

Maxon motors

Business



Company: Tenon Technology Customer: Maxon Motors Submitted by: The itpr Partnership Date: August 2001 Few start-up organisations have the foresight to invest in enterprise business solutions. maxon motors' implementation of eEnterprise from Great Plains, in conjunction with Tenon Technology, has supported the company in achieving a turnover in excess of £3 million in its first three years. Maxon motors UK is part of privately owned Swiss company maxon motors AG, which manufactures a wide range of electric motors. In addition to being widely used in both the food industry and amusement arcades, maxon motor products were used to power the Sojourner mini vehicle that undertook on-planet exploration on the " Mars Pathfinder" project. Set up almost 30 years ago, maxon motors has grown significantly over the years and now has an annual turnover in excess of Swiss Francs 200 million.

During that time, goods have been sold globally through a network of distributors. However, as the company's growth continued, maxon decided to set up its own subsidiary companies to handle local distribution. In the UK, maxon motors was founded in March 1999, taking over from the one distribution company that had previously handled the maxon motor products in this country, with new office premises and a workshop for assembling special products in Berkshire.

Business Challenges

maxon manufactures 58, 000 different products, all of which are available in the UK. In addition, products can be combined either during the manufacturing process or at the UK premises to meet special customer requirements.

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Keith Ellenden, CEO maxon motors UK, explains, “ One of our first challenges was to smooth the transition for existing customers to maxon motors. We then wanted to address new market and customer opportunities. To achieve this we needed to have an excellent understanding of existing business models and customer needs to ensure we could deliver the right products at the right price to these new markets.”

Working in Partnership with Tenon

The availability of excellent information was, therefore, a fundamental requirement for maxon motors in adopting an enterprise business solution. With little in-house expertise, maxon motors employed an IT consultant who drew up a list of 25 potential mid range enterprise financial solutions. Having whittled that down to 12, maxon looked closely at the companies offering these products and then focused on two: Great Plains' eEnterprise and Solomon.

“ Great Plains distributor Tenon Technology provided us with a fantastic response,” says Ellenden. “ Despite the fact that we were a small, start-up organisation with only four employees at that time and no premises, they saw the business potential and worked with us to get the right solution.” Having experienced the problems associated with multi-vendor IT solutions in the past, maxon motors was keen to work in partnership with a company that could deliver a complete consultancy, hardware, software and network package, and take responsibility for that solution.” Tenon has excellent accounting and business expertise as well as solid technology skills and experience. We had confidence that they could deliver the quality of solution and service maxon motors needed to ensure rapid business success.”

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eEnterprise delivers Complete Solution

Maxon motors purchased a range of eEnterprise modules including inventory, accounts, sales order processing and stock control.

He says, “ Great Plains’ eEnterprise is a flexible, advanced business software solution. In addition to providing the core modules, Great Plains had excellent relationships with other third party suppliers to deliver additional add-on modules to support our business needs.” Indeed, some of these add-ons, for example FRx reports, are now part of the core eEnterprise product range. Tenon worked closely with maxon to create the right business solution, undertaking extensive needs analysis to define business priorities and parameters. Key to this was to build up a price structure on-line that supported the 58, 000 standard products and each special combination which may include a gear box and encoder as well as a motor. “ Tenon worked to ensure that each new combination had its own product number and that it was supported by the price structure on the system,” he says.

The process was complicated by parent company maxon motors AG deciding to renumber all products at the same time. Since customers order by product number it was essential that the system could recognise old product numbers and translate them to the new codes. “ Obviously we worked with customers to help them update their information about codes, but we need to recognise any orders they place with us. The system is designed to enable that.”

Benefits

maxon motors' success has been significant. In its first six months of operation, turnover rose from zero to over £1 million.

Profits in 2000, the company's second year of operation, were £2.6 million, and are expected to top £3.5 million in 2001. Says Ellenden, "We have achieved this success by being more competitive and going after new business. Key to that has been eEnterprise which has enabled significant business efficiencies as well as providing extremely deep business information.

"By creating an on-line pricing structure that matches that of the parent company, maxon motors is able to provide customers with immediate pricing information even on custom packaged products." This has enabled significant cost and time savings as well as improving the level of service we provide our customers," he says. Customers now receive detailed order confirmations that include price breakdowns, product codes and descriptions and, where possible, delivery dates. With product ordering lead times now at 17 weeks, maxon motors has to prioritise stock availability for customers. Using the information generated by eEnterprise the company is able to work closely with its key customers to negotiate stock holdings based on average usage, particularly for spare parts. The next focus is to use this information to reduce stock.

"I can see hourly what is in stock, what our commitments are, and change stock ordering as a result," Ellenden confirms.

Addressing new markets

Maxon motors is also using the detailed customer information to drive marketing campaigns which are targeted at specific industries. “ By combining customer purchasing information with specific industry information, we have been able to target certain market sectors very successfully,” he says. Concluding, “ Without doubt, the expertise provided by Tenon, combined with the reliability and functionality of Great Plains’ eEnterprise, has underpinned maxon motor’s significant business success. We will continue to work closely with both companies, particularly as maxon motors begins to address electronic commerce globally.”