Photo: Yaskawa

Yaskawa gets to grips with its sales process

Benefits achieved

- Time to produce sales quotes reduced from eight days to one day

- Sales reps can configure products and leave budget quote with the customer during sales meetings

- Sales team can now produce accurate quotes including drawings and pricing without assistance

- Quality and accuracy of quotations has increased dramatically

- Customized documentation is generated automatically

"We never came to a point where we stalled or where the software had limitations that were a show stopper for us. We were always able to implement all our ideas within the standard software."

- Dr. Michael Klos, Yaskawa

Yaskawa knows a thing or two about industrial robots. The Japanese company is the world's leading supplier of robotic solutions and manufactures upward of 25,000 industrial robots per year. Yaskawa provides everything from stand-alone machines to complete production lines and the equipment can be found in factories across the globe.

From its European headquarters in Germany, Yaskawa supplies companies throughout Europe, the Middle East and Africa. Customers are generally specialised system integrators who buy the robots and then put them together in a production line which they in turn sell on to end users – typically automotive, machine tool and food and beverage companies.

A quotation process that wasn't up to scratch

While Yaskawa is a world leader in automation technology, the company's quotation process was far from efficient. When quoting for new business, the sales team relied on Excel to capture a list of customer requirements. This Excel file was handed over to an inside sales group who manually created a quotation based on the list.

Yaskawa sells close to 120 different robot models, all with numerous configurable options and add-ons. Factor in a long and complicated price list with customer-specific price agreements and discounts and the situation quickly gets very complicated indeed. For each sales case, the team would spend a lot of time chasing down information internally, sometimes even needing to involve the Japanese organisation to get clarification on product availability, lead times and compatibility.

This of course led to delays for the customers.

Dr Michael Klos, General Manager of Yaskawa Europe Robotics Division, explains, *"Selecting the wrong component or not having a configuration dependency properly clarified could create a mess, and just one missing option could hold up the entire process."* A quotation would typically take eight days to prepare, sometimes up to two weeks for the more complicated and unusual configurations.

Another big issue for Yaskawa was the quality of the quotation documents. Dr Klos continues, *"Our quotations looked more like a spare parts list – they were very product focused and cryptic and said very little about the benefits of the product and its functionality – which is of course the part that is of interest to the customer. Sometimes we'd even need to explain a quotation after we sent it out, delaying the buying process further."*

Sorting it out

The leadership at Yaskawa realised they needed a better way to prepare sales quotes. Dr Klos explains, *"We need to be sure that everything that we sell is 100% technically correct. Our reputation is built on that. Our goal was to reduce the quotation lead times and to eliminate the risk resulting from our quotation process."*

Yaskawa decided to look for a sales configuration solution and evaluated three commercial tools. They also challenged whether they needed a commercial tool at all, and looked both at improving their existing Excel calculation and at working with their ERP vendor, SAP.

Dr Klos outlines the factors that figured in to the selection process, *"It was very important for us to use a standard software tool as we wanted to avoid going too deep into customization work. Of course the quality of quotation documents was also a major factor, as was ease of maintenance – we wanted to have a system that could be used and updated by people who are not IT engineers."* Integration with Yaskawa's ERP system was another important factor – the company wanted BOMs to be generated automatically and transferred to the ERP system once a quotation turned into an order. The solution also needed to have multi-language support and integrated price list management.

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After weighing up the pros and cons Yaskawa selected Tacton Systems. Dr Klos comments, *"The first thing that spoke for Tacton was the easy and powerful way the logic is represented within the configuration tool. The second factor was that it can be easily maintained by people in our company. Because the configuration logic is separate from the product data, we found that the modeller just defines the model and the relationships. After that, all the parts, products, prices and lead times can be fed into those models and updated very easily."*

Setting the project in motion

Yaskawa's aim was to create certainty and structure in the quotation process and of course to eliminate all the time wasted chasing information internally. The team set a goal of reducing quotation time from eight days to one day. The ultimate target was to be able to leave a budget quote with the customer at the end of a sales visit. The team spent time upfront considering how they could best implement the project.

"We preferred a pragmatic approach, increasing the functionality and level of IT-integration in defined steps." Dr Klos explains, *"Our plan was to start with the configuration project and then integrate with our ERP and CRM systems - SAP and Salesforce."* The company began by putting standard products into the configurator and then added components and options over time.

Yaskawa also wanted to do all the modelling themselves. *"Of course this isn't the usual scenario and we were far from a typical customer in this respect. But Tacton supported us in our approach. We got some basic modelling training and attended some workshops, with Tacton's guidance and advice we were able to do the modelling on our own – which speaks for how easy the software is to use."*

Although the project team of three wasn't dedicated to the project full time, Yaskawa modelled most of its standard product line within a year. Today the company has full coverage of standard robot products and all the configurable options. *"We never came to a point where we stalled or where the software had limitations that were a show stopper for us. We were always able to implement all our ideas within the standard software. In fact we only had one minor customization for the whole project,"* says Dr Klos.

Customer quotations that Yaskawa can be proud of

Everything went according to plan, and just over a year on from project start, Yaskawa has achieved its initial goals and is now proceeding to the next steps. With product knowledge captured within the system, the sales team are now generating high-quality quotations with pricing – without any help from the inside sales team. The one-day target was easily reached. Dr Klos says, *"We have generated more than 1,400 quotations to date. But the biggest success is the fact that we are able to react so quickly and get quotes to our customers immediately. Some of our sales team are impressing customers by doing configurations together with the customer and leaving a budget quotation at the end of their visit."*
The quality of Yaskawa's quotation documents has improved dramatically. Here Dr Klos feels they have reached state-of-the-art status.

"We can include tailored brochures, drawings and illustrations and everything is gathered automatically by the configurator. I feel that our sales people are now proud when sending out the quotations. The feedback from our customer base is very good and we are much more professional in the eyes of our customers."

Dr Klos continues, *"How the sales team would receive the configurator was a big concern for us, but we were pleasantly surprised – there is 100% acceptance. The quotation process is now in their hands, they are confident about the validity of the quote and happy about the quality. Many of our users are helping to tweak the layout and this is a great sign of acceptance."*

Advice and recommendations

While the project went well and Yaskawa are happy with the results, there are always a few lessons learned along the way. The main recommendation from the team at Yaskawa is – don't underestimate the time it takes to collect information inside the company. While the implementation itself took one year, Dr Klos explains that only 10% of that time went into understanding the software and building the models. The remaining 90% went into collecting and verifying information about the products and their dependencies. Dr Klos comments that getting to grips with the software is the easy part.
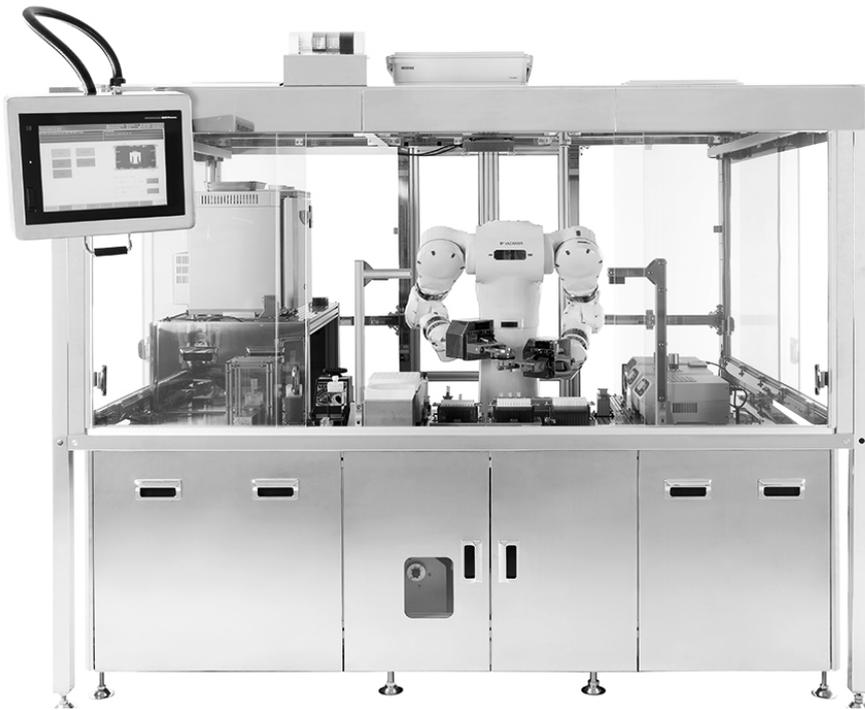
The other recommendation is to select the right person to "own" the project. Yaskawa recommends someone with in-depth knowledge of the products and their constraints rather than an IT person.

Dr Klos also felt that they touched the quotation lifecycle workflow too late-on in the process. *"The users do some strange things with the quotations – we have addressed this now and defined steps and procedures at each stage of the quotation process, but we should have thought about this earlier."*

Big plans

Following the success of the initial phase of the Tacton project, Yaskawa has some ambitious plans for the future. The configurator is currently being used across Germany, Austria, Poland and Switzerland, but the goal is to use the configurator for every quotation that goes out from any European subsidiary to any European customer as well as for inter-company ordering.

Yaskawa also has plans to cover spare parts and after-sales services as well as extending the project to additional business units (Line Building and Drives & Motion). Here the team is working with product standardisation in advance of entering the product lines into a configuration model.

Dr Klos continues, *"Our big idea, however, is not only to use the configurator for preparing quotations, but also for forecasting our upcoming order intake. The quotation configurations include precise information about BOMs at a very early point in time. If we weight this information with an order probability, the configurator is the perfect tool to support our production and supply chain forecasting. This will help us to further optimise lead times for our customers and improve our margins."*

Dr Klos concludes, *"I know many companies hesitate to introduce a configurator because they think – our products cannot be structured or streamlined in a good way or, our combinations are too complicated. We also heard these comments in our company. There were people who said it wouldn't be possible, but it was. The configurator helped us overcome those concerns and even convinced the "experts" sitting on the product knowledge. It was the right step and the right decision to select Tacton."*