



HANDSHAKE



CONSTRUCTION SERVICES

CASE STUDY

Solving the Backorder Problem

R³ Construction Services implemented order entry software to solve their nagging backorder problem, allowing them to drive revenue growth and run more efficiently.



Without inventory data on-hand, R³ Construction Services couldn't ensure order fulfillment.

Backorders. No matter the industry, manufacturers and distributors selling B2B inevitably encounter this issue. Without accurate inventory information when writing orders, backorders are common and impact all stakeholders, from customers and sales reps to back office staff.

To solve the backorder problem, many suppliers are turning to B2B eCommerce platforms, particularly those that provide inventory information to customers and sales reps when they are placing B2B orders. R³ Construction Services is an example of a company that solved the all too familiar backordering problem with B2B eCommerce technology, equipping their foremen with a mobile order entry app called Handshake Rep.

Keeping Up with Supply and Demand

R³ Construction Services is a construction company that specializes in high-volume residential renovations, managing over 8,000 apartment units across 45 buildings throughout Southern California. To keep up with the demands of maintaining these apartment units, the company prioritizes 40 or more renovations each month.

Handling this many renovations at once means that R³ Construction Services needs to keep building materials in their own warehouse, allowing the foremen running construction crews to order the materials they need to keep renovations moving along smoothly. In theory, this system should work, but since their back office was often inundated with orders, R³ Construction Services ran into major problems with backorders.

Discovering a Better Way to Order

Before R³ Construction Services implemented Handshake, ordering materials and keeping their warehouse fully stocked was a near impossible task. Foremen for each building needed to walk multiple units each week to determine the list of materials they had to order, and these orders needed to be placed in a timely fashion to keep projects on track. Once a list of materials was compiled for each unit, the foremen would transpose their notes onto 12" x 15" order forms.

R³ Construction Services, The Scope:

 **8,000**
Apartment Units

 **45**
Buildings

 **40+**
Monthly Renovations



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The faster we can renovate our units, the faster the properties can get them rented. Any extra day waiting for materials is one less day of rent being paid to owners.

”

Scott Demint
General Manager,
R³ Construction Services

R³ Construction Services needed mobile order entry software to fix their backorder problems.

A few days later, all foremen would place stacks of these order forms on their superintendents' desks for fulfillment during weekly office meetings. The superintendents then had the unenviable job of sifting through these orders and delivering bad news—the materials they needed were out-of-stock, leaving their projects derailed until the next shipment came in.

Frequent backorders were unnecessarily prolonging R³ Construction Services' renovations, putting stress on their operations and directly impacting their bottom line. General Manager Scott Demint explains, "The faster we can renovate our units, the faster the properties can get them rented. Any extra day waiting for materials is one less day of rent being paid to owners."

In other words, keeping projects on schedule is a crucial need for the properties they manage. Demint continues, "I knew there had to be a solution for this." Tasked with solving problems throughout the organization, Demint turned to Handshake Rep, a B2B mobile order entry solution, to finally put an end to backordering, once and for all.

Leaving Backorders Behind

During R³ Construction Services' search for a solution, Demint was able to imagine how his foremen would use Handshake Rep in the field:

"I really liked the idea of a very simple, visual solution. I had envisioned something just like Handshake to get people ordering from their phones and iPads. A solution that works on an iPad Mini is perfect for our field staff."

Immediately after implementing Handshake, R³ Construction Services recognized process improvements that saved their foremen and superintendents precious time and energy. Orders no longer had to be scribbled onto large order forms and hand-delivered to their back office. With Handshake, their foremen now order materials directly from a mobile device. Within an instant, those orders can be reviewed by superintendents and sent to their warehouse for fulfillment.



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Handshake Rep allowed R³ Construction Services to reduce backorders and realize process improvements.

The most significant process improvement that the company experienced was the reduction of backorders, due to three main factors:

1. Access to inventory information.

Foremen now know what materials are available in the warehouse at all times. The Handshake Rep interface displays inventory availability for every item in their warehouse at the time orders are placed. If a foreman needs an item that's out of stock, the back office can start the restocking process right away and shave days off the fulfillment schedule.

2. Orders are spread out evenly.

Before Handshake, R³ Construction Services foremen could not simply place orders as needed—they had to wait until they were in the office. Orders would pile up once a week at in-office staff meetings. When processing this many orders at once, with limited warehouse space, backorders were simply unavoidable. Now, the R³ Construction Services team can place orders anytime. These orders automatically sync with Handshake's admin interface and are sent for fulfillment right away, allowing the warehouse to better manage inventory and ensure materials are in stock when needed.

3. More accurate forecasting.

Handshake makes it possible for R³ Construction Services' back office to better predict which materials they need to keep in stock in their warehouse. By reviewing order history and analyzing trends and patterns, superintendents have a greater understanding of the needs of their business.

Post-Handshake Results:



1. Inventory Insight



2. Easier Fulfillment



3. Better Forecasting

With Handshake, order accuracy has improved dramatically.

Welcoming Unexpected Results

By implementing Handshake, Demint solved R³ Construction Services' nagging backorder problem, but he also experienced additional results as an unintended bonus:

1. Easy mobile reordering.

Ordering on the fly is a huge time saver for R³ Construction Services' foremen—even more so with Handshake Rep's reordering functionality. Since many units in a given building often require similar materials and quantities, order duplication makes a foreman's job that much easier.

2. Superintendents can better focus their energy.

Managing the flow of orders is not the only job superintendents are tasked with. With ordering workflows as streamlined as possible, superintendents can focus more of their time on high level supervision of projects, which also helps contribute to expedited project schedules.

3. Properties can order materials on their own.

Beyond unit renovations, property managers can now order materials directly from R³ Construction Services with Handshake Direct, their customer ordering portal. This makes simple fixes, such as ceiling fan replacements, more manageable.

4. Orders are more accurate.

Digital orders are always more accurate than handwritten orders. "I've gotten really positive feedback from the warehouse, especially," says Demint. "Order accuracy has improved dramatically. The warehouse has been excited to not have to manually enter every order."

Additional Results:



1. Simple Reordering



2. More Focused Management



3. Customer Order Enablement



4. Less Data Entry Errors

Conquer backordering once and for all with order entry software.

Conclusion

Backorder management may be a tough issue to conquer, but B2B eCommerce platforms like Handshake are easing this burden. When Demint was troubleshooting R³ Construction Services' backorder management issue, he worked backward from the problem and found that the root cause was a technology gap.

Solving for this technology gap not only fixed their backorder challenges, it made their staff and operations much more efficient. Does your B2B company suffer from issues with backorder management? Handshake can help. Schedule a 10-minute call with a Handshake representative to get started today.

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