GROHE

KEEPING A FINGER ON THE PULSE OF THE MARKET WITH ONE-CLICK ACCESS TO SALES DATA

"Our numbers serve as proof positive of our strong sales and excellent products. With SAP CRM, we're looking to systematize our successful sales model even further and make it part of our international standard."

Michael Staade, Chief Process Officer, Grohe AG

QUICK FACTS

Company
- Name: Grohe AG
- Headquarters: Düsseldorf, Germany
- Industry: Consumer products – durables manufacturing
- Products and services: Sanitary fittings
- Revenue: €980 million (2010)
- Employees: Approximately 5,400
- Web site: www.grohe.com
- Implementation partner: Lynx Consulting GmbH

Challenges and Opportunities
Give local sales subsidiaries a common view of customers and projects to establish standard principles for assessing business worldwide

Objectives
- Generate current, reliable business intelligence data on customers and markets
- Achieve a high level of transparency in international projects
- Use real-time information to improve sales management
- Identify customer preferences early on to accelerate time to market

SAP® Solution and Services
SAP® Customer Relationship Management (SAP CRM) application

Implementation Highlights
- Chose a proven partner with the right technical expertise
- Started a pilot project in 9 months
- Rolled out SAP CRM to 21 countries
- Developed a standard global set of business semantics

Why SAP
- Ease of integration into an existing SAP software environment
- Expansion in conformance with company strategy
- Increased stability in mass data processing
- Foundation of standardized technology

Benefits
- Central source of bundled information on global business
- Direct worldwide access to in-depth data on customers and markets in a uniform semantic format
- Better sales management and controlling of projects due to greater transparency into international activities and events
- Improved sales activity assessment and increased reporting transparency through standardized visit reports
- Presentation of a uniform global presence to clients and decision makers
- Access to a single source of real-time data for field and office personnel
- Greater effectiveness of selection activities due to increased availability of information on markets, customers, and retailers

Existing Environment
- SAP ERP application
- SAP NetWeaver® Business Warehouse component

GROHE
ENJOY WATER®

High-quality products and outstanding kitchen and bath design are the hallmarks of Grohe AG, one of the world's leading manufacturers of sanitary fittings. Seeking a greater focus on its international customers, Grohe decided to implement the SAP® Customer Relationship Management (SAP CRM) application.

Grohe sets the standards in the global marketplace. Its dedicated research and development have produced revolutionary products that embody the successful fusion of quality, design, technology, and sustainability. The slogan "Enjoy Water" is a summary of Grohe's philosophy. Whether in the kitchen or the bathroom, the company's innovative fittings can transform water into a sublime experience. Its diverse range of products balances elegant functionality, comfort, and careful conservation of this natural resource.

Renowned the World Over

Grohe multiplies its sales through partners in the sanitary wholesale sector, which, in turn, deliver to a wide variety of specialized kitchen and bath installation companies. Add in close relationships with these market partners and you have the sales model and excellent local networks through which Grohe maintains high market penetration. From showerheads and fittings to kitchen systems and other installations, Grohe's products can be found in 130 countries around the world. Do-it-yourself homeowners and "lords of the manor," hotel chains and cruise ships, businesses and universities, even the Beijing National Stadium made famous during the 2008 Summer Olympics – much of the world recognizes Grohe as a premium brand.

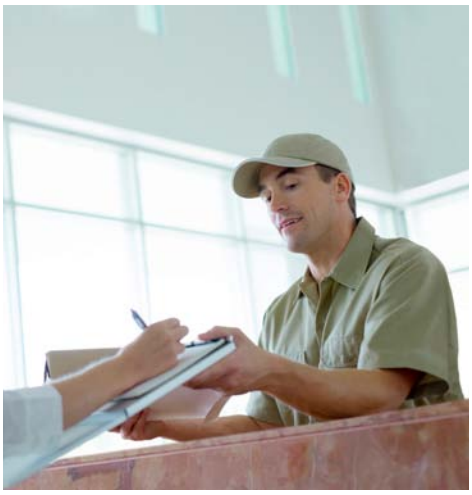
Leading the Market in Innovation

Grohe owes its leading position to the high rate of innovation that enables it to regularly refresh its product portfolio. Each innovation reflects the company's ambitious product philosophy: pursuing the perfect balance of quality, design, technology, and sustainability. Every two years Grohe revamps around 25% of its products. According to Michael Staade, Grohe's chief process officer, the company generates about 70% of its total annual sales with new products. To stay a step ahead of customer preferences – and the competition – Grohe keeps a finger on the pulse of the market. Improving its ability to do so, particularly in international projects, meant implementing SAP CRM. The application has put Grohe's customer and market data on a global fast track, enabling the company to provide the latest in-depth data through Web technology from a central source that users can access no matter where they are.

Increased Transparency Everywhere You Look

International projects account for a significant portion of Grohe's sales. The export-oriented manufacturer generates around 80% of its revenues outside of Germany, increasingly from construction projects. Unlike Grohe's manageable individual sales markets, this segment is characterized by a complex international network of relationships. Staade explains: "Imagine a construction project in which the architect is in London, the investor is in China, the planning office is in Germany, and the site itself is in France. For us, this is a typical constellation, and we need a high degree of transparency to coordinate our sales activities."

From a central perspective, Grohe has to know who is in contact with whom, which branch is issuing quotations, who has the best line to the decision maker, and the stage each deal is in. "We couldn't produce the information we needed with the regional CRM solutions we used to have, because they reflected only the situation of each respective country. We didn't have the holistic overview SAP CRM now gives us within minutes," Staade continues. "We can use fine filters to analyze the information stored centrally in SAP CRM and then apply it to both sales management and innovation. Knowing more about our customers is helping us understand them better, and we're identifying demand faster thanks to our improved ability to oversee our activities in international markets."



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Michael Staade, Chief Process Officer, Grohe AG

Integration with Other Business Applications

SAP CRM has integrated perfectly with the rest of Grohe's SAP software landscape. Staade sees the greatest strengths of the application in its proven ability to increase stability in mass data processing and to make interfaces a nonissue. He also praises the common technology foundation at the core of every SAP application.

Based on the 12 SAP products already in use at Grohe, Staade says that the company has sufficient in-house knowledge of how to run them; it can implement additional solutions without the need for significant training. Grohe expects all of these advantages to keep paying dividends in the long term. "It would have been hard to seriously consider another tool. We use the SAP ERP application and SAP NetWeaver Business Warehouse component all over the world. Choosing something other than SAP CRM would have involved more risk than we were willing to take. Plus, it was a strategic decision based on the qualities of the application," Staade stresses.

"Its [SAP CRM] reporting tools and depth of detail give us the ability to quickly assess any change, respond to customer needs faster, and better coordinate our sales activities."

Michael Staade, Chief Process Officer, Grohe AG

"We Were Fast!"

For its SAP CRM implementation, Grohe relied on a proven partner with just the right technical expertise, Lynx Consulting GmbH, whose support enabled Grohe to start a pilot less than nine months after beginning the project and then proceed with its successive global rollout to 21 countries. In addition to tight project management, Staade attributes this rapid turnaround to three key factors.

A Common Language

First of all, focusing on one language reduced the time required for the implementation by at least 25%. This measure was an absolute necessity for the global rollout. "How can an employee in Singapore understand and assess the data entered by a colleague in Germany without a common language?" Staade points out.

A Foundation for Global Business

Grohe's definition of an internationally uniform understanding of customers, projects, and classifications was the second factor that accelerated its implementation. "You can implement SAP CRM in a short period of time – we proved that much. However, you first have to establish a clear set of business semantics to which every country must adhere. Each of our regions now has the same definition of an 'A-project,' for example, as well as the corresponding volume. Without a common perspective, it's impossible to manage global business from a central location," Staade says.

Business Process and IT Support Form Productive Synergy

In creating Staade's position of chief process officer, Grohe established a role that combines responsibilities for processes and IT. A productive mix of departmental perspective and IT comprehension has since emerged as the third contributing factor for the fast turnaround. "Today you can no longer change a business process without technical support. You need skilled 'translators' between the user departments' requirements and the overall technical viewpoint, reconciling the two sides. We now accommodate the demands of both in a single team," Staade explains.

The Advantage of SAP CRM? One Source of All Company Data

Currently Grohe has gone live with SAP CRM in Germany, France, and Singapore. The rollout cycle for new countries takes three months. Assuming everything continues to proceed

according to plan, all of Grohe's sales subsidiaries will be working with SAP CRM by the end of 2010. The company's expectations are quite clear: "Since all of our information flows into the application in a standardized format, SAP CRM is going to keep providing us with current, reliable data on customers and markets. Its reporting tools and depth of detail give us the ability to quickly assess any change, respond to customer needs faster, and better coordinate our sales activities," says Staade. He also cites the minimal amount of time and effort it takes to obtain decision-critical information from SAP CRM. For example, the application's dependable data and uniform visit reports give the company deep insights into local events across the world. Staade emphasizes its quality in directing resources into the right channels, particularly in the current economic climate. "In quickly shrinking markets, you have to figure out exactly which fields you want to focus your sales and marketing activities on," he says.

How Many Customers Does Grohe Have? SAP CRM Has the Answer

With all of its data consolidated at a central source, Grohe's employees have access to the same knowledge base – whether they work in sales support, marketing, or in the field. According to Staade, this has enabled Grohe to produce a comprehensive overview of its current customers for the first time.

SAP CRM now supports the company in assessing business partners while setting the stage for highly effective selection activities. The application stores its data in a cross-referenced form, which helps Grohe derive precise assumptions. With improved knowledge of customer profiles, Grohe's marketing department can design measures tailored to its target groups and provide potent sales assistance to its partners in retail.

Open for Enhancement

The versatility of SAP CRM gives users myriad opportunities to implement optimizations. In the near future, Grohe plans to simplify its marketing campaign management and add structured support for its customer retention programs, which offer retailers bonus points they can exchange for services.

Staade's agenda also includes integrating the company's call center into SAP CRM. This move will let agents benefit from a streamlined flow of information and comprehensive contact histories, resulting in better customer service. Just more advantages for a company whose focus on the customer has made it a global market leader.

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