

MSI BUILDING SUPPLIES MAKES OPERATIONAL IMPROVEMENTS WITH ACTIVANT BUSINESS ACCELERATOR



PROFILE

Located on picturesque St. Thomas in the U.S. Virgin Islands, MSI Building Supplies is the largest pro lumberyard serving that area. Founded in 1973, this family-owned business, consisting of a lumberyard and a showroom, sells traditional lumber materials along with home-finishing items.

“By using the Business Accelerator service, our margins will improve and we are now using more of our Activant Falcon system’s full potential. Business Accelerator is a very valuable service.”

TOMMY BRUNT

VICE PRESIDENT

MSI BUILDING SUPPLIES



ACTIVANT®

MSI Building Supplies upgraded to the Activant Falcon® system in May 2007. Corresponding to the U.S. economy downturn, St. Thomas was experiencing a decline in tourism, which affected MSI’s revenue. In early 2010, MSI opted to use the Activant Business Accelerator Service to find ways to glean additional savings. “We wanted to take a step back and really look at whether we were using the Falcon system to its fullest potential,” says Tommy Brunt, vice president of MSI Building Supplies. “We needed the system to help us run more efficiently.”

REASSESSING DECISIONS WITH THE BUSINESS ACCELERATOR SERVICE

An Activant Business Accelerator consultant came for a two-day on-site visit. “It was helpful to revisit the logic behind the system and process decisions we made when we installed Falcon and examine whether they still made sense for our business,” notes Tommy.

The Activant consultant reviewed MSI’s business from end-to-end, then sent a written report with recommended improvements and action items. “The report compared us to industry best practices and showed us where we could improve. It’s really a plan to help us improve our use of Falcon and our processes,” states Tommy.

STARTING WITH THE LOW-HANGING FRUIT

“We started dealing with the action items we considered the low-hanging fruit—the items we could address immediately. For example, we set up a monthly report to better serve the accounting department,” explains Tommy. “We also set up a gross margin report to run daily, which has helped me catch potential pricing and receiving challenges much faster.”

TACKLING MORE CHALLENGING IMPROVEMENTS

Once the easiest tasks were completed, MSI moved on to the more challenging recommendations that would require employee training or implementation time. “Our inventory count was off, and nobody trusted the numbers,” says Tommy. “The problem was in how we were handling invoices at the showroom and our inventory warehouse. We began to require showroom employees to create an order, not an invoice, for products to be picked up at the warehouse. It was a process change that took time and training to implement. Since we made that change, our inventory is more accurate and we trust the inventory values in the system.”

ADDRESSING THE COMPLEX ACTION IMPROVEMENTS

The Business Accelerator report also touched on changes that are more complex. “Our consultant recommended improvements that I think of as big-deal action items, those requiring both time to implement and a philosophical change,” describes Tommy. “For example, the consultant recommended switching from our complicated eight-tier pricing model to a four-tier model. We had many discussions, and invested a lot of time before we decided to make that change,” describes Tommy. “It was a change that both simplified our pricing and will deliver an increase to our bottom-line.”

Tommy concludes, “I really wanted someone from the outside to look at the way we were operating. By using the Business Accelerator service, our margins will improve and we are now using more of our Activant Falcon system’s full potential. Business Accelerator is a very valuable service.”

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