EURAMAX

Sofon
Guided Solutions

'the sky is the limit'

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Sofon forces us to work with structure

Euramax Coated Products is the global market leader in coating and processing aluminum coils (rolls). We color your world is the appropriate motto for the company with its factories in Roermond in the Netherlands, the United Kingdom and the United States. Clients are mainly architects, transport equipment builders and buyers of advertising panels. The end products of Euramax coated aluminum rollers can be found in buildings, halls, sports stadiums, transportation facilities and airports all over the world. One of the highlights is the high-end architectural project Ferrari World, the famous amusement park in Abu Dhabi.

Euramax is quite rightly a data-driven company, with Sofon as its essential and reliable pillar in a smart, future-oriented data structure for which Euramax received the Business Software Award in 2016. For the colorful story behind this, we approached two 'key data figures': Business Data Scientist & ICT Project Manager Peter Wijers and Price Analyst René Driessen.

NO ITEMS, BUT COUNTLESS VARIANTS

To kick off, what distinguishes Euramax?
Peter: "The fact that we don't have fixed products, but rather countless variants that we combine in consultation with customers into a product which is ideal for them. The diversity lies in the materials, the thickness, size, hardness, ductility, layer structure, color, hue, color effects, film type, properties like sea or sunlight resistance, heat reflection, you name it. Depending on the chosen composition, lots of different variables also play a role in the pricing, such as the speed of the production line and loss of material due to test runs. Many variants can be combined, but not everything. Something may be technically impossible, or a supplier doesn't support a combination, for example certain

varnish-primer compositions. Or something is pointless and undesirable: fragile material with unbreakable lacquer. But in principle, at Euramax, the sky's the limit."

BUSINESS INTELLIGENCE DEPENDS ON RELIABLE DATA

Euramax has been using Sofon for around two years for configuration and quoting. What were the challenges facing management at the time, leading them to choose Sofon?
Peter: "The origins go back further when Jan Timmerman, our Managing Director, asked me to set up business intelligence. He wanted us to be able to translate the multiplicity of data into reliable, low-threshold, real-time control and decision information. With René's help, I then developed a structure with a separate database, which is fed from the linked ICT source systems every hour, and which is linked to visual analytics. Employees log into this database and then get hyper up-to-date visual analyses of the information they are looking for. This construction works well, but it's only useful if you feed the database with data which has the utmost reliability.

Previously we didn't have enough of that in the commercial operation. That's why we opted for Sofon. I'd wanted to do that myself previously, because I saw Sofon's potential, but we weren't ready for it as a company at the time. There were other priorities."
René: "About four years ago, we strongly urged using Sofon, because we'd noted a steady decline in the number of experienced employees over several years. The urgency of securing their knowledge became ever greater."

EXCEL HAD THE POTENTIAL FOR MAKING EXPENSIVE MISTAKES

What did you use before Sofon, and what obstacles did you face?
René: "We'd been using Excel for many years, which included the underlying data on our variant options, which we updated once a year. Sellers drew up quotations manually in Word, and because of the incompleteness of the data, they sometimes had to negotiate a whole obstacle course to arrive at a price. If a seller made several calculations, it wasn't always clear which one actually underlay the quotation. So it was difficult to work with margins.

Because data wasn't always up to date, and through human error, vendors regularly offered unwanted and impossible combinations. So checks had to be built-in at four or five points, which was very time consuming. And then another incorrect order would slip through, which had to be fixed in production or, worse still, after delivery, with all the costs that entails. Every seller also had his own quotation template on his disk. This led to several complaints about missing information in quotations, brought to our attention by lawyers. You can imagine just how much money that cost us."

CHECKS AND BALANCES IN THE COMMERCIAL OPERATION

Now you're using Sofon. What are the benefits in terms of implementation and management?
René: "We definitely save a lot of time and (failure) costs because of Sofon, we're more in control in the commercial operation, we have more insight into what we do, and we learn from it as a consequence. The quotation process is controlled and smooth, and the history of the quotations created with Sofon is clear. Quotations are created automatically in the desired language, currency and dimensions, pass through a layered authorization process and are placed in the document management system. Quotations have a fixed structure that's the same for everyone; nothing can be forgotten.

And both individual salespeople and managers can continuously see what's happening and where action and adjustment are needed. Among other things, salespeople see the quotations they have submitted and which are pending, and based on our business rules, they know exactly when to take action. Managers have a sales-wide overview of this."

WORK SMARTER AND MORE EFFECTIVELY WITH HIGHER HIT RATES

Peter: "Thanks to the insight Sofon offers, at Euramax we've become more aware of our commercial activities. This has led to strategic decisions on a smarter approach, for example for customers where the ratio of offers created and accepted was completely out of balance.
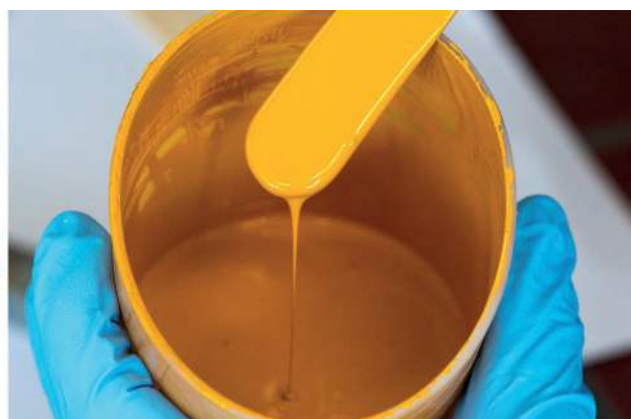
> "Another very substantial effect of Sofon is that sellers can only offer what's possible and permitted. Unwanted and impossible combinations are automatically excluded. "

Lots of quotations, lots of work, few orders." René has built a kind of 'Sofon light' for these customers, where they receive an indicative offer on the basis of a few questions, without a price guarantee. René nods: "This takes very little time. The change means that salespeople are producing one-third fewer quotations, the quality of the quotations has increased, and our hit rate has risen from 8% to 20%. Given that we mainly operate in high-end sectors, this is a good performance growth. Our salespeople are also more effective. Instead of quoting unnecessarily, now they're investing time in advising customers, providing service and following up on quotations. And we know from our customers that 'service' is the main reason they come to us."

REDUCED FAILURE COSTS BY REDUCING NON-VIABLE COMBINATIONS TO ZERO

Peter and René: "Another very substantial effect of Sofon is that sellers can only offer what's possible and permitted. Unwanted and impossible combinations are automatically excluded.

That means much less checking is needed, and the associated failure costs have been reduced to zero. That's really significant. Take an order of 10,000 kilos x 5 euros per kilo. If we deliver that incorrectly because of an unnoticed 'mistake', you're looking at an expense of some 50,000 euros. And then there are the costs of new material to be ordered, a new production run, a longer delivery time. The spin-off from an error is a multiple of the order value; people often don't realize that."

Peter: "What we frequently come across at Euramax are changes in suppliers' ranges. One adaptation often leads to hundreds of new forms of finish construction, while hundreds of others can no longer be made. With Sofon, this can be adjusted at source, so very clearly and quickly. We can even say one minute before production: this order gets the old finish structure and the next gets the new one. We can work in a very controlled way."

SOFON FORCES US TO WORK WITH STRUCTURE

What is Sofon's value for management?
Peter: "The overall value of Sofon for management – and more importantly for us too, because we're active 'evangelists' for it – is that it forces us to work with structure. And that's a must at Euramax given the variety of products we sell. It makes you powerful as a company if you work purposefully and in a controlled way, from a single truth that's no older than an hour. It's the only way to cope with today's rapid developments."

IMPLEMENTATION: SPEND TIME TO GET A MODEL THAT WORKS WELL

What lessons did you learn from Sofon's implementation phase?
René: "First of all, make sure that your business rules are in order in your company. It's also important that you free up your staff 100% to experiment and explore how Sofon works, at least in the initial phase, so that they can create an effective model that suits their practical needs.

> "I see Sofon as a fire door that prevents fires occurring. Fires in the form of costly mistakes, wasted time, unnecessary actions and so on."

You should also accept that your system is never finished; I'm still working on maintenance for at least 20% of my time. Another practical tip is that you need to be very consistent in your naming, because matches between data only happen automatically if names match exactly."

Peter: "I would add that you must also be critical and honest with Sofon's consultant. We weren't looking for someone who taught us how to build the knowledge model, but someone who thought about how to make maximum use of Sofon within our data structure. The first consultant was more a first-line type; we immediately gained momentum when we took on a different one. With the change, we've been able to experience Sofon's flexibility both as a company and a system."

EXPLOITING OPPORTUNITIES STEP BY STEP

Are there any other opportunities that Sofon unlocks for the future?
René: "Yes, there's still a lot we don't yet use. For example, we could build in clickable application conditions that vendors now request from customers in order to create good quotes. As well as data about the market and competitors in order to fine-tune our prices. Automatic order entry into the ERP system is also on our wish list. Over time you could also let customers do the same themselves through a Euramax portal. But we are taking a step-by-step approach: first, 100% certainty that things are working and that the company is ready, and then we'll take the next steps."

BUILDING A FIRE DOOR INSTEAD OF PUTTING OUT THE FIRE

What's your conclusion about Sofon and your advice to companies facing similar challenges?
René: "I'd say: spend more time building a fire door than putting out fires. I see Sofon as a fire door that prevents fires occurring. Fires in the form of costly mistakes, wasted time, unnecessary actions and so on. Using your capacity, especially preventively, ultimately delivers a lot more return than constantly taking curative action."

Peter nods: "Making a change like this is a development process, in our company too. Looking back at our own situation, I think we've taken huge steps at Euramax. But if you're working on it every day, as René and I do, you're not aware of it as much. So the award for our data integration took me by surprise. Apparently we're doing something special. So my advice is: work with structure from a single truth, then you'll soon experience the benefits. And in relation to the commercial operation, my experience is that if you want structure, you can't do without Sofon. It's as simple as that."

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