

Service Contractor Grows Sales, Improves Profitability



“It saves us a lot of money because we don’t have inventory sitting on the shelves collecting dust.”

Michael Fox, General Manager, Aux Home Services

Customer Profile



Industry: HVAC, Plumbing & Electrical Services

Location: Birmingham, AL

Technicians: 37

Website: auxhomeservices.com

Business Need

Aux Home Services has been providing heating, cooling, plumbing and electrical services in Birmingham, Alabama, and throughout Jefferson and Shelby counties for more than 25 years. The contractor focuses on repair for residential properties and prides itself on providing timely, reliable service.

The company expects to see 15% to 17% growth this year; while that growth has been welcome, it has also come with challenges. As the company hired more technicians, it became more difficult to control and manage inventory, which they stocked for HVAC, plumbing and electrical jobs. As business picked up, technicians were more likely to go “by the seat of their pants,” as they moved from one job to another, said General Manager Michael Fox.

The company needed to streamline procedures to ensure critical time was not lost making trips to buy inventory for individual jobs. Fox said that conservatively, if eight technicians (less than half their crew) served one less customer a day because of the time spent chasing down supplies, the company missed out on up to \$12,000 in revenue a day.

Solution

MarginPoint’s cloud-based Mobile Inventory management solution, which helps contractors manage inventory replenishment, optimize business processes and drive revenue.



“We can serve more customers more quickly and more efficiently.”

About MarginPoint

MarginPoint is a leading provider of mobile-enabled, collaborative inventory management solutions for organizations. More than 1000 companies rely on MarginPoint solutions every day to manage their inventory replenishment, optimize business processes, and drive revenue. The company's cloud-based delivery model enables customers to rapidly deploy the solution without any significant upfront investment, connect to their suppliers and begin reducing the cumbersome processes and expenses associated with optimizing their material inventory.

Learn more or request a demo at marginpoint.com.

Benefits

Increased Revenue from More Time on the Job

Because they are able to keep trucks stocked with required inventory, Aux Home Services has grown sales and profitability from more time on the job and less time acquiring parts. “We can serve more customers more quickly and more efficiently,” Fox said.

“At the end of the day, it saves us a lot of money when you can honestly sit in front of your customer and say, ‘I’ve got this on my truck, and I don’t have to go get it.’ When your profit margins are dependent on billed hours, that saves you a lot of money.”

Cost Savings from Reduced Purchasing

Aux Home Services saves money daily by not over-purchasing supplies. With MarginPoint’s mobile inventory solution, they have gone from a stockroom with \$50,000 in inventory, to one with just the appropriate material necessary to drive their business. “It saves us a lot of money because we don’t have inventory sitting on the shelves collecting dust,” Fox said. “We’re buying what we need and we’re being more efficient about when we’re getting it. We’re not buying six of something when we only needed four just to have two extras when somebody else runs out.

“When we run out, we know, and we can get it for that truck, and we don’t have to over-buy. It does have to be managed, and people have to be accountable for using it properly, but when that’s being done, you save a lot of money.”

Improved Customer Satisfaction & Minimized Bad Reviews

Aux Home Services has seen a dramatic increase in customer satisfaction because they are properly stocked and know exactly where their inventory is – which means they have what they need to finish a job for the customer on the spot. “That’s the difference between

making a sale or not sometimes,” Fox said. “Because time is money. If you must tell a customer they need to wait while you order a part or run out to get one, they might change their mind about working with you.”

Cost Savings from Properly Stocked Inventory

Aux Home Services needed to reduce technicians’ need to get parts on the spur of the moment from a supplier or at the contractor’s warehouse. For the latter, it had become difficult to keep up with technicians’ last-minute demands. Using MarginPoint has allowed the contractor to repurpose staff because they have less need for part runners, saving them money. “We can cut one or two employees and make the profit back if the technician has what he needs because we are utilizing the MarginPoint software and know that we have what we need in stock,” Fox said.

Results

Aux Home Services implemented MarginPoint’s Mobile Inventory solution in 2016. After two years of using MarginPoint Mobile Inventory, Aux Home Services has seen dramatic improvements in:

- > Profitability
- > Customer Retention and Loyalty
- > Inventory Control and Visibility

Fox said he is pleased with MarginPoint. “A lot of companies might say, ‘Well, this is just the way we built it and if you want it this is what you’re going to have to deal with.’ MarginPoint is different. They’ve been great. You get on the phone with them and the next thing I know we’ve got five people on the phone together, figuring out an issue if there is one. They take feedback and they want to use it to improve the software. They’re willing to build the software based on how you need to use it and that’s what’s so awesome about it.”