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Steven de Groot, Financial Director at EcoTherm

Branch solution saves EcoTherm more than 1 million euros

The previous IT solutions used at EcoTherm no longer matched their business needs. In view of the international character of the company and the need for a far reaching IT solution, EcoTherm was looking for a reliable partner with branch solutions that transcended borders. They found the answer in Pulse. The IT needs have now been fulfilled by Microsoft Dynamics AX and AXtension®. This has saved EcoTherm more than 1 million euros on its stocks and given the ambitious organization improved insight into the performances of its suppliers.

Organization EcoTherm

EcoTherm in Winterswijk is one of Europe's largest manufacturers of insulation products based on polyisocyanurate insulation board (PIR). The company is part of the Irish listed company CRH. The thin insulation boards are moisture resistant, dimensionally stable and fire retardant and are applied in housing and utility construction projects and in industrial applications. EcoTherm has production plants in the Netherlands and the UK and sales offices in Poland and Germany. The company exports to various European countries, including the Czech Republic.

Existing solution no longer sufficient

In the past EcoTherm worked with Progress. Asked about the reasons for switching to Microsoft Dynamics AX Steven de Groot, Financial Director at EcoTherm says: "Progress no longer supported the business needs. Another contributing factor was the fact that we used Progress for the logistic process and Coda for the financial process.

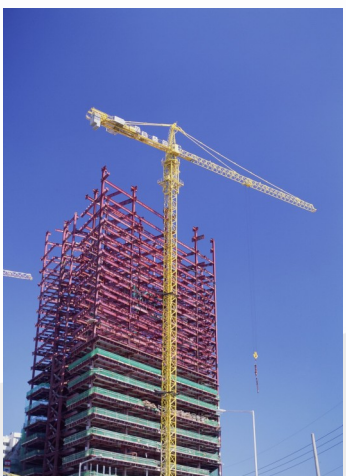
Both systems could intercommunicate, but they failed to provide uniform information. That created a whole load of challenges as far as stock was concerned. We wanted a single, integral multi-site and multi-language ERP system."

Match with Pulse

EcoTherm invited several parties for further talks and was guided in the selection process by the following principles; there had to be chemistry with the suppliers, the partner had to offer international support and custom solutions for branch specific issues. De Groot: "Pulse ticked all the boxes. They work internationally with other Microsoft Dynamics AX partners who have the necessary local knowledge of legislation and regulations and can oversee things themselves. In addition, Pulse adds AXtension® solutions to Microsoft Dynamics AX, so they offered precisely what we were looking for. "



Steven de Groot,
Financial Director at EcoTherm



Text: Karen Bos, Communicatie

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Phased implementation

EcoTherm choose a phased approach. De Groot says: "We first replaced the basis. Then we started a process of refining per level. The accent is on production and logistics. In the sales department we have implemented extra CRM functionality and the AXtension® Sales Dashboard. We are now in phase three, which means we are constantly engaged in further optimization. We are taking this step by step. The most important thing for us is that our employees can easily adapt to and accept the changes. They have to perform the daily tasks."

Clear communication about unit measurement

The technical side especially presented some interesting challenges. De Groot: "Our customers order square metres, production refers to linear metres, in the warehouse everything is in entire packages and the transport planner calculates using cubic metres. The test here was to allow everyone to communicate in their own language, without that having any consequences for the other departments involved in the process. With AXtension® UMC we now have a specific Unit Measurement Converter solution (UMC), so the necessary unit for each function is always displayed on the PC. So, for instance, sales can see immediately how many packages equals 10.000 m². We can round these figures up to whole units for the customers. This is an immense step forward for cost management in its entirety."

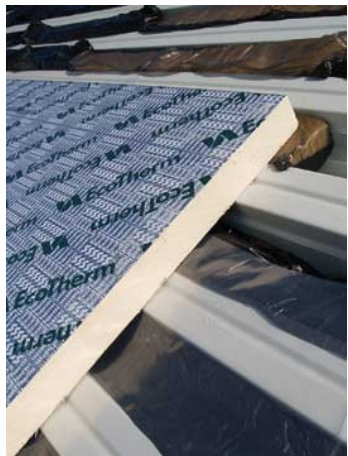
We no longer have any loose boards, differences in stock or out of date stocks. AXtension® UMC is an outstanding element of the branch specific solutions offered by Pulse."

Clever growth

In recent years, EcoTherm has noted a growth in turnover of 15% De Groot: "We have grown in terms of volume, but hardly in the number of staff. The stocks have not increased proportionally either. In fact, the value has even been reduced by 1 million euros." EcoTherm now knows that growth is not automatically synonymous with higher staff numbers and means. De Groot: "We notice that we are using our hours more efficiently, and that's improving on a daily basis. That is all the result of good IT."

Vendor rating made to measure

According to Martin van Tol, Purchasing Manager at EcoTherm, AXtension® Vendor Rating solution corresponds exactly with descriptions in leading purchasing management literature. "It gives you the freedom to assess suppliers based on various criteria and to link certain weighting factors yourself. This allows companies to create their own individual ideal assessment. This gives rise to the question: how sharp do you want it to be? As well as our intuition, we can also generate concrete arguments in support of the best performing supplier. Our suppliers can then improve on the particular points that are essential to us, such as delivery reliability and precise delivery of the amounts ordered."



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Martin van Tol,
Purchasing
Manager at EcoTherm



The warehouse team of
EcoTherm

And we are already feeling the benefits. For example, we saved money by not having to buy an extra storage tank. A huge advantage is that we can differentiate both on article and supplier basis. And that the solution can be applied to the entire historical database. And not just from the date it was implemented. In brief, AXtension® Vendor Rating is a proven solution that is implemented quickly and meets all the expectations placed on vendor rating."

WMS warehouse management

Marcel Kuiper, Logistic Manager and Raymond Tolkamp, Team Leader warehouse and internal transport at EcoTherm, together with a few other logistic teams, are responsible for the logistic processes within EcoTherm. They are participating in the internal project Less is More that EcoTherm recently introduced. The project should lead to improved performances, such as structurally reducing the stocks and a different planning method. WMS is the basis of this project and the Less is More team meet weekly to discuss the results. Kuiper sketches the old situation: "Before we started using Microsoft Dynamics AX and AXtension® WMS, we didn't have a stock location system and we worked with paper documents. Things went wrong occasionally and our decisions were often based on assumptions. With AXtension® WMS we now have a virtually zero error rating and we know that the system is one hundred percent correct. It has become a single-point-of-truth."

The adequate working of AXtension® WMS is also apparent in how the trucks are loaded. "Thanks to the dedicated steering at loading it is impossible to make mistakes via the system," states Tolkamp. The logistic process is visible real-time and therefore more transparent. "We have seen our stock reliability rise to a minimum of 98% and our delivery reliability to 99.8%. At the same time our products are traceable and AXtension® WMS makes cycle counting possible." "All those unnecessary trips through the warehouse have been cut out," adds Kuiper. "Our performance is higher with the same number of people."

People

With AXtension® WMS employees no longer have to perform a lot of complicated actions. "One action and its ready," says Kuiper. Tolkamp continues: "It helps us drive through the warehouse more efficiently. The order of loading is leading. The professionalism of our staff is safeguarded as the system offers the flexibility to deviate from it. Our staff experience this as highly positive. At the beginning there was a some resistance to working with the screens, but we sorted this out by simply starting with scanning." Another advantage according to Kuiper is that the time needed to work in a new colleague or temp is low threshold and very short. "They don't even have to follow any special training. It is supremely user friendly." "And as employees feel a greater sense of responsibility," concludes Tolkamp "they also have the ambition to be top of the class. Which is a good thing too."

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Future

That a sound IT system also has its downside is also something noticeable at EcoTherm. De Groot: "Our 'hunger' to create an even higher degree of understanding has only increased. We have not yet reached the limits of Microsoft Dynamics AX and AXtension®. There are countless possibilities, our wish list keeps on growing. We are now busy developing Business Intelligence (BI), which will fine-tune the information even more. BI can take sales, purchasing and finance a step further. The great thing about the BI solutions from Pulse is their low threshold. After training users can get to grips independently searching in the database. That need already existed and now it's possible."

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Pulse

Pulse is unique and synonymous with quality and commitment. We enable you to get more out of your organization. We do this with the help of Microsoft Dynamics AX and proven knowledge of your industry. Whether this has to do with people, processes or technology ... at the end of the day it is all about the return on investment, in other words:

Making money.

Pulse serves her customers with The Pulsenal Touch. Collaboration, quality, and, sure enough, humour are the most important key areas of The Pulsenal Touch. This can be supplemented by independence, respect, authenticity and a personal approach. The staff at Pulse live and breathe Microsoft Dynamics AX and are focussed on the professional field and not on all those unimportant issues that surround it. We therefore work with as few rules as possible, but are extremely professional and deliver quality. We set the bar high for ourselves.

And this translates into a number of facts that we would like to highlight:

- Every implementation of Pulse went live
- We talk the language of your industry
- We offer the solution that you require
- We show commitment; it's as if our people actually work for you.

Every day, our 80 specialists work with dedication to keep our customers satisfied. In addition to our office in Venlo, Pulse also has an office in Deventer.