

The Easy Button for Inventory Control – And Increased Profits

Lanz Heating, Cooling & Plumbing in Champaign, Illinois, needed a better way to buy, organize and control its parts inventory. Technicians were spending too much time on supply house trips and product costs were higher than expected. The Stock Service System from Hodes Co. has delivered over \$100,000 in benefits by reducing inventory levels, cutting supply house trips by 80 percent, and keeping technicians in the field for more service calls.

Bill Yeakel was at his wit's end. He was stumped.

Parts tracking and replenishment at Champaign, Illinois-based Lanz Heating, Cooling & Plumbing had become an ongoing friction spot and cash drain that seemed to be getting worse, no matter how hard he tried to fix it.

Yeakel runs the service group at Lanz. His technicians and their seven service trucks fan out across the Champaign metro area of 200,000-plus residents every day fixing plumbing problems big and small.

The principles of plumbing they know. But parts inventory management is an entirely different kind of challenge.

"Parts inventory has always been difficult to manage, and it was never a priority," said Yeakel. "For years, we've been on an inventory rollercoaster, having too much, not enough, and storage was always a mess. We finally said 'enough.'"

Yeakel teamed up with Lanz inventory manager and service plumber, Alex

// In just our first year of using the Stock Service System, we can point to over \$100,000 in monetary benefits. We're buying smarter, we're buying less inventory, and we've got consistent margins built in to each product. We've turned a cost center into a healthy profit center for us.



Bill Yeakel,
Service Manager



Conine, to research inventory solutions. They found Hodes Co. and its Stock Service System.

Joe Hodes, the president of Hodes Co., designed the innovative inventory control system after watching too many service companies and contractors waste too much time and money on parts management.

"As a distributor, one of our core areas of expertise is inventory control, it's what we do all day, every day,"

said Hodes. "It just made sense that we should share our knowledge and help our customers be more successful in this area of their business."

Upgrading to Ease and Simplicity

Yeakel and Conine went to work immediately putting the Stock Service System into action. The Hodes Co. provided everything needed including recommended parts lists, online ordering, and customized shelf label templates.



Pains & Gains

Pains

- The service parts inventory at Lanz Heating, Cooling & Plumbing was too high and operated at break-even or a loss.
- Storage systems in the warehouse were disorganized, making it difficult and time-consuming to find the right parts.
- Technicians were making too many trips back to the supply house, wasting time and reducing service call productivity and profits.

Gains

- Lanz Heating, Cooling & Plumbing's new Stock Service System has automated parts inventory replenishment, control and pricing.
- Department managers and technicians can see and find quickly the parts they need in the warehouse, and Lanz service trucks are better organized.
- Parts inventory spending is down, margins are up, and cash flow has improved by more than \$100,000.

"The Stock Service System appealed to us because of its step-by-step instructions," said Conine. "It was easy to understand, get started, and implement."

"And the Hodes team also made us feel welcome and appreciated. Joe Hodes called personally to check on us and make sure we were getting everything we needed. That meant a lot."

The new system has made a big difference. Service parts are better organized in the shop and on the Lanz trucks. Technicians can find what they need more quickly, and they leave the shop for the day knowing they've got what they need for their calls.

Hodes Co. is much more than a supplier for us. They are a strategic partner and consultant that is helping us learn, grow, and make meaningful improvements in our business. We couldn't be happier with this relationship and the results.



Alex Conine,
Inventory Manager



Parts are stocked based on individual customer purchase histories and broader industry statistics. Past orders, pending orders, and payments can all be accessed 24/7 at the Hodes Co. website.

"Because we've always got our top 500 repair parts in stock, both in the shop, and on our trucks, our technicians can stay in the field longer and handle more calls," said Yeakel. "In the past, technicians were going back to the supply house 2 or 3 times per day, now they only go there 2 or 3 times per week. That is a huge productivity and revenue boosting opportunity for us."

The bottom line results are proving the real value.

"In just our first year of using the Stock Service System, we can point to over \$100,000 in monetary benefits," said Yeakel. "We're buying smarter, we're buying less inventory, and we've got consistent margins built in to each product. We've turned a cost center into a healthy profit center for us."

Conine said the overall experience has been smooth and professional. Better inventory levels and profits aren't the only benefits.

"Hodes Co. is much more than a supplier for us," said Conine. "They are a strategic partner and consultant that is helping us learn, grow, and make meaningful improvements in our business. We couldn't be happier with this relationship and the results."



The newly-redesigned and reorganized stock supply bins at Lanz Heating, Cooling & Plumbing.



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