

TR Cutler: Manufacturing Insights: August, 2006

With up to ten years of continued process improvements on the plant floor, back office, and distribution operations, manufacturers have finally arrived at the front door of customer relationship management (CRM). Applying a kaizen blitz approach to sales and marketing quickly results in the obvious for most manufacturing firms: an area of neglect.

Enterprise Resource Planning (ERP) vendors are capitalizing their long-established client relationship with manufacturers and distributor by attempting to extend their reach. Some ERP vendors offer industry specific CRM solutions; many do not. Bolt-on generic CRM solutions are frequently sold by ERP vendors assisting only the bottom-line of the software firm.

Larry Caretsky, President of New Jersey-based Commence, (www.commence.com/mfg) developers of a stand alone industrial CRM solution, suggested that most ERP companies offering CRM have short-falls. According to Caretsky, "Managing the sales cycle and sales representative performance, marketing campaign management and integration with customer support are not provided by ERP tools."

One project-based ERP vendor acknowledged that CRM was neither their strength nor focus. "CRM is not within our strength or even portfolio of modules at the moment. We do not have a complete CRM product offering. Our older ERP product had an add-on module, but it is not a full CRM module by any means. For customers who may require CRM near term, we are recommending third party products or services."

"Still engineering and operations focused, many senior manufacturing executives are strongly resistant and visibly uncomfortable in approaching lean CRM"

While many ERP vendors do fall short on the industry CRM front; some have proactively addressed this critical lean aspect of the manufacturing enterprise. Toledo-based Technology Group International (www.tgilt.com) is an ERP vendor that has developed a customized industrial CRM solution. Rebecca Gill, vice-president of TGI noted several key reasons for purchase an integrated ERP/CRM solution. Full integration allows:

- Access to data in manufacturing, distribution, and accounting.
- Instant notification of credit issues.
- Instant capability to promise data for both manufactured and distributed products.
- Direct tie between anticipated sales and related costs.
- Instant access to historical information like sales, returns, on-time payments, margins, and other data.
- Integrated dashboards that go beyond the typical sales funnel; show true margin comparisons.
- No need to re-shuffle sales data, or re-evaluate, or re-key. Data is all available to dice and slice as needed.
- No lag time between data syncing or replicating. Management staff has live, real-time sales data.
- True 360 degree view of the customer for the organization and not just the sales representatives.

Indeed stand alone industrial CRM solutions may also provide effective lean CRM processes as long as the vendor truly understands the nuances and idiosyncrasies of the manufacturing sector; most do not. Offering a glorified database satisfactory to any type of organization does not address central issues facing all industrial operations.



Thomas R. Cutler

According to Caretsky, "Smart industrial organizations gather several key data points during customer research, which all helps to define a CRM profile.

- How clearly can customers articulate a value proposition?
- How well do customers know products or services?
- What is the customers preferred method of purchasing products and services supplied?
- Who do customers consider to be the preferred supplier products and services?
- When do customers typically purchase products and services?
- Why do customers typically purchase products and services?
- How do customers use products and services?
- Who is the decision maker? Who else influences the purchase?
- How do customers evaluate suppliers?

CRM technology must help to answer these questions.

Whether fully integrated in ERP systems or stand alone industrial CRM, elimination of waste in the sales and marketing of manufacturers and distributors, requires expertise, experience, and specialization.

Thomas R. Cutler is the President & CEO of Fort Lauderdale, Florida-based TR Cutler, Inc., the largest manufacturing marketing firm worldwide – www.trcutlerinc.com. Cutler is the founder of the Manufacturing Media Consortium of twenty seven hundred journalists and editors writing about trends in manufacturing. Cutler is also the author of the Manufacturers' Public Relations and Media Guide. Cutler is a frequently published author within the manufacturing sector with more than 300 feature articles authored annually; he can be contacted at trcutler@trcutlerinc.com.

Note:
This article was first published on AutomationMedia.com.
Stop by www.AutomationMedia.com for Cutler's Latest Manufacturing Insights.