Modernizing sales and marketing applications has allowed a major timberland and forest products company to deliver exceptional service to drive customer satisfaction and continuous improvement.

One Company's Journey to Transform Sales and Marketing and Customer Experience

November 2023

Written by: Reid Paquin, Research Director, IDC Manufacturing Insights

Introduction

Disruption has impacted all industries, and manufacturing has been among the hardest hit. This has served as a wake-up call for most in the industry to realize that change needs to occur, with less than 20% of manufacturers believing that their business model is future proof (source: IDC's *Future Enterprise Resiliency and Spending Survey*, June 2022). In addition, growing competition and the commoditization of products have made differentiation a challenge impacting a manufacturer's ability to retain customers, grow revenue, or move into new markets. The ways in which customers research and purchase products are evolving. Today's buyers, including B2B and B2C manufacturers, want to research, shop, and order on their own terms and time — an approach that manufacturers have not been well suited to deliver on. A key component to staying competitive for all manufacturers is going to be customer experience (CX). Finding new ways to attract, engage, and satisfy consumers will be the hallmark of successful organizations.

A Manufacturer's Operational Challenge

The wood products business of a United States–based Fortune 500 timberland company sells to large home builders, distributors, and retail stores. In 4Q21, the company identified the need to provide a more modern customer experience by transforming its wood products sales and marketing processes. Its strategy revolved around embracing a digital-first approach and modernizing enterprise systems. An ERP upgrade gave the company the opportunity to dive deeper and solve some pressing issues hampering the sales and marketing teams. Through internal conversations and customer interviews, the following opportunities for improvement were highlighted as items to address:

» **Inconsistent data** was spread across multiple tools, systems, functional teams, and sources of truth.

» **Lack of visibility** hampered process and profitability across the customer value chain, processes, and tools.

SOLUTION SNAPSHOT

THE ORGANIZATION
This Fortune 500 forest and timberland products company is based in the United States.

THE ORGANIZATIONAL CHALLENGE
Inconsistent data, lack of visibility, organizational silos, manual processes, and process complexity were all hampering the company's sales and marketing teams.

THE SOLUTION
HCL's MVision framework was implemented.

THE PROJECT DURATION
The multiphase project started in 2022. The expectation is to finalize a phased approach by mid-2023.

» **Organizational silos** meant trapped knowledge that was hard to access, limiting employees' ability to do their jobs effectively.

» **Manual processes** led to dependency on process sales and marketing experts, with a high impact on employee turnover.

» **Process complexity** was an issue because of the nonstandard use of multiple systems (process overlap between business units).

Undertaking a transformation program for an enterprise as large as this one can be a complex and time-consuming task. As a result, the company wanted to think long term and set the foundation for the next 10-15 years, keeping in mind its main goal: What do we need to do to catch up with/leapfrog the competition?

Ultimately, the company decided to invest in digital technology, align business processes, and empower employees through an initiative called the Catalyst Project. The project will upgrade wood products' sales and marketing applications to deliver on three main objectives: provide real-time insights driven by a 360-degree view of the customer, speed up decision making through common/configurable tools, and foster operational excellence through pricing and account management. These objectives align with and further the company's wood products strategy to be the preferred supplier for its targeted markets/customers.

IDC's September 2022 *Future Enterprise Resiliency and Spending Survey, Wave 8*, found that 87% of organizations are engaged in executing a digital-first strategy. And according to IDC's December 2022 *Future Enterprise Resiliency and Spending Survey, Wave 11*, these digital transformation activities have led 75–95% of organizations to find improvements in revenue, cost savings, profits, customer satisfaction, operational efficiency, employee productivity, and time to market. These results make it clear why the shift is occurring from archaic legacy systems to modern, modular, and intelligent enterprise systems.

Implementation

The project was led by a group of organizational leaders and a steering committee made up of three main groups — business operations, IT, and HCL. Part of this process was a series of workshops that HCL led, focused on various process areas (market to sell, quote-to-cash (Q2C), service, CX and change management, and integration analytics/reporting) involving the key stakeholders. The workshops focused on how the company's processes and resources deliver value to the customer and what the operational constraints are in delivering exceptional customer experience. For a CX workshop, this included HCL working with core company representatives to identify the customer journey phase/build personas, map the customer journey, and conduct design thinking sessions to develop a better overall experience. HCL used its MVision for Business framework to construct the transformation program, using the 4D implementation methodology approach:

» **Discover** (learn and understand) — HCL unlocked value by first understanding user context, needs, and goals.

» **Define** (innovate and agree) — HCL defined measurable outcomes, requirements, and technology enablers.

» **Design** (create and consider) — HCL created experiences that met the needs of the users and business.

» **Deliver** (build and deploy) — HCL delivered experiences that achieved goals through measurable outcomes.

The company cites the agile approach that HCL took to project design (i.e., failing fast and smaller projects quickly being scaled into full production) as being the most beneficial for its large-scale implementation. To achieve the organization's business goals, a best-of-breed approach was taken with a hybrid solution built on Microsoft Dynamics, SAP, and price optimization applications. This approach was utilized because of its:

» Stronger sales effectiveness as well as product and price visibility capabilities

» Blend of familiar but upgraded toolsets for different audiences (e.g., outside sales reps using Microsoft or everyday SAP users entering orders)

» Better CRM integration with Microsoft Office 365 to drive productivity gains and better adoption

» Product strategy and vision aligning with the needs of each best-of-breed tool

» Ability to leverage the company's familiarity with its existing vendors

Challenges

As in any large-scale manufacturing transformation program, roadblocks are encountered that must be overcome. There were two areas that the company focused on throughout the project: skill sets and mindsets. While the company experienced some internal expertise challenges, once it focused on addressing these issues, things improved within a few months. Adjusting the mindset and building a culture focused on transformation has been the key challenge. Cultivating this mindset meant that when there were early failures, employees used them as a learning opportunity instead of being demotivated. The company cited the resources that HCL provided as important components to fostering the right mindset with employees and for the overall project. An Agile coach was provided who took time to understand employee needs and challenges, then provided guidance. Experts focused on UI/UX, design thinking, and business benefits were also provided and mentioned as pivotal to the company's success so far.

Benefits

Digitization has long been the backbone of operational effectiveness for manufacturers. Throughout the project, key performance indicators (KPIs) were used to measure success, including time savings, employee productivity, and better customer experience — all of which are critical for a large company to be viewed as the supplier of choice. A recent pilot has focused on more usage with the company's CRM, customer portal, and customer service management applications.

The Catalyst Project is a growth opportunity for the company, with the initial pilots being well received and having good traction. Over the next year, the company plans to modernize its advanced pricing and sales operation (Q2C) applications to realize further benefits. It believes that this is not a one-off project but a journey of transformation that will evolve over time and continue to achieve results in years to come.

Methodology

The information contained in this document was obtained from information supplied by HCL and questions posed by IDC Manufacturing Insights directly to the company.

About the Analyst

Reid Paquin, *Research Director, IDC Manufacturing Insights*

Reid Paquin is research director for IDC Manufacturing Insights responsible for the IT Priorities and Strategies (ITP&S) practice. Mr. Paquin's core research coverage includes IT investments made across the manufacturing industry and manufacturers' progress with digital transformation. Based on his background covering the manufacturing space, Mr. Paquin's research also includes an emphasis on the technology enablers that help manufacturing executives make better-informed operational decisions.

IDC Custom Solutions

This publication was produced by IDC Custom Solutions. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. A license to distribute IDC content does not imply endorsement of or opinion about the licensee.