

Software That Competes in Foreign Markets

Epilog generates 95% of its revenue in foreign, mainly German-speaking markets

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“An even more personal relationship with our customers and extra care for our key accounts as it is easier to retain them than acquire new ones – this is our recipe for overcoming the crisis. On top of that, we believe the additional training and education of our employees is of great importance. Our employees learn German and we have communication and sales training courses on a continuous basis. In order to more easily obtain orders and sign contracts, we also learn about cultural differences”, says Damjan Širca, the Director of Epilog.

The Epilog company from Ljubljana, Slovenia, has been operating for 20 years. Today, it employs 15 people who work in the field of engineering for IT support to warehouses. “The right software alone is not enough for the successful operation of warehouses, instead the entire warehouse management system needs to work well and it is our task to provide that. That is why we provide an integrated solution”, Širca explains.

Biggest sales in German-speaking markets

The majority, i.e. 95%, of revenue is generated by sales in foreign markets. The biggest sales are recorded in the markets of German-speaking countries, although the company also has buyers in Denmark, Finland, Sweden, the United Kingdom, Spain, France, Poland, Turkey and at home in Slovenia.

Their operations encompass three segments:

- Management of automated high-rack warehouses (in Slovenia this was implemented for the company Ljubljanske Mlekarne).
- Management of automated and manual warehouses of metals (rods and metal sheets), whereby these materials are also cut and confectioned.
- Control and giving directions to people and equipment in manual warehouses, i.e. monitoring of which material and in what quantity needs to be stored, cut, packed and dispatched.

“Our buyers are the largest European distributors of these materials, including companies such as Klöchner, Sandvik etc. We also equip

manually operated warehouses with mobile terminal technology”, Širca adds.

More orders, but prices are falling

“Our key customers and buyers are engineering companies commissioned to set warehouses up. Ever since the beginning of the current crisis we have paid particular attention to them as it is easier to retain our old customers than to find new ones. The beginning of 2011 was the most difficult for us. We are part of the investment sector and we are at the end of the supply chain. This year we expect a 15% drop in income and our profits to shrink significantly. Next year will be better as already in the second half of 2011 we expect demand to grow substantially. However, we are currently facing strong pressure on our prices which have on average dropped by 30%. Our customers expect to obtain cheaper services because the demand is not very strong just yet. In addition, I expect the prices to go up”, Širca notes.