

Cincom Enables Waste-Free "Quote-to-Order" Vision for PANalytical

Goal

Provide an excellent customer-service experience by delivering a "waste-free" supply chain.

Challenge

Improve sales and "back-office" efficiency and accuracy in the quote-to-order processes.

Solution:

Cincom CPO

- Guided Selling and Product Configurator
- Quotation and Proposal Management

Key Results

Supply chain savings of over €300K per year.

"In addition to the solution being a very good fit to the requirements, we liked Cincom's consultative 'no-nonsense' approach. They responded very well to some tough questions in real depth, rather than saying yes to everything".

– Andre Balogh de Galantha,
Business Improvement Manager
at PANalytical



About PANalytical

Founded by Philips in 1948, PANalytical is the world's leading supplier of analytical instrumentation and software for x-ray diffraction (XRD) and x-ray fluorescence spectrometry (XRF), covering more than 60 countries. Their equipment is used for scientific research and development, semiconductor metrology and industrial process-control applications focusing on markets such as pharmaceuticals, cement, steel and mining. All production is within two facilities in the Netherlands, including the manufacture of its own x-ray tubes, which makes PANalytical unique. It is part of Spectris plc, the precision instrumentation and controls group. Each x-ray system has numerous options, is highly complex and is configured to the customer's individual requirements.

The Strategic Challenge

The supply chain is critical to an exceptional customer experience, since it starts (and finishes) with the customer. The company was spending too long on reworking too many quotations, and a severe bottleneck was growing between Sales and Engineering. The products often could not be manufactured as specified, which led to further rework, delays and increased production costs. The sales team had access to a basic configuration application, but additional resources and time was then needed to produce a professional quotation. Lastly, pricing was not formalised, so commercial risk was inevitable.

The mantra soon became “deliver waste-free” by creating a “lean” order-processing environment. The mission was to provide a transparent logistical service to exceed customers' expectations in a cost-effective way.

- Zero mistakes – error-free
- One-time input with no duplication
- Minimal process steps by eliminating non-value-added activities such as checking
- Minimal amount of handovers
- Minimal waiting period (just-in-time)
- Deliver when needed by customer
- Provide continuous, accurate order information and visibility to the customer

Andre Balogh de Galantha, Business Improvement Manager at PANalytical, comments: “Our aim is to have 'zero tolerance' for technical errors enabling cost savings through reduced checking processes and rework”.

Improving the Quote-to-Order Business Processes

PANalytical had a configuration application that had “passed away,” leaving gaping holes in the quote-to-order process. Sales, purchasing, logistics and production were all entering data multiple times, leading to errors and inefficiencies. Items and part numbers including pricing were not always up-to-date and changes in system trees took a long time to deploy to the individual sales engineer.

This was a major challenge, because once the customer accepts the given quotation, the contract has to be honoured. In cases where the quotation was inaccurate, PANalytical was forced to take a commercial “hit” on the order. There was no automatic facility to produce a quote, resulting in bill-of-material-related errors and time delays in getting a “first quote” to the customer. Queries had to be referred back to the field and corrected by the product managers, causing further pressures and delays.

An average of four hours was spent purely collating information per quote, with quotations being built by “cutting and pasting” between multiple disparate applications. Each order had to be re-entered into the ERP system and checked multiple times by product managers and logistics, averaging three hours of control checks on each order.

The situation illustrated clear inefficiencies and unacceptable levels of mistakes. The objective to do more with the same number of people was part of the return on investment business case. A 20 percent improvement of sales engineers' time saved in producing quotes equates to one day per week! The “gap” to be addressed was becoming more and more clear.

Rapid Return on Investment (ROI)

Three key areas for ROI were identified as follows:

Sales efficiency – Improved quotation production efficiency and savings on quotation rework saved over €160K per year.

Back-office efficiency – Reductions in product management support, order checking, re-keying and handling equated to over €180K per year saved.

Supply-chain efficiency – Improvements in order accuracy and reductions in order changes, rework and checking led to a savings of €50K per year.

The Solution

Cincom faced intense competition from two Dutch companies; however, PANalytical was particularly impressed with the responsiveness of all the Cincom team and the maturity of both Cincom as an organisation and the application that provides them with a high-value, low-risk solution.

Cincom's solution had a worldwide rollout, with multi-language, multi-currency support and global coverage. Cincom CPQ supports sales engineers by providing quotation generation, product configuration, rules-based pricing, technical validation and management reporting and analysis. Connected and disconnected operation for the mobile sales force was also part of the criteria for the solution.

About Cincom

Since 1968, Cincom's software and services have helped thousands of clients worldwide simplify the management of complex business processes. Cincom serves thousands of clients on six continents including BMW, Boeing, Penn State University, Siemens and Trane.

For more information and additional resources, send an e-mail to InfoEurope@cincom.com, or visit our website at www.cincom.com.



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