# GIB
## an ifm company

# Ram Tool Automates Procurement to Support Aggressive Growth

**Company**
Ram Tool Construction Supply Co.

**Industry**
Wholesale Distribution

**Products**
Construction Materials

**HQ**
Birmingham, Alabama

**Website**
www.ramtool.com

## Managing a High Volume Business on SAP

Ram Tool has been a leading supplier for the construction market for 50 years. With an obsession for service and responsiveness, Ram Tool has expanded to 40 locations providing unparalleled service to the job site. With aggressive plans to grow the business organically and through acquisition, Ram Tool decided to implement SAP in 2008 as their platform for expansion.

While SAP has proven capable of supporting Ram Tool's growth, the ability to efficiently scale was proving elusive. Burdened with manual processes, inflexible inventory planning tools, and a general lack of confidence in SAP's recommend buys, Ram Tool was struggling to achieve their high standards for customer service and profitably.

## Challenges

**Volume**

- 37 stocking locations
- +72K inventoried materials by location
- +2.7M total materials by location

**Complexity**

- Ram Tool supplied 92% of orders to the job site within 10 hours in 2017

**Variability**

- Project specific consumption is difficult to predict and plan, as all material is specific to job site phases

**Manual Processes**

- Ram Tool buyers were using offline spreadsheets and custom SAP reporting to forecast demand and plan inventory levels

**GIB**
an ifm company

## Solutions Considered

- SAP APO
- SAP IBP
- GIB
- Custom Development

## Why GIB Was Chosen

*Performance*
Advanced algorithms to plan, execute, optimize and measure

*Cost*
Most affordable solution by a wide margin

*Risk*
Over 400 SAP customers successfully implemented GIB with documented improvements and ROI

*SAP Centric*
GIB has the only advanced supply chain tools that run natively in SAP ERP and S/4

## Requirements for a New Process

- *Automation using advanced algorithms*
- *Planning and execution inside SAP*
- *Proactive alerts to prevent customer service issues*
- *Simple, intuitive user adoption*
- *Improve purchasing efficiency and effectiveness*
- *No replication of master data*
- *No expansion of hardware landscape*
- *Limited change management for the users*
- *Affordable*

Despite the struggles with SAP, Ram Tool did not want to burden their employees with adopting and operating another supply chain software platform. Their business is transacted, accounted for, and recorded in SAP, so it stands to reason their supply chain should be planned, executed and optimized in that same system.

> **If the people and data live in SAP, then so should the supply chain tools.**

Ram Tool began their GIB project in October of 2015. By mid-year of 2016, they were live with Forecasting, Inventory Controlling, MRP Operations, and Purchase Optimizer across 32 stocking locations. According to Loafman, "GIB has provided my team with the ability to standardize process, improve efficiency, and impact our bottom-line. We process purchase orders faster and more accurately; this translated to a 8% reduction in stock outs in a very sporadic consumption model. GIB responds quickly to daily sales and keeps my team as close to the pulse of our sales channel as possible."

# Ram Tool Automates Procurement to Support Aggressive Growth *(cont.)*

"Before we implemented the GIB Supply Chain Solution suite our buyers were changing 80% of the purchase requisitions generated by SAP MRP.

With GIB embedded in SAP, our buyers now accept over 80% of the recommended purchase requisitions. The intelligence GIB brought to our business improved buyer productivity four fold."

**Kyle Loafman,
Director of Purchasing**

Gretchen Estes, Director of Project Management at Ram Tool, also has had positive experiences using GIB. She says, "GIB has the look and feel of being a native SAP component and is a very stable solution. The GIB solution is scalable with our in-house SAP support team when we build out new plants within our SAP landscape."

Thanks to the implementation of GIB, Ram Tool has the supply chain tools and processes to aggressively, profitably grow their business and meet their customer commitments for service and responsiveness.

## Outcomes and Benefits

**6 month, fixed bid project on time and on budget**

**32 locations initially, expanded to 40**

**Stock out reduction of 8%**

**4x improvement in buyer efficiency; enabled rapid growth through acquisition without expanding support staff**

**Data-driven decision in real time**

**Easy user adoption; rapid time-to-vaue**