

Michelin pumps web sales 2.0 air into their tyres

The tyre giant has greatly improved the customer experience, seen a boost in sales and is already working out the next stage for its Adept Business Systems online ordering and information system...

> CASE STUDY

Michelin's online ordering and information system is the equivalent of an extra pair of hands for Martin Burger, the managing director of TYREPLUS, South Melbourne. It is also increasing profitability – “we would have lost sales without it,” he says.

That extra pair of hands and profits comes courtesy of a move by Michelin and its technology partner, Adept Business Systems, to what is increasingly described as Sales 2.0 – where technology and the internet are harnessed to develop customer-facing systems that actively help organisations sell, while forging closer links between suppliers and their customers.

Instead of products simply being pushed to the market, customers – in this case tyre dealers – can use Sales 2.0 systems to access web based information, place orders over the internet and liaise with their suppliers when and where it suits them.

Burger, who employs a team of eight, runs a successful tyre shop in South Melbourne and has, for many years, supplied his clients with Michelin tyres. But until the e-ordering system went live, ordering tyres involved a cumbersome, manual process.

Burger first had to make a phone call to Michelin's call centre to see if the tyres his customers needed were available and, if so, when they could be shipped. “I'd be calling them 20-30 times a day,” he said.

Many of Burger's clientele drive top notch cars and expect premium products and service when it comes to tyres. Porsche drivers didn't appreciate being put on hold and some simply hung up and went elsewhere. On Saturday mornings, Michelin's call centre wasn't open to field enquiries or take orders until the following Monday.

Now, Burger and 200 other tyre shops around Australia can use Michelin's web based e-ordering system to find out if the tyres they need are available and instantly place orders over the internet. Dealers can also use the system to check invoices, access statements, receive product news and learn about tyre promotions and special deals. Repeat buyers can use the “quick-buy” function to rapidly place orders for tyres they buy on a regular basis. Burger calls Michelin's internet based e-ordering system the most useful tool from any of his trading partners over the last 40 years.

Ordering tyres has become complex. For example, says Burger, “when I started about 40 years ago, we used to keep 27 sizes and that covered around 80 per cent of the population. Now,



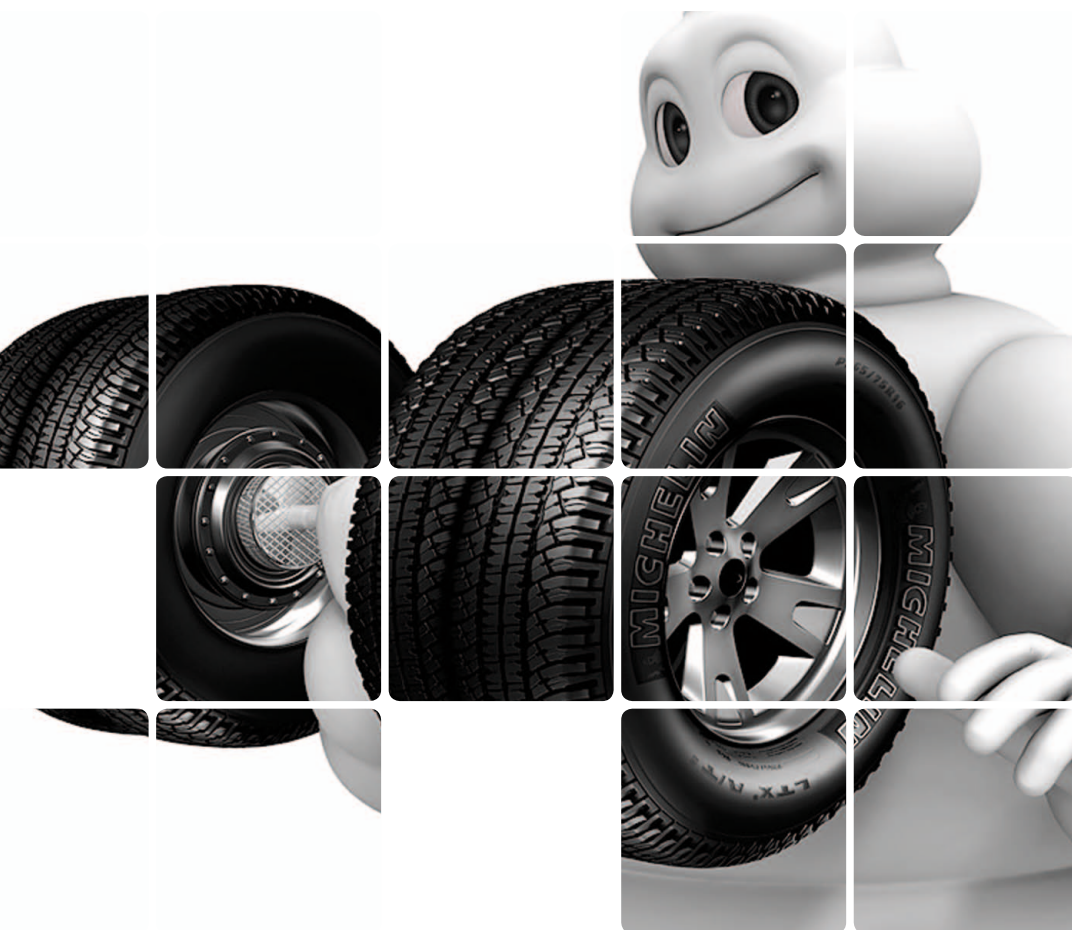
I carry more than 400 tyre sizes and that's just 20 percent of the market covered.” So inquiries coming into the call centre are not always straightforward. Shane Badley, Michelin's country commercial administration manager says analysis of inbound calls showed that more than a third of all calls to the company's call centre were not generating a sale – but were an inquiry as to whether a tyre was in stock, where an order was, or requests for invoice reprints.

For Badley, continual innovation is key to Michelin's sustained success. The company constantly benchmarks itself against the rest of the industry. So there was a need to improve the service level to dealers and use the call centre in a better way. In doing this, the aim was to keep things simple, streamlined and sustainable. “This initiative wasn't about trying to cut costs or reduce headcount, but to deliver a better service for both Michelin dealers and their customers,” says Badley.

There were some hurdles to clear along the way. Michelin's strong security protocols had to be implemented so an innovative security log-on was

“We've seen very strong use of the e-order system – 22 per cent of orders are placed electronically already, even though the e-ordering system has been made available initially only to a limited number of strategic dealer partners.”

Shane Badley,
Michelin's country commercial
administration manager



developed but one that remained simple for the tyre dealers to access the system. There was also a relatively tight budget for the project.

Michelin chose Sydney-based software company Adept Business Systems to develop and run the system on a software-as-a-service basis, allowing Michelin to invite other dealers to use the e-ordering system at will, and scaling up the use of the system with minimal additional costs. Adept already supplied Michelin Australia's core business (ERP) system, so linking the information in the ERP to the internet based ordering system was relatively simple and took only three months to get a system up and running.

It has resulted in an increase in sales and a greater demand for premium products, with 22 per cent of orders now being placed electronically, even though the e-ordering system has been made available initially only to a limited number of strategic dealer partners. Of the dealers with access to the system, 70 percent of their orders are being placed via the web, many at times when the call centre is closed. This has also freed up call centre operators for more value-added activities, such as making outbound marketing calls, or managing more complex issues for clients. Previously, call centre staff could spend half an hour finding, printing and sending off an invoice reprint to a dealer.

Weekends now generate good sales even though the call centre is closed. On one recent Saturday, 38 dealers logged onto the Michelin e-ordering system over the internet and conduct-

ed 7,238 functions.

Established in 1888, Michelin is one of the largest tyre manufacturers in the world. The French parent is watching the deployment with interest and the further developments ahead. Michelin Australia managing director, Steven Vette recently made a presentation about the success of the e-order initiative to the Michelin management team in Singapore. "The speed of development and the time to market were understood as being key success factors," he said.

Australia's operation plans to make the web-based system available to another 200 of its dealers over the coming year and will shortly release an enhanced version of the e-ordering system. The next generation of the tool nicknamed "salesman in a box" features rich information and tyre "talking points" that will allow a much richer flow of information about the tyres being ordered. It will feature different user access levels and extend the hours when metropolitan-based tyre dealers can place an order to get next day delivery from one of Michelin's three warehouses in Brisbane, Perth and Melbourne. It will also be iPad friendly.

Another upgrade is being scoped and may incorporate aspects of unified communication allowing dealers to be online at the Michelin e-order site, but also engage in chat or instant messaging sessions with Michelin support personnel. [i](#)

 **CASE STUDY**

> Michelin

 **AT A GLANCE**

Industry

> Tyres sales and service

Business Objective

> Company needed customer-facing systems that actively helped sales, allowing for orders to be placed over the internet while forging closer links between the company and customers. Ordering tyres had been a cumbersome, manual system.

Solution

> Adept Business Systems

Business Benefits

- > Ordering system made simple, streamlined and sustainable
- > Customers can now place orders when the call centre is closed
- > Call centre staff are free now for more value-added activities
- > Significant increase in sales and greater demand for premium products
- > The system was up and running in three months

 **FOR MORE INFORMATION**

> Adept Business Systems Pty Ltd

Steve Clark, CEO
sales@adept.com.au
+ 61 2 9330 5555
www.adept.com.au

If you would like this article e-mailed to you then please:
NZ: Txt PDF 2 to 244
AU: Txt PDF 2 to 193333

powered by txt2get