



CASE STUDY

AC-Motoren: On course for growth with the help of Microsoft Dynamics

AC-Motoren is a family business that has been successfully operating for 20 years and has firmly established itself in the three-phase asynchronous motor segment with a market share of around 10%. Its unique selling point is being able to supply motors and quantities that meet the exact needs of its customers.

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Every day, 47.5 tons of motors go over the ramp at AC-Motoren GmbH (ACM), which is equivalent to eight African elephants. To support this, ACM needs to manage a stock of approximately 150,000 electric motors, production for custom-made products, and all processes for purchasing, production, shipping and administration. Since ACM has been doing this – especially with the help of Avanade supporting the Microsoft Dynamics setup – the company not only runs better but is also well equipped for future growth.

Business situation

ACM's high degree of manufacturing precision, logistics competence and responsiveness to customer requirements were key in its ability to get established in the market quickly. AMC Sales Manager Axel Schwab comments, "Depending on customer requirements, we can serve nearly all customer wishes extremely rapidly due to a huge product range that we stock here at the location." With its ERP software, the company's Central Region, "Hesse" near Darmstadt (Germany), is now able to shape these assets into a growth engine par excellence, while fully exploiting its strengths of speed and product diversity.

The ERP system required for this can be as good as it can be, but without a suitable partner who can master implementation projects, including the usual logistics barriers and structural obstacles, it will not play to its strengths. The Dynamics experts at Avanade proved to be a stroke of luck. In business, the human touch plays a central role – and this is why Avanade was able to score decisively in the final selection.

Solution

During the project, Avanade professionals mastered challenges such as importing around 6,000 articles of data, which were not available in the required quality in the old system. The implementation team had to view, check, supplement and transfer this data individually or in groups. According to Schwab, the Avanade team did an excellent job handling this. We provided the ACM team with the expert technical support needed for employees in IT, marketing and sales. After the data transfer, the entire team mapped all operational processes in Dynamics, which created the basis for sustainable increases in efficiency.

"Together with Avanade employees, who show a great mixture of professional expertise and a distinct understanding for the requirements of our industry, we have realized an ERP solution that is exactly tailored to our needs."

— Axel Schwab, Project Manager ERP Sales, AC-Motoren GmbH

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High-quality data and processing create trust, internally and externally

With an annual turnover of €38 million, which is high compared to the industry average, young entrepreneur Timo Klussmann, who took over the management of the family business from his father five years ago, can look forward with confidence to the development of the next few years. This solution gives him and ACM employees the necessary boost to cope with initiatives such as process optimization and the expansion of the online business.

Dynamics reduces redundant and incorrect entries and generates high-quality business data. "This makes us very fast, especially in the picking area, and it increases our footprint in the market. We are not only a set supplier but are also perceived as reliable and innovative. Building on this, we want to achieve more market share by expanding the product and service area," said Klussmann.

Results

Logistics and manufacturing competence + agile software = more than just an engine

When the new system went live, ACM was able to prove its worth to both existing and new customers: ACM can do more than just drive. The proportion of buyers whose logistics are closely integrated with ACM and have motors delivered just in time (JIT), to the production or maintenance of their pump or ventilation systems, has doubled. At the same time, the quality of motors matching customer requirements has increased. Currently, the ratio of stored to modified motors is about 80:20. Klussmann and his management team are now able to derive key information from the analyses provided by Dynamics. For example, whether they will be able to maintain this ratio, offer additional JIT services for 80% of its warehouse logistics or which new service module is the most economical.

The "great art" that ACM masters is the high number of variants in large quantities

If a motor is not available to match the exact specifications, the company can convert standard motors, i.e., modify end shields, flanges or feet to meet the customer's precise requirements. According to Klussmann, the "great art" is to achieve this in quantities. This is the reason why ACM has a selection of more than 4 million engine varieties. The entire production and order processing are equipped with devices for mobile data acquisition, and at the heart of production and the 16,000-square-meter warehouse are 25 scanners and 12 tablets. Since the introduction of Dynamics, every moving part or workpiece is provided with a barcode and the load carriers such as pallets or cartons are all visible in the system.

ACM is fit for the digitalized future with Dynamics

What impresses Schwab and Klussmann every day are the evaluations and controlling possibilities in Dynamics, "You can visualize all of your processes with Power BI, i.e., create dashboards, and then evaluate the analytics." For example, ACM was able to identify where, how often and the reasons for complaints and quickly address them.

Klussmann's conclusion reflects a commitment to big data and data mining, "We are building a data pool that we can analyze, evaluate and functionalize in the future according to areas of interest. Thus, ACM has the possibility to generate extended services as informed by the data, not least due to the competent support of Avanade. We can therefore gain insights and future services that were previously unthinkable."

Note: The report describes services provided and completed by alnamic AG (alnamic was acquired by Avanade in April 2020).



About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. Our professionals bring bold, fresh thinking combined with technology, business and industry expertise to help make a human impact on our clients, their customers and their employees. We are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Avanade has 39,000 professionals in 25 countries, bringing clients our best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com

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North America
Seattle
Phone +1 206 239 5600
America@avanade.com

South America
Sao Paulo
AvanadeBrasil@avanade.com

Asia-Pacific
Australia
Phone +61 2 9005 5900
AsiaPac@avanade.com

Europe
London
Phone +44 0 20 7025 1000
Europe@avanade.com