

Customer story Krafringen Energi



KEY FACTS

Company Name

Krafringen Energi AB (publ)
www.krafringen.se

About company

Energy and environment for living

The group has its roots in Lund in southern Sweden. The company that has become Krafringen Energi AB (Krafringen) of today started its activities as early as in 1863. Krafringen is owned by the municipalities of Lund, Eslöv, Hörby and Lomma. Krafringen offers solutions for electricity, heat, cooling, gas, fiber, contracting and other energy related services. Krafringen AB has two wholly owned subsidiaries: Krafringen Nät AB and Krafringen Service AB. Beyond that there are three co-owned companies; Billinge Energi AB, Skånska Energi AB and Modity Energy Trading AB. The services of the company reach some 300 000 customers.

Industry

Energy utility

Turnover

SEK 3,3 billion (2019)

Operating Profit

SEK 473 million (2019)

Employment

500 (2019)



“MOST ENERGY COMPANIES AND THEIR MARKETING MANAGERS COULD DRAW GREAT BENEFIT FROM INVEST FOR EXCEL”

Background

The aim of Krafringen was to acquire a tool for contracting calculations. Krafringen searched support for cash flow modeling of customer business - from the customer point of view. The tool should have enabled comparison of various contracting alternatives and finally, selection of the optimum solution. After customer-driven studies, the sales department would involve and prepare offers. Invest for Excel®suited those requirements.

Decision process

In Krafringen the competences in investment decisions are clearly defined. The decision is submitted to the Board if the value of the investment exceeds SEK 2 million and to a Committee of the Board if the amount of work exceeds SEK 10 million.

The Investment is expected to have a return of 40 per cent within five years. Some investments are made for strategic reasons and these have different profitability requirements. In certain large projects, other priorities may be defined but the decision is nevertheless backed up by calculations made with Invest for Excel.

How did it all start?

Director of Finance (back then), **Göran Strandberg**, was responsible for group financing, financial management and reporting at the time of purchase.

Göran Strandberg: *The whole affair started by us downloading the trial version of the software. We had a project coming in just then and we wanted to check which method was used in Invest for Excel. It appeared interesting, so we contacted Datapartner for further presentations. Finally, we decided to purchase the software.*

Applications of Invest for Excel

Invest for Excel® does not only serve the purpose of in-house calculations, but it also has an important role in a sales process and in discussions with customers.



Biofuel-fired CHP-plant in Örtofta

Peter Jansson, Manager of Customer Projects and Investment: *Most energy companies and their marketing managers could draw great benefit from Invest for Excel®, especially if their task is to provide profitability calculations for their customers, e.g. for joining the district heating network.*

Use of one and the same calculation tool is an advantage.

Lars-Göran Nilsson, Sales Manager: *Before Invest for Excel, we each used to make our own calculations around the company. These were then used to supplement the project calculation models. Now Invest for Excel® is used for every single business transaction and we no longer have to wonder, which discount method should be applied, for example. Invest for Excel® brought a standard approach in our calculations. Of course, when needed we can change our assumptions.*



Deep drilling site for a geothermal project.
Photo: Perry Nordeng.

Everybody is now using the same principles. The use of Invest for Excel® ensures an error-free

calculation method. The fact that the calculations can be saved as files is another advantage. In summary, we can state that Invest for Excel® performs very well.

Bruce Lillemor, Project Manager: *I am very pleased with Invest for Excel, especially with the fact that everybody is calculating with the same tool that is easy to use. The calculations are consistent and error-free. Invest for Excel® is easy to use – all you need to do is type in the figures. The software and its calculation principles are well known. We use different Invest for Excel® models, which are retrieved from the server. The calculation models do not longer need checking.*



Low temperature district heating in Brunnsög, Lund.

Lars-Göran Nilsson: *I make district heating calculations (e.g. when a customer wishes to connect his house to the district heating network) as well as calculations for gas distribution and district cooling customers. Invest for Excel® is used in the daily activities for customer projects. The input for the software includes e.g. the fees to be collected and the total costs for the customer. Invest for Excel® is used for project calculations in projects worth more than SEK 150 thousand, when the calculations are reviewed by the Managing Director.*

About the training

The training was considered useful and thorough. Complex examples were processed and tested during the sessions. Afterwards, a slightly simpler model was selected for the daily use. Especially the sales staff experienced the training as extremely useful.

Contracting activities, which were in the focus at the beginning, have become the main area of application.

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