



HSE24

HOME SHOPPING COMPANY INTEGRATES ITS SERVICE PROCESSES WITH SAP® CRM

QUICK FACTS

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Norbert Paulus, Head of Broadcasting and IT,
Home Shopping Europe GmbH

Company

- Name: Home Shopping Europe GmbH (HSE24)
- Location: Munich, Germany
- Industry: Retail
- Products and services: Home shopping
- Revenues: €286 million (in 2006)
- Employees: 460 (direct), 1,580 in call centers and logistics (indirect)
- Web site: www.hse24.net
- Implementation partner: cm4 GmbH & Co. KG

Challenges and Opportunities

- Implement a new platform for service and sales processes in a rapidly growing segment
- Replace heterogeneous legacy systems to achieve an integrated view of the enterprise
- Manage high-performance call centers, services, and sales processes in real time
- Enable multichannel capabilities (Internet, telephone, fax)
- Achieve business-to-consumer focus

Objectives

- Leverage the “Kunde ist König” (“customer is king”) project to ensure that the focus is on the customer in every single process
- Increase customer satisfaction by improving service quality
- Integrate all customer-related sales, services, and marketing processes on a central platform
- Optimize processes through fast and flexible request handling, high system availability and elasticity, and optimal user-interface performance and ergonomics

SAP® Solution and Services

SAP® Customer Relationship Management application

Implementation Highlights

- Tailored, high-performance, future-proof solution based on standard software
- Created sound basis for implementing additional customer relationship management functionality and new processes
- Gave call center agents the ability to transact and complete a large proportion of requests independently

Why SAP

- Seamless integration of customer-facing processes with the existing SAP software
- Preconfigured application for fast implementation
- Retail, media, and technological expertise provided by cm4
- Future-proof platform

Benefits

- Improved quality of customer service
- Supplied comprehensive purchase advice and problem solving during initial customer call
- Enabled customer communication to be documented centrally

Existing Environment

- SAP for Retail solution portfolio
- Third-party sales applications



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Home Shopping Europe GmbH (HSE24) was Germany's first TV shopping channel. Twelve years on, the Munich-based company offers both TV and Internet shopping services, broadcasting nationwide via cable and satellite on its own channel and reaching 40 million households in Germany, Switzerland, and Austria. A member of the PRIMONDO GmbH group, HSE24 broadcasts hour-long sales shows – 16 of which are live – 24 hours a day, presenting merchandise such as jewelry, clothing, beauty products, and household electronics.

Enhancing the Home Shopping Experience

The retail and media company's estimated 1.3 million active customers can place orders and make inquiries free of charge by telephone, Internet, letter, or fax. "Customers can reach our sales and service people via every possible channel. What we operate here is multichannel retailing in its purest form," explains Etelka Elekes, who, as head of customer relationship management (CRM) and business engineering, is responsible for sales and service processes at HSE24. In practice, that means an average of 22,000 calls per day, handled by a maximum of 800 agents at a total of 14 call centers. In peak periods, the number of daily calls can exceed 60,000.

Successful home shopping is all about meeting the requirements of conventional mail-order shopping while mastering the challenges of a media enterprise. "Doing live retail business

successfully means processing customer requests immediately, maintaining a direct line between call centers and the live TV show," explains Norbert Paulus, head of HSE24's broadcast and IT division. In his view, home shopping processes are arguably more complex than those of conventional mail-order shopping, because you have to respond and adjust on a minute-by-minute basis. After all, if you can't call up and update stock levels in real time, you can't show your TV viewers how many products are still available to order."

"When we present a product on TV, the telephones ring constantly. So our sales and service personnel need to have access to the latest data sets," adds service specialist Elekes. In the first phase of its "Kunde ist König" ("customer is king") project, the TV shopping channel therefore replaced its heterogeneous system landscape with a uniform platform that would allow it to optimize its service processes.

Increasing Customer Satisfaction

High accessibility is a key requirement not only for customer satisfaction but also for the structure and success of the home shopping shows. If potential customers have specific questions about a product they see on a sales show, HSE24 is equipped to answer them while the show is on air, thanks to specially trained teams in the company's service center. Whether handling order requests, complaints, or purchase advice, the service agents must be able to process and complete them as promptly as possible during the first call.

The popularity of home shopping means that revenues in this segment are growing constantly. With customer numbers and order volumes increasing at a similar rate, HSE24 had to develop a modern, flexible IT infrastructure. The company's IT boss, Paulus, says: "To be suitably equipped for future business, we needed to work with a uniform solution. We had already exhausted the potential of our legacy systems on the service side, and they did not offer the necessary integration. But it was essential for us to adapt to burgeoning sales and customer requirements." Following a decision phase involving four different solutions, HSE24 eventually opted for the SAP® Customer Relationship Management (SAP CRM) application. "Extensibility and company-wide integration were the deciding factors in our choice of SAP," explains Paulus. "Our service processes



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Norbert Paulus, Head of Broadcasting and IT, Home Shopping Europe GmbH

dovetail with our retail operations, which were already running on [the] SAP for Retail [solution portfolio].”

Streamlining Processes with SAP CRM

SAP CRM now forms the basis for a new IT infrastructure. Customization work was carried out by HSE24’s implementation partner, cm4 GmbH & Co. KG, in a number of areas, including a comprehensive knowledge database, specific financial accounting processes, and questionnaires for customer feedback. HSE24’s tailored solution links its customer service operations with the TV program and integrates all the relevant internal and external functions, including logistics, accounting, and

ries, and article information in real time and thus take fast, customer-oriented action.

Thanks to electronic workflow and the use of role-specific interfaces, instructions and subprocesses are automated. For example, when a customer requests a goodwill payment, the appropriate amount can be credited to the customer account so promptly that the telephone agent can provide the recipient with confirmation of the transaction before the telephone call ends. Automated call receipt ensures that callers are rarely left waiting – even during peak periods – and are switched straight through to an agent at an active call center. In the next phase of the project, which will involve implementing SAP CRM for

Meeting Goals, Present and Future

A key method of gauging customer satisfaction is to provide and evaluate questionnaires. The information contained therein can then be passed on to the sales and purchasing teams and used to define specific measures. Summing up his experiences to date, Paulus says: “We have achieved our objectives. And we are very satisfied to see that the implementation of SAP CRM has significantly improved the quality of the service we provide, not least by increasing the rate at which we complete requests during the first call. The experience we gained in the first project phase will serve as a sound basis for the next stage of ‘customer is king,’ in which we plan to map our sales processes in SAP CRM and take HSE24 to the top of the home shopping league.”

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vendors, on the same platform. Both the Web shop and the call centers – which are operated externally – are connected to the system. Telephone agents at the call centers gain access through a browser and log on according to the number of incoming calls. Data relating to customers, products, programs, and processes is stored centrally, which increases transparency. Depending on their authorization profiles, both external and internal personnel can check stock levels, order histo-

the sales process, yet more of the solution’s strengths are expected to emerge. “As we progress through the project and our range of CRM functions increases, we expect to be able to support both cross-selling and up-selling,” explains Paulus. The company also expects to be able to continuously raise efficiency levels by evaluating instantly measurable data such as the number of agents, the number of calls taken and forwarded, the duration of calls, and the length of time taken to process requests.



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