



NETSTOCK

Building Supplies

Optimize Demand and Supply Planning

A photograph of a multi-story building under construction, heavily covered in scaffolding. A large yellow tower crane stands to the right of the building. The sky is blue with some clouds. In the foreground, there are some construction materials and a dirt ground. A green line and a red circle are overlaid on the image, highlighting a specific part of the building's structure.

This is your toolbox for success! A practical guide to optimizing demand and supply planning - it all starts with the right software.

What's in this guide.

1 Understanding the challenges

2 Effective steps to manage demand & supply

3 Selecting the right software

4 Key software features checklist

5 Smart demand and supply planning

Imagine you're in the middle of a peak construction season—demand is at an all-time high, but you're constantly dealing with stock-outs of essential materials. Projects are being delayed because you can't get the timber or steel you need in time. On the other hand, you might find your warehouse filled with excess supplies of materials that aren't moving, tying up your cash flow and creating inefficiencies. You're stuck between trying to meet deadlines and managing unpredictable supplier lead times.

Now, ask yourself: do you have the right tools to anticipate these fluctuations? Is your planning system built to help you balance demand and avoid stock-outs while reducing excess inventory? Without smart, integrated demand and supply planning solutions, you're left reacting instead of being prepared!



1. Understanding the challenges

The building supplies industry plays a pivotal role in the supply chain, essential for providing materials like wood, steel, cement, and insulation for construction projects. Disruptions in this industry, such as material shortages, price fluctuations, or transportation delays, can have ripple effects across the construction industry.

- **Supply and demand volatility** Demand can fluctuate due to factors like housing market changes, infrastructure projects, and seasonality. Predicting the right amount of stock can be tricky, leading to overstocking or stockouts.
- **Supplier reliability:** Building supplies often come from various regions, and delays or inconsistencies in deliveries can slow down construction projects. Natural disasters, geopolitical issues, or transportation disruptions can make it hard to get materials on time.
- **Cost pressures:** Raw material prices for steel or wood can swing wildly. Inflation, tariffs, and market demand impact costs, forcing businesses to manage margins and inventory carefully without overcommitting resources.
- **Inventory management:** Balancing inventory is tough when storing bulky, high-value items like timber or roofing materials. Having too much stock eats into cash flow and storage space, while too little can disrupt projects and cause delays.
- **Sustainability demands:** The building industry is under increasing pressure to source sustainable materials. This adds complexity as businesses must find eco-friendly options while managing cost and availability.

How can you tackle these challenges?

Advanced demand and supply planning software enhances visibility, simplifies operations, and maximizes profits, making your supply chain more resilient to future uncertainties.



2. Effective steps to manage demand & supply

The global supply chain is complex and delicate, so having the right processes in place is vital to keeping your business moving forward and profitable. **As the saying goes, sticking with old ways will not lead to new results.**

What processes should you have in place?

If you do this...



Data-driven forecasting: Use historical data and predictive analytics to forecast demand accurately.



Optimize replenishment: Optimize SKU levels and redistribute surplus stock to balance inventory.



Inventory optimization: Ensure visibility to avoid stock-outs and excess inventory, meeting demand on time.



Collaborative planning: Align forecasts and plans across sales, marketing, production, and logistics teams.

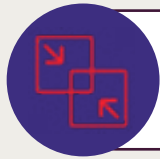


Supplier management: Maintain strong relationships and monitor performance for timely deliveries and competitive pricing.

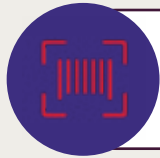


Continuous improvement: Regularly review and enhance processes based on performance metrics and scenario planning.

You can expect these outcomes



Minimized waste: Effective planning reduces excess inventory and obsolescence.



Consistent availability: Ensures spare parts are available when and where needed, meeting customer expectations.



Cost control: Optimizes inventory to lower storage costs and reduce the risk of stock-outs or overstocking.



Quality and reliability: Maintains high standards by ensuring parts are in good condition and meet industry requirements.



Competitive advantage: Delivers parts on time and in the right quantities, enhancing market position and customer satisfaction.

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Trends, forecasts, and smart ordering are now real-time and a click away. The ability to see what you need to order based on high-quality data and inputs was a big pull for us. Our ordering quality has improved substantially, and we have dropped our aged inventory by 50%. Rarely does a solution come along that has this much appeal to solve so many issues at once.

DCL Supply

[Read more about their success](#)

3. Selecting the right software

Understanding ERP functionality

While **ERP software tracks inventory levels**, locations, and movements, it doesn't tell you how much inventory you **should** have. ERP systems aren't designed for complex demand and supply optimization. They lack predictive insights and advanced notifications, leading to stock-outs or excess inventory without early warnings.

Demand and supply planning solutions

Choose software that fits your business's unique needs and goals. You should consider:

- 1 Define requirements:** Assess specific challenges and goals related to demand forecasting, inventory optimization, and supply chain visibility.
- 2 Research solutions:** Evaluate software solutions offering robust features for the automotive spare parts industry.
- 3 Demo:** Request a demo to assess usability, integration capabilities, and alignment with business objectives.
- 4 Implementation and support:** Ensure the software provider offers **comprehensive implementation** support and ongoing customer service.

To learn more about selecting the right software, read our blog [here](#).



4. Key software features checklist

With the right software, managing your inventory is like maintaining a precision-engineered blueprint. You can adjust stock levels, instantly assess the impact of new materials or promotions, and stay prepared for unexpected shifts in demand.

Here are some features your software should offer:

- ✔ **Supplier performance monitoring:** having the ability to identify and monitor your suppliers, enables you to work with reliable suppliers, increase collaboration, improve lead times, and automatically adjust safety stock levels.
- ✔ **Seasonal forecasting:** create forecasts that account for seasonality, including items without sales history. Apply seasonality to items within a seasonal group, even if their individual sales history doesn't show seasonality.
- ✔ **Inventory visibility dashboard:** being able to see your inventory holding and measure inventory KPIs in one easy-to-use dashboard allows you to focus on the top items that need attention.
- ✔ **Optimize automated ordering:** use replenishment cycle and order size constraints (MOQs) to place the right orders.
- ✔ **Reduce stock-outs and excess:** powered by AI functionality, you can automatically process all inventory data to identify and provide real-time recommendations to prevent stock-outs or excess incurring before they happen.
- ✔ **Automatically classify stock:** allows you to free up time and resources to focus on the materials that contribute the most to your bottom line.
- ✔ **Supersessions:** quickly see the impact of your product life cycle management during product planning.



We have a hit rate of almost 99.5% in projecting sales for our product lines. We hardly ever run out of stock. With Netstock, we're able to make realistic forecasts by supplier or by item.

Unlimited Building Supplies

Read how they reduced stock-outs across 11 branches

[Read more](#)



Did you know....

With Netstock's Opportunity Engine, you can prevent issues before they occur by analyzing inventory data across all locations. This AI functionality suggests real-time actions to optimize stock levels, predict stock-outs, and reduce excess inventory.



See the Opportunity Engine in action

5. Smart demand and supply planning

Optimizing demand and supply planning puts you in the driver's seat – it's crucial for staying competitive and satisfying customers.

Here's what **you** can do next:

Step
one

Evaluate your current processes:

Examine your operations closely to identify areas where better planning could make a big difference.

Step
two

Find the right solution:

Look for software that fits your needs, such as flexible forecasting and inventory optimization designed for spare parts SMBs.

Step
three

Plan your implementation:

Map out how you'll introduce these solutions, including training and support, to ensure a smooth transition and onboarding.

Step
four

Keep improving:

Continuously monitor your performance and use insights to fine-tune your strategies for even better results.

Ready to accelerate your supply chain efficiency?

Contact Netstock and find out how our solutions can help optimize your demand and supply planning.



About Netstock

Netstock is a leader in demand and supply planning software, trusted by 2,400+ customers globally to optimize their planning. With \$26B inventory managed by Netstock, the company's cloud-based solutions enable businesses to be agile, responsive, and profitable. Each solution integrates with leading ERPs, and leverages enhanced analytics so you can quickly respond to market change and make the best supply chain planning decisions for your business.

For more information, visit the Netstock website [here](#).

