

Why an Online Solution?

Overview

This paper addresses the effects of globalization and virtualization on industrial and traditional manufacturers and distributors. How and where product data is managed and marketed is changing as engineers, end-users, and distributors move to researching online and demand fast and accurate data at their fingertips. Online tools such as product configurators, guided selling, and web-based databases or Industrial PIM platforms serve not only as tools to increase sales, but also to decrease expenses.



Introduction

Globalization, virtualization, technology, and a new generation of workers... all of these are shaping the industrial sector today. In a world where obtaining and having easy access to information is vital to stay competitive, the manufacturing industry faces particular challenges to move electronically: *Many industrial companies have been around for around 100 years and there is a lot of "tribal knowledge" stored in people's heads, not in a centralized system. Industrial products can be highly complex, customizable, and dependency-driven thus necessitating a very personalized solution. And lastly, in many cases data is decentralized and managed in various locations and applications resulting in data inconsistencies and missing data.* All of these factors affect the process of manufacturers moving online and electronically. To remain competitive and successful in an increasingly worldwide market with advancing technology, and to streamline processes and reduce overhead, industrial manufacturers and distributors must and are moving to online and electronically.

Where is industry heading?

*"The [engineering] industry is currently undergoing a transition from being the product provider to being the provider of customer value and product related value added services." Writes Clarke & Clegg in their book on new business practices, "Changing Paradigms"*¹

Research finds that over 60% of people (and many argue more) research online across industries. People are demanding and expecting not only products and delivery to be quick, but even more so, information and services/tools at their fingertips to help them research and buy. They are concerned about what saves them time and thus money. Most industrial companies have a wealth of information on their technical products. Many, however, do not effectively showcase this data

nor have direct and user-friendly external and internal facing tools that share that information with their distributors, reps, and clients. Both sides stand to benefit from manufacturers providing these value added services such as online tools; buyers save time in researching and feel empowered with data, and sellers build customer loyalty and sell!

In a sector with growing international competition, industrial companies benefit from being accessible online to their reps, distributors and end-customers 24 hours a day around the world. The GlobalSpec 2011 Industrial Survey found that, *"Online marketing is the number-one area for marketing investment [in 2011]"* and *"With more people spending time on the web a growing number of companies are shifting their marketing dollars from traditional forms like print to online..."*²

Why now?

*"Successful companies do not abandon their marketing strategies in a recession; they adapt them. It is well documented that brands who increase marketing during a recession, when competitors are cutting back, can improve market share and return on investment at lower cost during good economic times." wrote John Quelch, Harvard Business School*³

With the economy still struggling and fears of what may still come, why invest now? Industrial marketing specialist, O'Malley⁴ writes, "I believe a tough economy presents companies with opportunities to gain ground on their competitors." Surveys show that manufacturing is stabilizing in many sectors and now is the time to use innovative tools to regain ground and sales. Investments must generate value in terms of money and benefit for the company so it's important to implement concentrated online programs that increase lead generation as well as decrease overhead.

¹ Clarke, T., Clegg, S., "Changing Paradigms The Transformation of Management Knowledge for the 21st Century"

² GlobalSpec Industrial Marketing Trends Survey http://www.globalspec.com/advertising/wp/2011_Marketing_Trends_WP.pdf

³ John Quelch, of Harvard Business School, and author of "Marketing Your Way through a Recession"

⁴ Kerry O'Malley, "Industrial Marketing in Tough Economic Times", <http://marketectsinc.com>

Conclusions and Solutions

Independence and time are highly valued, therefore offering tools that give direct access to product data for your customers, distributors and sales force, decreases time in their researching and buying process. This not only creates value for the user (and sales for the company), but also decreases overhead in the sales cycle as users have more information on first contact. Online tools such as distributor portals, online configuration tools, and guided selling applications empower your clients and help automate the sales process. With a strong online e-catalog and data center, you will reach clients throughout the decision making process and around the world. Lastly, business history shows that making smart investments even in weak economic times, serve as a basis for company growth and success. Online configurator and catalog platforms also serve to generate leads, strengthen branding and create customer loyalty.

Signature-IT specializes in the development and deployment of innovative product configurators, Product Information Management (PIM) systems, and interactive online tools designed specifically for the industrial markets.



Challenges	Solutions
<p>“For the second consecutive year, not generating enough high quality leads for sales topped the list of manufacturers’ biggest marketing challenges. [...] Not having enough marketing resources and needing to drive more traffic to company Web sites were the other highly ranked marketing challenges.” GlobalSpec Survey</p>	<ul style="list-style-type: none"> • Increase traffic to the website with an interactive tool • Harvest lead information and gain new prospects
<p>“Massive retirement is one of the greatest challenges ahead for industrial companies worldwide. It’s critical that they act now, despite the ongoing financial crisis, to retain the invaluable knowledge of the ageing workforce.” Valve manufacturer Alfa Laval</p>	<ul style="list-style-type: none"> • Maintain company know-how in a centralized database • Centralize marketing and technical data in an advanced format-decrease product inconsistency
<p>Distributors and dealers request product data, images, and documentation. This necessitates time from our sales and engineering force to generate the data. Fitting manufacturer</p>	<ul style="list-style-type: none"> • Offer product data online through a log-in system • Streamline communication with distributors and decrease overhead of generating data per request
<p>Highlighted forces that will be important to manufacturing enterprises during the next decade:</p> <ul style="list-style-type: none"> • The competitive climate, enhanced by communication and knowledge sharing, will require rapid responses to market forces. • Information and knowledge on all aspects of manufacturing enterprises and the marketplace will be instantly available in a form that can be effectively assimilated and used for decisions. <p>“Visionary manufacturing challenges for 2020 “ By National Research Council</p>	<ul style="list-style-type: none"> • Share data directly to users in an easy-to-use and fast portal • Decrease costs of maintaining print and PDF versions by managing data electronically • Increase customer loyalty by offering what they want, when they want it

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