

In Advince Newsletter Spring 2012

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Ovako Hires Advince to Track & Eliminate IT Risks and Cut IT Costs

Ovako, www.ovako.com, is a leading European producer of engineering steel for customers in the bearing, transportation and engineering industries. Some products are low-alloy steels and carbon steels in the form of bars, tubes, rings and pre-components. The company has production plants in 11 locations and several sales companies in Europe and the USA. Owned by Private Equity firm Triton, Ovako has net sales of 1,1 billion Euros. The head office is situated in Stockholm, Sweden.

In September 2011, Group CIO Maarit Kaskela asked Advince to carry out an IT Review aimed at document and find counter-measures against any IT-related risks. In addition, Advince was asked to identify possible improvements and efficiency increases within IT at Ovako.

“Advince scanned our entire operations and identified some 150 possibilities of improving the way we buy and use IT”, says Kaskela. The Advince findings were divided into functional areas such as ERP, customer relations, production systems, Business Intelligence and other areas. “We are currently planning some 2–3 substantial IT improvement projects based on the Advince review and their suggested changes, and expect to get a bigger bang for our IT buck in the near future”, says Maarit Kaskela.

Korsnäs Asks Advince to Review IT Governance & Efficiency

Korsnäs AB, www.korsnas.com, is one of the world’s leading producers of virgin fibre-based packaging material, primarily for consumer products. Production is conducted at the production sites in Gävle, Frövi and Rockhammar. Korsnäs is owned by the Kinnevik group, has 1.800 employees and the 2011 sales is approx. 1 billion Euros.

Christer Simrén, Korsnäs CEO: “I have hired Advince at previous management positions so when we at Korsnäs felt a need to check that the way we plan and run IT projects is of the highest standard, it was an easy decision whom to call”. Advince examined and benchmarked the documents and processes being used for IT governance and in general gave a thumbs-up sign but also proposed some improvements.

“With basic IT functionality such as ERP being more and more similar from different vendors, focus is shifting to what really matters if your IT initiatives are successful, namely how the technology is applied at the company”, says Nils Bergel, Advince. “Equally important is to ensure that business drives and technology follows, and at Korsnäs this is the case”.

Prior to taking the helm at Korsnäs, Christer was CEO at a smaller packaging material group, Wermland Paper, where he hired Advince to design an e-commerce portal used by agents and clients worldwide to enter and track their orders. This project was nominated “Project of the Year” by the CIO Magazine. Link to story (in English): <http://tinyurl.com/6luxlcc>

Advince and Procuritas – A successful Cooperation Continues

Advince had the honor of being mentioned as an example of a Professional Advisory Network member in a PPM related to the raising of the latest fund of Procuritas, a very successful Scandinavian Private Equity firm. See www.procuritas.se

“Procuritas is the PE firm we have our longest relation with. It started in 1998 and we are currently assisting three (eventually four) portfolio companies with business development & IT strategy issues. We are extremely happy to assist Oral Care, PPG, Farma Holding (and perhaps also Olivia) in their aim for expansion and improvements”, says Filip Ekstrand, Advince founder.

Mikael Ahlström, Procuritas founder: “We like the Advince down-to-earth approach on cost-effective IT support. The Advince team has seniority to attack any IT-related issue and their independence of all software & consulting firms ensure that they won’t have us buy a Ferrari when a second hand Skoda will do excellently”.

Featured Procuritas Case Story: Perimeter Protection Group

The Perimeter Protection Group, PPG, is a business focused on developing, manufacturing and selling outdoor perimeter protection products and systems, including high security products, fences and gates, with core focus on the Nordics, Germany and France, but with a global distribution network. The group has sales of about 80 million Euros, and factories in Sweden, Germany and France. PPG was acquired by Procuritas from the Gunnebo Group summer 2011.

Advince has assisted PPG in crafting an IT Road Map, preparing PPG-specific solutions IT Infrastructure and for data and telecom connectivity – in a way acting as temporary CIO function while PPG recruited their own IT staff.

“PPG is a combined example of a firm which has grown by acquisitions throughout Europe and a Carve-Out of one part from a larger group, Gunnebo. We have plenty of experience from both types of challenges, which gives an opportunity to exploit solutions that are simpler and less costly than before”, says Filip Ekstrand, Advince co-founder.

“Until we got our own IT function & vendor management in place, Advince ran the IT part of our business in very satisfactory way”, says Fredrik Granat, CFO of PPG. “They quickly establish an overall agenda and advised us on what problems to attack first and which that could wait”.

Press release: <http://tinyurl.com/6mzd3hn> | Even more info on: <http://www.perimeterprotection.net>

Seminar on Outsourcing

On March 14th, Advince arranged this spring's afternoon seminar. The theme was **A New view on Outsourcing**, featuring Advince partner Carlolof Borgudd as keynote speaker. Carlolof made some important points, such as:

- Mid-size companies often have more to gain from outsourcing than large enterprises
- Outsourcing today is often renting IT capacity rather than have someone manage your dedicated set of servers and other hardware
- Multi-sourcing gets more common i e buy different parts of IT operations from different, specialized vendors
- In addition to prices falling in general, also new actors, often in the Baltics or former Eastern Europe, have entered the outsourcing market offering good-quality delivery at rock-bottom prices

Per Agerman, editor of <http://realtid.se>, was Guest speaker on his specialty, **“Lawful Interception’ and its integrity-related consequences”**.

Link to invitation (In Swedish): <http://tinyurl.com/chruptu>

Ice Hockey Events

On Nov 16, the VIP section of Scaniarinken, Södertälje was occupied by Advince and a client, Office Depot (see story “Advince as Advisors in Office Depot Acquisition” PE Newsletter Fall 2011). The game set two very traditional teams against each other: **Södertälje SK** played against **Leksands IF**. The selection of game was not coincidental: Mr Åke Norström, Office Depot's Sweden CEO, comes from Leksand, Dalecarlia and used to play in Leksands IF at high-school age.

Pictures from the event: http://www.advince.se/home/hockey_night/

Athletic Achievements and Musical Notes

For Nils Bergel the past year included – inter alia – concerts in Sweden as well as in Berlin and London, besides scriptwriting and musical arrangements for the annual surprise concert production “Caprice” with the male choir Orphei Drängar (OD, see www.od.se/en). Various solo song requests and orders of musical arrangements have also engaged him.

Filip Ekstrand participated in the traditional Christmas concert with Stockholm Poulenc Choir in Stockholm. Sonny Jansson conducted the choir and Lowe Dervinger played piano.

Martin Grysell participated in the Engelbrekt Cross-country ski race (48 km) and finished 532 out of 1.000 skiers.

We all saw it coming - Filip Ekstrand is back on the ice hockey career he left some 37 years ago. He now plays Right Defense in Viggbyholm IK Veterans. “I may not be the fastest player any more but I’m quite sure my experience offsets that”, Filip says. Link to player stats (in Swedish): <http://tinyurl.com/7k5orzy>