

# KIBLER LUMBER DECREASES ACCOUNTS INCREASES MARGIN, SHRINKAGE AND REDUCES RECEIVABLE CHARGE-OFFS WITH FALCON



## Executive Summary

A former Dimensions user, Kibler Lumber now relies on Activant Falcon® to improve efficiencies and increase profitability. The special order process runs more smoothly. Inventory is more accurate. Information helps improve customer service. Falcon is at least partially responsible for a 33% reduction in inventory shrinkage, a margin increase of 1.33%, and an accounts receivable charge-off reduction of approximately 50%.

## PROFILE

Headquarters: Mt. Orab, Ohio

Sales Breakdown: 60% contractor,  
40% retail

Number of Employees: 140

Locations: 5

Founded: 1880

Affiliation: Do it Best

**"We see evidence that Falcon made improvements throughout our business and in our two years with Falcon, our margins improved 1.33%."**

DAVID BOHL  
PRESIDENT  
KIBLER LUMBER

## Dynamic Business Requires a Flexible Business Solution

Starting as a feed and flour mill in southern Ohio more than a century ago, Kibler Lumber shifted its focus to building supplies during the building boom after World War II. Today this fifth-generation, family owned business serves contractors and do-it-yourselfers in southern Ohio and northern Kentucky. Kibler is passionate about customer service and the president, David Bohl, believes that satisfying customers is the key to thriving against competitors, including big box retailers.

After running on Dimensions for more than seven years, Kibler searched for a replacement solution. Kibler explored a newer UNIX version of Dimensions, ECS Pro, CS2000 from Do it Best, Activant Eagle® and Activant Falcon. "Falcon was the best choice for us. It offered the best ability to customize and is built on a relational database, which is more powerful and flexible," explains David.

Kibler had record sales one month after go-live. "We did a good job of training everyone on Falcon before go-live. Our customers saw no disruption in our business, which was our goal. Activant goes 'above and beyond' to get their customers converted," continues David.

## Inventory Management is Faster, Easier and more Accurate with Falcon

Kibler conducts a full physical inventory once each year and with Falcon, it now takes only one day instead of two and one-half days. Cycle counting and receiving are faster and more accurate with RF guns that update Falcon inventory in real-time. "Falcon is more accurate and it makes us more productive. In our first full year on Falcon, we had a 33% reduction in shrinkage, which we know is partially attributable to Falcon." describes David.

Managing 30,000 SKUs across five locations is critical to Kibler's success, and with Falcon it's easy to check stock and transfer inventory between stores. "Falcon enables us to balance inventory between locations, still meet the customers' needs, and save money. We see which

locations have excess stock of an item and transfer that stock between locations instead of purchasing more,” explains David. “We don’t have a large purchasing staff. It’s just me and one other person working part time. We rely on Falcon to help identify what to purchase. The report makes a recommendation based on history and we apply market knowledge to arrive at our order. It takes much less time than with Dimensions.”

#### **Special Order Management: Better Information, Better Tracking, Better Results**

Special order management had been challenging for Kibler. Prior to Falcon, it was cumbersome to research order status and therefore difficult to inform customers of their order status. Falcon delivered noticeable improvements. “It’s very fast to do lookups and now we are doing a much better of job managing and tracking special orders. We can research orders via a key word search on item description, by order number, by customer’s name, or a variety of other ways,” describes David. “When a special order item is received, an email alert is automatically sent to the salesperson. They then proactively contact that customer, expedite delivery, and consummate the sale. Falcon even helps us track the cost of returned special order items so that when they are resold, we know our exact cost. The entire special order process works now, whereas it didn’t before.”

#### **Pricing Flexibility Increases Competitiveness and Margins**

In the volatile lumber market, lumber costs change frequently. To keep prices updated, Kibler uses current costs to calculate prices and margins on spreadsheets and then uploads fresh information to Falcon. “Supplier costs change constantly and we need to be current in our pricing in order to optimize our profits. I regularly look at costs and calculate our retail prices to ensure our competitiveness. Automatic emails alert sales managers and store managers when a salesperson overrides retail price. We’ve empowered our salespeople to manage their margins to be more aggressive as needed to win business, yet obtain higher margins in less competitive situations. The combination of flexibility and control helps improve our overall profitability,” explains David.

#### **Information Drives Customer Service and Profits**

David and his store managers can answer questions and explore potential problems very quickly in Falcon by drilling from summary information to transaction detail. It’s much more efficient than with the Dimensions system, where they had to run and print reports. “Falcon helps us deliver outstanding customer service, be more competitive in the marketplace and improve our bottom line. Even during the 2006 declining lumber market, we improved margin. We see evidence that Falcon made improvements throughout our business and in our two years with Falcon, our margins improved 1.33%. Our inventory shrinkage decreased by 33% and we reduced our accounts receivable charge-offs by about 50%,” recalls David.



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#### **ABOUT ACTIVANT**

Activant, a leading technology provider of business management solutions serving small and medium-sized businesses, offers customers tailored proprietary software, professional services, content, supply chain connectivity, and analytics. Activant’s systems are designed to help customers increase sales, boost productivity, operate more cost-efficiently, improve inventory turns and enhance trading partner relationships.

To learn more about this or other Activant products and services, please call 888.463.4700.



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