ALIGNING PEOPLE, PROCESS & TECHNOLOGY

An action plan for customer service excellence in the building materials industry

TABLE OF CONTENTS

WARNING!

This ePaper is highly sharable.

No one likes a hoarder. If you find this ePaper to be interesting and insightful (and we hope you will), be sure to spread the good word on your favorite social platform.

INTRODUCTION

CUSTOMER SERVICE IS MORE COMPLEX THAN EVER. THAT'S NOT NECESSARILY A BAD THING.

Customer service is a bigger priority for building materials companies than it's ever been. More than ever, contractors are gravitating toward vendors that, not only are reliable and have products available, but are dedicated to the ease of their experience. But with resources already stretched thin, these expectations can be a lot to live up to.

So why is this supposed to make you feel all warm and fuzzy? **Because the door of opportunity is wide open.**

Despite technological advancements, most customer service departments are still heavily tied to archaic, manual procedures (e.g., order processing) that restrict their ability to adapt to this new normal. Any company that can step up to the challenge will separate itself from competitors.

This ePaper was created for decision-makers who are ready to make their digital transformation. The goal of this action-plan is not to reinvent the customer service wheel, but instead, optimize the key components **— People, Process and Technology (PPT) — and develop a strategy to align them.**

Opportunity's Knocking …

60%

OF ORGANIZATIONS ANTICIPATE **CUSTOMER SERVICE** TO BE THE TOP SOURCE OF COMPETITIVE DIFFERENTIATION IN THE NEXT THREE YEARS.[1]

1. Dutta, S. (May 2014). Service Transformation: The Business Case. The Service Council.

WHAT'S AT STAKE …

The benefits of the solutions outlined in this ePaper are wide-ranging, but ultimately, they are designed to help organizations achieve two prominent objectives:

- More sales through improved customer experience
- More growth and innovation through cost reduction

YOU DOWN WITH PPT?
Yeah You Know me.

Abbreviations are all well and good. Unless you're out of the loop, that is. If you're unfamiliar with the ones used in this ePaper, we've got you covered. Here are some definitions for when a refresher's in order.

AI: Artificial Intelligence
EDI: Electronic Data Interchange
ERP: Enterprise Resource Planning
CRM: Customer Relationship Management
CSR: Customer Service Representative

KPI: Key Performance Indicator
M&A: Mergers & Acquisitions
O2C: Order-to-Cash
PO: Purchase Order
PPT: People, Process & Technology

ORDER MANAGEMENT

A BRIEF RUNDOWN OF THE PESKY PROCESS THAT AFFECTS PPT

This ePaper separates PPT and breaks down some of the key challenges associated with each, along with the solutions for aligning them ... and we'll get to all that soon.

First though, let's touch on something that will also be talked about a lot — order management. Not only are traditional order-related processes strewn with bottlenecks, errors and other inefficiencies that impact customer service, the end goal is no longer just about filling orders. And with seismic companies like Amazon starting to affect many building materials companies' customer base (and wallet), there's never been a better time to seize the opportunity for improvement.

Think of it this way: **Order management is one of the critical interfaces between buyers and sellers.** Customers expect to get the products they want on time and undamaged. If the PPT within the company can't fulfill these requirements, there's a good chance you'll be up a particularly unpleasant creek without a paddle.

Yikes! Good thing you're reading this ePaper. Let's get down to business.

Anatomy of a good

AUTOMATED ORDER PROCESSING SOLUTION

Adopting an AI-driven automation solution is one of the **best ways to optimize order management** and align PPT. How do you spot a superior solution from a mile away? With this handy checklist, of course.

✓ **Easily integrates with existing software.**
Complexity's for the birds. Good automation solutions complement whatever infrastructure is currently in place with minimal upfront costs, downtime, or interference with customer software relationships.

✓ **Promotes customization and collaboration.**
Rigid is not a good business look. Solutions should make life easy for their users with things like custom business rules, web portals and chat tools.

✓ **Makes data fully visible and reportable.**
Look for solutions equipped with intuitive user dashboards that make every action and interaction smarter and more strategic.

✓ **Simple to use and highly flexible.**
Good solutions are fluid in the way they can be used, even in diverse use cases and even while employees are out of the office and on the go.

✓ **Emphasizes safety and security.**
Best-in-class providers commonly offer cloud-based solutions and ensure the necessary safeguards are in place for compliance and peace of mind.

SUCCESS STORY

WHEN THE RIGHT PPT STRATEGY MEETS THE RIGHT AUTOMATION SOLUTION, THE RESULTS ARE A THING OF BEAUTY. JUST ASK ASSA ABLOY.

*"In our industry where configurable orders are common, we deal with multiple order layouts and sub-line items on a daily basis. Of all the vendors, **Esker was the only one** capable of **accommodating the level of minutia** we deal with. The solution's **flexibility** and **ease of use** is phenomenal. There's really no comparison."*

E-BUSINESS COORDINATOR | ASSA ABLOY

BACKGROUND

Undertaking a global initiative to make its business processes more seamless, ASSA ABLOY selected Esker's Order Processing automation solution to help achieve its goals of reducing the average cost per order, better managing growing order volumes, and eliminating some of the complexities caused by processing configurable orders (representing 40% of total orders).

After first implementing Esker on-premises, ASSA ABLOY has since moved automated order management to Esker's cloud-based solution — benefiting from simplified on-boarding, no licensing and a host of other impressive benefits.

Who is
ASSA ABLOY

ASSA ABLOY is the global leader in door opening solutions with a complete range of products, solutions and services in areas such as: mechanical and electromechanical locking, access control, ID technology, entrance automation, and hotel security for the institutional, commercial and consumer markets. Formed in 1994, ASSA ABLOY has grown from a regional company to an international group with more than 46,000 employees.

RESULTS AFTER 4 YEARS

Since its initial implementation of Esker in 2010, and including the ongoing rollout of the on-demand solution, ASSA ABLOY has seen a number of significant business benefits thanks to order processing automation, including:

Increased productivity.
Electronically capturing all header info enables staff to easily classify order types, make adjustments & speed up throughput.

Faster order processing time.
ASSA ABLOY saw its average order processing times decrease from 60 hours to 2 hours, representing a 97% increase in speed.

Reduced processing errors.
ASSA ABLOY saw a 30% reduction in errors, which equates to an estimated $250,000 annually.

Enhanced visibility.
Dashboards give users access to strategic metrics, including:

- # of lines validated (daily, WTD, MTD)
- Aging orders (older than 2 days)
- # of orders/lines validated per user
- Priority coded orders awaiting validation

Improved customization.
Flexible forms technology allows customization of various order fields to different business units.

PEOPLE

EMPOWERING THE CORE OF YOUR CUSTOMER SERVICE CULTURE

Each element of PPT plays an important and interconnected role in the nurturing of positive customer experiences and the success of the company as a whole. However, even though technology may have outpaced the evolution of humans in virtually every aspect of our life, real, actual people will always be the core of a good customer service culture.

Most CSRs are highly educated, making them expensive, hard-to-recruit assets. The hurdle today's companies must overcome is figuring out how to make their employees more fulfilled while optimizing their role alongside process and technology. Automation can change a CSR's job, yes, but it's a positive change of going from transactional duties to added-value work.

WHY PEOPLE SUCCEED

People in customer service positions want to do their jobs effectively. The primary reason they fail rarely stems from personal inadequacy; rather, it's because they are put into positions where their talents aren't appropriately served.

For example, if the daily activities of a CSR include performing repetitive, low-value tasks like entering order data or constantly managing issues caused by old and/or complex technology, it doesn't matter how good or bad they are at their jobs — it's still a lose-lose scenario because there's no value added. It's the business equivalent of spinning your tires.

What effect does this cycle of inefficiency have?
- Low morale and increased employee turnover
- Staff feeling overworked and underappreciated
- Lack of flexibility and autonomy in daily tasks
- Decrease in customer responsiveness

Inefficiency isn't cheap.

AMERICAN BUSINESSES LOSE MORE THAN

$84
BILLION

ANNUALLY DUE TO **MISMANAGED CUSTOMER INTERACTIONS**.[2]

2. 2011 Global Customer Service Barometer: Market Comparison of Findings, (2011). Echo Research.

ORDER MANAGEMENT AUTOMATION:
REDEFINING CUSTOMER SERVICE & REVITALIZING PEOPLE

If the people in customer service are set up to fail, you don't change the people — you change the setup. By providing automation at the base level, companies can promote greater organization and collaboration, while at the same time address the root causes of low staff productivity. Order processing automation:

Increases employee engagement.
With manual data entry out of the picture, CSRs are free to do activities that involve actually serving customers. They're able to be better at their jobs, perform tasks critical to the business, and plus, have greater opportunities for career-pathing thanks to a base automation platform being in place.

Enables performance-based rewards.
All heroes should wear their capes proudly. That's why good automation solutions feature customizable dashboards with KPIs so managers can identify and reward top-performing CSRs and upgrade the overall quality of the team — poor performers can't hide when you have great reporting.

Gives staff members more mobility.
Customer service staff have a lot to juggle which puts a premium on convenience. The cloud-based nature of some automation solutions addresses this by allowing employees to work remotely if needed. Plus, with a base platform in place, it makes training far easier.

Simplifies training.
Talented new hires aren't exactly wooed by the prospect of a long, boring and laborious training period. That's where intelligent tools like machine learning really deliver value. With no granular knowledge to master, CSRs can get up to speed in a matter of weeks, not months.

Turn those frowns upside down.
COMPANIES WITH RECOGNITION PROGRAMS THAT ARE EFFECTIVE AT IMPROVING EMPLOYEE ENGAGEMENT HAVE A

30%
LOWER VOLUNTARY TURNOVER RATE.[3]

CUSTOMER SERVICE VS. CUSTOMER EXPERIENCE
What's the difference?

Customer Service
is the delivery of service to a customer before, during or after their purchase. In other words, it's something that helps shape the customer experience — not define it.

Customer Experience
is the sum of all direct and indirect interactions a customer has with a company. Essentially, it's what the customer thinks about who they're doing business with.

3. Bersin & Associates Unlocks the Secrets of Effective Employee Recognition. (2012, June 12). Retrieved from https://www.bersin.com/News/Content.aspx?id=15543

PROCESS

ACHIEVING REAL END-TO-END OPERATIONAL EFFICIENCY

The primary goal of customer service is simple: Keep customers happy and coming back in the most efficient and cost-effective way possible. Having the right people and technology in place is critical, but no business can perform this vital function without a structurally sound and properly executed process in place.

Many companies sabotage their success by **failing to address fundamental flaws in the process.** When common issues arise, such as staffing or software limitations, the default response is often shortsighted (e.g., throwing more employees or applications at the problem). Customer service is typically under-invested which means there are often multiple solutions in place just to stay afloat. These quick-fixes add up over time, turning the process into a tangled web of manual touch points.

WHY MANUAL MAKES EVERYTHING WORSE

Today's competitive business environment has a lot of building materials companies jonesing for new ways to drive added value within essential document processes. Traditional order management stands out as an area ripe for improvement, mainly because:

Orders have to be manually keyed in. Nothing slows down the O2C cycle like the inevitable data entry error. Manual order entry also accounts for lost time spent building out orders, disconnect in the order-to-quote process and inefficient warehouse management due to order returns.

Visibility is in short supply. In a manual environment, not only is it hard for building materials companies to prioritize orders, it's virtually impossible to access order data and pre-existing internal notes instantly.

Knowledge is tribal. When using legacy systems, critical order knowledge is often only known to select staff members. This can be a problem during vacation or departure, and can complicate audits. This also opens the door to compliance issues due to people operating outside of what should be standard practices.

The future is now.

CUSTOMER EXPERIENCE WILL OVERTAKE PRICE AND PRODUCT AS THE **KEY BRAND DIFFERENTIATOR** BY THE YEAR

2020[4]

ORDER MANAGEMENT AUTOMATION:
A PROVEN PERFORMANCE ENHANCER FOR A STRUGGLING PROCESS

An effective order management process ultimately boils down to execution. If each stage of the process is properly formulated, fully transparent, and well-understood by its users, executing quick and accurate order fulfillment is all but guaranteed.

AI-driven automation is a good fit for this scenario because every order received goes through the solution en route to the ERP system. No extra applications to bounce around in. No added bottlenecks or blind spots. No more headaches.

MACHINE LEARNING means that CSRs don't have to enter data manually anymore. So long, order errors, it was nice knowing you (just kidding, it was awful). It also means that orders are entered in the ERP faster, helping trigger demand signals in the supply chain.

ORDER ACCURACY allows for a quick fulfillment process and provides clarity and discipline relating to the customer service proposition.

AUDIT TRAIL & REPORTING capabilities provide real-time access to the status of your order backlog, along with an electronic recording of every action. No detective work necessary.

ELECTRONIC ARCHIVING allows orders to be searched and accessed by all authorized personnel from any location and for as long as needed.

A good process goes a long way.

TOP PERFORMING COMPANIES PROCESS SALES ORDERS

8X

MORE **COST-EFFECTIVELY** THAN BOTTOM PERFORMERS.[5]

EXAMINING THE 3 MOST PROBLEMATIC WAYS SALES ORDERS ARRIVE

Orders can come in other ways, of course, (e.g., portal, phone, etc.), but these three cause just a little more problems than others.

By Fax

Ask any CSR and they'll tell you: Fax is alive and well. The reason fax orders are such a pain is that they typically require a separate environment for capture and distribution; CSRs then have to enter the data in the ERP system.

By Email

Lots of companies send POs to their suppliers via email. This might help reduce paper on the customer side, but CSRs aren't as lucky — they still have to print the email, grab it, walk back to their desks and key it in just like a fax order. Yippee.

By EDI

Orders sent via EDI are a step in the right direction, but far from perfect. Often times, as many as one-third of EDI orders can contain exceptions, and correcting item details in the EDI file is often a time-consuming nightmare for CSRs.

5. Cutting the Costs of Sales Order Processing, 2015. APQC. PDF file.

TECHNOLOGY
GIVING PEOPLE AND PROCESS THE SUPPORT TO SUCCEED

If people are the actors and process is the play, then **technology is the stage on which the whole production is acting out.** (If only customers showed the same level of patience as theatre-goers).

It's
complicated
(and it's only getting worse.)

GLOBAL M&A ACTIVITY IN 2015 REACHED **ITS HIGHEST LEVEL EVER** WITH WORTH EXCEEDING

$4.2
TRILLION.[6]

That's what makes the role of technology so important: You can't have effective people or an efficient process if there isn't a strong foundation behind both. Technology is a powerful tool for improving customer service, but that power can only be harnessed when used appropriately. As you will see, more is not necessarily better.

WHY SIMPLICITY IS SO ELUSIVE

Besides the different ways in which orders arrive (details below), one of the biggest technological challenges faced by companies is the lack of consolidation. When you consider the amount of ERP, EDI, CRM and other business applications used by the average company, along with all those accumulated through M&A activity and the number of legacy systems and manual workarounds, the cost and complexity of managing it all is astronomical:

- Lost profits due to operating inefficiencies and infrastructure redundancies
- Lack of collaboration across multiple departments and systems
- Limited business agility and access to markets
- Weakened compliance and system governance

What is artificial intellilgence?

No, it's not vengeful, blood-thirsty robots hell bent on taking over the world (thanks, Hollywood). In the context of business, AI is simply a type of technology built to mimic human intelligence. Much like a child learns to swim or ride a bike, AI solutions are able to observe complex, contextual inputs regarding what works and what doesn't during the process of order management so that the desired outcome is always achieved.

Sounds complicated, but the end result is pretty simple: AI makes your job easier and your company easier to do business with.

6. Global and Regional M&A: 2015. January 5, 2016. Mergermarket. PDF file.

ORDER MANAGEMENT AUTOMATION:
ONE PLATFORM THAT CURES THE MODERN PAINS OF TECHNOLOGY

Out of the three elements of PPT, technology arguably has the most polarity associated with it, in that, many of today's companies seem to either lean too heavily on technology to drive innovation (usually at the expense of people and simplicity) or not nearly enough (resisting technological change because, "This is the way we've always done things"). Once again, the time and costs associated with these undertakings can be oppressively excessive.

Automated solutions driven by AI technology offer the perfect balance to this thanks to a number of advanced capabilities. **For example, leading order management solutions allow companies to:**

Electronically process any order. Unless you're a multi-national mega corporation, forcing customers to change their preferred order submission methods or formats isn't feasible. Automation addresses this by automatically capturing every order, regardless of how it arrived, and instantly dispatching it to the right CSR.

Ensure accuracy via data capture. In the past, OCR technology was as good as it got — not today. Leading solutions use intelligent AI technology like machine learning that goes beyond just reading characters to accurately extract data from image files and even recognize orders.

This stuff matters.

67%
OF CUSTOMER CHURN IS PREVENTABLE IF THE CUSTOMER ISSUE IS RESOLVED AT **THE FIRST ENGAGEMENT.**[7]

Work with virtually any business system. From complementing an existing EDI infrastructure or integrating with multiple ERP systems to handling different document types and being fully flexible, good order management solutions don't add to the chaos … they remove it.

Effectively manage change. Even the best order processing solutions can fail if users don't accept or understand the new technology. That's why leading solution providers have certified Change Management experts to work with companies during implementation to help align strategies and expectations.

Become "future-proof." Companies can't evolve with the times if they're chained to their legacy systems. Cloud-based automation's flexibility and automatic upgrades allow companies to better prepare for their future without technological restraints.

7. ThinkJar annual survey and associated ThinkJar research, 2016.

CONCLUSION

FUSION, ALIGNMENT, HARMONIZATION — WHATEVER YOU CALL IT, JUST MAKE SURE PPT IS IN YOUR PLANS.

It can be said without hyperbole: An organization's ability to align PPT and optimize order management has a direct influence on its survival. A business can't exist without customers, and today's customers are telling us what they want — more personalization, self-service and proactive engagement with fewer restrictions and repetition.

Here's what's potentially in store for those building materials companies that fail to meet the needs of modern-day customers and/or retain conventional order management practices:
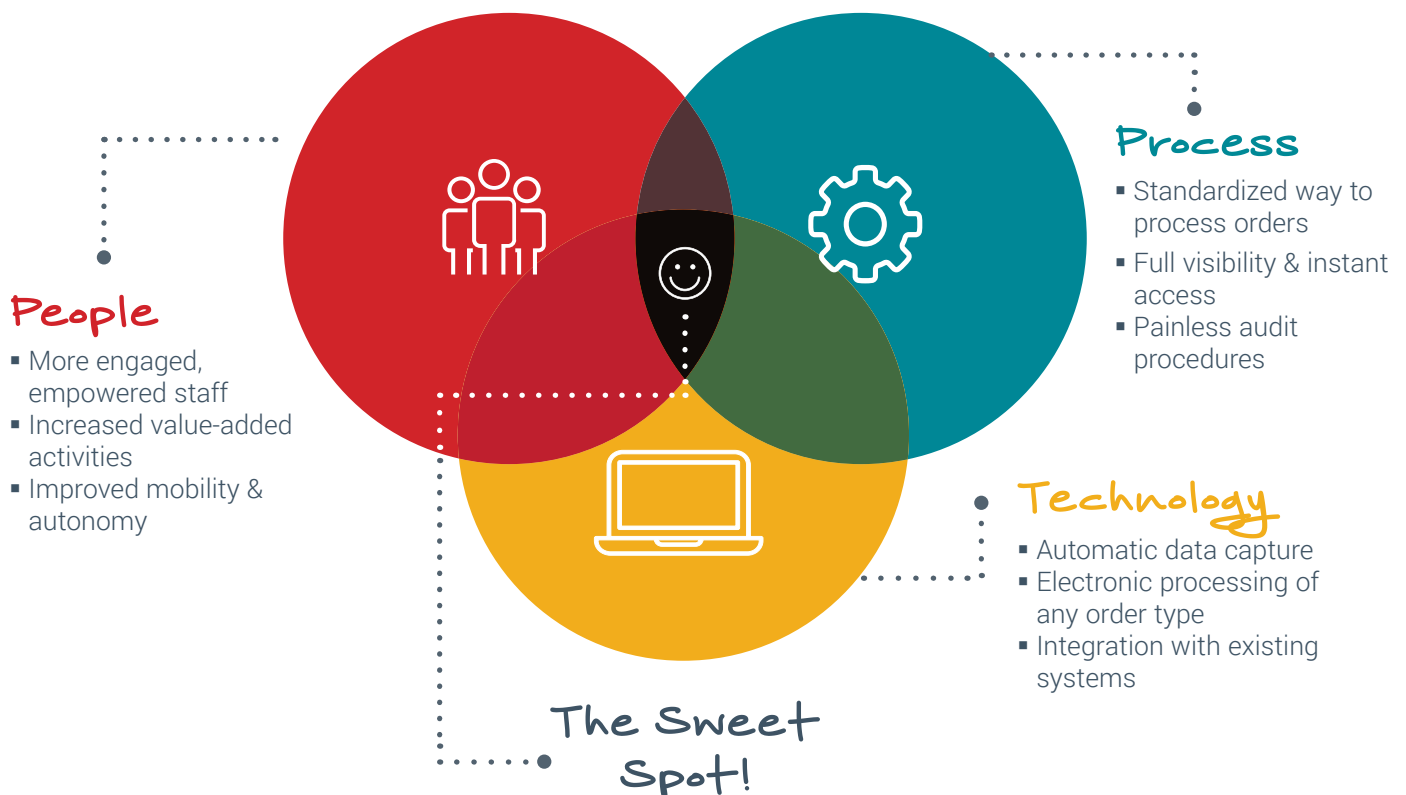
Employees

- Downstream supply chain issues
- Negative impact on receivables
- Chaotic IT environment
- Missed same-day shipping
- Increased order backlog, credits, rebilling, etc.

Company

- Poor customer experience scores
- High employee turnover rates
- Damaged reputation and lost business
- Excessive operational costs
- Risk of non-compliance

CUSTOMER SERVICE EXCELLENCE: EASY AS 1-2-3

Feeling hopeless? Cheer up, champ. As this ePaper has shown, the problems may be vast but the solution couldn't be more clear. Order management automation's holistic ability to align PPT and allow companies to pivot around the needs of their customers is unequaled. By providing a base-level of automation, companies can centralize customer service functions and focus on doing bigger and better things with their most strategic customers.

Process
- Standardized way to process orders
- Full visibility & instant access
- Painless audit procedures

People
- More engaged, empowered staff
- Increased value-added activities
- Improved mobility & autonomy

Technology
- Automatic data capture
- Electronic processing of any order type
- Integration with existing systems

The Sweet Spot!

HI, WE'RE ESKER.

WE DO MORE THAN *TALK* ABOUT AUTOMATION SOLUTIONS.

Esker is proud to offer an Order Management solution specifically designed to help building materials companies achieve their ultimate goal — improving customer experience. But our expertise doesn't stop there. Companies of all sizes and industries use other Esker solutions to drive added value and efficiency in business processes such as accounts receivable, collections management, accounts payable, purchasing and more.

As a worldwide leader in document process automation software, we've been doing our thing for 30+ years now, helping over 11,000 companies around the world in their business improvement efforts. Esker headquarters are in Lyon, France, but we're located just about everywhere that paper needs quitting.

WHO AUTOMATES THEIR ORDERS WITH ESKER?

With three worldwide data centers, 24/7 availability, and a pay-per-use pricing model, companies from all over the world choose Esker for our security, scalability and flexibility in order processing automation. **Some of our satisfied building materials customers include:**

Learn more at esker.com or join the conversation at blog.esker.com.

RELATED CONTENT

TRUST US, THERE'S MORE WHERE THIS CAME FROM.

WORKBOOK: HOW MACHINE-LEARNING SOLUTIONS DRIVE ORDER MANGAEMENT EXCELLENCE

Not every business can claim excellence in customer service. Then again, not every customer service leader has read this workbook. Say "hello" to best practices and new customer engagement strategies. Wave bye-bye to your competition.
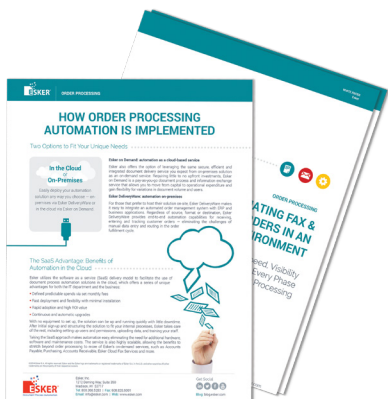
INSTANT DOWNLOAD

WHITE PAPER: BUILDING A BUSINESS CASE FOR ORDER PROCESSING AUTOMATION

You know automation is the real deal. But getting buy-in from upper management and other key stakeholders can be an uphill battle. This white paper is your secret weapon to win them over and make yourself look brilliant. Shhhh.

INSTANT DOWNLOAD

BUYER'S KIT: ORDER PROCESSING AUTOMATION

A lot goes into making a buying decision on an order processing automation solution for your business. Lucky for you, we put a whole lot into this buyer's kit that'll put your mind at ease. Go on, get in the know.

INSTANT DOWNLOAD

Last chance, fancy pants.

If you liked this ePaper, now's the time to share it. Much appreciated! Oh, and sorry for the name-calling — our love of content sharing is hard to contain.

www.esker.com