



## TOYOTA MATERIAL HANDLING U.S.A.

### SAP BUSINESS TRANSFORMATION STUDY

#### AT A GLANCE

<b>Industry</b>	Automotive
<b>Revenue</b>	US\$900 million
<b>Employees</b>	200
<b>Location</b>	Irvine, California
<b>Web Site</b>	www.toyotaforklift.com
<b>SAP® Solution and Services</b>	SAP® Customer Relationship Management application
<b>Implementation Partner</b>	BearingPoint Inc.

Since 2002 Toyota Material Handling U.S.A. Inc. (TMHU) has been the number one lift truck supplier in the United States. Headquartered in Irvine, California, TMHU opened its first lift truck dealership in 1967. Today the company serves 67 independently owned dealerships with over 200 locations across the United States. These dealers generate 85% of domestic sales, with the other 15% coming from direct channel sales to national accounts. Combined, TMHU sales represent \$900 million in annual revenue.

#### Key Challenges

- Support dealer and national sales by replacing existing quotation system with world-class technology
- Transition TMHU from passive order taking to proactive demand management
- Streamline order processing by integrating accurate vehicle configuration data into quotes
- Provide timely visibility into sales activity and customer information contained in individual laptops

#### Why SAP Was Selected

- Robust functionality of the SAP® Customer Relationship Management (SAP CRM) application
- Ability to integrate SAP CRM with back-end vehicle management data
- Comprehensive support of marketing and sales features and functions
- Integration of SAP CRM with the SAP NetWeaver® Portal and the SAP NetWeaver Business Intelligence components

#### Implementation Best Practices

- 5-phase implementation including project preparation, blueprinting, realization, final valuation, and go-live
- Project management with BearingPoint Proven Course® for SAP project methodology and road map
- Training and support for 850 dealer representatives and over 20 national account team members and managers

#### Low Total Cost of Ownership

- Achieved high degree of usability at low total cost of ownership with customization and solution enhancements
- Expected to achieve ROI payback in less than 1 year
- Reassigned internal resources to provide ongoing training and support

#### Financial and Strategic Benefits

- Improved ability to generate accurate quotations based on current product configurations and pricing
- Increased customer satisfaction and sales team productivity resulting from accurate quotes
- Generated higher revenue due to improved pipeline visibility and incentives measurements
- Improved dealer ability to market to end customers
- Increased market share by driving win rates with integrated lead management, marketing, and analytics

#### Operational Benefits

Key Performance Indicator	Impact
Margin improvement	+0.5%
Market awareness	+15%
Sales order acceptance rate	+20%
Discount and incentive spend	+12%
Error rate	Now achieving 0.0%
Confirmation of order	From 2 days to 2 hours





**“With SAP CRM, we now have visibility to our national account sales force and to our dealerships and to all of their outstanding quotations and prospects.”**

Alan Cseresznyak, Vice President, Toyota Material Handling U.S.A. Inc.

**“SAP CRM remote functionality enables us to extend our systems right out to salespeople visiting customer sites. They can actually create quotes for vehicles right there in the field.”**

Michael Gunn, National Information and Technology and Distribution Manager,  
Toyota Material Handling U.S.A. Inc.

### **Gaining Sales Pipeline Visibility Across a Nationwide Dealer Network**

Some 67 independent dealerships are the lifeblood of Toyota Material Handling U.S.A. Inc. (TMHU). Supporting them is crucial to the company’s success. When TMHU realized it needed to transition from passive order taking to proactive demand management, it knew its legacy system used to produce sales quotations could not support the move.

Designed for the business-to-consumer model prevalent in the automotive industry, the quotation system did not fully support TMHU’s business-to-business, configure-to-order selling process for industrial equipment in other ways. For example, it did not give dealerships an easy and automated way to access salespersons’ quotations or to generate accurate, timely quotations. Moreover, manually rekeying order data caused high workloads for dealers. Each completed quote had to be reviewed by a coordinator before conversion to an order, creating a tremendous constraint in the quote-to-order process.

TMHU and their dealers needed a more effective tool to generate truck quotes and the capability to base their management activities on accurate sales information at the dealer and national account levels. Dealers needed a way to track and analyze salesperson productivity. TMHU also required stronger sales support and analysis tools, including the synchronization of Microsoft Outlook applications with customer data to make information access convenient.

### **Designing a Solution from Scratch with SAP® Software**

To meet these requirements, TMHU implemented the marketing, sales, and channel management functionality of the SAP® Customer Relationship Management (SAP CRM) application, supported by business warehouse functionality of

the SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component. The SAP NetWeaver Portal component and vehicle management software implemented at TMHU in 2003 were then integrated with SAP CRM and SAP NetWeaver BI. “We had the luxury of starting from scratch,” says Alan Cseresznyak, vice president of TMHU. “Most companies have legacy systems, and they transform slowly. In 2003 we used a ‘big-bang’ approach. We went from nothing to everything on SAP, culminating today with SAP CRM.” Following final testing and validation, the new quotation software went live on August 21, 2006.

### **At Toyota Material Handling U.S.A., Business Gets a Lift**

Proactive demand management is now a reality at TMHU. Users have the improved ability to generate accurate quotations for their customers based on current product configuration and pricing, including CRM data integrated with back-end vehicle management information. The resulting quotation accuracy leads to increased customer satisfaction and sales team productivity.

Order creation has improved with no more manual rekeying of quote details required to place the order. Furthermore, improved sales pipeline visibility enables incentive performance measurements that lead to better forecasting, increased market share, and improved margin. This visibility reduces the cost of sales and shortens factory delivery times. Lastly, integrated lead management, marketing, and analytics drive win rates and increase market share.

With its new CRM software, TMHU shows how technology can improve performance and vision. “Now, everyone knows the sales numbers,” says Cseresznyak. “Everyone in the organization can view the performance versus goals measurements – not just daily, but hourly. Everything is in real time.”