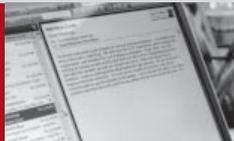




## **ASIAN PAINTS: THE CUSTOMER EXPERIENCE GETS A NEW LOOK WITH SAP® CRM**

### **BUSINESS TRANSFORMATION STUDY**



Asian Paints, partnering with SAP, transforms its processes to extend its brand and ensure long-term growth.

**asianpaints**





## **Highlights**

At a Glance	3
Key Challenges	5
Why SAP Was Selected	6
Implementation Process and Best Practices	7
Business Process Transformation and Value Realized	10
Future Road Map	12
Lessons Learned	13



# ASIAN PAINTS

## AT A GLANCE

### Profile

<b>Company</b>	Asian Paints Limited
<b>Location</b>	Mumbai, India
<b>Industry</b>	Consumer products
<b>Products/Services</b>	Paint and painting services
<b>Revenue</b>	US\$680 million
<b>Employees</b>	4,700
<b>Web Site</b>	<a href="http://www.asianpaints.com">www.asianpaints.com</a>
<b>SAP® Solutions and Services</b>	SAP® Customer Relationship Management application (lead and opportunity management, partner channel management, analytics functionality), SAP ERP application, SAP NetWeaver® platform, and Web Dynpro development environment (online ordering and accounting)

Asian Paints Limited, with annual revenues totaling US\$680 million, is India's largest paint company and the third-largest paint company in Asia today. The company has an enviable reputation in the corporate world for professionalism, fast-track growth, and customer-centricity. Asian Paints has offices in 22 countries, and its 30 paint manufacturing facilities service consumers in over 65 countries.

### Key Challenges

- Develop a direct link to the customer
- Standardize sales delivery processes used by Asian Paints Homes Solutions providers
- Institute an online ordering and accounting system for providers
- Implement a real-time reporting system for employees and business partners

### Why SAP Was Selected

- Ability to meet all criteria
- Integration of the SAP NetWeaver® Business Intelligence component
- Scalability
- SAP support

### Implementation Best Practices

- Pilot first
- Use a cross-functional project team of business and IT staff
- Implement a training program for end users
- Institute ongoing user support

### Financial and Strategic Benefits

- Targeted revenue of US\$8 million to \$10 million in 2006–2007
- Established direct sales channel to customers thanks to help from the home solutions business
- Built relationship with applicator community across 30,000 customer sites

### Operational Benefits

- Improved financial controls
- Realized the ability to scale business in 12 cities across India
- Gained online view of the business with optimized information flows
- Improved customer satisfaction





**“The implementation of SAP CRM gave Asian Paints greater visibility into all financial transactions during a job.”**

**“SAP CRM transformed our organization and allowed us to expand into the services business.”**

Deepak Bhosale  
Senior Manager, CRM Initiatives  
Asian Paints Limited

## KEY CHALLENGES

### A Fresh Approach to the Customer Experience

Asian Paints Limited, India's largest paint company, has a reputation for professionalism and fast-track growth. Customers are at the core of all Asian Paints business activities. A simple but unbeatable concept of "going where the customer is" drives all its major initiatives.

In 2001 Asian Paints executives realized that the firm's long-term growth depended on their ability to forge ever-closer ties to the end consumer. At the same time, the Asian Paints help line had received calls from these consumers expressing a need for a more complete solution to their home painting needs — and Asian Paints learned that they had demanding expectations when it came to service and overall project execution. But because the company sold its products through a network of dealers, it lacked visibility into the entire painting process and the needs of the homeowner. This situation prompted Asian Paints executives to explore ways to establish a more direct link to the end customer.

### Launching a Service Brand

With this in mind, Asian Paints made the decision to move from a strictly product-based manufacturing business to a services model. With the launch of Asian Paints Home Solutions, the firm would build a "service brand" by offering value-added services ranging from in-person color recommendations to feng shui consultations. The goal was to deliver an Asian Paints "signature look" through the use of specific color combinations and themes.

To achieve this goal, Asian Paints needed a scalable customer relationship management (CRM) system that could map the major business processes of Asian Paints Home Solutions and provide visibility into all customer interactions. First, it required state-of-the-art call center capabilities that would include activity management for customer calls and activity scheduling, as well as a lead management system that could prioritize and route leads for proper handling.

### Developing a Customized Solution

Standardizing the sales delivery processes and establishing financial controls would necessitate developing a custom solution. This solution required a secure Web interface enabling leads from the help line to be forwarded to a home solutions service provider for handling. This service provider might be an independent home painting firm or interior designer, for example, in the Asian Paints network.

The home solutions provider is responsible for using the system to perform all major tasks associated with a job: schedule appointments, record completion of site surveys, submit job estimates, order paints through Asian Paints dealers, record progress of jobs, invoice customers, and conduct customer satisfaction surveys. The new solution would allow both the provider and Asian Paints Home Solutions to view all customer interactions and financial information in real time. This same system would also provide updates on the status of marketing rewards programs.

In addition, robust reporting functionality was required to generate a variety of sales, lead, and activity analysis reports. This functionality would also be used to tabulate results of the customer surveys submitted at the completion of a job.



## WHY SAP WAS SELECTED

### Preparing for Growth

When the time came to select a new system, Asian Paints studied the functionality of the most recent release of the SAP® Customer Relationship Management (SAP CRM) application very carefully. The company was already using SAP solutions and had implemented SAP CRM in its existing call centers. Asian Paints determined that SAP CRM best met its criteria and opted to build on existing infrastructure.

Notably, total cost of ownership considerations did not play a major role in this decision. Asian Paints was building a new service business and realized that there would be attendant costs in creating a custom solution.

The custom solution was a separate project that would require integration with the basic CRM system. After considering other options, Asian Paints decided on the SAP NetWeaver® platform. The Web Dynpro development environment allowed for rapid application development as well as custom development of the user interface. And it would integrate seamlessly with SAP CRM.

The architecture called for the new solution, branded “project Tantra,” to retain the lead and opportunity management functionality of SAP CRM. Then, all process associated with sales delivery would be implemented through the custom solution.

Integration with the SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component was also a critical factor. Data from both SAP CRM and the custom solution would be uploaded to SAP NetWeaver BI to generate various reports.

Lastly, Asian Paints, as an existing SAP customer, realized that development of a custom solution would require the strong support that SAP could provide.



**“SAP CRM provided us with greater visibility into centralized customer data in real time.”**

Deepak Bhosale  
Senior Manager, CRM Initiatives  
Asian Paints Limited

# IMPLEMENTATION PROCESS AND BEST PRACTICES

## Deepening Ties with End Customers

In launching its new service business, Asian Paints’s key objective was to deepen its ties to the end consumer. As a result, the CRM system needed to offer visibility into all customer interactions and financial transactions. At the same time, this system would standardize business processes at each stage of a painting job. Thanks to the implementation of SAP CRM and the custom solution, processes were optimized in the following areas:

**Financial controls** – There is now greater transparency into all financial transactions from billing and collections to contractor–dealer payments.

**Sales delivery** – Asian Paints standardized the sales delivery processes to be followed by each provider. Since the sales delivery process can be lengthy, the system allows Asian Paints to monitor the quality of service its customers receive from the start of a project to its completion.

**Customer data management** – Asian Paints now has one centralized system for managing all customer data, which provides greater visibility into customer needs and is now available for use in campaign management and in the development of predictability models, among other activities. And because this data is available in real time, reports can be generated instantaneously.

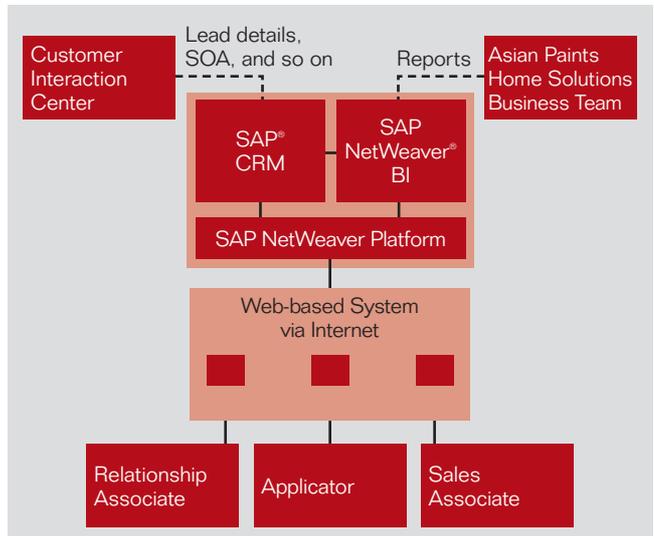


Figure 1: Tantra IT Landscape Snapshot

## Asian Paints IT Architecture

<b>SAP® Solution</b>	SAP® CRM application
<b>Projected Number of Users</b>	50 internal and 100 external
<b>Number of SAP Instances</b>	1
<b>Database</b>	Oracle
<b>Operating System</b>	Sun Solaris

**“As a result of our implementation of SAP CRM, we have improved process control and accounting transparency.”**

Aroop Chatterjee  
Group Brand Manager of Asian  
Paints Home Solutions and  
Interactive Marketing  
Asian Paints Limited

### **Getting the Job Done Quickly**

The implementation project launched in December 2001, and the first component, the interaction center, went live in April 2002. All other components including the custom solution were implemented by August 2002. The project team was comprised of both business and IT staff, ensuring that both business and technical requirements were addressed.

Close collaboration between Asian Paints and SAP resulted in adherence to tight schedules. The SAP Customer Competence Center location in Singapore developed prototype scenarios specific to Asian Paints, and SAP Labs made valuable contributions to the design and configuration of the custom solution.

A workshop on enterprise service-oriented architecture, held for IT staff, assisted Asian Paints in developing a blueprint of its custom solution as an extension of its existing infrastructure.

Two Asian Paints Home Solutions providers participated in a three-month pilot – an essential element of the project. Because many of the providers did not have strong computer skills, a simple, intuitive interface would be crucial for user adoption. The feedback received during the pilot was critical to the successful deployment of the solution and prevented delays when the system ultimately went live. The system initially went live in four major cities, and the remaining eight cities were added in early 2007.

**Ensuring Success Through Strong Governance**

Strong governance proved to be another key to success. Asian Paints established a review committee to conduct interim reviews at key stages of the deployment, which ensured that all major business and technical issues were addressed prior to rollout. Strong project management ensured that key milestones and the go-live date were met.

**Supporting Service Providers with Training and Tools**

Because the providers using the solution were not particularly proficient computer users, training was essential. Asian Paints organized an extensive training program consisting of classroom sessions that included training in basic computer skills and office applications, as well as in the use of the custom solution.

Since both the business processes and IT infrastructure were new to the providers, Asian Paints also established a provider support system. A front-line support person who is trained to field business questions handles initial queries. Questions of a technical nature are forwarded to an IT rep. The IT rep then replies to the front-line support person who, in turn, conveys the response to the provider. This support system ensures that any operational issues at the home solutions business level are addressed in a timely manner.

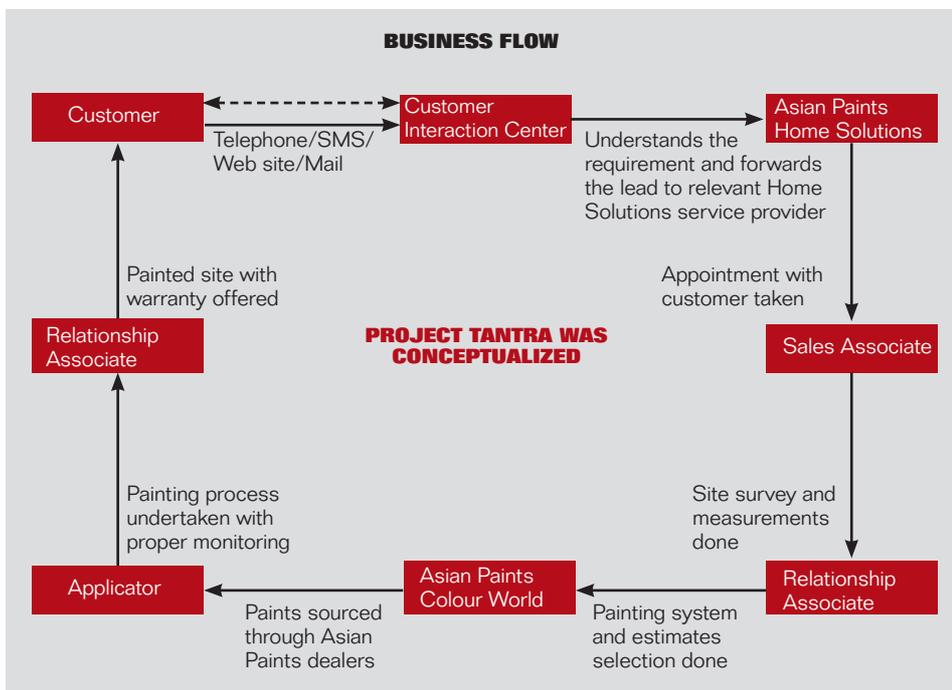


Figure 2: Business Flow

# BUSINESS PROCESS TRANSFORMATION AND VALUE REALIZED

## Moving Asian Paints Closer to Customers

Asian Paints has made clear gains in achieving its long-term goals, as follows.

**Faster customer acquisition** – The new online system for forwarding and following up on leads improved overall response times and reduced the time required to acquire new customers.

**Revenue** – In the four years since the implementation went live, 17,500 persons registered for Asian Paints Home Solutions consultations, and of these, 5,000 signed up for painting jobs. Targeted revenue for the period 2006–2007 is US\$8 million to \$10 million, and the company crossed the 30,000 mark in cumulative number of customers.

**Optimized visibility into customer needs** – The new solution gives Asian Paints greater visibility into all customer interactions. As a result, the company has gained a deeper understanding of the needs of its end customers and has tailored its service business to meet these needs.

**Scalability** – This new solution can accommodate Asian Paints’s continued growth well into the future. In fact, Asian Paints doubled the number of cities covered without modifications to the CRM system.



**“Asian Paints’s implementation of SAP CRM resulted in greater optimization of customer acquisition and retention activities.”**

Aroop Chatterjee  
Group Brand Manager of Asian Paints Home Solutions and Interactive Marketing  
Asian Paints Limited

### Optimizing Critical Processes

The implementation of SAP CRM enabled Asian Paints to establish a direct link to its end customers and to meet customers' need for a home painting service. The following table illustrates the processes that changed as a result of this implementation and the impact of these changes.

Process Area	Problems	After SAP® Software	Impact
Financial controls	Inability to monitor financial transactions between providers and customers or between providers and contractors	<ul style="list-style-type: none"> <li>▪ Ordering and accounting system used by all providers</li> <li>▪ Visibility into all financial transactions between providers and customers, and between providers and contractors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounting transparency</li> <li>▪ Optimized financial process controls</li> <li>▪ Improved data transparency</li> </ul>
Sales delivery	<ul style="list-style-type: none"> <li>▪ Lack of consistent sales delivery processes from lead and opportunity management to job estimating and scheduling</li> <li>▪ Lack of visibility into customer interactions</li> </ul>	<ul style="list-style-type: none"> <li>▪ The same sales delivery processes used by all providers</li> <li>▪ Improved visibility into all customer interactions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved customer satisfaction</li> <li>▪ Reduced time required to service customers</li> <li>▪ Created a direct channel to customer</li> <li>▪ Increased employee productivity</li> </ul>
Customer data management	<ul style="list-style-type: none"> <li>▪ Inability to collect and manage customer data</li> <li>▪ Inability to identify changing customer needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Centralized data management capabilities</li> <li>▪ Improved visibility into customer needs</li> <li>▪ Ability to profile customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved customer service</li> <li>▪ Improved customer acquisition and retention</li> </ul>

## FUTURE ROAD MAP

Through its implementation of SAP CRM, Asian Paints has established a direct link to its end customers, and put in place processes to ensure that their high expectations will be met. In an effort to realize an even greater return on its IT investment, Asian Paints used its SAP CRM infrastructure to develop an e-recruitment platform in 2006. This platform allows employment agencies to review openings and upload job candidate information, reducing the time required to fill open positions.

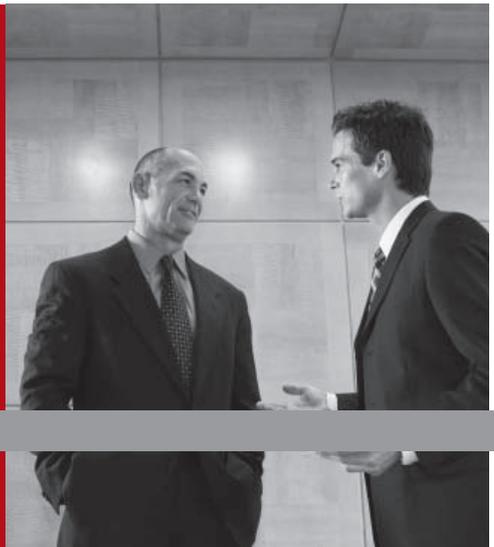
In the future, Asian Paints plans to leverage its SAP CRM investment in the following areas:

**Campaign management** – With improved customer intelligence, Asian Paints now plans targeted campaigns to its customers.

**New market segments** – Asian Paints plans to extend its CRM initiative to indirect customer influencers such as architects and interior designers.

**Complaint-handling system** – Asian Paints plans to develop a formal complaint-handling system to tackle customer problems with both service and paint.

By having selected a scalable system such as SAP CRM, Asian Paints has laid the foundation for its long-term growth.



## LESSONS LEARNED

SAP CRM enabled Asian Paints to build a service brand through Asian Paints Home Solutions. With its scalable CRM infrastructure, Asian Paints is poised to continue its expansion into the services market.

The following are the key takeaways from this implementation.

<b>Pilot first</b>	Piloting allows you to fine-tune the system and avoid delays during rollout.
<b>Create a blended IT and business team</b>	A cross-functional team ensures that business and technical requirements are addressed.
<b>Exercise strong governance</b>	A review committee ensures that goals at each stage of the implementation are met.
<b>Provide training and support</b>	<ul style="list-style-type: none"><li>▪ Extensive training is critical when end users have to learn a new system from scratch.</li><li>▪ Provide ongoing support to address both business and IT problems after the go-live date.</li></ul>
<b>Allow adequate deployment time</b>	CRM deployments involving custom solutions are time-intensive. Build sufficient time into your schedule.

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