

Bouwmaat Nederland – Inventory Optimizer

The proposition of Bouwmaat is based on their 100% availability of stock. Realization is made possible by the usage of AGR.



Organization

Bouwmaat is the warehouse for professionals working in construction, recovery, renovation, maintenance and small new projects. Bouwmaat provides everything in the area of construction, wood, sanitary, electricity, tools, hardware, paint and kitchens. As a retailer Bouwmaat focuses on serving their customers.

They guarantee they always have available stock over their 10.000 catalogue items, while they have 100.000 articles available for ordering. Bouwmaat has 42 establishments throughout Holland.

Smart and efficient building

Bouwmaat has their focus on smart and efficient building. Their success formula is based on five pillars:

- Always a solution
- Professionals together
- Optimal savings
- Maximum commitment
- Perfect meeting place

These are the promises which every customer of Bouwmaat (every specialist with a Bouwmaat pass) can expect. Bouwmaat is a take away warehouse; more than 90% of the customers is served by direct sales in the store. Home delivery is only a minor part of their turnover.

Customers

Their customers are mostly self employed without personnel, like small contractors, carpenters and building companies. Also specialists like painters, and fitters are customers. Stores can only be entered using a Bouwmaat pass.

Delivery

Their stock articles are provided directly from their suppliers, without interference of a distribution center. These suppliers are mostly European or Dutch wholesalers. Through these supply structures the delivery periods are shorter, which is necessary for making stock guarantees to the customers.

Inventory Management

Every store of Bouwmaat has its own responsibility for their inventory management, they receive a daily purchase suggestion which they can follow or adjust.

Several years ago, Bouwmaat made use of a min/max methodology. This sternness of the solution and all changes that had to be made were very labor intensive, which provided the problem of unavailable stock.

Negative pointers towards 90% product availability were no exception. Thanks to a focus on availability and training of the employees, the stock availability rose to 95%. But this was also not enough to provide customers of stock guarantees.

They started a search for a software solution which could offer full optimization. They choose AGR's Inventory Optimizer.

Their primary focus is the creation of inventory availability, not the inventory optimization. Next to that the presentation of the products in the shelves is very important in Bouwmaat, take away wholesale. Customers find their own products and making their own decisions in front of the shelves.

Packing's, localization and the volume-effect play an important role.

The introduction of AGR Inventory Optimizer has increased inventory availability to almost 99%.

Phases

AGR has been purchased late 2003, simultaneously with Microsoft Dynamics NAV as a new ERP solution. Microsoft Dynamics NAV has been implemented in the middle of 2004 and has been optimized in the first months of 2005. After that the AGR testing took place in 2005 with pilots in 5 stores. The AGR role-out was finalized in 2006 and in 2007 is the stabilization phase was completed.

During the pilot phase a lot of substantial problems were solved in cooperation with AGR and K3. Knowledge and information has been shared with all parties.

The implementation of AGR version 4 is planned in 2008. with a main focus on Manage by Exception. Every store has their own purchase exceptions, and momentarily all these exceptions have to be changed by the inventory manager.

The system generates user-defined exception reports listing items that need special attention.

How does it work?

Every day the main data and purchase data is being sent from Microsoft Dynamics NAV to AGR. A purchase suggestion will be generated for every store, at night this data will be transferred back to the stores. Based on these purchase overviews the actual purchase suggestions will be printed for each store.

System structure

- Every day Microsoft Dynamics NAV sends the main data, stock mutations and purchases to AGR for a monthly new forecast calculation, based on the sales rates.
- AGR will calculate stock articles (from the catalogue). Every store, supplier and article will be calculated (42x10.000 articles)
- Calculated purchase advice will be completed in Microsoft Dynamics NAV with presentation quotations and send to the stores over night.
- Stores interpret these proposals each differently and place the final order themselves.



“AGR is simple and user friendly”

Thijs Prins - Bouwmaat Nederland BV



Benefits

- Time saving for inventory manager
- Higher quality of the stock
- Good overview of the stock situation
- Manage by exception gives a better overview on the exceptions and special needs
- AGR is more user friendly than the min/max system.

Testimonial

“We chose AGR because its user friendly and only a limited amount of manual actions have to be performed compared to other software. The ease with which the purchase proposals can be judged and the sales history can be influenced was striking to us. Accurate purchase suggestions can be made with only a small effort.”

Thijs Prins, Bouwmaat Nederland B.V.

AGR

AGR Inventory Optimizer analyses the data of your ERP system. Based on this it selects the best fitting forecasting methods to predict future demands.

The optimizer generates sales forecasts based on proven statistical forecasting methods.

AGR Inventory Optimizer uses sales forecasts and other conditions to determine a optimal stock and will reduce possible out of stock sales.

About K3

K3 provides software solutions to organizations in retail, hospitality and supply chain. We focus on simplifying processes and improving business efficiency for retailers across the supply chain, head office, in-store, on-line and mail-order using a suite of applications built around Microsoft Dynamics.

K3 provides market-leading, Microsoft-based software solutions to mid-tier retailers. The Retail Software Division of K3 is the world largest reseller of LS Retail and Microsoft's leading reseller of Dynamics software. We are a Microsoft Gold Certified Partner and a member of Microsoft's Inner Circle, which is reserved for Microsoft's top 60 sales partners worldwide.

