



GUIDING CUSTOMERS INTO PREFERRED AND PROFITABLE SOLUTIONS

THE CASE COMPANY ↓

CHALLENGE

The business for stations has evolved from small local craftsmen businesses to global companies within a decade. The case company has gained access to this business by acquisitions of several factories and sales companies. Each acquisition has contributed with new processes, new production principles and new customers. Due to each sales company having different ways to address their customers, this has led to an increasing number of different product solutions, and as a result of this the product assortment has grown dramatically.

With the acquisition of several factories and sales companies it became evident that the case company needed to harmonize the products and the way the products were offered to the market. The harmonization should be an enabler for improved efficiency through economies of scale. One of the key initiatives to achieve this was to introduce a sales configurator and a quotation system. The main goals have been to reduce quotation time, harmonize products across markets and to improve flexibility in where the products are produced.

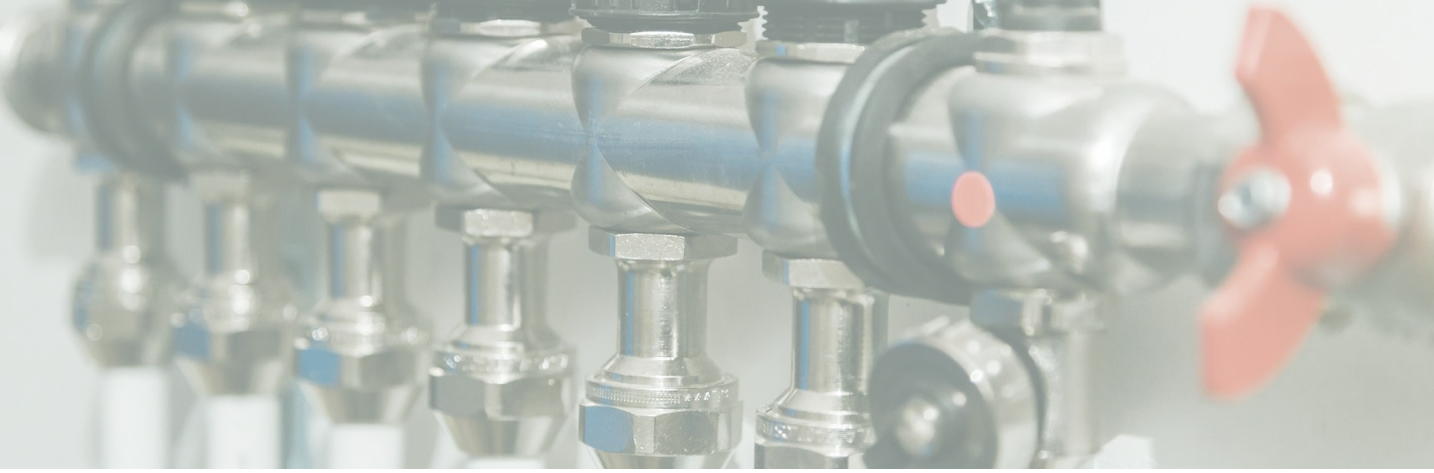
PROCESS

CPC has played a major role in implementation of the new sales configurator, contributing with the selection of configuration system, specification of functionalities, establishment of configuration team and roll out of the configurator on all major markets and implementation across three factories.

One of CPC's strengths is the ability to systematically analyze a complex product assortment and understand how changes in the product assortment and sales/order processes have impact on the total business. In order to control the way variants should be offered to the market, an architecture for the product assortment was defined. The architecture was implemented in the configurator by means of rules:

- Technical rules (e.g. flow calculations) have been defined to ensure only technical feasible products are sold
- Commercial rules (e.g. cost calculations) have been defined to ensure only products that contribute positively to the business are sold

The case company is a global manufacturer of components and solutions for refrigeration, air conditioning, control of electric motors, and heating of houses and buildings. Business units span light and heavy duty applications with the latter providing products ("stations") that are typically tailored solutions including specifications for passive, active and control componentry as well as the support structure and interface elements.



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The sales configurator is used in all major markets served by the case company incl. Finland, Sweden, Germany, Poland, Russia, etc. supporting factories in Poland, Finland and Romania.

Before introducing the sales configurator, as much as 90% of all orders were tailored specifically to meet the requirements of each customer. The unique character of each product made it very difficult for production to improve efficiency. However, by introducing templates, default selections, etc. in the sales configurator it became clear for sales organization which solutions cause less complexity for production. This has increased the sales of standard products, while creating a foundation for production to have common assemblies, tools, processes, etc. in order to improve efficiency.

Today, 90% of the products sold are within the range of standard products. This has led to a significant reduction of cost and lead time and in general a more profitable business for the case company. CPC has played an important role in the business transformation moving from tailored to standardized products.

Main benefits include:

- Reduction of average quotation time from 4 hours to 10 minutes
- Increased sales of standard products from 10% to 90%
- Transparent cost calculations for each sold product
- Sales configurator fully integrated in quotation and ordering system as well as in SAP

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