SK ENERGY

FUELING GROWTH THROUGH IMPROVED CUSTOMER SUPPORT

QUICK FACTS

Industry
Oil and gas

Revenue
27.78 trillion won (US$19.45 billion)

Employees
5,240

Headquarters
Seoul, Korea

Web Site
eng.skenergy.com

SAP® Solutions and Services
SAP® Customer Relationship Management application (sales, service, marketing, and analytic functionality)

Implementation Partner
SK C&C (SK Energy affiliate company)

SK Energy Co. Ltd. is Korea's leading energy and petrochemical company, with global operations. The company wanted to strengthen its dealer and customer relationships to maximize profits, improve competitiveness, and build company value. To get there, it chose the SAP® Customer Relationship Management application. The result: SK Energy has significantly improved customer support operations to achieve real competitive advantage in the oil and gas industry.

Key Challenges

- Support growth strategy, build company value, and enhance competitiveness
- Improve customer loyalty and sales through improved customer insight
- Replace costly legacy customer relationship management (CRM) system that lacks flexibility and scalability
- Enable company-wide CRM adoption with a single, integrated solution
- Reduce IT maintenance and vendor costs

Why SAP Was Selected

- Integration with the SAP ERP application
- Availability of multidimensional analysis functionality using various CRM sources
- Ease of use and ability to meet varying business units' needs at the division level
- Enterprise-wide customer support
- Comprehensive CRM functionality to support sales, service, marketing, and analytics
- Cost-effective startup and maintenance

Implementation Best Practices

- Adapted ASAP methodology to align with company-specific development processes
- Designed business processes to minimize change requests after going live
- Employed customizable application templates to meet specific business division needs
- Trained users by group – business users, maintenance teams, and CRM division leaders

Low Total Cost of Ownership

- Lower maintenance cost and staffing level
- Rapid 4.5-month implementation
- Better application extension through reuse, standardization, and integration with SAP ERP
- Lower communication costs through improved CRM change management process
- Reduced reliance on outside contractors with improved productivity of internal staff
- Low-maintenance standardized interfaces

Financial and Strategic Benefits

- Improved visibility into critical areas such as sales activity and revenue per customer
- Increased customer satisfaction through an integrated enterprise-wide support operation
- Timely decision support with real-time access to customer and dealer information
- Improved competitiveness with a collaborative framework for dealer analytics support
- Real-time service request processing
- Reduced analytics lead time through strong integration between business data warehouses and SAP® software

Operational Benefits

Key Performance Indicator	Impact
Service request response time	-33%
User satisfaction	+50%
Analysis lead time	-80%
Maintenance costs	-75%
Maintenance FTEs	-50%
Sales volume	+0.5%

"To grow in the Asia-Pacific market, SK Energy needed to work more effectively with our network of dealers. The SAP Customer Relationship Management application is helping us execute on that objective."

Sung Joon Park, Senior Manager, IT Management Team, SK Energy Co. Ltd.

www.sap.com/contactsap

The Engine for Growth: Better Customer Relationships

As the economies of Asia have grown, so too have the ambitions of SK Energy Co. Ltd. The leading energy and petrochemical company in Korea, SK Energy has set its sights on becoming a major player in the Asia-Pacific region by the year 2015. But in a fiercely competitive energy market, rapid growth doesn't come easily. To realize its objectives, SK Energy had to work smarter with its network of dealers.

Standing in the way was a costly, inefficient customer relationship management (CRM) system. Nonintegrated and expensive to maintain, this system lacked the flexibility to meet the needs of distinct business divisions – leading to low rates of adoption. To improve dealer relationships and enhance insight into customer needs, the company needed a single, integrated solution that users would embrace.

Integrated CRM

This is why SK Energy chose the SAP® Customer Relationship Management (SAP CRM) application. Offering comprehensive functionality for sales, service, marketing, and analytics, the software integrated into the company's SAP ERP application and made it easier to leverage customer data from business data warehouses and other CRM sources. SK Energy also liked how the software balances usability and flexibility. This has facilitated adoption while giving business units the visibility required to meet the needs of its dealers.

A Smooth Implementation

Working with SK C&C, an internal consulting organization, SK Energy mapped the ASAP methodology to align with internal needs. This resulted in four discrete phases: a feasibility study, process innovation, implementation, and operations. During process configuration, the company took care to accurately reflect business requirements, helping to reduce change requests after going live. It also used standard templates to deploy the application across divisions, making modifications wherever necessary to meet division-specific needs. Training focused on the needs of distinct groups including business users, division leaders, and maintenance teams. In all, the implementation took just 4.5 months.

Business Objectives Achieved

Today, SK Energy enjoys comprehensive CRM functionality backed by timely analytics and powerful insight into dealer relationships. Managers can view real-time dashboards that display division-specific key performance indicators for areas such as sales activity and revenues per customer. Standardized interfaces and improved usability have helped to cut support costs, encourage user adoption, and minimize internal overhead while reducing reliance on outside contractors. Most important, by delivering a framework to support greater collaboration with its dealers, the company has improved customer satisfaction **and** competitiveness – thus achieving its original objective.

Success by the Numbers

The numbers speak volumes. SK Energy has reduced the lead time required for CRM analysis by 80%, significantly speeding the decision-making process. It has also increased internal user satisfaction by 50% – a key metric for encouraging user adoption. Most impressive, the company has managed to improve performance while reducing costs. For instance, it has cut the response time for dealer service requests by 33%, while reducing maintenance costs by 75%. In addition, through enhanced efficiency of sales processes, faster response to customers' service requests, and reduced customer complaints, the company has increased sales volume by 0.5%. Based on this positive experience, SK Energy plans to increase its SAP software footprint with an implementation of the SAP Supplier Relationship Management application. Stay tuned.

SK C&C

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