

Contractor Reduces Inventory Costs, Increases Job Costing Accuracy



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Michael Illingby, IT/Training Manager, Fox & Sons

Customer Profile



Industry: HVAC, Plumbing & Electrical Services

Location: Vernon, B.C.

Employees: 38

Website: foxandsons.ca

Business Need

Fox & Sons has been providing plumbing, heating, cooling and electrical services too residents throughout Vernon, British Columbia and surrounding neighborhoods for over 20 years. The company focuses on residential plumbing, HVAC and electrical services and is proud to be a family owned and operated business that has achieved an A+ rating through the Better Business Bureau.

The company experienced significant growth over the past several years, growing from three employees to 38. Managing inventory remained an ongoing challenge, especially with the addition of multiple technicians in the field. Inefficient tracking and monitoring of inventory both in the warehouse and on each technician's truck cost tens of thousands of dollars each quarter due to damaged or missing inventory.

The company had four main problem areas it was looking to address. One, they were losing money each month due to inventory mismanagement. Two, maintaining essential inventory on technician trucks was hit or miss. Three, technicians were overstocking preferred items on their trucks leading to significant overstock. “When you have 15-20 trucks that’s a massive problem,” said Fox & Sons IT/Training Manager, Michael Illingby. And four, the company had no real way of tracking what inventory was held in the warehouse, leading to unnecessary spot buys.



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About MarginPoint

MarginPoint is a leading provider of mobile-enabled, collaborative inventory management solutions for organizations. More than 800 companies rely on MarginPoint solutions every day to manage their inventory replenishment, optimize business processes, and drive revenue. The company’s cloud-based delivery model enables customers to rapidly deploy the solution without any significant upfront investment, connect to their suppliers and begin reducing the cumbersome processes and expenses associated with optimizing their material inventory.

Learn more or request a demo at marginpoint.com.

Solution

MarginPoint’s cloud-based Mobile Inventory management solution, which helps contractors manage inventory replenishment, optimize business processes and drive revenue.

Benefits

More Accurate Job Costing

Fox & Sons struggled with accurate job costing as the size of their fleet increased. They found it difficult to account for used, damaged or missing materials on their technicians’ trucks using their old inventory system. With MarginPoint Mobile Inventory, the company can calculate exactly how much material is used on each job, providing them with more accurate job costing. “That’s enabled us to be more competitive in the industry and more accurate with our pricing,” Illingby said.

Improved Inventory Maintenance

Before implementing MarginPoint’s inventory solution, it was impossible to know the exact inventory that was out on each truck. Inventory would go out for a job and would sit on an installer or technician’s truck, get lost or misused on another job. The software helped them achieve real-time visibility into front-end inventory (technician trucks) and back-end inventory (warehouse), ultimately improving accountability throughout the entire company. Running leaner trucks helped reduce inventory costs and reduced the inventory value of technician trucks from approximately \$15,000 to \$4,000.

Automated Replenishment

Automated ordering has become an important benefit for Fox & Sons and helps them remain competitive in their pricing. Because they typically maintain certain levels of stock, when a technician uses material from the truck, that technician can update his inventory with the mobile app. Immediately, the company’s inventory system puts in an order to the warehouse to replenish the minimum stock level, so the technician will have the material on hand for the next job. This helped reduce purchase orders by 89% and unplanned purchases by 67%, equating to significant cost and time savings.

Results

Fox & Sons implemented MarginPoint’s inventory solution in September of 2018. After approximately six months of using the software, Fox & Sons experienced dramatic improvements in:

- > Inventory Accountability and Visibility
- > Inventory Spending
- > Accurate Job Costing

Illingby said, “In the first six months of having MarginPoint, it brought our inventory down by over \$50,000.” He also went on to describe the excellent customer support he received from the team at MarginPoint. “MarginPoint is a company, hands down, that’s second to none. Their support is so good. And, they are open to feedback. We’ve had some questions about functionality, and they’ve been very receptive to our suggestions.”