



Wholesaler Peter Jensen relies on IBM Cognos Business Analytics



With the Cognos database, the family-owned company Peter Jensen links its CRM system to materials management and creates about 50 detailed revenue and sales reports. Thanks to more precise data evaluation, costs due to returned goods could be reduced significantly. The value of each customer can be determined with the program. In the future, the software will also be used to optimize purchasing.

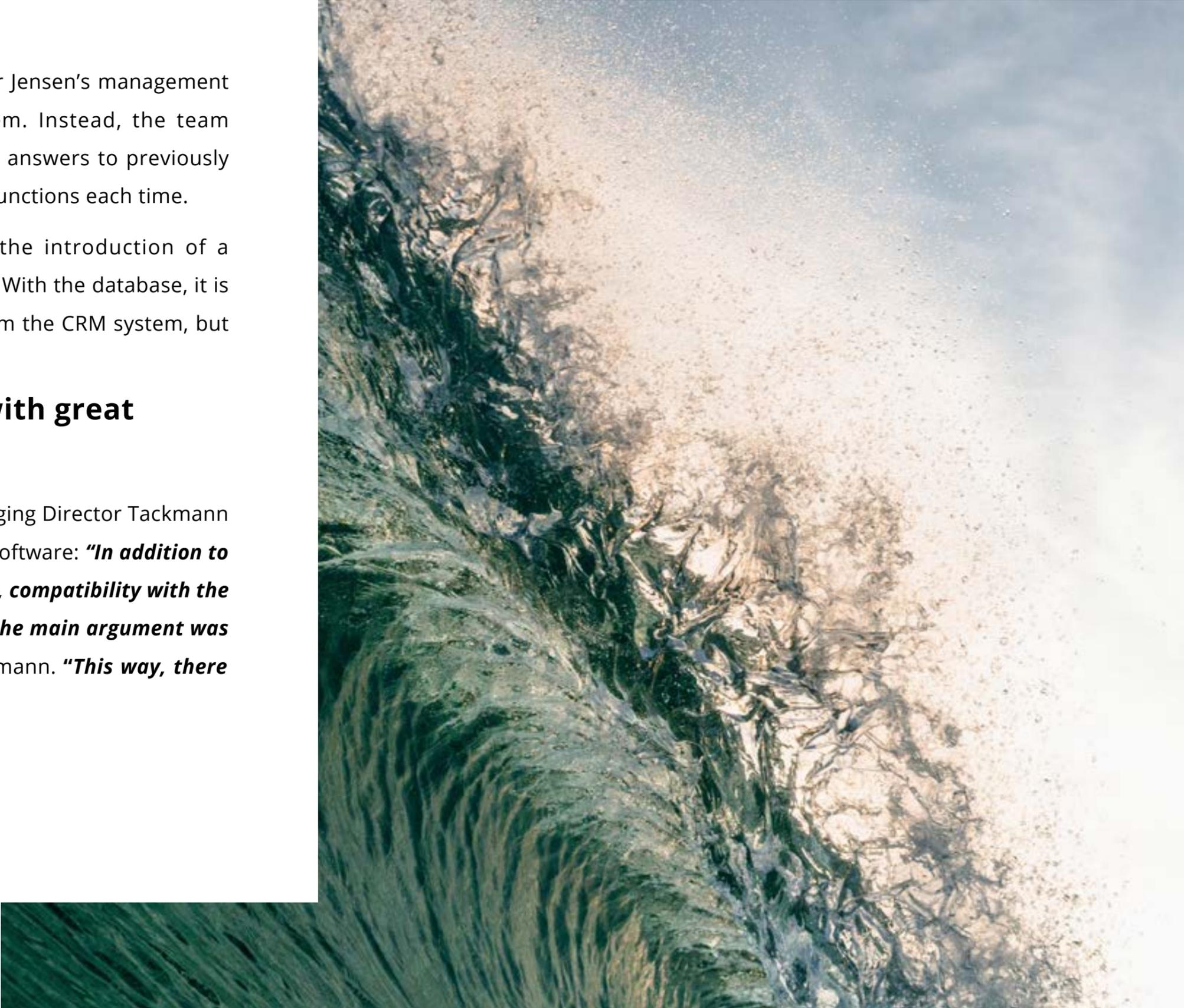
When the Hamburg company Peter Jensen was seeking a new Customer Relationship Management (CRM) system, the company put its previous requirements of the software to the test. ***“We wanted to be more flexible in the future and to create meaningful data faster,”*** says Bernhard Tackmann, Managing Director of Peter Jensen. The wholesaler of sanitary and building technology products regularly supplies approximately 3,500 craftsmen between Hannover, Sylt, Magdeburg, and Stralsund (Germany). The company keeps nearly 50,000 products, from valves to heat pumps, in its two logistics centers in Hamburg and Salzwedel. 75 trucks deliver the goods directly to customers at construction sites. Approximately 800 Peter Jensen employees work in three-shift operation.

Given a quickly changing business environment, Peter Jensen’s management team was reluctant to program a rigid CRM system. Instead, the team requested software that could provide quick, flexible answers to previously undefined questions without having to program new functions each time.

valantic Business Analytics GmbH recommended the introduction of a database solution in addition to the new CRM system. With the database, it is possible to link and evaluate not only information from the CRM system, but also from the materials management system.

Cognos: Open, compatible system with great user satisfaction

IBM Cognos Business Analytics was selected. As Managing Director Tackmann explains, there were several reasons for selecting this software: *“In addition to its degree of popularity and the large number of users, compatibility with the newly introduced CRM system was crucial. However, the main argument was that Cognos is a completely open system,”* says Tackmann. *“This way, there are no limits.”*





The improved evaluation possibilities thanks to the new database also won over Alexander Bolsch, Director of Controlling at Peter Jensen. ***“We wanted to do more powerful three-dimensional analyses,”*** he says. For with only the materials management system in use, it was only possible to link a few parameters for an evaluation. In addition, each analysis still required a lot of manual labor.

In the old system, he was able to see the revenue for a particular sales representative and for which customers the representative is responsible, but he could not determine how much revenue a particular representative generated from a particular customer.

Now the data situation has changed completely, for Cognos receives information from both the materials management and CRM systems. ***“Now, for example, I can see how much revenue a representative generates from which customer and which product range at which time of year,”*** says the Director of Controlling.

Peter Jensen has been using the Cognos software for the past two years. With it, the company creates nearly 50 standard reports with sales and purchasing information about the current 30 locations each night, monthly, and semi-annually. And much, much more is possible.



Faster, more detailed reporting

In the past, standard evaluations were started only on the third or fourth working day of the new month and were prepared manually or semi-manually with Excel, says Tackmann. Today, these reports are created in Cognos. ***“In principle, we just wait for the month-end closing and the evaluations are available right away,”*** says Tackmann. ***“That’s a significant informational advantage as compared to before, because I’m so much faster.”***

Lower HR costs for reporting

The new, automated creation reduces costs, because fewer employees are required, says Bolsch. ***“Even the most complicated questions can be answered almost at the touch of a button.”*** Recently, a warehouse manager asked Bolsch whether supplies of a particular item were sufficient. With Cognos, he was able to give him an accurate answer in just two minutes. ***“This wouldn’t have been possible with the old software,”*** says Bolsch.



Adjustment of the databases took 1 year

However, there were some hurdles we had to clear before we were ready. valantic employees conducted an analysis workshop at Peter Jensen, then spent two additional days setting up the system. It took a while until the database was properly linked to the materials management and CRM systems. ***“In the beginning, the data quality was very difficult,”*** says Bolsch. It wasn’t easy to ensure that data from the materials management system ***“arrived correctly”*** in Cognos, says the Director of Controlling. Thus, data was missing or it was assigned incorrectly. It took almost a year before things ran right. For example, a sticking point was that individual software programs frequently work with different time frames. While Cognos is precise to the day, in the materials management system alone there are seven date fields for a customer transaction. ***“It took a while before we ‘committed’ to a data field,”*** says Tackmann.

During the “hot phase” of the Cognos implementation, the team spoke to valantic nearly every day. In Ingo Schümann, Bolsch had a direct contact who sometimes started examining the data at 7:00 AM.





Proximity pays off for trainings and consulting

Even in the digital era, proximity paid off – Peter Jensen’s headquarters is about 800 meters from the valantic office. ***“It’s nice to know that the contact person is right around the corner,”*** says Bolsch. And it was also also easy to organize the user trainings. The Peter Jensen employees were working on the software implementation “alongside” their core activities, says Tackmann. The system conversion took two years in total.

Employees make their evaluation requests in the new IT portal

The Cognos implementation has wrought a lot of changes on the organizational level. Working with the new possibilities also asks people to do different things. ***“From the very beginning, we kept the user group small so that there wouldn’t be a dramatic increase in evaluations,”*** says Tackmann. This was also supposed to limit unnecessary work. That’s why a central IT portal was set up. Evaluation requests are made there. Then the Controlling department can check whether these requests are already covered by an existing report.



8 power users of 800 employees use Cognos

A true controlling team was also formed, one that could work with the evaluations, for example in sales. This gave Bolsch fixed contacts in the various departments that work with the database figures. ***“In the end it’s either a red or a black number in the report, on the basis of which a recommendation for action is made,”*** says Bolsch. That’s why too many evaluations isn’t a good thing. ***“It’s also possible to over-analyze things,”*** says the Director of Controlling. Eight power users are using Cognos regularly; Peter Jensen has ten author licenses. ***“And that’s enough,”*** says Bolsch.

Sales planning will be done in greater detail with Cognos

In the future, the company wants to use Cognos more strategically and conduct inventory analyses in order to be able to plan sales in greater detail. ***“There are products that just keep on going, but actually they decline a little bit year by year,”*** says Tackmann.

Therefore, the company wants to keep a closer eye on developments in purchasing behavior.

Cost savings achieved with regard to returns after just four months

This also includes the increasing number of returns. ***“For returns cost money and eat up time,”*** says Bolsch. If, for example, a valve is returned, then approximately 15 parts have to be checked by a specialist to ensure that they are complete and functional. This makes a return more time-consuming than a shipment. Bolsch introduced a drop-down list with a total of ten reasons for return. For some customers, five returns in ten are for the same reason. In such cases, personal advising can frequently help prevent unnecessary returns.

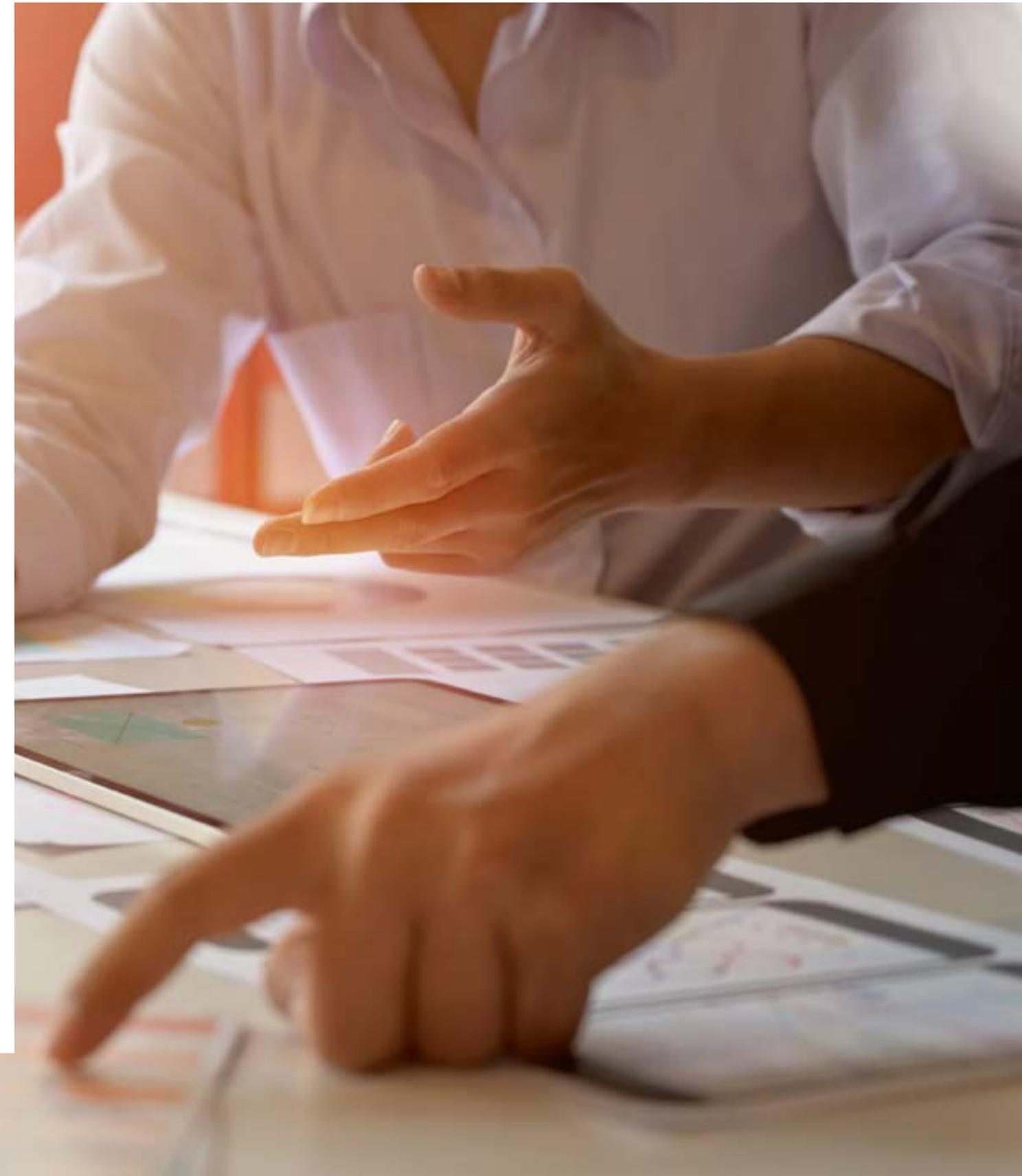
“The new handling with ten reasons for return available for selection is already a quantum leap. That’s really good,” says Bolsch.

Profit-drivers and top customers are easier to identify

The possibilities of data analysis thus let us draw conclusions about how profitable a customer is. In the future, additional customer performance calculations should be created, which in addition to sales figures also consider the associated processes.

“We can define our business goals much better with Cognos,” says Tackmann. For the profit-drivers are easy to see. ***“Before, the problem was to create such overviews and trace the development of individual products,”*** he says. ***“The old system was not transparent enough.”***

With all of the analysis possibilities that the new database offers Cognos, Bolsch encourages Cognos rookies to practice moderation. ***“In the beginning, the tendency is to pack all of the KPIs that you have into this program - sales, purchasing, logistics.”*** But introducing the program into new areas piece by piece proved a valuable strategy at Peter Jensen. Not least because most people have too many goals on their to-do lists.



About valantic

valantic Business Analytics GmbH (valantic BA) is a business division of the global valantic Group (www.valantic.com) and advises companies on the introduction and implementation of digitalization strategies. valantic BA specializes in solutions for corporate management, such as business analytics, business intelligence, Big Data analytics, financial performance management, predictive analytics, cognitive analytics, incentive compensation management, business process management, data warehousing, and data integration.

For more than two decades, the company has been assisting companies in a wide variety of sectors, including wholesale, retail, pharma, production, banks, and financial service providers, and many more. IT and sector specialists are based in several locations to ensure smooth, personal service.

The valantic Group is a leader in the digital transformation and one of the top digital solutions, consulting, and software companies, with more than 1,000 developers and consultants around the world.

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