

How Fluid Power & Motion Control Distributors Can Improve Customer Experience



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In today's interconnected world, consumers are used to expecting what they want when they want it. Armed with search engines, empowered customers will quickly abandon your company for competitors only a mouse click away. In this fast-changing environment no company can afford to let their guard down, and creating customer loyalty through good customer experience is crucial to retaining key customers.

Most consumers will stop doing business with an organization after a bad customer experience and this should inform the way companies approach serving their customers. Companies should start improving their service levels by accepting that customer experience isn't defined by you. It's based on how your organization is perceived by your customers when they do business with your company.

Providing a great customer experience creates loyal customers, and unlike merely satisfied customers, loyal customers stick with you over the long term, even if they're not getting the best price or an occasional mistake happens.

Customer Service vs Customer Experience

Customer experience is described as the sum total of all the experiences and interactions that the customer has had from your business relationship.

It is very different from "customer service" which is focused more on the way a service is delivered before, during and after the purchase. The two are however tied very closely together and are somewhat interdependent.

In order to develop a successful customer experience strategy, you first have to have a vision, understand and relate to your customers, get real-time feedback while also managing employee responses and following a preset framework.



Generally speaking, a customer's first point of contact with a business is either via the phone, email or one-on-one interactions. This should be the first place to execute your customer experience improvement program. Find out where your touchpoints are in your organization and how long it takes for your customer service reps (CSRs) to get the needed information to them and how often their orders are filled accurately and on time.

How can fluid power and motion control distributors go about providing a great customer experience?

1. Address Your Customer's Pain Points - make sure you're providing the necessary information quickly and accurately in the initial interaction.
2. Create a Positive Customer Experience - don't just meet their needs, be proactive in defining the customer experience.

1. How to Address Customer Pain Points

Buyers are busy and don't want to waste time obtaining product pricing or an order status. The more quickly and accurately you can serve your customer, the more successful you'll be at getting the sale. Think about how your CSRs have to do business in your organization....

- Are they still hand writing orders on pads and calling the customer back with the information?
- Do they have to run into the warehouse to get an accurate item count?

- Are they losing opportunities because they cannot quickly provide substitutions or cross references?
- Are they able to give customers up-to-date pricing while still on the phone?
- Ideally, your ERP software system should be able to provide your CSRs 95% of the information the buyer needs **while on the initial phone call.**

A best-in-class fluid power & motion control distributor should be able to do the following:

Check price, availability, and order history on an item easily while on the phone.

You should be able to enter a quote while on the phone and never have to call a customer back with information on items that you regularly carry.

Easily pull up part numbers by several methods so you don't waste time searching or quoting the incorrect item.

For example if your buyer wants a specific Balluff pressure sensor and doesn't have the exact part number, you should be able to search for the part with multiple levels of identification to pull up the correct item quickly, e.g. Balluff / pressure sensor / 8,700 PSI / 1/4" NPT. Or if you're looking for a particular fuel hose made by Kurt Hydraulics you should be able to search by: suction hose / 1200 psi / Kurt Hydraulics.

Easily see the items most often ordered by that customer by date range and/or location.

The ability to see a customer's most often ordered items can help speed up the order process, especially if you have a new buyer that may not be as familiar with the part number. This also presents opportunity for cross selling.

Easily check all locations for inventory, including inventory-sharing services like WarehouseTWO or DistrANet, from one screen.

You may have the inventory at another location and the ability to check that while on the phone with the customer is crucial to making the sale.

Conduct pricing negotiations while on the phone.

You should be able to view and change different pricing factors and see the profit margins while in the quote entry screen, allowing you to manually adjust the pricing until you get the margin, discount, etc. that you want without having to call the customer back. This is especially helpful if you have to offer a substitute part.

Easily offer part substitutions while on the phone with the customer.

If you don't have the part in they want, you can offer the substitute that may work for their needs. You should be able to switch out parts on complex assemblies on the fly, recalculate the price, and save as a new BOM version while still on the phone with the customer.



Be able to trust the inventory counts in the system, so you don't put the customer on hold to run back to check the warehouse.

If an item is sold in packs of 10 or in lengths on reels, you should be able to trust that the system count is correct and not have to put the customer on hold to double check the count.

Easily capture critical information quickly for customer specific requirements.

Distributors that sell to the oil and gas industry have to note not only where the order is being shipped to but what rig the end product will be used. Your ERP system should allow you to note this information in the initial phone call.

Easily provide tracking information.

A CSR should be able to provide the tracking information for order shipments while on the phone with the customer instead of having to call them back.

Provide consistent pricing standards.

A customer shouldn't call in and get a different price for an item depending on which sales person or CSR they talk to. Having inconsistent pricing standards within your company creates customer distrust and unnecessary strife among your staff. A state of the art ERP system will prevent this from happening.

2. How to Create a Positive Customer Experience

Today, companies are recognizing just how much customer happiness impacts revenue, and they're focusing on transforming their customer experience to meet modern expectations.

A great customer experience is a major competitive advantage that creates customer loyalty and drives new sales - and it's predicted to overtake price and product as the primary brand differentiator for B2B sales by 2020.

Fluid power distributors worried about the likes of Amazon or larger competitors can focus on creating the best customer experience to set them apart and retain their best customers. How can you engage your customers?

- **Be proactive** - don't wait until something goes wrong to reach out to your customer.
- **Cultivate relationships** - Encourage customers to surface issues and share feedback on interactions. And most of all, make it clear that you value their input.

Be a Proactive Vendor

The earlier you can set your client expectations, the better. One great method is by 'under promising and over delivering'. For instance, in B2B sales, companies who consistently fulfill orders to their B2B customers on time set a standard for their service

Instead of waiting for your customers to contact you the instant they have a problem, anticipate these problems so you can eliminate them beforehand. If you expect to receive loyal customers in return, today your company must establish meaningful conversations with customers to ensure everything's running smoothly.

Your ERP business management system should provide the ability to be as proactive as possible and ensure that you are delivering the correct product and service on time. A best-in-class fluid power & motion control distributor should be able to do the following:

Attach images, CAD drawings, cut sheets, and schematics to part numbers.

The ability to pull up photos or schematics while on the phone with the customer ensures order accuracy from the start.

Send quotes and order acknowledgements to customers via email, while still on the phone.

Acknowledgements with schematics and/or instructions for verification and approval on complex assemblies or service and repair projects ensures a correct order and covers both companies.

Be able to rob from Peter to pay Paul.

You should easily know every item's status in your organization, so you can determine right away if you can borrow stock from a future order to provide to an important customer now - even if the item is part of an assembly sitting on the shelf.

Set reminders to contact your prospects and customers on outstanding inquires/quotes.

This allows you to increase your close rate or determine how to better serve your customers on lost orders. Your ERP system should allow you to be able to set tickle dates to remind you about critical time sensitive deadlines on specific quotations.

Set aside Reserved Stock for top tier customers.

Your ERP system should have the capability to reserve a specific quantity of inventory for specific customers, ensuring you meet their delivery dates 100% of the time and prevent them from shopping elsewhere!

Customize Sales Orders to meet customer requirements.

Meet and exceed customer requirements with the ability to designate customer part numbers, customer line numbers, customer part descriptions and any necessary comments making it easy for the customer to identify the product on the receiving dock. The ability to add customer-specific comments to items ensures that any specific packing or assembly instructions for an item for a particular customer will be automatically generated on the pick tickets.

Easily provide UPS or FedEx tracking numbers for your shipments so your customers know when to expect them.

Having an ERP system that is integrated with UPS and FedEx allows your CSRs to provide this information easily to your customers while still on the phone.

Integration with an inventory-sharing service like WarehouseTWO.

WarehouseTWO is an "additional warehouse" of inventory. If it's integrated with your ERP system, the CSRs can view it from their inventory inquiry screen and order the item to fill a customer's immediate needs if you don't have the part in stock.

Mobile Sales Force integration.

Your outside sales force should be able to access important customer and order data while on the road and not have to call in for that data.

Cultivate Relationships & Create Customer Loyalty

Service differentiation is a much more effective way to frame and measure customer service. You should make different order cycle promises to different customers depending on your customer relationship and the nature of the product.

Top customers, those that place frequent orders and spend significant dollars, need a 100% service level. If you're meeting your customer service levels by 95%, ensure that the top customers are not part of the 5% that are missing the mark.

Every point of contact between your organization and your customers and vendors is a touchpoint. Salespeople, packaging, advertisements, manuals, CSRs, packing lists, invoices, catalogs, thank you letters and even your products serve as opportunities to improve your customer service experience.

A best-in-class fluid power & motion control distributor should be able to do the following to cultivate relationships and loyalty with top customers:

Be able to denote Major Account status on your top accounts

This ensures best-in-class service to your key accounts, especially important if training new employees not familiar with your customer base.



Work with your suppliers to offer rebate programs for your large customers.

Many manufacturers provide rebate programs for large customers. Your ERP system should allow you to gather and report the information easily to collect every dollar qualified under the supplier's rebate program. You shouldn't have to spend hours or days collecting this important data.

Notify customers about pricing changes in advance.

Your ERP system should allow you to import pricing catalogs prior to the effective date and if your ERP system is integrated with a CRM, you can notify customers about upcoming price changes for a particular product line.

Create opportunities to ask for customer feedback

You should have the ability to add comment boxes on Quote or Sales Order Acknowledgements and other documents going to your customer. The ability to automatically ask for customer feedback during the sales process is invaluable.

Though most fluid power and motion control distributors know customer experience is important, most aren't sure how it impacts their bottom line; that link is customer loyalty. The long-term value of a loyal customer is huge.

Beginning with a clear understanding of which customers are most valuable and why, distributors can prioritize investments to be able to cultivate customer loyalty by reducing the cost of serving customers and increasing their value.

Investing in an upgraded ERP system that is designed to meet the needs of fluid power and motion control distributors and can be integrated to the many of today's applications that can help you streamline operations is the first step to ensuring better customer service and building a better customer experience.

With the proper tools you'll be in a position to build real value, building relationships that will reward you for years to come. After all, in a world where nearly 90% of customers will walk after a single poor experience, the cost of ignoring customer experience may well be your survival.

References:

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About Us

Tribute Inc. is a provider of industrial distribution management software with over 35 years of experience in the fluid power, motion control, industrial hose, fluid handling, pump, sealing, instrumentation, process control, and automation marketplace.

Tribute's flagship product, TrulinX, has features to help manage complex fabrication projects. No other software system provides the level of sophistication that TrulinX does in tracking and managing assemblies, subassemblies, labor, and burden down to the component level.

Tribute is a member of many trade associations including AHTD, FPDA, ISD, GFA, NAHAD, NFPA and NIBA. Tribute partners with manufacturers including **Bosch Rexroth, ContiTech, Dixon Valve & Coupling, Eaton Corp., Gates Corp., Garlock Sealing Technologies, Pall Corporation, Parker Hannifin, Sun Hydraulics**, and is headquartered in Hudson, Ohio.

TrulinX

Domain Expertise

TrulinX software is ideally suited to help you successfully manage your fluid power, motion control and automation distribution & fabrication business because of our knowledge and industry focus.

Implementation Team

Our experienced transition team has worked and been trained in your industry. They train your team onsite to get your business up and running quickly and efficiently.

Return on Investment

With a staff that truly understands your unique business requirements and a timely implementation, you will realize your ROI much more quickly.

Customer Service

Our knowledgeable and friendly support staff still answer the phone, and over 90% of support calls are resolved in the first day, statistics unmatched in our industry!

Customer Commitment

We are 100% committed to your success because it's a reflection of our success.

