



DSM Expands Sales with CRM Tool, While Saving One Day a Week Per Sales Executive

Overview

Country or Region: The Netherlands

Industry: Life sciences

Customer Profile

Royal DSM, the Life Sciences and Materials Sciences Company, creates solutions that nourish, protect and improve performance. DSM has annual net sales of about €8 billion and employs some 22,700 people worldwide.

Business Situation

DSM needed a customer relationship management system to manage key accounts more effectively, improve time to market with new products, and free sales executives from manual administration.

Solution

Having considered SAP and other options, DSM chose Microsoft Dynamics CRM because of its user-friendly interfaces and ease of integration with other core business systems.

Benefits

- Sales grow by 3 to 5 per cent
- Return on investment increases
- Time to market improves
- Executives save one day a week
- Insight into value chain expands

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Marc God, Corporate E-Business Director, Royal DSM

Royal DSM, the global life sciences and materials sciences company, headquartered in the Netherlands, links its business expansion strategy with a drive to maintain the DSM brand at the forefront of its customers' minds. Intensive customer contact, supported by cutting-edge IT solutions, is important in achieving this success. After a detailed evaluation, DSM opted for Microsoft Dynamics CRM as its platform for business development. Sales executives can now communicate more efficiently and are gaining greater insight into both domestic and international markets. After deploying Microsoft Dynamics CRM, the company saw an immediate growth in sales of between 3 and 5 per cent. In the long term, DSM expects to shorten the time to market for new product launches and get an even clearer view of the value chain and market developments. The CRM tool saves each of its sales executives one day a week in administrative time.



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Situation

Despite average annual sales of €8 billion (U.S.\$10.6 billion), a presence in 200 countries, and more than 22,000 employees, Netherlands-based Royal DSM still considers itself a relatively unknown company. Marc God, Corporate e-business Director at DSM, says: “That’s partly because we’re a business-to-business company. Our customers know us as an innovative company in life and material sciences, but in the rest of the market not everyone’s familiar with the DSM brand. That needs to change. We’re aiming to become a leader in specialties, as a highly innovative organisation that collaborates with major industrial players. The name DSM must become ‘top of mind’ within our target group.”

For DSM, business growth and future sales are principally due to existing customers, but Marc God is aware that sales executives need to deliver a fresh performance for every repeat order. He says: “For each new project, you have to win the contract again to secure a production throughput for the next couple of years. Good key account management helps you to recognise what customers are doing and what they want. With the right customer relationship management (CRM) tools, you can stay on top of that. One challenge in this process is that DSM often doesn’t service the customer directly, but instead supplies the supplying industry. Our approach to customers is therefore a combination of account and pipeline management, which is different for each business and target group.”

Until recently, customer contact was not always managed effectively. Marc God says: “Customers request samples from us. For example, a business unit within DSM sends out around 17,000 samples a year. They cost €100 each, on average, giving an

associated cost item of around €1.7 million. A customer who requests a sample is often well advanced in the buying process, but for sales success we often lacked adequate follow-up. After an improvement programme using CRM with a clear after sales procedure and the right tools, we expect to improve the sample conversion. We expect it will generate a multiple of the original costs.”

DSM wanted to use CRM to achieve a faster time to market for new product developments. Marc God explains: “Our engineers must be as close to the customer and the market as possible to clearly understand customer needs and keep time to market short. We need to determine where the customers and their market are heading. Account and pipeline management linked to our innovation processes are crucial in this. CRM helps us with a real-time picture of what’s impacting our customers and in the market.”

Three years ago, DSM started CRM@DSM to give individual business groups an appropriate CRM programme. Marc God says: “It’s important that the entire organisation has one clear picture of what is happening at our key accounts. We need to know what contacts have been made, what visits are scheduled and have taken place, what samples have been sent, and when follow-ups need to happen. Our ultimate goal is for all projects to link together to help us work in a customer-centric way.”

What makes CRM@DSM so special is that it supports a large number of disparate business groups in around 200 countries with a single corporate vision and approach. Each group has specific requirements in terms of customer-focused working—from simply recording address

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details to working closely with customers on product development.

Solution

For its CRM system, DSM faced a choice between Microsoft, SAP, and some other software as a service (SaaS) solutions. The company uses an enterprise resource planning system from SAP for its financial accounts. Marc God says: “Before, we would have made great effort to keep everything—including CRM—within the SAP environment, but we gave up that ambition some time ago. You can generate a list from SAP, which shows how much has been sold to a customer, but this was a complicated process that required support from the IT department. Microsoft Dynamics CRM works more intuitively and is integrated into Microsoft Office Outlook, an application that all our users know well.”

It was important for senior managers to recognise that Microsoft Dynamics CRM was the best choice. Marc God says: “We investigated what processes are supported by SAP—in other words, where SAP stops and the opportunity for other solutions begins. That helped us to show that Microsoft Dynamics CRM is not a rival to SAP, but a complementary product.”

DSM undertook a three-month pilot deployment of Microsoft Dynamics CRM with one business group, during which technicians devoted a great deal of time and effort to integrating Microsoft Dynamics CRM with SAP. Initially, this was greeted with some scepticism by senior managers. Marc God says: “Due to hard work by my team, we managed to find ambassadors—called e-vangelists—who continued to believe in the strength of the decentralised Microsoft solution. When we completed the pilot programme successfully, we saw even the biggest critics change their mind. Everyone was

enthusiastic about the possibilities that Microsoft Dynamics CRM tools offer for supporting our projects. In just a few months, Microsoft Dynamics CRM had proven its worth and we got the go-ahead for a company-wide roll-out.”

Benefits

DSM wanted a CRM solution that would appeal not only to managers, but also to its users. With Microsoft Dynamics CRM, the company has improved sales performance on key accounts by between 3 and 5 per cent, and speeded up time to market for new products. It has freed sales executives to spend more time on customer-facing work and less on administration. Marc God says: “If you look at the increased productivity with Microsoft Dynamics CRM in financial terms, you’re talking about tens of millions of euros.”

CRM Boosts Sales to Key Accounts from 3 to 5 Per Cent

DSM estimates that by using Microsoft Dynamics CRM, sales to key accounts can potentially increase by between 3 and 5 per cent without additional costs. Marc God says: “With the information that we record in Microsoft Dynamics CRM, we get to know the customer better and that goes a long way. Like us, many of our customers have branches all over the world. In numerical terms this can even achieve 3 to 5 per cent more sales on the same costs. That has a good impact on both the margins and the relationship with the customer. We now have customers who say that we know them better than they know themselves. Such events show that Microsoft Dynamics CRM makes us one DSM in the eyes of the customer, even though we’re spread across the world.”

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Return on Investment Increases on Sample Shipping

The shipping of samples has now been put on a better footing due to Microsoft Dynamics CRM. Marc God says: “We’re better able to extract the maximum return from this investment—samples are now important sales generators. With the CRM toolset we’ve streamlined the interface around the administration and have included follow-up processes. We’re also building up a history. We now know precisely how often and how many samples are going to customers, how long they took to follow up, and whether they generated business.”

Time to Market for New Products Improves

Microsoft Dynamics CRM has improved the chances of success for new product launches. Marc God says: “If you know what the customer needs, you also know what you need to develop. At the same time, you also know how to position such a product. That, in turn, shortens the time to market.”

Marc God uses beer as an example: “Beer is naturally a cloudy drink, which brewers clarify using a complicated and expensive process. These processes require a factory behind the brewery. We have a new product, Brewers Clarex, which makes the process for clarifying beer much more cost effective and reduces the environmental impact.

“After a while, some of our international sales executives were managing to sell the product, but were using different arguments and channels. In this way, they attracted the interest of factory managers and the technical people behind the production of the beer. Arguments such as a reduced environmental impact, fewer distilling stages, and less energy appealed to them immediately.

“To ensure that our sales executives didn’t all have to reinvent the wheel, we published the success stories on the CRM system. Colleagues could learn from one another and understand what arguments they could use to persuade their customers of the added value. We’ve found that Microsoft Dynamics CRM is an effective trigger for internal collaboration. It has helped to make Brewers Clarex a highly successful product in a short time.”

Sales Team Saves One Day a Week Per Executive

The sales executives involved in the CRM pilot project used to spend two days a week on administration, and preparing and following up customer visits.

Marc God says: “That’s 40 per cent of their working time. Because Microsoft Dynamics CRM ensures that all the relevant customer information is available within one system, this time has been reduced to just one day a week. There are several thousand sales employees across all DSM business groups, so this is an enormous saving—time that can now be spent on higher value work.”

Managers Gain Greater Insights into the Value Chain

Microsoft Dynamics CRM provides DSM with insight into its customers and knowledge about their customers. It identifies when key decisions will be made—all at the push of a button. Marc God says: “With Microsoft Dynamics CRM, you can see the ‘pipeline information’ in the value chain immediately. Manually completed spreadsheets can’t compete with that.”

Whereas in the past keeping track of sales opportunities was a periodic and primarily manual exercise, this information is now available at any time. Marc God says: “The

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business units are now enthusiastic and know precisely what their priorities are. Everyone can identify the right customers and opportunities, and produce consolidated reports of the entire value chain where necessary."

Despite the global economic downturn, sales at DSM have risen since the introduction of Microsoft Dynamics CRM. Marc God says: "User adoption has developed rapidly since the pilot programme. The majority of the business groups—amounting to around 2,000 sales executives—are now using Microsoft Dynamics CRM.

"Although the business groups decide for themselves whether and how they want to implement the CRM tool, we always base it on the best practice that we developed during the implementation with other business groups. The benefit for us is that we can re-use the modular developments within Microsoft Dynamics CRM."

User-Friendly Tools Help Define Strategy for Business Growth

Marc God says: "Our employees are embracing Microsoft Dynamics CRM—they find it an appealing and user-friendly product. There are even suggestions about moving other elements from SAP to CRM." So far, Microsoft Dynamics CRM has been mainly used to make existing processes more efficient and harmonised.

"We're helping our business resolve problems and achieve quick wins. The next step is more important—using CRM strategically as a tool to help DSM to develop further. Strategic CRM also means that we coordinate more effectively across the organisation's boundaries and start encouraging collaboration. Our customers will then increasingly perceive us as one DSM."

The long-term relationship with the customer and the firm's key account management focus play an important role in its success. Marc God concludes: "They tell you how you can sell something and how you can coordinate your activities worldwide. In that regard, we cannot overlook new means of communication, such as social media. That's why we're now also experimenting with the social media accelerators that Microsoft is developing for the Microsoft Dynamics CRM environment."

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics