

Spirax Sarco Increases Proposal Generation by 40%



The Challenge

With over 100 years of experience in designing and manufacturing specialized systems for controlling steam, condensates and liquids, Spirax Sarco is the undisputed benchmark in steam engineering. Its businesses the world over enable the Spirax Sarco group to adapt its solutions to the specific needs of each market.

Spirax Sarco was looking for ways to grow its business and their “control systems,” which offer the highest potential for growth, were therefore a strategic focus for development.

As part of this development strategy, the control systems head office, based in Châtelleraut in southwestern France, launched two key projects. The first involved expanding their product offering and the second involved setting up a configurator in order to improve efficiency. The aim of the configurator was to enable Spirax Sarco to boost product sales internally to the 38 sales outlets in the group and—through a knock-on effect—to customers in nearly 120 countries.

Complex Configurations and Estimates

The control systems division has over 6,000 product references and manufactures 300,000 parts per year. Besides control valves, this range includes pneumatic/electric actuators, independent control systems as well as accessories such as filters, separators and check valves.

While it is relatively easy to manage accessories, control valves are a different ball game as they have many different characteristics (materials, size, finishing, type of seat, type of cage, type of flange, etc.) representing a combination of several thousand options overall.

Limited Solution Source of Errors

Before Cincom, a simple spreadsheet was used to configure valves and generate estimates. The complexity of the products did not make this very manageable. This unwieldy solution had reached its limit, and errors started to slip into configurations and estimates.

Client

- Spirax Sarco

Sector

- Steam, condensate and liquid management systems

Size

- Sales: \$64 million in France, \$976 million worldwide
- Employees: 256 in France, 4,800 worldwide
- 38 sales outlets and nine production units
- Businesses in 30 countries, represented in 120
- 300,000 parts manufactured per year

Location

- Châtelleraut, southwestern France

Results

- 40% increase in number of estimates generated
- Proposal generation time reduced from 1-10 days to only 15 minutes
- Configuration and estimate errors eliminated
- Factory returns eliminated
- Resource allocation improved
- Customer service quality improved

Integration

- Sales outlets, sales and distribution departments, technical departments and production

Solution

- Cincom CPQ™

Although quality control during assembly enabled any missing or sub-standard components to be detected, the impact of these quality defects was threefold:

- Additional costs and lower profit margins
- Delivery delays
- Loss of customer confidence

Long, Tedious, Non-Standardized Processes

Employees in the Sales & Distribution (S&D) department in charge of drawing up proposals for Spirax Sarco's sales outlets were free to work as they saw fit. With more complex requests (50% of the time), they depended on the knowledge of specialists in the technical department, which could cause bottlenecks.

This organization led to three pitfalls:

- Lack of standardization
- Long and irregular delivery times
- Loss of revenue

Inevitable Consequences

With inadequate tools and processes, the risk of negative customer experiences could only increase with the planned increase in their product lines, adversely affecting Spirax Sarco's image and growth. A solution was urgently needed, particularly as the control systems division had been earmarked to spur the company's development with a 20% growth target over five years.

Given the growth targets defined by the parent company, the Supply Chain Director of the Control Systems arm of Spirax Sarco immediately realized the vast potential for productivity in improving the configuration and estimate generation process.

Ambitious Goals

The Director therefore started looking for a solution that would enable him to improve customer service quality and generate growth while achieving the following three objectives:

- Organize and standardize proposals and model specialists' knowledge to avoid having to rely on them. This would allow the sales and distribution departments to be independent and ultimately improve their response times, giving them a competitive edge.
- Integrate the proposal system in the ERP so as to convert estimates into orders quickly and avoid typing information twice.
- Optimize costs by eliminating factory returns and meeting an increasing number of orders through the same number of employees.

While the primary beneficiaries of this solution would be employees in the technical and sales and distribution departments of Spirax Sarco France, the aim was to open up the system to the group's 38 sales outlets through a portal. Once up and running, they could pass on the benefits to their customers through faster response times.

Choice of Cincom CPQ

The functionality and flexibility of Cincom CPQ, a configuration, pricing and estimate generation tool, was the perfect answer to Spirax Sarco's needs. With the high demand for consulting services that this project involved, Cincom's geographical and linguistic proximity coupled with its flexibility made all the difference.

Seamless Deployment

During deployment, Cincom's professionalism, expertise, flexibility, responsiveness and ability to listen was greatly appreciated.

Fast Uptake

Employees quickly took up the new solution, becoming more independent and being able to depend on a reliable system.

International sales outlets that are located far away are happy that they no longer have to depend on the head office or be tied down by time differences.

Lighter, Faster Processes

Cincom CPQ has freed up the Spirax Sarco industry experts and allowed S&D to be independent. Delays and frustrations are now a thing of the past!

Cincom CPQ does not require intensive training, and its flexibility enables the system to be customized as desired, allowing Spirax Sarco to tackle expanding its valve range with peace of mind.

Convincing Results

Spirax Sarco's Supply Chain Director predicts a return on investment through three levers: increasing sales, maintaining the current workforce and redeploying employees currently in charge of creating technical data to configuring new product ranges. The benefits from day one have nonetheless been indisputable.

- Configuring and pricing proposals now takes 15 minutes as opposed to 1-10 days, and the number of estimates generated by S&D has risen 40%.
- Freed from having to create configurations and complex estimates, our specialists can now be more involved in ensuring the overall compatibility of a new order with a customer's existing installation.

