

Case Study

Helping Vencomatic's Growth

Dutch company Vencomatic produces equipment for the poultry farming industry. The company operates in over 70 countries, selling mainly through an extensive dealer network. The industry is highly regulated, with many country-specific standards and legislation. Tacton helped Vencomatic to get to grips with its sales and quotation process, speeding up quotation time by more than 50%.

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Koen Boot, CIO, Vencomatic

In the world of poultry farming, Vencomatic is, and always has been, a pioneer. In 1983, the company's founder, Cor van de Ven, invented the first automatic breeder nest. The success of the breeder unit inspired van de Ven to develop other products, and in just 30 years Vencomatic has grown to become a world leader in the poultry farming industry.

Finding a winning formula

The welfare of the bird has always been the driving principle at Vencomatic. The company strongly believes that what's good for the chicken is also good for the farmer. This belief has remained at the core of the company's product development.

Fuelled by this winning formula the company is regularly rewarded with industry accolades for innovation. With the current focus on what we eat, how it is raised and what happens to it before it reaches our plate

Industry regulations and rapid growth force change

As with any part of the food production chain, poultry farming is closely monitored and highly regulated. Each country has different rules and standards that govern how chickens can be housed. This posed a challenge for Vencomatic. As the company's global reach grew, it became increasingly difficult to stay on top of the intricacies of the regulatory requirements, and their impact on the equipment configurations. With Vencomatic now active in over 70 countries across the globe, the need for a better configuration

tool was clear.

Koen Boot, CIO at Vencomatic explains, *"If you take one of our standard nest products – we might have 20 different options for each nest, but on top of this you need to apply the country-specific regulations. Add in the fact that we have 25 product lines and this makes for a pretty complex operation."*

Software or manufacturing?

Vencomatic was operating an online sales configurator that had been developed in-house. It had reached a point, however, where major input was needed to maintain and revise the tool. Koen explains, *"We asked ourselves whether we wanted to be in the software business, or whether we wanted to focus on what we do well – producing poultry farming equipment."*

A decision was made to look for a solution that would deliver the sales configuration functionality Vencomatic needed. Tacton provided that functionality.

On top of the issues with product complexity and regulatory requirements, Vencomatic also faced a challenge in how its customers approached the company. Koen describes the situation, *"Some of our customers come with a building specification, and say 'I want to house chickens in this building, which*

system should I use and how many birds can I keep?' While others might ask, 'I want to produce x number of eggs, which system should I use and how large should the building be?' This required a degree of flexibility that our existing configurator didn't provide." Koen continues, "Tacton was the only solution we found that makes it possible to approach a configuration from different angles. Regardless of the customer's starting point, the software always calculates the best solution by working with constraints on business rules instead of running down a decision tree."

The unexpected issue of modularity

Koen outlines what happened as the project kicked off, "We wanted a sales tool – our aim was to generate a valid configuration and customer quotation document that was accurate and looked professional. We began by setting up a model for our most simple product, but as soon as we started to look at this, we quickly got into discussions with Tacton about the modularity of the product."

Koen continues, "The project stirred up a lot of issues around our processes, but in a good way. It forced us to really examine our product. We had always modularised to some extent, but this really made us rethink. It was a big eye-opener for us to look at our product line in this way and to really consider what we could offer our customers."

By re-examining the modularity of the product, Vencomatic realized that they could achieve great productivity gains both on the sales side and in the downstream processes.

A more effective CPQ tool

Meanwhile, the Vencomatic dealer network had an urgent need for a sales tool that would help them configure products accurately and produce professional quotes. The company, therefore, decided to start at the sales end, working with the existing product structures.

The project kicked off in December 2012 and the sales configurator was tested internally by product engineers before it was rolled out to the dealer network. The sales team at Vencomatic can now create complete quotes including pricing for six product lines using the new configurator and so far the new system has been very well received. Country regulations and standard parameters are already figured in, so the dealer doesn't need to go about defining these for each new quote. This results in a time saving of approximately 40-50% per quote.

Another part of the puzzle was connecting the configurator tool to Vencomatic's CRM and ERP applications – both SAP – so that the Tacton configurator was integrated in the total process.

Next steps

The company is currently finalizing the re-modularization of two product lines. Koen says, "We adapted Tacton's ideas and logic to our product architecture and it is already looking very promising. This will save an enormous amount of time. With the new solution, the knowledge is captured within the system and not in the heads of the product experts. We are very happy with the result. It is saving us a lot of time and we are a more competitive business as a result."

About Tacton

Tacton is a leading SaaS company trusted by global manufacturers. Tacton Trusted Configuration simplifies sales for manufacturers of complex products. Tacton's Configure, Price, Quote software is named a Visionary by Gartner in the Magic Quadrant for CPQ Application Suites and is recognized for its advanced product configuration and visualization capabilities. Tacton's founders pioneered computer-based product configuration which today powers Tacton CPQ and CAD Design Automation. Since 1998, Tacton is trusted by global customers such as ABB, Daimler, MAN, Scania, Siemens, Xylem, and Yaskawa. It is co-headquartered in Chicago and Stockholm, with regional offices in Karlsruhe, Warsaw, and Tokyo.