NETSTOCK

OnSite Support reduced excess by 25% and achieved an 8% improvement on fill rate

Company OnSite Support Ltd
Industry Building Supplies: Distribution
Location UK
ERP MS Business Central

OnSite support

OnSite Support is a leading national provider to the construction industry – a trusted and positive force, creating a future for the sector rooted in continually raising standards, caring for the planet, and improving lives. For over 45 years, they have supplied safety, welfare, and site equipment to many Infrastructure, Civil Engineering and Groundworks, Principal Contractor, Framework and Logistics/Security companies in the industry.

\ Challenge.

Implementing two operational systems concurrently.

\ Solution.

Running a parallel Netstock instance before implementing a new ERP.

\ Result.

Successful user adoption, reduced excess inventory, and improved customer service levels.

At OnSite Support, safety and productivity go hand in hand; for them, safety starts and finishes with people. To them, everybody matters. They believe strong business guides sustainable growth, which is why they are committed to trading, and working with clients, employees and their supply chain following the best moral practices.

OnSite Support prides itself on its high level of customer service, providing next-day deliveries throughout the UK.

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Vincent Jenkins, Operations Manager

Existing system and reason for the change

Historically, OnSite Support's forecasting methods included manually calculating a Min/Max ordering system that was then captured into their existing ERP as static figures.

However, ensuring accurate forecasting is paramount when dealing with multiple suppliers in the UK, Europe, and the Far East, therefore being able to gauge required stock based on customer demand was critical to business growth. This was a key reason for purchasing the Netstock solution.

Added complexities with multiple projects

Coincidently, the company was also migrating to a new cloud-based ERP, Microsoft Business Central, to accommodate their proposed business growth requirements.

"Undergoing two projects of this magnitude would have been extremely stressful for our users," says Vincent Jenkins, Operations Manager at OnSite Support. "Netstock allowed us to implement a test system onto our historic ERP so that our team could get familiar with Netstock, while working within the ERP they knew."

OnSite Support could then monitor the behavior of the Netstock forecast purchase order recommendations against what they were doing manually to verify the data and understand what needed to be tweaked and where.

OnSite Support then ran a test version of Microsoft Business Central with Netstock. They pulled the history from the existing ERP system, to forecast against the requirements they were putting in as test data into the new system.

"From our perspective, the benefit we derived was very much about familiarising our users with Netstock's capabilities, before going live with our new ERP. It allowed us to make a few tweaks to our system, and request reports from Netstock to give us the data we felt we needed to make informed decisions moving forward."

Adopting and adapting to change

OnSite Support was aware of the complexities of change, especially around changing people's habits, mindsets and behaviors. "By running the test system, we could review the figures over time without needing to rely on them. This enabled our users to build trust in the data received from Netstock and trust the recommendations that it was making," continues Vincent.

Facing inventory challenges

OnSite Support has over 6,000 SKUs, with some consisting of base products used for production items. Additionally, they have an additional 40,000 non-stocked items. On the manufacturing side of their business, they use components to produce their made-to-order items. When forecasting what they need for the base products, they must also look at the BOM (bill of materials) components required to process their made-to-order items. “We probably sell 10 to 15,000 production (made-to-order) items that we don’t stock on the shelf, but we must have the base product in stock to make up these items. The functionality available through Netstock, now gives us the forecast ability and accuracy we need.”

“Being a provider to the construction industry and supplying products like PPE, COVID-19 test kits, and sanitizers, OnSite Support, like many other companies, was impacted by the national lockdowns – however, we were fortunate to be a provider of health and safety products that were required to protect our clients, and could continue trading. The unusual increased demand for these products, in turn, skewed our forecasts significantly because we had a major outlier in demand over a very short period, which without any subsequent action would’ve then increased our stock holding of those products.

Netstock gives you the ability to update forecasts manually. Usually, this would involve quite a lot of work to go through and manually update every product in our range. Netstock introduced a feature around the COVID-19 period that allowed us to ignore the inflated demand, look back at more accurate data, and apply a percentage uplift. This allowed us to hold more accurate stock than we would otherwise have without that function.”

Due to the pandemic, Brexit, and the Suez Canal incident, extended lead times had a slight effect on OnSite Support, however the drastic increase in the cost of raw materials and freight charges impacted them more. “These were issues beyond our control, but better inventory planning allowed us to maintain our cost base and still service our customers.”

The Netstock dashboard gave OnSite Support the ability to identify potential stock-outs, and they could tweak forecasts to cater for new customers coming on board. With these abilities, which they didn't have before, they reduced their excess inventory by 25% and improved their customer fill rate on stocked items from 87.9% to 96.4%. "We have a better ratio of the right stock on the shelf than we ever had," says Vincent.

Time-saving with fewer errors on purchase orders

Netstock has improved the way OnSite Support raises purchase orders, as they can now export orders directly into their MS Business Central ERP - saving time and providing higher accuracy with less chance of errors.

Minimizing working capital while maximizing services

Netstock's classification matrix looks not only at the value of products, but also at the frequency of product movement (velocity). "The combination of these two measurements allowed us to consider, at a much more granular level, the service we wanted to provide on any given product. Tweaking this over time has allowed us to ensure that we are improving our stock availability and service."

Onboarding the OnSite Support team

"Change is always difficult to implement, and so we needed to ensure our purchasing team were onboard, understood the concept of forecasting and the importance of an ABC analysis for controlling the stock value.

Fortunately, Netstock helped to train us not only on the usage of the application, but also upskill our team with inventory planning theory and best practices."

OnSite Support continued with onboarding their Netstock users. They ensured their sales teams understood the importance of customer forecasts to accurately predict what they needed to supply.

Although they have the historical data to help with future forecasts, exposing the sales team to how Netstock calculates stock requirements highlighted the need for them to get as much information from their customers as possible. "We shared the functionality of Netstock pretty much across the entire business, and as a result, there is more trust in our purchasing decisions - as they are now based on accurate data insights."

"Another surprising benefit we didn't expect was that Netstock helped us maintain our headcount rather than needing to increase it with our business growth. It has made us more efficient," concludes Vincent.

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