

SAP Customer Success Story Automotive



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AT A GLANCE

Company

- Name: Zhengzhou Yutong Bus Co. Ltd.
- Location: Zhengzhou, China
- Industry: Automotive
- Products: Commercial buses and heavy industry and specialty vehicles
- Revenue: US\$722.8 million
- Employees: 2,000
- Web site: www.yutong.com
- Partner: Capgemini China

Challenges and Opportunities

- Definition of Yutong's competitive advantage in China's bus industry given high product homogeneity
- Expansion into new market segments
- Identification and retention of high-value customers
- Collaboration among sales and marketing, supply chain, and R & D

Objectives

- Improve customer interaction processes
- Improve efficiency of parts and repair services
- Streamline management of on-site customer order delivery
- Consolidate and centralize customer data
- Optimize opportunity management and order configuration processes

SAP® Solutions and Services

SAP® Customer Relationship Management application, SAP Interaction Center application, and SAP Safeguarding services

Implementation Highlights

- Completion of phase 1 in 5 months, including creation of a central customer contact center, a Web-based service application, and a 360-degree view of customers
- Completion of phase 2 in 7 months, including enhanced Service Net, customer analysis capabilities, and field management and opportunity management optimization
- Development and roll out of service software to 400 partners
- Successful collaboration among internal and external team members

Why SAP

- Cost advantages associated with inclusive license
- Integration advantages to the SAP ERP application
- Flexibility afforded by the SAP NetWeaver® technology platform

Benefits

- Standardization of processes and consolidation of calls via a central customer interaction center
- Collaboration improvements among third-party service providers to speed order resolution
- Orchestration of product delivery of product to customers to improve customer satisfaction
- Consolidation of customer and order information to optimize sales leads, gain business insight, improve service, and increase revenues

ZHENGZHOU YUTONG BUS

SAP® Customer Relationship Management Application Fuels Growth Strategy

Using IT to support innovation plays a key role in upholding Zhengzhou Yutong Bus Co. Ltd.'s business philosophy. The company is Asia's top large-scale bus manufacturer and has achieved remarkable success by adhering to a simple philosophy: supply products with maximum value to customers while ensuring reliability and durability. To support the company's growth and expansion into new markets, Yutong has used IT to enable a series of transformation projects to become a customer-centric enterprise.

Yutong implemented the SAP® ERP application to optimize its core business processes and wanted to gain additional improvements in sales, marketing, and service. “We hired a consultant to assess our service and found that we were lacking in comparison to major competitors,” says Wang Sheng Jun, Yutong's IT director. “We wanted to focus on our service areas to improve quality, satisfaction, and response time.” The consultant recommended that Yutong implement additional customer relationship management functionality. After considering its options, Yutong selected the SAP Customer Relationship Management (SAP CRM) application.

Improving Customer Experiences

Yutong wanted to improve several key customer touch points. By improving collaboration among its sales and service personnel, Yutong wanted to eliminate parts shortages and speed settlements to third-party providers that operate more than 400 service stations. To optimize sales opportunities and order configuration, Yutong wanted to consolidate several software applications that would enable it to manage and leverage customer data better.

To make the customer experience as seamless as possible, Yutong wanted to improve how it interacted with customers in person and on the phone. Sheng Jun explains, “Our delivery method is unique. We don’t deliver products to our customers; they come to us. We needed a way to schedule these visits and coordinate all of the details. Also, we needed to improve our customer interaction process. We had hotlines into each service group making it difficult for customers to know what number to call. We wanted to establish a centralized customer interaction center to consolidate all of our numbers and processes.”

Making the Right Choice

In its search for CRM functionality, Yutong considered several applications, including the Microsoft Dynamics CRM solution and a custom CRM solution developed by a local independent software provider. Given the company’s SAP ERP foundation, SAP CRM was the natural choice. “SAP CRM was the right choice for us from a cost and integration perspective. We knew there was built-in middleware so integration would not be a problem,” says Sheng Jun. “The SAP NetWeaver technology platform was another reason to choose SAP software. We planned to build add-on software and liked that the platform is based on open standards.”

Implementing the Solution

Yutong selected Capgemini China as its implementation partner. Ten consultants worked with a team from Yutong to install the solution in two phases. During phase one, Yutong established the central customer contact center, using SAP CRM and the SAP Interaction Center application to standardize customer interaction and consolidate all customer information in one database.

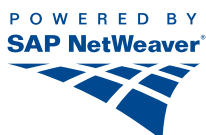
“We used SAP Safeguarding services to help us perform sizing checks before we went live with our software. On a technical level, we planned to address business process design needs but we didn’t have issues. The software was stable.”

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Simultaneously, Yutong began to develop a Web-based application, Service Net, based on SAP NetWeaver®, to improve collaboration with its more than 400 service partners. “By consolidating several business applications, we were able to gain a 360-degree view of customers – from initial order through service – to deliver the best value to our customers,” Sheng Jun adds.

During phase two, Yutong established new business processes to optimize collaboration of its sales and service personnel. “We established workflows that enable us to coordinate on-site customer pick-up of inventory. We also consolidated customer information into a central database so we could better identify and prioritize opportunities for our sales team,” says Sheng Jun. The company is in the process of rolling out the software to its more than 300-person sales team, many of whom work independently in the field.

Yutong prepared for the go-live with assistance from the SAP Active Global Support organization. “We used SAP Safeguarding services to help us perform sizing checks before we went live,”



says Sheng Jun. “On a technical level, we planned to address business process design needs, but we didn’t have issues. The software was stable.”

The application went live without issue, including the rollout of its Web-based Service Net software. Sheng Jun adds, “Collaboration among Capgemini, Yutong, and SAP Active Global Support was very good.”

Extracting Business Benefits

Through SAP CRM, Yutong has transformed itself from an order-centric company to a customer-centric one. “Before the implementation, we had an engineering-to-order business model. But our customers have different needs. We needed greater flexibility to meet our customers’ needs while enabling fast order turnaround and competitive costs. SAP CRM provides analytics so we can anticipate needs and align supply with demand to ensure our inventories are adequate for timely delivery to customers,” Sheng Jun explains.

The SAP CRM project has changed the way Yutong contacts its customers. Its central customer interaction center has standardized and accelerated the resolution of customer calls to improve customer satisfaction. By using Service Net, Yutong has improved collaboration with third-party service providers. “Before, our processes were paper based and it would take three months to settle service orders. Now it takes one month or less and all of our service partners are satisfied,” says Sheng Jun.

Yutong has changed the way it delivers products to customers. The company has established a new business role, collaboration agent, to plan on-site customer pick-up of inventory. “One person does all the planning through a workflow that is integrated through SAP CRM,” says Sheng Jun. “The person can book all the internal and external resources for the delivery before the customer comes to Yutong. All details are tied into centralized customer and order information so we know exactly how to treat the customer.”

With its 360-degree view of customers, centralized customer information, and new business analytics afforded by SAP CRM, Yutong can leverage this information to optimize sales. “We now have new metrics, such as customer share and customer satisfaction, which we can translate into increased revenues,” Sheng Jun adds.

Looking Ahead

Yutong plans to optimize its service supply chain by establishing a flexible parts planning process to meet service demand while keeping inventory costs low. As it rolls out SAP CRM to its field sales personnel, the company will look for ways to automate sales force functions so its team can maximize the time spent on

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sales-related activities instead of administrative tasks. Yutong is currently evaluating how to use SAP software to transform its corporate Web site to obtain feedback from customers as well as market to them. With its unending commitment to maximize value to customers, Yutong will surely find a way to use IT to enable this next transformation.

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