

Substantial savings for Elon Group with innovative solutions from softlogs

Elon Group AB expects to reduce their freight costs by 3-5% thanks to softlog's cloud-based solutions for freight analysis and cost control. We expect significant savings during the year due to the softlogs investment, says logistics developer Markus Luthman. Control of transport costs is the same as money at the checkout.



With the solutions from softlogs we get all freight related information available in one place. Here we can follow up all transport costs down to the store, order, item and customer level. We can also use standard reports at customer and item levels for Cost To Serve analyzes, says logistics developer Markus Luthman at Elon Group AB.

Elon's first solution for advanced freight analysis

The solution from softlogs is Elon's first fully digitized solution for freight analysis and cost control. In his previous job at Elektroskandia, Luthman was the project manager when the company changed existing TA systems and invoice control systems. Here he gained knowledge of softlogs and the electro-wholesale company's positive experiences of softlogs solutions. It didn't take long to justify that we should chose the same solution at Elon. At a Friday meeting last fall, it became a unanimous decision to let softlogs solve our freight challenges. Øistein Solberg afterwards presented softlogs and their solutions in detail.

Luthman has nearly 15 years of experience within Supply Chain Management and Operational Excellence from companies such as Ericsson, Volvo and Elektroskandia.

Elon is Sweden's leading chain for home products with over 300 stores spread across the country. In April 2019, Elon Group and Electra Gruppen signed a cooperation agreement that primarily concerns Sweden but in the long term also the other Nordic countries. As part of the collaboration, all 100 Audio Video stores have now changed their name to Elon Ljud & Bild, which gives the stores opportunities to be part of both chains and to broaden their product range to customers. Elon Group has sales of billions a year and sells everything from white goods, household appliances, personal care products and lighting to air heat pumps. In Norway, Elon has 50 stores. In addition to direct sales, the chain is successful with its e-commerce solutions.

From invoice control to financial overview

With the solutions from softlogs, we get all freight related information available in one place. Here we can follow up all transport costs down to the store, order, item and customer level. At the same time, the closing of the month has become significantly easier for us, as softlogs automatically allocate the costs to the right department / store and make visible what we need to allocate for freight costs depending on our bookings, says Luthman, who is proud when he talks about the solution.

All systems are available in the cloud and gives Elon greater precision in the profitability analysis at the product and customer level, says Øistein Solberg, marketing manager and co-owner of softlogs. For Elon, this means that they can reduce the time needed for freight handling.

Problems to control freight costs

Before we acquired softlogs solution, we had challenges in understanding and controlling our annual freight costs. If we manage to reduce these by 3 to 5 percent, this means significant savings, which we can instead add to our net income, says Luthman. In the transition to the new solution, it was important to understand our freight costs. Understanding can now be achieved more easily and with better precision. So far, the solution has lived up to our expectations. It is user friendly and has very good functionality. Softlog's support team responds quickly and is both solution oriented and responsive to our needs and desires.

Dark figures

We had realized that there were dark figures when it came to our freight costs. With my many years of logistics background, I have noted that there are only a few companies that really handle their transport costs. For many, it is a well-kept secret that these costs are one of the largest expense items. The dark figures become obvious when we are negotiating agreements with the carriers and we do not have systems that can handle these in the daily work routines. Here, collaboration with softlogs has simplified control over our transport costs. softlog's method of working close to us as a customer enables us to provide advices and hints as softlogs develop new functionality. Softlogs has, among other things, easy-to-use deviation management modules, which provides analyzes that are passed on to our carriers.

As much a financial as a logistics system

Luthman was given responsibility for logistics and transport development within Elon 1 ½ years ago and his primary task was to implement a new warehouse management system, something he did earlier at Elektroskandia's central warehouse. Elon's management quickly saw the need for better control and overview of the freight costs and that is why we contacted softlogs, says Luthman. He believes that the solution from softlogs applies equally to everything from product to customer profitability. We now have full control over how often goods are transported to our stores, which can help increase local profitability.



The solution from softlogs is our first fully digitized solution for freight analysis and cost control, says logistics developer Markus Luthman, here together with Øistein Solberg, marketing manager and part owner of softlogs.

Control of all transport

For Elon, it is crucial to have control over all transport and to always know how the costs should be allocated. softlogs is an important tool in this to see how the carriers comply with their freight agreements. We need to know how the costs are distributed so that we avoid unforeseen events. We expect the system to create good control and improve our freight routines, both in terms of how freight costs are distributed and how the carriers comply with our joint agreements, says Luthman. He adds that Elon has 45 daily departures from the central warehouse in Örebro to all Nordic countries. It means 1000 daily transports.

Large influence

What does it mean for Elon to have a professional approach to the freight costs?

We understand our freight costs in a completely different way than before. This gives us greater knowledge about the allocation of internal costs, while at the same time we get a much better fact-based dialogue with the carriers. This allows us to identify and eliminate unprofitable processes and errors, says Luthman. He says that Elon works with key performance indicators, so-called KPIs, against their carriers. One of the key figures is the information we get from softlogs. The solution is an important complement to our financial system. Now we know which goods are being shipped to our stores and based on this we can calculate the actual cost of these freight, which gives us very good control. We continue to develop the good cooperation with softlogs. The company's market-oriented customer philosophy, where customers are an important part of the development team for new systems, provides a win-win situation for all parties, he concludes.