



"ElCoGa As-Is Analysis"

Course: Business Strategy

Study Program: Business Consulting Master

WiSe 24-25 - Group 01



BUSINESS CONSULTING

Founded: 1st March 2023

Specialized in:

- Business Process Optimization
- Business Strategy
- ❖ Robotic Process Automation
- Data Analytics and Business Intelligence
- **❖**PMO

78120, Furtwangen

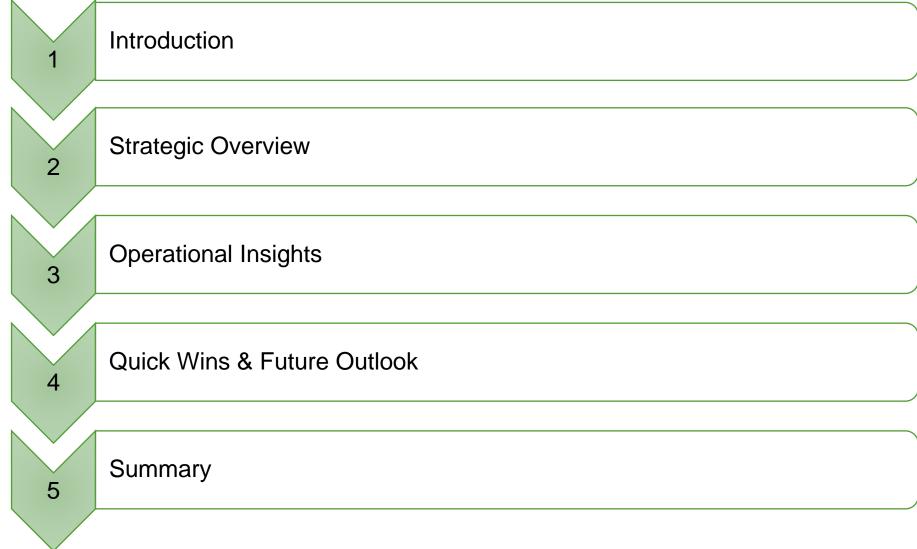














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Business Case

ElCoGa's CEO seeks clarity on strategic direction, operational efficiency, market potential, and team performance to determine whether to grow, shrink or optimize the business.

Objectives

- 1. Provide insights into the company's current state.
- 2. Identify key areas for improvement.
- 3. Provide a roadmap for growth & consolidation.

Goal

Providing solutions on how ElCoGa can their profit, performance and have a sustainable growth.

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK



1. Introduction 3/3 EICoGa Profile

HOCHSCHULE FURTWANGEN HFU UNIVERSITY

EICoGa

- Electrical Components Manufacturing
- Oberhessen, Germany

Products

- Transformers
- Reactors



Locations

- Germany
- Czech Republic
- Poland

Customers

- Mechanical engineers
- Lighting industry
- Automative supply company

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2. Strategic Overview 1/12





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ElCoGa Strategy



 To lead in tailored, high-quality transformers and reactors through innovation and excellence.

Vision

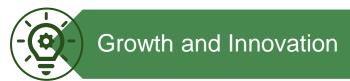
 To provide superior electrical components that enhance customer efficiency and reliability.

Mission















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Current Context of the Industry





14.7% 2022 Industry Revenues Nominal revenue growth 3.7% on average Strong revenue growth Weakness in new business 2022 Margins despite growth Revenues Material costs Procurement strategies changes in German security companies

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Competitor Analysis



ASPECT	ELCOGA	PIKATRON GMBH	BLOCK TRANSFORMATOREN- ELEKTRONIK GMBH		
Foundation Year	1946	1974	1939		
Headquarters	Oberhessen, Germany	Usingen, Germany	Verden, Germany		
Total Employees	~25	492	567		
Key Markets	Machinery manufacturing, lighting industry, automotive suppliers	Industrial electronics, medical technology, renewable energy	Automation, electrification, renewable energy		
Main Business	Custom transformers and chokes for industrial uses	Custom power electronics, including transformers	Transformers, power supplies, and electronics		
Production Locations	Primarily in Germany, outsourcing in Czech/Poland	6 locations: 5 in Germany, 1 in Czech Republic	Predominantly in-house in Germany		
Digitalization	ERP system (Sage 100), improving system adoption	Central ERP system across all locations	Digitalized production and R&D processes		
Workforce Structure	Small team with 5 trainees	Large team across diverse locations	Larger team with 51 trainees		
Growth Drivers	Customer-specific solutions, efficiency	Growth through acquisitions and innovation	Technological leadership, electrification		

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2. Strategic Overview 5/12

ElCoGa Financial KPI per employee



Year	Total Employees
2017	38
2018	38
2019	33
2020	29
2021	34
2022	37
2023	35



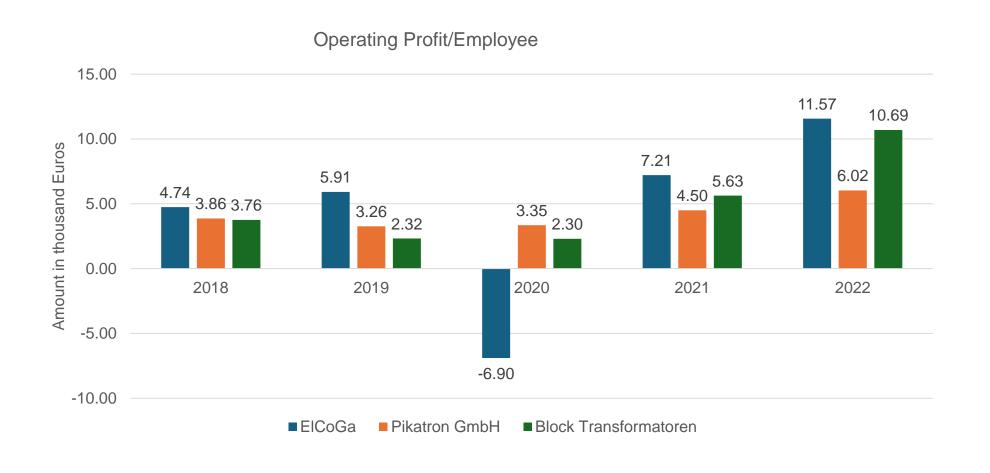
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Key KPIs for Competitor Analysis - Profitability



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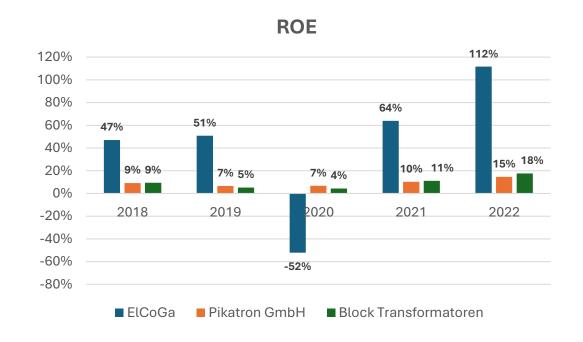


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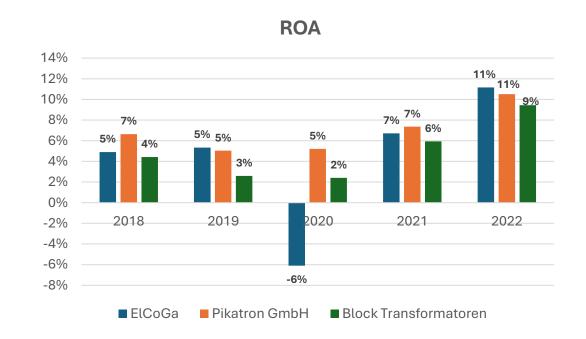




Return on Equity (ROE)



Return on Assets (ROA)



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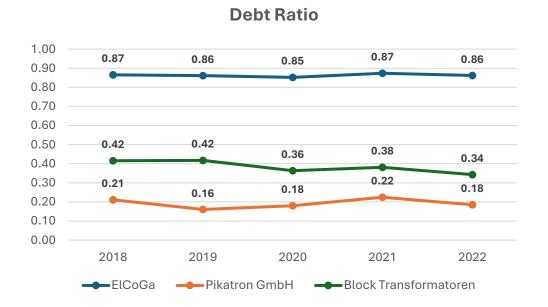


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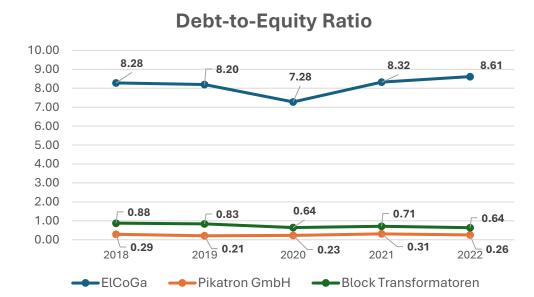


Key KPIs for Competitor Analysis – Leverage & Stability

Debt Ratio



Debt-to-Equity Ratio



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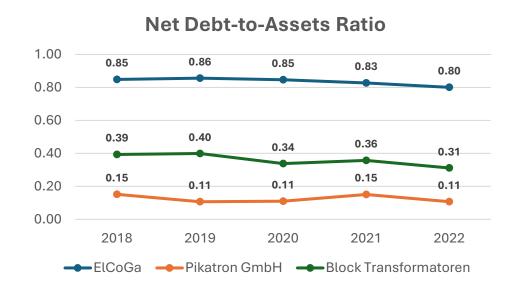


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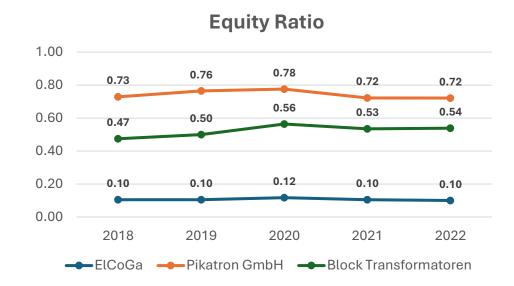


Key KPIs for Competitor Analysis – Leverage & Stability

Net Debt-to-Assets Ratio



Equity Ratio



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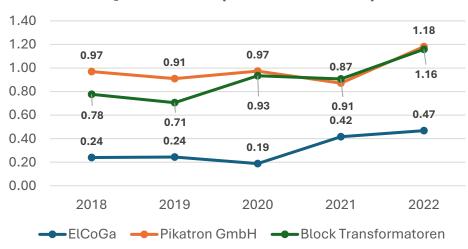
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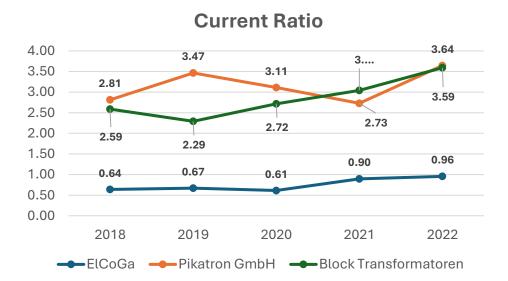
Key KPIs for Competitor Analysis – Liquidity

Quick Ratio (Acid-Test Ratio)

Quick Ratio (Acid-Test Ratio)



Current Ratio



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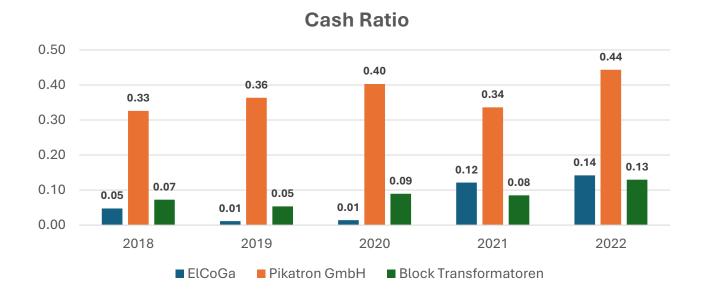


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Key KPIs for Competitor Analysis – Liquidity

Cash Ratio





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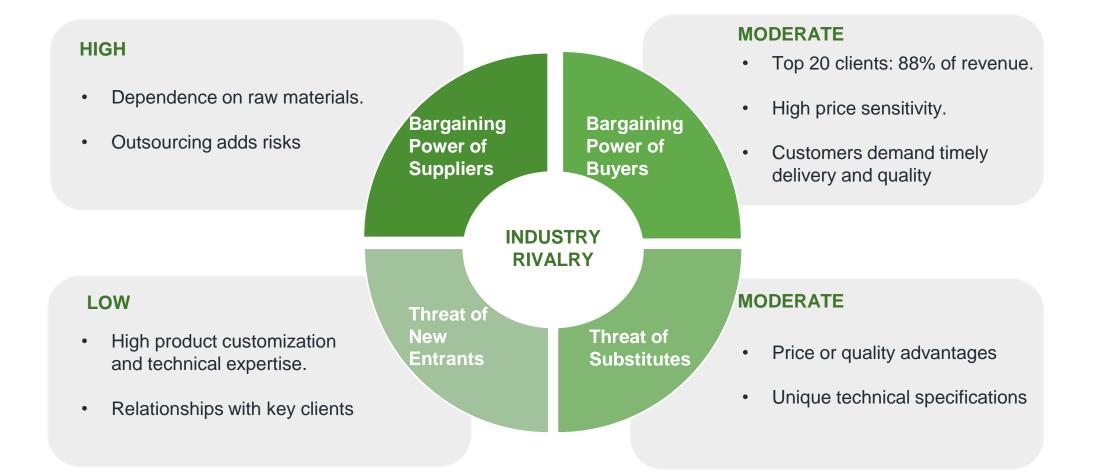
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Porter's 5 Forces (As-Is)



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Value Chain



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PRIMARY ACTIVITIES

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5. SUMMARY

FIRM INFRASTRUCTURE

- CEO-led, outsourced payroll/accounting.
- Fragmented IT systems and resistance to digital changes.

HUMAN RESOURCE MANAGEMENT

- Skilled staff and apprenticeship programs.
- · Resistance from long-serving employees.

TECHNOLOGY DEVELOPMENT

- Use of CAD, BDE, and Rale for production and design.
- Ongoing digitization; Sage 100 limits non-standard production.

PROCUREMENT

- Long-term supplier ensure cost efficiency.
- Inventory reduction focus; copper price dependency.

INBOUND LOGISTICS	OPERATIONS	OUTBOUND LOGISTICS	MARKETING & SALES	SERVICE
 Sourcing copper, plastic, clamps. 	 Small/medium batch production. 	 Delivery via in-house trucks or external providers. (Ms. 	 Tailored solutions.(Mr. Erbes & Ms.Schmöller). 	Direct customer support.
 Inventory Management & quality checks (Ms. 	 CAD/Rale for custom designs. 	Schmöller)	Offers via Sage 100;	Sustainable products.
Schmalbach).	100% quality testing.	Occasional delays.	88 % revenue from top 20 customers	 Extended warranty & after-sales service.

MARGIN

MARGIN



Business Processes 1/7



Customer Care

- Offer Management
- Order Management

Logistic

model

Extended EPC

- Procurement Process
- Delivery Process

Production

- Production Process
- Quality Assurance

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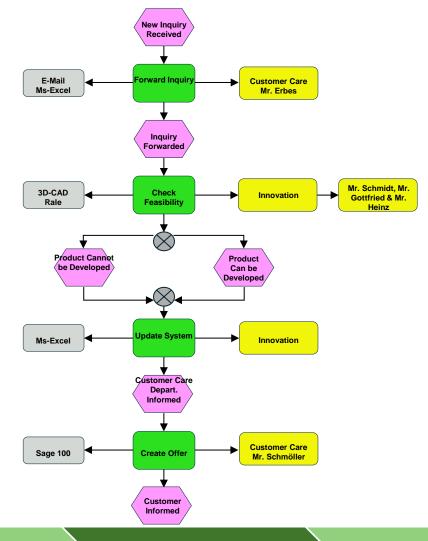
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Business Processes 2/7





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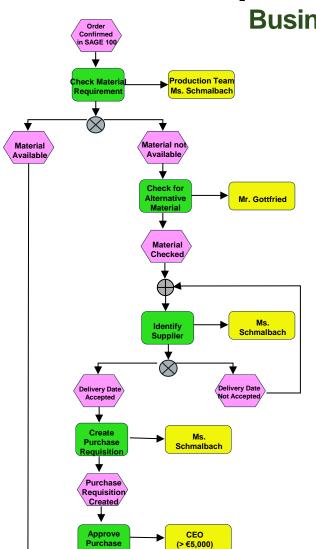
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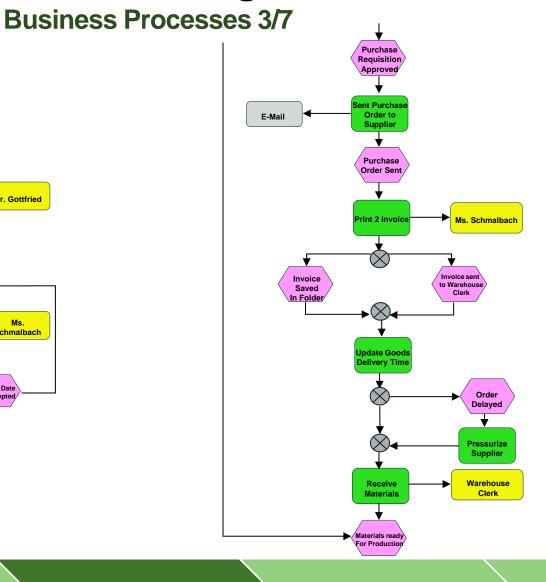
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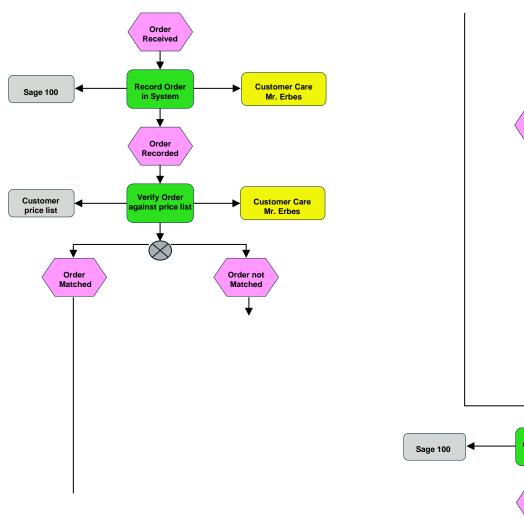
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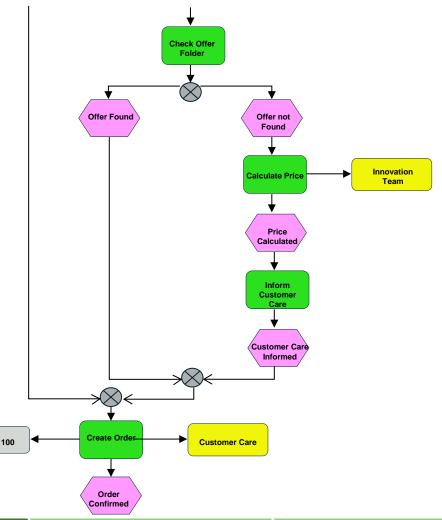
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Business Processes 4/7







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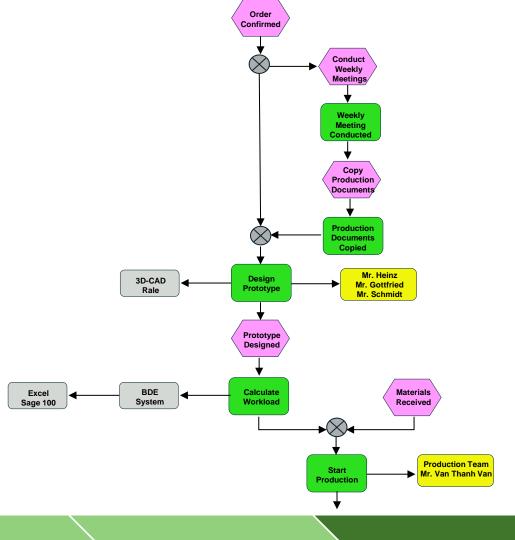
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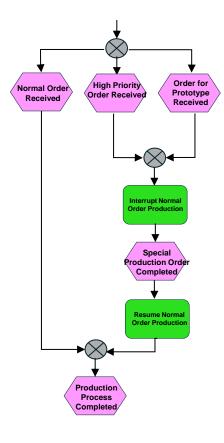
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Business Processes 5/7





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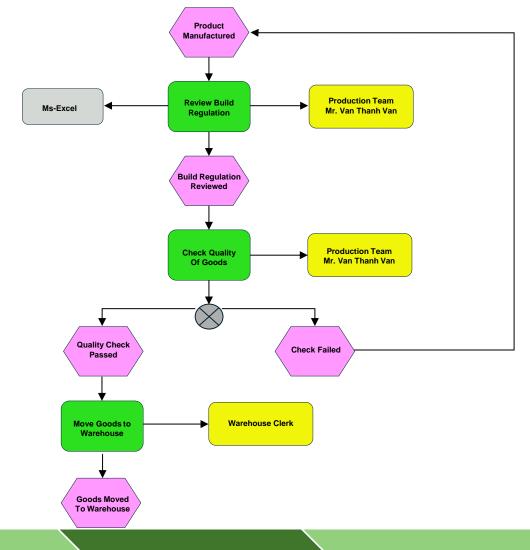
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Business Processes 6/7





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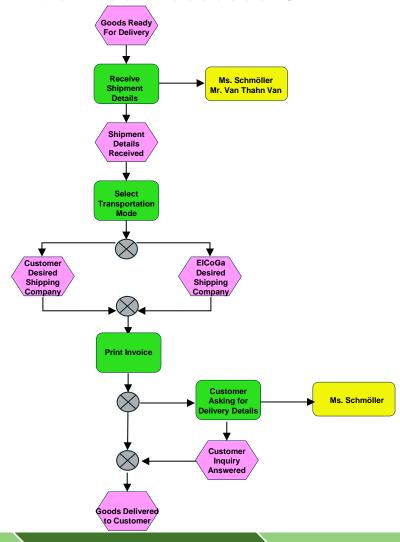
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Business Processes 7/7





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Quantitative Analysis 1/3



USINESS CONSULTING	PROCUREMEN	PRODUCTION	DELIVERY	
Number of functions	10	7	4	
Manual	5	5	3	
IT Supported	5	2	1	
Value Creating	5	2	-	
Non-Value Creating	3	1	2	
Non-Value Creating but Necessary	2	4	2	
Number of units involved	4	7	2	
Number of organizational interfaces	5	5	1	
IT-based	2	4	1	
Paper-based	2	1	1	
Redundant	1	0	-	
Actual	4	5	2	
Number of IT systems	3	5	1	
Number of interfaces	2	3	0	

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❖ PROCUREMENT



Pressure on suppliers.



Printing purchase order twice.



Dependency to check for alternative materials.

PRODUCTION



Keeping paper copies of production document.



Interrupting normal production for emergency orders.



Not using standardized systems.



Postponing orders from smaller customers.

DELIVERY



Receiving shipment details manually.



Printing & sending delivery notes and invoices.



Customer calls for shipment status.

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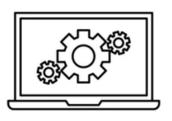
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IT Landscape 1/2





Sage 100





Legacy System in PL/1

ERP-System





Rushed Execution



Maintenance Issues

Fit Issues

Additional tools used by EICoGa

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IT Landscape 2/2

EMPLOYESS	E-MAIL	EXCEL	SAGE 100	SHIPPING PORTALS	INVENTOR	RALE	BDE SYSTEM	BV SYSTEM	EXPLORER (FILE SYSTEM)	LEXWARE
Mr. Erbes	X	X	X							
Ms. Schmöller	X		X	X						
Mr. Gottfried			X		Χ	X			X	
Mr. Schmidt			X		X	X				
Mr. Heinz			X		Χ	X				
Ms. Schmalbach	X		X							
External Partner										X
Mr. Van Thanh Van		X	X				X	X		

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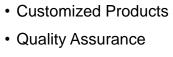
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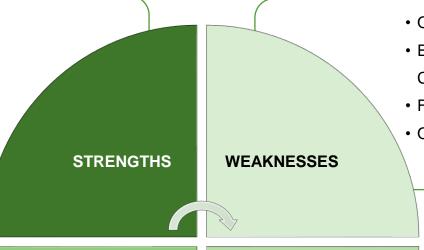


SWOT Analysis





- Flexible Production Planning
- Experienced Workforce
- Strong Customer Relationships



- Outdated ERP System
- Excessive Dependence on Key Customers
- Fragmented IT Systems
- Over-Flexibility in Production Planning

Market Expansion

Technological Upgrades

Supply Chain Optimization

Digitalization & Automation

Strategic Partnerships with Universities

Focus on Sustainability

OPPORTUNITIES THREATS

- Labor Costs & Productivity
- Economic & Political Uncertainty
- Customer Demands for Price Reductions
- Customer Loss
- Supply chain risks

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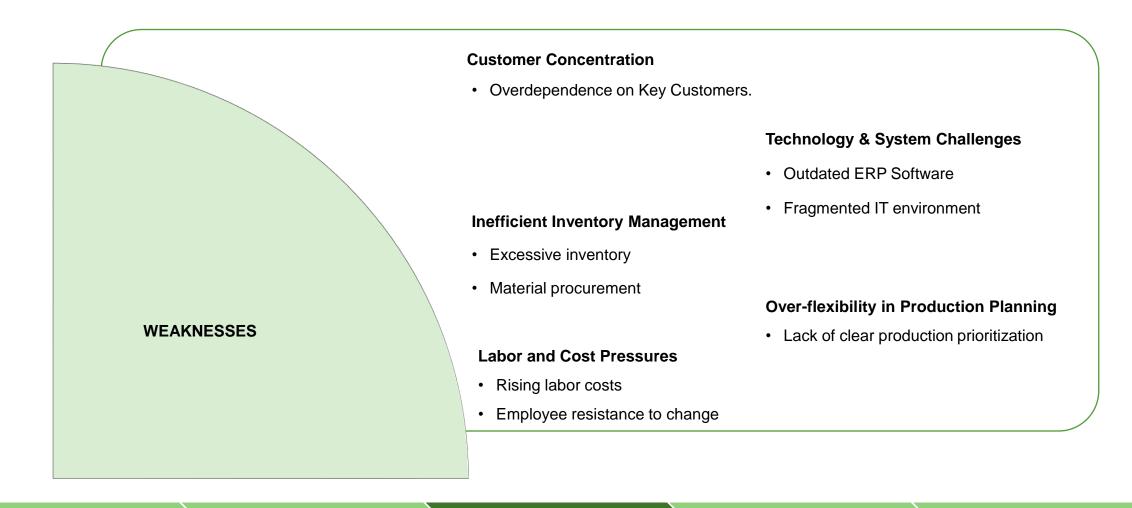
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Weak Points





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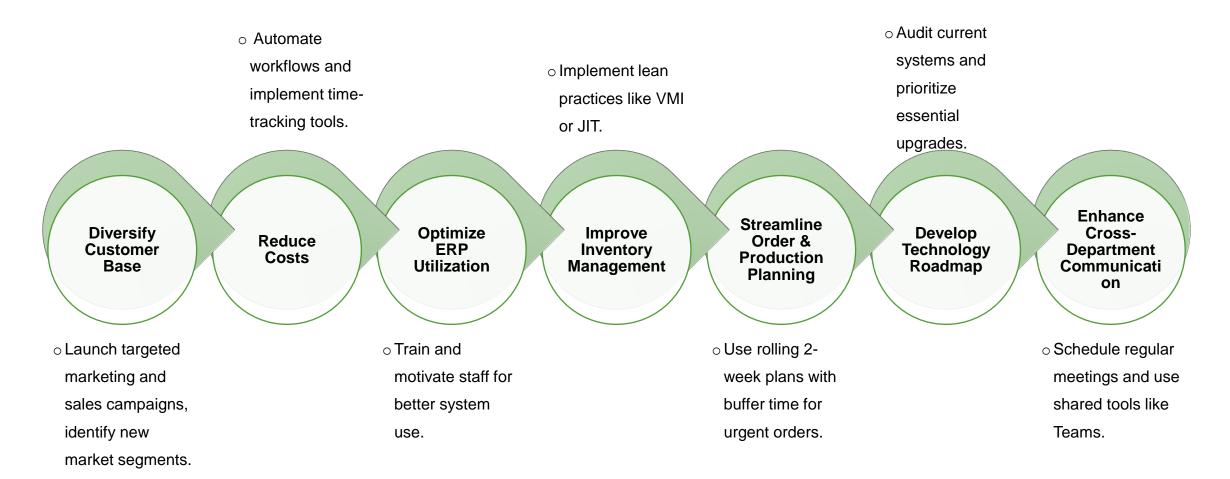
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4. Quick Wins & Future Outlook 1/2



Quick Wins & Short-Term Actions



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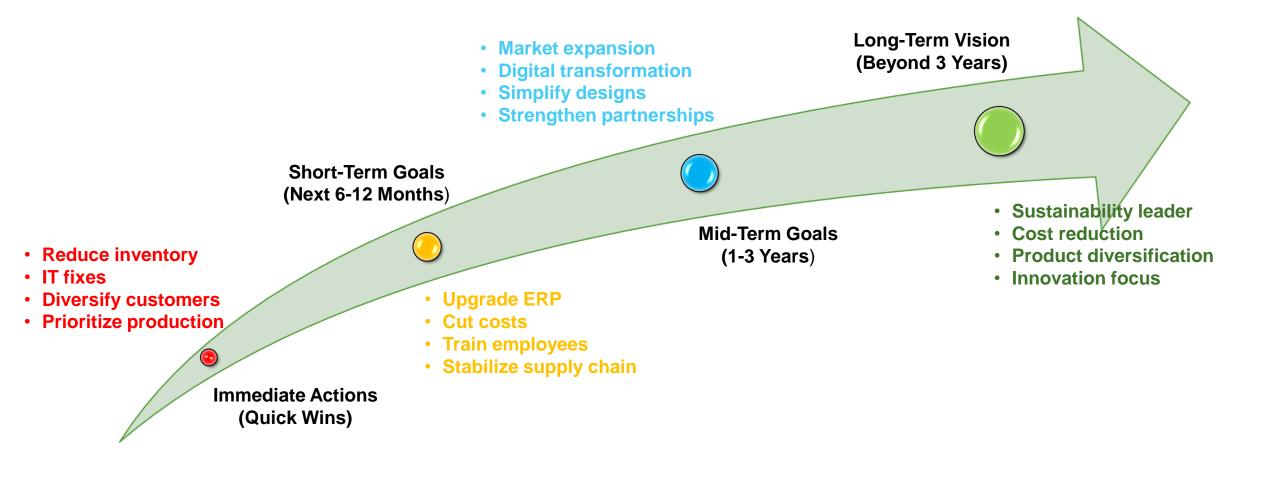
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"ElCoGa" As-Is Analysis BCM – Business Strategy

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5. Summary



Business Case, Objectives & Goal

Business Case

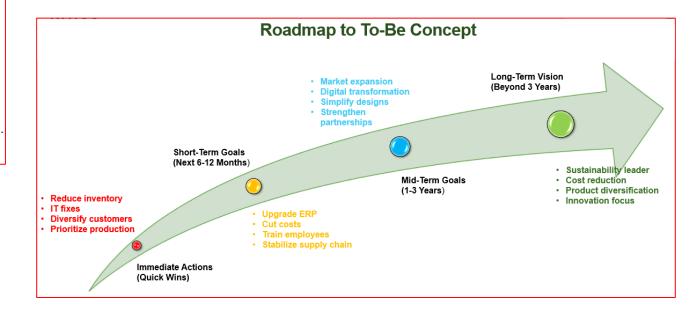
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References



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- o <u>https://www.pikatron-gruppe.de/</u>
- o https://www.block.eu/de_DE/
- ElCoGa Interview file
- ElCoGa documentation papers

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