



Aberdeen Group

OnSite

Avnet: Sales and Channel Management through SalesLogix CRM

Overview

Avnet is one of the largest distributors of semiconductors, interconnect, passive and electromechanical components, computer products, and embedded systems in the world. With headquarters in Phoenix, AZ, and offices globally, Avnet has approximately 10,000 employees, 1,400 of whom are in the Avnet Computer Marketing (CM) operating group. Avnet Computer Marketing markets enterprise technology products to value-added resellers (VARs) and enterprise customers, providing marketing support, pricing strategies, and supplier-relationship management.

To strengthen its direct sales, channel sales, and customer support and service capabilities, Avnet CM decided on a CRM strategy that would enable it to consolidate customer data from multiple back- and front-office sources and data repositories into a single customer warehouse. After evaluating several alternatives, Avnet CM decided on and implemented a set of solutions based on the SalesLogix CRM application, a product now owned by Best Software, the U.S. subsidiary of U.K.-based Sage plc. Today, Avnet CM has rolled out three discrete SalesLogix implementations in various parts of its organization that support its direct sales, reseller sales, and customer-support initiatives. This Aberdeen *OnSite* will discuss Avnet Computer Marketing's business objectives, CRM methodology, and CRM applications, and will describe the ROI and efficiency benefits they have achieved.

Avnet Computer Marketing's CRM objectives

Avnet Computer Marketing's CRM objective was to implement a system that would meet the needs of its internal users, as well as the needs of its partners and customers. Avnet described its objectives with two unique acronyms: WIIFM, or "What's in it for me?", which means that the CRM system had to provide value and address the needs of the internal sales, support, and marketing users; and WIIFC, or "What's in it for the customer?", which meant that the CRM system also had to make it easier for the customer to buy from Avnet CM and to receive support in a way that would encourage that customer to continue to be a loyal Avnet customer.

Avnet CM formed an executive team that set high-level objectives for the implementation, and monitored and mentored the implementation from start to finish. This team in particular focused on meeting the needs of both internal sales and

support personnel, as well as the needs of its resellers that worked closely with Avnet CM and that required easy access to much of the same business and product information that internal users did.

Additional objectives of the new CRM system included the ability to collect, aggregate, and report a company-wide sales forecast from the direct and indirect sales teams. The forecast was important for Avnet CM's internal business needs, as well as for the needs of its key suppliers that required accurate forecast information in order to supply components in a timely and cost-effective manner.

Lead management was also a key consideration for the new CRM system. Cooperative funding for marketing programs are carefully monitored and measured. To Avnet CM, this meant having the ability to distribute and track leads given to its partners to ensure the leads were being followed up on. Avnet also required the ability to track the success or failure of specific leads against marketing programs, identify which programs were bringing in high-quality leads that resulted in Avnet business, and note which programs were not successful.

Avnet's CRM/SalesLogix Environment

Today, Avnet has three separate applications based on SalesLogix, supporting approximately 700 internal users. Customer data is stored in a Microsoft SQL Server database environment, with 41,000 customer records stored in this repository. All users access the system through a Web-browser-based user interface, and users are able to access any customer-relevant information — whether inside or outside of the SalesLogix database — through this single user interface.

Avnet's initial implementation was a fairly straightforward sales force automation (SFA) application for its direct-sales organization, with users synchronizing their individual customer records (typically stored within the ACT! application that was used by many salespeople) with a centralized customer database that was open to everyone on the direct sales team.

A second CRM requirement came from the customer support and service organization within Avnet. This group provided technical support to both the large end-users managed by the direct sales organization, as well as to the resellers responsible for selling into the small and medium-sized business market. The customer-support contact center manages 10,000 tickets or calls per month from Avnet partners, and is able to access customer and product information that resides in several different repositories throughout Avnet.

A third SalesLogix application was developed for the Avnet sales team that supports Avnet CM's reseller channel. This application and its data is kept discrete from the direct sales application at Avnet, to eliminate channel conflict, and pro-

vide the reseller sales group with SEA functionality similar to that used by the direct sales organization.

Avnet uses a browser-based user interface as the primary vehicle through which all customer-relevant information is delivered to users, including information that is contained in Avnet's multiple back-office systems and applications. To accomplish this, Avnet integrated Microsoft Active Server Pages inside of the SalesLogix HTML-frameset structure. A global customer number is stored at the account level within the SalesLogix database, and is passed to the Active Server Pages via URL parameters, enabling the SalesLogix user interface to function as the primary data-retrieval interface across all of the back-end systems.

Both direct- and channel sales reps are now able to pull up a history of all purchases that their customer has made over the last two years, check the status of a customer order, and trace the delivery of an order through shippers such as FedEx or UPS. Other functionality delivered through SalesLogix includes:

- Quote status
- Contract status
- Customer profile
- Publication subscription management
- Instant messaging
- Enterprise reporting access
- Credit account status
- RMA (returns management and administration)
- Sales history
- Integration order status
- Customer security model for Web tools access

Benefits and ROI

The tangible benefits in terms of productivity and closing incremental business have been substantial. Avnet has realized the following improvements in its sales, marketing, and support initiatives:

- An overall 20% reduction in the time needed to manage customers and customer transactions, purchases, or inquiries
- Savings of 23 hours/week in the time needed to assemble and consolidate sales forecasts

- More effective lead generation and management, based on Avnet's ability to now pass leads to resellers based on a performance-based closed/won deals metric, and to track the progress of those leads

One specific benefit of the SalesLogix implementation came in the form of new business. Based on the high-quality custom support provided by the customer call center that began using SalesLogix, Avnet was able to close three separate contracts worth a total of \$2 million for the provision of support and maintenance services with a major manufacturer of computers and peripherals.

Conclusions

The CRM industry has been awash with stories of failed, delayed, or under-performing implementations. At least partly in reaction to these stories, many companies are shying away from the "big bang" implementations — the very large, lengthy, cross-company installations that attempt to do it all — and are instead addressing high-value/high-ROI areas in the organization. Once the viability of the solution has been proven and the company has realized a positive operational and financial return on its CRM investment, it is then ready to move on to ancillary areas in the organization that could benefit from CRM.

Avnet CM, after a few failed attempts, opted to address specific areas of need or functionality where it could realize — and prove — the viability of its solution. Once success was achieved in one area, they then moved on to provide incremental, integrated functionality to other departments. Today, Avnet CM is able to provide its customer-facing employees and partners with a single source for all the customer-relevant information they need to more effectively do their jobs. The advantages of a single view of the customer have long been a central tenet of CRM, but Avnet CM has proven the point through the operational efficiencies it has gained, as well as through specific, quantifiable business contracts it has won largely on the strength of its new-found CRM prowess.

To provide us with your feedback on this research, please go to www.aberdeen.com/feedback.

*Aberdeen Group, Inc.
260 Franklin Street, Suite 1700
Boston, Massachusetts
02110-3112
USA*

*Telephone: 617 723 7890
Fax: 617 723 7897
www.aberdeen.com*

*© 2003 Aberdeen Group, Inc.
All rights reserved
March 2003*

Aberdeen Group is a computer and communications research and consulting organization closely monitoring enterprise-user needs, technological changes and market developments.

Based on a comprehensive analytical framework, Aberdeen provides fresh insights into the future of computing and networking and the implications for users and the industry.

Aberdeen Group performs projects for a select group of domestic and international clients requiring strategic and tactical advice and hard answers on how to manage computer and communications technology. This document is the result of research performed by Aberdeen Group. It was underwritten by Best Software. Aberdeen Group believes its findings are objective and represent the best analysis available at the time of publication.