

# Courts (Jamaica) Limited 1998

---

## Managing Director's Report

I have to thank my energetic and committed colleagues that make up the management team and our loyal and hardworking staff for an outstanding performance in the face of strong competition and a stagnant economy.

### **Expansion**

We had no new store openings during the year but doubled the space in our successful Christiana and Black River stores and we installed new 'powerhouse' showroom display units in ten of our stores. These units allow us to display domestic appliances and home entertainment products more attractively and efficiently and we expanded the breadth of offering and strength of our brand portfolio during the year. We have introduced a programme of refurbishing stores on a phased basis through to 2001, including tiling and air-conditioning. We also installed racking and mechanical handling in our Distribution Centre warehouse to improve efficiency in our storage and delivery service.

### **Furniture**

Our local furniture suppliers continued to struggle to keep up with our large volume requirements and their banks' interest payment demands. There were notable exceptions and our Purchasing Director took on two new local furniture suppliers and was successful in brokering a technical agreement between a US bed manufacturer and a local manufacturer so that all these imports are now substituted with locally made product made under license. We sponsored three Canadian consultants through CESO to work with selected manufacturers to improve their work and management practices.

We will continue to pursue our policy of purchasing overseas only when product cannot be found locally. Our 'Buy Jamaican' promotion was repeated last summer and may become an annual event. However some very interesting new furniture ranges were selected from overseas, especially our trading partners in the Caribbean and South America.

### **Staff**

We have increased our payroll numbers for the third year in succession to handle the increased volumes and at the same time endeavour to improve service to our customers. Sales per employee increased nearly 20% and our staff complement of close to 600 permanent employees continue to confound the sceptics who insist that Jamaican workers are less productive and provide lower service levels than their foreign counterparts. Our training facility and staff have been expanded as we seek to further enhance our service to customers. We have developed a strong management trainee programme that is attracting a high calibre of young graduates to the company that will further strengthen our management in the coming years.

### **Promotion**

All our advertising and promotion is done by an in-house department and now extends to fifty-two weeks of intense activity. The 'MegaMotors' sales incentive, last year and the new 'Bimmer Mania" promotion this year have both proved to be very popular and contributed to the company's success along with an enhanced 'Courts Consumer Charter' with a new charter manager and fresh TV commercials. Three product brochures and a major pre-Christmas catalogue were published and distributed, the latter to nearly 80% of all Jamaican households. We are taking advantage of new digital technology and computer art applications for rapid production of attractive full-colour glossy print pieces.

### **Information Technology**

New customer credit management software was installed and has improved efficiency in this area. A major investment in a new computer system has been commissioned which will provide significant improvement in the sales, delivery and arrears management. To facilitate this system and also improve inter-branch communication through the use of electronic mail, we have installed data lines linking all branches and main offices. This will provide 'real-time' information on the increasing volume of transactions and considerably enhance management control and service to our customers.

Our computer systems have been evaluated for year 2000 compliance and the necessary amendments are being made.

**Outlook**

We expect only a slow recovery in the economy and anticipate that our competitors will not easily allow us to continue to erode further their share of the market. However we are confident that we can maintain and even increase the gains we have made through working together towards common goals, with our prime aim being as always, the satisfaction of our customers, beyond their expectations.

**Richard W. T. Coe**

---