

## Performance Made Consistent: QAD Configurator empowers EPC for 15 years

### The Company: A Leading Manufacturer of Premium Encoders

Encoder Products Company (EPC) is a leading designer and manufacturer of premium rotary incremental and absolute encoders used for motion feedback. EPC's products have many options and a complicated rule set that describes the combinations of options that are offered.

EPC was founded in 1969, beginning operations with a small line of custom encoders. Today, more than 40 years later, EPC manufactures the most complete line of incremental and absolute shaft encoders in the industry, operates from three divisions in USA (headquarters), UK and China, and has 150 employees.

### The Challenge: Staying ahead of the competition

EPC is always driving innovation and is responsible for a large number of "firsts" in the encoder industry. But in the 1990s, increased competition, especially from low-cost foreign suppliers, made it difficult for EPC to continue to maintain and grow market share. However, rather than enter into a price war offering less expensive products, EPC decided to differentiate from the competition through its core philosophy, that each and every customer deserves quality products, superior customer service, and expert support.

Adherence to these principles has enabled EPC to achieve its goal of maintaining long lasting customer relationships and, furthermore, attract new customers. Nevertheless it became increasingly difficult to provide customized products with higher quality and faster delivery at a competitive price.

"Our business was growing, and in order to keep up with the demand and growing number of sales orders we needed a way to reduce the complexity and time to take orders for encoders with many options and a complicated rule set," says Bob White, CFO EPC. Major challenges, adds White, were "to eliminate human errors that crept into the manual configuration process, and to train order entry personnel quickly," so they were able to enter the growing number of orders for complex products.

### The Solution: Simplification of ordering complex products with QAD Configurator

The logical choice to address these business issues was to implement a configurator solution: A configurator provides the tools to easily configure complex products during order entry without the need for technical knowledge of the product or the system being configured. It automatically generates new product variants with the respective item data, product structure and also routing. A QAD customer since 1986, EPC decided to implement QAD Configurator. "We did consider other configurator products, but we were unable to find the flexibility that our products required and the seamless integration that would benefit our users," added White. EPC went live with the QAD Configurator in 1994 and it immediately paid off.

In 2006, after a very successful 12 years of using QAD Configurator, EPC – being an innovative company – was one of the first of the 12 companies that responded to a call by QAD to participate in a Configurator Customer

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Bob White, CFO EPC

Advisory Board. The mission of the group was to define and prioritize industry-specific enhancements, and to help drive the future direction of QAD Configurator. "EPC saw participation in the Configurator Advisory Group (CAG) as an opportunity to address changing needs early in the software development stage, and to provide input to the

continued development of a system tailored to fully meet our needs,” said White

The work with the group paid off. EPC was not only able to get three custom enhancements to the QAD Configurator into the standard product, but also had a major impact on the design of the new .NET user interface of the QAD Configurator. Through a series of usability labs, EPC and other customers had a direct impact on the final product, ensuring an intuitive and very easy to use product. “QAD has done a great job pulling this product together, the user interface now makes the QAD Configurator really intuitive adding to the ease of use,” added White.

As a member of the QAD Customer Advisory Board, EPC also had early access to the new version and, in April 2009, became one of the first customers that started using the new QAD Configurator version 5 in production.

**The Benefits: Enhanced Customer Service, Reduced Workload**

When White looks back at the 15 years of using QAD Configurator, the first thing that comes to his mind is the immediate improvements when using the Configurator in production.

A major factor to reduce costs was streamlining and simplifying the order entry process, no longer requiring Customer Service personnel to also be engineers. “The quality of the order entry process has dramatically increased; error rates greater than 20% on initial order configurations were not uncommon during periods of high order entry processing,” says White. “This required EPC to expend more resources manually proofing the order configurations before being released to production. Since the implementation of QAD Configurator, error rates dropped to less than 1% and an additional customer service person is no longer required for manual configuration checking.”

But over the years further benefits became evident, “Training for new order entry hires went down from months to a few weeks,” says White. Since QAD Configurator captures engineering knowledge in a formal way and central place and links it to specifications of the end product, Customer Service does not have the need for technical knowledge of the product at the time of order entry. QAD Configurator smoothly guides through the steps of configuring a product without the intervention of an engineer.

One of the biggest benefits received after implementing the newest QAD Configurator version 5, is the new interface with the ability to:

- Easily search and list variants by features from within the configuration process
- Adjust display parameters for existing variants
- Save a configuration and then create the resultant variant later

The ability to maintain existing variants by use of utility functions is a must for EPC since they are currently supporting 38,000 different variants.

**The Future: Integrated Environment**

Following the motto “continuous improvement is the avenue to success,” EPC is continuing to seek improvements in Customer Service and in handling configured products. “Building a tightly integrated environment will allow our employees to better service our customer from before the sale to long after the initial sale is made,” said White. In the configurator evolution he envisions a future project to expose its capabilities on the internet. “Allowing our customers to configure products and place orders by using the same rule sets and knowledge base that our internal Customer Service uses today,” added White.

Highlights	
<b>Company</b>	
Company Name	Encoder Products Company (EPC)
Industry	Electronics
Annual Revenue	Privately held (not disclosed)
Employees	150
QAD Users	84
Products	Premium rotary incremental and absolute encoders used for motion feedback (industrial sensors)
Number of Customers	9,500
<b>Solutions</b>	
Solution	QAD Enterprise Applications 2007.1 QAD .NetUI 2.8.1 QAD Configurator 5.1 QAD CRM 6.1 QAD Customer Self Service 4.2.2
Hardware Platform	Server Side – Intel/RedHat Linux ES, Client Side – Windows XP
Database	Progress 10.1B03
Languages	English
Number of sites	2
Time to Benefit	One Week
<b>Results</b>	
<ul style="list-style-type: none"> <li>• More than 95% reduction of order entry error rates (from greater than 20% down to less than 1%)</li> <li>• Reduced training for new order entry hires from months to just weeks</li> <li>• Established a central repository for product engineering knowledge and rules</li> <li>• Enabled the creation of production instructions that were variant dependant and easily understood</li> </ul>	