CUSTOMER INNOVATION STUDY

Wilcon Builder's Depot

supports annual growth of over 15% with Infor M3

" Since **Infor M3 is able** to monitor whatever we buy and is connected to a specific purchase order, we can optimize the profitability of operations."

Rosemarie Ong
Chief Operating Officer
Wilcon Builder's Depot

infor + WILCON

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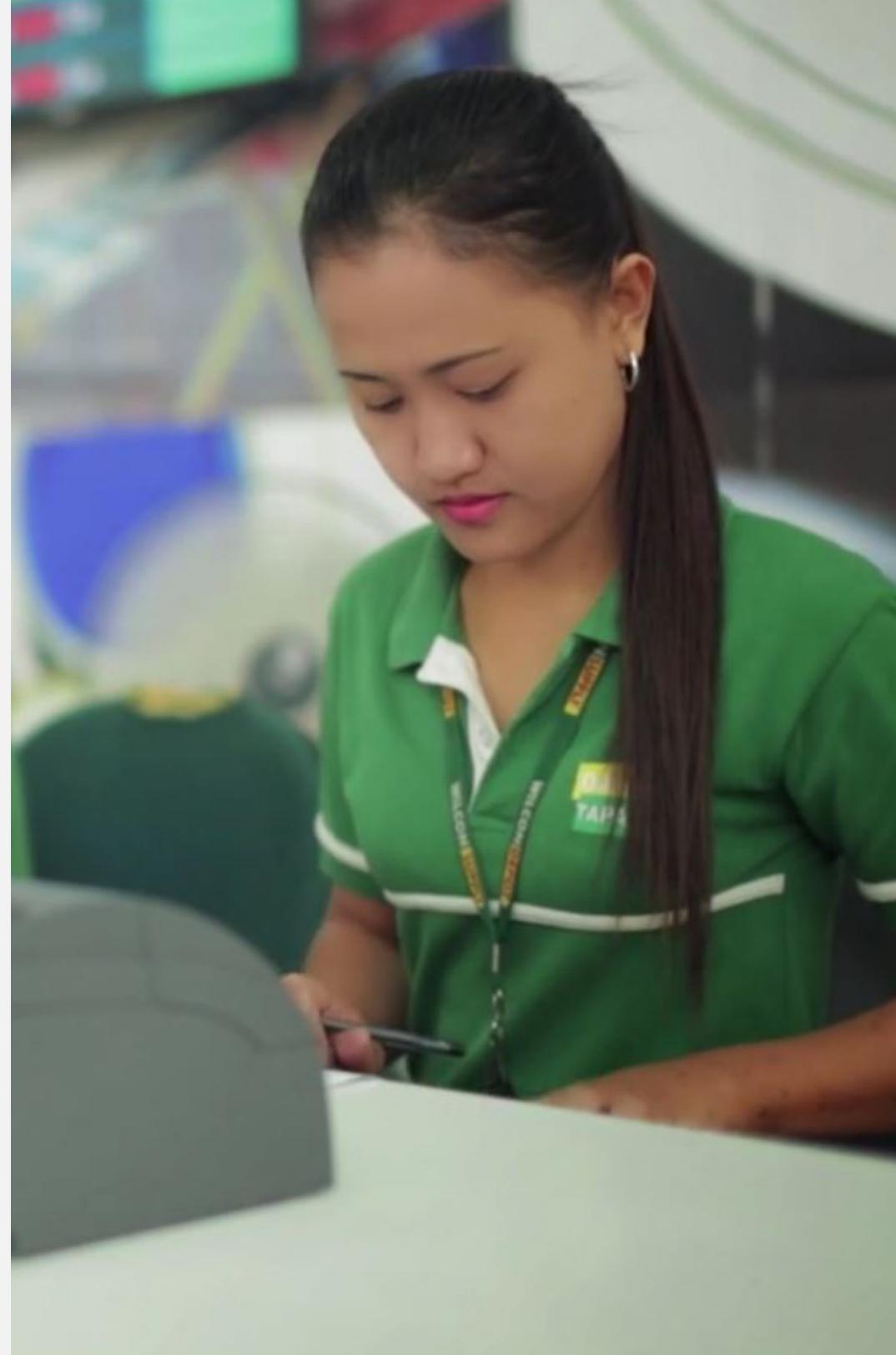
Facts at a glance

HEADQUARTERS
Quezon City, Philippines

INDUSTRY
Retail Construction

EMPLOYEES
4,000+

NUMBER OF STORES
33 locations

WEBSITE
www.wilcon.com.ph

INFOR PRODUCTS AND SERVICES
Infor® M3, Infor Consulting Services (ICS)

Executive overview

Situation analysis

- Increase market share, improve competitive advantage, and grow shareholder value through a scalable, tier-one ERP solution that supports a strategy of continuous improvement and differentiation.

- Grow from a local to a national presence, while benefiting from economies of scale.

- Streamline processes and better meet customer service and delivery requirements through increased visibility across a range of business functions.

- Rationalize from a wide and deep inventory model to one of having the right inventory at the right time, while ensuring optimal levels of safety stock.

- Better capitalize on term and trade discounts by optimizing the timing of payments to suppliers.

Innovation strategy

- Take advantage of the Manila-based Infor Consulting Services' Center of Excellence team's Infor M3 implementation experience to create a blended delivery model that reduces costs.

- Allocate supply chain spending more effectively and reduce inventory levels by product line to maximize space profitability (profitability per square meter) by analyzing historical inventory data.

- Establish a single source of truth for enterprise-wide inventory status by increasing data integrity.

Results

- Increased inventory-reporting accuracy by eliminating human error in the counting process.

- Increased purchasing power by establishing cross-store inventory-sharing best practices, combined data flow, and centralized buying.

- Eliminated frequently required manual inventory counts across 32 locations.

High-level impact

275%

increase in store locations

99.9%

accuracy in inventory reporting

5%

reduction in dead stock

Building big ideas

Executing on big growth plans

Wilcon Builder's Depot is an incredible retail success story in the Philippines. Founded by William Belo in 1977 and still 100% owned and operated by the Belo family, Wilcon has become a household name in the construction supply industry. Wilcon is a one-stop shop for project managers in construction, as well as for retail consumers. Wilcon sells a wide selection of building materials, such as flooring, tile, doors and windows, hardware, paints, and electrical and plumbing supplies and tools, as well as household items like appliances, furniture, kitchen and bathroom fixtures, housewares, outdoor living, and automotive products.

While Wilcon started as a small store that catered to a niche market, its founders had big growth plans for the business. In the mid 2000s, Wilcon started to scale up its business by adopting a big-box-retail strategy and using its large presence in its 33 locations to gain economies of scale. To fully realize the benefits of this operating model, Wilcon needed a solution that could provide management with visibility into all areas of the business.

This included needing to increase the accuracy of inventory reporting. The data in the old system was not reliable, and entering data was a mostly manual process. Report generation was also a time-consuming process, which made it difficult to meet the deadlines of regulatory agencies.

In retail, inventory management is at the center of strategy

Infor Consulting Services helped Wilcon begin value realization

Keeping up with the rapid changes in the retail market is a challenging task, even with trustworthy sales and inventory data. Which product categories to sell within, which products within a particular category to carry, and how much of it should be kept in stock, are vital factors that impact Wilcon's profitability and shareholder value. The wrong decision could mean missed sales from out-of-stock inventory, or inventory that is difficult to sell (also known as dead stock).

To minimize these possibilities, the management team needed a solution that could provide them with greater visibility into its data and operations, so that they could more accurately analyze sales and inventory data.

Wilcon selected Infor Consulting Services (ICS) to help deploy Infor M3. The solution was implemented in less than a year—on schedule and on budget. The Manila-based, ICS' Center of Excellence (CoE) team offered unparalleled product experience, such as project manager Bernadette Maglaqui's 15 years of experience with Infor M3. Another consideration for choosing ICS was the pricing. Made possible in part by the Manila-based CoE, the mixed delivery model allowed for price reductions and eliminated travel and accommodation costs.

> " With a clear view into our inventory, Infor M3 helped us to not only reduce dead stock but also to rationalize our product offering to customers."
>
> **Rosemarie Ong**
> Chief Operating Officer,
> Wilcon Builder's Depot
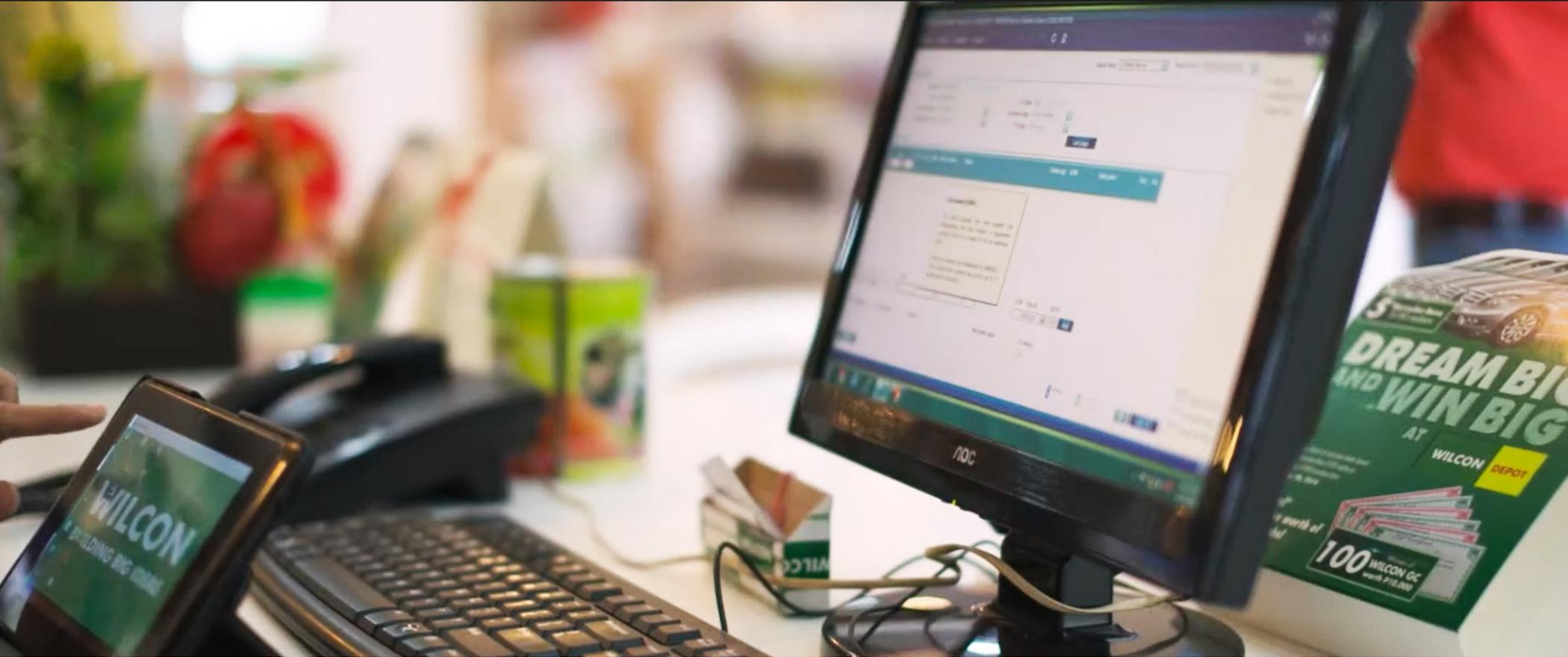
Increased sales, better customer service, and reduced supply chain costs

In addition to increased sales and better customer service, Wilcon has benefited from reduced supply chain costs. By making earlier payments to suppliers who have a higher demand for cash and liquidity, Wilcon has received increased trade discounts. The average discount Wilcon receives from optimizing this activity is 2% to 5%.

These savings can then be reinvested into Wilcon's high-growth business model.

Capturing sales through inventory sharing

Value realized

With accurate visibility into inventory, Wilcon can identify trends, make informed product decisions, reduce dead stock, and increase inventory turnover. Having highly accurate inventory reporting has helped to increase sales and improve customer service. Wilcon's accurate and consolidated view of its inventory has helped minimize situations where the company can't deliver a promised product to a customer because of incorrect data. With Infor M3, it's now possible for a store that is out of stock of a particular product to still sell that product if it's sitting on the shelf of another store.

Wilcon has also increased inventory turnover by 15% by moving more products. This is, in part, due to better decision making about which products to carry and not to carry. By avoiding the accumulation of slow-to-sell inventory, shelf space is cleared up for more promising products. Infor M3 helps support Wilcon's 15% average annual revenue growth—an impressive figure that is significantly higher than the industry standard.

Detailed impact

15%
increase in inventory turns

15%
average annual revenue growth

2 to 5%
average reduction in supply chain costs, with an optimized supplier payment schedule

32
hours of manual inventory checking per shift were eliminated as a result of centralized product replenishment with Infor M3

Adopting full capabilities

It will take time for Wilcon's users to adopt the full capabilities of the system. "We never give up. We continuously try to educate and find ways to use the full functionality of the system," said Rosemarie Ong, Wilcon Builder's Depot's chief operating officer. With more store openings on the way (Wilcon plans to have 45 locations by its 40th year of operations), Infor M3 will provide the data Wilcon needs to understand and cater to the needs of the markets that it serves.

> "We think **Infor M3 is a solution that we can continue to work with for the next 5 to 10 years**."

Lorraine Belo
CIO, Wilcon Builder's Depot
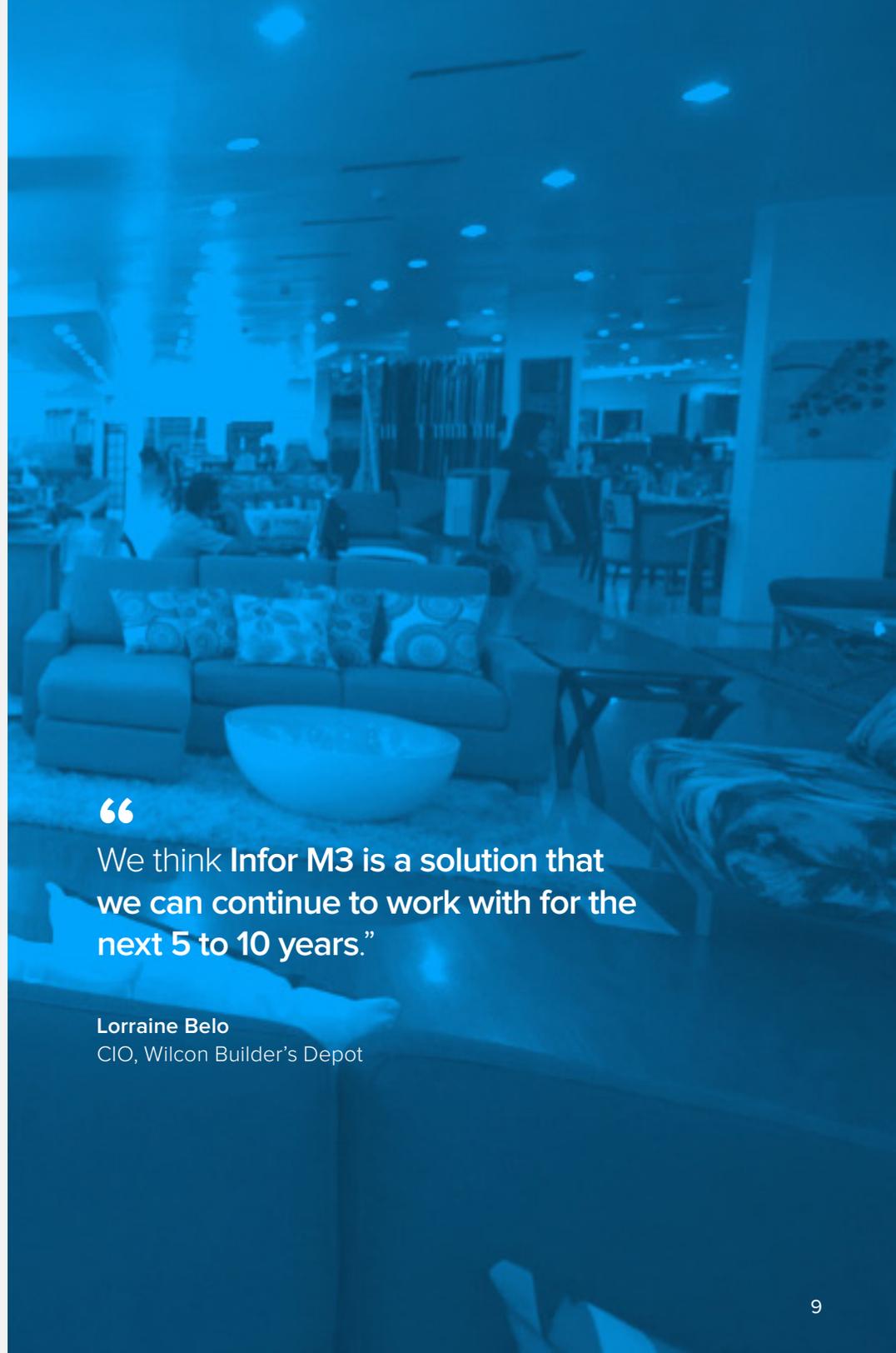
Learn more

Wilcon Depot is the leading home and building products retailer in the Philippines. With Infor M3, Wilcon Builder's Depot increased inventory reporting accuracy, reduced dead stock, and profitably grew the business at high growth rates.

Wilcon Depot video ›

Built for flexibility

Infor M3 offers ultimate flexibility in operations, technology, and scale. As a multi-site, multi-country, and multi-company solution, M3 empowers your organization to adapt to changing business needs. It provides flexibility in managing mixed-mode and complex environments, with the agility to make quick adjustments at any time. Written in Java, M3 also gives you platform independence and choice.

Read more ›

The next generation of retail software is here

Infor is on a mission to deliver on the rising expectations of everyone who touches retail, with modern software solutions that give retailers the power to perpetually reinvent themselves, and the customer experience. We've worked with more than 1,700 customers in 67 countries to change the way retail runs in grocery, chain drugstores, fashion, luxury goods, restaurants, and hardlines—empowering our partners to monitor the entirety of their retail processes from concept to consumer.

Read more ›

Committed to making you outrageously successful

Infor Services is a global organization with end-to-end accountability for optimizing the value of your Infor investments. Comprising more than 5,300 professionals who currently support customers in 168 countries, we bring deep product and technical expertise, extensive industry experience, and the full force of Infor's resources to the task of making you outrageously successful. From initial deployment and day-to-day optimization to big picture thinking and proactive strategizing, you can rely on us to provide the depth and breadth of experience needed turn vision into reality. We are passionately committed to earning your loyalty every single day—in everything we do.

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