



Case study

Business Development Manager, Kelly Buchanan takes an order from Sheryl Stratford, Servilles Takapuna.

L'Oréal & Gen-i – Service & Style

L'Oréal – Best Products and Best Service.

About L'Oréal New Zealand Limited

L'Oréal is the world's leading cosmetic, skin care and haircare company with thousands of products spanning consumer, luxury and professional ranges. L'Oréal employs 180 staff members including nationwide sales representatives, working to create a strong brand presence in hair salons, pharmacies, department and variety stores and grocery outlets throughout New Zealand.

The Challenge – Service Excellence

In 2004, with many sales people in the field, L'Oréal New Zealand operated a manual order taking system. Under this system, sales representatives visited clients during the day and took sales orders by manually filling in paper based forms that were faxed through to L'Oréal's Client Services team each evening for processing. This manual process meant that product delivery times were slower as orders weren't processed until the day after the sales representative had visited the client.

Furthermore, inaccuracies were occurring due to errors on hand written orders and poor quality of faxed orders.

Manual order taking represented inefficient use of resources and duplication of data input meant that staff worked longer hours, which in turn increased labour costs. Information access was also a problem. Out-of-stock items were reported on a weekly basis to sales representatives which meant that orders were being taken for stock that was not available. This process was impacting on L'Oréal's aim to provide world class customer service in line with its world class product range.

Andrew McCutcheon, Director of Administration and Finance at L'Oréal New Zealand, says the company wanted to improve its ordering system to better its overall customer service.

"We are seen as a professional company. Our brand stands for glamour, beauty and style. We take a hi-tech approach to developing our products and we're proud of that. On the other hand, clients did not see us adopting the same hi-tech approach with our sales processes. They were saying 'fabulous products L'Oréal, but too slow in delivery'. We wanted the same level of excellence that we have achieved with our products to extend right across the business – products, service, and delivery," he says.

The Solution - Innovative Technology & Training

L'Oréal New Zealand had a very clear objective: to automate its sales processes, reduce delivery times, and improve order efficiency. In June 2004 L'Oréal New Zealand issued a request for a proposal for a solution to the problem. After reviewing the options available from over six NZ and global providers, L'Oréal New Zealand chose Gen-i's Sales Force Automation solution to move the company to a real-time mobile wireless ordering system.

Gen-i's Sales Force Automation solution is an application developed by Neotek and hosted by Gen-i to equip mobile sales people with a powerful sales tool. Gen-i worked with Neotek to implement the application to meet L'Oréal's specific business requirements.

Gen-i's solution enabled L'Oréal's sales representatives to log into their Tablet PC and access sales and product information they required to greatly improve their efficiency. While on location with the client the sales representative can see their product catalogue including detailed product information, customer specific pricing, stock levels and promotional items.

A specifically developed Orderpad view enables the sales representative to take an order at the speed the buyer is speaking. In addition, payment and credit details, previous and repeat orders, as well as track and trace information is available to sales representatives.

L'Oréal New Zealand was looking for a company that could manage its entire automation solution from conception to implementation – a full end-to-end ICT solution.

"The Gen-i Sales Force Automation solution is a total package including software, hardware, hosting, security, fixed and mobile connectivity, project management, training and ongoing support all as a single monthly fee on their Telecom account. Gen-i's approach met our business needs and delivered the benefits we were looking for," says McCutcheon.

A New Way To Sell

The easy adoption of Gen-i's Sales Force Automation solution by L'Oréal's sales representatives was critical to the success of the entire project. "When we introduced our Sales Force Automation solution some of our people had limited exposure to this type of technology before in a sales situation." explains McCutcheon.

"Gen-i and L'Oréal worked together to create the training material and user guides for the training sessions. Training in how to use the Sales Force Automation solution was carried out on an ongoing basis throughout the project and led to the desired change in the sales representatives' abilities." says McCutcheon.

Feedback was positive, with the sales representatives finding that this new technology made their jobs faster and easier and removed the pressure to process orders at the end of the day.

"Instead of having to fax through a large number of orders in the evening, they now had free time due to the efficiency of the new system. This increased job satisfaction from a lifestyle point of view," says McCutcheon. "By the end of the project our entire ordering process had improved. It has changed the way we do business. From a delivery perspective it revolutionised our sales process. It is now indispensable and producing a very real business benefit"

The Results - Great Products AND Great Service

The success of the project was measured by assessing the results against the original objectives: to automate the sales process, reduce delivery times, improve order efficiency, and improve the sales experience for the user and the client.

"We were successful in achieving our objectives on all counts," says McCutcheon. "L'Oréal removed an entire day off delivery lead times."

Success was further highlighted by a dramatic reduction in the time taken by the sales representatives to process orders. Preparing 98 percent of orders with the customer removed the need to prepare and fax orders each night. This was also effective in reducing errors caused by double entry and removed the problem of fax bottlenecks.

"Removing the need to enter data from faxes provided cost saving benefits that we hadn't even expected. Our wage costs for overtime from our client services staff were greatly reduced", says McCutcheon.

"In the beginning our people were wary of the technology - now they are its biggest advocates and have pride in themselves for being technically savvy. We are now more effective at delivery than our competitors and are perceived as ahead of the game in our sales processes - and that feels great."

"Our customers are now saying: 'Great products L'Oréal AND great service!'"

Future plans for L'Oréal involve providing this technology to employees in other parts of the business.

"We have already given these tools to our customer services team. This is a far better system than anything we have used in the past. The technology and real-time availability of information is ideally suited to customer service and quality control. The fact that the information is entered once cuts down on the potential for errors. It also saves time, as pointing and clicking is far more productive than keying each code into an order," says McCutcheon.

"There is no doubt that this project has been an overwhelming success; so much so that L'Oréal offices in other countries are interested in learning more about how we are using technology to mobilise our workforce in New Zealand. We are very proud of what we have achieved."

Key Results:

- Lead times reduced by one day
- A dramatic reduction in time taken to process orders
- Faxing bottlenecks removed
- Cost savings achieved
- Change management successful

"This project was a success, from the design and implementation of the software and hardware to the way the change was managed for the end user. This solution has changed the way we do business."

Andrew McCutcheon
Director of Administration and Finance
L'Oréal New Zealand.