SUCCESS STORY

Inventory Optimization

hagebau CONNECT

hagebau connect Relies on Intuitive Working and Targeted Procurement with Business Software from INFORM

The digital commerce company hagebau connect from Hamburg, which is part of the hagebau Group, relies on INFORM's intelligent ADD*ONE solution suite for intuitive web scheduling, automated ordering processes and intelligent forecasting.

In addition to gaining flexibility and transparency, hagebau connect was able to reduce stock levels by 30 % with the software and other inventory reduction measures. At the same time, employees are relieved of manual and time-consuming work steps.

From bicycle helmets to 30-kilo mortar bags and from dishwashers to cylinder head screws - the hagebau online store offers a wide range of products for every DIY enthusiast and hobbyist. Behind hagebau Onlineshop is the independent digital commerce company hagebau connect, which is making a significant contribution to the expansion of hagebau's digital business. As part of the Soltau-based hagebau Group, hagebau connect GmbH & Co. KG is a subsidiary of Handelsgesellschaft für Baustoffe mbH & Co. KG, which is active in the building materials, wood and tile trade as well as in the DIY sector. Since its foundation in Hamburg in 2018, hagebau connect has grown into a team with a total of 56 permanent employees. They work together from all over Germany in an agile and self-organized manner to live up to their mission of offering the best omnichannel shopping experience in the German-speaking DIY market.

About the hagebau Group

Handelsgesellschaft für Baustoffe (hagebau) is one of the market-leading cooperations in the building materials, timber, and tile trade, as well as in the DIY sector. Around 350 medium-sized shareholders from six European countries together operate 1,500 branches for the specialist trade (hagebau profi), the retail trade (hagebaumarkt, hagebau kompakt), and are also active in online trading with hagebau.de and hagebau.at. Around 1,400 employees work for the hagebau Group at its headquarters in Soltau, Brunn am Gebirge (Austria), Hamburg, and at six logistics locations. In 2022, hagebau generated sales of around 7.7 billion euros.

www.hagebau.com

Office building of hagebau connect in Hamburg

Daniela Schlichting, Process Manager in the "Procurement and Direct Shipping" team and head of the optimization project at hagebau connect

Increasingly Growing Product Portfolio as a Challenge

In view of the extensive and diverse product portfolio, which has grown continuously in recent years, it is a particular challenge for hagebau connect to maintain a balance between product availability and cost-effectiveness. The procurement process - from determining the optimum order quantity through to ordering - has become increasingly complex and time-consuming without suitable software. Until then, quantity planning was based on manual sales analyses in Excel, and orders were also triggered manually in the ERP system. It was not possible to prioritize and optimize the order processes. The digital commerce company, therefore, set out to find an intelligent solution that would automate the ordering processes and supplement the existing ERP system with precise forecasts, cost-optimized order proposals, and effective control. With the ADD*ONE solution suite from Aachen-based optimization specialist INFORM, the Hamburg-based company opted for intelligent inventory optimization software in 2023.

» **We were convinced by the fact that ADD*ONE is very clear and intuitive to use at first glance and, of course, meets our requirements.**
Daniela Schlichting, Process Manager hagebau connect

For example, it was very important to the company that free-house limits and batch sizes are taken into account in order proposals or that an order is automatically generated for each supplier in the ERP system after confirmation. *"We also found the joint workshops before our final decision very pleasant, as the project managers took a lot of time to understand us and our business model. In the end, INFORM was the best overall package, not only professionally and technically, but also on a human level,"* says the process manager about the decision in favor of the business software and INFORM.

Intelligent Forecasting Algorithms as a Solution

ADD*ONE uses intelligent forecasting algorithms based on operations research and artificial intelligence to calculate a suitable combination of forecasting methods and parameters for each individual item and thus recognizes how an item will be in demand, as well as trends and seasonal fluctuations.

Precise Forecasts Thanks to Intelligent Algorithms

Today, a total of six dispatchers and two process managers manage approximately 3,500 active warehouse items with the intelligent solution. This is connected to hagebau connect's ERP system "Microsoft BC" via an interface and transfers all relevant data such as article master data, supplier information or transaction data to the software. A special feature of the project is that hagebau connect works exclusively with ADD*ONE's web-based interface for operational scheduling. *"We redesigned the workflow for scheduling in the web client for this purpose,"* explains Nils Clemens, Project Manager in the Inventory & Supply Chain department at INFORM, who played a key role in supporting hagebau connect during the introduction of the software.

"This means that only the information relevant to the task is displayed from a wide range of information. This makes it easier to assess an order proposal or order at a glance. In addition, there are many new helpful features such as the range chart, the delivery quality display or the rule-based calendars, which are only available in the web client," says Clemens. The web-based interface also offers technological advantages such as easy access via the browser and high performance when working from the home office, which is an advantage for the agile hagebau connect team working across Germany.

Nils Clemens, Project Manager in the Inventory & Supply Chain department at INFORM

Goals Achieved within a Very Short Time

The primary goal of the optimization project was to increase efficiency through automation. The software was to support the dispatchers at hagebau connect with automated order suggestions and orders and relieve them of the time-consuming process. *"We achieved this goal immediately after the introduction,"* says Schlichting happily. *"Another major positive effect for us is that our way of working has also changed fundamentally. Before the introduction of the intelligent*

software, we planned once or twice a week, but now we are able to plan daily, as entire manual work steps are no longer necessary." This has also increased the flexibility of the dispatchers, as they can now carry out the process automatically and in a much shorter time.

> **»** **In the past, we often had to keep one or two hours a day free in our calendar to be able to plan with real concentration. With ADD*ONE, this is now much quicker and at a completely different pace than before.**
> Daniela Schlichting, Process Manager hagebau connect

Another project objective was to reduce stock levels through targeted procurement. In the first six months after the introduction of ADD*ONE, hagebau connect was able to reduce stock levels by 30 % in conjunction with other inventory reduction measures. The clarity of the software and the graphical presentation have also increased the transparency of the items to be procured. *"Before using the software, we only had all the important data in tabular form in Excel,"* says Schlichting. *"ADD*ONE, on the other hand, prepares the data, such as the sales history of each individual item, as well as the forecast demand and existing orders, in an optimal graphic format. This allows us to understand how the data is developing much faster and better overall,"* explains the project manager.

Working in Partnership
The employees at hagebau connect are also enthusiastic about the collaboration with the Aachen-based software company. *"We have always found the collaboration to be a very cooperative partnership,"* says Schlichting. *"If we have any problems or questions, we can get in touch with our contacts at any time and receive prompt feedback or discuss further topics together. They also contact us proactively if, for example, there are new releases that are helpful for us for future improvements,"* summarizes the process manager.

If you would like to know more, we look forward to hearing from you:
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