CARDINAL HEALTH

USING SAP® CRM FOR A CASE MANAGEMENT APPROACH TO CUSTOMER SERVICE

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Jennifer Vasilj, Customer Service Representative, Cardinal Health

QUICK FACTS

Company
- Name: Cardinal Health
- Headquarters: Dublin, Ohio
- Industry: Healthcare
- Products and services: Pharmaceuticals and medical products
- Revenue: US$99 billion
- Employees: More than 30,000
- Web site: www.cardinal.com
- Implementation partners: SAP® Consulting and HCL Axon, a division of HCL Technologies (Jersey City, New Jersey)

Challenges and Opportunities
- Resolve customer service requests quickly
- Ensure a 360° view of the customer

Objectives
- Provide service representatives with easy-to-adopt IT tools to improve level of customer service
- Quickly install customer relationship management (CRM) solution for customer contact center

SAP Solutions and Services
SAP Customer Relationship Management application

Implementation Highlights
- On time, well under budget
- Phased approach
- Emphasis on change management
- Support from top executives

Why SAP
- Ease of use
- Ability to meet company needs without customization
- Good integration with existing SAP software landscape
- SAP's business reputation

Benefits
- Increased compliance with customer service-level agreements by more than 10%
- Dramatic improvement in customer service representatives' knowledge and responsiveness
- Greater representative productivity via prioritization of service tickets
- Ability to track and measure how well representatives are servicing client needs
- Easy identification of opportunities for improvement
- Greater customer satisfaction

Existing Environment
- Manual processes
- Outdated CRM system

Third-Party Integration
- Database: Microsoft SQL Server
- Operating system: Microsoft Windows

CardinalHealth

Cardinal Health is an essential link in the healthcare supply chain, providing pharmaceuticals and medical products to more than 60,000 locations each day. The company's customer contact centers field up to 30,000 calls each day from customers inquiring about order status and other issues. Cardinal Health turned to the SAP® Customer Relationship Management (SAP CRM) application to make sure these customers get terrific service.

Taking a lesson from the healthcare organizations it serves, Cardinal Health uses the customer interaction center functionality within SAP CRM to support a "case management" approach to customer service, where episodes are never treated in isolation but as comprehensive interactions. Now, when they get calls, the customer service representatives create records documenting the reason for the contacts. If they cannot resolve the issues, they create service tickets; embedded business rules determine due dates and escalation steps and automatically route the tickets to the right distribution center. There, operations representatives open the requests, take action, and report back to customer service. The customer service representatives can then follow up with the customers and close the loop.

On their desktop screens, customer service representatives will see "traffic lights" attached to open items, which help them prioritize work: green means issue resolution is on schedule, yellow means approaching the end of a service-level agreement (SLA) deadline, and red means the request is overdue. Managers can view reports that detail compliance with customer SLAs. The reports also provide information like which regions are making the most inquiries and the top reasons why customers are calling.

"The benefit is having end-to-end visibility into the customer experience," says Deb Dexter, director of customer service for business operating systems at Cardinal Health. "With SAP CRM, we can now track and measure how well we are servicing customer needs. We can identify areas that need attention so we can enhance the customer experience by improving our business operations and our efficiencies. We can measure the individual and overall team performance of our customer service representatives. These have been quick wins for us."

Cardinal Health has measured some of these wins. For example, it increased compliance with customer service-level agreements by more than 10%. It saw a big improvement in customer representative knowledge and responsiveness, and it increased customer service productivity through prioritization of service tickets. It enhanced visibility into customer interactions, while reducing the number of e-mails and phone calls. And it is utilizing the information it collects to support Lean Six Sigma efforts.

Perhaps most important, the case management approach based on SAP CRM has given customer service representatives – who are on the front lines of the business – the tools they need to succeed at work. Jennifer Vasilj, a customer service representative at the company's customer contact center in Little Rock, Arkansas, comments, "The SAP CRM–enabled case management approach helps me see why our customers are calling, and it reminds me to complete tasks that are in the service ticket box that normally I might miss if they were written on a sheet of paper. I begin each day by checking my service tickets to see if I have any issues that need to be addressed, and if so, I complete them first thing. I love to hear the excitement in a customer's voice when I have provided a resolution. The customers are so impressed that we remembered to call them back, and they are thankful that they didn't have to call us over and over again to resolve an issue. I am very excited to get the rest of Cardinal Health on board with this amazing software. I definitely believe that our customers are benefiting from SAP Customer Relationship Management."

Choosing an Application for Quick Adoption

Easy adoption among users was a key reason why Cardinal Health chose SAP CRM. "We wanted a fast implementation, so ease of use was very important,"

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Dexter says. "The demo showed us that the software was straightforward. SAP CRM also gave us the functionality we needed with little to no enhancements. Plus, the application came with an intuitive interface, which enabled us to get the look and feel we wanted."

For medical products, Cardinal Health was using a number of applications to service customer needs. "Our representatives had to go to multiple places to get data," says Dexter. "We didn't have visibility into the requests we submitted to the distribution centers. This was impacting the customers' experience when they called. At times we couldn't give them a status update without manually placing a call to the operations team, and customers don't like hearing that."

"We really benefited from executive presence on the part of our partners," Dexter says. "They helped if there was scope creep or if we needed to bring anything to the business steering committee. Whenever there was an issue, we had the right people at the table at the right time to make a decision, and we left the meeting knowing exactly what we had to do. This helped us stay within the tight window."

It was that good oversight that led to a successful implementation, according to Dexter. "The final word is that this was really a great experience," she says. "We not only had a very challenging task – we had a huge, business-critical need; we knew that if we didn't implement the right solution and roll it out correctly, we would significantly impact the business. Our partners had the right knowledge and expertise to guide us through the implementation effectively."

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Implementing On Time, Well Within Budget

Cardinal Health implemented SAP CRM across its medical and pharmaceutical businesses in phases, beginning with customer service representatives and then the inventory and distribution center personnel who fulfill the order requests. The rollout – which came in on time and well within budget – was assisted by the SAP Consulting organization and HCL Axon, a division of HCL Technologies.

Focusing on the User Experience

Cardinal Health placed heavy focus on change management during the rollout. "We have an environment where representatives have to interface with the customers at a very fast pace," Dexter says. "We needed to make sure our customer service representatives adopted SAP CRM. We didn't want them reverting to their manual processes because they couldn't use the software efficiently."

SAP Consulting and HCL Axon led conference room pilots to show the software in action. They set up a "sandbox," so users could "play" in the system while the project team was implementing the SAP application. Cardinal Health brought in change champions – people to demonstrate critical functionality to ensure early buy in. "As a result, by the time we got to training users, they already had a real understanding of the software and how to use it," Dexter says.

Cardinal Health also got alignment across executive management – senior VPs from all the stakeholder groups, like customer service, inventory, and distribution. "We got everyone to agree to the SLAs," Dexter says. "Everyone was accountable. We tied that into their fiscal-year performance objectives."

Getting a 360° View of the Customer

In a subsequent rollout, distribution center personnel will be able to create interaction records and service tickets, also giving them a 360° view of the customer. "This will be a huge benefit for us," Dexter says.

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