



BUYER CASE STUDY

Oracle Real-Time Decisions at Dell: Decision Management in Practice

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IDC OPINION

In an effort to expand its industry-leading direct sales model, Dell looked to predictive analytics to help improve its customers' experience when engaging with Dell through several channels. Dell needs to make thousands of transactional-level decisions every day, in real time, to support customers and prospective customer needs. That meant automating more of the decisions but doing so in a way that learned to predict the best experience, as the level of data about customer interactions grew to support these discoveries. Dell implemented the software product Oracle Real-Time Decisions (RTD) to perform this kind of analysis and automated decision making and significantly expanded its sales, reduced costs, and improved customer satisfaction. Organizations need to consider how to automate transactional decisions in a predictive manner rather than just applying rigid rules so that flexibility and optimization become inherent to the customer relationship management (CRM) process. Dell's success provides several lessons from which other companies can learn:

- ☑ Develop a strong working partnership between a line-of-business representative and an IT manager to drive more rapid implementations across the organization through improved communication of the software's capabilities versus the wish lists and time constraints demanded by the line of business.
- ☑ Start with an implementation with a group or a department that is culturally oriented toward using analytics and automated decisions to improve a process. This initial success can then be exemplified when pursuing future initiatives with departments or groups that may be skeptical of trusting decisions to a software tool.
- ☑ Existing methodologies for automating some decisions, such as the use of more rigid business rules, can interfere with the software's ability to learn and adapt processes to best suit the real experience faced by a customer interacting with any given channel. Letting the software learn and predict which decisions to make alleviates the need for having specialized "if then" rules because much more flexibility can be introduced into each customer's experience through the use of predictive analytics.

IN THIS BUYER CASE STUDY

This IDC Buyer Case Study examines the challenges faced by Dell as it sought to improve customer service and sales. The document further discusses the technology Dell implemented to help it achieve its goals and the experience it had once the product was implemented.

SITUATION OVERVIEW

Organization Overview

Dell is a global organization with over 100,000 employees engaged in the manufacture, sale, and support of IT products. It is widely recognized as an industry leader in providing customized solutions rapidly and was built on the premise of differentiation through customer service and support. The organization continues to make strides in its ability to listen, learn, and deliver the appropriate technology solutions to corporate customers and consumers alike.

Challenges and Solution

Dell's strategy to provide superior customer service led it to investigate ways in which it could improve service while also transforming the group into a profit center. It had a group of customer service personnel in India and Canada focused on its small and medium-sized business customers that were already focusing on improving cross-selling and upselling opportunities. These agents were the first adopters of a solution to predict customer requirements and recommend appropriate services and products as customers called in for support. The impact of any uplift on sales would be significant considering Dell operates 25 call centers around the globe staffed by over 20,000 agents.

After issuing requests for proposals to several vendors, Dell looked at the available tools in the market and determined in 2009 that Oracle RTD would be the best product for its needs. It had already been a significant user of other Oracle products and felt comfortable in investing the time, effort, and resources required to learn this technology. The implementation was completed within a few months, and the team showed positive results quickly.

The idea to implement predictive analytics to help increase sales came from individuals at Dell who work within IT and the marketing organization. They had a vision to deploy customer relationship management processes and technologies more broadly within the organization. The vision was extensive and continues to be a primary effort of these two individual groups within Dell. As with most successful analytics projects, word of success spread rapidly and other business users approached the CRM team with ideas on where they could apply predictive analytics to various sales processes and channels. The group is led by a business user who understands the marketing process, what data is available, and what technical capabilities Oracle RTD can provide, as well as an IT manager and a service practitioner who works closely with internal clients to provide professional IT services and project management capabilities during an implementation of Oracle RTD.

This team has managed to develop deep expertise around the implementation and tuning of Oracle RTD not only in customer service but also in other sales channels as requests for the technology has expanded within Dell. The team is now ready and capable to provide these same services to external clients that seek to benefit from predictive analytics within the CRM process.

Results

The CRM team at Dell saw positive results shortly after the implementation of Oracle RTD. These results continue to improve as the technology learns from previous decisions and actions as well as through research-driven tuning of the predictive models. Dell saw close rates among participating customer service agents increase 10% in the first year, with an average 15% close rate being realized across agents. Dell essentially tripled the sales volume of one channel and will continue to expand across other channels.

Dell plans to apply the technology more broadly to other channels so that customers using its Web site, call centers, or sales force will experience the same level of personalization. This will take time and effort, and it has run into barriers with some groups. This includes account managers with large enterprise clients who are resistant to some level of decision automation due to the level of personal service they provide to each account. However, the CRM team feels it can provide some level of automated personalization or predictive recommendations in support of the personal service provided by its agents. It is currently working to establish how best to apply Oracle RTD to this unique CRM problem, but in the meantime, the CRM team can stay busy supporting other groups with larger volumes of transactions that are more obvious use cases for Oracle RTD.

ESSENTIAL GUIDANCE

The CRM team learned from its efforts to deploy Oracle RTD internally and provided several valuable insights:

- ☒ Predictive analytics is a complex topic, so keeping the message simple for business users to understand is key to getting funding and interest. The team points to past improvements in key performance indicators rather than delve into the inner workings of how predictive, self-learning systems work with data to provide actionable insights or create personalized experiences in real time.
- ☒ Cost-cutting can be a way to generate funding for predictive analytics. For example, when a customer called in with an issue, an agent may send out replacement parts or products, and in an effort to make the customer happy, the agents would sometimes send more than what was needed to solve the problem. Applying predictive analytics to more correctly diagnose the problem and recommend the right replacement products to ship greatly reduced support costs within Dell. Furthermore, customers were increasingly satisfied with the support they were getting because the accuracy of problem diagnosis and resolution increased.

- ☒ A close, working relationship between IT and the lines of business is crucial. With an individual in marketing who understands the capabilities of Oracle RTD, impossible change requests can be prevented from even making it over to IT. This individual is present in marketing meetings as part of his/her full-time job, so acting as an intermediary to IT has benefitted the team in its ability to stay focused on providing solutions for which the team has the current capability to provide.

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Related Research

- ☒ *Oracle Exalytics: An Engineered System for Business Analytics* (IDC #230848, October 2011)
- ☒ *Worldwide Decision Management Software 2010–2014 Forecast: A Fast-Growing Opportunity to Drive the Intelligent Economy* (IDC #226244, December 2010)

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