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Optimizing Relationship Management for Manufacturing and Distribution

Karmin McKay

Software Innovation: Who we are

- 700+ employees, growing to 1000 by 2002
- Est. 1984
- 75% average growth rate
- **An E-business company with a record of profits**
- International scope
- Among industry leaders world-wide
- Toronto NA Corporate office

- Mature products
- 4000+ major clients
- 200,000+ user licenses
- Used in > 60 countries
- Several acquisitions in recent months to expand market share and functionality of suite

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What others say about us

- **Selected by ISM (YR 2001) as one of the TOP 30 CRM Automation Software Packages in the World out of hundreds**

- **On October 30, 2000 selected by Forbes Magazine as one of the top 300 best small companies in the world out of a database that tracks over 20,000 companies.**

- **On February 6, 2001 -"Software Innovation has emerged as a leading player in the CRM application and consulting market.... (SI) has a number of characteristics investors should value: strong growth, solid margins and a visionary management with a good track record."**

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Some of our Clients

What you will learn today

▶ Theory of Customer Relationship Management (CRM)/ Relationship Management

▶ Human side of Relationship Management

▶ How to optimize Relationship Management for manufacturing and distribution

▶ A few new (old) jokes
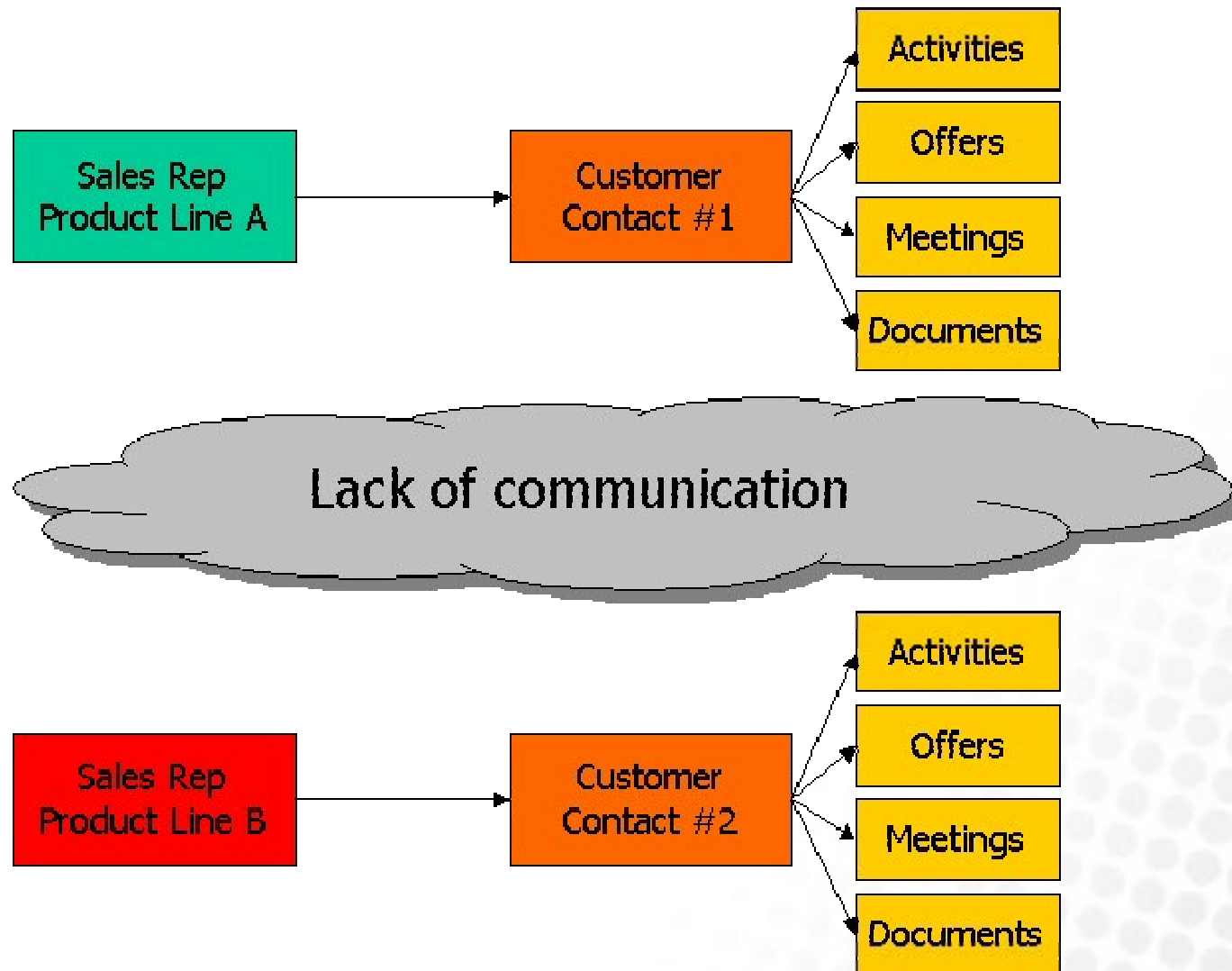
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What Is CRM?

▶ Don't know, but there's more than 600 companies saying they have the answer.

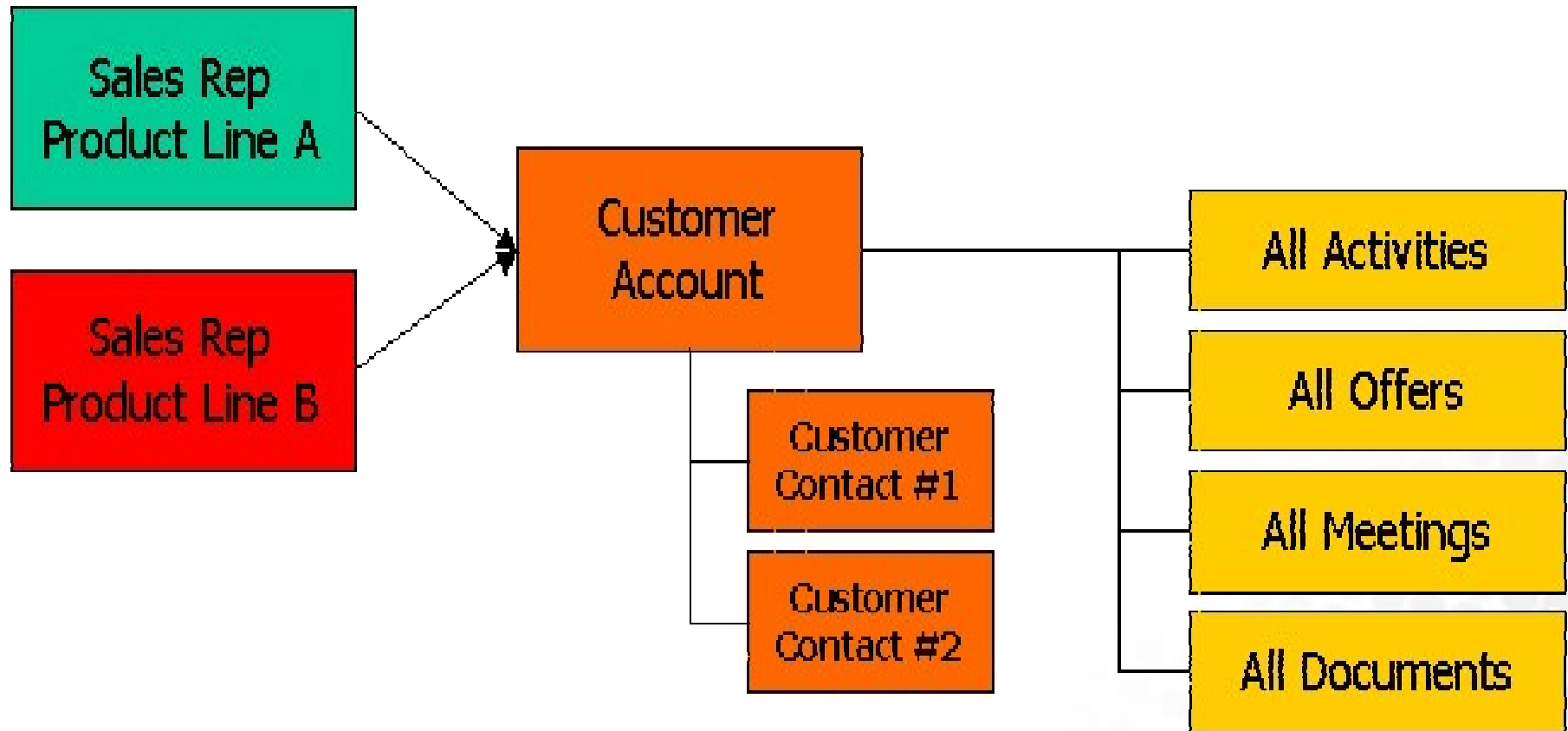▶ That doesn't include the consultants.

▶ What is CRM to you and your company?

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The Genie in a Magic Lamp

▶ You are walking on a beach and find a lamp.

▶ You rub the lamp and ……..

▶ Your three wishes must be to correct three business issues.

▶ What would they be?

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CRM IS more than CONTACT MANAGEMENT

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CRM is about Account Management

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Account Manager is in Control

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What is a Relationship?

Trust, ethics

Commitment, reliability

Understanding of History

Knowledge
Responsiveness
Two-way communications
Warmth, Intimacy

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CRM Has Been With Us Forever

▸ **My grandmother operating her variety store in small town Saskatchewan 50 years ago.**

HP World 2001

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Using Relationship Management

▸ We enable industry today to conduct business with their clients, partners, suppliers and employees, the way our grandmothers did years ago.

▸ Difference in scope of operation, speed and business cycles.

▸ The 80/20 rule in action!

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What is CRM –Where does it fit?

Data Warehouse

CRM

ERP Data

INTEGRATION

SCM

WFA/
E-Mail
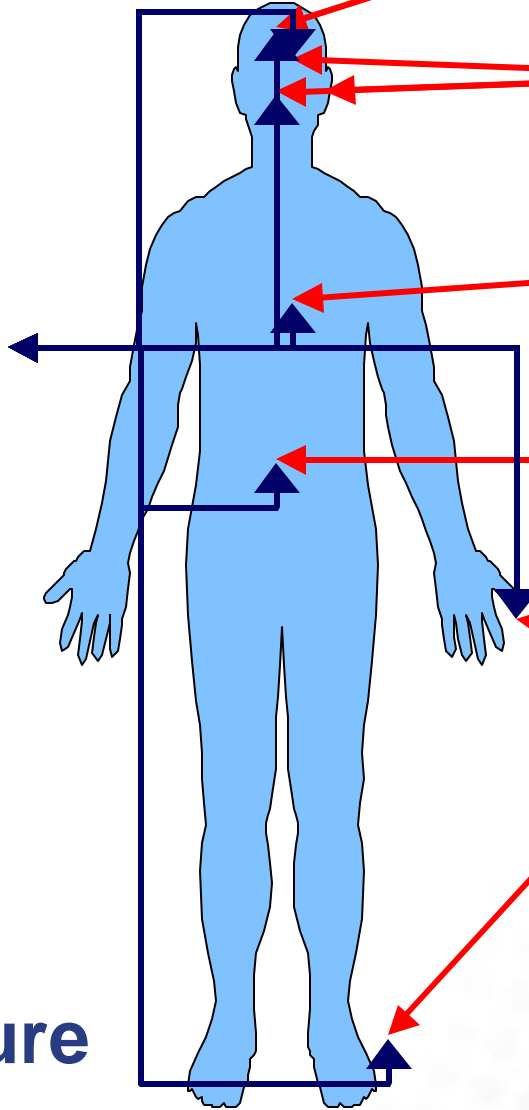
Other Systems-
Network, Infrastructure

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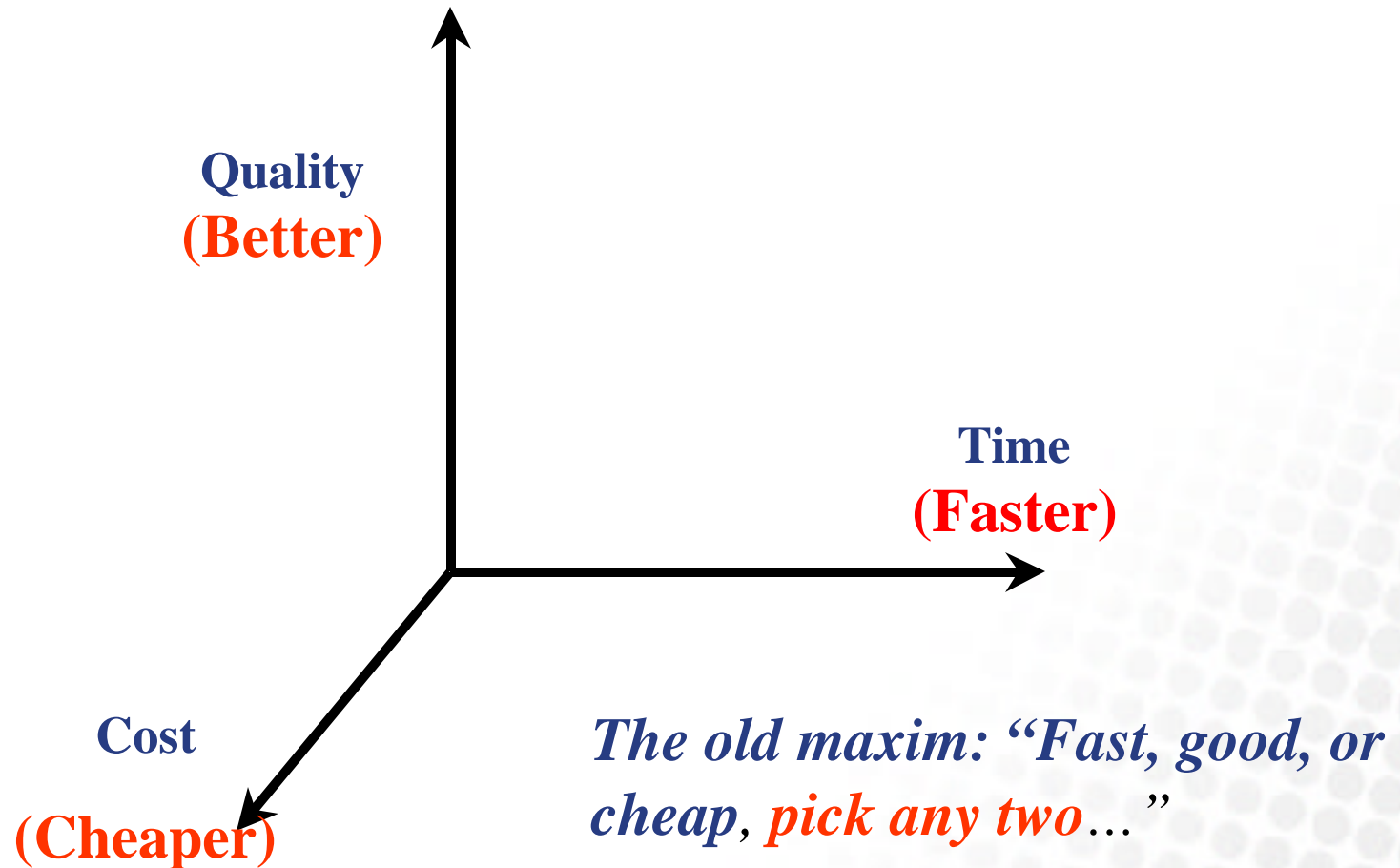[growBusiness]

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SFA

MA

SSA

DATA

PROFITS

EIS

WFA
PM/KM

HP World 2001
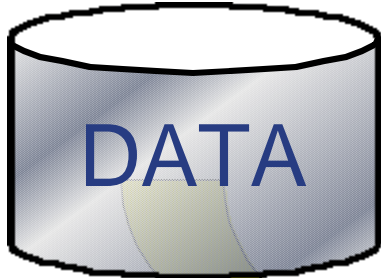
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Three Dimensions of Business

Quality
(Better)

Time
(Faster)

Cost
(Cheaper)

The old maxim: "Fast, good, or cheap, pick any two…"

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Vision Vs Reality

▶ Wal-mart's selection

▶ Priceline's prices

▶ DeBeer's quality

▶ Domino's speed

▶ Fedex's information

▶ 7-Eleven's convenience

▶ Home Depot's customer service

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SILEX – Exhaust Systems

"From Silex, a world of service and support that surrounds you"

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Customer Loyalty means $$$$$$$$

▸ **Seven calls to close first sale – three for the next ones.**

▸ **A 5% increase in customer retention can yield a 20-100% increase in profitability.**

▸ **70% of identifiable reasons why clients left your company had nothing to do with your product.**

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Where Does CRM Fit into Manufacturing?

▸ " Up to 80% of the costs of poor quality on the manufacturing floor are attributable to functions outside of manufacturing…..traced back to order entry…sales. A 1% reduction in failure cost will yield a 4% increase in operating margins."

National Productivity Review

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CRM and Leads

▸ **Sales force follow up increases from 10 to 39% when a structured lead management system is in place.**

▸ **Only 15% of business /industrial inquiries result in a salesperson's call.**

▸ **76% of those who inquire intend to buy. 40% do not approach your competition. 63% of leads turn into a sale for someone.**

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Closed-loop marketing process

Marketing Campaign → Leads → Fulfillment/Qualification → Sale

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CRM and Service

▶ If you give a client truly outstanding service, they will buy from you again.

▶ If you give a client good service, they may buy from you again.

▶ If you give a client average service, they will buy from someone else.

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CRM is not just a time saver

▸ "The issue's really effectiveness. Giving the average sales and service person the tools to make great sales and service calls."

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What Is Relationship Management?

▶ CRM

▶ PRM

▶ SRM

▶ ERM

▶ VCM=SCM?

▶ CPC

Common Sense – What is it for you?

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A Picture is worth a 1000 words

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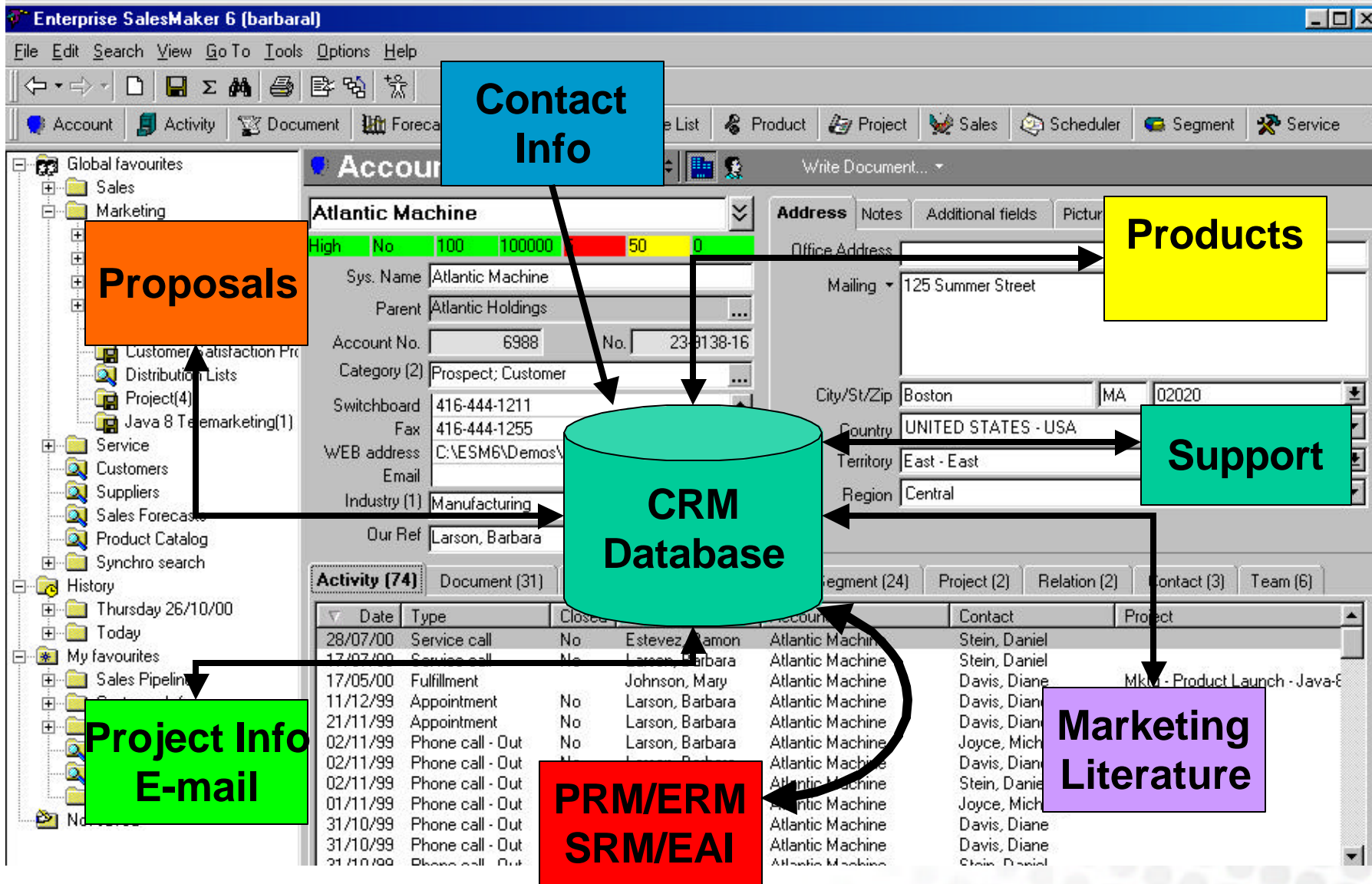
Pipeline

Pipeline Report

| Pipeline | Possible Income |

Sales Responsible	Prospect		Proposal sent		Negotiating		Total		This month		Next		2 months		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Am
Jones Jack	1	131	3	794			4	925	1						1	
Larson Barbara	1	18 750	11	120 401	13	358 014	25	497 165	4	86 598	3	203 497	2	67 031	9	
	2	18 881	14	121 195	13	358 014	29	498 090	5	86 598	3	203 497	2	67 031	10	

Opportunity by Salesrep
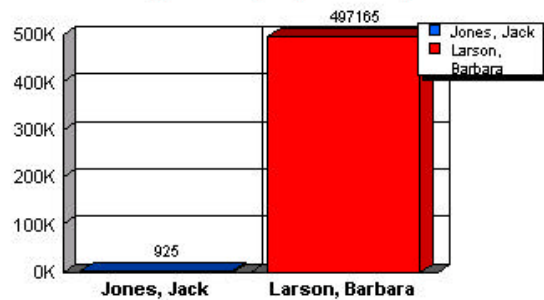
Opportunity by status
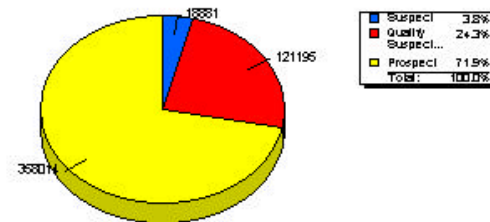
Pipeline
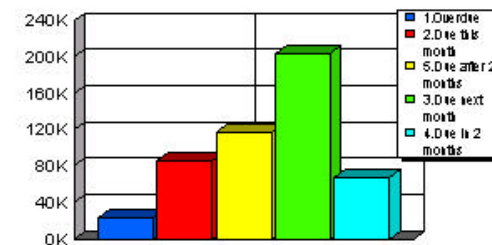
Sales Reports in seconds, not hours

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Points for your Boss

▸ The difference between involved and committed

▸ CRM will increase profit in the company

▸ CRM is a process not a thing

▸ CRM software is a tool, not a solution

▸ CRM will change the way the company does business

▸ Just how well is your body operating?

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Areas of Concern to the CEO

▸ Will this system use our present infrastructure?

▸ Will it integrate seamlessly?

▸ Data Security?

▸ Will it increase our efficiency?

▸ Does it fit into our strategic plan?

▸ Does it pay for itself? How?

▸ How soon? How reliable is the vendor?

You must be able to answer these questions

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Vendor Solutions

- **One size does not fit all**
- **Your company, your needs are different**
- **Best of Breed Vs One Stop Shop**
- **Vendors team**
- **Project Management Module**
- **Client Server as well as web, wireless?**
- **EIS capability**
- **Ease of use**
- **Their way or your way with your business rules**
- **Seamless integration for email, your applications**
- **Price vs performance**

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Implementation

▸ Start small- pilot

▸ Get several small wins

▸ Reinforce success

▸ Stop scope creep

▸ Keep the CEO on board

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CRM and the HP e3000

▸ Connect with ODBC, JDBC, use XML,

▸ Third party solutions such as Quantum for ManMan

▸ Use SQL Server as DB

▸ Web and client server available

▸ Lutris

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With the HP 9000/NT

▸ Many many solutions working out of the box

▸ If you have DB2 on the HP 9000, see me

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Case Study

- Better Boat Company
- Under rapid growth- double in size, sales this FY
- Paper based – warranty, re-keying data
- Silos of information –
- SFA and SSA key pain areas
- Hp e3000 N class, will migrate to AS/400 in 2002, tried in 1999, failed,
- Outlook
- Web and client server requirements

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Better Boats

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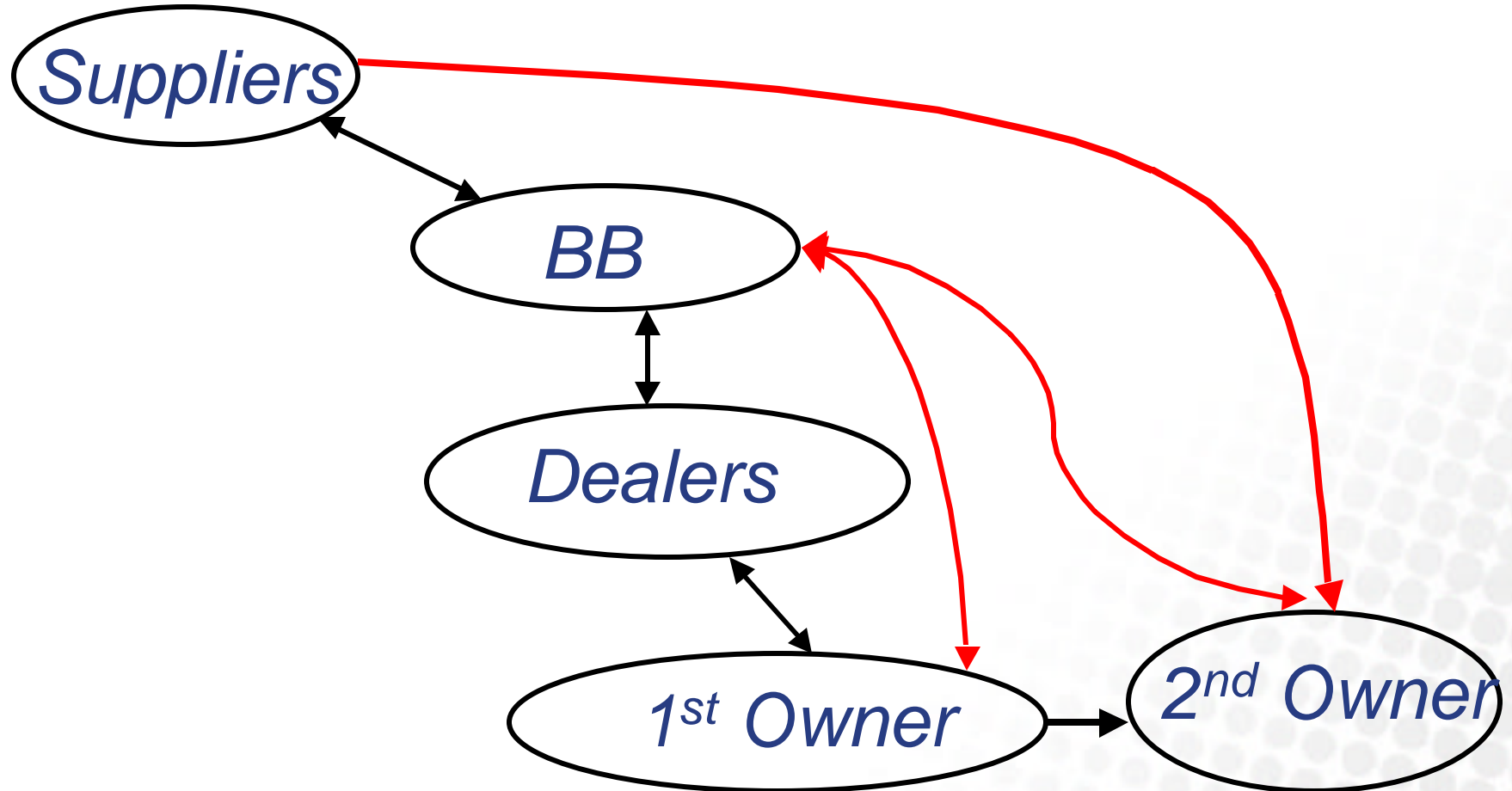
Dazzle Laser Company

▶ Semiconductor Manufacturer – Global View

▶ Integrate with ERP system,and ACT

▶ Desire one e-mail system

▶ Collaborative development with Clients

▶ 80% standard, 20% custom product

▶ Marketing support

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Mighty Microchip Company

▶ Integrate Oracle ERP, Financials and Supply Chain

▶ Migrate Goldmine data

▶ One e-mail system

▶ Sales Force Automation number one priority

▶ Global Collaborative Development

▶ Global view of best clients

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Jobline

▶ Six countries = six languages

▶ Eight locations

▶ One ERP system

▶ Eight local CRM/one corporate CRM DB

▶ Web with Java and XML

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Integration Areas

CRM   ERP

Customer → Customer

Employee ← Employee

Article ← Article

Sales Order → Sales Order

Sale ← Invoiced

Sale ← Paid

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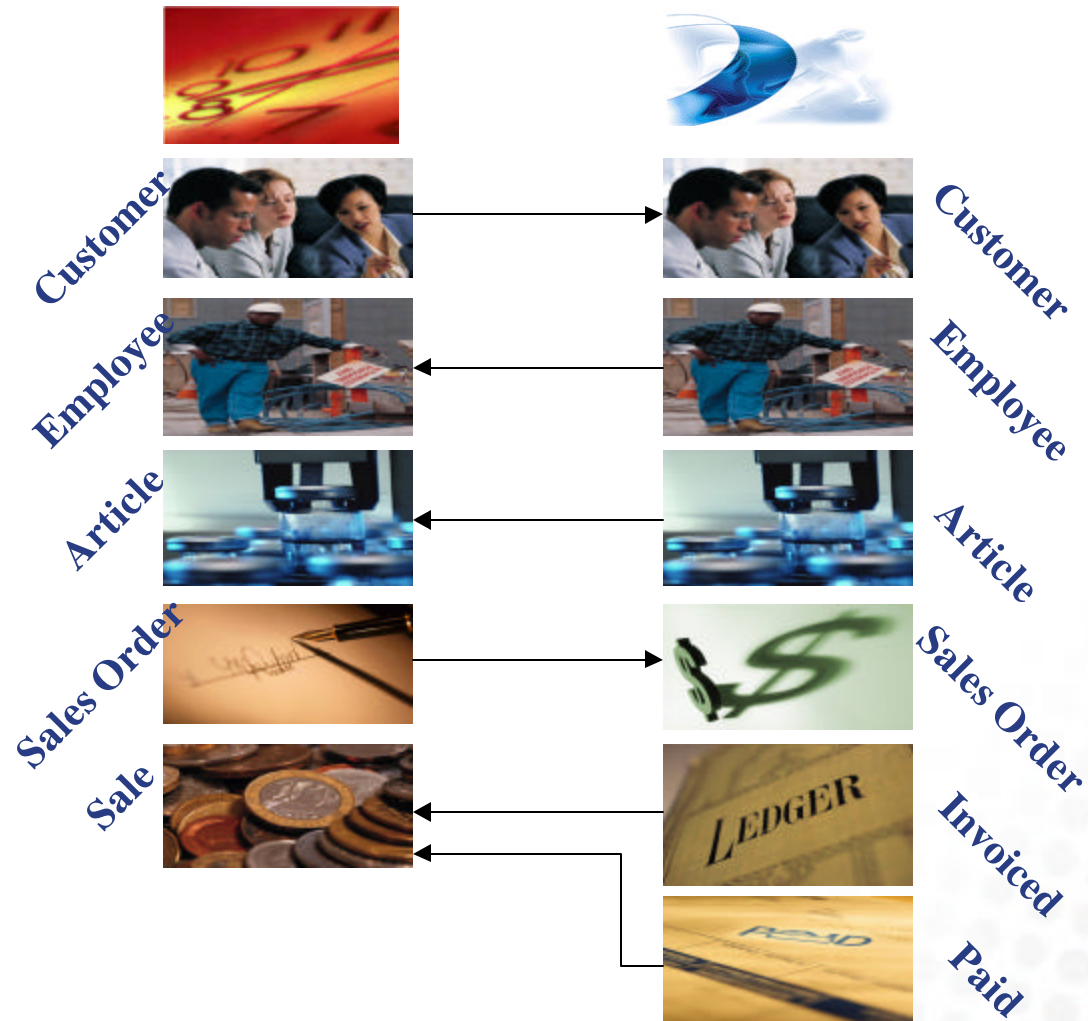
Integration Architecture
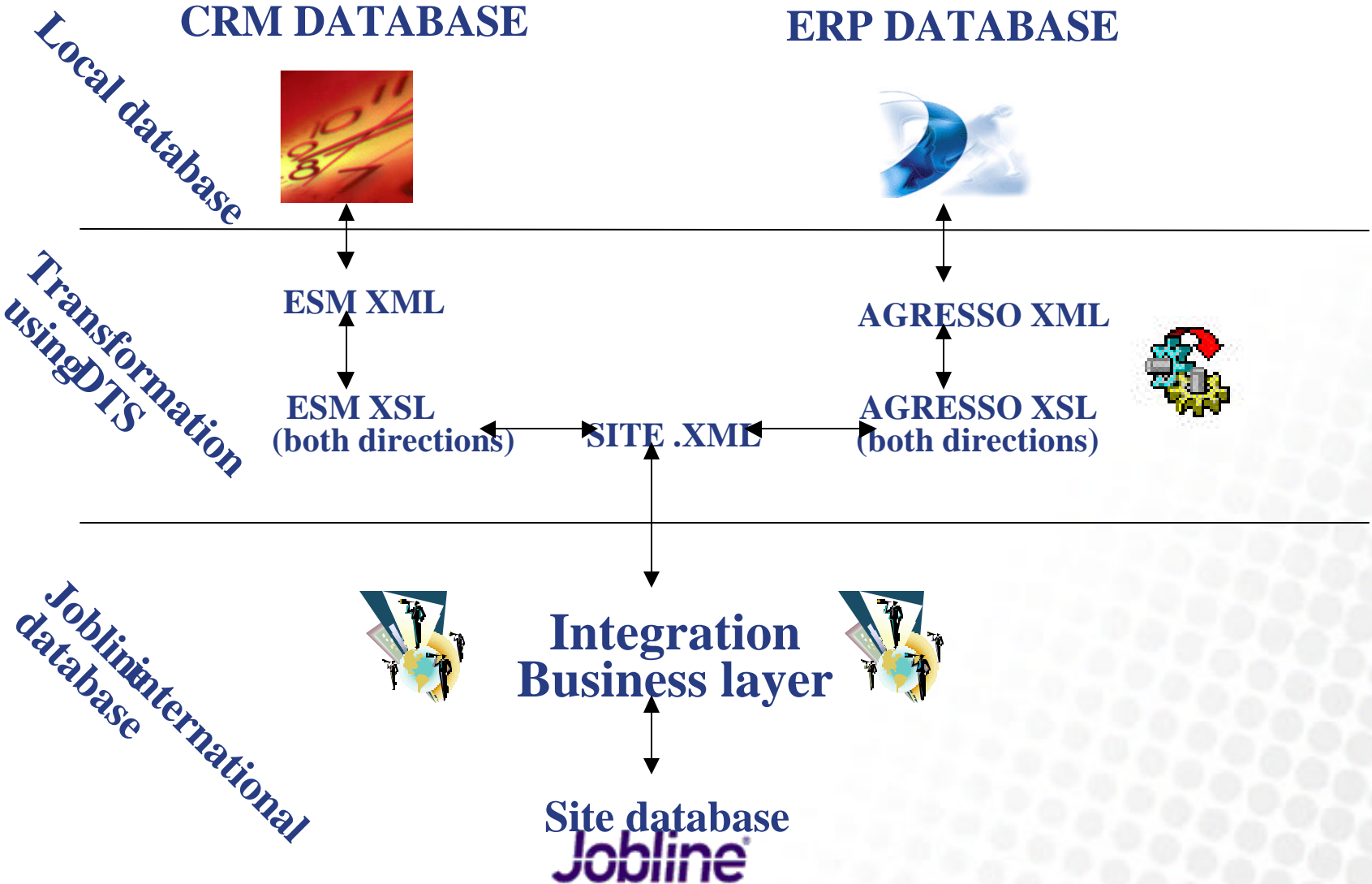
CRM DATABASE

ERP DATABASE

Local database

Transformation usingDTS

ESM XML

AGRESSO XML

ESM XSL
(both directions)

SITE .XML

AGRESSO XSL
(both directions)

Joblininternational
database

Integration Business layer

Site database

Jobline

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The Possible -Three Dimensions of Future Business

Quality
(Better)

Time
(Faster)

Cost
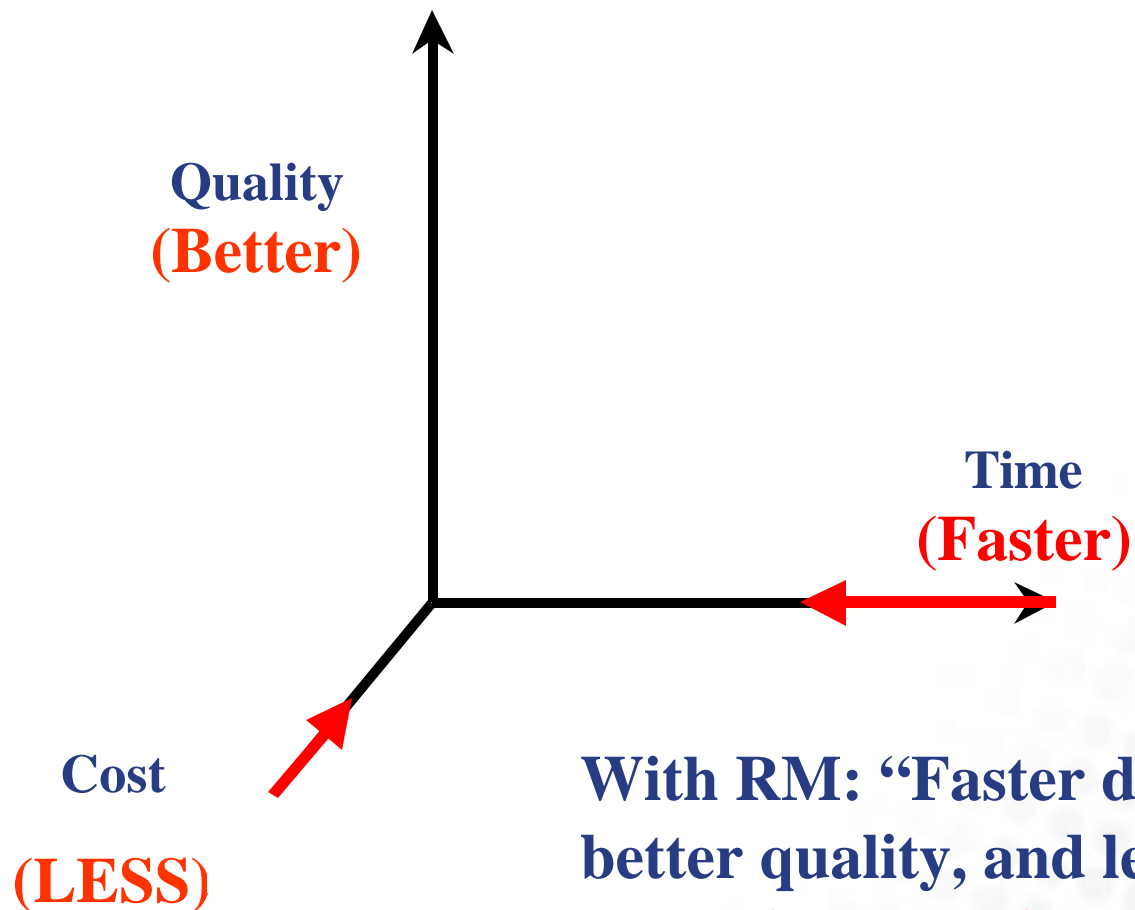
(LESS)

With RM: "Faster delivery, better quality, and less expensive, have it your way..."

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The Genie Question

- ▸ **Would you like to decrease product development time?**
- ▸ **Would you like to increase quality in development or production?**
- ▸ **Would you like to increase product development with your best clients?**
- ▸ **Would you like to increase sales at a lower cost?**
- ▸ **Want to increase customer satisfaction?**

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Books/ Reference Sites

▸ Leading the Revolution – Gary Hamel

▸ Customer Relationship Management – Stanley Brown

▸ Secrets of Customer Relationship Management – James Barnes

▸ www.ismguide.com

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