

Knowledge is power

How one company taps business intelligence to build closer relationships with customers

Patrico Ltd



Keith Morris, sales manager of Patrico, a Tewkesbury company that sells industrial containers, is sitting with a customer. They are talking about what the customer might want to

buy in the future. But Morris already had a good idea, even before he stepped through the customer's door. Before he went to the meeting, he tapped into Patrico's business intelligence system and produced a report on the customer's previous purchases.

The report, which provides a clear picture, is in his briefcase. Down the report's left-hand column there is a list of the different products the customer has bought in the past year. Across the page run columns showing the value of sales by month and the number of each item purchased.

Before the meeting Morris has scanned the

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report looking for any unusual patterns. For example, he will have looked for any product the customer has stopped buying.

"Sometimes, that's because they've switched to another product," Morris explains. "But, sometimes, it's because a competitor has been in and quoted a more competitive price. When I see that pattern, I can ask the customer why they've stopped ordering. If they've switched supplier, it gives me an opportunity to requote for the business."

Has he gained new business as a result? "On many occasions," Morris laughs.

The story shows that business intelligence is not some technical thing for nerds but a practical tool that can help a company win more business. Patrico, which sells 1,200 product lines, including plastic buckets and bottles, plate screw neck cans, and fibreboard cartons, has used business intelligence for two years following an upgrade to the Sage 200 product provided by Sage Business Partner GCC Innova.

Morris uses the system to produce tailored

reports which are viewed by himself and key colleagues such as operations director John Herbert. The reports offer insight into issues such as profit per product line per customer, sales by customer, and even sales by postcode.

"Because we've got some hideous price increases coming through from suppliers of raw materials, I've been using it to identify our top 20 customers who will be affected," Morris says. He directed the system to tell him which customers were the biggest buyers of products that would be most hit by the price rises.

Because the system provides insights which Morris could never get before, it has

become an invaluable aid to support decision-taking. For example, he has looked at the cost effects of delivering pallets of different kinds of products.

"We can load 300 to 400 tapered plastic pails costing £1.50 each onto a pallet but only 48 25-litre water containers costing £2 each," he explains. "When you consider the delivery cost could be around £40 per pallet, you can see the implications for profit margin."

Morris points out that versatile companies constantly review products but he admits that the business intelligence system informs his decisions. "It's a very powerful tool," he says. "I like the flexibility to tailor reports just how I want them. It's easy to get at the information. So if I'm feeling particularly sad on a Sunday night at home, I can get into the system from there and do something," he jokes.

For example, he can run a report which shows him the top 100 customers by margin.

"The system lets me get at a whole gamut of information with relative ease," he adds.