



## "ElCoGa As-Is Analysis"

Course: Business Strategy

Study Program: Business Consulting Master

WiSe 24-25

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Prof. Dr. Peter Mattheis









Introduction Strategic Overview **Operational Insights** Quick Wins & Future Outlook Summary



### 1. Introduction 2/3





#### **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.

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4. QUICK WINS & FUTURE OUTLOOK



# 1. Introduction 3/3 ElCoGa Profile

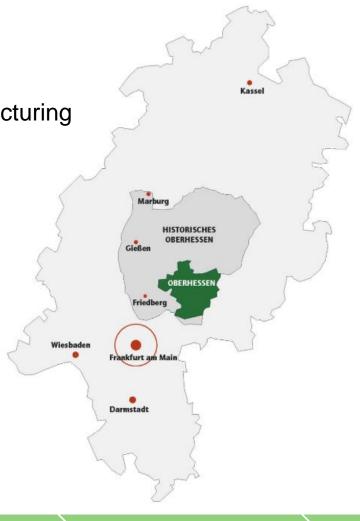


#### **EICoGa**

- 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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## 2. Strategic Overview 2/12

**ElCoGa Strategy** 



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

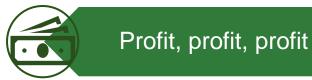
**Vision** 

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

**Mission** 















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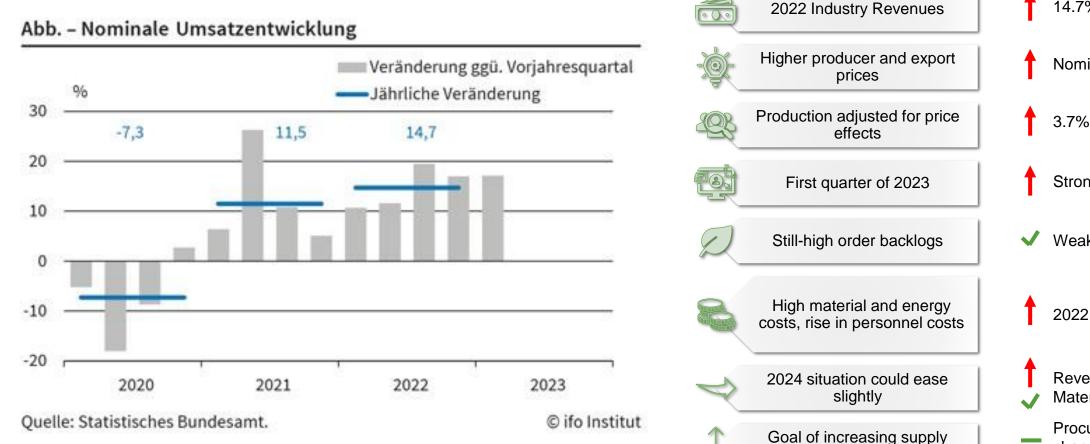
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### **Current Context of the Industry**







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## 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		
<b>Production Locations</b>	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		
<b>Growth Drivers</b>	Customer-specific solutions, efficiency	Growth through acquisitions and innovation	Technological leadership, electrification		

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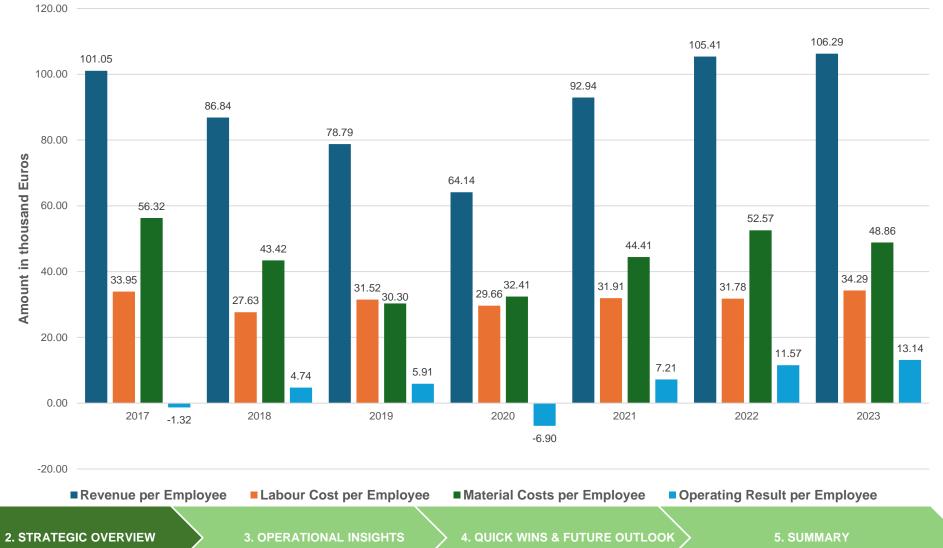


## 2. Strategic Overview 5/12

### ElCoGa Financial KPI per employee



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



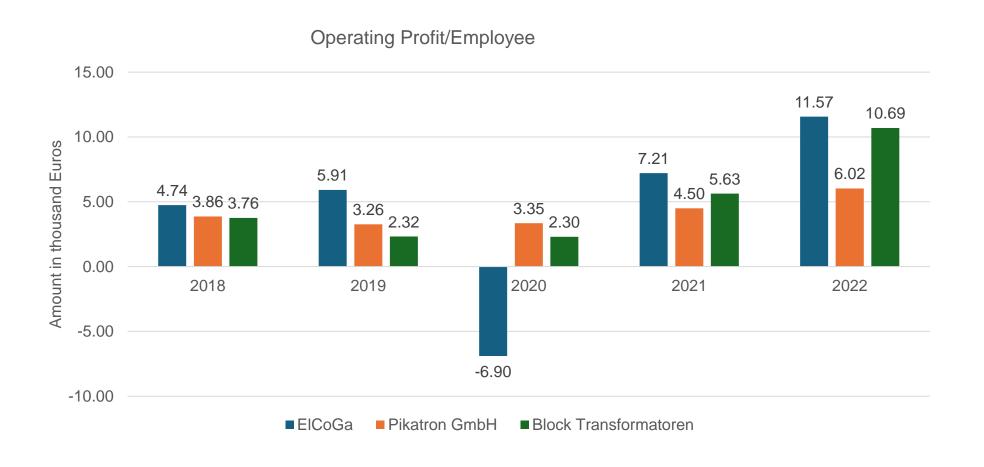
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### **Key KPIs for Competitor Analysis - Profitability**



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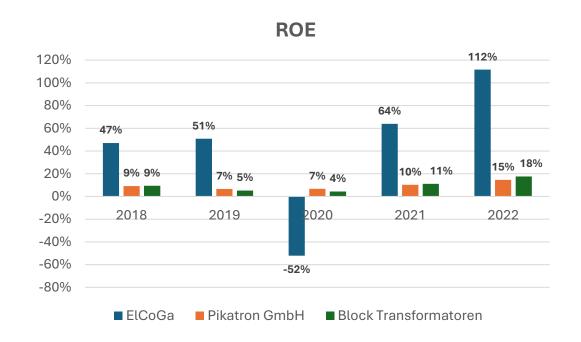


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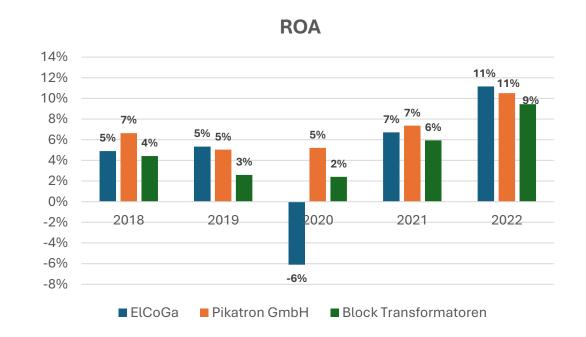
### **Key KPIs for Competitor Analysis - Profitability**



#### **Return on Equity (ROE)**



#### **Return on Assets (ROA)**



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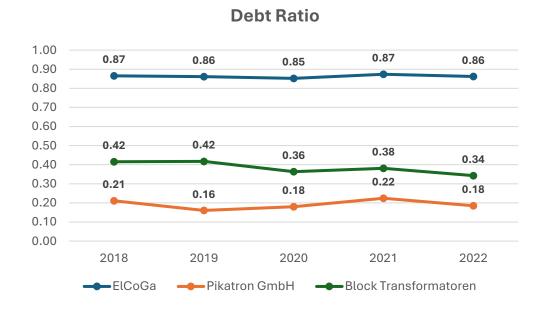


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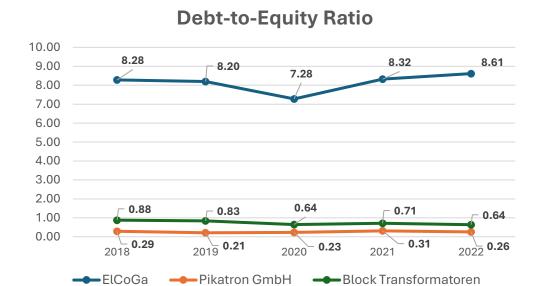


### **Key KPIs for Competitor Analysis – Leverage & Stability**

#### **Debt Ratio**



### **Debt-to-Equity Ratio**



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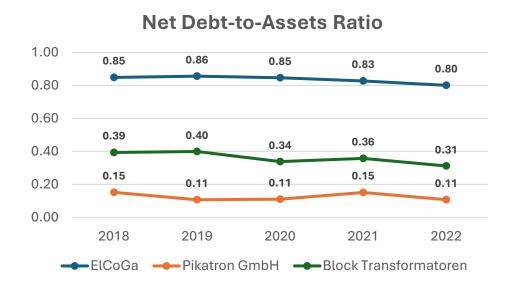


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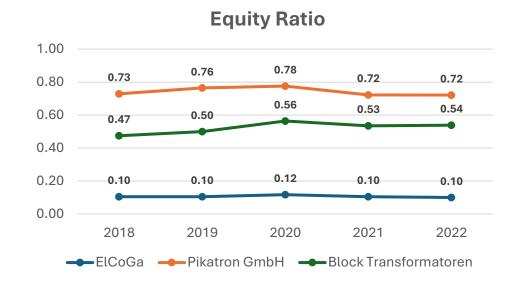


### **Key KPIs for Competitor Analysis – Leverage & Stability**

#### **Net Debt-to-Assets Ratio**



### **Equity Ratio**



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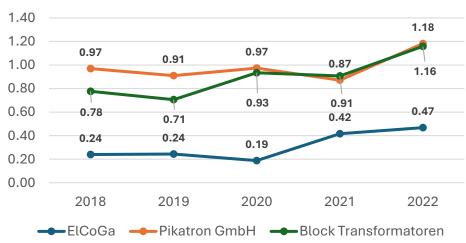
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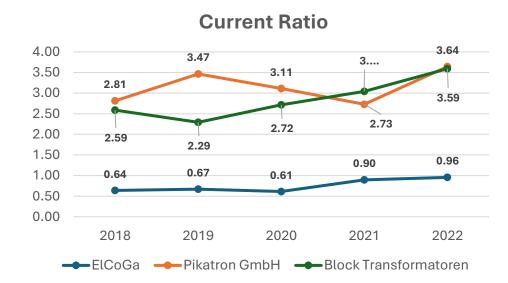
### **Key KPIs for Competitor Analysis – Liquidity**

### **Quick Ratio (Acid-Test Ratio)**

#### **Quick Ratio (Acid-Test Ratio)**



#### **Current Ratio**



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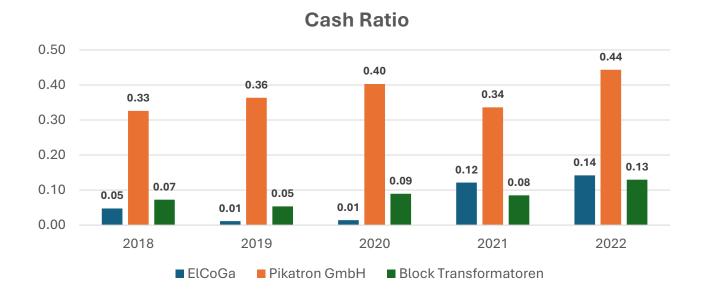


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### **Key KPIs for Competitor Analysis – Liquidity**

#### **Cash Ratio**





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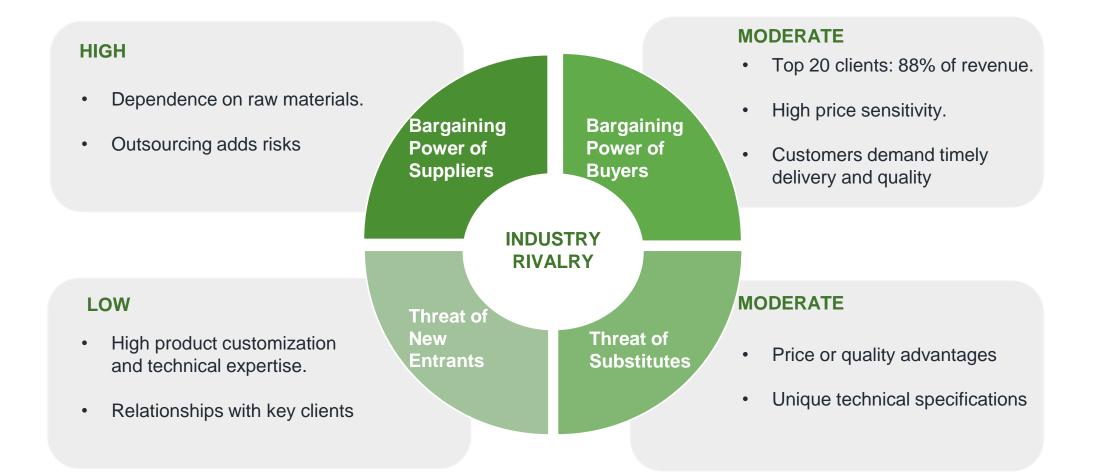
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Porter's 5 Forces (As-Is)



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**ACTIVITIES** 

SUPPORT

PRIMARY ACTIVITIES

## 3. Operational Insights 1/6

### **Value Chain**



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

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5. SUMMARY

"ElCoGa" As-Is Analysis **BCM – Business Strategy** 



### **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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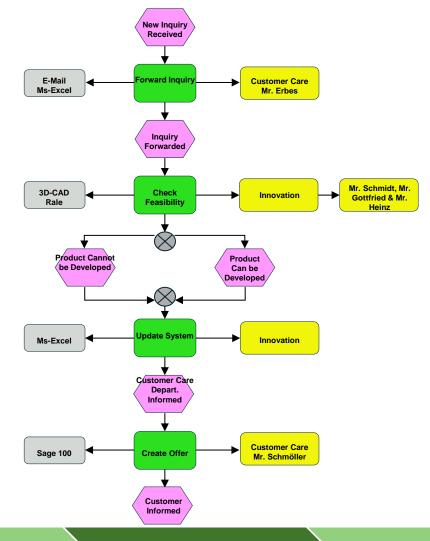
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### **Business Processes 2/7**





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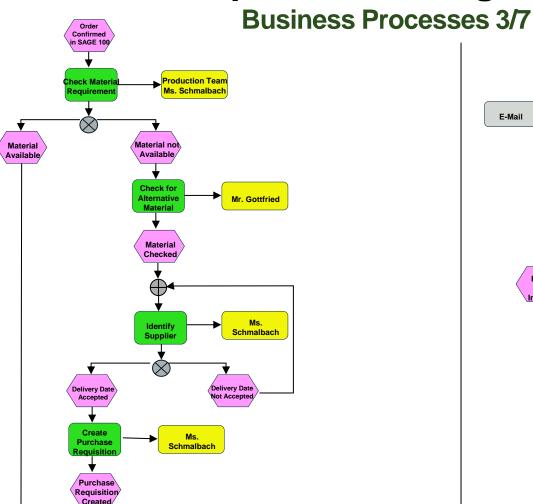
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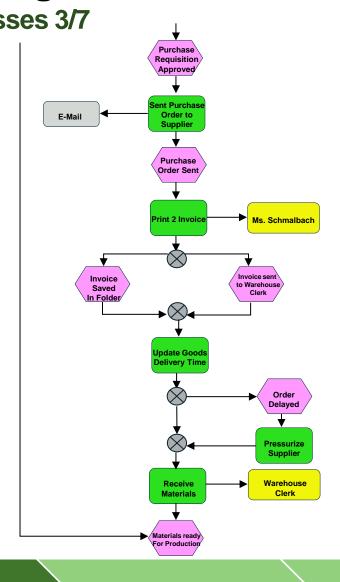
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CEO (> €5,000)

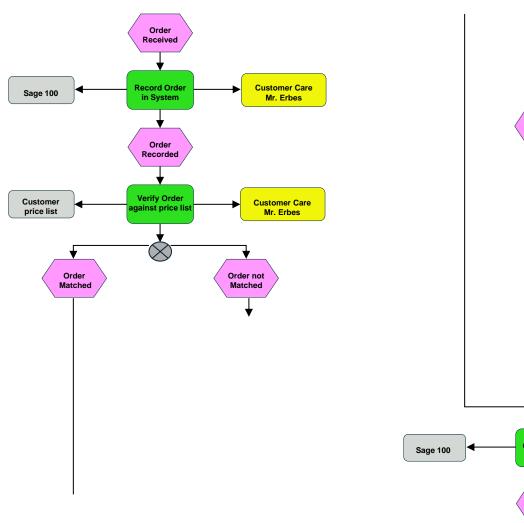
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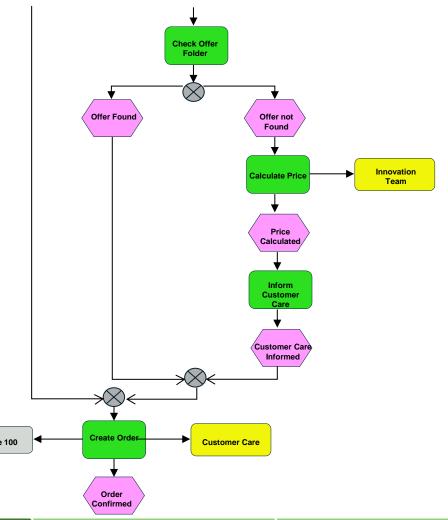
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### **Business Processes 4/7**







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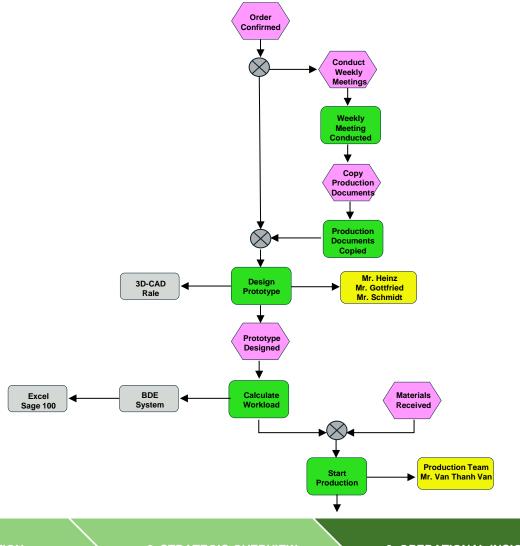
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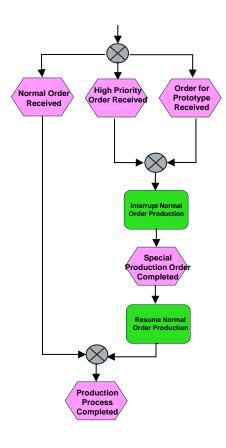
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### **Business Processes 5/7**





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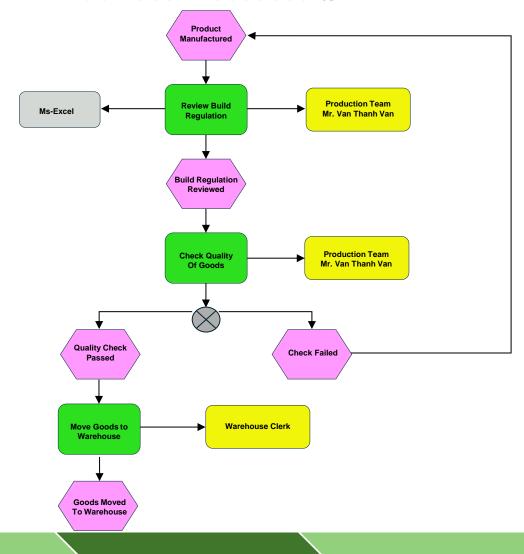
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**Business Processes 6/7** 





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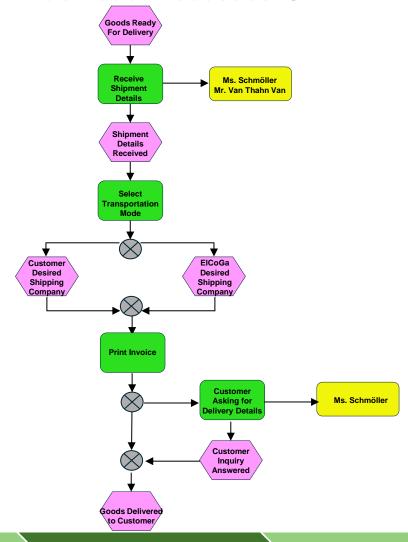
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### **Business Processes 7/7**





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### **Quantitative Analysis 1/3**



JSINESS 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

#### **❖ 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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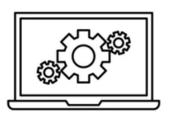
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IT Landscape 1/2





**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	Χ		

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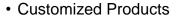
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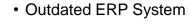


### **SWOT Analysis**





- Quality Assurance
- Flexible Production Planning
- Experienced Workforce
- Strong Customer Relationships



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

STRENGTHS

**OPPORTUNITIES** 

WEAKNESSES

Market Expansion

- Technological Upgrades
- Supply Chain Optimization
- Digitalization & Automation
- Strategic Partnerships with Universities
- Focus on Sustainability

**THREATS** 

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

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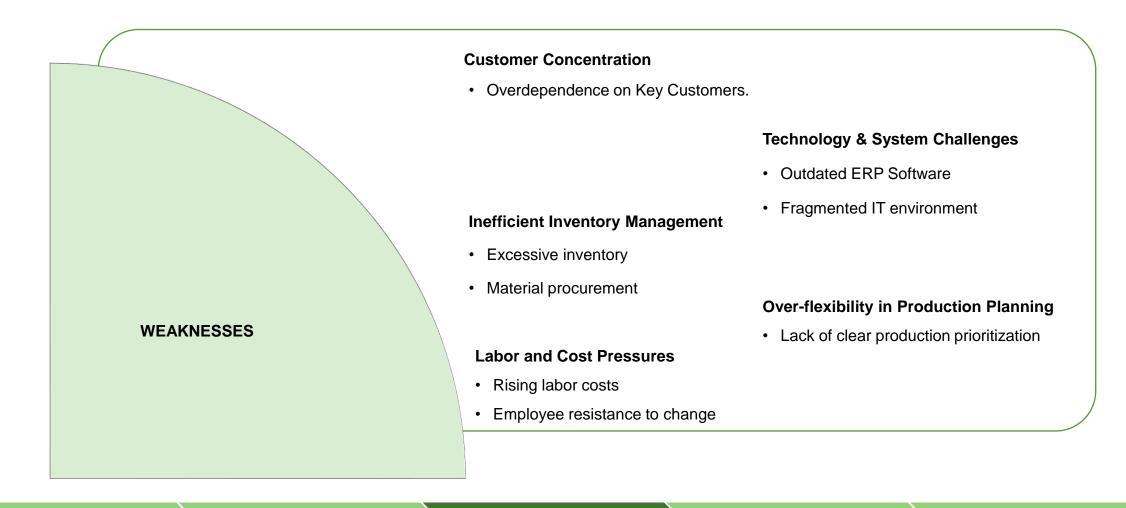
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### **Weak Points**





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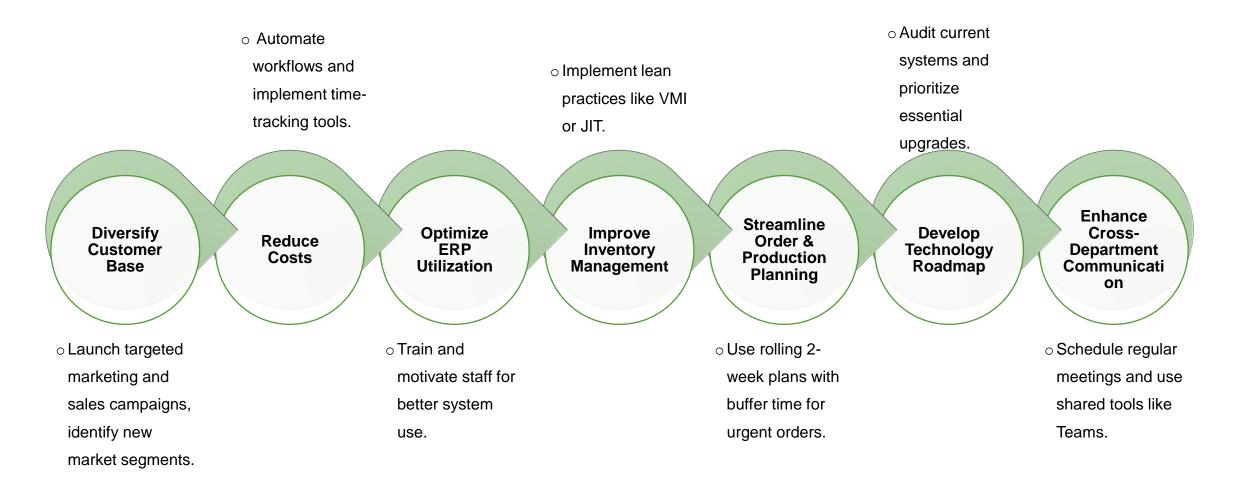
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### 4. Quick Wins & Future Outlook 1/2



#### **Quick Wins & Short-Term Actions**



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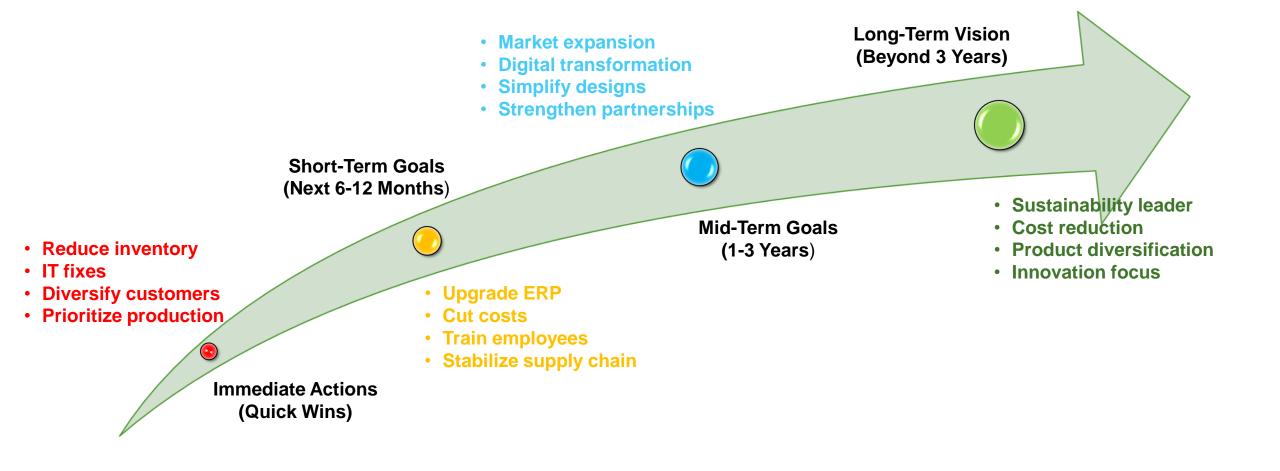
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### 4. Quick Wins & Future Outlook 2/2







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## 5. Summary



#### **Business Case, Objectives & Goal**

#### **Business Case**

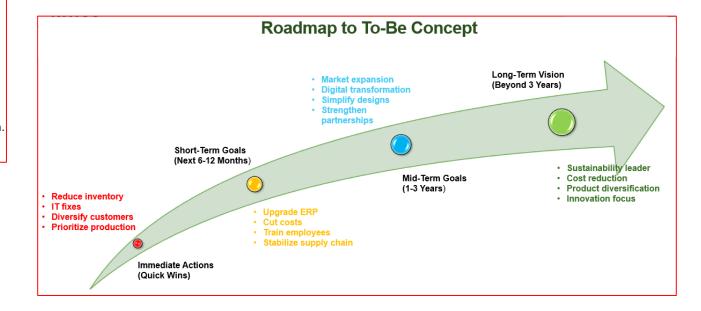
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### References



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- o <u>https://www.pikatron-gruppe.de/</u>
- o <a href="https://www.block.eu/de\_DE/">https://www.block.eu/de\_DE/</a>
- ElCoGa Interview file
- ElCoGa documentation papers

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