

Too many  
**clicks**  
make life difficult...

**TARGIT your decisions in fewest clicks!**

## Reporting and analysis opportunities for the entire organization



**Mats Hofstra,  
Marketing Manager**

*ABS has been known as the specialist in brakes since 1978. ABS also produces steering and suspension parts and wheel bearings kits. ABS has the ISO 9001 hallmark and our products meet all of the quality control requirements for virtually all European countries.*

All Brake Systems is a European market leader in car brake and steering parts. In 2004 a traditional BI system was set up to support decision making based on revenue and margin performance, inventory levels and sales delivery performance.

But inventory levels remained high and delivery performance seemed to decline. Marketing Manager Mats Hofstra, primary driver of the initial BI project explains: "We had too little inventory of high volume goods and too much of older slow moving goods." Since it was their ERP system that was generating purchase suggestions, external information was needed to support the purchase department in validating the orders proposed by the ERP.

ABS uses TARGIT for both traditional and operational BI. The operational BI system is integrated in several business processes like sales and procurement. For instance, every mayor purchase order is validated and controlled with exception reports, vendor performance is measured and discussed with the suppliers on a regular basis. TARGIT's Intelligent Agents are used to warn whether a purchase is more eminent or not.

Soon after the delivery performance for the suppliers was implemented there came a special request from the sales department in the form of an operational BI request.

"We have had discussions at our order entry desk with the customer about our service level, since we could not answer the client about how long he has been ordering a certain product before we actually delivered it", says Mats Hofstra. A change was made to the ERP system and business process to track these orders as lost sales and the order desk got access to an informational report which allowed them to analyze how many times a product was reordered until it was back in stock at All Brake Systems. TARGIT provides the information to the business users in analyses and reports that show their service level, how many products are delivered on time for specific customers or groups. In order to calculate the service level, a business rule in the OLAP cube was defined to count every order for the same product twice, which was acceptable for their clients. The system would recalculate the service level based on this business rule. ABS' order entry desk is now capable of answering the client's questions and can present accurate service level information to the client.



Even after a month, the benefits of the new purchase BI system from TARGIT were visible and the stock value began and continues to decline. ABS could decrease it with over 20% and stock rotation jumped from 2 to 3 times a year on average. This meant an increase in sales of 33% with an even lower stock level. The initial goal of replacing our skewed stock levels with correct ones, is slowly taking place but will take at least the remainder of the year (2009) for all "too high" stock levels to disappear. The many benefits and wide acceptance of the solution have made ABS look for new opportunities in different business processes to implement operational BI from TARGIT. A common problem for wholesalers are inventory levels, this is due to the high volume of different products they sell. This high number only adds to the complexity of the purchase and inventory business processes. "At ABS we are convinced that the operational BI system actually helps the purchase department to do their jobs more efficiently and that the company can execute their business better than before, even better than the competition", concludes Mats Hofstra.

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