



Building industry eBook.

Increasing sales and improving stock
management for building suppliers and
manufacturers

Phocas.
Got data. Get results.

Table of contents.

Introduction	3
Using data to make better decisions	4
ERP reports versus business intelligence	5
Using business intelligence to improve sales	7
Using business intelligence to better manage stock levels	9
- Overstock	9
- Understock	10
- Deadstock	11
Case study: Ardex Australia	13
Phocas is the brick and mortar of business intelligence	14
Get in touch	15

Introduction.

Increasing sales and improving stock management for building suppliers and manufacturers

Building suppliers and manufacturers must embrace new technologies to better respond to challenges, overcome threats, and take advantage of opportunities to further grow their business.

Building is currently forecast to account for more than [13.2 per cent](#) of global gross domestic product (GDP) by 2020, however, if the industry fails to address the underlying challenges in productivity, profitability and performance, growth may stagnate.

It's not just industry shifts in [raw materials](#) that suppliers and manufacturers are facing. Shifting markets and the emergence of regional instability has resulted in currency fluctuations, which need a more advanced approach to managing risk.

The building industry is now having to quickly adapt to technology – such as cloud-based software, integrated collaboration, and mobile business intelligence – to increase efficiencies and improve profit margins.



Using data to make better decisions.

Industry leaders have turned to data and analytics to gain better insights into their operations, however, more can be done to make the most of their findings

Building suppliers and manufacturers generate huge sums of data from their customers, and increasingly more from other areas of the business such as stock management, staff performance, and sales results.

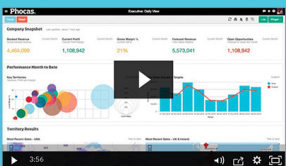
But many are still unaware of how their data can be optimized, or think they have it covered because they have an Enterprise Resource Planning (ERP) system.

Analyzing data through complex spreadsheets or asking IT to run reports, however, can have a significant impact on a business's ability to make quick decisions, which are necessary to remaining competitive, let alone surging ahead of the competition.

In this eBook, we will review how analyzing your data can be done quickly and easily with industry leading business intelligence (BI) software. We will discuss the benefits of BI over ERP and other operational systems, how BI can help improve your overall sales, and why BI is an important solution for helping suppliers and manufacturers manage stock levels.

“Our company has eight business units and uses four different ERPs due to acquisitions. Before Phocas, it was difficult to get sales and financial information. With Phocas, we can make timely and accurate decisions across the business.”

Rob Cambra, director of IT, Amesbury Group Inc (BSI Door Hardware).



Phocas demo

Click here to watch a demo of Phocas for building.

ERP reports versus business intelligence.

Organizations often overestimate their ERP's capabilities

While ERPs certainly support a range of administrative and operational processes, leading industry analyst [Gartner](#) points out:

“ERPs tend to come at a significant price, and the business benefits are difficult to justify and understand.”

ERP systems fall short in their inability to perform deep-dive analyses that reveal strategic insights into your business. ERPs are not built to perform trend analyses or give you in-depth data.

Relying solely on your ERP system to generate reports is time consuming and requires technical skills to understand complex spreadsheets. With the wealth of data locked away in ERP systems, trying to analyze it may only lead you deeper into a [spreadsheet](#) nightmare.

ERP reporting is also static and incomplete. A static spreadsheet only provides a snapshot of information, and users are unable to discover underlying insights and trends that lie beneath the business.



This affects building suppliers and manufacturers in several ways.

Firstly, inventory managers may understock products such as sheet flooring and sheet bracing as they are unaware of increased demand. Secondly, sales reps could miss out on up-selling or cross-selling opportunities because they're unaware of a customer's current buying habits. Thirdly, managers may be less effective in training their staff on how to sell certain products due to incomplete insights.



Incomplete data occurs when information is spread across different systems. While the majority of data may sit in your ERP, some may lie in CRM or inventory systems and be missed, leading to incomplete information being used to make decisions.

Even more problems can arise when you need to export data to spreadsheets, which can be susceptible to errors, difficult to troubleshoot, and at risk of security breaches.

Most companies rely on IT to build and generate reports. An IT report, however, can take a few days or up to a week to land on your desk, and by then the information is outdated.

[Business intelligence](#) relieves the ERP problem by collecting your company's data from different [sources](#) in real time to reveal actionable insights, and form a coherent picture of the business. Now employees across your entire company can explore the data behind the reports, and discover potential issues, trends, and profitable opportunities. What's more, a BI [report](#) is generated in a matter of minutes and provides real-time insights.

Using business intelligence to improve sales.

Business intelligence has improved profit margins for thousands of building manufacturers and suppliers with valuable insight into sales figures, and customer behavior

BI lets you identify where sales are performing well, and more importantly where sales teams, and even individual sales people, can improve with additional training and/or support.

You can gain insights into the best performing region(s), and those that may require action. With a powerful business intelligence solution, you can easily spot if a sales representative is selling fewer adhesives, for example, or perhaps selling lower margin aggregates over higher margin aggregates, and use that information to improve processes.

Business intelligence allows you to easily generate product and sales data without the need for IT specialists, power users or spreadsheet wizards. When collected in a single location and referred to regularly, sales data provides clarity into your company's performance. Business intelligence software can provide a central location for your data, converting confusing columns into visual charts and graphs you can use to make better decisions.



Using data to understand your customer is crucial to sales success. Equipped with business intelligence, your sales team will have a better understanding of what your customers are buying, and what they are not.

Tracking sales data by customer can reveal trends and opportunities to better position your company for growth and prevent challenges before they impact your bottom line.

According to [Forbes](#):

“It’s a lot less expensive to keep a current customer than to acquire a new one.”

A good BI solution means a sales representative who is visiting a customer can bring up their past, and even most recent buying data in real time.


Having a complete understanding of the customer allows your sales team to know which products each customer is purchasing from you. For example, your customer may be purchasing timber hardware at the same time as buying timber. With this information, the consultant can introduce offers that are helpful and add value during site visits.

Sales representatives who use business intelligence offer a better level of customer service, and form closer relationships. With trust and loyalty comes the opportunity to offer different products (up-sell) or ensure complementary products are purchased.

“We’ve used Phocas for a number of years and it is an excellent tool. We can analyze the specifics of our customer sales and perform an in-depth analysis based on product brand and type. Our team can ask all sorts of questions and Phocas will deliver the answers quickly and easily.”

Andy Taylor, IT manager, Baylis & Harding PLC.

With sales data broken down by customer, sales rep, or product, you can make more data-driven decisions and significantly improve your bottom line.



Phocas free demo

Click to book a free demo of Phocas for building.

Using business intelligence to better manage stock levels.

A good business intelligence solution enables you to quickly view how much stock you have for a particular product, and/or material, and sort from highest to lowest, or drill down on a specific selection to find even more in-depth information.

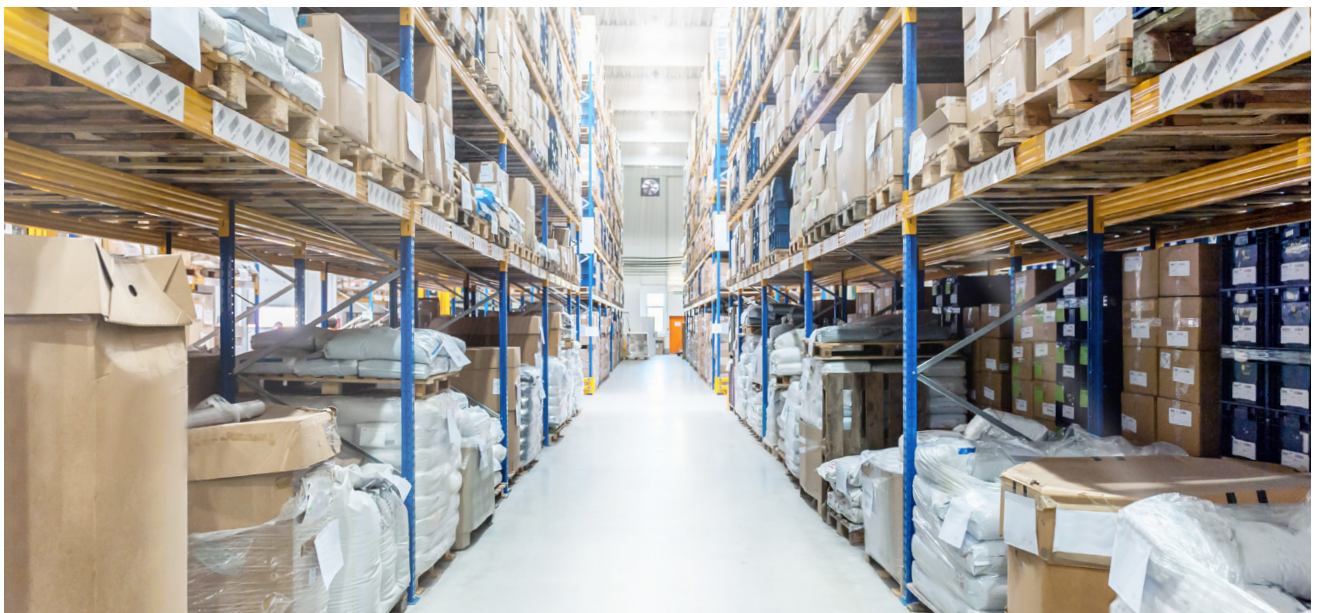
The most common issues relating to stock management is overstock, understock, and deadstock. These can all have potentially costly outcomes for your business.

1 Overstock

Overstock can be determined by looking at historical sales trends, and comparing these to current stock on hand.

Business intelligence can quickly help you identify overstock by exploring a metric called 'stock in months'. If your historical data tells you that you typically sell fewer cavity units, yet you see you have large numbers in stock, this would typically mean you have overstock.

You can use this information to ensure you do not continue to purchase more cavity units, or it can alert you to run sales/marketing campaigns to move more before it becomes deadstock.



2 Understock

Forecasting when you might have too little stock can be tricky.

If you know an integrated pump kit has an especially long lead time from your supplier, you may want to make sure you have enough stock on hand to fulfil customer orders.

You can identify understock trends, challenges, and potential opportunities with the right business intelligence solution. With easy-to-understand graphs and dashboards, combined with the ability to drill down to get the insights you want and need, you're able to quickly identify where you have too little stock, compares to that stock's demand.



“Phocas has played an integral part in the management of our stock portfolio. As a distributor offering 6,000 products off-the-shelf, carrying adequate stock levels had proved difficult and expensive. Through the ease of analysis that Phocas provides, we have been able to address this area of the business and our first pick KPI is now consistently above 97%. Our market share position has jumped dramatically from a lowly eighth to into the top three in the UK - and we are ready to challenge for the top spot.”

Derek Hoey, distribution director, Ash and Lacy Building Systems Ltd.

3 Deadstock

Stock that is no longer being sold and presents a loss to your business is useless.

It might be useful to run a promotion to move the stock, or send it to a branch in a different region where there is a stronger market for it.

Business intelligence enables you to quickly see how much stock on hand you have, and see how much of the product you have sold over the past 12 months. You can use this information to decide on a strategy that creates value for you.

A reliable business intelligence solutions can also reveal how much your deadstock could be costing you.

In the image below, the column on the very right highlights that you hold over \$695,000 worth of stock for products that led to no sales over the past 12 months. Any business would rather use this capital to purchase more popular products, use for effective campaigns, or to invest in other ventures.

[illegible]

Top tip.

Read our [building case studies](#) to learn from our customers how they use Phocas to improve sales.

READ CASE STUDIES

The importance of good inventory management

Appropriate stock levels enable your sales team to ensure customers will get their products delivered in full and on time (DIFOT).

If overstock is not returned or sold at a discount, it may simply become deadstock over time, resulting in costs for your business.

Overstock or deadstock that is valuable represents company assets that are not accessible, and therefore not producing a profit. This may prevent the company from investing in opportunities for business growth, or may put the business in a difficult position in times where sales drop off, or prices are pressed down through competition.

If you operate a building manufacturing or supply business, the ability to aggregate and analyze your business data will have a significant impact on whether you can meet market demands.

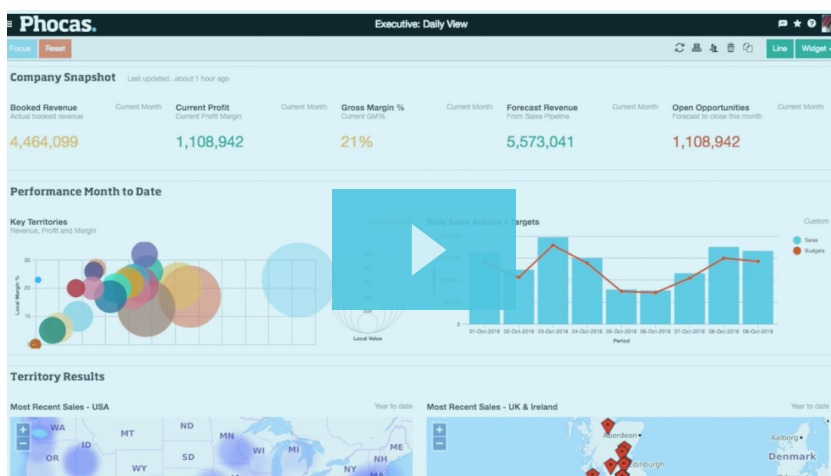
Using an ERP system to perform these functions will leave you unsatisfied and frustrated with the complexity of the data, or the time it takes for IT departments to generate reports.

Instead, a Phocas business intelligence solution is designed to collate all of your data to reveal actionable insights into the underlying trends that make your business tick, simplifying the entire data analytics process, and helping suppliers and manufacturers make better decisions.



“Fantastic product, where have you been for the past few years?”

Mark White, CIO, Bowens.



Phocas for building

See how building suppliers and manufacturers use Phocas business intelligence to finally get the full picture of their business and use insights buried in ERP, customer and financial data for commercial success.

[WATCH DEMO](#)

Ardex Australia.

Ardex unlocks their MS Dynamics CRM and SAP ERP data

Ardex is a global chemical business that specializes in making chemicals for the construction industry.

They operate in 50 countries and have manufacturing plants in over 40 countries. Their Australian operation has seven distribution centres and five manufacturing plants which serve over 1,000 customers from diverse backgrounds. Ardex even helps waterproof the Sydney Opera House.

Ardex uses Microsoft Dynamics for their CRM system and SAP as their ERP.

We spoke to Fabian to see how Phocas allows his team to better serve its customers and get more out of their business data. Watch the video to learn more.

TESTIMONIAL



Ardex (AU) MD says they rely on Phocas for timely and accurate data to base strategies on

[WATCH VIDEO](#)

“Phocas is a very powerful tool in helping us analyze our business. With the new CRM module, my sales team are finding it very useful in planning and organizing their time to be the most effective they can.”

Fabian Morgan, managing director, Ardex Australia.

Targeted sales campaigns

Morgan declares that with Phocas we are now easily able to analyse and understand trends, what is selling, what is not selling, who is buying, who is not buying, who should be buying, etc.

“Phocas has enabled us to build very targeted sales campaigns resulting in measurable increases in both sales and profitability.”

Phocas is the brick and mortar of business intelligence.

Our BI solution collects and converts data locked away in your business, and presents it in easy-to-understand charts, graphs and grids, allowing you to drill down and get to the core issues that make your business tick.

Information is available to anyone, anytime and you don't have to be a spreadsheet expert to use it.

The [benefits](#) can be immediately felt by [sales representatives](#) who can analyze current and historical data to identify trends, and opportunities. Sales teams can identify which customers are in decline, and those that could be receptive to upsell and/or cross sell opportunities.

Sales [managers](#) will be able to gather real-time data about their sales team(s), identifying those that are performing well, and those that may require additional training or other support.

Inventory managers can significantly improve and regulate stock levels, and increase profitability with faster stock turns, lower stock holding, and more optimized logistics.

Get fast, accurate, and useful insights into accounting, purchasing, order entry, and inventory for thousands of stock keeping units (SKUs), and improve customer satisfaction by increasing delivered on time and in full (DOTIF) percentages.

A BI tool like Phocas provides your company with simple but powerful analytical capabilities to maximize business opportunities. You can pull up data in seconds, from local to international sales, forecasting, inventory, and much more. Phocas is a comprehensive solution that gives you the tools to stay ahead of the competition.

“Phocas gives me the ability to mine specific data which I was unable to do beforehand. It enables me to automate tasks with current data quickly and easily. The time to develop and report information is a fraction of what it was before Phocas. A management tool worth having as ‘good information facilitates good decisions.’”

Marty Burns, vice president of operations component, Hardware Group, Inc.

Get in touch.

Learn how Phocas can help you achieve your business goals.

Give us a call:

UK/Europe: +44 1865 364 103

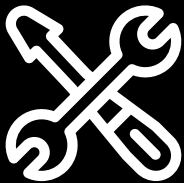
Asia/Pacific: +61 2 6369 9900

North America: +1 877 387 4004

Or email us directly:

Email: marketing@phocassoftware.com

Want to know more?



Want to understand why building and industrial customers love Phocas?

See our retail testimonials [here](#).

Visit our [Phocas for building and industrial page](#)

Book a demo – <https://phoc.as/BookDemo>

Phocas.
Got data. Get results.