BOXX TECHNOLOGIES

Customer: Boxx Technologies
Website: boxx.com
Location: Austin, Texas
Industry: Computer Hardware Manufacturing
Partner: epaCUBE
Partner Website: epacube.com

"I can't imagine that there's any company out there that…wouldn't see the value in doing this,"

Rick Krause, BOXX CEO

Company Profile

[BOXX Technologies](https://boxx.com) is the leading innovator of high-performance workstation computers, rendering systems, and servers purpose-built for media and entertainment, engineering, product design, architecture, and data science applications. BOXX is located in Austin, Texas.

Software and Services

▪ EpaCUBE Price Optimization

▪ Intuitive and Salesforce

For more information about epaCUBE Price Optimization solutions, contact: sales@epacube.com

BOXX Technologies Gains Data Visibility, Earns 8X ROI within 18 weeks with epaCUBE Pricing Optimization

"What epaCUBE brought to the table for us is a proof point that there is a way to go in and get all of that data and use it to make intelligent business decisions that are going to rock the future of your business."

– Rick Krause, BOXX CEO

Background

BOXX designs, manufactures, and sells high-performance workstation-class computers.

The global B2B company launched as Digital Emulsion, Inc. in 1996. At startup, BOXX primarily served animators, special effects artists, people in pre- and post-production, and others in the media and entertainment space.

In 1998, BOXX relocated its headquarters from Phoenix, Arizona, to Austin, Texas. By 2008, the innovative business expanded its client list to include architects, product designers, civil engineers, and universities.

For over 26 years, BOXX has combined record-setting performance, speed, and reliability with unparalleled industry knowledge in their products and services. Today, creative professionals in multiple disciplines worldwide rely on BOXX as their trusted technology choice.

epaCUBE Thinks Outside the Box with BOXX

A board member encouraged BOXX CEO, Rick Krause, to reach out to epaCUBE CEO, George Dunham, to see if epaCUBE's pricing optimization software could help them. Krause browsed epaCUBE's website and noticed their strong distribution background. He wondered if the software company could do anything for a manufacturer. Dunham's response surprised him.

"I really expected the conversation with George to be a short one because we're not a distributor," Krause said. "There are certainly a lot of things that are unique and different about what we have to do to go to market as opposed to what a distributor has to do and does on a regular basis.

"George frankly told me straight up that the reason for this conversation was that he wanted to find out whether there was a place for epaCUBE in a company like ours because he had done some homework and realized there are a lot of companies out there like us in the PC world and perhaps there's a fit."

Dunham was ready and willing to go outside the box to help. After several more conversations, Krause agreed to do some modeling with epaCUBE to adapt BOXX's current tech stack, a common enterprise resource planning software, to move sales staff toward getting the maximum margin in their transactions.

Deep Pricing Discounts Caused Margin Erosion

The BOXX sales team used a pricing grid with discounts ranging from 0% to 5%. Sales reps frequently went straight to the highest discount because it was the fastest path to a sale.

"A sales rep would jump to the number five because that was their limit and they would give him a 5% discount when the customer probably would have taken a 3% discount," said Charles Johnson, Director of Information Systems and Continuous improvement at BOXX.

epaCUBE tools allowed BOXX to see how this deep discount practice decreased margins and ultimately empower salespeople to gain the confidence they needed to put them back in their pockets.

"We had customers that bought one system from us in their entire life with us and got a 15% discount. Every time that happens, there's a lot of margin loss," Krause said.

Solution

Data Visibility Revealed Profit Margin Opportunities

When Krause met Dunham, he wasn't looking for a pricing solution. At that time, BOXX's current pricing system seemed to be working. Once they started using epaCUBE's tools, BOXX gained data visibility that revealed significant profit margin opportunities.

First, they broke their customers into classes according to customer types and defined them by order frequency, gross sales per order, customer longevity, and other factors.

Next, they reviewed historical sales data and compared each transaction's list price to the actual sales price. That's when Krause realized that discounting practices were hurting their profits.

"The beauty of it is, the system made it simple for us to look at the data in a way that we hadn't been able to look at it before," Krause said. "Once that happened, it unlocked the key to what would work for us."

Getting the Sales Team Onboard

Once they identified the issue, BOXX refined their pricing grid to boost margins within four customer categories. At this point, the question wasn't whether they should offer a discount. Instead, the epaCUBE system enabled the company to see how much of a discount they should give moving forward.

"That's when we really started getting actual results you can see on an order-by-order basis," Johnson said.

The sales team quickly saw how epaCUBE's method gave them flexibility

and boosted their margins, which determines their commissions, after initially resisting the new process. The data spoke for itself, and the increased margins meant more money in salespeoples' pockets. Seeing the figures firsthand and knowing their actions created the picture in front of them gave salespeople a rationale for what would happen.

Krause said working with epaCUBE to implement the tools that helped BOXX boost their margins elicited truly thrilling results among their sales team.

Results

BOXX Earns Significant Returns

epaCUBE aims for its customers to earn significant ROI with their suite of pricing optimization tools. BOXX is on an ERP called Intuitive, and epaCUBE's team of experts worked to integrate and extract data into a data warehouse that Johnson built to mark their weekly progress.

After just 18 weeks fully implemented, BOXX generated about $200,000 of additional margin, which already shows up on their financial statements.

The Texas-based company also increased margin dollars by 4.59%, with an overall GP% improvement for the business of 3.99%. Overall, these figures equate to an 8X ROI — absolutely incredible results!

Continuous Customer Support Makes a Difference

Many software companies leave customers on their own after they close a sale. epaCUBE is in it for the long haul, providing customers like BOXX with ongoing support.

"I'm surprised that they're still with it," Johnson said. "They're still willing to jump on a call whenever we need it. Every time something comes up, we have those conversations. Just recently, I realized we had been getting bad data, and they were willing to go back and help us correct the scorecard. That kind of commitment has been great."

When questions or concerns arise,

Johnson said he trusts epaCUBE's knowledgeable answers and expert advice.

For example, he called epaCUBE Director of Customer Success, Donny Novak, to discuss how to do a workaround and add in a discount percentage.

"It was incredibly impressive that in every case we wanted to do something like that, Donny had an answer. It wasn't, 'Well, maybe we could' or 'Maybe this might work.' He said, 'Do it this way, we can do this, and it'll work' — and he was spot on," Johnson said.

Ongoing Learning Opportunities

Like many customers, BOXX tracked prices on spreadsheets before implementing epaCUBE's pricing optimization software. At just a little over four months of using the program, Krause looks forward to tapping into more of the system's potential and gaining additional learning opportunities.

"It's been a pretty short time since we turned on and we're on like 17 or 18 weeks. We're really happy with the way things have gone, and I am looking forward to learning more," said Krause.

epaCUBE