and started to introduce it to the company,” he says. “As more people started using it and seeing the benefits of it, the company decided to develop and expand the project. Above all, our customers and suppliers were increasingly requiring us to have the technology.”

The Solution

“We have an Intranet link to our manufacturer which we use for data exchange. For example, we check stock, place orders and find out the status of goods on the move. We also use some of the bandwidth for voice transmission. The next stage is the development of an Intranet for use by employees. “We are looking to centralise some of the processes, and we want to make the system interactive so that our team can add to it,” explains Gary Hughes. “We also want our staff to have access to the latest up to date information about chemicals, which they can pass onto customers.

He adds: “We offer as much assistance and training as we can and we can see that staff are becoming more skilled in the use of technology. They are more technologically minded now – more aware of what technology is available. People have become hungry for information.”

From the initial passive Website, providing information only, using Cisco routers for its fully networked system and has direct links to its manufacturing site and Whytes is now developing a more integrated and interactive infrastructure. The intention is to make the Web a central functional element in the communication between Whytes and its customers and suppliers.

The Rewards

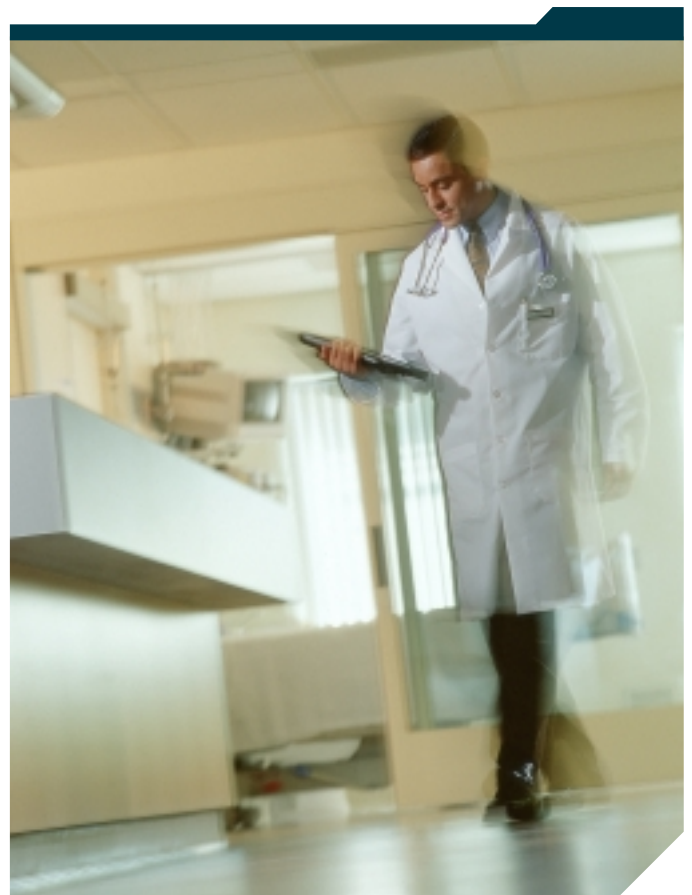
Gary Hughes believes that technology has enhanced the way the company communicates and the way it obtains information.

“The Internet and e-mail have better enabled us to find new suppliers looking for distribution channels and for new

suppliers to find us,” he says. “We are also able to do more research into our suppliers and we can access information about chemical products that our sales and technical people can use. Furthermore, we now have better communication links with our offices in India and China. E-mail has meant that we can communicate faster and we have software programmes which allow us to translate languages.”

Overall communication costs have reduced by 20 percent for Whyte’s since the introduction of technology, even with doubling the workforce. The ease of access and use provided by the standard interface has been of huge benefit to the people using the technology, encouraging them to use it frequently and effectively.

“We have also reduced our volumes of paper work and our operational costs,” adds Gary Hughes. “We have saved at least 15% on the cost of office materials. At the same time, a lot of the processes have been automated, enabling staff to get information out more quickly and reliably to customers, so there has also been a reduction in office space set aside for filing and storage of data.”



The Future

Some elements of e-commerce are planned for the next stage of development. This will also include giving remote access to sales staff on the road.

Says Gary Hughes: "We will be using more technology to streamline our operations. The market will be remaining static for the next few years so we have to reduce costs in order to stay competitive. The biggest trend at the moment is the emergence of portals, exchange sites and trade sites dealing with the distribution of chemicals and we are keeping an eye on these sites, particularly with regard to pricing and supply."

Conclusion

Whytes Chemicals is a long established business in a traditional market. Nevertheless, it has succeeded in implementing new technologies at a pace and to a plan that has enabled it to sustain and enhance its position of strength in an increasingly competitive and global marketplace. As a result it is perfectly placed to exploit the rapidly-growing opportunities arising in the form of e-commerce and online trading, securing a long and prosperous future in the new economy.



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