

Case Study

Order to Delivery made Easy for Kramp

When Gerrit Johan Kramp founded agricultural parts supplier Kramp in Varsseveld, the Netherlands back in 1951, he based his business on a strong belief – that long-term prosperity is best built around a stable market. His motto back then was: “Stay as close as possible to food, because that’s the last thing anyone will ever give up”.

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- Marcel Walvoort,
Manager Product Configurator

That belief served the company well. Today Kramp is one of the largest wholesalers into the agricultural sector in Europe, with 3,200 employees and branches in 24 countries.

But simply being close to an essential market such as food isn’t always enough. Fortunately, Kramp also has a knack for staying ahead of the competition through innovation.

The move to eCommerce

With some 40,000 customers, over 500,000 products – many with tight margins – commercial and operational scalability is of critical importance. Over the past ten years, Kramp has moved purposefully towards an e-business model, and today the company receives a vast majority of orders directly via their webshop. The company processes an average of 70,000 line items per day, increasing to 120,000 in the agricultural high season. The scalability of the webshop and the experience for the customer has enabled growth in an increasingly competitive marketplace.

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Make To Order made easy

While the webshop model is great for wholesale stock items, Kramp is also in the business of Make To

Order (MTO) parts and assemblies. Volumes here are lower, but this is still a key part of the business and one that presents some tricky challenges.

The reliance on engineering input to validate product design, manufacturability, and pricing as well as the knowledge gap between customers, sales reps, and product experts, was hampering Kramp in its effort to grow and expand into new markets. With the webshop firmly established, this became the area where the company decided to focus its efforts.

Kramp set up a team to look at ways to scale up the Make- and Assemble-To-Order sales and fulfillment processes.

“Our goal was to make the customer feel as if they were getting a custom product, but the experience is as easy as buying a standard product from the webshop,” says Marcel Walvoort, Manager Product Configurator at Kramp. The idea was that the customer would come in through the webshop, configure the product to exact business requirements and, once finished, have instant access to validated 2D and 3D drawings, pricing and delivery time. If satisfied, they can simply check out.”

Hard work delivers rewards

Following a comprehensive evaluation process, the team identified Tacton and SolidWorks as the key suppliers for the solution. The implementation was not without its challenges though. Before moving away from the manual ordering process, in favor of a fully



KRAMP

automated CPQ process with built-in design automation, a new modeling approach for the products had to be put in place.

Marcel explains, *“In the past, we did everything to the customer’s wishes. Today, the customer still has this perception, but we are in fact supplying a configured product based on carefully identified and standardized building blocks. This makes us faster and helps keep our stock levels down. It also ensures that products are already validated from a design and manufacturing point of view before an order is placed.”* Walvoort continues, *“Our customers can physically see the product they are buying before ordering and this closes any gaps between customer expectation and delivery.”*

Walvoort goes on to explain that the project also included the implementation of 3D modeling - a time-consuming, but rewarding initiative, and something they had not been able to offer customers before. Some of Kramp’s customers even use the configurator in their own design phase. “This is hugely beneficial to our customers as they know already that we can deliver the part, and to what price. It also puts us in the driver seat to get the business once the customer is ready to pull the trigger,” Walvoort explains.

A new era of customer expectations

Today Kramp’s customers can place orders for hydraulic cylinders (MTO) and hoses (ATO) 24 hours a day, 7 days a week. Once a cylinder is configured and an order is placed in the webshop, a validated production drawing is available to manufacturing just 10 minutes later. This allows Kramp to offer highly competitive lead times.

“If a customer orders the item on Monday, they will have it by Wednesday. This is a major competitive advantage for us,” Walvoort says.

And the customers seem to like the new service at Kramp.

Since the introduction of the Tacton CPQ and design automation solution, Kramp has seen a 35% growth in new customer numbers and a 40% growth in order lines for their hydraulic cylinders business.

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The benefits don’t end there. Marcel goes on to explain that the solution has reduced operational costs for the company. There is now no manpower involved in selling the made-to-order items. In effect the customer does the job themselves, *“the customer sees the tool on the web and starts ordering. It’s as simple as that,”* Walvoort says with a smile, adding that Kramp sometimes incentivizes customers with both lower prices and faster delivery times when ordering through the webshop as opposed to over the phone.

Kramp is now able to deliver better service with lower stock levels, and order errors have been virtually eliminated. Because the customer can see and understand what they are ordering, there are no gaps in expectation or misunderstandings.

Marcel and his colleagues have every reason to smile. Kramp is today well-positioned to compete in a rapidly changing marketplace where customers expect to get exactly what they want, without delay, and at a competitive price - regardless of whether it is a standard wholesale product or a made-to-order part.

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.