

DS Dichtungstechnik GmbH, 48301 Nottuln, Germany

## Prepared for the future with ERP

DS Dichtungstechnik GmbH is a leading supplier of sealing technology for the concrete pipe industry. This mid-sized, family business has used its core IT system, an enterprise resource planning (ERP) system, for over a year to manage every process from purchasing to production, warehousing, sales and shipment. The efficiency of the entire operation has increased significantly since the system was introduced and every process has become clearly comprehensible. ERP is one of the foundations of DS Dichtungstechnik GmbH's success.

CPI was a guest of Dipl.-Ing. Albert Steinhoff and Jutta Steinhoff, managers of DS Dichtungstechnik and Prof. Dr Franz Vallée, head of the consulting firm for logistics and IT, Vallée and Partners, from Munster.

**CPI:** *Mr Albert Steinhoff, please briefly introduce the DS Dichtungstechnik firm.*

A. Steinhoff: The company was founded in 1961 by my father with the manufacturing of rolling rubber O-ring seals for concrete pipes. It began in an old storage garage at my father's house in Nottuln, Germany. The move to the Nottuln industrial area, which remains the site of the company's headquarters, took place in 1983 with construction of the first production hall. The company grew step by step in the following years. In 1996, it was decided to no longer purchase the rubber profiles from large manufacturers. Instead, these would be manufactured in-house with the purchase of an extrusion plant. A strict separation of production facilities and warehouse into two separate, nearby locations took place in 2005. Since that time, we have grown from a small supplier – initially, we supplied 5 concrete plants – into an internationally active producer of seals for the concrete pipe industry.

We have our own engineering office for sealing technology with two engineers and a laboratory technician. Our products are CE certified and subject to voluntary third party monitoring by MPA NRW in Dortmund, KOMO KIWA NV in the Netherlands and BENOR in Belgium.

**CPI:** *What is your company's orientation? You mentioned that you are internationally active. Which markets do you focus on?*

A. Steinhoff: We mainly operate in greater Europe, but are also globally active. Apart from Germany, our business activities are currently focused on Scandinavia and the United Kingdom. The cooperation with the business partners in these regions works really well. Especially in the United Kingdom, there is a large backlog in underground construction infrastructure.

Thanks to professional cooperation with our carriers, business relationships outside Germany are no longer a problem at all. Today, a delivery within 48 hours to, for example, the United Kingdom can be made with certainty.

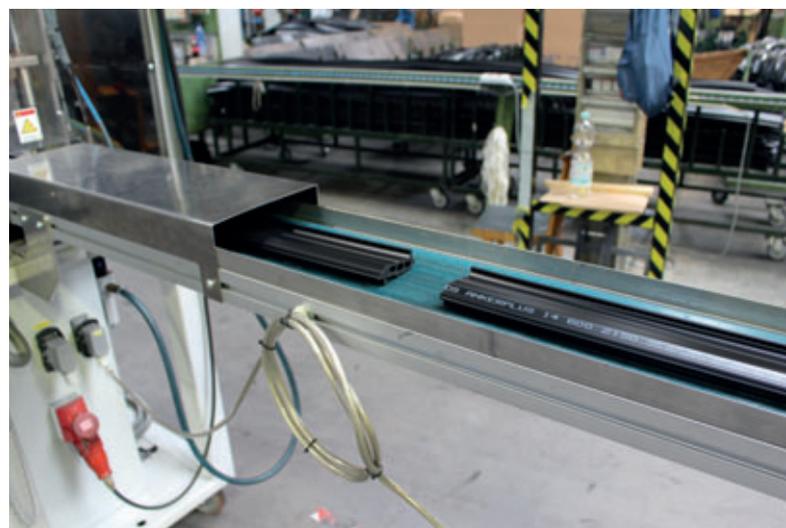
An international project worth particular mention is currently going on in Hong Kong

in cooperation with Gollwitzer Betonrohrwerke. We supply the seals for the DN 3000 mm pipes that are being driven 50 m below ground. The special characteristic here is an increased requirement for joint tightness with a test pressure of 8.25 bar!

**CPI:** *What features characterise your company in the sealing technology market?*

A. Steinhoff: At the very beginning of my professional career, I grappled intensively with the requirements of concrete plants, including production processes. To a certain extent, I see myself as knowledgeable about concrete plants and even think like a concrete pipe manufacturer. Our support does not end at the desk, but continues through the plant to assembly on the building site. Our customers really appreciate this. In addition, we are a specialised supplier that exclusively provides seals for concrete pipes. So we focus our know-how on a single specialist field.

Prof. Dr F. Vallée: As an external consultant to this company, I would like to add two features related to this issue. First is the innovative strength, that is the constant search for improvement opportunities, that distinguishes the DS Dichtungstechnik company.



The new extrusion plant at DS Dichtungstechnik has been in operation since February 2015 and runs in 3-shift operation.



*Dipl.-Ing. Albert Steinhoff (right) and Prof. Dr Franz Vallée (left) report on the effect of the recently implemented ERP system and its positive impacts on the overall operation.*

The second is reliability. Only promises that can be guaranteed 100% are made. If a project looks unrealistic, this is clearly stated.

Furthermore, my company, Vallée and Partners, has consulted intensively with DS Dichtungstechnik for approximately one year regarding logistics and IT. In the course of our work, we were able to identify weak points and eliminate them, thanks to intelligent IT that efficiently controls every process from purchasing to production and warehousing.

**CPI:** *You are a family run business. How important to you is this feature and what benefits does this company structure bring you?*

A. Steinhoff: We are proud of our family operation and my wife and I make every decision after mutual consultation. It is important to us that our operation is managed to the highest standard, in terms of both technical equipment and from the business side. The focus is quite clearly on the preservation of this company, even after our active professional lives, because we would like to pass this operation to the next generation of the family, our two daughters.

A further benefit is that the family stands behind you.

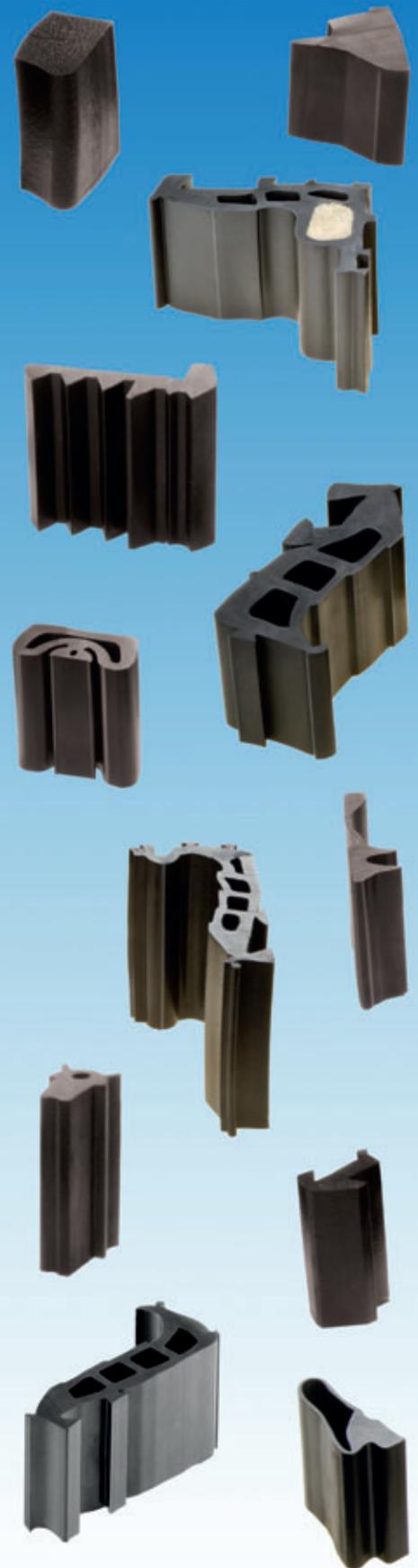
Prof. Dr F. Vallée: A further aspect has to be considered. Since the company is financed entirely by owner equity, all decisions can be made without the influence of possible lenders, which has a positive effect on this company structure.

**CPI:** *DS Dichtungstechnik is a supporting, active member of the Professional Concrete and Reinforced Concrete Pipe Association (FBS). How do you use this membership in your daily work and what benefits does this bring for your customers?*

A. Steinhoff: Our product development hinges on membership and especially active involvement in the FBS. The FBS technical committee meets regularly and, as a member and representative of the sealing technology, I introduce ideas to this working group. For example, I contributed significantly to the implementation of QR 4060. In Germany, invitations to tender are made in compliance with EN 681-1. However, the quality specifications of the old DIN 4060 clearly exceeded the requirements of EN 681-1 on many points. But the FBS holds firm to this standard in a meaningful way and therefore implemented quality guideline 4060 as a complement to the valid standard. Naturally, FBS members benefit from this to a special degree.

**CPI:** *Since mid-2014, you have used an enterprise resource planning system in the operation as a core IT system that controls all processes from purchasing to production, warehousing sales and shipment. How important is a system of this kind for the economic success of your company?*

A. Steinhoff: Basically, the ERP system is not new. We have had this system since 2011, but did not use it effectively. We only recognised the full potential of this software and began to use it, step-by-step, thanks to the consultation with Vallée and Partners that began in mid-2014. We have added some



**DS - State-of-the-Art  
in Sealing Systems**

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(from left to right) Albert Steinhoff, CEO and Jutta Steinhoff, proxy of DS Dichtungstechnik, Prof. Dr Franz Vallée, Vallée und Partner GmbH, logistics & IT consultants

IT modules, such as the scanner-based warehousing, that enable extremely efficient warehouse logistics. Almost all of our processes now run through the ERP system, which has complete transparency, resulting in the optimisation of our company's economic efficiency. Completion of the ERP system implementation phase should be carried out by the end of this year by our new staff member, Mr Mittler, whose areas of responsibility are logistics and project management. The introduction of comprehensive, really useful software, including the training of practically every employee, is undoubtedly a not insignificant investment but most certainly a future oriented one.

The innovative process configuration in the IT area and the mobile scanner solution were expedited about three years ago by my wife, Jutta Steinhoff, and are continuously developed in cooperation with the office of Vallée and Partners.

Prof. Dr F. Vallée: The benefits of an ERP system are often not revealed at first glance. It requires intensive consultation in which unpleasant topics must sometimes be addressed. Many companies still have a conservative posture toward IT and avoid changes under the motto "We've always done it this way".

With over 4,000 different products, DS Dichtungstechnik has an enormous variety

of products and beyond a certain company size and corresponding product portfolio, IT-controlled processes are indispensable. Transparency is the keyword and this is only achieved through reproducible acquisition and evaluation of information. In addition, the number of company customers who expect electronic data exchange is increasing. If you cannot deliver this, you have unavoidable competitive disadvantages. Here, this was recognised in a timely manner and they were open to change. DS Dichtungstechnik is now ready for the future and can respond positively and without stress to any changes in market requirements.

**CPI:** How do you see your company in 20 years?

A. Steinhoff: I actually concern myself with this question very frequently! I constantly consider the future of my company. We shall certainly continue to grow. That can be foreseen from the trend in recent fiscal years and the forecasts. We recently acquired an additional site in the immediate vicinity, which opens up the opportunity to double the plant size for the future.

I could even imagine that we would not exclusively produce seals for concrete pipes in 20 years, but also for other appli-

cations such as plastic pipes. On the other hand, we were certainly not offer seals for the automotive industry.

Naturally, I hope that my children will join the company after their professional education, but I will certainly not force that.

**CPI:** Many thanks for the conversation! ■

#### FURTHER INFORMATION



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