Epicor ERP helps Dutch solid wood systems producer Derako on the road to sustainable growth

Company Facts

▶ Location: The Netherlands
▶ Industry: Solid wood manufacturing
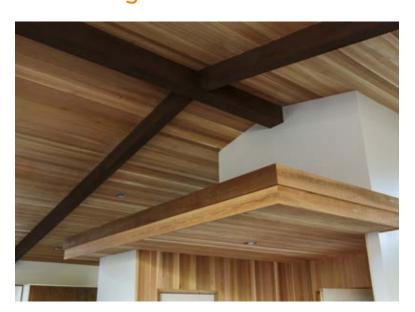▶ Web site: www.derako.com

Success Highlights

Challenges
▶ Growing company
▶ Competitive and changing market
▶ Bespoke products
▶ Raw material cost fluctuations

Solution
▶ Epicor ERP

Benefits
▶ Competitive edge
▶ Ability to respond quickly
▶ Simplified processes

Derako International is a producer and supplier of solid wood systems for ceilings, walls, and facades, working on bespoke projects both nationally and internationally. From one-of-a-kind ceiling systems like the installation at Birmingham Central Library, to stunning and sustainable solid wood walls like the Erasmus University Student Pavilion in Rotterdam and the Furgo Tech Centre in Nootdorp. Each Derako project is based on the design idea of the architect to give a warm feel to modern architecture.

When Richard van den Engel joined Derako as finance and information manager in 2013, his target was to find a way to increase the company's annual turnover through more efficiency. Derako's production was in good shape but the company, along with the rest of the construction industry, had struggled to recover from the recession. Richard knew that implementing a state-of-the-art enterprise resource planning (ERP) system would be the stepping stone for Derako's continued business growth.

Apples and pears

Derako's planning and production systems were run using a variety of Microsoft® Office® Excel® spreadsheets, and finances were managed using Exact® Software. Richard knew that business would be easier with an integrated ERP package but if he were to implement an ERP solution, it needed to be up to the task of dealing with Derako's complex and specialised estimates, quotations, and wood manufacturing requirements.

EPICOR.

"Working with wood, you can't easily define or manage things in straightforward numbers, items, and units," explains Richard. "There are an infinite number of variations on each product we sell and when it comes to materials, we buy our wood in cubic metres. This is then worked into linear metres and wooden panels according to the requirements of each separate project. The properties of our wooden raw materials vary enormously in their application and the circumstances in which they're used. In addition, we buy all this wood on a global timber market that fluctuates dramatically."

Previous ERP vendors had tried and failed to help Derako automate its processes. For example, Derako's procurement, production, and sales departments all worked with different units of measurement, meaning an ERP solution needed to be able to compare apples with pears.

Complex costs

Derako's production team had superior knowledge, experience, and technology for the actual wood process. However, it was hampered by a lack of appropriate management information when it came to costs. Because the information—such as wood procurement costs—was complex, it was difficult to calculate and often only appeared once estimates and tenders had already been sent to a customer. Inaccurate quotes were therefore affecting Derako's margins on individual projects and impacting the company's bottom line.

For sales and estimates, Derako employees had to analyse data from the existing CRM system and share the information internally in Excel. This was a time-consuming process. With Derako's turnover growing, an ERP system was needed to provide the right information on time, safeguard profitability and achieve far more revenue.

Business Intelligence

Richard turned to Dutch Epicor partner Macroscoop for a solution. The team of ERP experts at Macroscoop recommended Epicor ERP 10 for its ability to streamline complex processes.

Richard says, "The Epicor product configurator set it apart. It was the only ERP solution that supported the infinite variations possible with our product offering. This, combined with high quality business intelligence and Macroscoop's advice, made for a powerful solution."

Fresh perspective

After implementing Epicor ERP Derako now benefits from an integrated system with an intuitive dashboard for wood procurement costs. This improves the purchasing process and saves considerable man-hours. There's also a dashboard for customer relationship management and revenue forecasting.

Richard explains, "Epicor gives us real value. The whole team can access the same resources and appropriate information to produce estimates and quotations. Contracts are immediately converted into production and we no longer have to visit the workshop three times a week to carry out an inventory. Instead, Epicor makes procurement recommendations when we are running low on items like foil, nails, and doweling. We expect our entire global team to be using Epicor eventually."

Future proof

Derako now has the capability to respond quickly to market changes, customer requests, and stock levels. At the quotation stage, Derako can ask the customer simple, logical questions about their project and based on the answers; Epicor can provide options for the customer based on what is commercially viable for Derako and feasible for production. Put simply, the Epicor dashboard provides Derako with the information it needs, when it's needed.

Richard concludes, "For the first time we can make fast, well-informed decisions. We are now responding dynamically to circumstances. We have become process driven rather than limited by our knowledge. The longer we use Epicor, the more reliable our overview of and insights into how things stand, and thus the more competitive we become in the face of rapidly changing circumstances. The implementation makes us future proof and we can respond faster."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, connect with Epicor or visit www.epicor.com.

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