

Wholesale Distributor Uses MITS Distributor Analytics To Optimize Inventory - And Safeguard Market Share



Wolf Creek Company is a wholesale distributor of equipment and supplies for landscape, golf course and agricultural irrigation, landscape lighting, water features, lake aeration, fountains, and systems for pumping, waste harvesting, retention and drainage. Through its subsidiary, Wolf Creek Portable Piping, the organization also provides temporary piping products to construction equipment rental companies, water and fluid-related contractors, mining operations and others.

Founded as a landscape company in 1961, the Dayton, Ohio-based firm focused on wholesale distribution in the 1970s. Today the company serves hundreds of customers in Ohio, Western Pennsylvania, West Virginia and Kentucky.

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THE NEED FOR FAST ANSWERS

Wolf Creek is a longtime user of Epicor Prophet 21 to manage its business and run day-to-day operations. That software solution enables the company to carefully manage their business, but there are a number of critical answers that the ERP system doesn’t directly provide—answers that are essential to Wolf Creek’s success: inventory and sales. “The system, and most any ERP system, will certainly tell you if an item is just not selling,” says company president Scott Knowles. “And it will tell you if an item is selling a lot. But it won’t tell you, directly, if carrying and selling a given product is profitable. For that you need a deeper analysis.”

SALES, CUSTOMERS AND MARKET SHARE

Tracking sales—by location, product grouping, and by customer—was another challenge for the company. “It took us a lot of time to boil down customer sales volume, so we could see who was buying what—and who wasn’t,” Knowles explains. “For the sales reps, this meant they might not realize promptly when a customer would start buying a given product elsewhere. It could easily be costing us market share.”

Other functional areas in the company precede their own needs for deeper, faster analysis than systems typically provide—but inventory and sales alone were reason enough for Wolf Creek to consider implementing an analytics solution.

THE PERFECT ANALYTICAL FIT

Through its participation in the irrigation industry’s Virtualrain buying group, Wolf Creek learned that MITS had an analytics solution in use with other ERP’s. The MITS Distributor Analytics solution was to be prepared to work with Prophet 21 as well.

“When I saw the MITS solution in action, I was intrigued,” says Knowles. “Having quick access to this kind of data was too important to pass up.”

Wolf Creek acquired a server to host the solution, and the MITS team installed and adapted its analytic solution to work seamlessly with Prophet 21. “We really didn’t have to do anything,” says Knowles. “And learning the system was straightforward. It’s quite intuitive.”

BOTTOM LINE ADVANTAGES

With the new solution in place, Knowles sees significant advantages already. With access to deep, item-by-item inventory analysis, the company can—in a general way—better decide what to store in what quantities, and where. More specifically, it’s much faster and easier to identify specific instances of too much or too little stock.

“Getting the inventory quantities right has always been a bugaboo for us. Now, we know how much profit an item is (or isn’t) making for us. And we can get the answer quickly—so we can actually use it. We’ve already identified a number of profitable adjustments to make in our inventories.”

An added advantage is the ability to group items and analyze them. “This lets us quickly see where the volumes are in our business—which categories are the money makers, which ones are the losers,” says Knowles. He adds that performing these same analyses by company location reveals the specific strengths and weaknesses of each.

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SALES AND CUSTOMER ANALYTICS

Knowing what customers are buying, in what volumes—and especially knowing when buying patterns change—is essential for Wolf Creek. Now, sales reps can log into the MITS solution directly on their iPads and see how things are going across their entire customer base. “We’ve never had anything like this for the sales staff before,” says Knowles. “Now we can much more easily develop our customer relationships, and defend our market share as well. We know which products a customer is and is not buying, and we have flags to tell us if purchase levels are declining—so we can respond quickly, before we lose a customer.

Knowles feels that tablet computers—and software solutions like those from MITS running on those tablets—are changing the marketplace. “It’s not just that we can get more information, faster,” he explains. “It also changes how the customer sees us. They’re impressed by how much we know about our relationships with them.”

A CLEARER, BIGGER PICTURE

Like many mid-size companies, Wolf Creek employs a Board of Advisors—experts from other firms and industries—for guidance and strategy. Naturally, advisory meetings are information-intensive and the group has found the MITS solution to be an invaluable tool. “We looked up four different sales and inventory data points during our last meeting,” says Knowles. “It saves us time and makes for better decisions.”

The greatest benefit of the MITS Distributor Analytics, of course, will be at the bottom line. Knowles thinks the company will recover hundreds of thousands of dollars in sales previously lost because of stockouts—and will free up an equal amount by avoiding unproductive inventory investments.

Knowles predicts additional gains in the future. “We’re just getting started with MITS, and there are many areas beyond inventory and sales where we expect to take advantage of faster, better information. It’s all fairly intuitive, so we’re confident we’ll be able to achieve a lot.”

About MITS

MITS helps hundreds of distributors and manufacturers leverage the data in their ERP and other business systems to make better decisions, every day and at every level of their organization. Established in 1996, MITS’ interactive reporting and business intelligence software combines industry best practices with the flexibility to meet the unique needs of every customer. From standard to custom reports, dashboards and scorecards, MITS drives sales growth, profitability, and operational efficiency for competitive advantage.

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