

# Case Study: PBS Holding AG



## New ways to success in a changing world

With its slogan “Your first class partner for the office”, the PBS Holding Group is one of Europe’s leading office product distributors and resellers, and is currently represented in eight countries by more than 20 companies. Based at the company headquarters in Wels, Austria, Birgit Broeckel, Team Leader, E-Business International, told us a little about the way PBS is moving into the future.

“We are in a challenging time after the pandemic,” Birgit says when asked about the current set of business goals for PBS. “The particularly high inflation and problems with supply chains and availability of products are giving us a hard time to grow. Due to the effects of Corona and the new workplace design with increased remote work, many classic ranges for everyday office use are in decline. Product range expansions are in demand, but this kind of thing doesn’t happen overnight. It needs to be considered, and we have to decide which things we fill our storage space with.”

As organic sales growth is consigned to history, Birgit says that M&A (mergers and acquisitions) will be decisive for the company’s future development, while increasing internationalisation is another important strategy. “In the meantime, more than 80% of our turnover is made outside of Austria,” she says. “A major

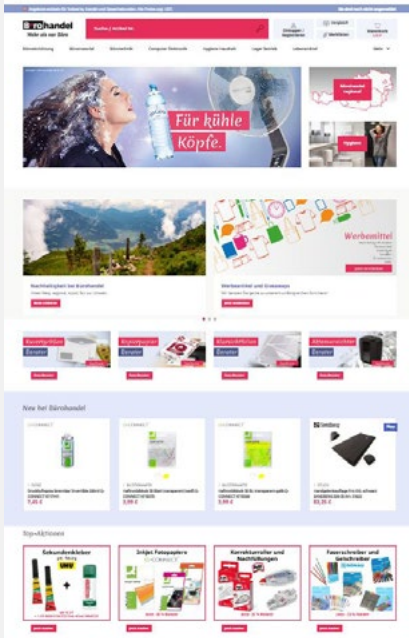
driver here is PBS Global Solutions, which has taken over the international key account business from Staples.”

Birgit maintains that the satisfaction of both existing and new customers is decisive for success. And when it comes to achieving future goals, it is essential to have an effective product discovery and search platform in place. Birgit believes that ‘Find instead of search’ is the aim here. “It is essential for customer satisfaction that they do not have to search for a long time,” she says, “but that they find the most relevant results intuitively and without detours. This is not only about satisfying existing customers, but also about making a good first impression on new customers.”

### THE NEW INGREDIENT

Birgit also believes that the company should not simply rely on its existing experiences, but must engage with Artificial Intelligence. “With increasing measurement points, the software’s probability of success increases,” she says. “And advertising messages can also be placed in a more targeted way where customers move most often – appropriately in the search results.”

Birgit’s team regularly check the analysis results supplied by FactFinder in order to recognise trends early and derive



recommendations for action from them. “For example, if customers frequently search for product terms and cannot find anything, we determine whether the customer and ourselves are simply naming the product differently or if there is a need to expand the range.”

According to Birgit, her team can no longer imagine everyday business without FactFinder NG (New Generation). “We finally have the opportunity to see behind the scenes and analyse and optimise when metrics are underperforming and regular search results and campaigns are not performing as desired.”

#### TOOLS YOU CAN TRUST

There are currently more than ten brands running centrally on PBS’s systems, with different search result preferences

depending on the country, business model and brand. “A well-functioning product search is particularly important when around 100,000 articles are offered in our shops,” Birgit says. “And it comes in very handy that we, as the eBiz marketing department, can independently make individual configurations without being directly dependent on IT.”

For Birgit and her team, however, FactFinder is much more than a product search. “Evaluation options, search configuration and various campaigns round off the tool for us,” she says.

Birgit rates the FactFinder team as highly competent, and appreciates the support they bring with their know-how and experiences gained from other industries. All this helps them provide solutions for PBS in a challenging business environment. “In addition, they provide us with inspiration and are constantly striving to develop their system.”

#### MAKING THINGS CHANGE

For other businesses that might be looking to replatform but are nervous of the disruption, Birgit has this advice: “Talk to existing customers who already have experience with potential new systems and ask them questions. Let them explain advantages and weaknesses to you, but don’t be too put off by weaknesses.

“Change is often more difficult for us shop managers and users than for customers,” she continues. “They often don’t notice changes at all. But they quickly get used to the new comfort and don’t want to do without it afterwards. Don’t wait until everything is perfect.

There is no such thing. Get started and work in progress.”

Birgit’s forward-thinking approach extends to the importance she attaches to the utilisation of Artificial Intelligence in the PBS platform. “Pure manual work does not work for optimising search results,” she says. “Without AI, it no longer works. After all, we no longer drive around in horse-drawn carriages. We value the expertise and experience of our colleagues, but we also value the addition of recommendations based on mass observations by the engine.”

This is especially important for a company like PBS which has such a wide range of products and where the decision criteria for or against a product can vary. In addition, ordering behaviour can change or be subject to quirks, so personalisation of search results is also a benefit.

“As the assortment increases, it is impossible to optimise manually,” Birgit says. “That is why it is so important to use AI. A certain tolerance for errors or a lack of hits at the beginning is quickly forgiven as soon as the results are better than we could ever do manually.”

When asked how she measures success for PBS, Birgit states that satisfied and returning customers are the top priority. “Turnover and profit is one thing,” she says. “When it comes to our search engine, what counts for us is, of course, a particularly high click and buy rate. All those who come and search should of course also find and buy – and above all, the right thing. This enables us to reduce complaint rates.”



In times of rising costs for packaging materials and transport, Birgit feels that achieving a high average shopping basket value is also crucial. “But in order to measure success even better, it is also important that various functions are seamlessly measured in the shop and thus successes or failures can be documented in a comprehensible way.”

#### GETTING IT RIGHT WITH AI

Birgit advises that when choosing the right platform for future growth, it’s essential that businesses ‘take a test drive’ before they buy. “Let them show and explain the functions,” she says, “and involve your directly-concerned employees from the operational environment with the testing and to ask critical questions. If a reference customer raves about a tool, take a look behind the scenes – what did they use to measure success? And with which methods?”

“A search without personalisation and without dynamic adjustments based on the customer’s click and buy behaviour is no longer state of the art. With regard to staff shortages, you have to trust AI to a certain extent and try things out. But evaluation and readjustment must still be done by humans, and on a regular basis.”