

Dealer Management



Empowering Dealers

Empowering Dealers

360-Degree Customer View

Customer Loyalty

SAP Innovations

16%

Of organizations have a 360-degree view of customers to optimize customer interactions

Source: SAP Performance Benchmarking



The industrial equipment market is demanding that equipment suppliers transform themselves into total solution providers rather than just selling equipment to their customers. Manufacturers rely on their dealer networks to provide the end customer with complete solutions in accordance with local requirements. These complete solutions encompass service offerings as well as spare parts, which promise higher profit margins than the sale of original equipment – for a full equipment lifetime.

In the past, industrial customers simply purchased machines; today they are purchasing performance. Whether the consumption model is based on customers owning the original equipment while receiving service guarantees or paying for machine output with no equipment ownership, it is up to the dealer organization to maintain a profitable business.

What counts today is getting closer to the customers, understanding how they want to do business and meeting their needs. In addition, advanced service offerings like performance-based contracts can increase costs and erode

profit margins. Thus, service efficiency is not only the key to commercial success but also the market entry criterion for manufacturers and dealer networks who want to earn the customer's trust and command premium pricing.

Dealer organizations must meet these changing market demands with a 360-degree customer focus. All aspects of the business should emphasize meeting or exceeding customer requirements.

360-Degree Customer View

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Customer Loyalty

SAP Innovations

Mastering the dealer network business model means going above and beyond to make a true difference in the success of the end customers. Full visibility of the dealer's customer is critical to help ensure the level of service expected. Local regulations and regional preferences must be served to address the needs of end customers in their particular environments.

Manufacturers focus on product innovation, manufacturing efficiency, and supply chain optimization. Dealers, however, need a 360-degree customer view, which focuses exclusively on serving their customers' localized requirements. In addition to the original equipment, the true differentiation a dealer provides is a portfolio of value-added solutions.

Dealers must deliver original equipment, field service, and spare parts in a bundled solution. Additionally, dealers must offer advanced service contracts, extended service-level agreements, and highly responsive spare parts provisioning.

Having complete visibility of a customer's equipment history enables the dealer to create leads and opportunities for new products, plus highly profitable service and spare parts offerings.

SAP solutions for dealer management provide a 360-degree customer view, enabling dealers to deliver solution bundles of original equipment, field service, and spare parts.

Best-Run Industrial Machinery and Components



Long-Term Customer Loyalty

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SAP Innovations

To compensate for the shrinking profit margins associated with selling original equipment, dealers must focus on the more profitable service and spare parts solution bundles.

Smart dealer organizations seek long-term business relationships with their customers. When customers receive high value from differentiated solutions, they will remain loyal to the dealer.

Dealer management solutions from SAP drive tremendous benefits, including:

- Maximize competitive differentiation through a 360-degree customer view, including all sales-order and service information for equipment in the field.
- Expand long-term revenue streams across the entire product lifecycle, from equipment delivery and routine maintenance to repair orders and product retirement.
- Employ more efficient service execution processes to reduce overall operational costs for the dealer organization.
- Improve service parts availability, justifying premium charges for world-class fulfillment rates.
- Increase customer satisfaction and loyalty by providing support for end-to-end solutions.
- Optimize sales and distribution processes through tight coordination with the original equipment manufacturer to help ensure high on-time delivery performance.

5%

Higher on-time delivery performance for organizations that monitor production and supply in real-time across the supplier network

Source: SAP Performance Benchmarking



SAP Innovations

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The investment SAP has made in technology provides huge benefits for dealers in the industrial machinery and components industry. SAP software can help them compress sales cycle times for products and services by streamlining the quoting and selling of configurable products, services, and solutions. Dealers can minimize time to profit for new products and projects by maximizing efficiency in engineering, sourcing, manufacturing, and installation.

Big Data

With the SAP HANA platform, manufacturers can analyze business operations based on large volumes of detailed product and service information as it develops in real time. For a dealer, this means a complete 360-degree customer view in real time.

Mobile

SAP mobile apps enable key aspects of dealer operations to run faster and smoother by providing employees with access to critical information anytime, anywhere. Enterprise mobility is especially relevant for dealers while servicing customer equipment in the field.

Analytics

Analytics applications from SAP work with both SAP and heterogeneous enterprise applications and data sources to leverage proven best practices in the dealer network. They address a diverse set of industry-specific issues encountered by dealers across the complete spectrum of industrial equipment distribution networks.

Cloud

The cloud provides a new way to deliver extraordinary potential for dealers to run better and faster. The speed and flexibility offered by cloud computing is creating new opportunities for best-run industrial equipment dealers.



Improve Margins and Provide Solution Focus

Solution Overview

Equipment Business

Parts Fulfillment

Service Profitability

Aftermarket Service

Why SAP?



Equipment Sales and Order Fulfillment

Never miss a sales opportunity. Turn them into attractive and agile quotes and orders and stay ahead of the competition.



Parts Sales and Order Fulfillment

Be a reliable partner to your customers by delivering on time with high quality, while also achieving high margins.



Service Sales and Fulfillment

Keep current with customers' installed-base and leverage the full potential of serving them with planned and unplanned services.

Dealer Management

Solution Overview

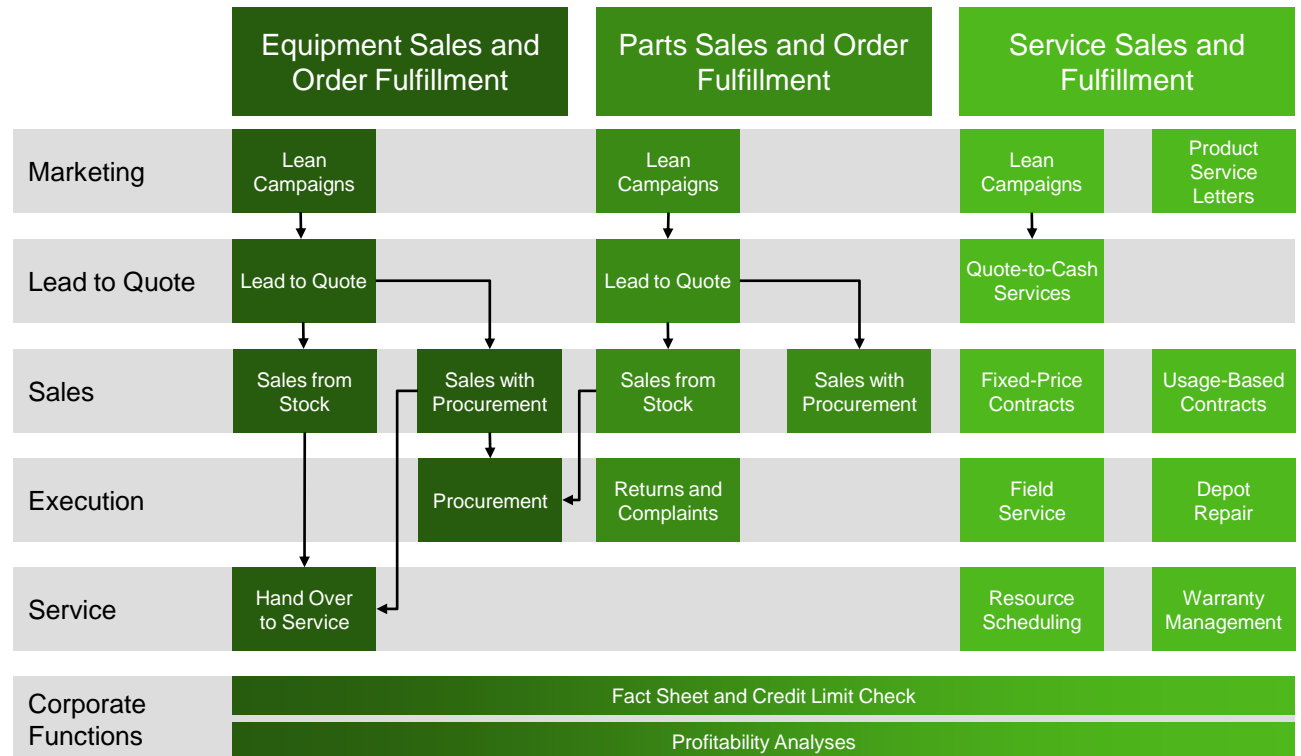
Equipment Business

Parts Fulfillment

Service Profitability

Aftermarket Service

Why SAP?



Proactively managing the dealer business builds sustainable relationships, driving higher margins and competitive differentiation.



Equipment Sales and Order Fulfillment

Solution Overview

Equipment Business

Capabilities

Benefits

SAP Innovations

Empower sales reps to best serve their customers, whether with new or used equipment in stock or units customized specifically to customer needs. Maintain tight ties with customers, from the initial sales leads down to installation. Then, hand the business over to dealer service and parts operations.



16%

Fewer days sales outstanding when real-time billing data is available to order fulfillment for promoting smooth integration

Source: SAP Performance Benchmarking

SAP solutions help dealers forecast and plan demand of new and used machines, whether they are standard stocked equipment or individually configured machines. They can optimize financial and sales processes to drive the service and spare parts business.

Sales and order fulfillment solutions help dealers respond to the changing needs of their customers with the most suitable solution options.

With a 360-degree customer focus, dealers can stay close to the market using campaigns and activity management to generate leads and opportunities. In a high-value industrial product sales cycle, accurate and reliable information helps ensure an accurate quote and a profitable order.



Profitability Across the Board with an Empowered Equipment Business

Solution Overview

Equipment Business

Capabilities

Benefits

SAP Innovations

41%

Lower order-receipt-to-ship days for organizations where key order management metrics can be analyzed across various dimensions

Source: SAP Performance Benchmarking

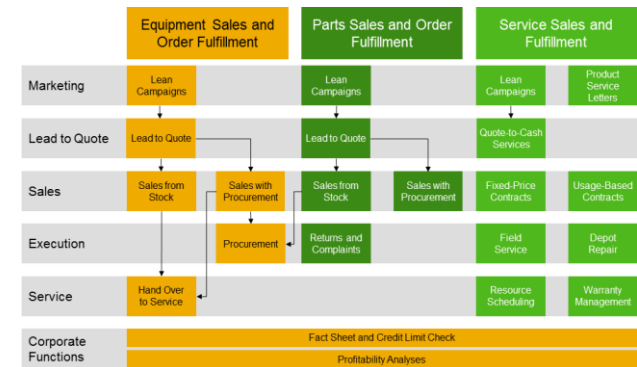
Using advanced functionality of SAP CRM software powered by SAP HANA, sales and marketing teams can launch marketing campaigns to derive leads and opportunities targeted at specific market segments.

Lead-to-quote processes enable dealers to work closely with customers, offering advanced equipment options with powerful functionality for quoting and configuration.

With sales functionality, dealer personnel can contractually close and deliver an order, whether from local stock or OEM back order, through complete integration to SAP solutions for logistics and finance.

Dealer networks can use procurement solutions to order original equipment with efficient planning and forecasting processes to have the right equipment in stock when customers need it.

Customer fact sheets provide a 360-degree customer view to dealer staff, with key information to drive better and faster decision making while improving customer service.



Service information is available for every installed-base machine in the field, enabling timely and efficient management of the spare parts and service businesses.

Managers can use analytics to review profitability from a variety of perspectives – by department, per customer, or even down to a specific piece of equipment.



Boost Win Rates and Increase Profitability

Solution Overview

Equipment Business

Capabilities

Benefits

SAP Innovations

Don't miss a single opportunity. Provide sales reps with complete visibility into all potential sales leads. When quoting equipment, rely on highly efficient and integrated processes to fulfill sales orders while maintaining the focus on profitability.



19%

Lower days sale outstanding when customer relationship management systems integrate smoothly with the contract-to-cash cycle

Source: SAP Performance Benchmarking

SAP solutions for dealer management bring equipment sales and order fulfillment to the next level.

Many dealer organizations suffer from an unstructured landscape of mature and non-integrated business functions. SAP solutions for dealer management combine marketing, sales, and fulfillment while remaining fully integrated and compliant with directives from corporate finance.

SAP provides the appropriate solutions to the dealer to address customers' key requirements and expectations. SAP also delivers the right tools for dealers to profitably quote and sell equipment.

The functionality offers an effective way to organize sales tasks and provide considerable incentive for the sales staff to make full use of the solution. The rich sales automation functionality encourages sales teams to enter all customer and prospect information and activities into the system.



Innovations for Equipment Sales and Order Fulfillment

Solution Overview

Equipment Business

Capabilities

Benefits

SAP Innovations

While SAP solutions for dealer management apply world-class business principles across the complete spectrum of end-customer requirements, technology innovations from SAP help ensure that dealer network organizations can respond with agility to customer requests.



24%

Higher operating margins where enterprise mobility is embedded in all business processes

Source: SAP Performance Benchmarking

Big Data

Gain immediate access to a 360-degree customer view, capturing all order, equipment, and fleet history. Instantly and effectively access data by leveraging **SAP HANA** to identify potential sales leads and opportunities.

Mobile

Accelerate sales and operations profitability anywhere, anytime. Increase the sales pipeline and close business faster by leveraging the Sybase Mobile Sales for SAP CRM application.

Analytics

Analyze sales, demand, and marketing data for the equipment business. Develop a consensus sales and operations plan across the dealer network. Apply sales analytics and dashboards for configurable products.



Parts Sales and Order Fulfillment

Solution Overview

Parts Fulfillment

Capabilities

Benefits

SAP Innovations

By leveraging SAP software for parts sales and order fulfillment, dealer network organizations can maximize aftermarket revenue and profitability. Delivering the right parts at the right time, helps ensure end customers' requirements are met or exceeded – typically providing high margins to the dealer.



73%

Lower order-receipt-to-release time when access to real-time order, delivery, and billing data is available to order fulfillment

Source: SAP Performance Benchmarking

In a multibranch dealer organization, each location needs to store the parts required for service fulfillment specific to the equipment it has sold. With parts sales and order fulfillment software from SAP, each dealer can leverage the integrated forecasting, planning, and procurement tools to optimize parts stock. The dealer can balance its required fulfillment capabilities against constraints on its capital expenditures for parts inventory.

Profitability can be enhanced by promoting service parts using campaigns focused on a selected target segment. Dealers can manage parts opportunities per customer or piece of equipment to deliver the right part with the right price to the right place at the right time. SAP solutions for materials management, logistics, and distribution, as well as warehouse management help ensure efficient and effective spare part sales and order fulfillment.



Precisely Targeted Spare Part Sales

Solution Overview

Parts Fulfillment

Capabilities

Benefits

SAP Innovations

14%

Of companies have mature functionality to leverage management dashboards for visibility into marketing and campaign planning

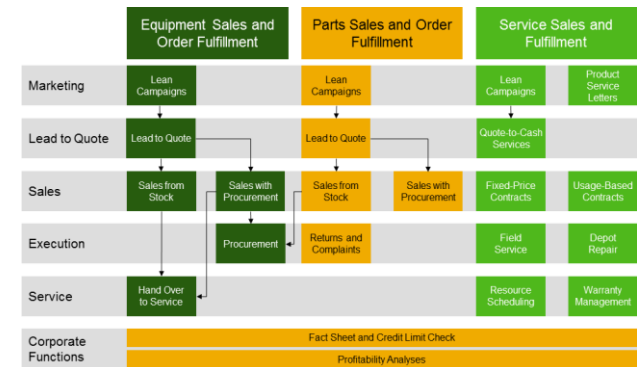
Source: SAP Performance Benchmarking

Dealers can leverage marketing campaigns to promote parts sales and take advantage of the complete database of installed equipment to provide the right offer at the right time.

By leveraging the lead and opportunity information available in the context of the specific customer and particular situation at hand, dealers can provide attractive quotes to keep customers coming back again and again.

Whether selling parts based on a customized quote or straight from stock, dealers can manage new, used, refurbished, or back-ordered parts. SAP software also provides advanced replenishment and procurement functionality for spare parts.

The quoting, ordering, and delivering of spare parts must be managed in a professional manner to help ensure equipment in the field performs as expected to keep customer loyalty high. The returns and complaints functionality helps quickly resolve any incorrect deliveries or quality problems to help ensure customer expectations are met or exceeded.



A 360-degree customer fact sheet allows the sales team to collect detailed information on service engagements, sales history, and credit limits to drive better decision making.

Spare parts cost and revenue data is analyzed to provide precise profitability reporting across a wide spectrum of variables.



Highly Valued Reliability

Solution Overview

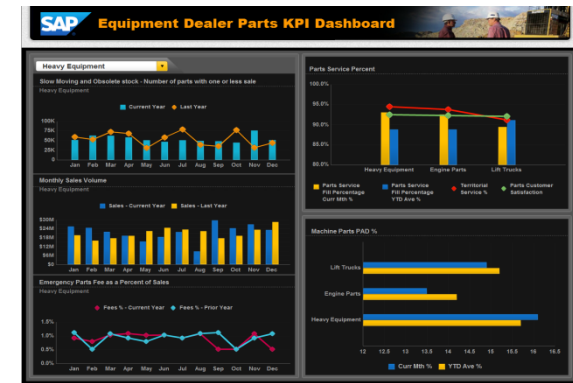
Parts Fulfillment

Capabilities

Benefits

SAP Innovations

Stay completely connected with the market by demonstrating reliability and giving end customers the confidence that the dealer network can deliver. With SAP software, dealers will have the right parts on hand when customers need them to assure the continued high performance of the equipment in the field.



7%

Higher customer satisfaction when customer profiles, preferences, permissions, and interaction history are maintained

Source: SAP Performance Benchmarking

Effective spare parts management processes help dealers foster a sustainable aftermarket value stream. Lead and opportunity management functionality in the software leverages installed-base data and customer history to help build larger sales pipelines for spare parts. Sales teams can focus on higher profit margins while also offering attractive customer incentives and discounts through advanced quote and order functionality.

Spare parts order-fulfillment functionality provides streamlined material management and shipping processes to increase customer satisfaction and loyalty levels. Since spare part sales typically offer higher profit margins than original equipment sales, a comprehensive aftermarket parts and service coverage model driving customer loyalty over the long term is critical to the overall financial success of the dealer network.



Innovative Parts Sales and Order Fulfillment

Solution Overview

Parts Fulfillment

Capabilities

Benefits

SAP Innovations

20%

Fewer days in inventory when users have the ability to drill down and analyze order execution results

Source: SAP Performance Benchmarking

High-volume, high-margin spare parts sales provides dealers with opportunities to stay extremely close to the individual requirements of their customers. SAP continuously pursues technological innovations in the area of parts and service delivery to help dealer network organizations seize these lucrative opportunities.

Big Data

Know customer needs for service parts, now and in the future, using predictive analytics functionality within SAP HANA software. It helps dealers anticipate customer problems before they happen and suggests parts to have available at the customer site before the customer even realizes the parts are required.

Mobile

Make effective decisions in real time with mobile access to key customer, equipment,



spare parts, and service information. With mobile solutions from SAP, field service technicians employed or contracted by the dealer can quickly and precisely order the right parts while at the point of use.

Analytics

With SAP software for price and margin management, dealers can improve profitability via insight into margin leakage, cost volatility, and price fluctuations.



Service Sales and Fulfillment

Solution Overview

Service Profitability

Capabilities

Benefits

SAP Innovations

Aftermarket service is considered to be both the most profitable and the most promising line of business for equipment dealers. With dealer management functionality from SAP solutions, dealers can turn this promise into reality by driving new revenue streams to increase profitability and maintain long-term customer retention.

Superior service management starts the moment the original equipment is shipped to the customer. The dealer must have all service-relevant data available on day one to proactively build leads and opportunities for future service contracts or extended warranties.

While the original equipment is being operated by the customer in the field, the dealer needs to be ready to answer any performance-related questions or address any quality issues that arise.



Lead and opportunity management tools can help dealers build the service order pipeline to generate future commissions and maintain margins, while service management functionality helps dealers build their installed-base equipment expertise and develop deep knowledge of each customer situation.

Order fulfillment solutions help dealers remain responsive to customer needs with the agility needed to provide the right service, parts, repair, refurbishment, or equipment exchange at the right time.



Complete Service Experience – A Turnkey Customer Solution

Solution Overview

Service Profitability

Capabilities

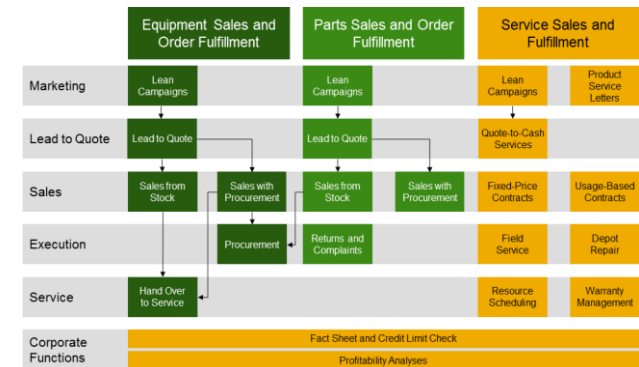
Benefits

SAP Innovations

SAP solutions for dealer management allow dealers to drive campaigns designed to persuade customers to work with them as close partners. These campaigns can automatically funnel leads into quotes, where service sales representatives can work out the best options with their customers, whether in the form of fixed-price contracts, usage-based contracts, or even a one-time maintenance order.

By combining excellent service with excellent parts, dealers can meet or exceed customer expectations regardless of whether the contract is fixed-priced or performance-based.

Whether service is delivered in the field at a customer site, at a dealer facility, or even back at the original manufacturing facility, SAP software provides strong support for segmented service orders, cost and revenue splitting, warranty and claim management, service technician scheduling, service billing and invoicing, and complaint management.



Service management functionality can help elevate dealers to the level of best-in-class service providers in the eyes of their customers.

Service sales and fulfillment processes help dealers increase customer service levels by enabling them to leverage a complete 360-degree view of all customer, equipment, parts, and service information.



Long-Term Customer Loyalty Built on the Service Experience

Solution Overview

Service Profitability

Capabilities

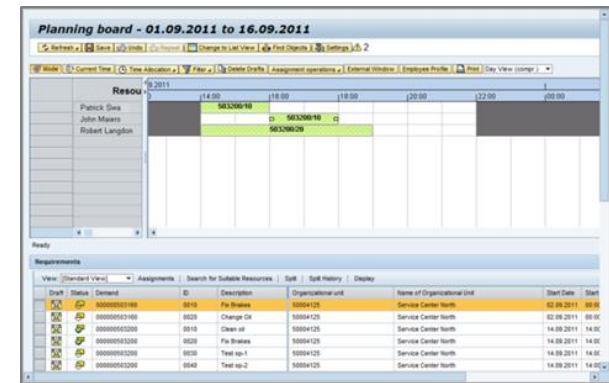
Benefits

SAP Innovations

SAP solutions for equipment dealer management can help dealers maintain revenue flow from sustainable, long-term business relationships with their customers. Differentiating in service is a necessary condition for dealer success in the wider business of equipment and parts sales.

The highly effective service delivery mechanisms of SAP software for equipment dealer management can help make the dealer's network organizations highly profitable. Combining effective service campaigns with lead and opportunity management functionality helps drive both the predictability and profitability of the service line of business.

To help customers keep equipment running at peak performance with predictable costs, dealers



can offer highly attractive, comprehensive service contracts that go far beyond basic service offerings.

SAP provides strong service operation processes to efficiently leverage dealer resources, including those for qualified technicians, reliable tools, and service-fleet vehicles. The SAP Multiresource Scheduling application helps dealers excel in providing precise, well-qualified service to their customers when they need it and where they need it.



Innovations for Service Sales and Fulfillment

Solution Overview

Service Profitability

Capabilities

Benefits

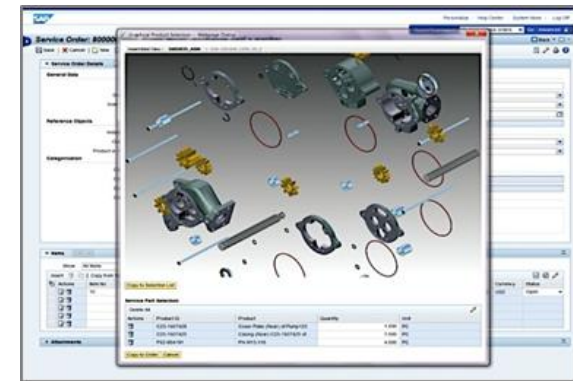
SAP Innovations

40%

Higher employee productivity where mobile access is provided to employees across all levels

Source: SAP Performance Benchmarking

Customers demand that their equipment performs on the very edge of what it is capable of delivering, often in rough and inhospitable environments. SAP drives innovations that help dealers enable their customers to keep the cost of operating the equipment low and the risk of equipment failure or breakdown to a minimum.



Big Data

Employ predictive analytics functionality, available with SAP HANA, to help service professionals discover potential breakdowns before they happen.

SAP 3D Visual Enterprise Applications

Provide service reps with interactive 3-D visualization of equipment assembly. Improve first-time fix rate with 3-D animation of repair and maintenance procedures. Enhance clarity of technical documentation. Eliminate distribution of sensitive design documents.

Mobile

Provide all relevant service order information via the SAP CRM Service Manager mobile app. Streamline communications between field service technicians and office service representatives. Decrease inventory carrying costs and shorten service billing cycles through point-of-use service parts and invoicing functionality.



Aftermarket Service Value Map

Solution Overview

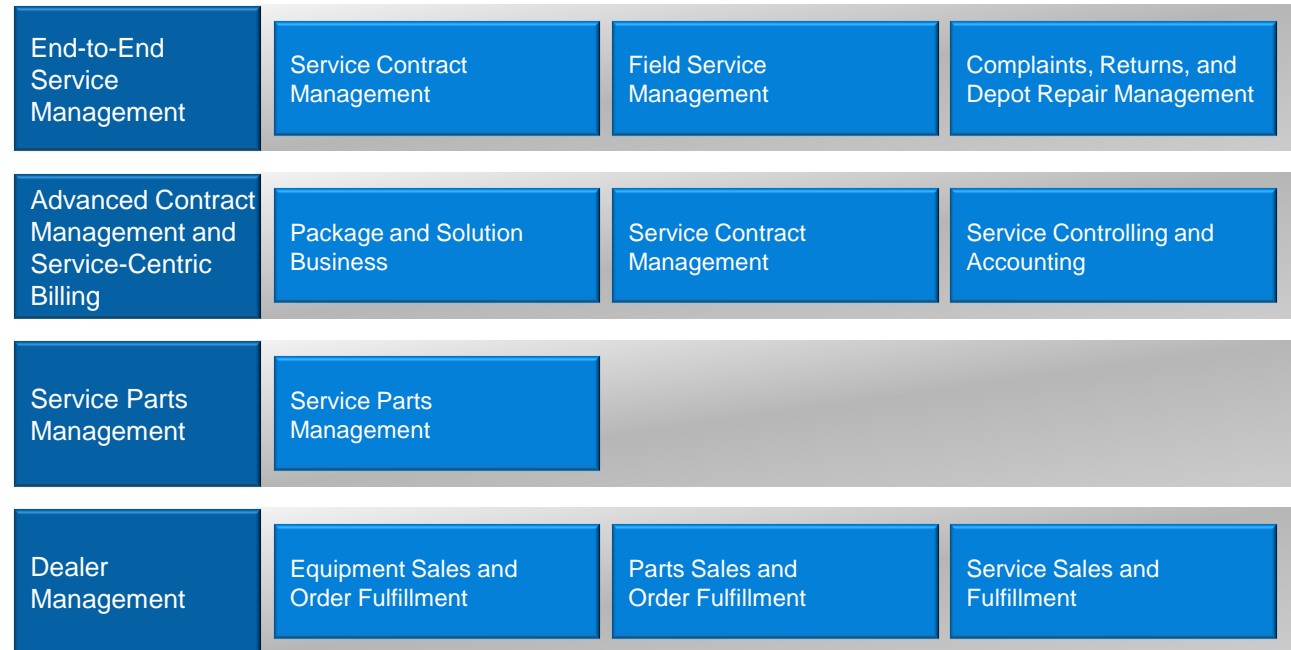
Equipment Business

Parts Fulfillment

Service Profitability

Aftermarket Service

Why SAP?



Equipment dealer management empowers dealers.



Why SAP?

Solution Overview

Equipment Business

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Aftermarket Service

Why SAP?

SAP software helps dealers drive value not only at the time of initial sale but also along the entire equipment lifecycle.

Helping to ensure that the original equipment manufacturers, dealers, and end customers are tightly integrated is the clear value proposition of the dealer management solutions from SAP.

A Complete Dealer Business Solution

Sell or lease original equipment and increase aftermarket service and parts revenue by triggering leads, opportunities, quotes, and orders instantly to better manage the end-to-end equipment lifecycle and increase end-customer loyalty.

Innovation Drives Differentiation

Completely visualize and understand the customer landscape and predict critical situations. Differentiate from the competition by providing a complete solution for original equipment, spare parts, and service.

Empowered Dealer Integration

Help facilitate the complete alignment of original equipment manufacturers, dealer networks, and end customers by leveraging SAP solutions for quoting, selling, and fulfilling equipment, service, and spare parts as well as functionality for managing warranty claims and returns.



Find Out More About How Your Organization Can Become Best-Run

Benchmark Your Performance

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