Yellowfin

ISV Case Study
4GM

4G
For Good Measure

Summary

Integrating Yellowfin's Business Intelligence (BI) solution into 4GM's 'InfoMeasure' platform has enabled 4GM to:

• Develop a technologically and financially viable custom Performance Management platform for the warehousing and distribution industry

• Maintain direct control of its product, services and customers, without any dependency on additional technology suppliers

• Empower its clients to monitor, measure and optimize key cost and profit drivers from multiple source systems

Company

4GM is an Australian-based Performance Management consultancy specializing in providing Business Intelligence (BI) and Performance Measuring solutions and services to the warehousing and logistics industries.

4GM has a deep understanding of the operational processes, supply chain processes and commercial factors driving the warehousing, 3PL (warehouses that handle stock for third parties), Cold Storage (principally perishable consumables), transport and logistics industries.

4GM's primary goal is to optimize business processes and workforce management, to improve profit margins, by utilizing time and storage space more effectively and efficiently.

Challenge

For businesses working in the warehousing and distribution industry – including 3PL and Cold Storage – efficiency is everything. The ability to reduce stock handling, determine the most profitable product and overall transaction types, find a balance between over and under-allocating warehouse storage capacity, and to improve labor utilization and efficiency is critical. In an industry of inherently low profit margins, optimizing these business aspects can be the difference between boom and bust.

When working with clients in the warehousing industry, 4GM identified a strange anomaly. While most businesses collected the necessary data to measure and analyze the main cost and profit drivers impacting productivity and efficiency, there was no dedicated solution to help them collate, visualize and make strategic operational decisions based on that information. In addition, organizations also lacked a clear way to bring these key cost and profit drivers together in a unified view of the business. This inhibited organizations' ability to identify the variables within those core business metrics, which impact the performance and cost of warehouse operations and transactions. Without this type of insight, organizations also lacked the ability to develop appropriate performance benchmarks to determine profitability thresholds for vital aspects of their operations.

The industry needed a solution that would harness operational and transactional information, from warehouse management systems and time and attendance systems, and combine it to present a complete Performance Management view of the business.

Solution

Using Yellowfin as its reporting and analytics engine, 4GM created an entirely new product offering, called InfoMeasure, specifically designed for the warehousing and distribution market. InfoMeasure provides a platform for the commercial or executive management teams to develop better operational strategies.

Delivered as a fully managed hosted solution, InfoMeasure combines Yellowfin and SQL Server to create a cloud-based environment on AWS, combining data from multiple warehouse and time management systems. The solution comes with a series of pre-packaged industry specific reports, with 4GM then working with clients to develop more reports and dashboards to cater for the particular informational needs of each customer.

"This unique solution pulls together critical operational data from an organizations source systems to empower businesses in the warehousing and distribution industry to measure and optimize commercial performance across their main profit and cost drivers, including labor, stock handling, product types and storage capacity," said 4GM Managing Director, Stuart Popplewell. "Combined with KPI information, and pumped through an ETL process with the application of complex logic, data is transferred into an optimized Star Schema to assist week-to-week strategic decision-making."

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>
> *– Lago Cold Stores CEO, Roger Lago*

Solution

Popplewell said that 4GM selected Yellowfin as its BI provider because it was the only BI vendor that made the development and delivery of InfoMeasure technically and financially viable.

"When looking to customize an enterprise-grade BI platform upon which to develop 4GM's InfoMeasure solution, we quickly found that the commercial costs were too high, or the level of effort required to develop, administer and train was unrealistic," said Popplewell. "Yellowfin provided a BI platform that made customization and development easy and fast. The biggest technical advantage was having everything in one integrated product – from data source connections to dashboards. Yellowfin's ISV revenue-share model, and simple single licensing type, also meant the price to value ratio was easy to manage and second-to-none.

"Having the flexibility to deploy Yellowfin in a hosted environment, to deliver InfoMeasure to clients via AWS, has also allowed 4GM to keep direct control of its product, services and customers, without any dependency on additional technology suppliers. Commercially and functionally, Yellowfin was a great choice."

Results

With InfoMeasure, underpinned by Yellowfin's BI solution, 4GM's warehousing clients are now able to report and act on the vital performance metrics that underpin profitability and set KPI benchmarks accordingly.

Areas of warehouse performance measurement and management enabled by InfoMeasure include:

• **Workforce:** Track and improve workforce utilization and efficiency rates

• **Storage:** Manage and monitor stock levels and storage capacity

• **Handling:** Measure and optimize handling time and cost by product type and per carton or unit

• **Clients:** Detect trends in client orders that impact profitability

• **Transactions:** Analyze profitability by transaction type

• **Expected vs actual finances:** Track projected cost and revenue against actual figures

"InfoMeasure customers can see current performance, as well as trends, for all abovementioned business functions and associated KPIs," said Popplewell. "InfoMeasure has empowered 4GM's warehousing clients to driver better day-to-day decision-making and long-term strategic management regarding their transactions, products and product handling, shelf space, clients and labor force."

Roger Lago, CEO of Lago Cold Stores and InfoMeasure reference client, said that InfoMeasure had delivered significant tangible benefits in a small amount of time.

"Within six months of engaging 4GM, InfoMeasure has enabled Lago Cold Stores to significantly reduce its operations costs by increasing workforce utilization by 15%", said Lago. "We've been able to identify which employees have over or under allocated workloads, as well as how efficiently each individual is performing each task.

"Beyond labor-related reporting, InfoMeasure has also detect trends in client orders, identifying changes in things such as the number of units per transaction and the cost impact per

unit. InfoMeasure lets us understand which types of transactions are our most profitable. We're then able to drill into the data to reveal which clients are responsible for our most profitable transactions – and during what time period – enabling us to expose other factors, such as seasonal shifts. Deeper still, InfoMeasure enables Lago Cold Stores to measure, rank and optimize handling time, and therefore cost, by product type. We now have a clear picture of which product types are making us money and costing us money.

"InfoMeasure has given Lago Cold Stores deep insight into its warehouse operations, enabling us to act on the vital performance metrics that underpin profitability and set KPI benchmarks accordingly."

Popplewell said that the opportunities for operational analysis that InfoMeasure provided were "plentiful".

"InfoMeasure clients can identify profitable transaction types – those that require less staff utilization, can be completed with greater efficiency, and take less storage space and time – and eliminate transaction types that don't meet their KPIs," said Popplewell.

"Having established which transactions are most profitable, workforce efficiency and utilization can be assessed by product type and individual. InfoMeasure clients can even pinpoint which of their customers are most profitable."

But, it's not just InfoMeasure's clients that are happy with the results. 4GM knows it partnered with the right BI vendor to get its product to market.

"I'm passionately impressed by Yellowfin's product and the people," said Popplewell. "The people that we deal with at Yellowfin are absolutely top – we haven't had a bad experience with one person in the Yellowfin family. Everyone we've dealt with – the support, product, sales and marketing teams – has been fantastic. I'm pleased to be part of the family."

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