

# US Lumber Group



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*Felipe Herrera, Senior Financial Analyst, US Lumber Group*

## US Lumber Group Customer Success

US Lumber Group is a \$325 million, specialty, wholesale building-materials distributor with headquarters in Atlanta, GA. The company provides personalized customer service to more than 6,000 customers and currently distributes products from eight cost centers, providing service throughout 14 southeastern and mid-Atlantic states. US Lumber also distributes domestic and imported forest products from Europe, Canada, and South America.

Known for its customer service and high-quality products, US Lumber’s sales force was rapidly growing. The company needed a sophisticated business intelligence (BI) solution to help calculate and analyze a year’s activities, including all their financial forecasting. The company was already using Cognos ReportNet and chose to migrate to Cognos 8 BI in February of this year. More than 130 users across the organization access Cognos 8 BI, running 500 reports with thousands of views. US Lumber is now able to view its key performance indicators on an hourly basis to judge success in its eight cost centers and make more informed decisions related to business strategy.

## Challenges faced

Initially, US Lumber had a small vendor providing day-to-day metrics. The Web-based application was limited to daily performance indicators and the overall data scheme was small in scope and difficult to extract.

“As the company grew and got more sophisticated, our ability to forecast a year’s activities became a lot more complicated with the tools we had available,” recalls Felipe Herrera, Senior Financial Analyst at US Lumber

### Industry:

- Wholesale Building Materials Distributor/Construction

### Geography:

- Global

### Information Needs

- Easy-to-use, Web-based solution
- Reporting and financial forecasting
- Ability to scale
- Relational data views
- Ability to generate new reports quickly and easily

### Platforms:

- Windows XP
- SQL database

### Users: 130

### Solutions:

- Cognos 8 BI
- Cognos Planning

### Benefits:

- Increased corporate insight into company-wide data
- Rapid data analysis
- Cost-effectiveness
- Maximized automation and control over data
- Flexibility in creating new reports based on combined data

Group. “At the same time, we were planning a major ERP upgrade and were told that the cost for financial forecasting with our current systems would be high. Given this situation, we decided to look outside of ERP for calculating our financial forecasts at a reasonable cost.”



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## Strategy followed

Given the limitations of its current application, US Lumber set out to find a solution that provided in-depth reporting capabilities and could also scale to meet the needs of its quickly growing sales force. “We were held captive because we had to supply all of our data requirements to a third-party vendor,” commented Herrera.

The senior executives at US Lumber were first introduced to the Cognos BI solution in 2005 at the annual Cognos user conference, Cognos Forum, and were impressed by its sophisticated Web reporting capabilities, its flexibility, and its ability to scale. US Lumber evaluated both OutlookSoft and Cognos 8 BI, but ultimately chose Cognos based on its corporate stability and better all-around solution. US Lumber decided that Cognos 8 BI would enable its sales force to understand and monitor current performance while planning future business strategies.

The entire implementation process for Cognos 8 BI took only one weekend. Two of the Cognos trusted partners, Accumetrics and Loadstar, helped with the migration.

“It was just a very easy installation. We had only a handful of reports out of thousands that had issues. All the data was perfect,” states Herrera.

Once the implementation process was complete, US Lumber began running approximately 500 reports, which created thousands of views. Cognos 8 BI views enable data to be seen and understood relationally, which helps each cost center make more informed business decisions. US Lumber also runs a high-level, corporate overview report for the executives to view and analyze. This report details information on the company as a whole, providing a snapshot view that compares sales and operating costs among the eight branches.

“The daily metrics make it possible for everyone to see exactly where they are and what they’re doing in comparison with the other branches. All I have to do is just tell our sales force to use Cognos 8 BI to find any information they need. It is very powerful,” comments Herrera.

The management, finance, procurement, marketing, and sales teams at US Lumber use Cognos 8 BI to view data in a timely fashion and make better decisions for their business operations. Currently, 130 employees use Cognos 8 BI, with the majority of users accessing reports

daily. In the future, US Lumber will deploy Cognos Contributor to help with product sales planning.

US Lumber also relied on Cognos Support to assist with questions about the deployment of Cognos 8 BI. “When we first migrated, Cognos Support was right there beside us, helping us along with any inquiries we had on the technology. Our overall experience with Cognos support for the past two years has been very good,” states Herrera.

## Benefits realized

“Cognos 8 BI has opened the eyes of the corporation to how much data we actually have,” states Herrera. “We weren’t aware of how data-starved we were when we only had 12 reports to review and analyze. Cognos 8 BI has really opened up our company data, giving us intuitive insight into the ways it is relevant and connected.”

With Cognos 8 BI, US Lumber can now look at all types of data and analyze it on the fly, which helps make daily decisions for management easier and more accurate. Additionally, because US Lumber is able to view its key performance indicators—cost per pound and average margin per day per branch—on an hourly basis, its management team is equipped to understand how their business can be affected by one development instead of another.

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In addition to significant cost savings, Cognos 8 BI provides Herrera with tremendous flexibility in creating new reports by combining data. Branch managers can now create reports that measure planning and reporting at a granular level—account-by-account and expense-by-expense. The company uses this insight into these metrics to assist in judging success and developing more informed business strategies.

Cognos 8 BI has also enabled US Lumber to create a profitability application in which the company assigns costs to multiple items to various types of customers with different sizes of orders. The orders can vary from sending one piece of lumber to a customer to sending

them a whole truckload of 45,000 pounds to another. Now, every order has different levels of profitability.

Most importantly, by having all the data in-house, US Lumber has complete control of the information and issues with reports or scorecards. The company is also able to immediately catch an order that was missed or billed incorrectly, and make the necessary adjustment the same day. Now, the sales team is better able to diagnose issues and solve them quickly, increasing customer satisfaction.

Herrera sums up his Cognos experience, "I've been programming for many years. I know how a computer thinks and works. Right out of the box, Cognos 8 BI was easy to pick up and start using. Our employees have also found it to be very user-friendly. Cognos has been a real joy to work with and has made a huge difference in our organization.

## About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions—How are we doing? Why are we on or off track? What should we do about it?—and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.

