

"We're confident that our investment in SAS will pay off by helping us drive sales, avoid stocking excess inventory, and deliver a stellar customer experience."

Peter Brewer

Supply Chain Development
Manager, Travis Perkins



CUSTOMER STORY

Travis Perkins nails smart inventory management

Stocking the right products in the right branches at the right time to capture sales and satisfy customers



Challenge

Due to the extensive range offered by the group, each brand needs to define where products are held within its supply chain. To maximise sales the company must get its branch stock offering spot-on.

Travis Perkins is the UK's leading chain of builders' merchants, operating 4 divisions and around 2,000 branches nationwide with annual revenues of more than GBP 6 billion. In total, the group sells over 200,000 unique stock-keeping units (SKUs), ranging from plumbing and heating products to tiles, roofing and insulation.

Peter Brewer, Supply Chain Development Manager at Travis Perkins, explains: "Many of the goods we sell are bulky, and space in our physical stores is limited. We have an extensive range available on short lead times within our supply chain but we need to identify and stock in branch the products most important to our customers for immediate supply.

"The vast majority of our customers purchase in-branch, rather than online or over the phone. They like to inspect items, check measurements, pick up materials then head to their next job, as they often run a packed schedule. If the branch they visit doesn't have the items they need, they can leave frustrated and empty-handed, and we risk losing them as a customer. To mitigate this risk, we wanted to equip category managers with detailed data to help them make informed decisions about which products to stock at each branch."

In the past, Travis Perkins managed inventory using spreadsheets fed into a legacy core system. To decide which products to stock at each branch, category managers had to sift through thousands of rows of data. The process was time-consuming, and gaining insight was arduous. To help category managers make smarter decisions and work more productively, the company set out to build a better way of working.

Laying the foundations of success

Travis Perkins decided to transform its approach to inventory management using SAS solutions. For help on the journey, the company enlisted CoreCompete, a SAS partner specialising in analytics.

"Most range management solutions available on the market would not have been able to deal with the volume of products we stock or the complexity of our organisation," recalls Peter Brewer. "SAS and CoreCompete proposed a robust solution that could cope with the size and diversity of our business, and allowed us to layer sophisticated analytics over traditional range-management capabilities. We were particularly impressed with the purpose-built dashboards and user interface of the SAS offering.

Solution

SAS® Data Integration Studio
SAS Visual Analytics

Benefits

- Optimises the product mix in each branch to drive sales
- Polishes the customer experience by ensuring their desired goods are in stock
- Enables category managers to work more productively by shifting from number-crunching to data visualisations

“To turn our vision into reality, we needed an implementation partner with the right know-how to make the project a success. We selected CoreCompete because they had significant experience in this area and demonstrated an exceptional knowledge of SAS solutions. Our choice paid off, as CoreCompete helped us complete the complex SAS implementation in a remarkably tight timeframe.”

Paving the way to greater sales and customer loyalty

Today, Travis Perkins gathers data on sales, customers, branches, suppliers and more using SAS Data Integration Studio. With the data in a single repository, category managers can slice and dice it from a category, branch, supplier or customer perspective using SAS Visual Analytics. As a result, they can make better decisions about which products to stock in each branch, without cumbersome number-crunching.

Aaron Jenkins, Category Manager in the plumbing and heating division of Travis Perkins, adds: “SAS helps us gain deeper insight into the demand for individual products at a very granular level. Armed with that insight, we can optimise our inventory to meet customer demand, put our limited store space to the best possible use, and lift sales. Critically, when customers visit us, we are more likely to have their desired items in stock, so they get a better experience, and we can boost their satisfaction and loyalty.”

With SAS, Travis Perkins doesn't just see what is going on, but can also pinpoint the reasons behind changes in the numbers.

“In the past, we could see fluctuations in sales of each product, but we couldn't work out what was driving them,” continues Aaron Jenkins. “Now, we have detailed data at our fingertips, so we can join up the dots between products, customers and branches to build a clear picture of what's going on.

“For example, if sales of certain products at one branch increase, we can see whether they are being purchased by one big customer, or lots of little ones. If there's one customer buying goods in bulk, we can examine their activity in isolation, so that their exceptional purchases don't distort our average sales figures. Of course, if we recognise that we have major customers making lots of purchases, we can speak to them to get a better understanding of their needs, and ensure we stock the right products for them.”

With the new solutions, Travis Perkins has also gained deeper insight into its dealings with each supplier.

Aaron Jenkins comments: “We can see the number of products we buy from each supplier, including our profit margins and any bulk-buy discounts we receive. What's more, we can see if, for example, a particular supplier contributes to 60 per cent of our sales but just 40 per cent of our profits, so we can better understand the value of the relationship. That insight is especially handy if you're negotiating a contract renewal.”

Previously, when Travis Perkins performed range management using spreadsheets, different people used slightly different formulae to calculate certain key metrics. By standardising on SAS solutions, the company has built greater consistency across the business.

Peter Brewer concludes: “Cutting-edge solutions from SAS are helping us to optimise our inventory across our huge branch network. We're confident that our investment in SAS will pay off by helping us drive sales, avoid stocking excess inventory, and deliver a stellar customer experience.”

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