Defeating the Ugly Door
Using Online Product Configurators to Avoid Costly Mistakes

By Rebecca Gill

It's Friday afternoon and a call comes in for a door. Joe, a sales representative, is talking to the customer and offering all the options. On Monday in the planning department, Elaine, the production planner, is wondering what Joe was thinking when he quoted the door. In Elaine's mind, it is the ugliest door she has ever seen, and Joe obviously made a mistake in his specifications to the client. We now route back to Joe and the client to "pretty up" the door and make it into something the client would actually install. The whole process wastes valuable time, money and goodwill with the purchaser. This is a typical scenario in complex product sales.

Fear Not, Help Is Available

For all those manufacturers and dealers who have stumbled along this same path, help is available. It comes in the form of an online product configurator – a tool designed to ease quoting and prohibit the creation of a product no one would purchase. The tool is geared toward easing the movement of goods through the entire operational cycle, from quoting and sales through planning and manufacturing.

A product configurator can come in many shapes and sizes; however, most packages generally have the following functional characteristics:

- Rules definition for easier quoting
- Product attribute management to track item sizes, tolerance levels and species
- System generated bills-of-materials and manufacturing routings based on configurator choices
- Nested configurations or configurations within configurations that contain multiple products and service options
- Tracking of material, labor and burden through both product development and manufacturing
- Online document management for items such as specifications, drawings and installation instructions
- Interactive imaging of the product, which updates as configuration choices are selected
- Integration to external product design systems
- Ability to upsell or suggest complimentary products or substitutes

Product configuration is gaining popularity within a number of industry segments, and is important to door manufacturers and dealers. Not only will a good configurator help speed up the quoting process and make the quotes accurate, but it will improve manufacturing and supply-chain operations.

More Than Quoting, Tangible Benefits

Online product-configuration software provides advantages to users across a variety of departments. If deployed via the Internet to customers or dealers, the reach of its benefits and potential return on investments increases exponentially.

A typical online product configurator can streamline the quoting process by offering simple drop-down menus that give the user a listing of available characteristics or attributes of a product. As the user selects their desired options, the configurator changes subsequent options for the user and ensures a valid product is designed or configured. In addition, as options are selected, the system can provide immediate online images of the quoted product.

Not only is this an internal cost savings, it dramatically increases the level of customer satisfaction by providing an intelligent staff that can quickly respond to customer requests. This type of quote-processing utilizes the computer system's data tables to provide a fast and reliable knowledge center to help anyone create a workable and sellable product. The configurator not only speeds the actual quoting process, it will provide exact option-based pricing and appropriate lead times where applicable.

The benefits of implementing the software reach well beyond the quoting process. A standard implementation project will generally produce many tangible and intangible benefits for an organization.

It will reduce:

- Product training for sales and operational employees
- Data-entry errors
- Processing time associated with quoting and sales order entry
- Cost of sales
- Product lead times
- Customer returns
- Invoicing errors and pricing disputes
- The entry of quotes and sales orders for nonbuildable products

It will also help provide:

- Consistent pricing through attribute-or characteristic-based pricing structures
- More expedient creation of bill of materials and manufacturer routings
- Optional 24/7 customer self-service through the Internet
- Improved data analysis through improved product tracking
- Increased customer satisfaction

Many online configurators can go a step further by offering Web-enabled access to designing and quoting complex products online, 24 hours a day, seven days a week. This virtual storefront is an ideal situation for manufacturers with a large number of dealers in different locations.

ERP Packages with Built-in Product Configurators		
Bowen & Groves	M1	www.bowen-groves.com
Infor	Visual	www.infor.com
Seradex	Seradex ERP	www.seradex.com
Technology Group International	Enterprise 21	www.tgiltd.com
Stand-Alone Product Configurators		
BigMachines Inc.	Product Configurator	www.bigmachines.com
Configure One	Concept	www.configureone.com
Soft Tech	Saturn	www.softtechnz.com
TDCI	BuyDesign	www.tdci.com
TrueSales Corp.	ConfiguratorPlus	www.configuratorplus.com

Do You Need a Configurator?

Not all industries or companies need a product configurator. Organizations selling made-to-order or configure-to-order type products that have a number of variables and selection options can greatly benefit from the functionality inherent in a product configurator.

The building-products industry is an ideal fit for such automation. Products such as custom cabinets, doors, gates and electronics have a wide range of design options available. These product characteristics are easily managed with an online product configurator.

Knowing if you need a configurator is not difficult. There are some predominant organizational traits that candidates have in common. These include businesses where:

- Few staff members have the knowledge to quote complex products
- Customer service representatives require a high degree of product training to manage quotes and sales orders
- Incoming orders or quote requests must go through engineering before returning to the customer
- Processing a quote for a customized product takes days to complete
- Product planning becomes a gatekeeper for nonbuildable orders
- New bill of materials and routings are frequently required because of alterations or changes to existing designs and products
- Costing elements quotations to the customers are inconsistent and difficult to estimate accurately
- Significant customer returns or reworks exist

If you find yourself relating to two or three of these statements, it is probably time to consider a product configurator.

Are You Ready for an Internet-Based Configurator?

We are an immediate gratification society. From 24-hour news channels to emails popping into our mobile phones, people expect information instantly. This fast-paced environment has helped speed information delivery to new heights, and e-commerce has hit new activity levels because of it. An online product configurator is just one more method of delivering data through the Web.

The old mantra of waiting for product information, a quote or a seasonal catalog is a distant memory. These days, the average consumer or corporate buyer believes in self-service and thinks nothing of "Googling" to find their next purchase. From shoes to customized doors, the average person will, without doubt, hit the Internet to research and possibly purchase the goods and services they require.

This paradigm shift has catapulted savvy business leaders into amazing success stories as they have modified their sales strategies to capitalize on the Internet's resources. Online catalogs, sophisticated configurators, inventory checks and order placement have expanded the standard sales force into 24-hour, seven-days-a-week sales wizards. Embracing this change and migrating existing business practices to include e-commerce is not simply an option – it is becoming a requirement for survival.

Of course, taking advantage of the Internet and deploying an online product configurator to your customer base is not for every company or every product line. Not all products or customers will adapt well to this model. The gap, however, is narrowing, as more and more consumers and businesses embrace the idea of researching and buying products online.

Some Words of Caution

Not all product configurator packages are alike. As with any system, online product- configuration software can vary in levels of functional depth, ease of use, underlying technology, presentation method and cost of ownership. Just as the packages vary, the software vendors and their industry focus vary as well.

At a very high level, the software is either stand-alone or integrated into larger solutions. Stand-alone packages are typically Internet-based and require integration with existing business software. Other packages come built into larger packages and are designed for configure-to-order types of industries. These integrated packages usually allow users to access the functionality locally or via the Internet for outside sales representatives, dealers or customers. Choosing the right configurator requires a thorough review of internal and external users, technology preference and product-line mix.

Defeating the Ugly Door

Think back to our original scenario of Joe and his ugly door. Let's revisit it, but this time with an Internet-based product configurator.

It's Friday afternoon and Joe's client accesses the company's Web site to purchase a high-end door. The customer enters the online catalog and reviews initial door types. Next, he selects his base model, clicks through his available options such as height, width and style. Then, he makes adjustments before he reviews the final images and confirms his selections. At this point, the system provides his sell price, informs him of the applicable lead time, and offers to add on complimentary items such as hardware. After reviewing the newly added hardware options, our customer prints an order acknowledgement for his records. As he heads out the door to start his weekend, the system schedules a follow-up call for Joe. On Monday morning, Joe can contact the customer to personally confirm the order and thank him for his continued business.

Notice there are no communication errors in quoting; ordering is instantaneous; and overall, customer satisfaction is at new heights. Our customer had a significant amount of information available to him, when and where he wanted it. He was able to visually see his chosen options, and he was even given complimentary products to add onto his order. Not only was his

experience positive, but operational costs were at a minimum, and his purchase of higher-margin accessories helped boost the order's profitability and the company's bottom line. All of this without a reduction in personalized service or attention — Joe is going to follow up with a call on Monday to solidify the order.

Although the benefits are felt most within customer service and sales, they do not stop at the time of quoting and order entry. At Monday's planning meeting, Elaine will not be second guessing the production orders and returning to Joe to correct any questionable orders for the dreaded "ugly" door. Or worse yet, the ugly door won't sneak past Elaine, be produced and shipped, only to be returned a week later by the customer.

The entire operational process can benefit from the implementation and usage of an online product configurator. From improved customer satisfaction to decreases in operational costs, product-configuration software can provide a 100 percent return on investment time and time again.

Rebecca Gill is vice president at Technology Group International (TGI), based in Toledo, Ohio. TGI is a developer of enterprise software solutions in the small to medium business sector. Additional information is available at www.tgiltd.com or 800.837.0028.