Bosch Thermotechnik GmbH, partnering with SAP, improved order handling and service management to enhance its competitive advantage.
# HIGHLIGHTS

## At a Glance

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosch Thermotechnik GmbH: A Focus on Environmental Responsibility</td>
<td>5</td>
</tr>
<tr>
<td>Responsible Use of Resources</td>
<td>5</td>
</tr>
<tr>
<td>The Importance of Service</td>
<td>5</td>
</tr>
<tr>
<td>Revamping Service Processes for Bosch Thermotechnik GmbH’s Junkers Brand</td>
<td>5</td>
</tr>
<tr>
<td>Ongoing Support from Bosch Communication Center</td>
<td>6</td>
</tr>
<tr>
<td>Strong Interaction-Center and Field-Service Functionality</td>
<td>7</td>
</tr>
<tr>
<td>Leveraging Bosch Thermotechnik GmbH’s Strategic Guidance and BCC’s Project Management Functionality</td>
<td>7</td>
</tr>
<tr>
<td>Key Support from Partners</td>
<td>7</td>
</tr>
<tr>
<td>A Steering Committee Composed of Senior Executives and Partners</td>
<td>8</td>
</tr>
<tr>
<td>Service Effectiveness via New Processes</td>
<td>8</td>
</tr>
<tr>
<td>Measurable Enhancements to Service Processes</td>
<td>9</td>
</tr>
<tr>
<td>Favorable Return on Investment</td>
<td>10</td>
</tr>
<tr>
<td>An Improvement in Critical Processes</td>
<td>10</td>
</tr>
<tr>
<td>Looking to the Future</td>
<td>11</td>
</tr>
<tr>
<td>The Keys to Success</td>
<td>11</td>
</tr>
</tbody>
</table>
Bosch Thermotechnik GmbH – is one of the largest suppliers of heating units and hot-water appliances in Europe. The company offers a broad range of heating products that are both energy efficient and environmentally friendly. A subsidiary of the Bosch Group, Bosch Thermotechnik GmbH has strong international and regional brands and manufactures a diversified range of products in 18 plants in nine European and American countries. Together with Bosch Communication Center (BCC) to support its customer service operations. With more than 2,500 employees, BCC remains one of the top providers of outsourced call-center services.

Profile

Company: Bosch Thermotechnik GmbH
Industry: Industrial machinery and components
Revenue: €2.8 billion
Employees: 13,100
Location: Wetzlar, Germany
Web Site: www.thermotechnik.com; www.boschcommunicationcenter.com

SAP® Solution and Services

Implementation and Partner

Key Challenges

- Present one face to the customer
- Improve service responsiveness and flexibility
- Enhance efficiency of telephone interaction with customers and reduce callbacks
- Improve ability to effectively deploy technicians by eliminating manual dispatching processes
- Enable visibility into service history
- Improve ability to handle seasonal fluctuations and demand surges
- Standardize processes to enable scalability
- Ensure data quality and integrate reporting

Operational Benefits

<table>
<thead>
<tr>
<th>KPI</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service response time</td>
<td>10% improvement</td>
</tr>
<tr>
<td>Automated planning and scheduling</td>
<td>90% of all orders automated</td>
</tr>
<tr>
<td>Planning productivity</td>
<td>+50%</td>
</tr>
<tr>
<td>Visibility into service-technician activities</td>
<td>Overall improvement</td>
</tr>
<tr>
<td>Technician productivity</td>
<td>+5%</td>
</tr>
<tr>
<td>Complaint management</td>
<td>Overall improvement</td>
</tr>
<tr>
<td>Customer complaints</td>
<td>Overall reduction</td>
</tr>
</tbody>
</table>

Why SAP Was Selected

- Strong out-of-the-box customer relationship management (CRM) functionality and solid complaint management functionality
- All customer data housed in the SAP® CRM application
- Integration with existing SAP business enterprise landscape
- Bosch Thermotechnik GmbH’s strategic partnership with SAP

Why Bosch Communication Center Services Were Selected

- Strong focus on establishing long-term customer partnerships
- Robust IT and call-center and business-process-outsourcing functionality
- 10 locations worldwide, services in more than 20 languages
- Available 24-hours per day, 365 days per year

Financial and Strategic Benefits

- 23% internal rate of return
- 12% reduction in costs
- 50% reduction in call-center agents’ talk time per inquiry
- Ability to schedule service visit on 1st customer call and often within 24 hours
- Assurance that properly skilled technicians are dispatched
- Integrated invoicing and reporting
“We’ve managed to simplify the process for the customer. It’s very quick to schedule a visit on the first call – we just need basic information identifying the customer and the problem, and we can input all the information on a single screen. That wasn’t possible before.”

Elodie Lindemann, Project Manager, Bosch Thermotechnik GmbH
BOSCH THERMOTECHNIK GmbH: A FOCUS ON ENVIRONMENTAL RESPONSIBILITY

With a 21% market share in Europe and more than 150 locations worldwide, Bosch Thermotechnik GmbH is a leading supplier of energy-efficient and environmentally friendly heating and hot-water solutions.

Formed in 2004 as a result of a merger between Buderus Heiztechtechnik GmbH and heating specialist Bosch Thermotechnik, Bosch Thermotechnik GmbH produces a broad range of products, including free-standing floor and wall heaters, solar-powered heating units and components, hot-water storage tanks, and related accessories. Bosch Thermotechnik GmbH is a complete systems supplier, offering one-stop service for everything associated with contemporary heating systems.

Bosch Thermotechnik GmbH has 13,100 employees and generates revenues of €2.8 billion. With a continuing focus on innovation and quality improvement, the company is positioning itself to become a global player in thermal engineering – an area that is expected to grow in leaps and bounds throughout the coming years.

Responsible Use of Resources

Bosch Thermotechnik GmbH’s mission is to not only provide customers with high-quality products that are designed for comfort, performance, and convenience – but also to use resources responsibly. The company believes that while introducing new technologies creates a competitive edge and greater benefits for customers, products should also be designed with the environment in mind.

Bosch Thermotechnik GmbH’s pro-environmental stance is in part responsible for its growth spurt over the last several years. As an example, in 2004 the company generated 2% of its sales from systems that use renewable sources of energy (such as solar power); In 2007 this figure increased to 12%.

The Importance of Service

While close attention to product quality and environmental protection contribute to profitable growth, Bosch Thermotechnik GmbH also understands that it must provide a full range of offerings to stay competitive. In particular, the company recognizes that effective service is crucial to sustaining customer satisfaction and ensuring repeat business – especially since an efficiently operating heating system is essential for maintaining a comfortable home or office environment. “In our business, when there’s a breakdown, the customer often needs service immediately,” says Elodie Lindemann, project manager at Bosch Thermotechnik GmbH.

Revamping Service Processes for Junkers Division

To ensure a higher level of customer satisfaction, Bosch Thermotechnik GmbH chose to revamp its service processes throughout its operations. The company started with its Junkers brand.

“In our business, when there’s a breakdown, the customer often needs service immediately.”

Elodie Lindemann, Project Manager, Bosch Thermotechnik GmbH
Bosch Thermotechnik GmbH faced several issues in its mission to improve service to its customers (see Figure 1). First, the company had to be able to respond effectively to three different stakeholders – residents of buildings, apartments, and homes; the owners; and third-party repair technicians. Employees often required excessive time to execute orders during customer calls (over 4.5 minutes to manage the call and 15 minutes to manually schedule technicians), due to the fact that they could not access a single view of the customer or call histories. Also, Bosch Thermotechnik GmbH had difficulty efficiently deploying some 90 Junkers field-service technicians out of multiple regional service centers. Finally, the company could not always ensure rapid service without more manpower in the call center when demand peaked due to sudden changes in weather.

Given that Junkers’ customers make about 1.1 service inquiries per year, Bosch Thermotechnik GmbH recognized that service improvements would yield bottom-line benefits and improve customer perception. Bosch Thermotechnik GmbH also recognized that to make these improvements, it needed a new customer relationship management (CRM) system to support its call center and field technicians.

Ongoing Support from Bosch Communication Center
Because Bosch Thermotechnik GmbH’s call-center operations were fully supported by Bosch Communication Center (BCC), it made perfect sense for Bosch Thermotechnik GmbH to use Bosch for the company’s new CRM call center. A division of Bosch Security Systems GmbH, BCC has 10 locations worldwide and experience in a broad range of industries. It provides call-center services in more than 20 languages, 24 hours per day, 365 days per year. Bosch Communication Center also has extensive experience in outsourcing call-center processes, with approximately 2,500 employees who service more than 120 customers. In 2006 alone, it handled 31 million calls. BCC is ISO 9001:2000 certified.

Given its favorable experience with Bosch Communication Center, Bosch Thermotechnik GmbH chose the outfit to manage implementation of its CRM system for Junkers. BCC would continue to provide call-center services, but would transition to the new CRM-enabled processes.

---

**Figure 1: Call Center Process**

- **Customer**
  - 1. Asks for service
  - 3. Communicates date
  - 5. Executes repair and delivers invoice

- **Customer service representative**
  - 2. Skill-based scheduling and route planning
  - 4. Transfers data to mobile application

- **Service technician**
  - 6. Reports service activity data

- **SAP® CRM**

- **SAP ERP**
  - (HR, controlling)
One main reason for choosing BCC: it is focused on establishing long-term partnerships with its customers – which would become increasingly important to Bosch Thermotechnik GmbH as it extended its implementation beyond Germany. “We’re focusing on high-quality services and organic growth,” says Katja Dömer, marketing manager with Bosch Communication Center. “Of course we want to add new customers, but we’re pursuing pan-European projects with existing customers, such as Bosch Thermotechnik GmbH, in order to add significant value to their businesses – and, so we can grow with them.”

**Strong Interaction-Center and Field-Service Functionality**

After reviewing software solutions, Bosch Thermotechnik GmbH and BCC decided to use the SAP® Customer Relationship Management application because of its solid interaction-center functionality and strong tools for field-service support. Both companies already had strategic partnerships with SAP – BCC had implemented a range of SAP software solutions for other customers, and Bosch Thermotechnik GmbH was running SAP enterprise resource planning (ERP) software to support the company’s order-handling and financial processes. Use of the SAP Customer Relationship Management application would provide a single repository for Bosch Thermotechnik GmbH’s customer data, and the companies would be able to tightly integrate the CRM functionality with the existing ERP backbone.

**Leveraging Bosch Thermotechnik GmbH’s Strategic Guidance and BCC’s Project Management Functionality**

While Bosch Thermotechnik GmbH established high-level strategic direction and negotiated service-level agreements for the project to ensure business goals were met, BCC managed the actual project. Both the BCC and Bosch Thermotechnik GmbH established functional requirements and system specifications, arranged project financing, and provided the IT environment for system development, integration, and testing. Although delivering this complete set of IT functionality represented a new approach for BCC, the implementation proceeded smoothly. Following go-live, BCC continued to provide call-center services. “It was a challenging project,” says René Morgenstern, project manager at Bosch Communication Center. “BCC – for the first time – not only managed the project itself, but executed other aspects covering the complete set of requirements, including financing.”

**Key Support from Partners**

BCC and Bosch Thermotechnik GmbH worked closely together on the project, which took place over an 11-month period. Tasks included drawing up blueprints, integration testing, agent training for the new automated processes (using a train-the-trainer approach), operation of a pilot system, and go-live. In addition to SAP, other third-party partners provided support and add-on software. These included ClickSoftware, which provided a skill-based scheduling and route optimization solution for field technicians, and Wessendorf GmbH, which provided a solution (called Komet) for integrating PC notebook–based mobile applications.

“We’re focusing on high-quality services and organic growth. Of course we want to add new customers, but we’re pursuing pan-European projects with existing customers, such as Bosch Thermotechnik GmbH, in order to add significant value to their businesses – and so we can grow with them.”

Katja Dömer, Marketing Manager, Bosch Communication Center
A Steering Committee Composed of Senior Executives and Partners
A steering committee was established that included key executives from BCC, Bosch Thermotechnik GmbH, and the partners; the involvement of high-level management underscored the strategic significance of the implementation to both BCC and Bosch Thermotechnik GmbH. Members of the steering committee included the CEO and chief operating officer of BCC; Bosch Thermotechnik GmbH’s vice president for international after-sales service; and representatives from most of the partners. The group met on a regular basis and had frequent phone conferences—sometimes weekly and even daily—to review implementation status and help the project teams resolve issues.

Service Effectiveness via New Processes
Stabilization following go-live took about nine months. During this period, new processes were put in place for Bosch Thermotechnik GmbH’s 90 field technicians, BCC’s 35 call-center agents, and Bosch Thermotechnik GmbH’s 40 back-office support staff. This involved capturing customer information in the single SAP Customer Relationship Management repository, identifying customer equipment, creating orders, scheduling appointments, and transferring information to the field technicians (see Figure 2). The integrated software solution—including SAP CRM, the ClickSoftware application, and Komet—gave BCC call-center employees exactly the tools they needed to efficiently plan field-service technician resources and deploy the technicians to customer sites (see Figure 3).

![Figure 2: New Customer Service Process](image-url)
Measurable Enhancements to Service Processes

Soon after the SAP Customer Relationship Management implementation, Bosch Thermotechnik GmbH began realizing benefits. As an example, the call center is now handling 16,000 calls per month, and more than 90% of service orders are automatically scheduled based on technicians’ capabilities. As a result, Bosch Thermotechnik GmbH was able to reduce the number of planners needed to coordinate routes from 10 to 5, schedule service jobs more appropriately, and minimize overtime hours. Invoicing, payroll accounting, spare-parts procurement, and reporting are integrated with processes supported by the SAP enterprise resource planning application, improving efficiency and visibility into operations.

Customers can now schedule service visits when they first call in, rather than waiting for agents to call them back. “We’ve managed to simplify the process for the customer,” says Lindemann. “It’s very quick to schedule a visit on the first call – we just need basic information identifying the customer and the problem, and we can input all the information on a single screen. That wasn’t possible before.”

In general, the implementation improved responsiveness and enabled Bosch Thermotechnik GmbH to achieve a complete view of its customers, including call histories and product service records. As a result, the company’s engineers have better insight, which helps guide product development and improve quality. Also, through the standardization of its broad range of procedures, Bosch Thermotechnik GmbH is in an excellent position to scale its processes and efficiently implement BCC’s services and SAP Customer Relationship Management to support additional brands and operations in other countries.
**Favorable Return on Investment**
Through an analysis of benefits, overall investments, and operating costs, the Peppers & Rogers Group (PRG) determined that the implementation attained an internal rate of return (IRR) of 23% as of year-end 2006. Moreover, PRG Bosch Thermotechnik GmbH has achieved an IRR of 31% in year-end 2007. These calculations are based on several outcomes that can be translated into measurable financial results, including improved technician productivity and a 50% reduction in the average amount of time needed for order handling and technician scheduling.

**An Improvement in Critical Processes**
The following table captures examples of processes that have improved as a result of the implementation — and the resulting impact on business operations:

<table>
<thead>
<tr>
<th>Process Area</th>
<th>Problems</th>
<th>After SAP Software</th>
<th>Impact</th>
</tr>
</thead>
</table>
| Call Handling | • Slow response time  
• Inefficient customer service processes – customers need to make more than 1 phone call to schedule service appointment  
• No complete view of customers  
• Lack of standard processes | • Agents supported with interaction-center functionality  
• Full view of customers and call histories | • Ability to schedule the visit with one call  
• Ability to provide service within 24 hours  
• 50% reduction in time spent on call  
• More consistent and accurate responses to customer queries  
• Easier rollouts, due to standard processes |
| Field Service | • Inefficient deployment of technicians  
• High costs | • Automated scheduling of technicians  
• Integrated invoicing, payroll, and reporting | • Increase efficiency, job stability and personal capacity stabilized by 12%  
• Improved productivity of service technicians  
• Ability to deploy the right technician for the job  
• Better visibility to optimize resource deployment |
| Quality | • Lack of integrated and comprehensive complaint information  
• Inability to provide effective feedback to product engineers | • Integrated complaint management  
• Comprehensive information for design engineering team | • Easy access to quality information about products  
• Better products  
• Faster and better quality information of products |

*“The transition from a product orientation to a real customer orientation takes time.”*
Christian Sporys, VP of International After-Sales Service, Bosch Thermotechnik GmbH
Looking to the Future
Bosch Thermotechnik GmbH is currently working with BCC to revamp call-center and field-service processes for Bosch Thermotechnik GmbH’s other brands across Europe (the company had recently completed an implementation for its Junkers, Sieger and IVT in Germany, as well as, Junkers and Buderus brands in Austria). These SAP Customer Relationship Management–based implementations will bring the benefits of enhanced and efficient service to a large segment of Bosch Thermotechnik GmbH’s European operations.

The Keys to Success
As the implementation progressed, the company realized the following tenets were key to the project’s success:

Achieve alignment early – Bosch Thermotechnik GmbH and BCC found that it was important to achieve alignment on requirements, expectations, and measurable targets early in the implementation. This helped ensure attainment of desired outcomes and the satisfaction of stakeholders, while minimizing change requests and containing costs.

Simplify the technology and organization – The implementation (incorporating new processes, advanced information technology, and change management requirements) was very complex. Bosch Thermotechnik GmbH and BCC focused on simplifying the implementation by (1) ensuring that roles and responsibilities were well defined; (2) establishing an effective organizational structure with appropriate levels of empowerment; (3) clearly communicating the plan and expectations to the field and other stakeholders; and (4) minimizing software customizations. Since many required functions were available in a new release of SAP CRM (which was implemented in a subsequent phase), Bosch Thermotechnik GmbH chose to wait for the new release rather than pursuing customized development of additional functionality.

Allow sufficient time – Given the project’s scope, and the need to establish more customer-centric operations, Bosch Thermotechnik GmbH and BCC found that it was important to allow enough time so that the targeted outcomes could be achieved. “The transition from a product orientation to a real customer orientation takes time,” says Christian Sporys, vice president of international after-sales service at Bosch Thermotechnik GmbH.

Leverage know-how of solution providers — Because BCC did not have all the requisite technical knowledge covering SAP Customer Relationship Management and other integrated solutions, it realized the importance of seeking professional advice from solution providers. However, for new implementations, BCC expects that it will be able to use the knowledge it has gained, thus minimizing costs and expediting these future projects. “We built up a lot of know-how regarding use of SAP Customer Relationship Management for this type of services-based process,” says Dörmer. “We’ll be able to transfer these competencies to other implementations, adding value for our clients.”

“We built up a lot of know-how regarding use of SAP Customer Relationship Management for this type of services-based process. We’ll be able to transfer these competencies to other implementations, adding value for our clients.”
Katja Dörmer, Marketing Manager,
Bosch Communication Center