



Lean Focus

Growth | Lean | Leadership

CASE STUDY

Transactional Process Improvement to drive a
Go-to-Market Approach and
Reduce Cost to Serve

CASE STUDY BACKGROUND



Client: An education-based supplier of products, software, and interior designs.

Challenge: Client wishes to drive Top Line Revenue results by identifying critical across specific customer segments, identifying current resources to reallocate to drive growth and performance (reducing cost to serve)

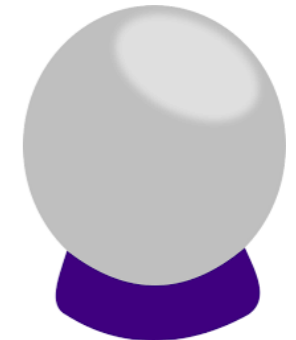
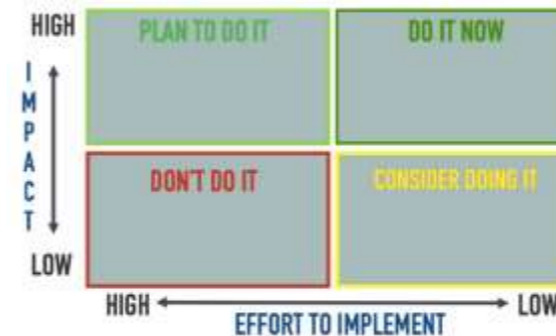
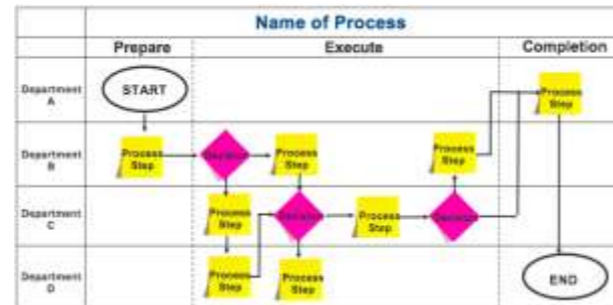
The Approach:

- ▶ Applied Transactional Process Improvement to align the Customer Buying Process to the Key Customer Segments
- ▶ Create Segment-appropriate messaging across all channels

TRANSACTIONAL PROCESS IMPROVEMENT



Once improvement priorities are identified, TPI is one tool Lean Focus uses to help clients build stronger processes and tools



Current State Process Map

Identify Process Breakdowns

Prioritize Improvement Opportunities

Develop Future State Process

- Identify steps and handoffs in today's process

- What's not working in the current process?
- What's working?

- Impact vs. Implementation ease
- Organizational capacity

- Standard work and process tools
- Metrics for process change
- Implementation action plan and review cadence

Lean Focus systematically facilitates client teams in developing processes custom fit to their businesses through TPI. Establishes process ownership and improves "stickiness" and impact. Build the process, implement the process and measure the process – data and metric driven focus

WHAT ARE TRANSACTIONAL AREAS?



REVENUE GENERATION

- Marketing Lead Generation
- Sales Lead Generation
- Inside Sales Lead Generation
- Funnel Management
- Sales Quote Generation
- Order Entry
- Product Development
- Product Launch



SERVICE ORIENTED

- Order Fulfillment
- Invoicing
- Returns/Exchanges
- Warranty & Repair
- Credits
- Accounts Receivable
- Accounts Payable
- Contract Management
- Product Engineering



PEOPLE MANAGEMENT

- Employee Recruitment
- New Hire On-boarding
- Employee Training
- Terminations
- Compliance

EXAMPLES OF HOW TPI CAN APPLY TO DIFFERENT FUNCTIONS



Customer Support	Marketing	Sales
<ul style="list-style-type: none"> • Call abandonment • Call handling time • Returns processing • Complaint handling 	<ul style="list-style-type: none"> • Lead qualification conversion • Marketing campaign ROI • Marketing channel effectiveness • Online Store order processing 	<ul style="list-style-type: none"> • Territory Revenue • Sales Campaign ROI • Sales Funnel Management • Customer retention
Finance	Accounts Receivable	Accounts Payable
<ul style="list-style-type: none"> • Budget Expenditure Variance • Compensation overage • Margin improvement 	<ul style="list-style-type: none"> • DSO • Collection call processing • A/R cycle time 	<ul style="list-style-type: none"> • DPO • 3-way matching process • A/P cycle time
I.T.	R&D	Purchasing
<ul style="list-style-type: none"> • System performance • System capacity • Project performance to plan • Case handling 	<ul style="list-style-type: none"> • Project performance to plan • New product revenue contribution • Project lead/cycle time 	<ul style="list-style-type: none"> • Inventory Turns • Supplier lead time • PO processing • Returns/Exchange process
Human Resources	Training	Distribution
<ul style="list-style-type: none"> • Time to Fill process • On-boarding/Termination processes • Employee Retention • Employee Engagement 	<ul style="list-style-type: none"> • Training attendee capacity • Training effectiveness • New Hire training process • New Leader training process • Continuing education process 	<ul style="list-style-type: none"> • On-Time-Delivery • Backorder process • Receiving process • Picking process time • Product Returns process

CASE STUDY: KEY ROOT CAUSES TO PROBLEM



Assessment of Current State

Using a clear approach to the transactional process with distinct start and end points for each critical customer segment, the Client assessed key touch points to drive the attract to purchase process

Problem recognition

- What are issues Segment 1 is facing?
- Can we communicate competitive advantage and create customer need?



Information search

- What information is customer seeking?
- Which channels are used to acquire information?



Evaluation of alternatives

- Demonstrate how we outperform the competition
- What are key customer decision factors – beyond price?



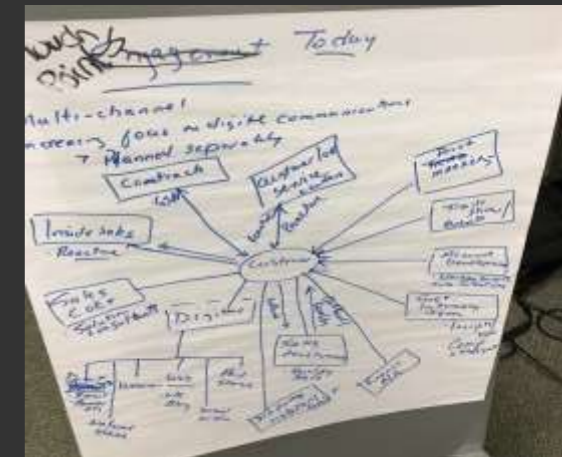
Purchase decision

- What is the decision process – who is involved and timing to decide?



Post-purchase engagement

- What content would increase “stickiness” in customer relationship?
- How to engage with customer?



Client had a multi-channel strategy with disconnected touch points that lack consistent messaging and tactics

**Applied Problem-Solving helped the team identify
“Where” to go look for clues to identify Countermeasures**

CASE STUDY RESULTS



Results: The Client established a future state framework from multi-channel to omni-channel approach

Key Findings:

- A need to drive consistency in messaging of competitive advantage (internal & external)
- Marketing Channels are complementary and action plan should leverage this relationship (print facilitates digital, digital facilitates sales & call centers)
- Sales and Marketing calendars/activities must be aligned to drive increased impact
- Lead generation & qualification are key growth opportunities

Next Steps:

- Build according to the Customer Process mapping to drive interest to purchase across critical customer segments
- Prioritize marketing activities based on impact and ease to execute
- Improve cost to acquire customers through strategic digital touch points as mapped out from alignment pathway