The CRM Imperative for Industrial Manufacturing

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INDUSTRY TRENDS AND DYNAMICS IN INDUSTRIAL MANUFACTURING

Industrial manufacturers typically experienced single-digit revenue growth through the 1990s, but most recently, growth has slowed tremendously for many companies. All industrial manufacturing sectors, from industrial machinery and tools to industrial electronics and automation, to general manufacturing and construction, have been experiencing a significant slowdown. Industrial manufacturers are facing several critical market challenges:

- Industry consolidation for manufacturers
- Globalization and outsourcing of jobs
- Downward shift in service from idle equipment and plants
- Increasing customer service expectations
- Intense pressure to reduce costs

Given these difficult economic times, manufacturers are extending the use of their industrial machinery and plant equipment by extending their service life, thus making aftermarket service a clear revenue opportunity for industrial manufacturers. Accordingly, companies must employ new strategies to assure their success, or even survival, during these times of increased competition and economic uncertainty. As such, industrial manufacturers are continuing their strategic shift to a product-centric view focused on innovation and cost-cutting tactics, as well as to a service-centric view focused on customer service and loyalty.

With this transformation, industrial manufacturers are turning to customer relationship management (CRM) as an enabling platform for defining common processes that allow them to become more competitive in marketing to, selling to, and servicing customers, and most importantly, in earning their loyalty. Manufacturers recognize the linkage between customer loyalty and profitability, driving a lower-cost-to-serve model, higher revenue and margins associated with service offerings, and a decrease in revenue cyclicality.

INDUSTRIAL MANUFACTURING INDUSTRY TURNING TO CRM TO MEET CUSTOMER EXPECTATIONS

“Let’s face it. In the industrial equipment sector, profit margins are low. Revenue growth is even lower. Products are being commoditized. And customer expectations are soaring. Something needs to be done to revitalize the industry. But what? Selling The Ownership Experience. Customer relationship management and total cost of ownership are not new concepts in the industrial equipment industry. Original equipment manufacturers (OEMs) recognize that the initial cost of a piece of industrial equipment is a fraction (10 to 20 percent) of what the consumer will spend over the course of owning that equipment. This means that service management opportunities can increase Profit to Earnings (P/E) ratios and augment revenue streams with $1.50 to $3.00 for every dollar in new product sales. These additional revenues net a 30 to 50 percent margin on parts and 50+ percent margin on service (compared to a 0 to 10 percent margin on new equipment sales).” — Accenture
During these times of economic uncertainty with declining new product revenues, decreasing service revenues from decreased equipment utilization, and increasing customer service expectations, forward-looking industrial companies are turning to CRM as a platform for improving customer relationships to meet these increasing expectations and to derive increased customer value over the lifetime of the relationship.

According to an article in the *Harvard Business Review* (September-October 1999), “Providing services is now more lucrative than making products … Smart manufacturers are creating new business models to capture profits at the customer’s end of the value chain.” This inflection point is evident in the figure below, which highlights the varying market dynamics influencing this transformation, as many manufacturers have turned to the revenue and profit potential available in aftermarket service.

According to the *Harvard Business Review* article, many manufacturing sectors now have revenue from downstream service activities that represent 10 to 30 times the annual dollar volume of the underlying product sales. This revenue opportunity was created from the ever-expanding installed base as the life of products continued to increase.

In addition, service for manufacturers not only represents an opportunity for significant revenue growth, but also a tremendous source for expanded profit margins. According to AMR Research, service businesses within a manufacturer generate nearly 40 to 50 percent of the company’s profits, yet only 25 percent of its revenue. Given the eroding margins on products from increased competition, the profit-to-revenue ratio in services is 2.6 times higher than in the traditional products business.
Manufacturers that are transitioning from a product manufacturer to a service provider are refocusing their business agenda on redefining the value chain, forward-integrating along the value chain, and delivering superior service and support offerings. Rather than being focused solely on operational excellence, these manufacturers are also expanding their focus on customer allegiance. These manufacturers recognize that with customer loyalty comes a profit advantage from a lower cost structure in serving, higher margins associated with service, and a steady revenue stream that is counter-cyclical.

According to AMR Research, 70 percent of industrial manufacturing companies have implemented or are evaluating CRM technology as a platform for delivering world-class capabilities in marketing, sales, service, and distributor management to create a formidable competitive advantage.

Based on these business dynamics around aftermarket services and coordinated selling across business portfolios, AMR Research indicates that the most prevalent application areas in CRM that are under evaluation by industrial manufacturers are SFA, customer analytics, marketing automation, contact center, and Web self-service. In fact, in each of these areas, at least 50 percent of manufacturers are exploring these applications. By implementing a comprehensive CRM strategy, a company can garner increased customer loyalty and build long-term, profitable customer relationships.

DEFINING CUSTOMER RELATIONSHIP MANAGEMENT FOR THE INDUSTRIAL MANUFACTURING SECTOR

With this transformation, industrial manufacturers are turning to CRM as an enabling platform for defining common processes that allow them to become more competitive in marketing to, selling to, and servicing customers, and most importantly in earning their loyalty. Manufacturers recognize the linkage between customer loyalty and profitability driving a lower cost to serve model, higher revenue and margins associated with service offerings, and a decrease in revenue cyclicality. Industrial manufacturers are leveraging CRM to achieve core business objectives—each driving revenue growth, margin expansion, and cost savings.

Improve Sales and Business Development Effectiveness and Collaboration

Most industrial manufacturers have a small number of large customers that they serve directly. Throughout the industry, growth is highly dependent on selling more products to the same customers. Many industrial manufacturers are selling multiple products into the same customer accounts at the same time. However, because these sales processes and product information are managed independently, most manufacturers are struggling to benefit from potential corporate synergies. Industrial manufacturers are leveraging CRM as a platform to address these challenges. By delivering a unified view of customer and product information, CRM enables a manufacturer’s sales teams to collaborate and coordinate on customer sales interactions. In addition, CRM provides sales teams with a suite of tools
allowing them to conduct a needs analysis session, recommend appropriate solutions, and accurately configure quotes and orders—thus improving the efficiency and effectiveness of its sales team.

**Improve Product, Quote, and Order Configuration Accuracy to Accelerate the Sales Cycle**

Most industrial manufacturers have extremely complex product offerings that are either build-to-order or engineer-to-order. These product offerings have hundreds if not thousands of options, thus creating an even more complex and extended sales cycle. Given the complexity, most manufacturers take weeks to configure a solution and quote, which draws out the sales cycle. Even with this time, manufacturers experience inaccurate pricing and product configurations, leading to order errors, returns, and dissatisfied customers. Each of these is costly to the manufacturer—impacting the top and bottom line.

Industrial manufacturers are turning to CRM to help ensure that their complex orders and quotes are accurate, complete, and valid. CRM enforces business rules while delivering context-based messages that facilitate up-selling and cross-selling, leading to higher-value orders. Used internally to improve sales productivity and order accuracy or externally via a company’s Web site to help guide buyers through product selection and customization, CRM allows customers, employees, and partners to configure the ideal solution for each customer’s needs.

**Enable Sales and Service Collaboration with Dealers and Distributors**

It is estimated that nearly 70 to 80 percent of a manufacturer’s revenue is driven through the distributor and dealer channel. On top of that, IDC estimates that in 69 percent of cases, a distributor is predisposed to recommend a specific brand of product, whereby the end customer accepts that recommendation 96 percent of the time. With this business dynamic as a backdrop, manufacturers are rethinking their approach to distributor and channel strategies. Manufacturers are leveraging partner relationship management as a platform to ensure collaboration between them and their distributors across sales, service, and marketing activities to ensure timely, consistent, and high-quality customer service.

Partner relationship management provides manufacturers with a highly effective medium for communicating with their distributors. It also ensures that distributors have the necessary information and skills to increase win rates on deals and to provide high-quality, consistent service to their joint customers.

**Seize the Aftermarket Parts and Services Revenue Opportunity**

With the ever-increasing age of capital equipment and thus expanding installed base of machinery, industrial manufacturers recognize the tremendous revenue and profit potential in aftermarket parts and services. To capitalize on this opportunity, industrial manufacturers are leveraging CRM as a platform to deliver superior customer service and ensure equipment uptime. Manufacturers are taking a holistic
approach by delivering a closed-loop service delivery process that encompasses key processes such as service and sales bundling, contract management, entitlement verification, preventive maintenance, skills-based service request routing, solutions knowledgebase management, and product defect management.

Beyond providing an integrated set of best-practice business processes, a CRM platform also delivers to industrial manufacturers a unified view of customer and product information, enabling them to seamlessly interact with and effectively service customers across multiple channels—from the Web and call center, to a field technician, or through a dealer or distributor.

**Increase Marketing Campaign Effectiveness to Drive New Business Development**

Within the industrial market, manufacturers are challenged in how to optimize marketing dollars and derive full value from marketing campaigns to drive new business. Given the nature of the industrial market, manufacturers are focused on tapping into new opportunities or market sectors, but most importantly taking customers away from its competitors’ installed base. For deriving more value from its current customers, manufacturers are also looking to deliver cross-selling and up-selling campaigns. Most manufacturers lack the processes and tools to ensure a successful marketing campaign and thus are turning to CRM as a platform for their campaigns. With manufacturers launching a number of campaigns, they are turning to CRM to effectively manage the campaign execution. They can also optimize the returns with complete tracking and follow-up of prospects and efficient routing of opportunities, as they are handed off from marketing to the sales force or distributor network.

Underlying each core business objective is the need to provide real-time business intelligence. To build business advantage, organizations need to empower all users, not just a few, with rich customer insight, the power to measure the performance of their operations in real-time, and the means to take immediate corrective action if necessary.

**BARRIERS TO BECOMING A CUSTOMER-DRIVEN ENTERPRISE**

Most industrial manufacturers recognize that they are not customer-driven and as a consequence, are not operating at their full potential to acquire, retain, and grow customer revenue, profitability, and mind share. They are keenly aware that their customers are not consistently having meaningful and satisfying experiences when doing business with them.

At most industrial manufacturers, for example, a longstanding customer may interact with dozens of representatives from a variety of business units representing hundreds of products. Yet the manufacturer is not able to coordinate and collaborate across these sales representatives and distributors, to provide one face to the customer and deliver the more personalized, differentiated service that the customer expects. Instead the customer has to engage each representative and
distributor as if dealing with dozens of independent companies across different channels with different processes. As such, how will this customer ever look to the industrial manufacturer as one company and as a leading solution provider that is easy to do business with?

Four key factors prevent industrial manufacturers from delivering an optimal customer experience: Information silos, business processes that do not reflect best practices, the inability to deploy cross-application business processes, and a lack of real-time intelligence.

**Information Silos**

Customer data is scattered throughout the organization in information silos based on product, line of business, or communication channel—leaving companies with a highly fragmented and incomplete view of their customers. If they are unable to coordinate customer interactions across these disconnected silos, companies cannot conduct personalized, ongoing dialogues with their customers.

**Business Processes That Do Not Reflect Best Practices**

Many business processes have not been designed with customer needs and preferences in mind. For example, a manufacturer designed its service management processes around emergency downtime issues to optimize parts inventory levels, rather than to minimize service response and resolution cycle time. Once the system had assigned a service request to an engineer, the manufacturer, beyond the assigned service engineer and customer, then lost complete visibility into the progress and status of the service issue. Service issues are often routed among several service engineers before it being assigned to the service engineer with the skill set to address the problem. Traditional systems also lack the ability for a service engineer to collaborate with others on the service request—resulting in lengthy service-resolution time. Although the system was optimized for parts inventory management, it lacked a streamlined process for logging, routing, and tracking a service request until the problem was identified and resolved.

**Inability to Deploy Cross-Application Business Processes**

Due to the cost and complexity of enterprise application integration, companies are unable to deploy business processes that seamlessly span multiple applications. This frequently causes problems such as service delays, incorrect orders, unavailable products, and billing inaccuracies, resulting in customer frustration.

**Lack of Real-Time Intelligence**

Industrial manufacturers lack real-time intelligence about their operational performance; market conditions; and customer preferences, requirements, and satisfaction. As a result of not being able to listen to and track the voice of their customers, they are unable to respond swiftly to changes in customer behavior, market trends, and the variables that their customers value.
Oracle’s Siebel 7 leverages our domain, industry, and technology expertise to create functionally rich customer-focused applications. More than 3,500 organizations worldwide have chosen Siebel applications because they deliver proven results and return on investment.

Siebel 7 is a fully integrated suite of applications for customer relationship management—including applications for partner relationship management and employee relationship management—all based on a common Web architecture. By providing organizations with real-time analytical capabilities to track and understand both customer behavior and key indicators of corporate performance, Siebel 7 enables organizations to be “digitally wired” to their customers, partners, and employees. The result is a total solution, enabling organizations to fully focus the resources of their entire corporate ecosystem on maximizing the value of their customer relationships—a necessity for survival in today’s economy.

The integrated suite of Siebel applications enables organizations to deploy an integrated set of customer-driven best practices across their sales, marketing, and customer service. We’ve documented hundreds of industry-specific best practices for every aspect of CRM and embedded them directly in the functionality of Siebel applications.

More specifically, Oracle’s Siebel Industrial Manufacturing delivers an industry-specific solution that enables industrial manufacturers to manage relationships throughout the service lifecycle and across the entire demand chain. Marketing, sales, and customer service are fully integrated, allowing manufacturers to improve sales effectiveness, maximize after-market parts and service revenue, decrease customer service costs, collaborate with distributors, and build customer loyalty and demand.
SIEBEL CRM SOLUTION SETS

Siebel CRM addresses the process, people, and technology requirements for meeting the industrial manufacturing strategic business imperatives for becoming a customer-driven company.

Siebel Collaborative Sales

Siebel Collaborative Sales leverages proven sales methodologies and coordinated cross-divisional selling to streamline sales processes and increase forecast accuracy and sales closure rates. Key components include Siebel Methodology-Based Sales Planning to help sales management design and implement integrated coverage strategies and Siebel Collaborative Sales Execution to improve the field sales effectiveness across business units and product lines, two essential capabilities for improving sales and business development effectiveness.

Siebel Consultative Solution Selling

Siebel Consultative Solution Selling leverages customer information to streamline the quote-to-order process, reducing transaction costs and improving the customer buying experience. Key components include Siebel Context-Sensitive Product Configuration for complex product and service bundles and Siebel Complex Pricing, Quote, and Approval Management for highly complex contract and approval requirements.

Siebel Distributor Network Optimization

Siebel Distributor Network Optimization strengthens collaboration among distributors, resellers, and manufacturing agents, in addition to collaborative sales with service delivery—thus ensuring high levels of customer satisfaction while driving operational efficiencies throughout the ecosystem. Key components include Siebel Real-Time Partner Lead Management and Siebel Collaborative Service Network, which allow OEM manufacturers and distributors to collaborate on new leads, while also having visibility in sharing and coordinating on service delivery—all seamless to the end customer.

Siebel World-Class Lifecycle Service and Support

Siebel World-Class Lifecycle Service and Support helps companies deliver world-class customer service by leveraging customer information and solution knowledge in the delivery of preventive and break/fix service. This reduces service cycle times, improves customer satisfaction, and seizes the aftermarket parts and service revenue opportunity. Key high-level components include Siebel Knowledge-Driven Customer Service, which leverages company solutions across service channels, and Siebel Field Service Delivery, which ensures that customers receive an appropriate level of mobile field service based on entitlements, are serviced with the right field service engineer, and provided with the right parts at the right time.
Siebel Intelligence-Driven Marketing

Siebel Intelligence-Driven Marketing helps companies improve overall campaign efficiencies and effectiveness. By providing key components such as Siebel Closed-Loop Campaign Marketing and Integrated Event Management, industrial manufacturers are able to manage the campaign execution, optimize the returns with complete tracking and follow-up of prospects, and efficiently route opportunities as they are handed off from marketing to the sales force or distributor network.

SIEBEL CRM BEST PRACTICES IN INDUSTRIAL MANUFACTURING

We’ve codified best practices in every aspect of customer-facing processes in the industrial manufacturing industry—across sales, service, and marketing solution sets—addressing critical areas from customer service and aftermarket service, and collaborative sales and order management, to distributor network optimization and voice-of-the-customer analytics. And we’ve embedded these best practices into a consistent set of integrated business processes.

Best practices can be derived only from extensive experience in deploying CRM systems with proven success. We have a deep understanding of CRM best practices for industrial manufacturers.

Industrial manufacturers achieve maximum business impact from their CRM implementation only if the system enables them to apply best practices to their CRM processes. Otherwise, manufacturers will end up merely automating suboptimal processes. By embedding CRM best practices in the applications, Siebel Industrial Manufacturing enables manufacturers to deploy optimal CRM processes that reflect best practices, thereby ensuring a significant return on investment. And by providing prebuilt business processes based on industry-specific best practices, Siebel Industrial Manufacturing enables manufacturers to accelerate their deployment and reduce the total cost of ownership.

We’ve redefined the standard for CRM for industrial manufacturing with the delivery of hundreds of business processes embedded in Siebel Industrial Manufacturing across its five solution sets.

Leveraging CRM Technology Investments to Support Six Sigma Initiatives

Beyond CRM technology investments, industrial manufacturers are turning to Six Sigma methodologies and coupling these programs as strategic initiatives to eliminate waste from a number of customer-facing business processes spanning sales or business development, marketing, and service. With revenue growth in the single digits or declining, manufacturers are emphasizing improved profit margins through cost savings. General Electric (GE) and Honeywell International are examples of companies using technology to support lean enterprises and Six Sigma initiatives, mapping value chains to identify where customer relationship management applications can be deployed.

“Recently, YORK International—a leading provider of heating, ventilation, air conditioning (HVAC), and refrigeration systems—set an aggressive objective of doubling its service revenue in five years. The company also began targeting new market segments in the commercial sector that presented a unique set of service challenges. To support its goals, YORK is rolling out a comprehensive customer relationship management (CRM) system, YORKConnect, powered by Siebel Call Center, Siebel Field Service, Siebel Handheld, Siebel Sales, and Siebel Customer Order Management. Since launching the initiative, YORK has increased service sales productivity by 20 percent, lowered service response time from days to minutes, identified 6,000 new service opportunities worth hundreds of millions in revenue, and reduced the time required to share asset site inspection data from six weeks to one day.”

—YORK International
Industrial manufacturing IT spending typically averages in the high single digits as a percent of revenue and consistently has been one of the top industries in terms of IT spending rate. In recent years, AMR Research has seen an increasing contribution of spending toward software. This displays a gradual trend in the industry to replace legacy environments that were built-up over a number of years through customization and corporate acquisitions.

For customer-facing business processes, many industrial companies are not only focused on replacing legacy applications, but also in developing an integration strategy that will link these legacy applications and new technologies together—thus removing inefficient processes from the system. At the core of the Six Sigma methodology is the principle of digitization and ensuring everyone has access to the same system, processes, and information.

For industrial manufacturers seeking to drive process improvement, many are undertaking initiatives leveraging Six Sigma as the specific methodology for achieving improvements in quality, productivity, and overall operating efficiencies. “Sigma” is a statistical term that measures how far a given process deviates from perfection or the desired goal. “Six” refers to six standard deviations above or below the mean, which represents the goal of a Six Sigma project.

The central idea behind Six Sigma is that if you can measure how many “defects” you have in a process, you can systematically figure out how to eliminate them and get as close to zero defects as possible. Six Sigma can be applied to customer-facing or front-office processes such as marketing, sales, and service and is increasingly being leveraged to drive continuous process improvement in these areas. Service is a good example of a high-impact customer-facing process, as customer service is now becoming a key area of competitive differentiation and advantage. With increased outsourcing of manufacturing capability along with the general commoditization of products, companies now must compete on the basis of their service operations. Furthermore, service processes are full of inefficiencies, as service operations have often been overlooked while process initiatives have focused more on manufacturing processes.

The coupling of CRM and Six Sigma can significantly increase the efficiency and effectiveness of customer-facing processes, resulting in lower costs and improved profit margins. According to Jack Welch, the former chairman and CEO of GE, “the financial returns are inevitable from Six Sigma initiatives that focus on making the customer more competitive and successful.” For example, it is estimated that the cost of poor quality associated with service processes is on the scale of 50 percent of a company’s Selling, General, and Administrative (SG&A) budget, with most processes in the range of 1.5 to 3.0 sigma (from the book The Six Sigma Way). Given these numbers, there is clearly a significant opportunity to apply Six Sigma to service operations and reap tremendous returns. Companies such as Honeywell and General Electric have realized cost savings of 1.2 percent to 4.5 percent of revenue annually.
Each of the Siebel Industrial Manufacturing Solution Sets, with its defined set of business processes, helps an industrial manufacturer become customer-driven by leveraging best-practice business processes. Companies such as GE and Honeywell are leveraging technology and Siebel Solution Sets to support Lean enterprises and Six Sigma initiatives.

Siebel CRM enables companies to better support and implement the Six Sigma methodology for customer-facing processes by providing a single CRM system that digitizes and automates these processes. This allows everyone to be using the same system, the same defined and controlled process, and leverages the same information set.

In greater detail, whether the methodology of DMAIC (Define, Measure, Analyze, Improve and Control) or DFSS (Design for Six Sigma) such as DMADV (Define, Measure, Analyze, Design, Verify) is used, Siebel enables the Six Sigma methodology applied through use of the following techniques:

- Define business objectives/metrics and process maps based on an industry-defined process library
- Measure, quantify, and analyze defined output metrics leveraging out-of-the-box analytics
- Improve, control, and standardize processes through automation, digitization, and use of best practices
- Institutionalize Six Sigma methodology into corporate culture through reinforced communications, goal/objective alignment and training

At a high level, once a business has a defined set of customer needs, objectives, and goals for redesigning how customer-facing processes are accomplished in a business unit or division, these objectives are best mapped to business processes as tangible units, or work, that can be redesigned or improved. Many companies spend a significant portion of an implementation determining their current business processes when they plan to deploy enterprise-class software.

Through our domain expertise with customer-facing processes, we can assist in detailing the most effective metrics to measure and monitor the effectiveness and efficiency of a process. Upon defining the business objective, we provide an industry-specific best-practice business process library that is digitized within our software, thereby allowing your company to quickly identify processes that are important to your business. Once you have identified business processes that are important to reaching your objectives, you can evaluate how completely these processes meet your specific business requirements and objectives. By conducting workshops with your business, your users will be able to evaluate whether the processes we provide completely meet your needs or if the processes require further customizations.

The business processes that we provide are mapped to the Siebel applications so that in addition to evaluating the recommended sequence of activities suggested to
accomplish various business processes, you can identify the processes that are supported by Siebel applications right out of the box. This provides a platform for not only defining, but also improving and controlling a standard process.

To continuously refine these business processes, we provide an analytics platform that allows a company to measure, quantify, and analyze key metrics to identify root causes within a process to further remove inefficiencies. In essence, to build business advantage, organizations need to empower all users, not just a few, with rich customer insight. This gives them the power to measure the performance of their operations and processes in real-time and the means to take immediate corrective action if necessary. Voice-of-the-customer analytics enable manufacturers to continuously monitor their processes and leverage the insight from drill-down analytics to understand the “Why?” behind a result and to further refine these processes and remove waste from the system.

To ensure the success of a Six Sigma initiative, it needs to become part of the corporate culture. We can assist a company in institutionalizing the Six Sigma program into the corporate DNA through corporate communication strategies, organizational alignment, and workforce competency development.

Provide Real-Time Business Intelligence Through Analytics

In the industrial sector, most manufacturers are trying to gain insight into the voice of the customer and factor these metrics into critical value-adding processes, such as product development, sales and marketing, order management, and after-sales service. Industrial manufacturers are leveraging CRM as a platform to deliver these voice-of-the-customer analytics to understand which metrics drive customer satisfaction and glean insight into such key performance indicators (KPIs) as new sales opportunities, service requests related to specific parts, service activity by customer, service resolution time, marketing campaign-driven opportunities, and partner sales or service performance. Voice-of-the-customer analytics enable industrial companies to continuously monitor their processes and leverage this insight to drive positive and corrective action to achieve their performance goals.

Siebel Business Analytics is an end-to-end next-generation analytics solution that provides all users with up-to-the-moment, actionable customer and business insight—insight based on best practices. Siebel Business Analytics offers prebuilt and fully configurable topical analytic applications that embody best practices and address key functional areas across all Siebel applications. Seamlessly integrated with Siebel applications, these analytic applications allow organizations to quickly provide users key business voice-of-the-customer metrics across service, sales, marketing, and partner management programs.

Siebel Service Analytics

Siebel Service Analytics is a comprehensive analytics solution that enables industrial manufacturers to empower every user with rich analytics that provide up-to-the-moment, actionable customer and business insight. Siebel Service Analytics gives
service managers and executives the information and analytical tools they need to run a successful customer service and support business, including aftermarket spare parts. It allows them to analyze business performance quickly and effectively by using prebuilt or ad hoc analytic reports. It allows executives to take proactive steps to correct service problems, before they have a detrimental effect on the overall quality of service. From a single, consolidated dashboard, managers can analyze critical service metrics, including service contract performance and profitability, service activity by customer, service activity by product line, resolution times, product failure rates, service engineer productivity, and overall customer satisfaction.

Siebel Service Analytics’ consolidated dashboard.

**Siebel Sales Analytics**

Siebel Sales Analytics is a complete next-generation analytics solution that delivers unparalleled levels of information richness and usability, allowing sales executives to analyze pipelines and evaluate the performance of the entire sales network. Using Siebel Sales Analytics, sales executives can identify trends in sales cycle length, win rate, deal activity level, progression through sales gates, and average deal size to gain vital insight into the competitive landscape. Siebel Sales Analytics provides the entire sales organization, from senior management to the individual salesperson, with up-to-the-moment and proactive intelligence that enables them to optimize sales efforts and to ensure they focus on the right opportunity, at the right time.

**Siebel Marketing Analytics**

Siebel Marketing Analytics is a complete, next-generation analytics solution that delivers high levels of information richness, usability, and reach, enabling manufacturers to get maximum results from their marketing investments. By leveraging this information, marketers are better able to understand their
customers’ preferences, buying behavior, and value, thereby ensuring optimal targeting and event promotional strategies. It provides the in-depth customer and business insight that manufacturers need to identify their most important customers, predict future results, and mount productive multichannel marketing campaigns.

Siebel Partner Analytics

Siebel Partner Analytics provides manufacturers with powerful performance management capabilities and comprehensive analytic tools to deliver in-depth information on the performance of its distributors, dealers, and resellers. Siebel Partner Analytics provides nearly 200 prebuilt reports and ad hoc analytic tools, enabling senior executives to quickly evaluate the effectiveness of their collaborative sales, service, and marketing activities.

Enabling Cross-Application Best Practices Through Business Process Integration

Business and application integration has represented a major challenge and expense for industrial manufacturers, accounting for up to 35 percent of the overall cost of a typical IT implementation. Siebel launched the Universal Application Network and Universal Customer Master initiatives and specific business integration applications to solve these major challenges.

Universal Application Network

Universal Application Network is an industrywide solution for business integration. It was led by Siebel and is supported by a wide range of technology companies—from leading system integrators, to integration server vendors, to application software vendors. It provides a scalable architecture for business process integration that is based on services-oriented architecture. It also defines standards to represent Universal Application Network components—business processes, common objects, transformations, common services, and interfaces. Collectively they are called Universal Application Network Grammar.

Universal Customer Master

Siebel Universal Customer Master is a comprehensive and up-to-date customer profile repository that unifies customer information across multiple business units and functionally disparate systems. Siebel Universal Customer Master offers one source of customer information across all applications, ensuring the quality, accuracy, and integrity of customer data, while successfully maintaining a single identity for each customer and contact in the enterprise. Siebel Universal Customer Master enables enterprises to maximize cross-selling opportunities and improve the customer experience while reducing data management costs. Siebel Universal Customer Master also allows organizations to minimize time, money, and other resources spent on customer data management and reap the benefits of utilizing rich customer information.
CONCLUSION
Forward-looking industrial manufacturers are strategically investing in technology to support the adoption of more customer-centric strategies for delivering superior customer service. We've helped numerous industrial manufacturers achieve results in the areas of driving loyalty, improving operational effectiveness and efficiencies, and lowering IT costs. Siebel customers choose Siebel Industrial Manufacturing as the CRM solution that delivers strategic value and competitive advantage, enabling them to better manage relationships throughout the service lifecycle and across the entire demand chain—all from a single enterprisewide platform. The following are examples of some of the self-reported, tangible results customers obtained using Siebel CRM solutions:

Improved Customer Satisfaction and Visibility into Voice-of-Customer Analytics
- 20 to 40 percent improvement in customer satisfaction
- 40 percent increase in communication among sales teams
- 300 percent increase in customer information

Increased Sales Effectiveness and Coordination Across Business Units and Product Lines
- 20 to 125 percent increase in aftermarket parts revenue
- 15 percent increase in sales win-rate and 45 to 200 percent increase in sales productivity
- 90 percent reduction in order configuration cycle time

Improved Sales and Service Collaboration with Distributor Network
- 70 percent reduction in lead distribution time and 15 percent decrease in distribution costs
- 7 times improvement in lead follow-up rate by distributors

Delivered Superior Levels of Customer Service
- 20 to 50 percent increase in service efficiency
- 85 percent improvement in on-time service request closure rate

Increased Campaign Effectiveness Driving New Business Development
- 40 percent increase in identified new opportunities

Lowered Total Cost of Ownership of IT Infrastructure
- 15 to 25 percent decrease in annual IT budgeted costs

These companies, which include 3M, Agilent Technologies, Alstom Power, General Electric, Honeywell International, Ingersoll-Rand, United Technologies/Otis Elevator, Rockwell Automation, Siemens, SKF, and YORK International to name a
few, have all turned to Oracle's Siebel CRM to help drive their customer-centric strategies. As a result, each of these companies is deriving tangible and sound returns.