

# SMITTY'S COUNTS ON ACTIVANT LBM SOLUTIONS TO HELP IMPROVE OPERATIONS THROUGHOUT THE COMPANY



*Quality Building Materials*

## PROFILE

**Headquarters:** Alexandria, Virginia

**Annual Sales:** \$93 million

**Sales Breakdown:** 40% builders, 30% remodelers, 15% commercial, 15% DIY/retail

**Number of Employees:** 263

**Locations:** 11

**Founded:** 1975

**"By looking at the performance of each profit center, it enhances our ability to better manage and improve Smitty's overall results."**

DON BELT

EXECUTIVE VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

## Executive Summary

A former Activant Eagle® user, Smitty's Building Supplies had grown beyond Eagle's capabilities, and upgraded to Activant Falcon® in May 2007. Smitty's quickly saw results. Its Millwork and Special Order process improved. The company gained more control over its inventory. And the management team now relies on Activant Performance Driver Suite dashboards to guide decisions.

## Succeeding in a Challenging Market

Smitty's business is thriving during the housing market decline because its business is diversified with the majority of its revenue coming from remodelers, commercial businesses, and do-it-yourself homeowners, thus mitigating the effects of the decline in new home building. In addition, Smitty's is gaining revenue and customers through acquisition. Along with the expanding operation, comes the need for a more robust business management solution. Smitty's had been running on Activant Eagle, but outgrew Eagle's capabilities. Smitty's selected Activant Falcon and went live in May 2007.

"This was a great implementation. After months of planning, employee training, and data conversation, we went live in all 11 locations on one day, with minimal disruption," describes Don Belt, executive vice president and chief operating officer. "We had the full support of the Activant implementation team working with our in-house implementation lead. All in all, it was very smooth."

## Improving Millwork Orders and Production Scheduling

One of the key reasons Smitty's moved to Falcon was to improve its millwork ordering and scheduling process. Prior to Falcon, the millwork plant was treated as an external company. Other Smitty's business units prepared purchase orders and faxed them to the shop. The order was created in one business unit and then manually reentered into the production schedule at the millwork plant. With nearly 10 percent of its business in millwork, that inefficiency had a noticeable effect on productivity.

"With Falcon, we use a configuration module. Our sales force develops a door right in the Falcon system, which automatically places the door order into the production schedule at our millwork plant. Only one associate has to key the order into the system, instead of two or more," describes Don.

## Taking Control of Special Orders

Special orders also represent a large part of Smitty's business, yet with its previous system, special order inventory wasn't recorded as an asset on the books and wasn't tracked or controlled at the level Smitty's desired.

“Falcon allows us to effectively monitor Special Order inventory. We went from a situation of limited control, to one that allows us to identify and appropriately address special orders that sit in inventory for too long,” explains Don. “The numerous benefits include improved inventory turnover, less loss from damage while materials sit in the warehouse, and lower operating costs. Improved management of special orders is a major benefit of our Falcon system.”

#### **eCommerce Delivers Customer Satisfaction**

Committed to providing superior customer service, Smitty's uses Activant iNet® to empower customers with 24/7 access to their invoices, statements and orders, and with the ability to order from its electronic catalog of 80,000 SKUs. “We have 300 accounts that regularly look at their billing information and order materials using iNet. We have a more efficient sales process, and have fewer calls into our accounts receivable department,” says Don.

#### **Dashboards Deliver Results**

Smitty's executives and managers tout Activant Performance Driver Suite as a significant management benefit. Its accurate, easy-to-use, and visually appealing graphs and charts highlight performance, and deliver details as needed to help make better business decisions. Smitty's management team looks at projected sales every day, seeing trends and spotting down months early, so that proactive adjustments to the business can be made.

“The first thing I do every morning at Smitty's is look at the management dashboard to see daily sales, month-to-date sales, month-to-date sales forecast, gross margins, inventory, and accounts receivable levels. I look at the company as a whole, and then each profit center. By looking at the performance regularly, it enhances our ability to better manage and improve Smitty's overall results,” asserts Don. “We immediately see when gross margins on a product or profit center are too low and take immediate action. We recently noticed that our volume had increased substantially in one distribution center so we quickly focused on increasing its efficiency and adding resources. We constantly monitor the volume of SKUs at each location and the movement of SKUs between locations, so we can optimally balance inventory.”

#### **Contract Billing Eases Invoicing Challenges**

Like many companies that sell to contractors, Smitty's was challenged to meet the needs of customers that required billing based on the project completion percentage. “Activant's new Contract Billing module allows us to satisfy builders' needs and ensure that all elements of the project are billed correctly with a minimum of clerical work and errors,” explains Michele McTighe, director, technology. “Due to the success of the Contract Billing module and our expanding business needs, we are implementing the Job Costing, Crew Scheduling, and Installed Sales Tracking modules in the Construction Services Suite for Activant Falcon.”

“Activant's LBM solutions make a difference in our business every day. We have more control over our inventory. We've improved our Special Order and Millwork operations. We use daily dashboards to guide decisions. We store documents electronically with Document Management. We contract bill with ease. Our business runs better on Falcon,” concludes Don.



Smitty's has gained greater control over their special order process with Activant Falcon.

#### **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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