

Ready for growth

Global flexibility and complexity under control

Challenge

The Danish manufacturer and vendor of equipment for combating oil pollution DESMI Ro-Clean A/S have increased its global market position by launching several new products. As a result they have managed to generate a significant growth in the years 2009-2011. The parent company, DESMI A/S, won the award "Entrepreneur of the Year 2011" in Denmark and wants to continue to fulfill its potential and the healthy growth by executing its "Next Level" strategy.

The transition from a medium-sized regional company to a global player has been subject to new challenges. The growth has resulted in greater specialization among the employees, and the understanding of the market and the product program's main characteristics was spread out across several employees and departments. In the same way, the consequences of providing an increasing number of customized products to the market became less manageable.

It became clear that growing product complexity could be a huge disadvantage in order to continue generating a profitable growth when scaling the company in the future.

Effort

The situation led to a decision of carrying out a complexity analysis on selected product families in collaboration with Worm Development.

The analysis clarified how complexity was perceived by the employees and the origins of complexity, and the conclusions highlighted which actions to take. The content of the analysis was a critical evaluation of the product variants offered to the market, a technical review of each product design, a review of the related supply chain, and an analysis of sales and profits for each product family.

The analysis triggered several illustrative models, which gave an overview of the structural design and variation within selected product families, the perception of the products from a customer perspective, and an overview of the production and logistics for the individual product families as well.

The conclusion was clear: the situation in DESMI Ro-Clean A/S was truly complex and still escalating, and it was now time to take action if the ambitious goal of continued growth should be achieved.

"Working with the complexity analysis and the results hereby has been an eye opener for our organization. Today we have got a common language and a tool that we can use in the future to handle the complexity of our business. I am sure that our new insight will help us to meet our overall strategy."

Dennis W. Larsen
President, DESMI Ro-Clean A/S



Effect

The completion of the complexity analysis fostered an increased focus on the escalating complexity in the organization and how it could be limited in order for DESMI Ro-Clean A/S to remain competitive and flexible in relation to its customer's wishes and requirements.

The project pointed out four important focus areas:

- Developing a product strategy to distinguish between standard and special products
- Implementation of activity based costing for all products
- Design of product architectures and process documentation as a design recipe for best practice
- Starting up building a sales configuration system for future handling of the product range

These initiatives will help reduce the complexity in DESMI Ro-Clean A/S, which ultimately can increase flexibility, shorten lead times, improve product quality, increase competitiveness and overall profits. In general, this will help DESMI Ro-Clean A/S to ensure a continued growth and the position as market leader in the future.