

An interview with Damjan Širca, the Director of Epilog, a gazelle entering its third decade of growth

Where you come from is not important, what matters is what you know

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Ljubljana – Epilog, a company using its own solution AtlasWMS for the automation and informatisation of warehouses all around Europe embarked on a radical style changeover just before the new year of 2010. After two decades of hard work, stable growth and business success, the company rewarded itself with new premises in the Technology Park Ljubljana that are slightly reminiscent of the interior of a space ship. "If previously we were riding a horse, we can now say that we are ready for take-off," laughs Damjan Širca, the Director of Epilog.

Damjan Širca, Epilog: "We Slovenians will never be the largest manufacturers of furniture, but we can still be the best manufacturers of exhaust systems. Why not? One can make a decent living from producing niche products."

How does Epilog, a gazelle which made it on to the list of the 500 fastest-growing companies in 2008 where it was ranked 132nd, take care of its fitness after 20 years?

Well, the market makes sure we are fit; it does not allow us to rest although at times it would be very nice. Put simply, we have to keep on running. And we feel that we are quite fit.

You are one of the "shyest" of the gazelles. Despite an enviable contribution in your area and 20 years of above-average successful operations you are hardly noticed in the public at large.

We like to be pragmatic about this. We kept ourselves in the background for a long time already due to the introverted nature of software programmers (laughs). On the other hand, we saw no added value in that. Later on, however, there was a very favourable period of time for business and we needed new staff. The fact that nobody knew us posed quite a big obstacle. Young, prospective people don't want to go to companies they have never heard of. That was the time we decided to open up to the media.

Has it helped?

Yes, it has. We have become much more attractive to young people who

have started to contact us. The most attractive feature for them is that we are working in an international environment.

In your opinion, what is the best way to communicate stories of success?

Credible stories make the best impression. That is also why we are not trying to blow ourselves out of proportion.

Apart from your own innovation, you offer know-how. You consult on the implementation of WMS systems, mainly abroad, and enable students of two faculties to carry out the practical part of their studies in your company. In your experience, how is Slovenian IT knowledge accepted abroad?

It mainly depends on the market. The German market, our largest one, is always a little reserved at the beginning. However, once we prove our expertise in practice, we usually exceed the expectations. In other markets, i.e., in the United Kingdom, Scandinavia, Spain and France, there are significantly fewer stereotypes in circulation. In general, software is now so globalised that it does not matter anymore where you come from, but what you know. In the majority of countries you are looked upon as a software engineer and not as someone who comes from Slovenia.

Is it true that when introducing technological innovations you prefer to wait for the competition to do it first because you don't want to break your teeth first?

We work in a warehouse segment which in its very nature is very conservative. But we are lucky that new IT technologies are usually already tested in other sectors and industries, and we are then amongst the first to introduce them to warehouses.

From the progress point of view, we are trying to be in the upper part of the middle. Namely, it often happens that technology which is at first a big boom proves to be a shot in the dark a year or two ahead. Given the scope of investments, it is better to be somewhat careful. Some years ago, for instance, the voice command technology to be used by warehouse personnel was very promising, but it soon proved to be impractical. Many companies are now dropping it. Luckily, we didn't go there. Obviously, our sixth sense warned us against it – intuition is of great help here. But we are betting on the artificial vision technology. With this technology, the warehouse manager is guided by way of a set of special projection glasses. In our opinion, this is the future, although there are some technological obstacles that first need to be eliminated.

Something similar can be seen in the *Get Smart* movie ... including the voice command technology.

Yes, voice technology is not a novelty, but the problem is that it is too slow. A person receives the visual information and reacts to it much faster.

Employee care means a lot to you. You like to please your employees in different ways: you have a pool room at your company, the corridor also features as a mini-golf playground, numerous training courses are available to them ...

Our knowledge is not limited to software alone, we also have to master logistics processes and entire procedures to implement and integrate the WMS IT system on the client's premises. There is no such knowledge in the market. We have to raise and train our personnel by ourselves and that is why we also try to pamper them as much as possible. We know they represent our true value. We are very active in the area of training courses, also when it comes to soft contents, and when we were designing our new premises we also followed Google's example. When work is stressful, workers need an opportunity to relax. Apart from playing pool and golf, every office also has something that can be used for relaxation purposes. We try not to be too serious. However, this doesn't apply to our attitude to customers, but when we are working we try to maintain certain mechanisms that help ease tensions and ensure the work atmosphere is positive.

There is practically no staff turnover in your company.

This is true and we are even recruiting now, in these times of crisis. If we don't take on those we see as very promising, prospective and good, then we will be unprepared for the next growth phase.

What is your view of the attitude of the Slovenian business and economic environment to technological development? Is this development a driving force that could lead Slovenia out of the crisis faster if it is lent more support?

Technological development in itself is a term that is too narrow and misleading. Perhaps it would be better to talk of innovation. Innovation as such is not necessarily something technological; it can also have a humanistic nature. I am an advocate of the thesis that the first step in progress is the renewal of processes, technology only comes second when these processes need to be automated.

If you are not innovative today, you don't stand much chance of progress. The awareness that this is the path to success is not yet generally accepted in Slovenia. Slovenia could generate many savings, without painful restrictions, by tackling the process renovation in the state

administration and in health services. Mere knowledge is losing value as it changes constantly. A major deficiency of the Slovenian education system is that it places too much emphasis on factual knowledge. Innovation, creativity and soft skills, such as teamwork, conflict resolution, the presentation of ideas, democratic values etc., are being neglected. Yet, in our experience, a company cannot succeed without having assembled the broadest possible competencies.

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Most revenue generated in foreign markets

At Epilog they say about themselves that they are a bunch of enthusiasts developing integrated and high-quality software solutions in the field of IT systems for warehouse management. With their own software package, AtlasWMS, the company generates even 98% of its revenue in foreign markets. Last year's gazelle, however, is not only ranked amongst the top Slovenian companies exporting own IT solutions, but is also very strongly recognised in Europe.

Entering a new decade of growth

Epilog is literally entering a decade of new growth. With new staff and new goals it is now embarking on a new ascent: "We are planning to expand the range of strategic customers. We would like to strengthen our brand and in our field become something like, for instance, Bosch is in the automotive industry – it is not important which car you drive, what counts is the best electronics in the car," Damjan Širca exaggerates in an illustration of the company's ambitions, but he bets on steady, organic growth. "Fast growth can namely quickly affect the quality and relations in the company, and a rapid ascent can therefore be followed by a fast and fateful descent."

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