

# **“ElCoGa As-Is Analysis”**

*Course: Business Strategy*

*Study Program: Business Consulting Master*

*WiSe 24-25 - Group 01*




# KHISS

## BUSINESS CONSULTING

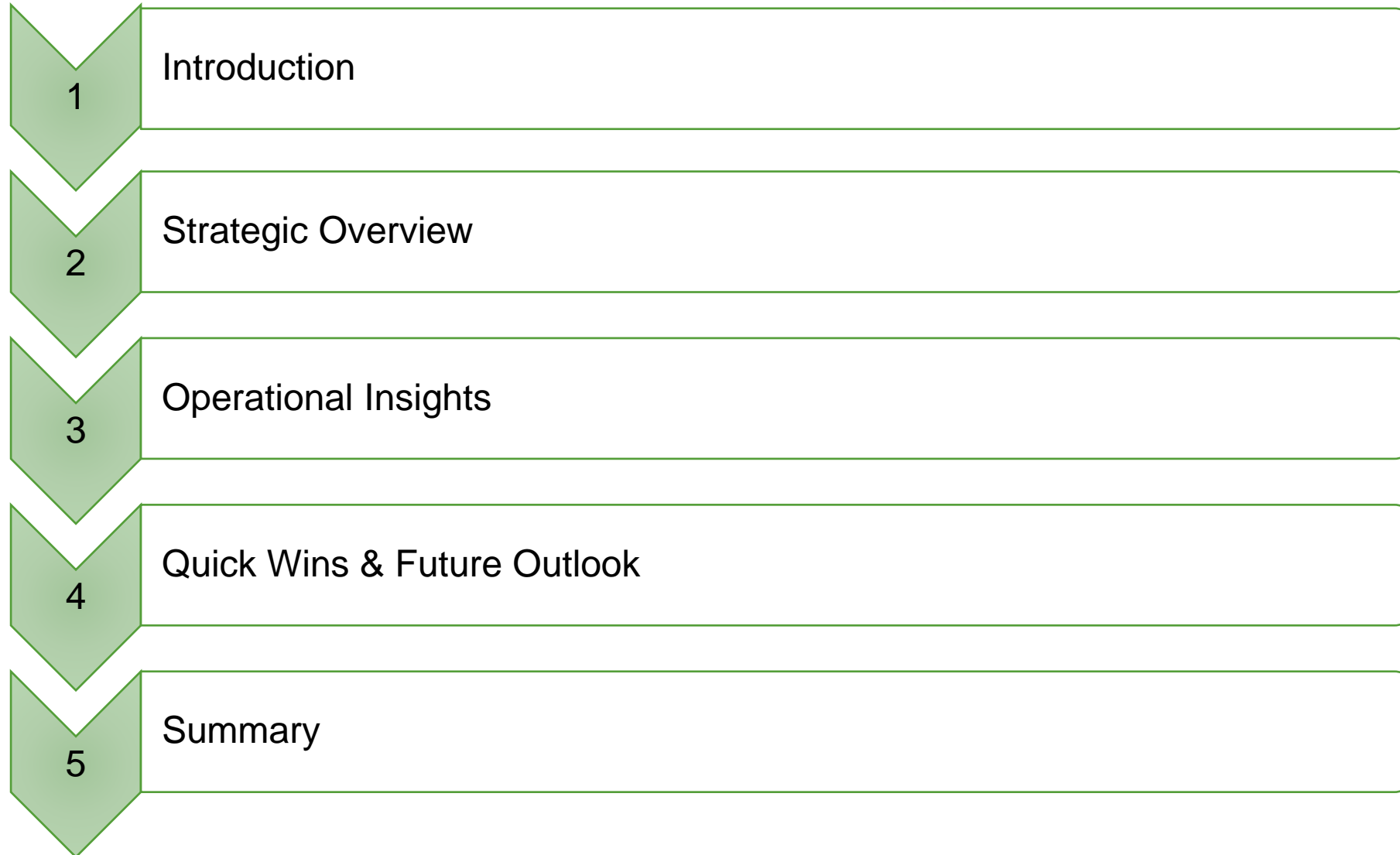
**Founded:** 1<sup>st</sup> March 2023

**Specialized in:**

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

 78120, Furtwangen





# 1. Introduction 2/3

## Business Case, Objectives & Goal

### 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

5. SUMMARY

# 1. Introduction 3/3

## EiCoGa Profile

### EiCoGa

- Electrical Components Manufacturing
- Oberhessen, Germany

### Products

- Transformers
- Reactors



### Locations

- Germany
- Czech Republic
- Poland

### Customers

- Mechanical engineers
- Lighting industry
- Automotive supply company

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

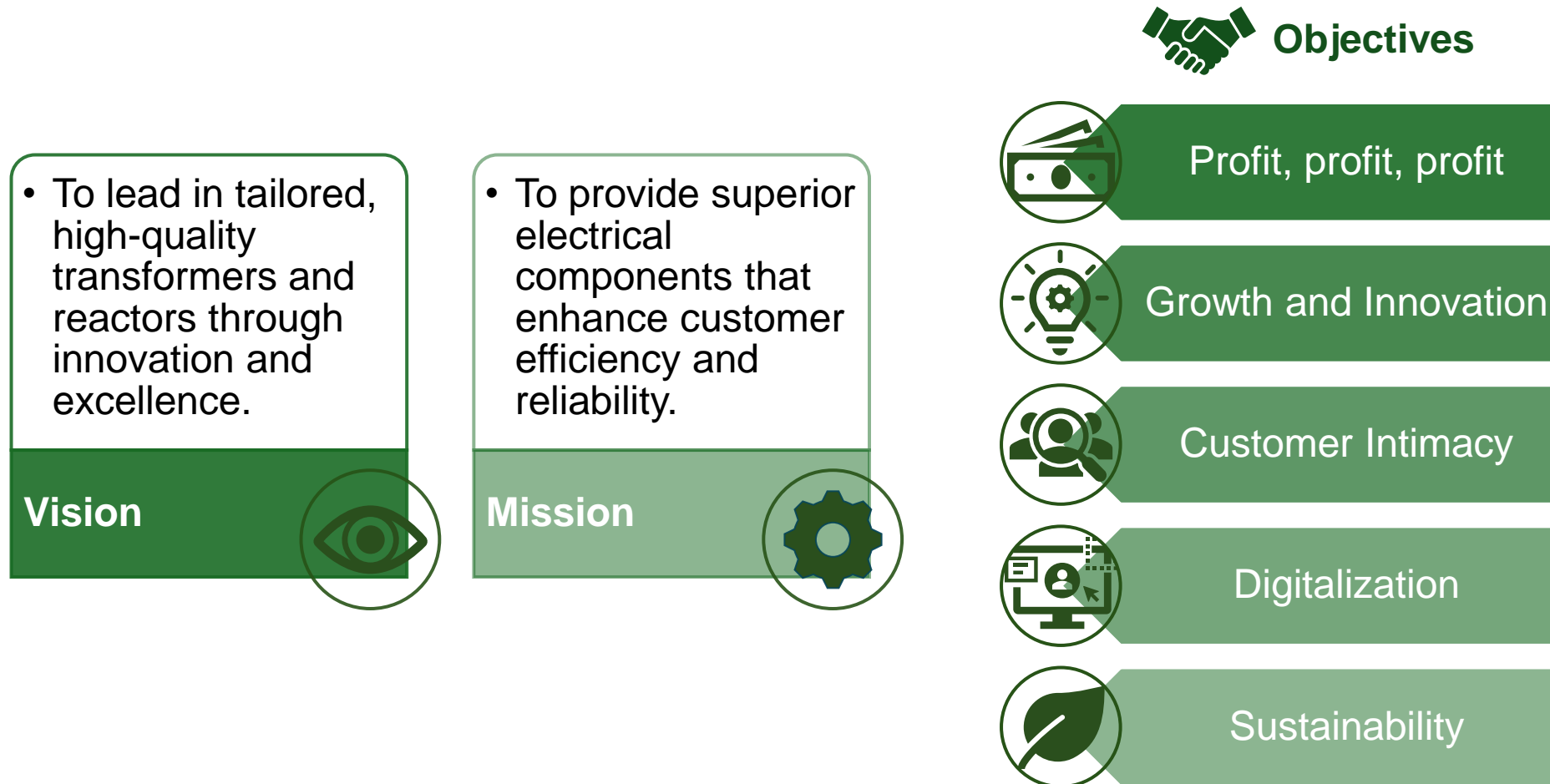
5. SUMMARY





## 2. Strategic Overview 2/12

### ElCoGa Strategy



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

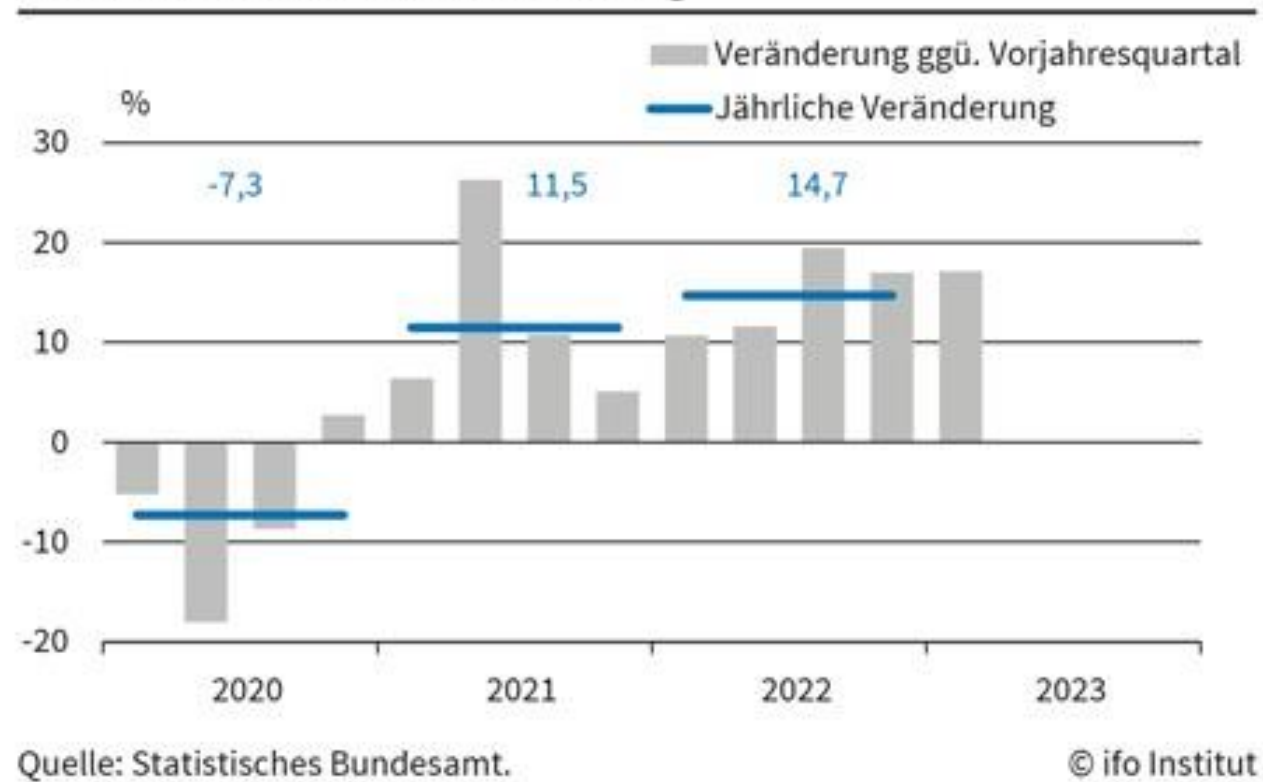
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

## 2. Strategic Overview 3/12

### Current Context of the Industry

Abb. – Nominale Umsatzentwicklung



2022 Industry Revenues

↑ 14.7%



Higher producer and export prices

↑ Nominal revenue growth



Production adjusted for price effects

↑ 3.7% on average



First quarter of 2023

↑ Strong revenue growth



Still-high order backlogs

✓ Weakness in new business



High material and energy costs, rise in personnel costs

↑ 2022 Margins despite growth



2024 situation could ease slightly

↑ Revenues  
✓ Material costs



Goal of increasing supply security

— Procurement strategies changes in German companies

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY



## 2. Strategic Overview 4/12

### 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

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

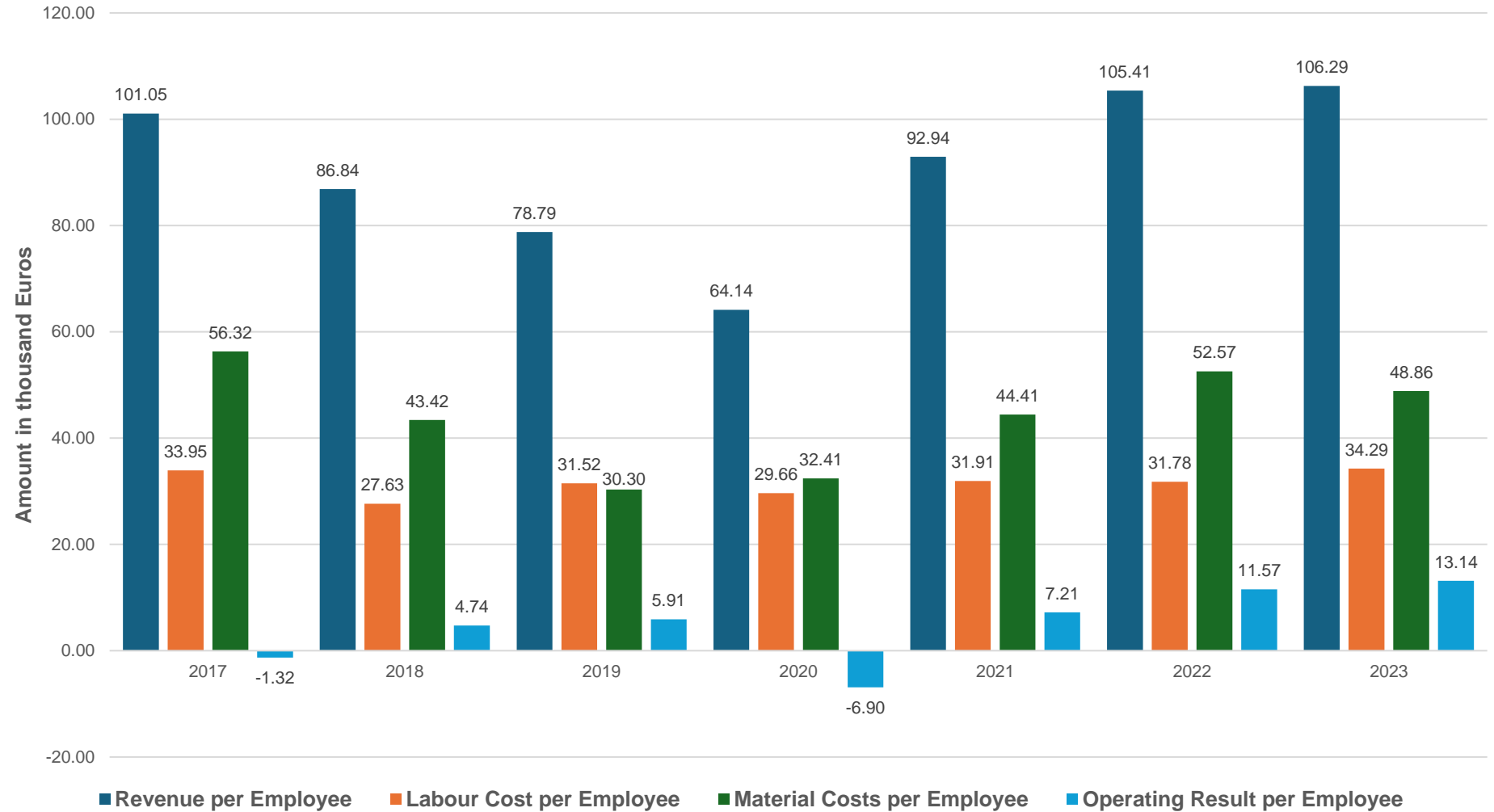
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

## 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



1. INTRODUCTION

2. STRATEGIC OVERVIEW

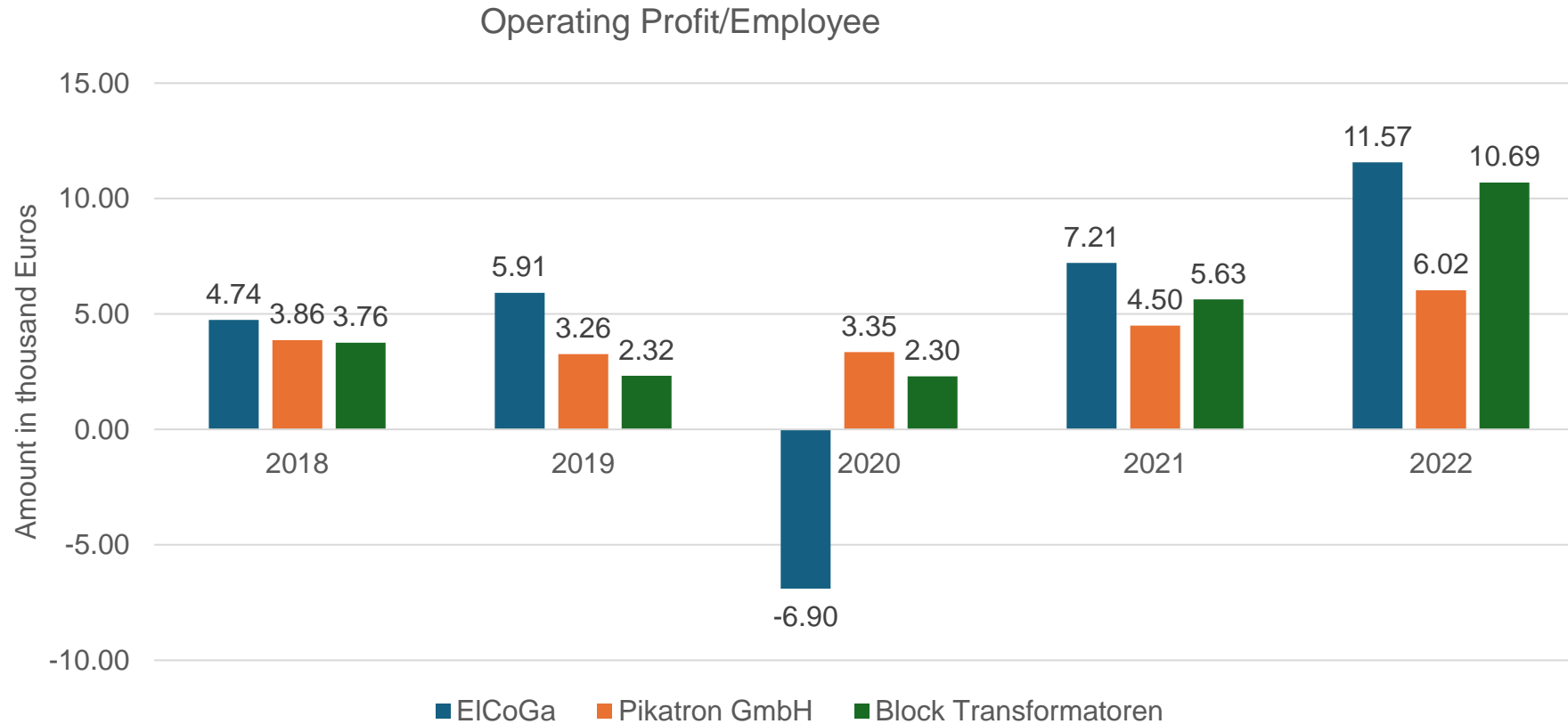
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

## 2. Strategic Overview 6/12

### Key KPIs for Competitor Analysis - Profitability



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

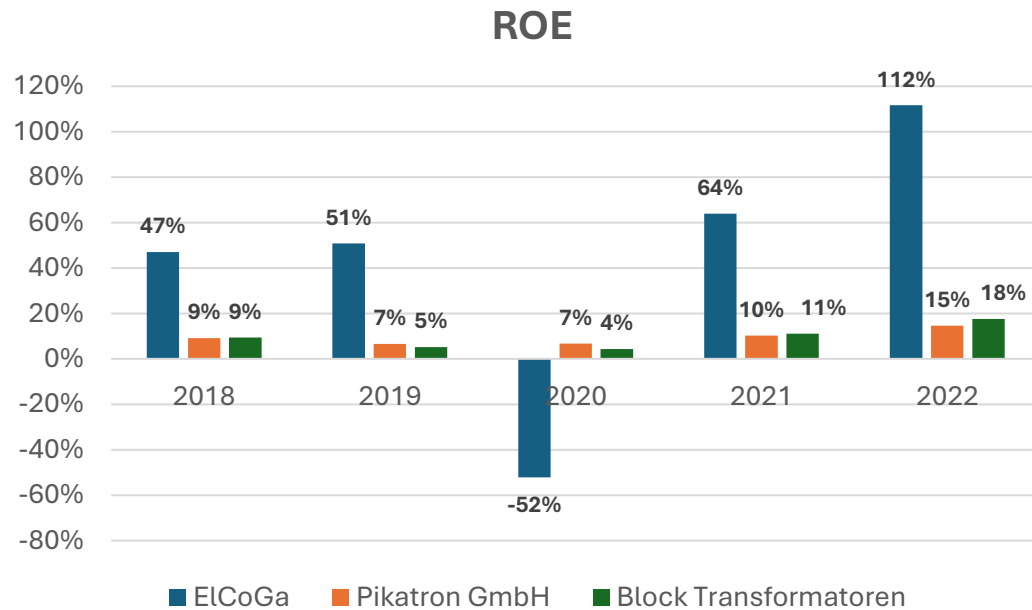
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

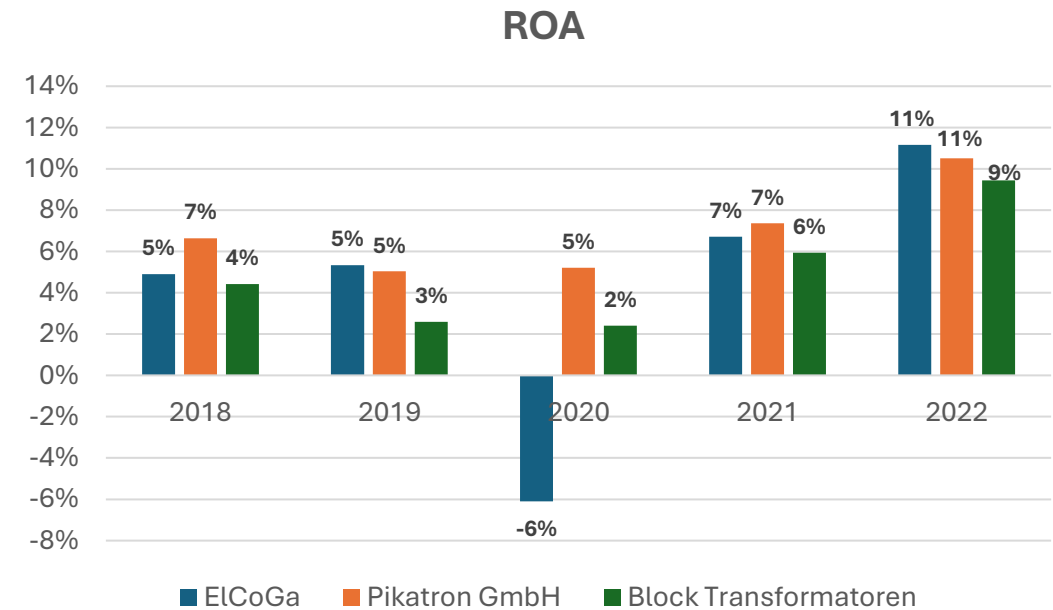
## 2. Strategic Overview 7/12

### Key KPIs for Competitor Analysis - Profitability

#### Return on Equity (ROE)



#### Return on Assets (ROA)



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

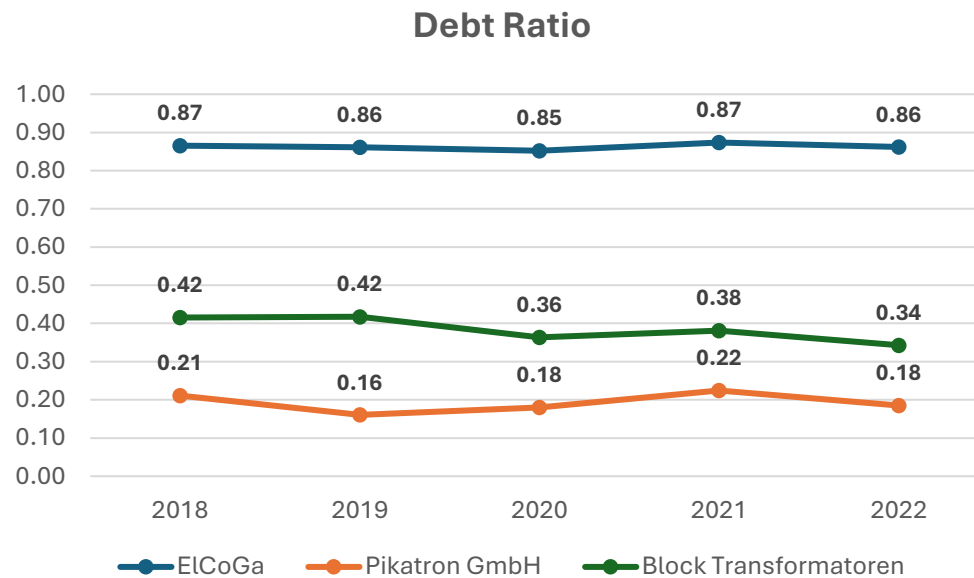
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

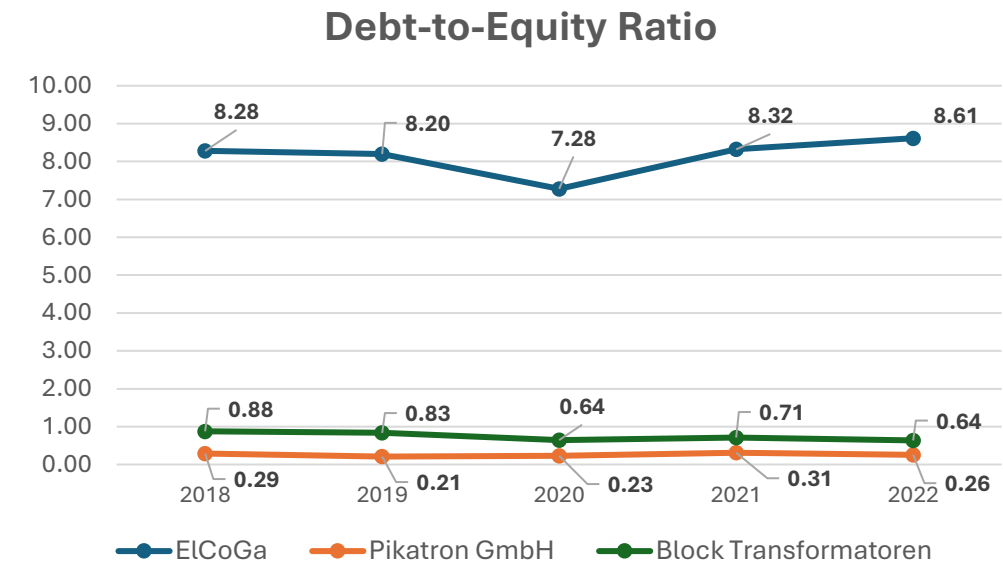
# 2. Strategic Overview 8/12

## Key KPIs for Competitor Analysis – Leverage & Stability

### Debt Ratio



### Debt-to-Equity Ratio



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

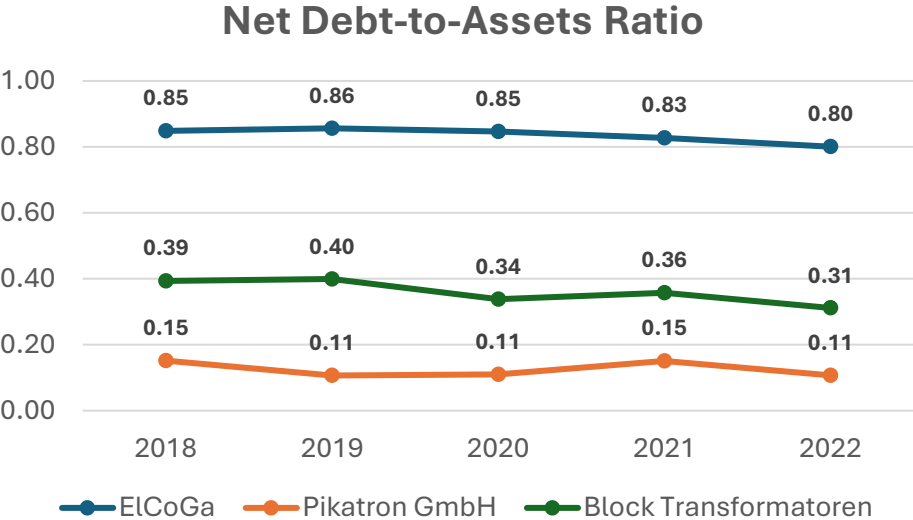
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

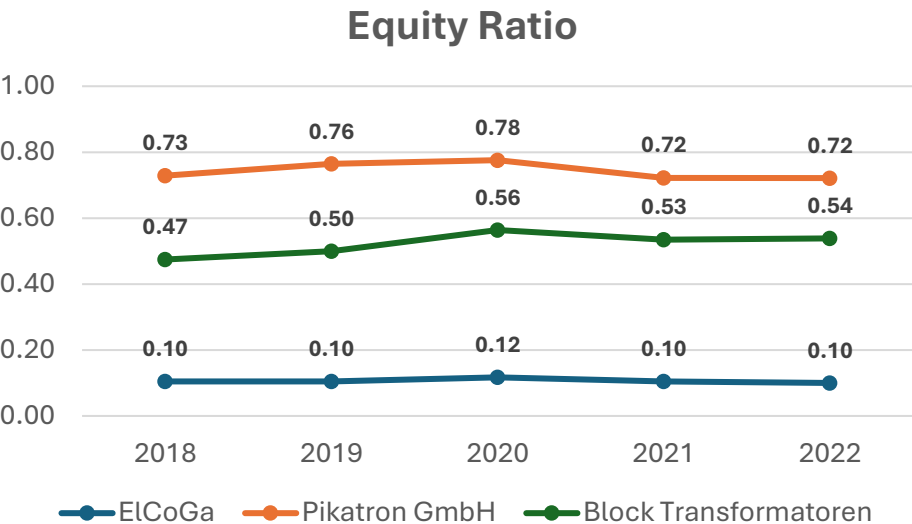
# 2. Strategic Overview 9/12

## Key KPIs for Competitor Analysis – Leverage & Stability

### Net Debt-to-Assets Ratio



### Equity Ratio

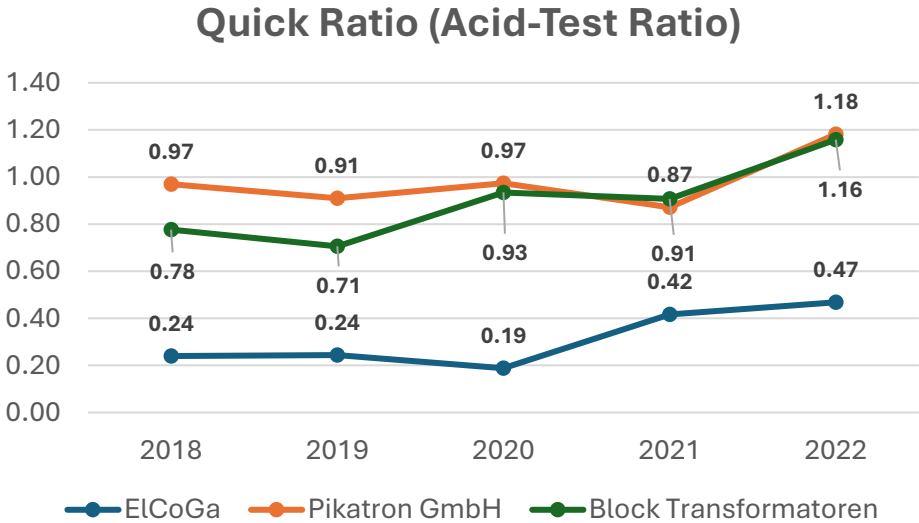




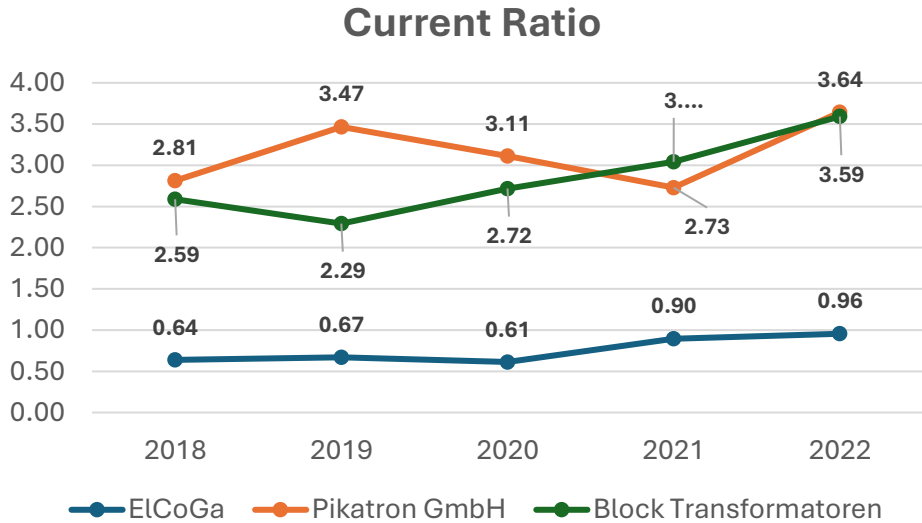
# 2. Strategic Overview 10/12

## Key KPIs for Competitor Analysis – Liquidity

### Quick Ratio (Acid-Test Ratio)



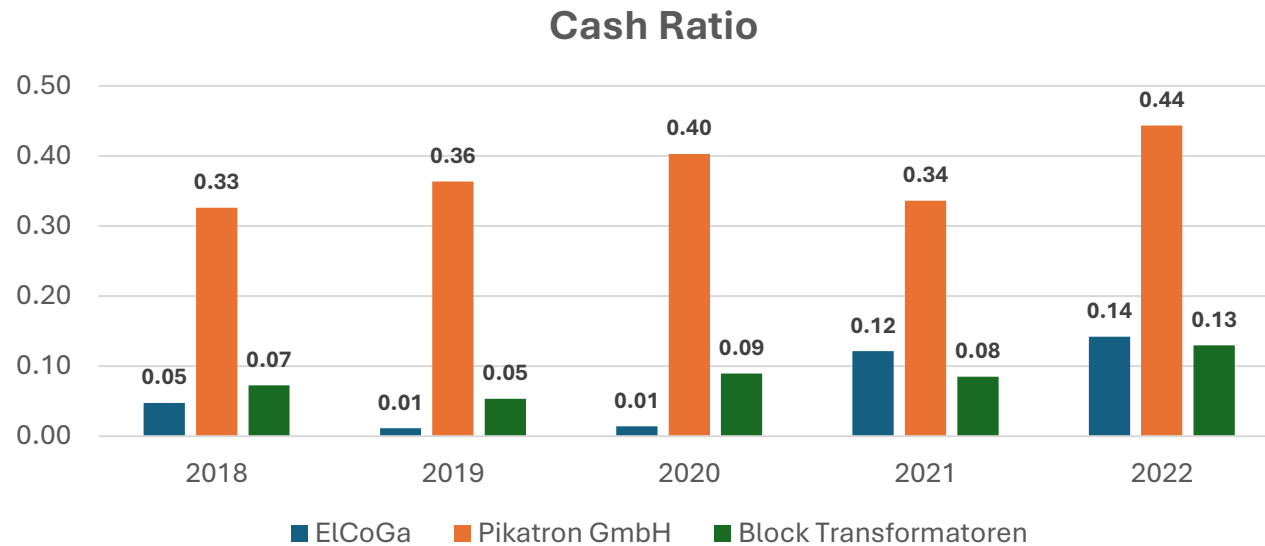
### Current Ratio



## 2. Strategic Overview 11/12

### Key KPIs for Competitor Analysis – Liquidity

#### Cash Ratio



BS Calculations.xlsx

1. INTRODUCTION

2. STRATEGIC OVERVIEW

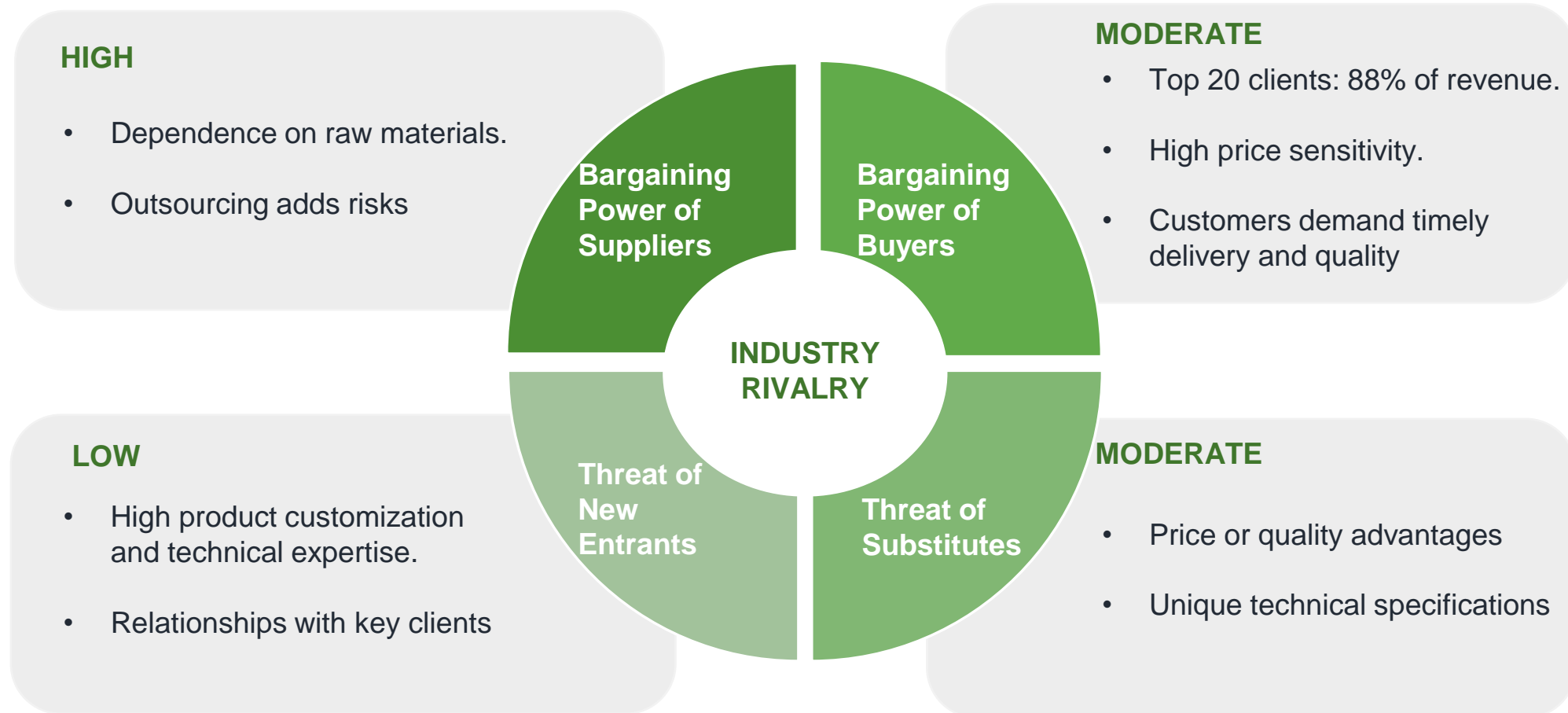
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

## 2. Strategic Overview 12/12

### Porter's 5 Forces (As-Is)



1. INTRODUCTION

2. STRATEGIC OVERVIEW

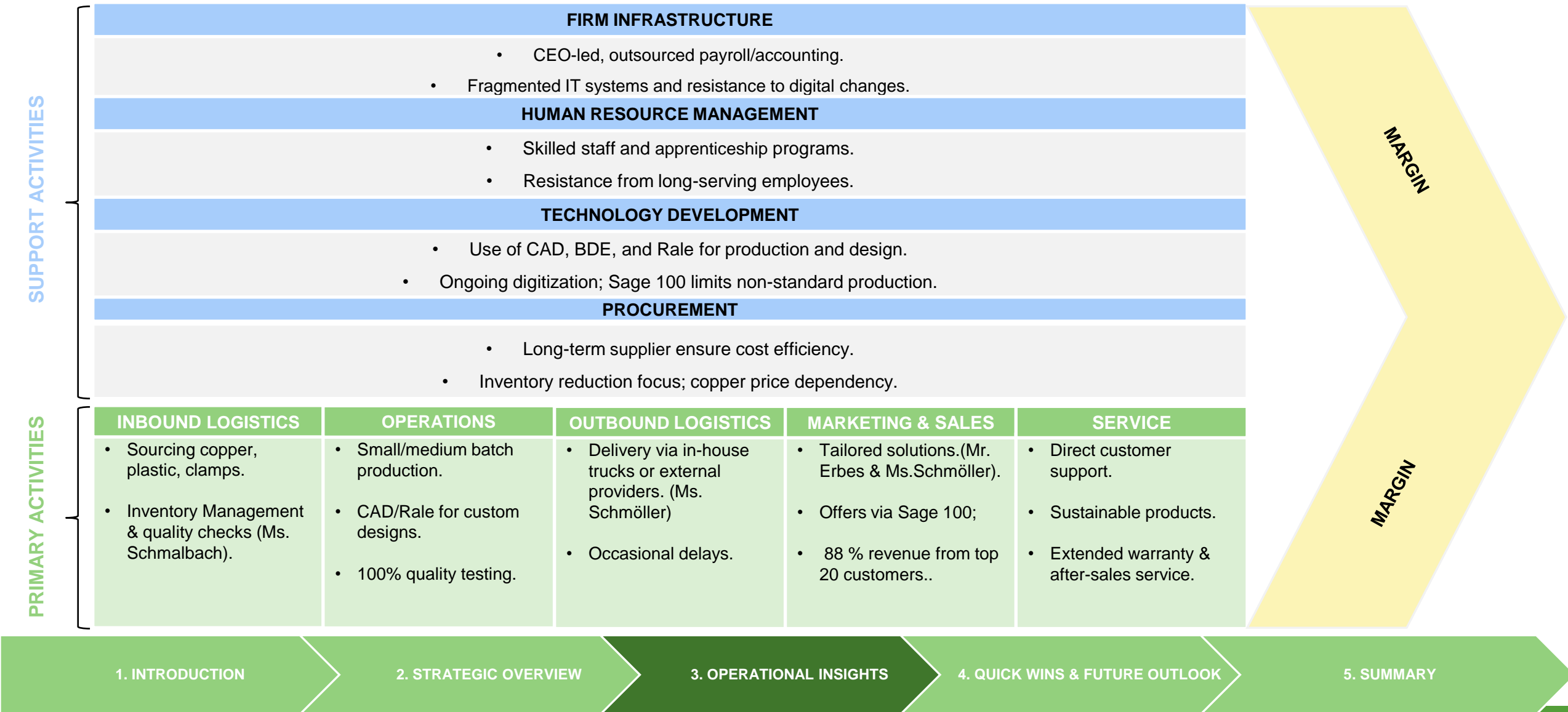
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 1/6

## Value Chain



# 3. Operational Insights 2/6

## Business Processes1/7



1. INTRODUCTION

2. STRATEGIC OVERVIEW

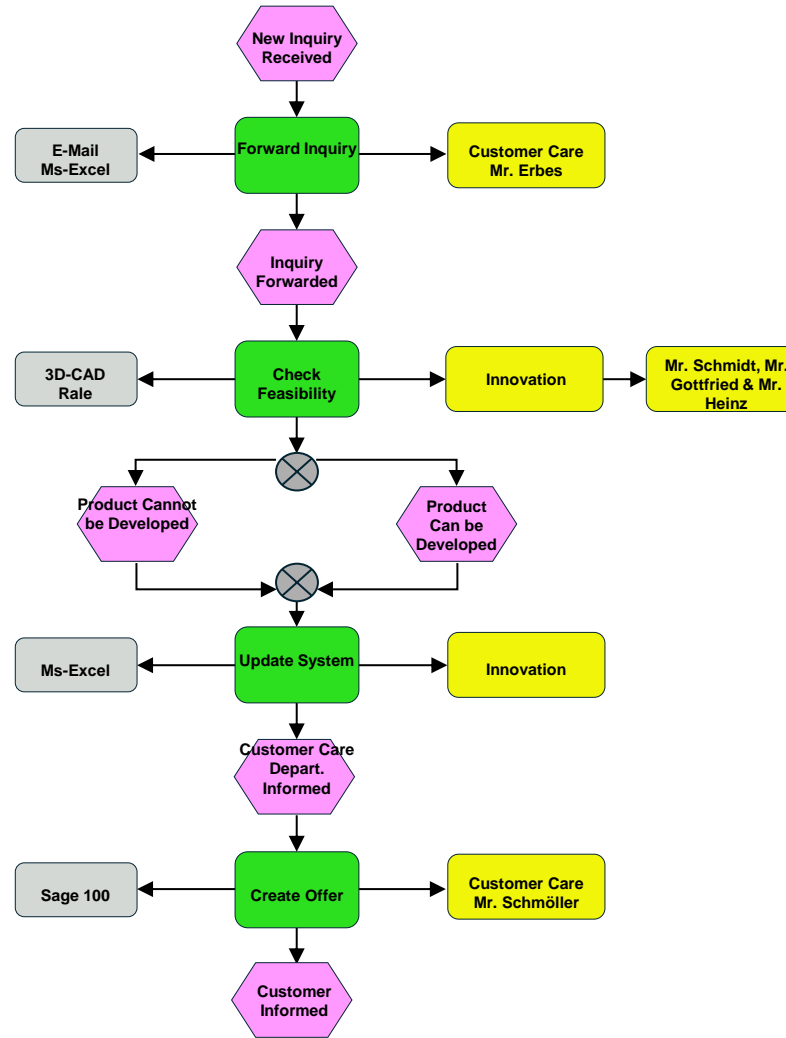
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 2/6

## Business Processes 2/7



OFFER MANAGEMENT

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

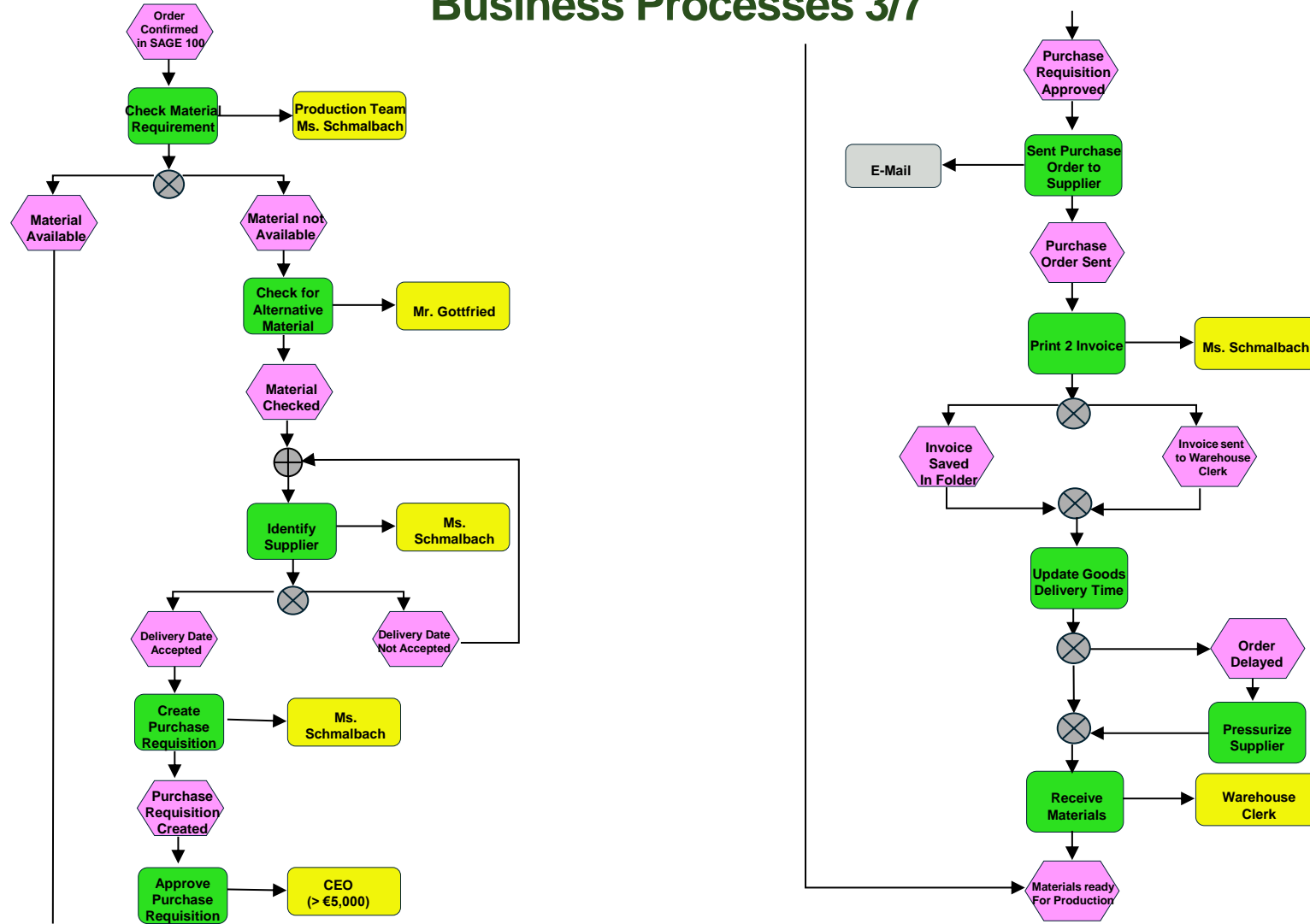
5. SUMMARY



# 3. Operational Insights 2/6

## Business Processes 3/7

### PROCUREMENT PROCESS



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

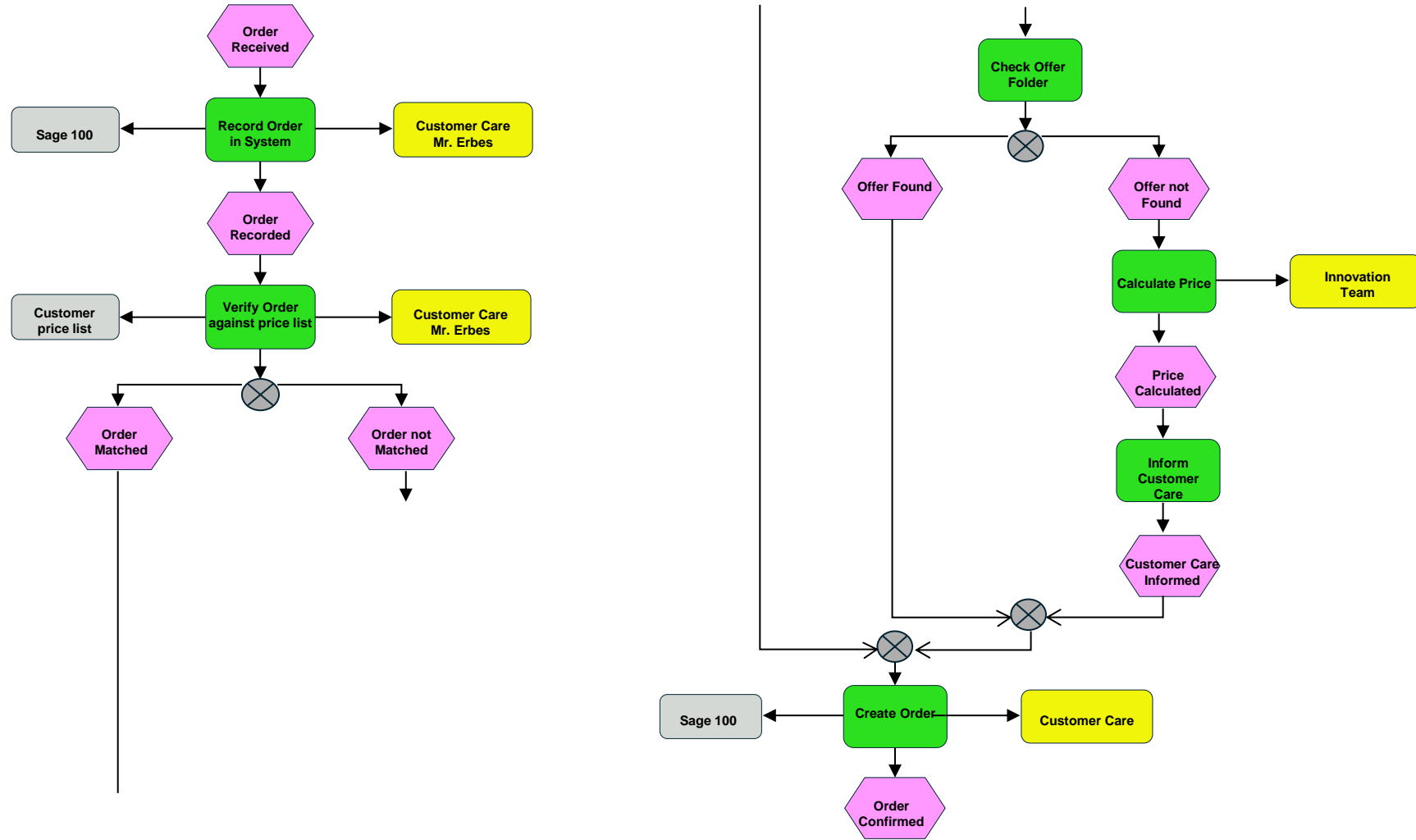
4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 2/6

## Business Processes 4/7

ORDER MANAGEMENT



1. INTRODUCTION

2. STRATEGIC OVERVIEW

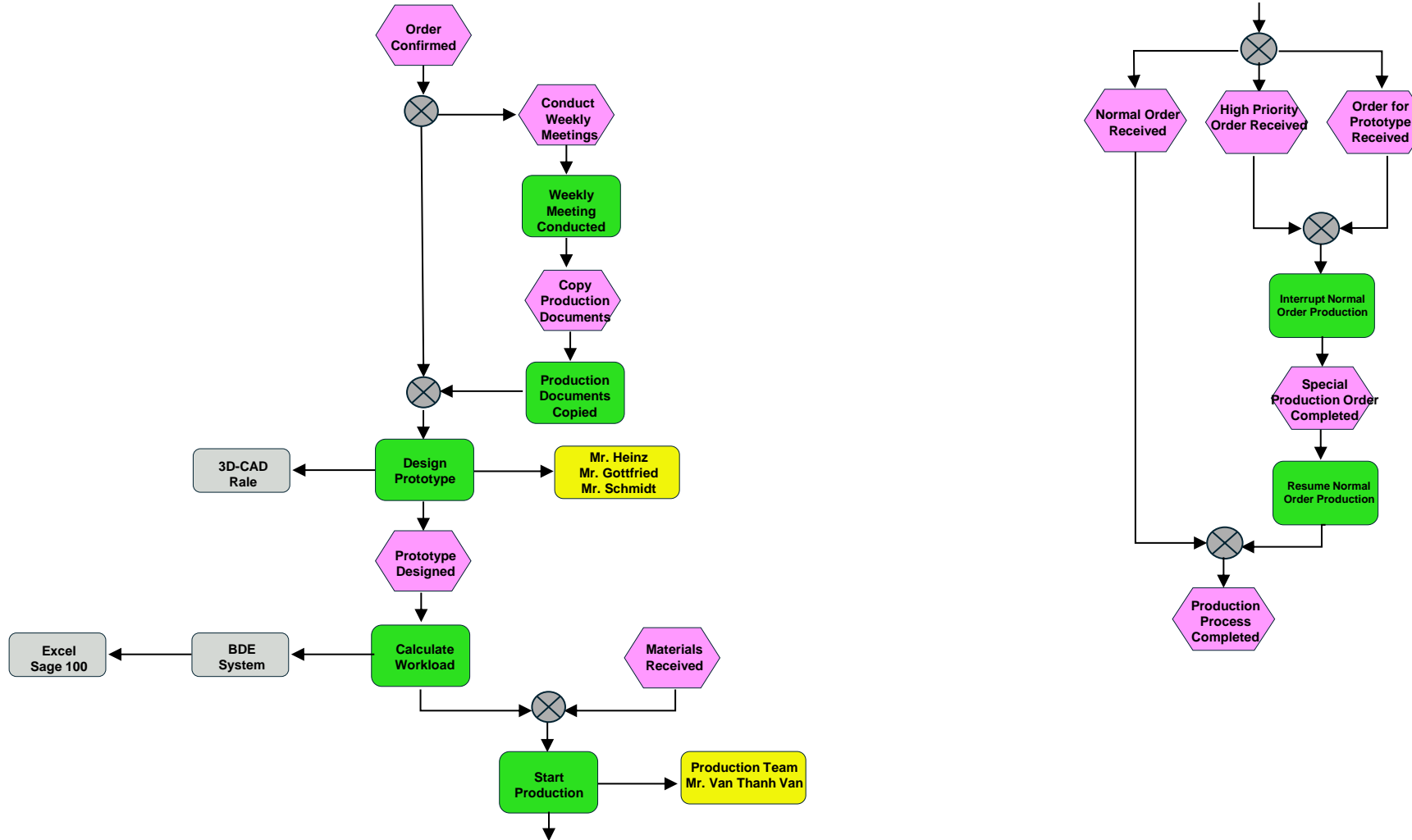
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 2/6

## Business Processes 5/7



1. INTRODUCTION

2. STRATEGIC OVERVIEW

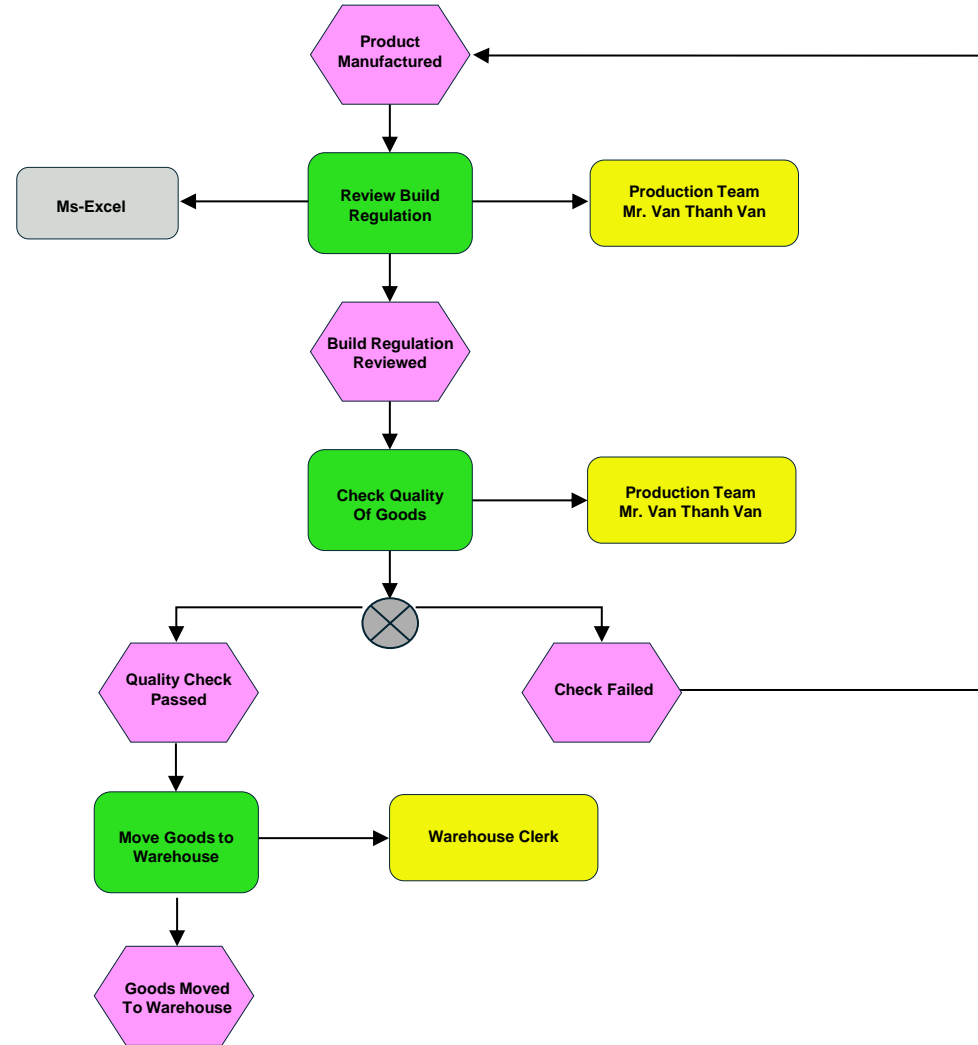
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 2/6

## Business Processes 6/7



1. INTRODUCTION

2. STRATEGIC OVERVIEW

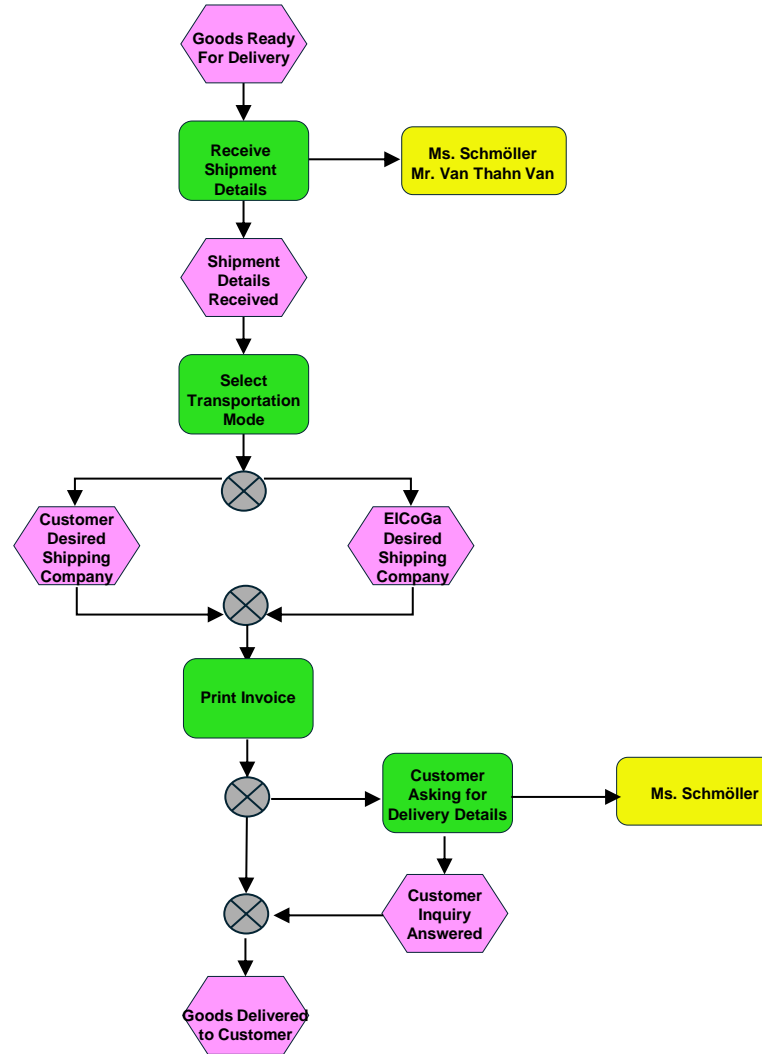
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 2/6

## Business Processes 7/7



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 3/6

## Quantitative Analysis 1/3

	PROCUREMENT	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

### ❖ 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.

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY



# 3. Operational Insights 4/6

## IT Landscape 1/2



**Legacy System in PL/1**

✓ Tailored

✗ Maintenance Issues

**Sage** 100

**ERP-System**

✗ Rushed Execution

✗ Fit Issues



**I INVENTOR**

**Lexware**

**Additional tools used by  
ElCoGa**

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 4/6

## IT Landscape 2/2

EMPLOYEES	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		X	X			X	
Mr. Schmidt			X		X	X				
Mr. Heinz			X		X	X				
Ms. Schmalbach	X		X							
External Partner										X
Mr. Van Thanh Van		X	X				X	X		

1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 5/6

## SWOT Analysis



1. INTRODUCTION

2. STRATEGIC OVERVIEW

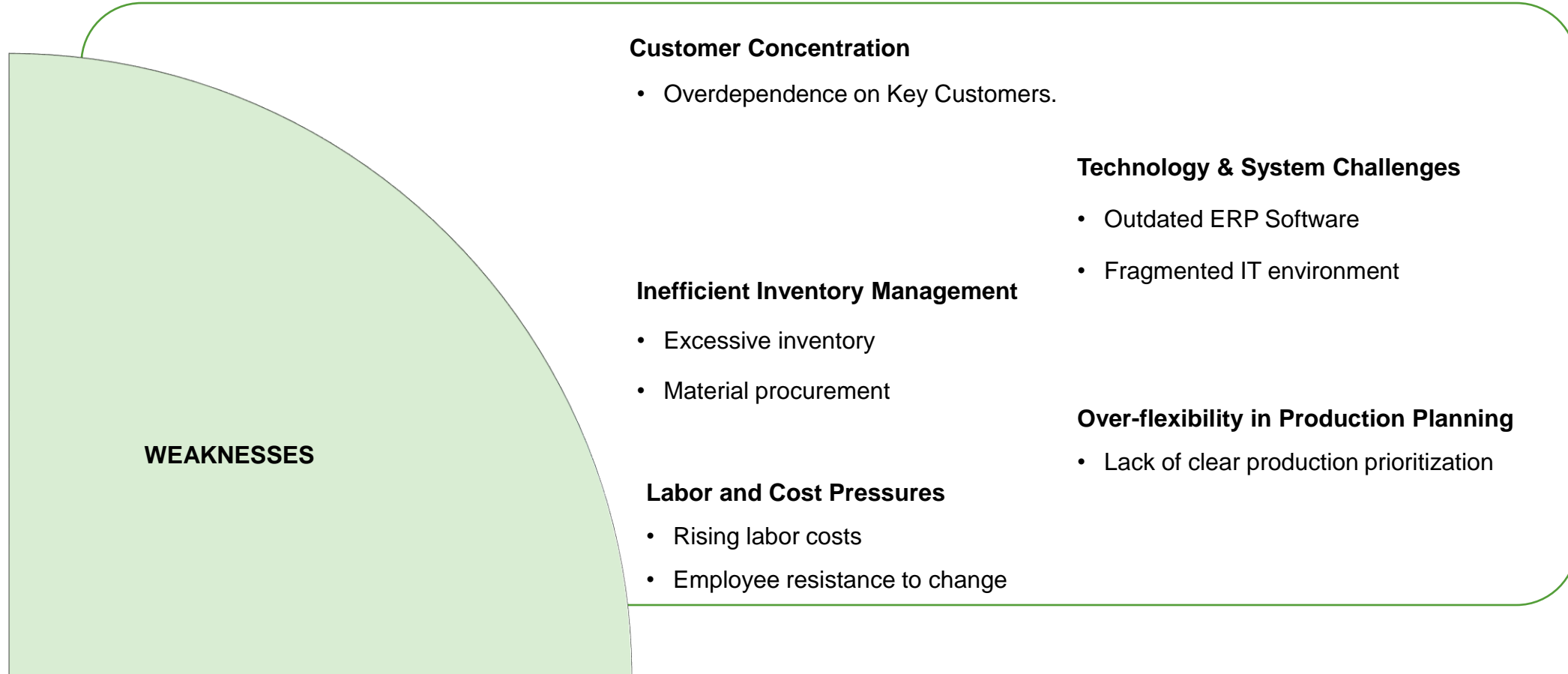
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 3. Operational Insights 6/6

## Weak Points



1. INTRODUCTION

2. STRATEGIC OVERVIEW

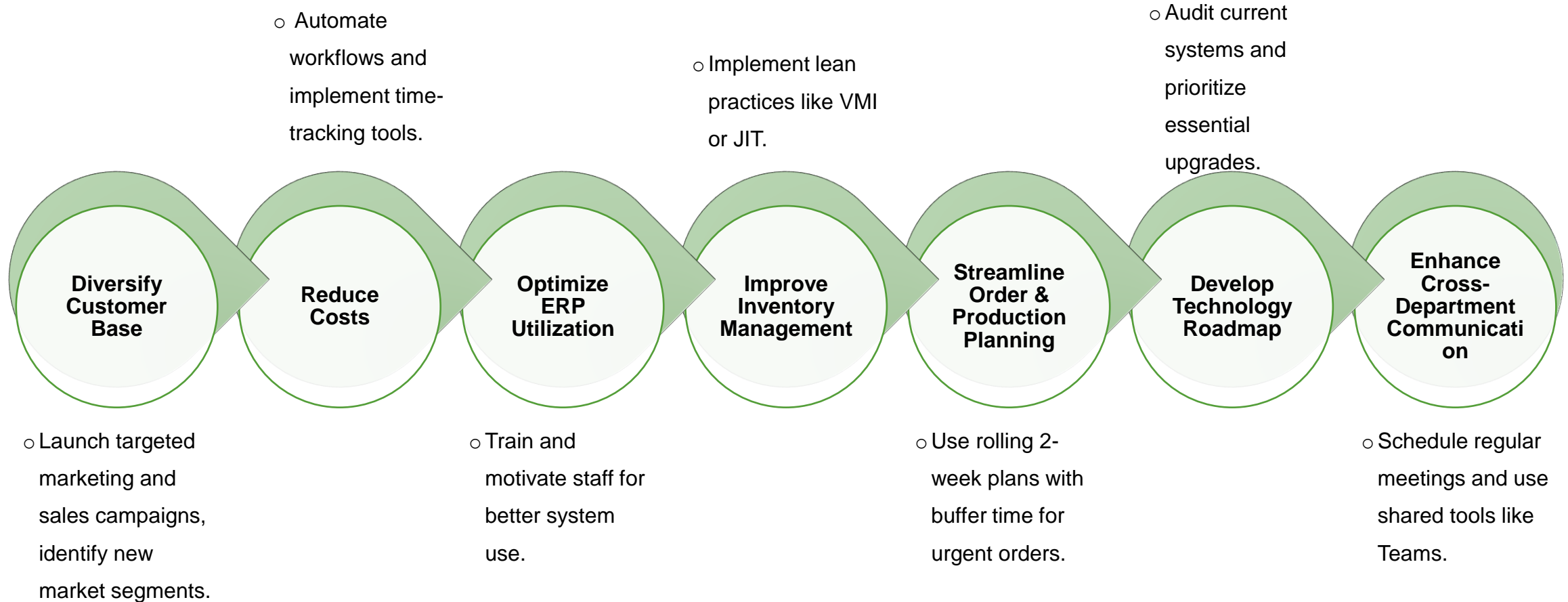
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 4. Quick Wins & Future Outlook 1/2

## Quick Wins & Short-Term Actions



1. INTRODUCTION

2. STRATEGIC OVERVIEW

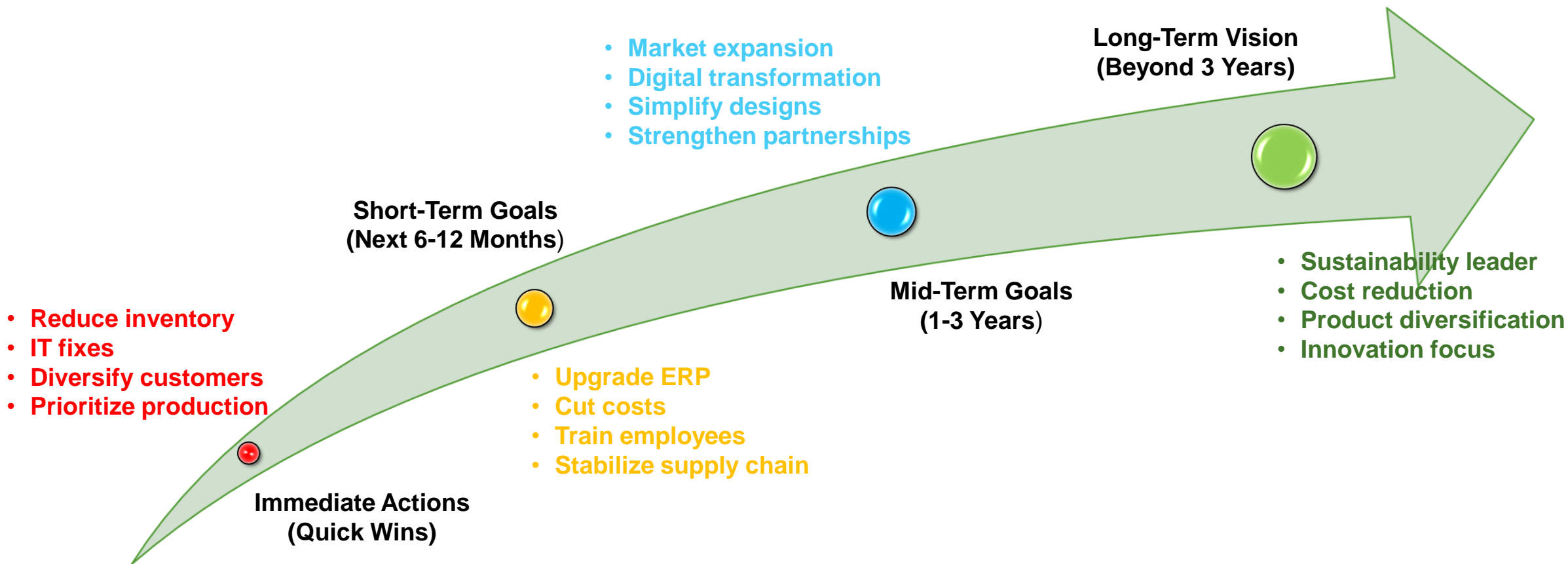
3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY

# 4. Quick Wins & Future Outlook 2/2

## Roadmap to To-Be Concept



1. INTRODUCTION

2. STRATEGIC OVERVIEW

3. OPERATIONAL INSIGHTS

4. QUICK WINS & FUTURE OUTLOOK

5. SUMMARY



## Business Case, Objectives & Goal


### Business Case

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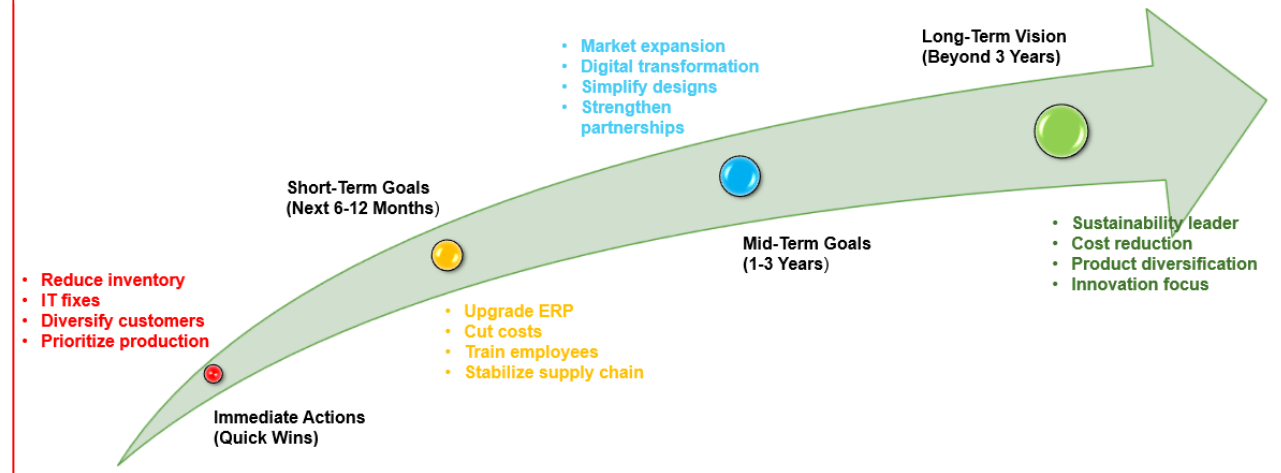
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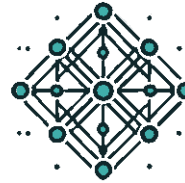
### Goal

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

## Roadmap to To-Be Concept



- <https://www.unternehmensregister.de/ureg/>
- <https://www.pikatron-gruppe.de/>
- [https://www.block.eu/de\\_DE/](https://www.block.eu/de_DE/)
- ElCoGa Interview file
- ElCoGa documentation papers



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