

## SAP Customer Success Story

**“The valuable customer feedback that we can now report and analyze from mySAP CRM and SAP BW allows us to recognize quality issues and take corrective action sooner to reduce returns and customer calls, and improve our customer satisfaction.”**

Charles Stadler, Vice President of National Service, Brother International Corp.



### AT A GLANCE

#### Company Name

Brother International Corp.  
United States  
www.brother.com

#### Industry

Office machinery and products

#### Key Challenges

- Improve ability to manage and use massive amount of customer data residing in disconnected databases
- Improve call-center operations to ensure customer satisfaction

#### Implementation Partner

SAP

#### Solution and Services

- mySAP™ Customer Relationship Management
- SAP® Business Information Warehouse (now available in SAP Business Intelligence, a component in the SAP NetWeaver™ platform)

#### Existing Environment

SAP R/3®

#### Implementation Highlights

- Used SAP rapid implementation methodology (ASAP)
- Migrated data involving 330,000 customers

#### Key Benefits

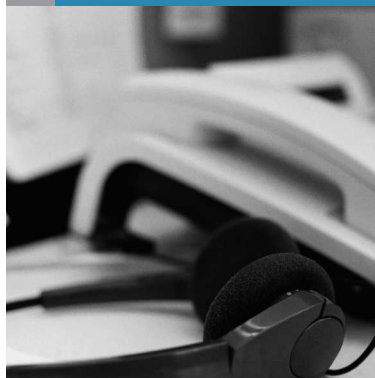
- Ability to generate campaigns quickly
- Reduced rate of returns / substantial cost savings
- Improved interactions with customers / greater customer satisfaction
- Rapid return on investment
- More efficient customer-service processes / streamlined complaint management
- Reduction in call-center training time
- Less stress on employees
- Lower IT maintenance costs

#### Hardware

Sun

#### Operating System

Solaris



## BROTHER INTERNATIONAL CORP.

### BROTHER DEPLOYS mySAP™ CUSTOMER RELATIONSHIP MANAGEMENT TO ENHANCE CUSTOMER RELATIONS

Despite having amassed mountains of data on millions of end consumers, Brother International Corp. knew little about its clientele. For example, the company's call centers experience extremely high call volumes – some 1.8 million inbound calls annually – but Brother could not effectively use the data from such calls. In addition, a slew of stand-alone databases held customer information, which resulted in inconsistent responses to customer requests and complaints.

In order to enhance customer relationships, the company deployed mySAP™ Customer Relationship Management (mySAP CRM) and SAP® Business Information Warehouse (SAP BW), a component that is now found in SAP Business Intelligence. With the SAP solution, Brother can track and analyze huge amounts of customer data, and provide internal and remote workers with uniform access to corporate presentations, reports, and critical customer information.

“The valuable customer feedback that we can now report and analyze from mySAP CRM and SAP BW allows us to recognize quality issues and take corrective action sooner to reduce returns and customer calls, and improve our customer satisfaction,” says Charles Stadler, vice president of national service at Brother.



## **A HIGHLY INTEGRATED CRM SOLUTION**

Bridgewater, N.J.-based Brother International Corporation is the 1,100-employee Americas subsidiary of Nagoya, Japan-based Brother Industries Ltd., with revenues in excess of \$1 billion. The company sells printers, faxes, and multifunction products to consumers and corporations that outfit mobile workers, and branch, home, back, and field offices. Brother sells products through mass merchandisers, dealers, distributors, retailers, resellers, and office superstores, but takes responsibility for after-sale customer contacts.

The company's commercial division competes with several large brands for commercial office business. The U.S. subsidiary's Business Machine Group (BMG) generates 70% of company revenues. Some 300 Brother employees work in customer-contact centers in the firm's National Service Division (NSD), which provides service to customers and resellers and manages Brother's parts-distribution, return, and customer-contact centers.

Competing in a market with slim margins and fragile customer loyalty, Brother must deliver technologically innovative products and superior service, which requires keen insights into customer data. The company also has to provide customers with access to the same data, whether they contacted the company via e-mail, phone, fax, or self-service Internet applications.

## **MULTIPHASED CRM PROJECT**

Before implementing SAP, Brother had unhappy customers because call-center agents (who were fielding 140,000 end-user calls monthly, 20% of which were repeat calls) could not retrieve records of original calls. The company spent millions annually on customer service but call-center inefficiencies resulted in a higher percentage of product returns than the 12% industry average.

In addition, the company's online BrotherMall Web site, which sold accessories not stocked in retail stores, was disconnected from the billing system. "We were taking the order by e-mail, entering it into SAP R/3®, then doing batch credit-card checking after the fact," says Dean Shulman, Brother's senior vice president.

Brother decided to deploy a multiphased CRM project across several organizational areas, including customer service, technical

### **"The SAP implementation is stable and it works."**

**Tony Serignese, MIS Director, Head of Project Team,  
Brother International Corp.**

support, parts distribution, and returns. The system would replace separate accounting, e-mail, call-center, and knowledge-base software systems and databases, and integrate easily with SAP R/3, which the company deployed in 1997.

Brother needed an integrated CRM and business-intelligence solution to deliver critical inventory and order-status data. It also had to support call logging, retrieval of customer data, accessing a solution database for consistent responses and improved service quality, up-selling and cross-selling efforts, and a universal approach across all divisions that would, for example, use the same customer number to track customer calls and product data.

mySAP CRM was an obvious fit. "Everything else at the time was a bolt-on, and the SAP e-business platform would give us an integrated solution," says Shulman.

Employing a modified version of ASAP, the SAP rapid implementation methodology, Brother began a phased, \$1.7 million deployment of mySAP CRM and SAP BW in January 2001. Joy Applebaum, director of parts operations and Tony Serignese, MIS director, headed the project team, which migrated data involving 330,000 customers from SAP R/3 and other third-party and legacy systems into mySAP CRM and SAP BW.

In June and July of 2001, Brother deployed SAP BW, mySAP CRM campaign-management capabilities, a solution database for internal use, and capabilities for inbound e-mail management. In September, the company automated its first 25-user call center; and then Brother went live with the remaining call centers over the next three months, completing the rollout in December. The company now manages four call centers in North America with 180 agents.

SAP consultants helped Brother deploy mySAP CRM on time and within budget. "Nobody could come close to SAP as a partner experienced with mySAP CRM in a production environment," says Serignese.

#### **MEASURABLE FINANCIAL AND OPERATIONAL BENEFITS**

Brother attained measurable financial benefits and longer-term operational and strategic results from mySAP CRM. Industry reports anticipated a 129% return on Brother's mySAP CRM investment, with the company achieving most of the benefits from reducing returns and improving operational efficiency. Between 2001 and 2002, the rate of product returns dropped, while the number of units shipped increased. For each 25% reduction in returns, Brother saves more than \$1.6 million annually.

Campaign-management efficiencies are impressive. While the old process required several days to generate one campaign, users can now execute a campaign within two hours, perform several mail campaigns per week with fewer resources, generate reports on quantities and types of products sold during a specific campaign, and attain better leads. Brother reduced the cost of each campaign by \$4,400 and eliminated contact errors by using a single customer database.

The company also improved customer interactions by providing a single, uniform view of the customer, and standardized service through all customer touch points. Customers can register products themselves via the Internet, with such data automatically feeding into mySAP CRM. That way, agents have immediate access to records if customers call later.

Self-service Web access will let Brother cut the time needed to service end users and dealers by 40% and 50%, respectively, for respective savings of \$1.80 and \$3.50 per call processed, and up to \$10 per call for each swap. The average time spent on calls dropped by 23% from 2001 to 2002, while such time increased in the industry as a whole. The volume of commercial service calls to the call center decreased from 1.84 million in 2001 to 1.57 million in 2002, saving \$700,000, while e-mails increased from 106,000 to 152,000 in the same time frame.

Internally, Brother reduced the number of customer-service reps by 10% in 2002, and mySAP CRM's ease of use helped cut call-center training time from six weeks to five weeks. mySAP CRM helped improve how call-center agents perform tasks such as real-time credit-card validations during customer calls. "If Brother can cut \$0.25 from each of the 140,000 monthly incoming calls, it will save close to \$500,000 per year," says Shulman.

The company also enhanced customer-service jobs. "It is important to reduce and eliminate employee stress levels by letting customer-service representatives have the correct answers at their fingertips," says Charles Stadler, NSD vice president.

Brother streamlined complaint management by standardizing the processes involved: from receipt of the complaint, to coding and categorizing of the complaint, through to the response. A set workflow ensures that the appropriate employees receive complaint data. mySAP CRM also generates a monthly report detailing all complaints and associated resolution efforts.

On the sales side, Brother increased sales without adding personnel. The integration of mySAP CRM with SAP R/3 let Brother establish a centralized product-catalog database and a centralized method for documenting and monitoring sales activities with business partners. Contact- and opportunity-management capabilities will enable Brother to synchronize internal sales staff, Brother field sales reps, and dealers to help complete sales. Mobile-sales functionality of CRM is currently in a pilot project.

IT benefits include dramatically lower maintenance costs, as capabilities for inbound e-mail management let the company eliminate another system for e-mail management and integrate e-mail data into the centralized SAP R/3 database. Such results mean Brother can expend 75% of resources on new development and 25% on support, instead of vice versa.

"The SAP implementation is stable and it works," says Serignese.

## PLANNING AHEAD

Brother plans to deploy the Internet-sales capabilities of mySAP CRM to replace its BrotherMall site. "Top executives were impressed with how mySAP CRM Internet sales could replicate the current site with added functionality," says Dennis Upton, Brother's CIO.

The company will also implement telemarketing and mobile-sales capabilities and provide Internet access for dealers. This will allow distributors to input leads into the system, while sales reps can use mySAP CRM to schedule appointments.

With all that Brother has accomplished, Shulman believes the company has only begun to realize the solution's potential. "We're probably the most advanced of any mySAP CRM user," he says, "but on a scale of 1 to 10, we're at level 5."