Customer Case Study

Mitsubishi Caterpillar Forklift Europe

Forklift Manufacturer Improves Processes, Increases Customer Satisfaction

Mitsubishi Caterpillar Forklift Europe (MCFE) manufactures, sells, and distributes more than 18,000 forklifts each year throughout Europe, the Middle East, and Africa. The organization needed a way to capture sales and service information in a single repository and extend configuration and spare-parts order processes to its distributors throughout the region. Microsoft Dynamics™ CRM delivered out-of-the-box sales and service functionality, workflow automation, and management visibility into data. Equally important, MCFE was able to deliver a portal solution to its distributors, all on the Microsoft® environment its people already knew and used.

Situation

With more than €400 million (U.S.$600 million) annual revenue, Mitsubishi Caterpillar Forklift Europe (MCFE) manufactures, sells, and distributes forklifts and related spare parts in Europe, the Middle East, and Africa through its network of approximately 100 distributors. MCFE was founded in 1992 as part of a joint venture between forklift manufacturers Mitsubishi and Caterpillar. The head office is located in Almere, a city outside of Amsterdam in the Netherlands, where it produces approximately 18,000 forklifts a year at its 66.000m2 (16.3 acres) manufacturing plant.

MCFE's Enterprise Resource Planning (ERP) system, built on a MAPICS AS/400 platform, handled all primary functions but lacked several elements needed to meet new requirements. "Our business requirements have changed the last five years," says Robert Vleeschhouwer, General Manager of MCFE's Information Systems Department. "Service towards our dealer channel has become more important to us. We wanted to be able to manage the communication with our dealers. We used to manage these communications in several locations using a great number of small databases. Because of that, it was hardly possible to collect management information concerning contact-related processes. It was also difficult to enter standard work instructions."

MCFE also had a dealer-facing configuration system, but found it unstable and difficult to manage. "If the system failed, we couldn't find out why," explains Vleeschhouwer. Dealers couldn't tell if shipments were on schedule, and if the wrong part was received, MCFE had a hard time tracking down the source of the error, causing delays in correcting the situation. After a careful technical review, MCFE determined that expanding the existing system would not serve its need to manage these additional functionalities.

Vleeschhouwer notes, "We were looking for one additional solution which could manage the communication with our dealers and services organization, and automate more processes." Key needs for this system included contact management, a dealer information sheet, and tracking of service and sales calls. The company researched which solution would fit its requirements and selected Microsoft Dynamics™ CRM business software.

Solution

Microsoft Dynamics CRM best fulfilled MCFE's selection criteria for improving sales and service effectiveness. Much of the functionality MCFE wanted was already built into Microsoft Dynamics CRM, helping speed time to value and return on current investments in Microsoft® technology, training, and resources.

Solution Overview

Organization Profile
As part of a joint venture between forklift manufacturers Mitsubishi and Caterpillar, Mitsubishi Caterpillar Forklift Europe (MCFE) manufactures, sells, and distributes forklifts and their related spare parts throughout Europe, the Middle East, and Africa.

Business Situation
MCFE wanted a centralized system for tracking customer service requests, and also sought to improve its forklift configuration application.

Solution
MCFE selected Microsoft Dynamics™ CRM and Experlogix to track all customer service requests and resolutions, and deployed a dealer-facing portal to streamline forklift configuration and other processes.

Benefits
- Established a centralized customer contact database
- Created a knowledge base for managing customer service requests
- Enabled a forklift configuration portal for dealers
- Streamlined order entry processes
- Improved customer service effectiveness

Software and Services
- Microsoft Dynamics CRM 3.0
- Microsoft Office System
- Microsoft SQL Server 2005
- Experlogix Configurator

Partner(s)
- Experlogix
- @work Management Associates B.V.

Vertical Industries
- Industrial Equipment and Machinery Industry

Country/Region
- Netherlands, The

Workflow automation allows MCFE to automate many paper-based processes, increasing efficiency and improving management's visibility into sales and service details. "We wanted to rebuild as little as possible, and Microsoft Dynamics CRM offers a lot of possibilities out-of-the-box regarding sales and services," says Vleeschhouwer. "And Microsoft Dynamics CRM runs on the Microsoft platform, which is an advantage for us as we already have the platform know-how within our organization. And we want to maintain as few platforms as possible."

Because Microsoft Dynamics CRM works as a natural extension of the Microsoft Office Outlook® messaging and collaboration client, users have an intuitive understanding of the solution from the start. All e-mails, meetings, and calls are easily recorded and accessible from within a program widely used throughout MCFE, and users can incorporate CRM processes into their everyday activities without having to learn and use a separate system.

Benefits

Before implementing Microsoft Dynamics CRM, MCFE had no real system for managing the sales and service calls it received from its dealers. Calls, e-mails, and faxes were received in several locations throughout the region, and each customer service center was responsible for developing its own methods for resolving and tracking issues. Sometimes issues that had been reported and solved in one region would surface in another region, and there wasn't an orderly system for sharing this information between service centers. It was virtually impossible for the corporation to see how many service calls were being resolved, how many remained unresolved, and how long the unresolved calls had been open. With Microsoft Dynamics CRM, MCFE has been able to deploy a true case-management system that improves service effectiveness for dealer service calls. Customer service staff can quickly access all relevant dealer, product, and order information, making it much faster and easier to understand and resolve issues.

Centralized Tracking of Case-Specific Information

The specific calls and e-mails related to an issue are tracked as a "case," so anyone who needs to be brought up to speed on the issue can quickly and easily review the case materials and add input. Callbacks to the dealer are much more effective because the full record of the issue is housed in one place. If a customer service representative is out of the office, another representative can get up-to-speed quickly and help propel the case to resolution.

Building a Knowledge Base

Previously, when distributors called in to resolve an order issue or discuss a configuration, sales and support people would have to pull together information from multiple sources, such as referring to technical manuals, calling engineers, or relying on their own memories from past experiences to resolve the issue.

MCFE is using Microsoft Dynamics CRM to build a centrally accessible knowledge base to record answers to known issues and share best practices for resolving situations using consistent and repeatable methods. When new issues are uncovered and resolved, customer service personnel can easily update the knowledge base to help other team members who may face the same issue. The knowledge base is searchable by issue, keyword, customer, and case number, making it easy to quickly identify if an answer has already been recorded for a particular issue.

"We are now filling the knowledge base, so that the information in the future is available for our employees in a faster and better way," says Vleeschhouwer. "Our dealers expect a high efficiency level with as few mistakes as possible, and due to Microsoft Dynamics CRM, we are able to hold on to this high efficiency service level, now and in the future."

Activity Tracking for Managers

Because MCFE lacked a centralized system for tracking customer service requests, managers couldn't measure the successful follow-up of each call.

They also lacked visibility into the relative performance of the individual service centers and representatives. Without these performance measurements, MCFE could only hope it was improving customer service. Now, with Microsoft Dynamics CRM, service managers have a system for tracking the volume and status of service calls. Managers can see the number of open service calls and their rate of resolution, as well as identify service calls that were escalated. If a particular service representative is underperforming, or if one group is completing calls faster and more successfully than the others, managers can use that information to correct performance issues and share best practices, helping to improve customer satisfaction across the organization.

Utilizing Workflow Automation

The case management system also helps prevent dealer calls from slipping through the cracks. MCFE is using the workflow automation functionality in Microsoft Dynamics CRM to speed response to each call. For example, when a case is opened, a workflow automation routine tracks the number of days the case is open. After three days, an e-mail is generated to alert the customer service representative and the representative's manager of the case's status, and the case is marked as "escalated." This makes it much easier for managers to analyze the type of calls that are escalated and to take steps to solve underlying problems. With MCFE's case management system, Vleeschhouwer reports that fewer service calls are lost. "Paper can be lost; it can pile up on somebody's desk. With workflow, everything is streamlined. People shoot through the work; otherwise it's escalated and gets handled by someone else. We have been able to reduce the amount of time we spend on service calls by an average of 80 percent per call. We now spend far less time chasing problems, and more time improving the total quality of our business."

Streamlining Order Management

One of the primary goals MCFE had for its CRM solution was the ability to extend processes to its dealer channel. MCFE dealers are very much a part of its virtual sales organization, and providing effective sales tools to dealers will ultimately benefit the entire organization. MCFE had previously deployed a configuration engine for its dealers, but the tool wasn't reliable and caused extra work for the IT staff to maintain and troubleshoot.

Working with its Microsoft partner, @work Management Associates B.V., MCFE selected the Experlogix Parametric Configurator as an add-on to its Microsoft Dynamics CRM implementation. Experlogix Configurator is developed using the same .NET toolset Microsoft uses to develop Microsoft Dynamics CRM, so the interface and integration are completely seamless. "The old tool was very unstable. If the system failed, we couldn't find out why," says Vleeschhouwer. "Experlogix is such an open architecture, we can always see the flow of information from Experlogix to CRM to the ERP system."

Now, distributors can use the portal to configure products to fit their customer's needs. The configurator guides the distributor through the steps needed to build a forklift order and will prevent incompatible builds. Once the distributor submits a configuration, the system automatically generates a quote. When the dealer accepts the quote, the quote automatically becomes an order within Microsoft Dynamics CRM and is used to create the order in the existing ERP system. The system generates a promise date, which is then shared via the portal, eliminating much of the back-and-forth phone calls and paperwork of the previous available-to-promise process.

The dealer portal enables distributors to correctly configure forklifts for their customers, reducing the time-consuming and sometimes error-prone process of working through a manual configuration process.

Faster Order Processing

Because dealer configurations can be automatically transferred to quotes in Microsoft Dynamics CRM, the order entry process has been streamlined significantly. "The savings in order entry alone are substantial," says Vleeschhouwer. "For example, it used to take us on average five minutes to record an order into our ERP system. Today, with Microsoft Dynamics CRM, it's more like 90 seconds to enter an order, and that's only because we still need to interface with the ERP system. We would like to get it down to milliseconds, but in the meantime that's a significant time savings." MCFE processes approximately 22,000 orders a year, and this process improvement alone is saving the company more than 1,250 hours of labor each year.

Improved Replacement Parts Ordering

The Dealer Portal has also helped MCFE improve the accuracy and efficiency of managing the sale of spare parts. Because the configurator tracks the details of each forklift built for each customer, dealers can quickly look up and order the compatible replacement parts, without requiring MCFE to conduct time-consuming research for each order. Orders are filled more quickly and more accurately than before, reducing administrative overhead and improving the overall customer experience. If for any reason the wrong part is ordered, or if the correct part is ordered but a different, incompatible part is shipped, MCFE has a full record of the transaction and can quickly get to the bottom of the issue and straighten it out.

Better Access to Information and Processes

Microsoft Dynamics CRM has delivered more to MCFE than CRM functionality and a seamlessly integrated configuration tool. Because MCFE has deployed a framework for sharing information and processes with its dealers, as well as with its internal users, it can easily design and deploy integrated applications for related processes. MCFE is primarily using Web Forms to accomplish this task, and can easily roll information back into Microsoft Dynamics CRM to complete the process. "We put forms on the Web for our dealers to fill in, for example, to record an error in shipment," explains Vleeschhouwer. "Dealers can tell us what the problem is and we can fix it. Sometimes it's a drop ship, so we need to go back to the supplier. Now we can really chase those shipments and improve the customer experience."

The inherent integration of Microsoft Dynamics CRM with Web forms via its .NET architecture makes it easy for companies like MCFE to build the functionality it needs, without changing the underlying CRM application. "What we do is quite simple," says Vleeschhouwer. "We don't modify CRM internally, we use a lot of Web forms. Our dealers fill out the form online, and we spool the data into CRM." Some of the applications supported by Microsoft Dynamics CRM include:

- Quote Entry
- Quality Inspection
- Make to Order
- Customer Shop Modification
- Error in Shipment
- Special Price Agreement Request
- Accounts Receivable Inquiry "We use the logic of CRM for our own purposes," says Vleeschhouwer. "Plus, it's easy to upgrade to a higher version of CRM because we haven't modified the base code."

Management Information

Information collected in Microsoft Dynamics CRM is readily available to users and management, making it easy to track the status of quotes, requests for special pricing, shipment discrepancies and service call status. Information can be viewed directly in Microsoft Dynamics CRM, and can also easily be exported to Microsoft Office Excel® spreadsheet software, or into PivotTable® and PivotCharts® dynamic views that can be dynamically updated. MCFE also heavily uses Microsoft SQL Server® Reporting Services, which helps it extract, combine, and analyze data from its SQL Server and other databases.

Since 2004, MCFE's revenues have increased 30 percent, unit sales have increased 18 percent, and its share of market has grown by 7 to 10 percent in a mature, competitive market segment. More customers are purchasing more forklifts from MCFE each year, and intelligent investments in information and process management systems, such as Microsoft Dynamics CRM, are helping to drive service effectiveness and deliver increased customer satisfaction.

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to:
www.microsoft.com/dynamics

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