



MWP Supply Inc.

Reduced Inventory by 20% and Improved Gross Profit by 2%

Company Facts

- Location: Madison, Virginia
- Industry: LBM, HWHC
- Number of Stores: 1
- Web site: www.mwpsupply.com



“Epicor Eagle and its data analysis capabilities have transformed our business in a way I never imagined. It is one of my most important tools. I’m extremely satisfied with it.”

Toby Allen, Vice President | MWP Supply Inc.

MWP Supply Inc. is a home center that provides high quality treated wood and hardware products to a primarily contractor customer base. Located in Madison, Virginia, the company sells lumber, construction, and masonry materials, as well as hardware, paints, tools, sporting goods, and lawn and garden products. Its employees provide expertise and superior knowledge on products and services. “One of the cornerstones here is the high service level and we hear a lot of great feedback about our service and delivery,” said Toby Allen, vice president of MWP Supply Inc. “We rely on our Epicor® Eagle® business management system to streamline operations and empower employees to deliver that high level of service.”

Reducing inventory without stock outs

Inventory management is critical to the success of MWP. With Epicor Inventory Planner and Compass, Allen and the purchasing department use the forecasting models like the best-fit model and the real-time, what-if analysis to make intelligent ordering decisions. “We wanted to understand under what circumstances certain products were underperforming,” said Allen. “Inventory Planner allows us to manage our items more accurately now, and we can dissect information to a much deeper degree. Knowing the order cycle per vendor, along with setting safety stock, has enabled us to order smarter.”

Success Highlights

Challenges

- Consistently delivering high levels of customer service
- Pricing competitively for maximum profit
- Leveraging available data for optimal decisions

Solution

- Epicor Eagle
- Epicor Pricing Planner
- Epicor Inventory Planner
- Epicor Performance Manager
- Epicor Mobile Manager
- Epicor Compass™
- Epicor Mobile Shopper

Benefits

- Reduced inventory by 20 percent and improved turns, with no increase in stockouts
- Improved gross profit by two percent through smarter pricing

Since implementing Inventory Planner, the company has seen great results. "We reduced our overall inventory by 20 percent, and had no increase in stockouts in just our first eight months with Inventory Planner," said Allen. "Turns have improved. We've taken dollars tied up in underperformers and ensured we are covered on fast-moving profitable items."

The freedom of going mobile

As a leader in MWP, Allen's day is very busy, and with the recent addition of Epicor Mobile Manager, he has been able to keep a pulse on business performance, check inventory, and perform overrides remotely from his tablet or smartphone. "I check in on sales and business and give overrides on-the-fly from anywhere. It's fantastic. I'm still in the loop without having to be in the store," said Allen. "After 20 years in the business, this is probably the most freedom I have had. I can be where I need to be and still manage the business."

Accessing information at buying shows is now easier than ever. "When we go to shows, we don't have to carry a laptop or preprinted reports around. We can see how our items are performing, if we have enough, and how much to order all from my smartphone," said Allen.

Increasing margins with informed pricing

Allen has the ability to easily execute widespread price changes and identify the potential impact on margins before implementing those price changes. With Epicor Pricing Planner, he evaluates pricing strategies before putting them into effect. Mobile Manager works in conjunction with Pricing Planner to scan competitor pricing and archive that information in the system for later analysis. "Our buyers walk into competitor's stores and scan items with their smartphones," said Allen. "Buyers can then look at the competitors' pricing, and based on criteria we set up, we can make pricing adjustments as deemed appropriate."

Having competitor pricing available led MWP to a profitable new discovery. "We were surprised to learn that we are considerably lower priced in comparison to the big box stores. We were leaving money on the table," said Allen. "After further investigation and analysis, we implemented a storewide three percent price increase in March. Since the price change, gross profit dollars are up two percent compared to the same period last year."

Making the sweeping price change was simple with Pricing Planner. "With 22,000 SKUs it would have been challenging to use IMU and raise everything three percent. There is a report but it would have been time consuming," said Allen. "With Pricing Planner, it was very easy. It was exciting to look at the projected increase that a sweeping change would have on gross profit."

Customer shopping behavior analysis identifies sales opportunities

Allen can access key business indicators quickly with dashboards and scorecards in Epicor Performance Manager. "We look at the fundamentals of cost, gross profit, sales, and best and worst customers. We see which of our customers are buying and more importantly, which aren't buying. The dashboards are great for those quick glances into our business," said Allen.

It has been useful for the company to use the Market Basket feature, which identifies products purchased together to reveal shopping patterns. "Using Market Basket information, we use high selling SKUs to help increase sales of slower moving SKUs. We build end-caps and reposition items in the store to do this," said Allen. "Our customers are now walking through the store and saying, 'I didn't know you carried that!' and 'When did you get this?' We have been able to be more strategic on how we map the store and increase awareness and revenue. It's fantastic."



Allen dives deeper into Performance Manager data using Compass. "I'm detailed-oriented," said Allen. "It has been great to go into Performance Manager, look at data in a new way, and then put my own twist on it in Compass. I've been able to view our store data from top to bottom, but I feel like I have only scratched the surface of what the software is capable of doing. It's light years ahead of what we were using before. I can't say enough about the flexibility and ability Compass and Performance Manager provides."

An important business tool

MWP Supply has the tools they need to advance the business. "I have looked at the Epicor competitors, and I honestly don't think anyone offers what Epicor does. Eagle and its data analysis capabilities have transformed our business in a way I never imagined," said Allen. "It is one of my most important tools. I'm extremely satisfied with it."

About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.

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