CDC Supply Chain

Kramp Group cuts transaction costs and enhances customer service

With CDC Supply Chain Suite and IBM WebSphere Commerce

Overview

Business challenge
Agricultural spare parts supplier Kramp Group had an inflexible e-commerce solution that could not be developed in-house. This made it difficult for the company to react quickly to the ever-changing needs of customers across Europe.

Solution
Kramp Group implemented IBM WebSphere Commerce and built a new multi-national, multi-language e-commerce platform. CDC Software (www.cdcsoftware.com), an IBM Business Partner, used real-time service-based integration to connect the new platform to its CDC Supply Chain Global Order Management solution.

Kramp Group specialises in sourcing and distributing spare parts for the agriculture and forestry industries. Based in Varsseveld in the Netherlands, the company operates via a network of warehouses and dealerships in Austria, Belgium, France, Germany, Switzerland and the UK. It also has joint ventures in the Czech Republic and Russia. The company employs 1,100 people.

"Modern agriculture is highly mechanised: it is impossible to run a farm successfully without the support of tractors, harvesters and other machinery," explains Robert Varga, IT Manager at Kramp Group. "If a critical component fails and puts one of our customers' machines out of action, the loss of productivity can cost them serious amounts of money. We have a catalogue of more than 300,000 spare parts which can be delivered within a single working day from any of our European warehouses to their nearest dealership, helping them get back up and running as quickly as possible."

Enhancing customer service
Kramp Group takes more than 50,000 customer orders every day, and is constantly looking for ways to make it easier for customers to find and order the spare parts they need, and to deliver them as quickly as possible. The company was happy with its back-end systems – based around Global Order Management from CDC Software, which handles order management and logistics – but saw room for improvement in its customer-facing systems.

"Nearly 40 percent of our customers were still placing their orders by phone, which meant that our call centre staff had to spend a lot of time on basic order-processing," explains Robert Varga. "This was preventing them from focusing on the more valuable aspects of customer service, such as providing technical support and helping customers identify which spare parts they needed. To relieve the pressure on the call centres and improve customer service, we wanted to encourage customers to place simple orders via our online store instead."

Business Benefits

- With 16 online stores in seven languages connected to a central order management system, customers can quickly find and order spare parts from any of Kramp's European warehouses

- The proportion of customers placing orders online has increased from 57 percent to 70 percent, reducing transaction costs

- Reduced manual processing workload gives staff more time to focus on improving customer service

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Finding a more flexible solution

However, Kramp Group's existing online store was an inflexible proprietary solution, and could not be developed by the in-house IT team.

"We have a highly skilled team, and we knew that we were more than capable of managing an e-commerce solution ourselves," says Robert Varga. "But with the existing platform, every time the company wanted to launch a new store or introduce a new feature, we had to pay for external consultants to make the required changes. We decided to find a new, open standards-based platform that would be easy for us to develop and integrate with our back-end systems."

IBM WebSphere Commerce

The IT team began looking for a solution and was immediately impressed by IBM WebSphere Commerce.

"We have been an IBM hardware customer for many years, and we trust IBM's expertise," says Robert Varga. "WebSphere Commerce is a technically mature, standards-based platform with a well-designed architecture, and we were confident in the IBM roadmap for its future development. We knew it would be a sound investment."

Kramp Group implemented the solution rapidly: its new online stores went live just nine and a half months after the start of the project, well within the company's deadlines. CDC Software handled the integration between WebSphere Commerce and the Global Order Management solution, using its standard e-commerce module to interface with the WebSphere API.

Multiple stores – single solution

"The genius of the WebSphere Commerce solution is that it gives us a single e-commerce platform that communicates directly with our central order management system, and that can be presented as a number of different online stores," comments Robert Varga. "We operate 16 sites in seven languages, serving the needs of customers in different countries – but they all link in to the same back-end. As a result, if a customer in Austria needs a part that is only available at a warehouse in Germany, there's no problem – they can still find it online, and we can still ship it to them the same day."

WebSphere Commerce provides this multi-site, multi-language capability natively, so it is easy to manage. There is no need to develop stores for different countries separately: Kramp Group can use the same template multiple times, simply translating the content into the appropriate language.

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Improved functionality

"As well as this multi-site capability, the WebSphere Commerce solution also gives us a number of other new features that make life easier for customers," says Robert Varga. "For example, we have a dealer locator, which helps them find their nearest dealership. Better interfacing between the e-commerce solution and the order management system means we can also check product availability and calculate net prices in a more advanced way, so customers can instantly see whether we have what they need, and how much it will cost."

Lower costs, better service

The result of moving to this new solution has been a dramatic increase in the proportion of customers using the online stores: 70 percent of all orders are now placed online, as compared to 57 percent with the old solution.

"With 70 percent of our customers choosing to order online via the WebSphere Commerce solution, we are seeing a significant reduction in the average cost per transaction," says Robert Varga. "Moreover, as anticipated, our call centre staff now have more time to help customers solve complex technical problems, which improves customer service. Better service and lower operational costs are helping Kramp Group achieve 10 to 12 percent annual growth, so the IBM and CDC solution is making a real contribution to the success of our business."

For more information

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To learn more about products, services and solution from CDC Software, visit: **www.cdcsoftware.com**

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