

Digital transformation: **rethinking your LBM** **business for the** **digital age**



What is digital transformation?

Simply put, it's about rethinking your business for the digital age. It involves using new technologies to improve how you operate, serve customers, and stay competitive.

It's also about being adaptable to change to meet new business and market requirements.

As a building material supplier, you might wonder if digital transformation is relevant to your business. The answer is a resounding yes! In today's digital economy, every industry is affected, and yours is no exception.

According to Deloitte, **74% of business leaders believe digital transformation is the single most important investment for driving enterprise value in 2024 and beyond.**

The lumber and building materials industry is not immune to this trend as we see more and more companies increasingly adopting digital tools to enhance efficiency and competitiveness.

For your business, this could mean anything from implementing advanced inventory management systems to offering online ordering platforms for your customers.

Why should you care?

1. Stay competitive

Statista highlights that digital transformation spending worldwide is projected to reach \$3.4 trillion by 2026.

If you're not adapting, you risk falling behind because your competitors are all investing in digital technology.

2. Improve customer experience

Your customers are already using digital tools in their daily lives. They expect the same convenience from you.

According to a report by TELUS International, 82% of U.S. consumers expect brands to provide a seamless digital experience.

3. Boost efficiency

Digital tools can streamline your operations, from inventory management to delivery logistics.

According to IBM, 95% of Chief Supply Chain Officers (CSCOs) in the U.S. reported that digital transformation in supply chains leads to higher efficiency in tackling challenges.

4. Make better decisions

With the right data at your fingertips, you can make more informed choices about stock levels, pricing, and business strategy.

Gartner predicts that by 2025, 95% of decisions that currently use data will be at least partially automated.

The role of your ERP system in your digital transformation

Your Enterprise Resource Planning (ERP) system is crucial in your digital transformation. Selecting an ERP system that perfectly fits your lumber and building materials business is a great way to start your digital transformation journey.

It will also meet your industry's unique needs from the start, instantly making it easier to do business, and improving efficiency across your operations. And it creates a unified information hub for running your business for better decision making by your team.

Moreover, the latest ERP systems designed for your industry will future-proof your business by incorporating cutting-edge technology and offering a true REST API for seamless and cost-effective integrations. These systems also provide a platform that supports your growth plans while fostering a culture of continuous improvement.

While often associated with large corporations, modern ERP solutions are highly scalable and customizable, making them valuable assets for businesses of all sizes in the LBM industry.

Regardless of your company's scale, an ERP system can:

- ➔ **Provide Valuable Data Insights:** With the wealth of data in your system you and your team can make smarter decisions.
- ➔ **Improve Business Processes:** With automated workflows and reporting you can streamline your operations and boost efficiency.
- ➔ **Enable Mobile Access:** Give your team the ability to work from anywhere, improving productivity and customer service.
- ➔ **Unify Online and Offline Operations:** An ERP system will seamlessly bridge your physical and digital presence, integrating customer portals, online marketplaces, and comprehensive e-commerce capabilities. This unified approach ensures consistent data flow, real-time inventory updates, and a cohesive customer experience across all channels.
- ➔ **Offer Big Data Analytics:** Modern ERP systems often come with built-in analytics capabilities, allowing you to turn your data into actionable intelligence.



Tackling LBM industry challenges with technology

As a lumber and building materials supplier, you face unique challenges. Here's how the right tech can help you:

> Stay competitive

With large home improvement stores expanding their reach, you need 100% confidence in your data to make smart decisions. Consider specializing in niche products to stand out. Your system should easily manage a diverse product range and be flexible enough to support pivoting into new areas or expanding through mergers.



> Manage inventory smarter

Your customers want eco-friendly options, and you need optimal stock levels. Good tech can help you track your sales history, recommend what to stock, and use predictive analytics for smarter purchasing.

With real-time updates across all locations, you can manage distribution better, making sure you meet customer needs while keeping the right amount of stock.

> Balance pricing and profits

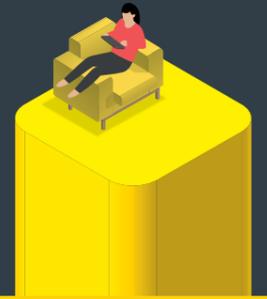
Modern LBM solutions, like GenetiQ, offer smart pricing tools to automate customer discounts and price changes. You set up the rules once, and let the system preserve your margins as supplier prices fluctuate. This empowers your team while safeguarding profits, keeping you competitive and in control.



> Go digital

Today's customers expect the option to buy online and manage their accounts independently. Implement a system that seamlessly syncs your in-store and online inventory, offers customers robust online account and order management tools, and enables you to expand your reach through major online marketplaces.

This omnichannel approach not only meets customer expectations but also opens new avenues for growth.



> Boost efficiency and customer service

Good service and smooth order processing can set you apart. You need a fully integrated order processing or point of sale system that links with your main business software, making it quick and easy to process sales from start to finish.

Your system must be able to do repetitive tasks automatically, giving your staff more time to help customers. Make sure your team can quickly find customer and product details when needed. Use delivery tracking to get orders to customers on time. These improvements help you deal with today's demanding customers.

> Meet regulatory requirements and sustainability standards

With increasing focus on sustainable products and stricter regulations, managing documentation can become a significant challenge. An ERP system can help you easily manage and distribute required documentation.

You can attach sustainability certificates and compliance documents to product records, automatically send them to customers with orders or quotes, and set up alerts for expiring certifications. This ensures you meet regulatory requirements while positioning your business as a responsible supplier in an eco-conscious market.



How to start your digital transformation journey

We've only scratched the surface on what the right lumber and building materials software can do for you. If you feel your current system is holding you back, it might be time to look for a system that enables you to continuously improve what you're good at.

Focus on solutions, not just technology

Don't just buy new tech for the sake of it. Think about the problems you want to solve. Identify pain points in your business processes or customer experiences.

Then, look for technologies that can address these issues. This approach ensures your digital transformation is purposeful and aligned with your business objectives.

Start with your customers

What do they need? How can you make their lives easier? Think about the problems you can solve for them and how you can make it easier for them to do business with you. Then work backwards to see how technology can help.

Harness the power of your data

Every day, your business generates vast amounts of data.

Learning to extract and analyze this information can provide significant benefits and actionable insights for your business.

Involve your employees

They often have the best ideas for improvement. Consider organizing workshops across every department, encouraging employees to suggest ways to improve business processes, customer service, and engagement.

The industry is forever changing, and having the right tech tools isn't just nice to have – it's necessary to keep up. Without them, you might find your business falling behind.

Get leadership on board

This isn't just an IT project. It needs support from the top. Digital transformation affects every aspect of your business. Leadership must champion the change, set the vision, and allocate resources. Without this top-down commitment, your digital initiatives may struggle to achieve their full potential.

With real-time updates across all locations, you can manage distribution better, making sure you meet customer needs while keeping the right amount of stock.

Create a plan

Based on the insights you gather, map out your digital transformation strategy.

It doesn't have to be all at once – start with quick wins and build from there.

Keep in mind that your digital transformation is an **ongoing journey, not a one-time event**. It's about developing the capacity to continuously adapt as technology and society evolve. The building material supply industry might not be known for rapid change, but that's exactly why embracing digital transformation can give you a **significant edge**.

By starting now, you're setting your business up to thrive in the digital age. You'll be better equipped to meet changing customer expectations, optimize your operations, and **stay ahead of the competition**.

Ready to take the next step in your digital transformation journey? **Let's talk** about how we can help your building material supply business succeed in the digital age.

Get started at genetiqerp.com

