

CASE STUDY



Fast Growing VoIP Leader Uses BigMachines Lean Front-End® Solution to Streamline Quote-to-Order Process

“We want to make it easy for our channel partners to do business with us, so having a tool like this is significant.”

-- Rick Parkinson, Chief Information Officer, ShoreTel

Summary

Company

Leading Provider of Enterprise IP Telephony Solutions Worldwide

Challenge

High-touch quoting & ordering processes rely on manual steps, local knowledge, and lacked scalability

Partners/resellers provide incomplete and inaccurate information

Quote processing time too long

Solution

BigMachines Lean Front-End Product Selection Pricing & Quote Management Proposal Generation Channel Portal

Results

Reduced average quote processing time from 27 minutes to 10 minutes. Expect this to reach 3 - 7 minutes within first year of use.

Significant reduction in the percentage of orders containing errors

More than 85% of orders placed by reseller channel online

In 2005, ShoreTel Inc. was facing a problem many companies would love to have—how to cope with exploding demand for its products and services. Sales for the Sunnyvale, Calif.-based company, a leading supplier of enterprise voice over Internet protocol (VoIP) telephone solutions, were growing at over 70 percent per year. However, ShoreTel’s Excel-based order entry and fulfillment system was labor intensive, lacked scalability, and the high touch aspect of the process resulted in processing errors. This situation was made even more critical by the fact that ShoreTel sells all of its products and services through channel partners. Clearly, ShoreTel needed a new solution, both for these channel partners and for their internal team.

In July 2005, after examining several internal and external solutions, ShoreTel selected the scalable Lean Front-End (LFE) hosted configuration and guided selling solution from BigMachines Inc., Deerfield, Ill. BigMachines is a provider of on-demand configurator and quoting software solutions and its LFE is designed to streamline pricing, system configuration, quoting and ordering processes while enabling collaboration among extended system users.



The web-based solution integrated well with ShoreTel’s existing IT infrastructure and applications, including its ERP and CRM systems. By centrally hosting the ShoreTel LFE solution and the supporting IT hardware, BigMachines helps ShoreTel reduce the resources needed to monitor and upgrade the system infrastructure as new LFE software is released.

IMPROVEMENT OPPORTUNITIES

Prior to installing the LFE solution, ShoreTel used BigMachines’ Breakthrough Opportunity AnalysisSM (BOA) process and discovered that its front-end opportunity-to-quote-to-order processes—managed largely by its channel partners—needed to be improved. ShoreTel has over 400 channel partners worldwide.

ShoreTel realized it needed a system that would guarantee the integrity of its sales processes and pricing, eventually extending all the way to its back-end systems, according to ShoreTel CIO Rick Parkinson. He directs ShoreTel’s strategy and use of technology for internal and external business operations. Parkinson is responsible for improving ShoreTel’s business scalability and productivity through strategic technology investments, as well as improving channel partner business productivity through the use of ShoreTel technology solutions.

Key Functionality

The following modules are available in BigMachines' Lean Front-End (LFE):

Selection

A user can input a customer's technical specifications and the Selector software identifies the potential products or system solutions that fit the application and presents trade-off information on features, efficiency, lifecycle costs and capacity.

Configuration

The Configurator recommends the best options for the application and prevents incompatible options from being selected. The Configurator output can generate a complete bill of material that identified all of the components in the product or system.

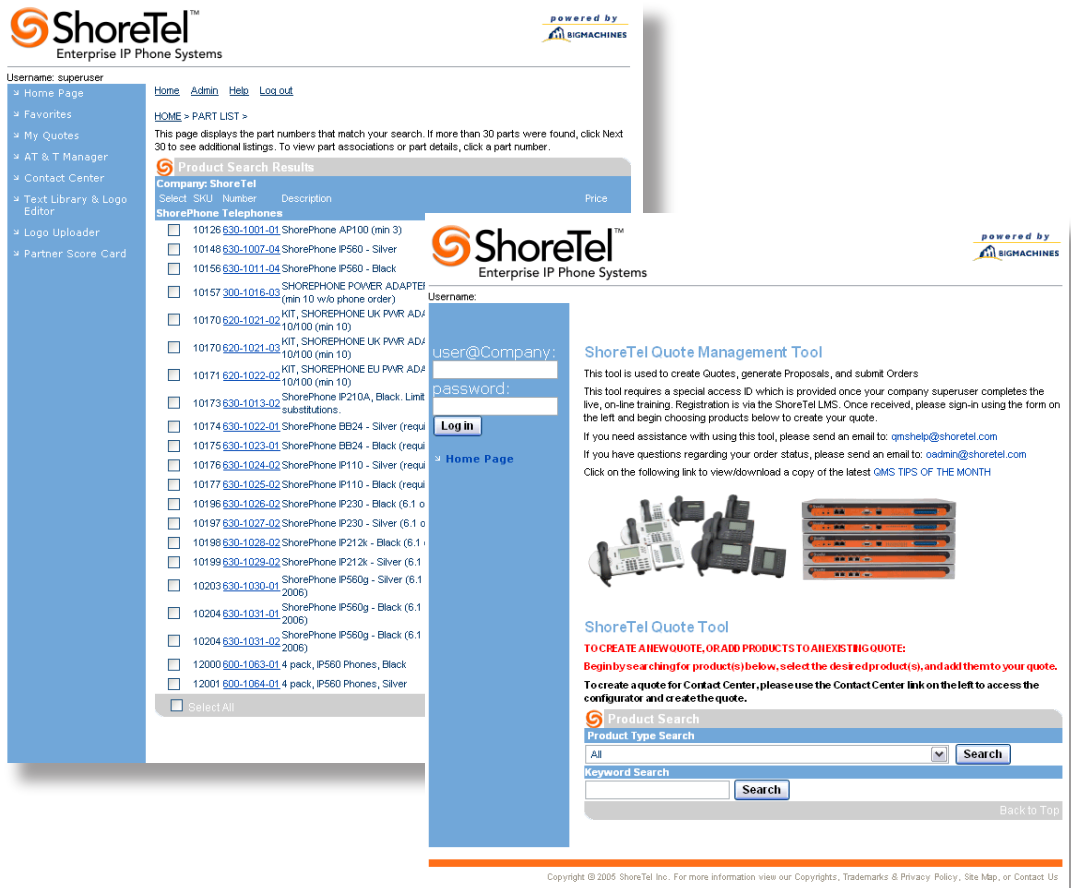
Pricing & Quoting

The LFE system ensures correct commercial terms, including pricing and discounts. At a specified time after the quote is issued, an automated follow-up email can be generated and sent from the system to the sales representative.

Proposal Generation

The user can configure rich proposal packages with pictures, schematics, application information, and line item details.

Continued next page...



ShoreTel™
Enterprise IP Phone Systems

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Username: superuser

Home Admin Help Logout

HOME > PART LIST >

This page displays the part numbers that match your search. If more than 30 parts were found, click Next 30 to see additional listings. To view part associations or part details, click a part number.

Product Search Results

Company: ShoreTel

Select	SKU	Number	Description	Price
<input type="checkbox"/>	10126	630-1001-01	ShorePhone AP100 (min 3)	
<input type="checkbox"/>	10148	630-1007-04	ShorePhone IP560 - Silver	
<input type="checkbox"/>	10156	630-1011-04	ShorePhone IP560 - Black	
<input type="checkbox"/>	10157	300-1016-03	SHOREPHONE POWER ADAPTER (min 10 w/o phone order)	
<input type="checkbox"/>	10170	620-1021-02	KIT, SHOREPHONE UK PWR ADA 10100 (min 10)	
<input type="checkbox"/>	10170	620-1021-03	KIT, SHOREPHONE UK PWR ADA 10100 (min 10)	
<input type="checkbox"/>	10171	620-1022-02	KIT, SHOREPHONE EU PWR ADA 10100 (min 10)	
<input type="checkbox"/>	10173	630-1013-02	ShorePhone IP210A, Black, Limit substitutions.	
<input type="checkbox"/>	10174	630-1022-01	ShorePhone BB24 - Silver (requi	
<input type="checkbox"/>	10175	630-1023-01	ShorePhone BB24 - Black (requi	
<input type="checkbox"/>	10176	630-1024-02	ShorePhone IP110 - Silver (requi	
<input type="checkbox"/>	10177	630-1025-02	ShorePhone IP110 - Black (requi	
<input type="checkbox"/>	10196	630-1026-02	ShorePhone IP230 - Black (6.1 o	
<input type="checkbox"/>	10197	630-1027-02	ShorePhone IP230 - Silver (6.1 o	
<input type="checkbox"/>	10198	630-1028-02	ShorePhone IP212k - Black (6.1	
<input type="checkbox"/>	10199	630-1029-02	ShorePhone IP212k - Silver (6.1	
<input type="checkbox"/>	10203	630-1030-01	ShorePhone IP560g - Silver (6.1 2006)	
<input type="checkbox"/>	10204	630-1031-01	ShorePhone IP560g - Black (6.1 2006)	
<input type="checkbox"/>	10204	630-1031-02	ShorePhone IP560g - Black (6.1 2006)	
<input type="checkbox"/>	12000	600-1063-01	4 pack, IP560 Phones, Black	
<input type="checkbox"/>	12001	600-1064-01	4 pack, IP560 Phones, Silver	
<input type="checkbox"/>			Select All	

ShoreTel™
Enterprise IP Phone Systems

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Username: user@Company:

password:

Log In

Home Page

ShoreTel Quote Management Tool

This tool is used to create Quotes, generate Proposals, and submit Orders. This tool requires a special access ID which is provided once your company superuser completes the live, on-line training. Registration is via the ShoreTel LMS. Once received, please sign-in using the form on the left and begin choosing products below to create your quote.

If you need assistance with using this tool, please send an email to: qmshep@shoretel.com

If you have questions regarding your order status, please send an email to: oadmin@shoretel.com

Click on the following link to view/download a copy of the latest **GMS TIPS OF THE MONTH**

ShoreTel Quote Tool

TO CREATE A NEW QUOTE, OR ADD PRODUCTS TO AN EXISTING QUOTE:
Begin by searching for product(s) below, select the desired product(s), and add them to your quote. To create a quote for Contact Center, please use the Contact Center link on the left to access the configurator and create the quote.

Product Search

Product Type Search

All Search

Keyword Search Search

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When Parkinson joined ShoreTel in May 2005, a key issue was the Excel quote tool used by channel partners to generate cost estimates and place orders for ShoreTel products for resale to end-users. Orders would come in via email, fax, and regular mail.

“As we revised the Excel quote tool, we found that orders were often incorrect, containing SKUs that had been discontinued or not reflecting recent price changes,” said Parkinson. “The fact that there were multiple versions of our quote tools in use created issues on the order processing side of our business, which made back-end processing difficult because we had to go over each order to make sure it had correct pricing and the correct parts, as well as proper information about the end-user. We also conducted customer satisfaction surveys with every customer following installation, and it was difficult to get that information as well.”

Inaccurate quotes and orders led to expensive and time-consuming manual verification and corrections for each order before they were loaded into the ShoreTel system. “There were errors on many incoming orders,” said Parkinson. “Even clean orders without corrections would take us about 27 minutes to process.”

The ShoreTel IT team and business unit representatives led a rapid search for a solution. ShoreTel examined several different options, including internal solutions as well as BigMachines' LFE system and a product from a BigMachines competitor.

Key Functionality (cont'd)

The following modules are available in BigMachines' Lean Front-End (LFE):

Order

Customer and item master data are automatically loaded from the existing business system. Orders are submitted electronically for automated processing.

Parts

Streamlines spare parts and aftermarket sales by providing an online parts management module. Users can quickly find and order their required part or service by part number, serial number, customer, key words, and custom fields.

Administration

Administration is a powerful, 100% web-based management tool that enables easy set-up and maintenance of application data and system functions.

Globalization

For many manufacturers, a worldwide sales presence is an essential component of business growth and profitability. Globalization module supports multiple language, multiple currencies and their conversion, as well as unit conversions for measurement systems.

"We put together a requirements document that covered our key business issues, compared the solutions, and went through multiple demonstrations of the products," said Parkinson. "We quickly decided not to build it ourselves—we just didn't have the time or the staffing. We liked the idea of having a scalable, on-demand model; in fact, we already ran five or six on-demand IT applications. A scalable solution would allow us to lower our start-up costs and be able to use something that worked well out of the box without having to spend years to customize it. In July 2005, we selected BigMachines because we felt it was the best fit for us."

““ Our old systems would not allow us to scale our business... We had to continually add temps to our order processing organization. We've eliminated that problem through the reduction in processing time. As a result, the number of orders we process per month has gone up significantly. ””

ShoreTel's cross-functional implementation team included finance, technical support, order processing and sales. The team went through BigMachine's BOA process and broke the project down into phases, including what was needed to launch the product and what would be added later.

ShoreTel involved several channel partners in beta testing beginning in December 2005. Based on the results, the company made changes to the program and then launched it on August 7, 2006. ShoreTel incrementally added channel partners to the system through a phased rollout.

MORE ORDERS, LESS ERRORS, FEWER RESOURCES

Today, more than three quarters of ShoreTel's channel partners are actively using the system, and more than 85 percent of orders are now being processed through what ShoreTel calls its "Quote Management System," or QMS.

"We went through a learning curve and figured out how we can make the QMS more bulletproof so people don't make mistakes," said Parkinson. "We've built some checks into the system to direct system users with prompts such as 'did you forget this?' Early on in the implementation, about 20 percent of the orders had issues like missing equipment. Now, it's down to about five percent or less."

Order processing time has also been dramatically reduced, dropping from about 27 minutes per order prior to the QMS implementation to about 10 minutes. By the end of June, processing time should be down to seven minutes or less.

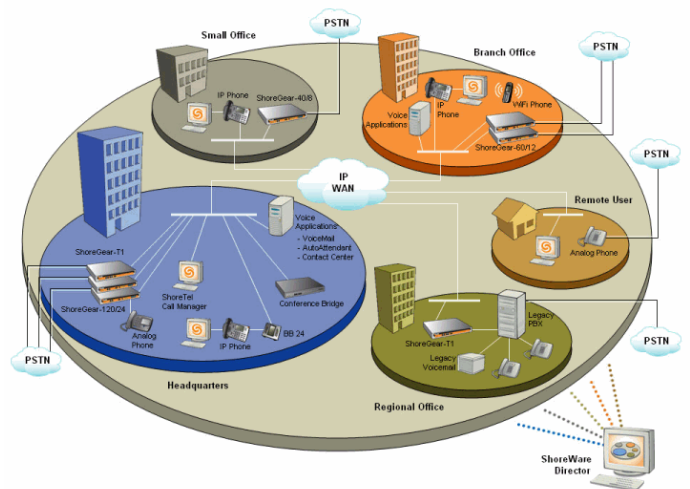
"Some of that improvement has come through additional work flow automation on our back-end ERP system, but a big portion of the credit is due to the QMS," said Parkinson. "Our CEO is pleased that we have scaled the business without continuing to add headcount in our order processing organization. We've eliminated that problem through the reduction in processing time. As a result, the number of orders we process per month has gone up significantly, while headcount has remained flat."

A PLATFORM FOR FUTURE GROWTH

ShoreTel plans to continually enhance its order entry and fulfillment system. One immediate project is to enhance automated configuration processes, which specify specific equipment combinations for certain projects. “We think our product is more integrated than our competitors’ products, so creating correct orders for our systems is not difficult,” said Parkinson. “On orders for more complex systems, such as contact center products, we have a built-in system configurator and we also have a configurator for calculating professional service support. But we haven’t yet built a configurator into our QMS product as whole, and that is something on our roadmap.”

Overall, ShoreTel has been very satisfied with the performance of its QMS. “BigMachines is a significant product for us,” said Parkinson. “We want to make it easy for our channel partners to do business with us, so having a tool like this is significant. It’s my number one priority and I’ve spent more time on this than any other project. There are a number of things we need to do to gain the partner satisfaction that we want, so we want to find ways to make the QMS better.”

QMS capability will be particularly critical as ShoreTel targets growth opportunities, which include larger corporate customers. “In the past, we’ve targeted small- to medium-sized businesses, but now we’re targeting all levels—and we have had recent success winning Fortune 500 accounts,” said Parkinson.



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