The key metrics

To measure in the automotive industry.

Phocas.

Got data. Get results.

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What the experts say?

There may not be a more exciting time in the automotive industry.

Almost daily, there are headlines about the evolution of the automobile, from electric vehicles, virtual displays and mobile device integration, to new safety features and autonomous driving.

Innovation has inspired opportunities as the automotive industry continues to evolve. Whereas a car used to be a method to get us from point A to point B, today it is a technology platform that has attracted players such as Google, Microsoft and Apple that want to integrate the comforts of home and the convenience of mobile into the everyday-driving experience.

With new opportunities, come an increase in competitors and challenges that demand companies work smarter and faster. The secret to better operational efficiency and speed is data. In fact, companies using analytics are five-times more likely to make faster decisions.

Information has always been important to automakers that rely on intelligence to create an accurate, real-time picture of their operations, supply chain and distribution channels. The reason? Assembling a vehicle is an engineering feat as people and machine work collaboratively to piece together nearly 20,000 parts. The assembly line must be a well-oiled machine that continually produces vehicles. Any disruption in the supply chain, from even the smallest of parts, can wreak havoc on the entire operation. This is why the ability to capture, manage and analyze information to ensure optimization has never been more important.

The evolution of the automobile industry has summoned in a new era that makes data an even more critical component to competitive advantage. How important? **More than 85 percent of business leaders believe data will dramatically change the way they do business, and by 2019, 90 percent of large organizations will hire a Chief Data Officer.** Many automotive industry experts will agree that we are in the midst of an information revolution. Business intelligence (BI) tools such as Phocas BI Software, are helping companies turn their data into actionable insights. The following eBook addresses key questions about automotive industry business data and how you can use Phocas BI software to create a true competitive advantage.

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How it works.

What is business intelligence (BI) and how can it help automotive manufacturers, distributors and retailers?

Competition within the automotive market, given the variety of car parts and consumer requirements, requires suppliers to constantly adapt their offerings and processes to satisfy demand, while improving margin and maintaining or growing market share.

Whether you're a manufacturer or wholesale-distributor, from the management, sales and marketing, purchasing or financial side of things, adapting quickly to market demands begins with analyzing business information.

This is the power of business intelligence. BI gathers data from systems and silos from across your enterprise. It consolidates it and provides a single source of truth for your business. BI lets you drill into business information with a few clicks, and get meaningful answers instantly. With the centralized and consolidated information, you can generate reports and immediately make informed business decisions. You no longer have to wait until tomorrow, or next week when the IT/financial report arrives.

Automotive parts are as many as they are varied. The volume of data and moving parts in the supply chain can seem overwhelming. For many companies, tracking purchases, transfers between warehouses and service centers, returns and all the complexity associated with invoicing and calculations of margins around various discount schemes are daunting, time consuming processes. These are the tasks BI is built to handle.

Investing in a standard data tool that allows only general analysis of B2B transactions is a false economy. Some tools simply cannot cope with the dynamics of the automotive ecosystem.

To be successful in generating business outcomes, BI software must be easy to use and readily available to relevant users across the business. From senior executives, operations, sales and marketing, to finance, logistics and the store/plant floor, everyone can improve area control with BI on hand.

The more people you have spot checking the business, the faster you identify problems before they impact the bottom line.

Top 10 auto industry issues and how Phocas helps solve them.

1. We carry out thousands of sales transactions every day. I need to quickly identify where they occur, and react to customer sales increases or declines.

Typically, an ERP allows you to run a report that details turnover per client.

Ordering a report that tells you what isn't happening, however, is much harder to get. Both reports are equally important.

Say you have a feeling that the purchasing pattern of client X is decreasing. You can easily check their buying habits over recent weeks, months or in relation to the same period last year. The risk of customer losses becomes easier to identify and you're able to react faster.

You can do the same with product categories or individual products to see what is selling and what's not. For example, which customers don't buy batteries in winter, or air-conditioning in summer?

2. How do I identify trends among customers and products?

Because Phocas lets you drill down into your data and view it from many angles, you can start easily identifying trends.

For example, you can pull up increases in customer sales, and then drill down to find out whose sales have fallen for one or more product lines. Too often we ignore customers whose turnover is increasing, but risks hide within that data as well.

Similarly, behind a growing product line you can drill down to identify which customers are moving opposite to the general trend.

3. How to make sure your customers are buying all they need to buy. The principle of cross-selling.

1 **"Why does client X buy brake discs, but not brake pads?"**

2 **"And why does client Y buy his polishing cloths from me, but not the polish?"**

3 **"In a group of identical clients, are all my sales representatives putting forward our entire product portfolio?"**

Gathering this information can help you create bundled offers and discounts for key clients, prevent a client moving to the competition, or simply help you ask your customers the right questions about their buying habits.

Be proactive and protect yourself from the competition by regularly checking customer behavior.

Phocas gives you answers to these questions in a matter of a few clicks.
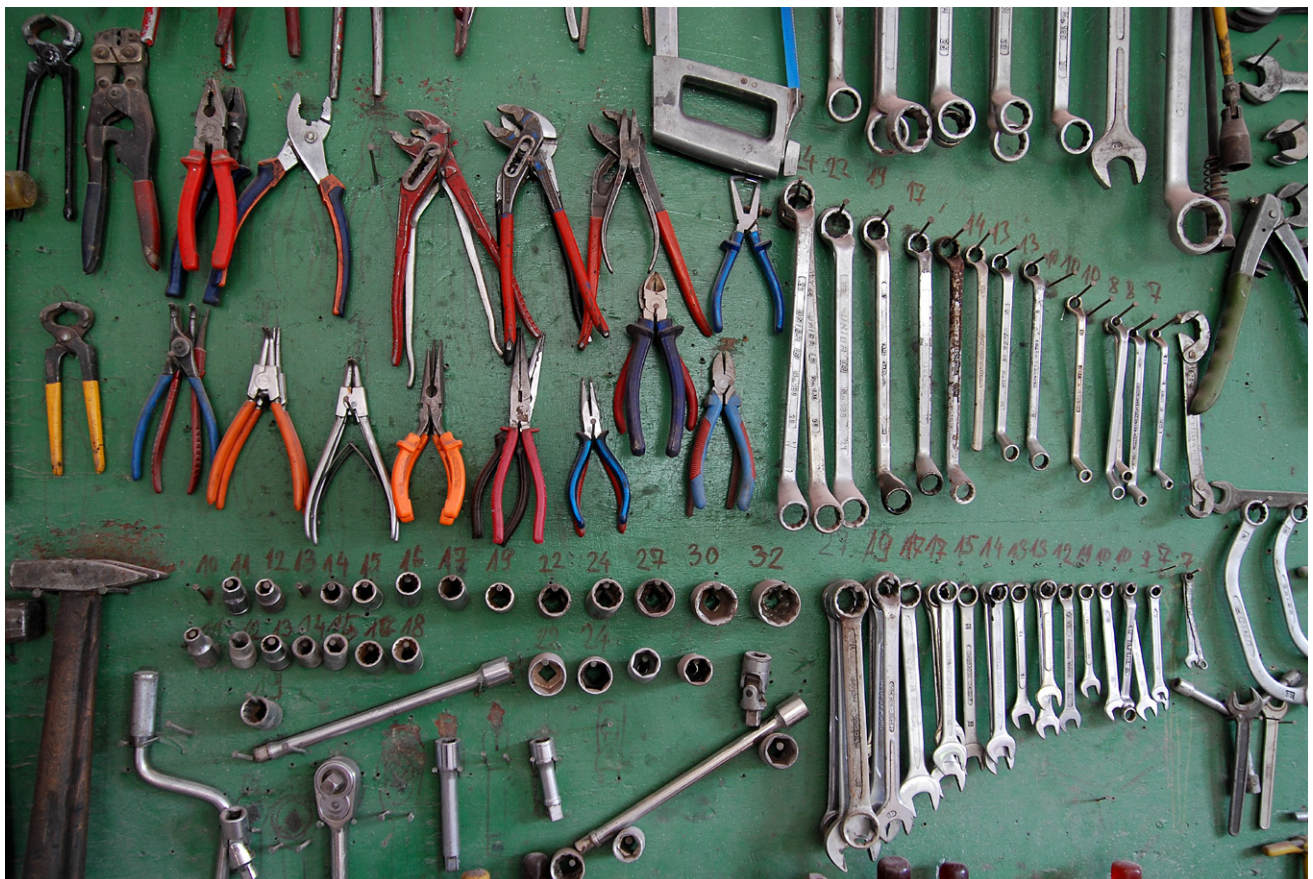
4. The competition is placing major pressure on prices and my margins are suffering. What are my options?

The way to resolve this is to set alerts that show when certain criteria are met, such as when margins reach a critical level.

You can also identify where your sales are increasing, but your margins are decreasing. In Phocas you can do this by individual products, product categories, business, territory or customer.

You can identify the items that are subject to high pressure on margins and focus your efforts on more profitable alternatives, adapting pricing policies (Why offer a product to a customer if the volume doesn't justify the discount?), or renegotiating more effectively with your suppliers.

5. Monitoring cash management is essential, but even more so when my margins are restricted.

Offering a database focused on the analysis of accounts receivable, Phocas helps you control old debts by providing a historical overview of payment.

At the same time, you become better informed about at-risk clients and can anticipate litigation before it's too late. Using the integrated collaboration tool, you can record any actions taken and planned.

6. I have so many different items in stock. I spend hours calculating my rotations. Can BI help me in that area?

No doubt you've used a spreadsheet to try and tally sales, stock and purchasing by distribution or service center and had a tough time getting results.

The advantage of Phocas is that you can:

1. **Analyze stock rotation** at every distribution or service center by sales and purchases over 3, 6, or 12 months, or any timeframe of your choice;

2. **Configure alerts** if inventory levels are dangerously low; or

3. **Identify dead stock** more quickly and initiate promotions to move it, reducing costs associated with storage and the release of assets.

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7. I have several distribution centers and huge cost of goods transfers. How do I check which products and centers are most affected?

You can map all stock movements and see, side-by-side, the sales and transfers (incoming or outgoing) per item, per center.

Then you can determine which centers are regularly undersupplied and draining stock from other centers. By putting the right stock in the right place, you save unnecessary transfer costs, gain in productivity and improve customer service.

8. My IT team has limited hours and resources and generating reports takes time. If we ask further questions about the data, it's difficult for them to provide a quick answer, or sometimes any answer at all.

This is a very common scenario. You ask for a report, and it leads to more questions, more reports, more delays and the IT department is distracted from work on other valuable projects.

Everyone loses time and patience. Worse still is if your team stops asking for data to assist with decision making, and opts to rely on gut feel, or poorly compiled do-it-yourself reports for answers that may be incomplete or inaccurate.

BI lets everyone focus on what matters most right now. BI uses a flexible and intuitive interface that allows users to follow their train of thought to ask questions across the layers of the business, and produce instant reports to share with others. You have immediate answers at internal and customer meetings, which makes for very productive outcomes.

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9. How can I identify the reasons behind returns?

Drill down into return invoices in Phocas and it quickly becomes apparent if someone is abusing a generous returns policy, or if too many errors are being made in-house.

It's easy to investigate and saves the business time and money in product replacement and redistribution.

10. Each branch is responsible for its own purchasing. I need to see who is doing what and if I can negotiate better discounts with my vendors.

You can easily monitor the purchases made by each of your branches, ensure suppliers apply the negotiated rates and that everyone adheres to policy.

If you have negotiated discounts with a supplier, you can see at any time where you are in relation to those targets.

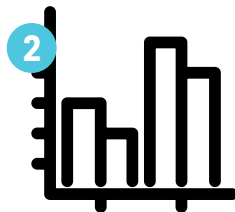**Phocas.**

The big picture.

Your competitors are looking for any and every way to increase their market share.

It's not a secret that they are looking for weaknesses in your sales approach, product offering, pricing, customer service and other areas of your business so that they can get their feet in your customers' door.
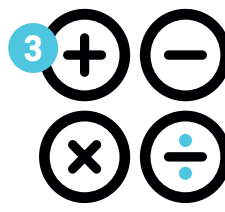
You need to have a complete picture of your business so that you can maintain and build on your current relationships and fight off the competition. Phocas gives an enterprise-wide view of your business, including these data sets:
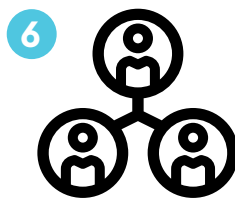
1 **Sales**

2 **Inventory**

3 **Finance**

4 **Debtors**

5 **Purchasing**

6 **CRM**

7 **Rebates**
(currently UK only)

8 **Third party data**

Phocas also makes it possible to integrate other systems and databases to provide you a central location for all your business intelligence.

With a glance into Phocas' customizable dashboards you can quickly see how your business is performing and then immediately dive deeper into the underlying data that sits behind the dashboard. This immersive dive into your data reveals the challenges and opportunities from a variety of levels and from across all departments, arming your team with the information they need to make quick, informed business decisions.

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Why choose Phocas?

We have many years of firsthand experience helping midmarket automotive manufacturers and distributors.

We use this intelligence to continually improve our software to support your industry.

Because we offer solutions for all departments, you get an enterprise-wide view of the business. You can drill down from the big picture into revealing detail in a few clicks.

Phocas is for non-technical people and we firmly believe simple is better. You can go from beginner to intermediate in 30 minutes.

Our customers enjoy the ability to identify and act on business issues daily. They are making a difference. Improving sales, reviewing margins, reducing costs, refining processes, and saving time.

> **Phocas is compatible with most leading CRM software including Microsoft Dynamics and Salesforce so you can see CRM activity alongside sales results.**
>
> We also offer an integrated CRM if you need a tool for customer analysis and to better manage combined businesses.

Know your customer

Business intelligence gives you a better understanding of your customers.

It supports you to make timely, smart decisions across purchasing, marketing initiatives, item and inventory management, sales, and ultimately, your financial performance.

Rebates

In the automotive industry, the multitude of discount schemes between distributors and customers can be overwhelming if you don't have the right tools to view and manage them.

Phocas' Rebates and Commissions module lets you calculate discounts and commissions easily. You can finally drop the Excel spreadsheets and paper-based systems. Visual formats give clear views of the data so you can analyze structures, reduce costly errors and negotiate better deals.

Phocas BI and the automotive advantage

Phocas keeps data analytics simple and users seems to love Phocas; rewarding us with a 98 percent customer retention rate.

Because of its speed and straightforwardness, Phocas answers all the questions you care to ask within seconds, uncovering opportunities, managing risks and improving your business daily. There's no more guesswork because you now have accurate, data-based evidence that you can finally act on right at your fingertips.

Automotive is Phocas' fourth largest industry segment (after plumbing and HVAC, industrial supplies and electrical). We help hundreds of automotive businesses across the entire aftermarket and supply chain providing our data analytics solution to manufacturers, suppliers and retailers businesses across the UK, US and Australia.

Phocas has over 15 years' experience in the automotive sector and has knowledge, integration or partnerships with most of the industry's popular ERP vendors and buying groups and distributor groups.

Learn more.

Click here to learn more about **Phocas solutions for the automotive industry.**

A typical return on investment by using Phocas:

35-45%
increase in sales through opportunities revealed

300%
increase in reporting speed

70%
decrease in report requests to IT/specialists

40%
up to 40% **decrease in administrative costs**

20-30%
reduction in supply chain inefficiencies

better
cost management through smarter inventory holdings

1 **Ease of analysis** Via personalized dashboards

2 **Identify opportunities** Across the supply chain

3 **Quick reports** Instant access, with your current data

**4** **Increased sales performance** Accurate data to make fast business decisions

About Phocas.

Phocas Software is a Business Intelligence company that lives by its 'Get results' mantra.

Launched in 2001, Phocas Software has thousands of customers across the US, UK, Europe and Australia – and a strong reputation for delivering success in the automotive industry.

From easy-to-read dashboards to our renowned lightning-fast grid, everything is designed for non-technical people. It means even the most detailed data queries can be completed in a few simple clicks. Phocas software can be deployed in the cloud or on-premises, and most users keep it close at hand on a mobile device. Phocas was top-ranked in eight categories, including business benefits, performance satisfaction and customer satisfaction in the BARC BI Survey 2015.
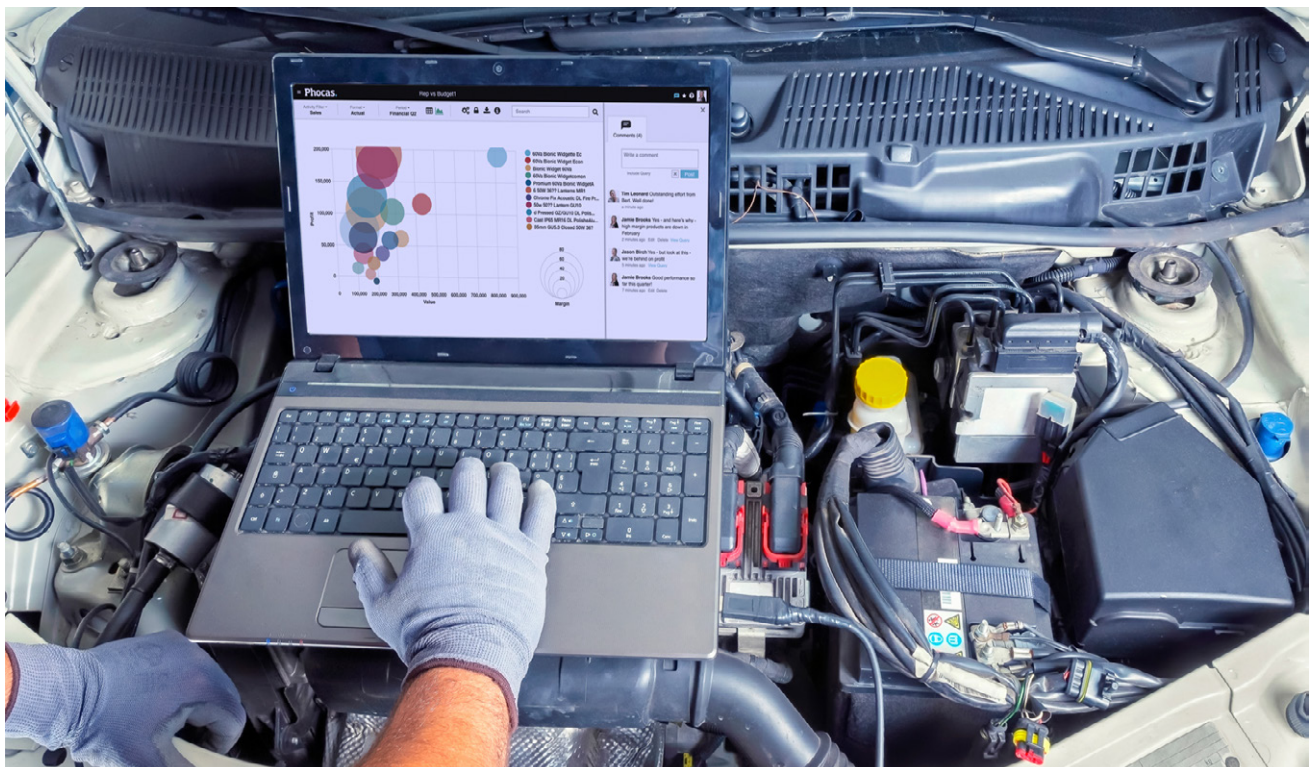
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Get in touch.

Learn how Phocas can help you achieve your business goals.

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Or email us directly:
Email: marketing@phocassoftware.com

Demo.

You can book an obligation-free personalized demonstration.

Book a demonstration: http://phoc.as/BookDemo

Want to know more?

Visit our automotive + Phocas page

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Got data. Get results.