



Siemens significantly cuts Sales Management Costs by automating Proposal Creation Process

Overview

Country or Region: Germany

Industry: Manufacturing

Customer Profile

Siemens Power Transmission and Distribution Medium Voltage (PTD M), a subsidiary of Siemens AG, is a worldwide leading manufacturer of power transmission and distribution equipment.

Business Situation

Siemens PTD M wants to further optimize sales management to stay competitive in a growing market.

Solution

The company implemented a solution based on Microsoft® Office Visio® 2007 to improve the sales proposal generation process.

Benefits

- Reduce sales proposal generation effort by approx 25% per year
- Reduce costs for maintaining and updating its sales tool by approx. 76% per year
- Reduce time to create production order by approx. 100% per year

“The new Visio-based tool allows our sales staff to create more professional looking proposals faster.”

Dr. Gabriele Herold, Project Manager, Siemens AG PTD M Medium Voltage

Siemens Power Transmission and Distribution Medium Voltage (PTD M) is a worldwide leader in the power delivery industry. Its products enable power utilities and industry customers to transport and distribute electricity reliably and economically from the power plant to the customer. Faced with an inefficient sales tool that required sales and technical teams to separately create the same technical drawing—one for the proposal document, another for implementation planning—Siemens PTD M sought to improve the efficiency of its sales development and documentation operation. In turn, Siemens PTD M chose Microsoft® Office Visio® 2007 to identify improvement opportunities and help create a flexible and user-friendly sales tool for reducing the time and cost of document creation. As a result, Siemens PTD M will cut significant costs.



“Due to the long time needed for creating all the sales documents we could not react on all the customers needs as flexibly as needed, especially in cases of complex configuration options or special construction requirements.”

Jan Gross, Product Manager, Siemens PTD M Medium Voltage

Situation

Siemens Power Transmission and Distribution Medium Voltage (PTD M), located in Erlangen, German, a subsidiary of Siemens AG, creates circuit-breaker switchgear for use in transformer and switching substations, mainly at the primary electricity distribution level. These switchgears provide power installations and electricity distribution centers all over the world with the proper equipment for transforming high-voltage electricity into medium- and low-voltage electricity.

The quality and efficiency of its services, combined with its proximity to customers, have made Siemens PTD M one of the world leaders in the electricity transmission and distribution field. The company employs over 473,000 people and serves customers in more than 190 countries. Customers of Siemens PTD M include the power, automotive, mining, and chemical industries.

Business Priorities

To remain one of the largest and most successful companies in the global electricity transformation and distribution market, Siemens PTD M has identified specific business priorities that include the following:

- Supporting the sales organization with

user-friendly and powerful sales delivery tools

- Reducing dependency on external service providers
- Optimizing sales management through providing efficient administrative processes

To reach its goal of sales and delivery efficiency, it was important for Siemens PTD M to understand its current processes and invest in a new tool that could simplify them.

Sales Proposal and Order Generation Challenges

Siemens PTD M has been using a decentralized, PC-based sales tool with most of its switchgear panel components. This tool uses predefined building blocks in the form of grouped objects with pictorial elements. There are approximately 7,000 elements. To create technical drawings, sales staff arranges these objects according to the customer specifications and technical requirements. New offerings, pricing changes, and technical modifications to existing products were regularly implemented into the tool. These updates were programmed by an external service provider and uploaded into the tool every three to six months. This made Siemens PTD M dependent on the external

Figure 1. Methods & Procedures of the sales management process and subprocesses

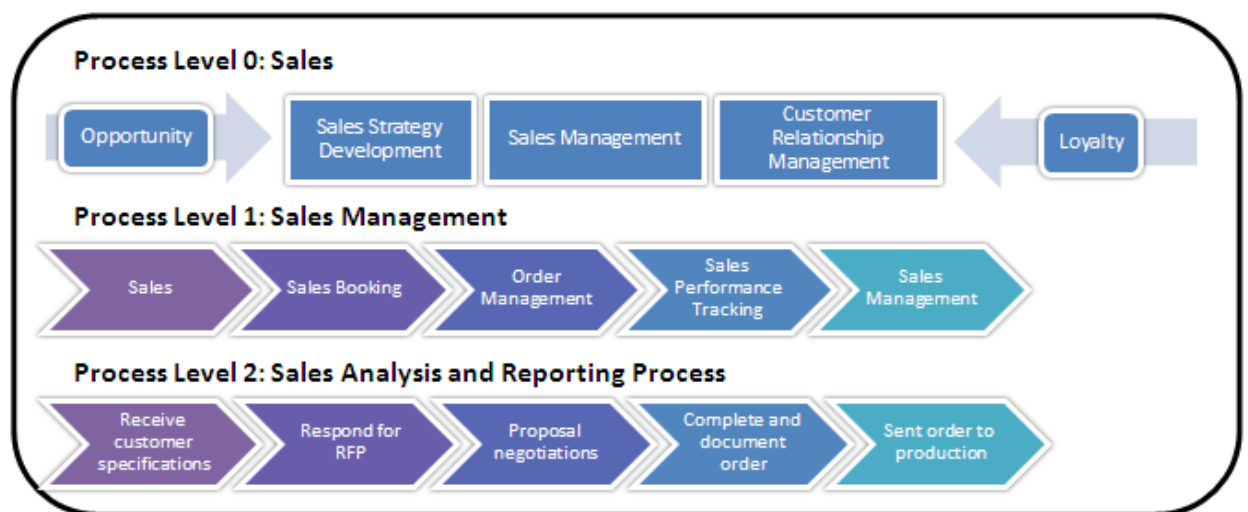


Figure 2. Front View drawing of switchgear



Figure 3. Floor plan drawing and catalog picture of switchgear

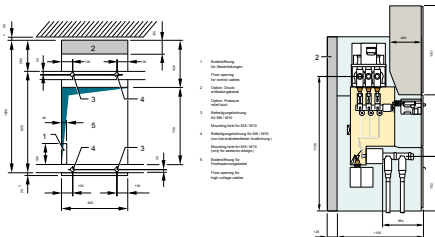
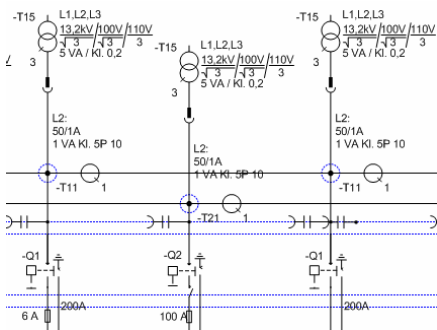


Figure 4. Detailed picture of engineering drawing of switchgear components



provider and, due to late or delayed updates, could result in proposals with potentially outdated prices and technical specifications.

Over the entire sales process, technical drawings are used to communicate and develop a proposed solution with the customer. The modular and static configuration of the tool made it very time-intensive to change the existing drawings if the customer or production requested a nonstandard specification. Also, the static display and high customization level of the tool made it inefficient for reusing existing drawings. As a result, each proposal had to be built from scratch. The inflexibility of the tool often caused frustration among the company's staff. As these drawings were used for building the actual panels, accuracy is very important. Document preparation was a cumbersome and highly manual process, such that significant time was spent away from the customer Jan Gross, Product Manager, Siemens AG PTM Medium Voltage describing the inefficiencies of the sales process: "Due to the long time needed for creating all the sales documents we could not react on all the customers needs as flexibly as needed, especially in cases of complex configuration options or special construction requirements."

Once the sale has been completed, these drawings become part of the technical documentation for production. Because of the limited data exporting capabilities, the sales staff had to take the sales documentation and manually recreate the same drawings in another, more technical tool for production. This resulted in significant administrative effort for the sales staff and, due to its highly manual nature, was prone to human error.

Figure 1 provides a brief overview of the sales management process and subprocesses by

which the sales staff of Siemens PTM M generate their sales proposals.

Dr. Gabriele Herold, Project Manager for the Siemens PTM M Medium Voltage division, has identified several critical success factors and associated key performance indicators (KPIs) for increasing the efficiency of the sales management process:

- Increase internal efficiency for proposal and order generation (KPI: Reduce sales proposal creation time)
- Reduce dependency and costs for external service providers (KPI: Reduce cost for maintaining and updating sales tool)
- Accelerate sale-production handover process (KPI: Reduce time to create production order)

Solution

Siemens PTM M participated in the Office 2007 Rapid Deployment Technology Adoption Program (TAP). In the course of the program, and through its partnership with DataAssist, Siemens PTM M deployed Microsoft® Office Visio® 2007.

By working with Office Visio 2007, Siemens PTM M was able to address its critical success factors and employ business strategies to increase the efficiency and control of their claims management process.

Provide a Flexible Drawing Tool for Faster Proposal Generation

The solution shows how the sales organization of Siemens PTM M can use Office Visio 2007 as a graphical engine for the creation of user-specific diagrams from XML for its Requests for Proposals (RFP). Office Visio 2007 offers design functionalities and features for the management of complex processes. Instead of static objects, all switchgear components are prepared in Office Visio 2007 as specific, language-neutral templates and complex shape structures that include technical data

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Siemens AG PTD M Medium Voltage

required in the different diagram types. The shapes created in Office Visio 2007 are based on pictures of the Siemens PTD M sales catalog and are easy to modify. Figure 2, 3, and 4 provide examples of engineering drawings created by Siemens PTD M.

From a customized stencils toolbar, Siemens PTD M staff can drag and drop shapes into the drawing. Shapes are then automatically aligned and connected to one another. Staff can easily rearrange the drawings or update the technical data according to customer and production requirements. Since Office Visio 2007 offers the capability to export data in PDF format, sales staff can share these drawings with coworkers and customers.

Reduce Administrative Effort to Update and Maintain Sales Tool

With the new Data Graphic feature in Office Visio 2007, sales tool maintenance is less time and cost intensive. Because of its user friendliness, tool updates and system maintenance are done internally. Siemens has replaced the static graphic objects of its old tool with predefined but flexible Data Graphic shapes in Office Visio 2007. These shapes are based on pictures in the sales catalog. As the maintenance for these shapes does not require detailed IT knowledge, it can

be done internally.

The new tool is based on a central Microsoft SQL Server™-based client server to which all worldwide sales staff is connected. This enables the automatic update and maintenance of technical data and pricing data for the entire sales organization through the central server. This ensures that all sales staff always has the latest technical and pricing data available.

Improve Data Transfer from Sales Proposal to Production Order Generation

Office Visio 2007 includes process documentation exporting capabilities. Once a customer signs a proposal, the sales staff exports the technical drawings and specifications into a different tool for production. The capability of Office Visio 2007 to export files in AutoCAD Interchange format enables a direct export from the sales tool into the production tool. Based on the sales data, the production tool automatically generates the production plans for the switchgear as well as a list of items for the plan. This allows Siemens PTD M to completely automate the data transfer process and to initiate production of the customer order.

Figure 5. Improvements and benefits for each step of the sales proposal generation process

Step	Activity	Current Process	Business Process Improvement	Benefit
1	Create RFP based on customer specifications	Order is prepared based on technical customer specifications. Potential manual redrawing of order modification based on production feedback	Proposal drawings are generated with pre-defined shapes and stenciles with auto-connect functionality	Faster creation of more professionally looking proposals
2	Negotiate and document order	Proposal is adjusted and the graphical pictures manually redrawn based on negotiations. Final proposal transferred into order	Proposal modifications are integrated through quick updating/changing of the shapes and stenciles	Easier adjustment of drawings
3	Send order to production	Order is manually transferred into production system and send to plant	Proposal is transferred into XML document and sent to production	Fully automation of data transfer from sales to production
4	Update and maintain system	New products or modifications to current products are prepared and uploaded into the system through external provider bi-annually	Tool is constantly updated internally	Reduced dependency to external service provider at lower costs

Figure 6. Measurement of the improvements in the KPIs for the customer claims process

Benefits

Since the implementation of Office Visio 2007, Siemens PTD M is experiencing several improvements in its sales management process. With the new tool, the sales staff can create professional looking sales proposals faster and spend less time on updating and maintaining the tool. In addition, sales data can be more efficiently integrated with production systems. Due to these improvements, Siemens PTD M is experiencing significant cost savings in its sales process (See Figure 6 for the KPIs for the new sales proposal generation process). Herold comments, “This tool gives us the time to be much closer to our customers as we can react faster to their specific requirements.”

Improve Time-to-Market

For the sales staff, the new tool allows for faster documentation creation, easier documentation design, and simpler communication of the sales proposal with all involved participants. Because the technical components—represented by shapes in Office Visio 2007—are automatically aligned and connected, the sales staff can design the proposal drawings faster and update them more quickly if customer specifications change. The improved graphical engine produces very precise and professional looking engineering drawings. Because the shapes in Office Visio 2007 are based on pictures of the actual sales catalog, sales staff can also more easily communicate the technical drawings to potential customers. Furthermore, the ability to export a drawing in PDF format allows sales staff to easily share

and discuss the proposal with customers. Due to the tool’s user friendly nature, Siemens PTD M has also experienced a significant increase in employee morale. Jan Gross, Product Manager for the Siemens PTD M Medium Voltage division comments on the new tool: “The new tool won fast a high acceptance in our offices world-wide!!”

Reduce Administrative Costs

Overall, the new tool requires less maintenance effort as it does not require specialist or programming knowledge to update existing data or add new components into the tool. Its user friendliness allows for the internalization of maintenance. This results in increased flexibility and higher cost efficiency. It also reduces the companies risk exposure and dependency on external service providers.

Increase Internal Efficiency

Through the automation of the data transfer between both tools using the AutoCAD Interchange format exporting capabilities of Office Visio 2007, Siemens PTD M achieves a more efficient process and significantly reduces potential transfer errors. The new tool automates the data transfer process and does not need any manual intervention or re-creation of the engineering drawings.

Key performance Indicator	Type of KPI impact	KPI calculation/Measurement Method	KPI Improvement (%)
Reduce sales proposal creation effort	Decrease cost	Number of orders x number of hours per order x number of review cycles	25% time reduction
Reduce cost for maintaining and updating sales tool	Decrease cost	Time to generate report pre deployment versus time to deploy report post deployment	76% cost reduction
Reduce time to create production order	Improve efficiency	Time savings per report x hourly labor rate x number of reports per year	100% time reduction

For More Information

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Microsoft Office System

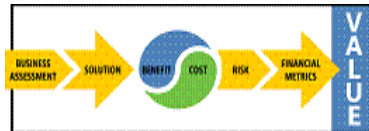
The Microsoft Office system is the business world's chosen environment for information work, providing the programs, servers, and services that help you succeed by transforming information into impact.

For more information about the Microsoft Office system, go to: www.microsoft.com/office

About Business Value Assessment

This business value research study was developed by Capgemini using the Microsoft Rapid Economic Justification (REJ) Framework to assess the business value of the 2007 Microsoft Office system.

For information on how to repeat this study for your organization, contact your local Microsoft representative or go to: www.microsoft.com/value



Partner Profile

DataAssist is a Microsoft Certified Partner and the oldest certified solution provider for Microsoft Office Visio in Europe. Since 1996 DataAssist designs and develops Office Visio-based solutions for Infrastructure, Process and specific visualization tasks. DataAssist's technology infrastructure and collaboration solutions teams focus on solving business problems with Microsoft technologies, especially Office Visio, Microsoft Office SharePoint Server, and the Microsoft .NET Framework. www.dataassist.de

Software and Services

- 2007 Microsoft Office system
 - Microsoft Office Visio 2007

Partner

- DataAssist