WORLDWIDE MARKETING AND FIELD SALES CONTROL AT VORWERK

Integrated SAP® solution supports direct marketing.

THE CLIENT

The cliché of the vacuum cleaner sales-man no longer holds true these days. Since its foundation in 1983 and the beginning of direct marketing for the cleaning system Kobold 1930, Vorwerk & Co. KG has become the third largest direct marketing company worldwide. The international family-owned business not only operates Kobold Systems, but also sells the food processor Thermomix, the ironing system Feelina as well as fitted kitchens. The household appliances are exclusively sold via door-to-door distribution. Each of these product sectors is organised independently and has its own sales organisation. Furthermore, the Vorwerk companies Jafra Cosmetics and Lux Asia Pacific sell their products via direct marketing.

Today, the group employs approx. 578.000 people in more than 60 countries. Alone the Kobold Systems Divisions, including Fitted Kitchens, Thermomix and Ironing Systems, employ around 5.000 employees and approx. 26.000 sales consultants.

Direct marketing is the main pillar of the company. The "Household Appliances" division manages a total of over 4 million customers. In 2010, the largest division, Kobold Systems, celebrated its 80th anniversary and the sale of approx. 100 million Kobold units.

With direct marketing companies in 14 countries and four household appliance categories and divisions, control and coordination is very time-consuming at Vorwerk, both internally and in the field. Alone in the over 120 decentralised regional offices and service centres of Kobold Systems Germany, more than 600 users support around 4.000 sales consultants. Not least, Vorwerk´s claim to build a lifelong emotional relationship with its customers places high demands on the entire organisation and all business processes. Expert and customer information must be stored, controlling data must be accessible and the systems must enable a target-group appropriate approach.

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THE CHALLENGE

The Vorwerk Group decided to use an in-house standard for the overall processing of its core business within the international sales companies. The idea was to create a central application system that could be introduced progressively in all 14 sales companies. Vorwerk opted for the SAP® products R/3®, BW and CRM as a technical platform and chose Syskoplan Reply as its development partner. The planned CRM system was to cover both internal marketing control (including an expansion of accounts payable) as well as the setup of a call centre for sales consultants and customers.

A major task was the optimisation of marketing control which at Vorwerk encompasses all processes in connection with Vorwerk consultants. This includes the establishment and evaluation of marketing hierarchies, the administration of prospects and consultants as well as sales processing in direct marketing. It further covers the commission management system which involves determining commission, managing income accounts and, last but not least, the payment process.

THE SOLUTION

Vorwerk started the VISSION project: "Vorwerk International Solution for Sales and Integrated Order Processing". The marketing and field sales control is one part of the entire project. Other aspects are order processing and Customer Services. In particular, the Syskoplan Reply concept for calculating the amount of the commission has prevailed as a major component in marketing control. It is now transparent, easy to comprehend and in real time.

The commission management system uses many SAP® R/3® standard functions. In addition, the system was also integrated into the SAP® CRM system in which the sales structures and relevant processes were mapped for the consultants (marketing staff) in the Customer Interaction Centre (CIC). It provides Vorwerk staff with a complete view of the consultant, including contact history, irrespective of their role.
Data is immediately captured in the system via the CRM and replicated in SAP R/3® for invoicing the commission. This means that reactions can occur in real time. A decision tree technology (Syskoplan Reply Decision Tree) developed for use in the sales consultant CIC, the use of condition techniques in SD, as well as adjustable functions ensure flexibility. The SAP® components Organisation Management, Business Partners and CIC are mainly used. Overall a flexible set of rules with SAP® standard functions has been created. This also includes the process flows of the proprietary developments of Syskoplan Reply integrated into SAP® R/3® and

SAP® CRM, which take into account the special requirements of Vorwerk direct marketing.

THE BENEFIT

Syskoplan Reply was significantly involved in the development of the international core architecture and supported Vorwerk, as the first international company focussed on direct marketing to implement an infrastructure based entirely on SAP® systems. The developed software package was successfully introduced at Vorwerk International Switzerland, Thermomix and Ironing Systems Germany as well as Kobold and Thermomix France. The successful go-live of the largest company Kobold Systems and Fitted Kitchens Germany was a decisive milestone. It lays the technical IT foundations for a central and optimal management of Vorwerk consultants and the harmonisation of worldwide commission management systems.

Syskoplan Reply was significantly involved in the architectural proposal and the realisation of the solution throughout the entire project.

"Syskoplan Reply is one of the major development partners involved in the implementation of our central IT strategy. The vast process and IT know-how, and Syskoplan Reply's strong commitment to the project significantly contributed to its success," comments Ralph Eger, CIO of Vorwerk.

Syskoplan Reply is a leading IT services provider in the SAP environment and develops innovative, flexible and reliable IT solutions, particularly in the areas of Customer Relationship Management (CRM) and Business Intelligence (BI). We implement innovative IT solutions, using adaptable and agile IT platforms extended with customer-specific components. This enables our customers to differentiate in the market and create sustainable competitive advantages. In addition, our customers benefit from our close partnership with SAP, strong industry knowledge and our partnership based collaboration. The inclusion in the network of the European IT service provider Reply opens up access to the knowledge of over 3,000 IT experts. In 2010, the Reply network of companies had a turnover of approx. 384 million euros in the main offices in Italy, Germany and the United Kingdom. For further information visit www.reply.de

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