Lumber and building materials (LBM) dealers and distributors face constant challenges on their path towards growth. However, many business leaders don’t always have the information they need—when they need it—to make critical decisions that impact the success of their organization.

Look closely, and you may find that your organization has inefficiencies in some key areas. These red flags could have been detected and addressed if you had the right tools, real-time data, and analytics to uncover issues you never knew you had.

This customer success guide shows you how some Epicor® BisTrack™ customers are using their software to spot issues and resolve them successfully. These capabilities include real-time data and decision-making tools that can set up LBM businesses for success in a changing—and often challenging—competitive landscape.

Epicor BisTrack Software—designed to provide new levels of LBM business understanding
As competition increases and margins narrow, businesses need sharper tools and a deeper understanding to support their operations. Epicor BisTrack enterprise software is designed to help LBM businesses thrive amidst the challenges associated with running a successful company. BisTrack provides the tools that allow you to focus on your business, drive better customer service, and add to your bottom line.
Built-in functionality—industry-specific functionality is built in and helps provide the insight you need to effectively manage your business—from reducing costs, to identifying new opportunities, and creating a better customer experience

Real-time, accessible data—business intelligence tools enable you and your employees to make informed and timely decisions and take corrective action when needed

Time-critical information—low-margin alerts, special order receipt, and credit holds are messaged to the users who need them—saving time and avoiding issues that might otherwise slip through the cracks

Role-specific dashboards—task lists, messages, alerts and scorecards display on easy-to-read dashboards—ensuring your employees stay focused on their tasks and top priorities

Dispatch and Delivery—delivery solutions provide data and reports to help manage metrics associated with the centralized, streamlined dispatch delivery solution

Accessible anywhere—built-in mobile and web apps allow you to manage your business anywhere, anytime—all you need is an Internet connection

Centralized data—easily access and analyze data for multiple purposes—from multiple branches or entities—keeping everyone in your business informed

Successful LBM businesses are powered by Epicor. Read on to find out what their challenges were and how Epicor solutions helped them achieve success.
Operating 19 retail lumber yards and 2 truss plants, Alexander Lumber—based in Aurora, Illinois—services customers in Illinois, Wisconsin, and Iowa. The company previously ran several disparate enterprise resource planning (ERP) systems after acquiring several smaller companies. In 2010, Alexander Lumber decided to standardize operations on a single solution and chose Epicor BisTrack with Journey Planner.

Measuring business performance
Alexander Lumber leverages the tightly integrated BisTrack business analytics tools to evaluate and improve operations and performance.

“You can’t judge what you don’t measure,” said Russ Kathrein, CEO of Alexander Lumber. “If you’re not measuring, you are making decisions based on anecdotal evidence and not concrete numbers.”

For example, sales people will often push for special treatment for what they believe to be good customers. However, accurate customer grading requires objective analysis of a customer’s gross profits generated, terms, payment record, orders, returns, etc. These objective metrics can often tell a different story about many accounts that were previously thought to be good customers.

“We use BisTrack software to measure many of our company’s key business initiatives and track
our progress in achieving those initiatives,” said Rick Vancil, executive vice president of Alexander Lumber. “For example, we can analyze our fleet maintenance costs to identify vehicles that need to be replaced. We can also compare the cost of different repairs from different mechanics. We are continuing to look for ways to drive costs down in our business by utilizing the wealth of data tracked in BisTrack.”

**Reorganized delivery tasks improve turn time results**

“Using BisTrack Journey Planner software and the integration with GPS Insight, we reorganized several external activities and moved many tasks to before the truck arrives—completing and retrieving the next shipment’s packing slips, consolidating stops, reconfiguring the truck bed and retrieving hardware, gathering paperwork from the dispatch office, and expanding the loading area. With these improvements, we’ve seen dramatic results,” continued Vancil. “The new cuts in turn time have resulted in an additional hour per truck of available delivery time in an eight-hour day.”

**Higher margins with less inventory**

“In the past, our employees would walk around the lumberyard and make purchasing decisions based on what they saw,” said Kathrein. “Now, BisTrack gives our buyers a companywide view of inventory. If one location is low on a particular item, our buyers have the option of transferring merchandise from other locations—rather than simply purchasing it. We were also able to identify product categories that had low sales rates in certain locations and removed them from future purchases. Using this approach, we were able to reduce our inventory by one quarter—or roughly $8 million.”

They also improved gross margins by improving control on special orders and setting up margin-specific incentive structures for their outside salespeople, location managers, and district managers. Margins were up two points within the first two years using BisTrack and are continuing to rise. “These business leaders earn a percentage of the profitability of the business units they run,” said Vancil. “Location managers are financially incentivized to carefully manage their inventory and make it productive. All of this information is collected and reported by BisTrack.”

**Empowering a mobile workforce**

In the past, Alexander’s outside salespeople would either call or return to their office to get the information they needed to write quotes and sales orders. Now, the company’s salespeople can run BisTrack Cloud software on their Microsoft® Surface® tablets. “Equipped with BisTrack Cloud on a Surface tablet, our salespeople are able to immediately respond to customer questions on product availability, pricing, and delivery status. It has proven to be a valuable sales tool,” added Vancil.

**Unlimited information**

“BisTrack offers an almost unlimited amount of information. It has helped us lower inventory costs, improve business efficiencies, and increase margins, but I feel we have barely scratched the surface on what we can accomplish with this wonderful business solution,” concluded Kathrein.
Raymond Building Supply

LBM Dealer Streamlines Operations and Grows Business With Epicor

Raymond Building Supply serves professional builders from five locations near their base in North Fort Meyers, Florida. Their goal has been to position the company for growth without adding staff, and Epicor BisTrack business management software is an integral part in achieving that goal.

Raymond Building Supply implemented BisTrack software in 2009, and it has helped restructure their business to operate more efficiently and automate tasks that had previously been done manually. They are now able to use analytics, reporting tools, and more to manage their business in Florida’s hard-hit market. “People will always want to retire to Florida,” said Candy Loweke, process analyst at Raymond Building Supply.

“As our market rebounds, we’ll be in a great position to grow without having to add staff.”

Management insight in real time
For Loweke, the ability to “get anything out of the system” using dashboards and smart views has saved countless hours and given managers fresh business insights. “I can’t begin to put a number on it, but I know it pays for itself,” she said. As an example, three times a day, BisTrack software automatically emails sales figures directly to top company managers so that wherever they are, they can see how the business is doing.

“It’s all about the dashboards to me,” added Duane Swanson, Jr., president and CFO of...
Raymond Building Supply. “Our managers have their BisTrack software dashboards up 24/7—constantly monitoring our business operations in real time with much greater efficiency. Whether it’s gross margin exceptions, system alerts—you name it—the information is all there, so they can be more proactive. That’s huge.”

More productivity with cloud
“With BisTrack Cloud software, our field sales team is more productive while on the road, at job sites, and in our yards,” said Loweke. “We currently have half a dozen sales people using BisTrack Cloud on tablets. In the field, they can quickly and easily access real-time data to check orders, look up customer information, and search inventory—all of which helps them close orders faster.”

Efficiency gains with timely information
Loweke values the way BisTrack software’s workflow ensures that all steps are completed properly and that everyone has timely information. “BisTrack software’s workflow really guides the business model,” she revealed. “You don’t have to search for what slipped through the cracks—the software points it out to you.” Loweke also praised the BisTrack software “find” feature and the ability to link related documents and drill down for more information, so employees can quickly find an audit trail or background information.

The BisTrack instant documentation solution has also helped Raymond Building uncover issues that were eating away at their profits. In delivery disputes, missing items were replaced at Raymond’s cost. Kits sometimes had missing inventory. Mistakes were made due to lost paperwork.

“Using the BisTrack Delivery application, our team can instantly document when and where an order was delivered or returned goods were picked up,” said Loweke. “It is second nature to our team, and honestly, it gets used much more than we expected. The BisTrack Delivery app is a reliable way to help ensure accurate deliveries.”

“We use BisTrack Mobile Inventory Count for stock management in terms of cycle counts and inventory management at midyear and year end,” Loweke continued. “Now, with BisTrack Mobile Inventory Count, we send several teams out with mobile devices and complete the entire count in five hours, and—with the business still open—we continue to make sales. The entire process is very easy, quick, and much more accurate. We’ve fixed problems we didn’t even know we had. I didn’t anticipate such benefits, but BisTrack software really saves us a lot of time resolving expensive problems.”
Better insight on customer net profit

“We’re always looking at how to better our operations—do things more efficiently and more effectively,” Loweke said. “With the BisTrack Customer Stratification tool, we use analysis dashboards to determine our company’s true net profit from customers. For example, we calculate delivery charges and costs and the number of estimates we do for a customer. We assign a cost to orders based on how many line items are on the order—this lets us see our gross margin for a customer.”

“Our managers look at Customer Stratification dashboards to see everything from how customers pay bills, all the way through to every aspect of orders and how much money we’re really making on each customer,” she continued. “When sales are down, we have to find ways to improve profits. How do you improve profits? You start looking at how you’re servicing your current customers. Customer Stratification is a key tool that helps us analyze our customers to be better armed with the information needed to make appropriate decisions and develop mutually beneficial customer relationships.”
Since 1929, Sears Trostel Lumber & Millwork has had a reputation for delivering exceptional customer service and high-quality lumber and millwork throughout the Mountain States region. The company manufactures at its Airpark location and sells a wide variety of mouldings, lumber, sheet goods, and flooring from its Riverside location.

BisTrack software selected for lean processes
Sears Trostel selected the Epicor BisTrack solution in part because its design is consistent with the “lean thinking” pervasive throughout the company. “We do lean manufacturing, so we look at how smoothly processes go—how you can eliminate waste,” explained Curt Viehmeyer, owner and general manager of Sears Trostel. “All the areas in BisTrack software are interconnected, so it’s easy to get the information we need quickly without backing out to a main area and coming back in a different path.”

Integrated dispatch delivery saves one FTE
Viehmeyer gave an example of how the interconnections in BisTrack software save one full time equivalent (FTE) responding to inquiries about order deliveries. “The dispatch and delivery
functionality in BisTrack software is excellent. Anybody can find out the status of a delivery. You can see what truck it’s on and where else they’re going on that day. Before, we’d have to call the dispatch people. It’s a huge time saver. It probably saves us a person a year.”

Intuitive data analysis drives optimization
According to Viehmeyer, BisTrack software’s data analysis and business intelligence (BI) tools are intuitive and easy to use. “I’m not a SQL guy, and I can still create smart views,” he said. “I created a smart view of scheduled C.O.D. deliveries where there’s still money outstanding. The sales team sees it and knows they need to call that customer to get a credit card payment over the phone. And the delivery people know to check with the sales guy before they take it.”

“The BisTrack cubes provide some really good information where you can really drill down and analyze the data,” added Viehmeyer. “We used cubes to determine the minimum and maximum inventory levels for suggested orders. We pulled sales histories for items that helped us calculate min and max. It was done by a temporary employee who knew how Windows applications should work but had never seen BisTrack, and he just flew through it.”

The result has been fewer stock shortages thanks to real-time replenishment alerts and stock on hand that more closely matches historical demand. Plus, time to prepare for and create purchase orders has dropped from two hours to about 15 or 20 minutes.

Operations at peak performance
BisTrack software has also helped reduce the costs of fulfilling special orders. “Special orders appear on an assistant manager’s dashboard as a purchase order for approval,” Viehmeyer explained. “He can see what the customer is looking for and combine it with other purchase orders to meet minimum quantities and get better freight rates. It’s helped reduce our freight costs.”

Margin improvements
BisTrack software has also helped improve margins in two ways—monitoring margins in real time and adjusting prices on an item-by-item basis. “Margin exceptions pop up on my dashboard,” said Viehmeyer. “It flags the stuff I need to look at. I’ll go talk to the sales people or check if my selling price is wrong—that helps hold the margin up. There was huge downward pressure on margins on the wholesale manufacturing side during the recent slow period, but BisTrack helped us manage that.”
“The other part is being able to set the margin on individual products, making sure the competitive ones stay competitive, and looking for opportunities to take a little more margin on other products. BisTrack allows you to do that,” he added. “In retail, our margin percent is up three points, so the BisTrack solution has helped us increase margins.”
Opened in 1921, Townsend Building Supply is now a third-generation LBM company. They started as a sawmill and evolved into a building supply business over time. Townsend Building Supply has continued to grow over the years and currently operates five locations in the southern United States.

Michael Townsend, president of Townsend Building Supply, and his brother are now running the business together. “We have a manufacturing facility, which is unique in our market. We also have a high-end indoor window showroom,” said Townsend. “I think certainly—from a technology standpoint—we’re on the cutting edge compared to some of our competitors, and we’re able to do things that most can’t. Our processes and procedures are significantly streamlined because of Epicor BisTrack software, and that puts us ahead of our competitors.”

Real time data for faster decision making
“We’ve operated with BisTrack software for about six years now,” Townsend continued. “Our old system had a proprietary database, which made it hard to get in, get data out, and do something
with it. We only had paper reports, and you’d have to put that in spreadsheets—all time-consuming, manual work. Now, BisTrack software does all of that for us. It gives us the ability to get at our data in real time without spending unnecessary time breaking down the data, putting it in spreadsheets, and then analyzing it. We can see—whenever we want—how we’re doing. That’s one of the bigger impacts BisTrack software has had on our businesses. Our decision making is real time, faster, and it’s based off accurate data.”

Processes improved and streamlined
“A few processes we’ve seen improved and streamlined because of BisTrack software are purchasing and inventory management,” said Townsend. “We buy better now, and we manage our inventory much more efficiently. Our shrink has gone down by 50 percent because of data BisTrack software provides. Other mistakes involving inventory, stock receiving, and all the way down to the payables side have diminished.”

Dispatch and delivery operation improvements
“We’ve seen huge improvements with dispatch and delivery,” said Townsend. “Before, we didn’t have software that helped us manage our deliveries. The BisTrack Journey Planner portion of the software has really improved operations here and gives us a competitive advantage over those not doing any journey planning. It’s probably the one tool that’s helped us change our business the most. We used to use clipboards and paper, and no one knew what was going on in the dispatch office. Now, we don’t use any paper, and everyone in the company knows what is happening with our dispatch and delivery operations. That’s probably the biggest impact operationally. We’ve been able to consolidate the dispatching of deliveries for all our locations down to one person. We previously had five people—one per location—and we’re even consolidating deliveries to fewer locations to better utilize people and equipment, as well as to be more efficient and profitable.”

Investing in people and capital
“BisTrack software has allowed us to grow without adding overhead staff,” Townsend continued. “Since 2009, we’ve gone from 45 employees to 85 employees and moved from two locations to five. We can invest in our people and our capital in the front lines—rather than in the back office. The BisTrack solution has enabled us to do more with less, which we wouldn’t have been able to do with any other system.”

Business intelligence leads to better productivity
The BisTrack solution was designed to be open and accessible, with multiple simple ways to look at business data. According to Townsend, business intelligence functionality is his favorite part about BisTrack. “We can all easily access the data that they used to have to come to me for,” he said. “Everyone can see sales performance, margin performance, truck fill performance, etc. in real time, which help us run the business with fewer interruptions.”
Better customer engagement for better purchasing insight

Identifying and strengthening strong customer relationships—and limiting the impact from unprofitable ones—can help drive growth. Townsend Building Supply uses Customer Stratification to help them do so.

“We recently implemented the BisTrack Customer Stratification tool. Having data on our customers is crucial to see how well they are actually performing versus what our perception is of their performance. Our future goals with Customer Stratification are to better engage our customers so that their relationship with us—and ultimately their purchasing—increases as time goes on. We’ll know more about our customers, what they buy, and what they don’t buy so that we can target them with specific marketing efforts—rather than just generic ones,” Townsend concluded.
Since 1949, Wilson Lumber Company has exceeded the expectations of Huntsville, Alabama-area homeowners, builders, and remodelers. The business offers top-quality lumber and building products, excellent service, and competitive prices. In addition to selling building materials, cabinets, and closets, Wilson Lumber also manufactures windows, doors, and trusses.

Wilson Lumber built its reputation on one simple foundation—putting customers first. In order to keep that foundational tenet at the forefront, the business runs its operations on the Epicor BisTrack business management system.

More efficient workflows to grow business
Wilson Lumber utilizes key functionality within BisTrack software—like point of sale (POS), quote and order management, inventory control, and purchasing—to process both simple and complex transactions. “Epicor BisTrack software makes process workflows more efficient and helps us budget, forecast, and set operational goals so that we can remain a successful and growth-oriented business,” said Robb Wilson, president of Wilson Lumber Company. “It gives us the information needed to make more informed business decisions and improve customer service.”
More competitive and profitable using customer metrics

Understanding which customers are profitable—and why—can result in significant net profit growth and increase competitiveness. “We are a more competitive business because of BisTrack software,” added Wilson. “We specifically use the BisTrack Customer Stratification tool to gain competitive advantage in terms of discovering who our most—and least—profitable customers are. Customer Stratification lets us determine which factors and metrics should impact our customer rating. Currently, we measure sales dollars per delivery, gross margin, average rate to pay, customer loyalty, and more. It helps us compare our customers with each other and equate exactly how much money we’re making. This gives us the knowledge we need to understand the gap between our customers’ transactional gross margin and our company’s profitability.”

Customer Stratification also gets dedicated Wilson Lumber customers to become even more loyal. “Recently, I was explaining Customer Stratification to one of our customers,” said Wilson. “He told me directly, ‘Well, we want to be your best and most profitable account. What are our measurements, so we can improve?’ We have found that this tool can improve customer partnerships—in addition to making us more profitable.”

Deliveries rapidly recorded

The BisTrack Delivery solution is a mobile application that helps drivers easily record deliveries and pickups. Drivers can quickly capture delivery time and location, pictures of goods delivered or picked up, and customer signatures. “Our drivers use tablets armed with the BisTrack Delivery app to record and document deliveries and pickups,” said Wilson. “They can easily take photos of every delivery drop site. Before, the drivers would need to carry digital cameras with them all day and then return the memory card at the end of the day. The dispatcher would then have to go through and organize all the photos. Now, everything is automatically updated, which prevents many costly customer disputes and makes others easy to resolve. Our office staff and customers appreciate that deliveries and pickups are timelier, more accurate, and complete.”
Epicor BisTrack—Giving You the Tools to Help You Grow

Epicor BisTrack software provides the data analysis tools that LBM dealers and distributors need to succeed and grow. BisTrack helps you:

► Achieve enhanced visibility into your production, distribution, or retail operations
► Streamline processes and increase operational efficiencies throughout the supply chain
► Generate real-time insights to make better decisions and improve customer service

About Epicor
Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers’ unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, connect with Epicor or visit www.epicor.com.

Contact us today  info@epicor.com  www.epicor.com

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