



Philips Respironics GK: Helping Customers Breathe Easier with the SAP® CRM Rapid-Deployment Solution

In preparation for the launch of the Philips Medical Alert Service, aimed at helping senior citizens lead independent lives, Philips Respironics GK implemented the SAP® CRM rapid-deployment solution to **manage customer service from initial inquiries through invoicing and postsubscription support**. The system was up and running in just three months, meeting global and local requirements.

Executive overview

Company

Philips Respirationics GK

Headquarters

Tokyo, Japan

Industry

Life sciences

Products and Services

Hospital and home ventilators, respiratory assistance appliances, testing and treatment equipment for sleep apnea syndrome, and other products

Web Site

www.philips-respirationics.jp

BUSINESS TRANSFORMATION

The company's top objectives

- Build an IT system to support the Philips Medical Alert Service
- Integrate customer inquiry and information management related to the service

The resolution

- Integrated the SAP® Customer Relationship Management application (SAP CRM) with the existing SAP ERP application
- Distinguished standard-function from custom processes and followed best practices for an efficient implementation
- Established trust by sharing IT and business objectives with global headquarters

The key benefits

- Ability to manage customer information from initial inquiry, through shipping and invoicing
- Higher customer satisfaction with quick and precise responses to medical alerts
- Demand forecasting based on customer registration and inventory data

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TOP BENEFITS ACHIEVED

3 months

Implementation time for the SAP CRM rapid-deployment solution, thanks to standard functions

3 days

Postimplementation user training

1 day

Minimum processing time from service application to shipment

See more metrics ►



“In a changing healthcare market, our IT department is playing an important role in promoting innovation. Thanks to SAP Japan, we got our new SAP CRM system up and running in just three months.”

Shintaro Ozaki, Senior Manager of the New Home Healthcare Business, Philips Respirationics GK

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Future plans

Finding a CRM solution to help the elderly in an emergency

Japan has the fastest aging population among the world's developed countries. Higher rates of chronic disease, rising healthcare costs, and a shortage of caregivers have increased the demand for home healthcare services that support the independence of seniors. Part of Philips Electronics N.V., Philips Respirationics is one of the first companies to provide in-home medical equipment aimed at supporting an independent lifestyle for the elderly. With the Philips Medical Alert Service, elderly people living alone can contact a call center 24x7 in an emergency. Shintaro Ozaki, senior manager of the new home healthcare business, explains. "Our mission is to quickly respond to changes in the healthcare market. With this goal in mind, we launched this new service to help fill the gap between everyday living and healthcare needs."

The service provides a pendant with a sensor and a communication device. If the customer feels sick and presses the button or the pendant detects that a fall has occurred, the call center is automatically notified. The operator verifies the customer's health condition, evaluates the situation, calls family, doctors, and other listed contacts, and assists the fire department and hospital as needed.

But Philips Respirationics needed a CRM system that could provide the IT backbone required to manage customer information from subscription, pendant delivery and return, call center alerts, invoicing, support, and cancellation. Ozaki says, "To safely launch this new business-to-consumer model, which has many more users than our traditional business-to-business model, we needed a system to manage processes from the initial contact with the customer to the start of service."



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Meeting standard and custom needs with the rapid-deployment solution

After weighing several options, the Philips Respirationics chose the SAP® Customer Relationship Management application (SAP CRM). The primary draw was the ability to integrate with the existing SAP ERP application. Ozaki says, “The prospect of a simple and integrated system to manage everything from inquiries, ordering, inventory check, shipment, invoicing, and revenue receipt was in line with our needs.” The flexibility and scalability of SAP CRM was also a key factor as new business and market demands would continue to evolve.

SAP Japan, which joined the project as a trusted advisor, was selected for its deep understanding of sales behavior and requirements unique to Japan. “When a global company like ours localizes its system, there may be conflicts with headquarters over IT and business requirements. We felt that

SAP Japan was the only company that understood the policies on both sides and could make the optimal decisions,” says Ozaki. There was also close coordination with global headquarters to help ensure that both local and global requirements were addressed.

To streamline the implementation, processes that could run using standard templates were distinguished from those that required customization. Ozaki says, “The customized processes were linked, from response to a customer inquiry to the termination of service. Customized response history and customer information management were crucial.” For standard processes, the team leveraged the standard functionality of SAP CRM, which incorporates best practices, reducing the implementation period.

“We selected SAP CRM for its ability to integrate with SAP ERP. And SAP Japan was able to fill in the gaps between the needs of global headquarters and our local office.”

Shintaro Ozaki, Senior Manager of the New Home Healthcare Business, Philips Respirationics GK



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Improving customer satisfaction with faster orders and delivery

The smooth integration of SAP CRM with SAP ERP was key to achieving a streamlined customer and service management system; from inquiry to order, shipping, and invoicing. The time required to apply for the service by phone has been reduced and the time needed to ship the pendant and communication device is as fast as one day. With SAP CRM, the operator receiving the customer application call no longer needs to fill out a form and send it to the person in charge of ordering. In addition, the operator can now check inventory in real time, significantly accelerating the transaction.

“All the operators at our call centers can now see when the product was shipped and when payment was made for each invoice based on order information,” says Ozaki. “This has improved the efficiency of inquiry response, improving customer satisfaction. We expect to use the number of customer applications and inventory information to forecast demand in the future.”

KEY BENEFITS

3 months

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Growing the system to expand the business into the future

Philips Respironics plans to make the application process available online. More services will be promoted by linking the computer telephony integration (CTI) system and the medical alert system, which now run separately. Operational performance at the call centers is also on the list for enhancement to prepare for a future increase in service users. "We are going to improve the usability of the service by posting FAQs and tutorials on the Web, while accumulating inquiries and feedback from customers," says Ozaki.

Distribution channels will also be expanded through collaboration with business partners and a plan is being considered to deploy the system globally and leverage mobile technology. By increasing the efficiency of inventory check and ordering, sales activities can start targeting medical institutions. It is clear that IT will be at the heart of future business evolution and expansion.



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