



The customer as a partner:

The customer process as a central component of the business strategy

Nowadays, business ideas only enable companies to differentiate themselves from the competition in the short term – before their advantages are copied. Nevertheless, some companies are more successful than others, even though their products barely seem to differ from others at first glance. Yet closer inspection reveals that successful companies pursue more intelligent implementation strategies. These companies continually expand their partnership with customers by collecting detailed information about their specific problems and solving these with made-to-measure IT applications.

In the past few years, cutting-edge information and communication technologies have fundamentally changed the rules of business. Today, customers expect their suppliers to provide tailored products and services that are available around the world 24x7. Therefore, in addition to traditional evaluation criteria such as product quality, customers are primarily interested in the benefits that companies offer them in terms of solving their problems. This change has far-reaching consequences. “The customer process is becoming a central component of the business strategy, implementation of which is the responsibility of top management and in particular the CEO,” explains Professor Hubert Österle, Director of the Institute for Information Systems at the University of St. Gallen, Switzerland. The CEO is faced with the challenge of weighing up the opportunities and risks, developing a business model, and implementing it consistently.

Simpler communication with suppliers

There are two key questions: What are the challenges involved in the business relationship with the customer? And which products and services can be used to meet these challenges? The answers may differ greatly depending on the sector and the product. In all cases, however, they must lead to the same goal – simplifying the processes involved when customers communicate with their suppliers.

The customer service division of Heidelberger Druckmaschinen shows how this might look in practice. The machines from the leading solutions provider for the print media industry use an online connection to automatically report any errors to the service center. As part of a “proactive service”, the Heidelberg maintenance team can react quickly and intervene proactively to prevent malfunctions from becoming a problem and perhaps causing production downtime. The success of this strategy shows that it is not only the printing technology offered that is crucial for the customer but, above all, control of the entire customer process.

Process innovation as a differentiation factor

Heidelberger Druckmaschinen is one company that has transformed itself from a manufacturer into a problem solver. To achieve this, it is now more important to create innovative business models than innovative products. This is corroborated by the results of the “Business 2010” study conducted for SAP in 2005 by the Economist Intelligence Unit (EIU), a London-based business institute. According to the study, companies believe that, above all, the manner in which they interact with customers will change significantly in the next five years. The focus will be on integrating customers seamlessly into the company’s own business processes – involving everything from product design and customer service to production and distribution.

This situation increases the requirements placed on information technology. Since a company is ideally responsible for the entire customer process, it is not only a matter of systematizing, evaluating, and strategically utilizing the required customer knowledge. Cooperation partners often have to be integrated into the business process, because the company responsible for the process is unable – on its own – to supply the one-stop solutions that customers are looking for.



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This transformation process is enabled and supported by IT hardware and software. In other words, customer-specific solutions can only be managed effectively when IT is used to combine internal and external products and services into a complete offering that is available via electronic channels around the globe and around the clock. IT also shortens process times through work-flow-controlled automation of multiple work steps and therefore makes a significant contribution to cost reduction.

Business process platform for integrated processes

This is all very well in theory. In practice, however, heterogeneous system landscapes with stand-alone solutions and manual interfaces often hinder the development of integrated processes and flexible adaptation to new customer requirements. For this reason, almost all the major software companies are strongly committed to developing business process platforms that break through these structures. Companies can reach a new level of flexibility and performance in their IT through the SAP NetWeaver® platform and the enterprise service-oriented architecture (enterprise SOA). IT makes important information about customers, products, and suppliers globally available for the customer process, for example, and allows it to be used for analytical reports, content management systems, or service portals.

In this article, you will find out ...

- Why focusing on the customer's processes boosts the success of future business models
- Why business model innovations are becoming more important than product innovations
- How you can increase the value of your customers systematically
- Which barriers to implementation have to be overcome
- How business platforms support you in the customer process

Even more important than the possibilities for technical integration is the strategic potential that can be tapped using a business process platform. This enables companies to combine autonomous software components with one another in virtually any way required in order to map new customer processes quickly and cost-effectively and thereby gain a crucial advantage. Their business models are no longer limited to the possibilities of an existing system landscape, but can be extended or changed more or less as required without extensive programming.

The flexibility and openness of IT is a must for companies that want to make the transition from product supplier to problem solver. Nevertheless, many customer-specific business models do not get out of the starting blocks because management does not promote the use of IT adequately. Experience shows that any company is only ever as customer-oriented as its CEO. If the CEO firmly establishes IT as part of the company's business strategy and performance evaluation, change potential can be unlocked to create innovations in the customer process. IT is indispensable as a means of strengthening existing business intelligence and enabling companies to solve customer problems more effectively than their competitors.