DELIVERING A SUPERIOR CUSTOMER EXPERIENCE WITH A PERFECT ORDERING PROCESS

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EXECUTIVE SUMMARY

A high-quality product, a brilliant advertising campaign, top-notch customer service – none of this matters much if the customer's experience with your company is negative. Customer satisfaction is increasingly contingent upon the customer experience at each interaction, and a pivotal point is the ordering process. Companies that strive to deliver a superior customer experience are doomed to fail if that process is slow and inefficient, hinders customer decision making, or proves to be unreliable. The right order management software can not only eliminate negative experiences, but also enable your organization to successfully use the favorable customer experience as a differentiator in a crowded and competitive marketplace.

Improving the ordering process to deliver a perfect order can support the marketing message and eliminate unnecessary order inquiries and service requests, resulting in significantly improved customer experience.

LEVERAGE ORDER MANAGEMENT TO IMPROVE THE CUSTOMER EXPERIENCE

Customer experience is important, especially in tough times

The world economy is showing early signs of recovery, but businesses remain cautious given the continued uncertainty in the timing and speed of the recovery. The past few quarters have been extremely tough on companies across industries as revenues fell sharply, leading to intense competition for every customer. The challenges companies faced in retaining every customer have served as a reminder of the importance of the customer experience, especially in a recession. With significant cuts in R & D outlays and competitors willing to outdo each other in price and cost cuts, there is an opportunity for companies to differentiate on customer experience. Delivering a superior customer experience in a downturn is also important to build the mind share that can lead to accelerated growth in the upturn.

The ordering process is crucial to improve the customer experience, but is often ignored

Many companies attempting to offer a superior customer experience tend to focus on marketing and sales activities leading up to the purchase and on service activities after the purchase. Often ignored is the purchase experience itself. Deficiencies in the order process can lead to dilution of the marketing message and unnecessary (and costly) service interactions.

Why do companies neglect the ordering process in delivering an enriched customer experience? One reason is that some companies are still very product-centric in their outlook, which results in a focus on product design, product messaging, and product experience to the exclusion of the customer's overall experience with the company. Another reason is that companies have a narrow view of the customer experience that encompasses only sales and service interactions.
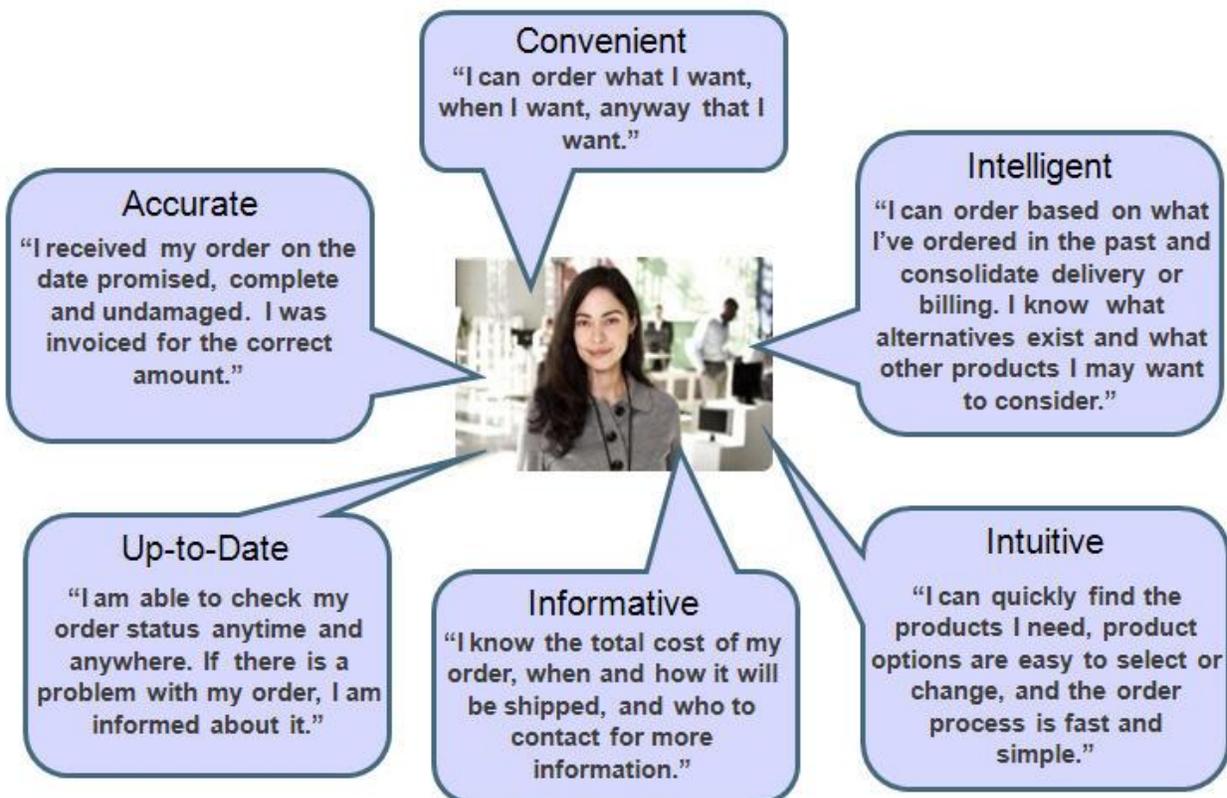
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CUSTOMER EXPERIENCE AS A STRATEGIC DIFFERENTIATOR

Classic strategy dictates that companies can compete on one of three dimensions: cost leadership (lowest cost producer of a product at a given quality); product leadership (the latest and greatest products); and customer intimacy (best understanding of customer's needs). Companies are increasingly choosing to differentiate on customer experience for two reasons. First, research shows that customer interactions and service experience are becoming more valuable to customers than either price or product. Second, there are several limitations in competing on product and cost, such as lax patent-infringement laws and the increasing ease by which competitors can offer similar products and match or compete on price.

Companies that choose to compete on customer experience need to begin by increasing their customer centricity. This requires switching from an inside-out to an outside-in view, looking at their business from the customer's perspective rather than from their own point of view. While conceptually simple, this can be very difficult in practice as it requires tearing down of silos created from departmental fiefdoms and mergers and acquisitions. In addition, companies that choose to compete on customer experience also need to simplify every customer interaction. The idea is to make it easy to do business with you – because customers can find and reach you quickly, interactions are streamlined and pleasant, and the customer's unique requirements are met.

Figure 1: The Perfect Order Experience – A Customer Perspective

Convenient
"I can order what I want, when I want, anyway that I want."

Accurate
"I received my order on the date promised, complete and undamaged. I was invoiced for the correct amount."

Intelligent
"I can order based on what I've ordered in the past and consolidate delivery or billing. I know what alternatives exist and what other products I may want to consider."

Up-to-Date
"I am able to check my order status anytime and anywhere. If there is a problem with my order, I am informed about it."

Informative
"I know the total cost of my order, when and how it will be shipped, and who to contact for more information."

Intuitive
"I can quickly find the products I need, product options are easy to select or change, and the order process is fast and simple."

COMMON ORDER ISSUES THAT IMPACT CUSTOMER EXPERIENCE

Companies that embark on delivering superior customer experience but ignore the ordering process are setting themselves up for failure if that process is slow, inefficient, unreliable, or lacking support for decision making – which is often the case. Thus, despite a strong marketing message and excellent customer service, the company is unable to create the intended differentiation. The minor impact of this flawed approach is high cost of operations, resulting from a large number of order fallouts, along with manual interventions and supply chain inefficiencies resulting from the need to create multiple order deliveries and carry additional emergency stock. The major impact is loss of market share through customer attrition and lack of referrals, as emerging channels such as social media make it easier for customers to share their experience and to cascade the effect.

Slow and Painful Ordering Process

Companies must make it easy to accurately capture the intent of the customer, including the products and options desired, contact information, and preference for payment and delivery. A major pain point for customers is the effort required to explain their intent. Common issues encountered by customers in the order capture process include:

- Providing the same information multiple times because information must be keyed into multiple systems that are unable to exchange data or pull information from past orders or existing customer data
- Not allowing capture of orders via the preferred channel or forcing the customer to enter or repeat information when switching from one channel to another
- Displaying inconsistent information and order data across channels (prices, for example)

- Inability to place nonstandard product orders electronically

Delayed Decision Making

Customers should have at their fingertips all relevant information needed for the decision-making process, including the delivery date and accurate price and sales tax information. Common order management issues that lead to delays in the ordering decision include:

- Inability to guide the customer in selecting the best product or offer for his or her individual needs
- Inability to confirm product and order availability
- Incomplete or estimated pricing of order items
- Inability to deliver quotes and proposals to customers via their preferred channel

The Suspense of Order Fulfillment

An order is a commitment to the customer to deliver a certain product or service at a certain place and price. The inability to meet this commitment has a negative impact on the customer experience, particularly when the customer has not been notified of such changes in advance. Order fulfillment is the area where many organizations struggle, leading to common problems such as:

- Lack of visibility on the customer's part into the fulfillment process: Where is the order? When will it arrive?
- Delivery of an incomplete order, the wrong product, or the right order but late
- Prices on invoices that are inconsistent with the price quoted to the customer

THE PERFECT ORDER TO DELIVER A SUPERIOR CUSTOMER EXPERIENCE

The right order management software can not only eliminate these negative experiences but also enable your organization to successfully use customer experience as a differentiator. Key features of such an application include integrated product catalog; guided selling; configure, price, and quote; and multichannel order management.

Integrated Product Catalog

It is imperative to offer an enterprise catalog that combines products and services sourced internally as well as from partners, and to tailor the offerings to reflect the specific needs of a customer or customer group. Integration of this enterprise catalog into the order management application allows you to offer a wide selection of products and services that can be ordered together, and to provide one-stop-shop convenience for your customers.

Guided Selling

Often customers do not have a clear sense of what products meet their needs. The guided selling functionality within an order management application can help customers narrow down their choices based on their individual needs, and can offer alternatives for evaluation as well as complementary products such as accessories or warranties that round off their purchases. These offers can be made through sales reps or through Web-based self-serve order applications. The product proposals made as part of guided selling can consider order context as well as order history to make highly relevant recommendations and offers to customers.

Configure, Price, Quote

Critical to the customer purchase decision is information on the features and functions of the products they are evaluating, detailed price information including taxes, and the ability to receive all this information as a quote or proposal in the preferred channel – Web, e-mail, fax, print, and EDI. This option requires a configuration engine that supports the exact customization desired by the customer, manages complex rules for available components, alters prices based on selected attributes, and offers a wizard-based interface to guide the customer through the configuration of highly complex products. Pricing functionality needs to accurately compute the prices and taxes applicable to the sale, factoring in any active campaigns and promotions for included products as well as negotiated prices and conditions detailed in customer contracts. The quote functionality enables delivery of all this information in an easy-to-understand format and compels the customer to make a purchase. A good configure, price, quote application can provide all information relevant for the customer purchase decision in a timely manner and help accelerate the sales cycle.

Multichannel Order Management

Customer channel preferences have resulted in the emergence of several new channels for interaction. Customers expect not only to initiate the order process using their preferred channel but to also seamlessly switch channels in the course of an interaction. An order management application should support all channels of customer interaction and offer a consistent view of prices and order information across channels, leading to improved customer satisfaction.

SAP offers a superior solution for order management that supports complete order processes through tight integration of functionality included within the SAP® ERP and SAP® Customer Relationship Management (SAP® CRM) applications.

THE SAP® SOLUTION

SAP is a proven leader in delivering solutions to support comprehensive business processes, including order management. SAP has expertise in more than 25 industries and has over 35 years of experience in helping organizations worldwide become best-run businesses. The SAP CRM and SAP ERP applications and the SAP NetWeaver® technology platform can deliver the functionality described here. Key features of the SAP offering for order management include:

- Enterprise product catalog integrated with order management

- Multichannel order management with support for Web, interaction center, sales staff, mobile, partners, and EDI

- Product proposals based on order history, marketing projects, top sellers, and product relationships

- Wizard-based UI for product configuration

- Robust pricing engine for accurate price and tax calculation for simple to complex pricing rules

- Sophisticated availability check for accurate estimation of product delivery for complex supply networks

- Timely and efficient fulfillment of orders for all order management styles, including make to stock (MTS), make to order (MTO), configure to order (CTO), and engineer to order (ETO)

- Service-oriented architecture enablement

Find Out More

To learn more about how SAP can help your company leverage order management to improve the customer experience, call your SAP representative today or visit us on online at www.sap.com.