

Implementing a Fully Automated eCommerce Platform Using UAN



Fujitsu Siemens
Maarsse, Netherlands
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Industry:

High Technology

Annual Revenue:

US\$7.3 billion

Employees:

7,000

Oracle Products & Services:

Siebel Universal Application
Network
Oracle Database

Key Benefits:

- Reduced proportion of orders containing errors from approximately 50% to 10%
- Ensured 90% of electronic orders were executed by straight-through processing, without manual intervention
- Helped build long-term, trusted relationships with partner network
- Increased efficiency
- Helped increase margins and profitability

“UAN gave us common, out-of-the-box business processes between Siebel and SAP, enabling us to leverage our existing investment in webMethods.” – Harald Bernruether, IS Director, Fujitsu Siemens Computers

Fujitsu Siemens Computers processes up to 35,000 orders from its European partners every month. The hub of this ordering process is the company’s complex product catalog, which itemizes 40,000 of the company’s solutions—each with its own configuration and country-specific pricing. Until now, catalog updates have been processed manually, resulting in a significant number of errors cropping up in partner orders. Using Oracle’s Siebel Universal Application Network (UAN), Fujitsu Siemens Computers is able to synchronize product and pricing information across a variety of resellers, thereby slashing the error rate by 80%, reducing order management costs, and increasing customer satisfaction. This allows the company to perform more effective promotional pricing and discounting and significantly accelerate time to market for new products and services.

Fujitsu Siemens Computers is the leading European IT provider with a strategic focus on next-generation mobility and business-critical computing products, services, and solutions. The company’s portfolio extends from handhelds, notebooks, and pen tablets and desktops to enterprise-class IT infrastructure solutions. Leveraging the strengths, innovation, and global reach of its joint shareholders, Fujitsu Limited and Siemens AG, the company strives to meet the needs of its customers, which include large corporations, small and medium enterprises, and private users. The company has revenues of \$5.3 billion (2002/2003) and employs more than 7,000 staff.

Fujitsu Siemens Computers represents one of the largest European deployments of Siebel business applications, both in terms of number of users and depth of functionality. The company is using the Siebel customer, partner, and employee relationship management solutions to integrate information across multiple channels and multiple customer and partner points of contact.

“UAN enabled Fujitsu Siemens Computers to rapidly integrate disconnected catalog information and effectively communicate it to our partner network. This has had a powerful impact on our margins, operating efficiency, and overall profitability.”

Harald Bernruether
IS Director
Fujitsu Siemens
Computers

This single, companywide European sales, marketing, and service model provides the company with a systematic approach to the identification, acquisition, and retention of profitable customers. Moreover, it has also enabled Fujitsu Siemens Computers to successfully streamline internal IT processes by reducing the number of applications in the IT architecture from more than 400 to just a few core applications.

Managing Partner Orders

Fujitsu Siemens Computers' success in streamlining internal IT operations, however, did not easily translate into success with managing partner orders. The high tech manufacturing market is characterized by rapid product introduction and high price fluctuations. For hardware companies to retain a competitive edge, rapid introduction of innovative products in the demand chain is critical due to short product life cycles. From a pricing perspective, the price of various components such as memory, disks, or CPUs can vary widely during the course of just a few days. For Fujitsu Siemens Computers to ensure timely product introduction and perform effective partner order management, it needed to ensure that changes to product and pricing information were communicated to a variety of distributors and resellers, all of which maintained their own proprietary information systems.

Unfortunately, manual efforts pervaded the process of keeping these partners synchronized. Product information updates were being sent to partners on a monthly basis—and pricing information weekly—via .pdf files or Excel documents. These changes were then individually keyed into the partners' systems. This resulted in a delay between the time when a price changed and when this information was ultimately communicated to the customer. As product and price catalogs were updated, Fujitsu Siemens Computers would experience drastic spikes in the number of invalid orders entered, resulting from partner sales orders with outdated pricing or product information. At times, up to 50% of orders would fail because of the erroneous information contained within the catalog.

“We receive approximately 35,000 orders every month from our partners but were experiencing an unacceptably high failure rate, either because the product code they had used was wrong or because the price they quoted was outside tolerance,” says Harald

Bernruether, IS Director, Fujitsu Siemens Computers. “As a result, there was considerable manual intervention between the order being received and being processed by the back-office SAP system. The business consequences of this issue quickly became a growing concern for the company.”

To address the partner integration issue, Fujitsu Siemens Computers turned to its trusted CRM partner—Siebel Systems. “We chose Universal Application Network (UAN) because it suited our technology roadmap of only deploying standardized, best-of-breed solutions,” says Bernruether. “UAN gave us common, out-of-the-box business processes between Siebel and SAP, powered by webMethods integration technology, enabling us to leverage our existing investment in webMethods.”

Integrated Catalog Information

Working closely with Siebel professionals, Fujitsu Siemens Computers defined, developed, and implemented the UAN integration process “Sync Catalog.” Every morning this UAN integration process assembles and sends a product catalog containing pricing and product information on up to 40,000 product lines from Siebel—via the webMethods Integration Platform—to Fujitsu Siemens Computers’ European partners and their large distributors. This allows real-time synchronization of catalog information, a reduction in order entry errors, and increased control over pricing discounts and scheduling. The standards-based approach embodied in UAN also allowed for ease of interoperability with partner systems, something that was well received by Fujitsu Siemens Computers’ resellers and distributors.

“Our partners now have an up-to-the-second catalog reflecting all the latest prices, product codes, and end-of-line products,” Bernruether continues. “With UAN, 90% of electronic orders can be conducted by straight-through processing, with no manual intervention whatsoever. This is important in building long-term, trusted relationships with our partner network, important for increasing our efficiency, and important for maximizing margins and profitability.” With the first phase in deployment to partners across Europe, plans are currently under way to extend the use of UAN. One of Fujitsu Siemens Computers’ strategic goals is to

provide a fully automated, end-to-end solution for electronic commerce, from ordering to delivery. Toward this goal, Fujitsu Siemens Computers plans to use UAN to integrate its order, quote, and pricing processes. Bernruether and his team will build further catalog content, including URL links to datasheets and other marketing materials. Warranty orders will also be driven through the Web. “UAN made the impossible, possible,” Bernruether concludes. “The solution enabled Fujitsu Siemens Computers to rapidly integrate disconnected catalog information and effectively communicate it to our partner network. This has had a powerful impact on our margins, operating efficiency, and overall profitability.”

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