

Case Study: SMC Kicks Off 24/7 Internet Sales

"The feedback from www.smcetech.com has been amazing. Customers are impressed because they can access dynamic product information, solve technical problems and download specs and CAD data, all from the Web."

The Web site is a 24/7 information machine, generating thousands of design-ins per month and completely complimenting our direct sales effort."

- Tony Hutchinson, Director of Marketing, SMC Corporation of America

Since 1959, SMC Corporation, the world's largest manufacturer of pneumatic and electrical automation products, has harnessed the latest technology to produce world-class products and provide solutions for the most complex manufacturing processes.

As a complete manufacturer of mechanical components, including actuators, valves and air preparation units, SMC offers over 10,000 basic products with millions of variations to meet the complex and diversified needs of customers worldwide. With customers in every industrialized country, SMC must support a wide variety of international standards.

Establishing a global presence takes time, hinging on consistent quality and a record of industry leadership. With over four decades of experience and service, SMC has established a product line synonymous with quality, reliability and superior technology.

As an OEM manufacturer, SMC's ultimate goal is to have other manufacturers "design-in" SMC's products as part of a larger assembly. If a component is incorporated at the design level, a sale - often for thousands of units - will follow when the manufacturer goes to production.

SMC's typical customer is an engineer working on a design, with a demanding set of product specifications and qualifications. As SMC expanded its global reach and product line, delivering rapid design support and information to its customers became increasingly difficult.

"We wanted to 'revolutionize' the customer purchasing experience, but with our large product line and the exacting needs of our customers, we knew we had a problem," explained Steve Hoffer, SMC's E-Tech Group Leader.

BALANCED SOLUTION DRIVES CHOICE OF TECHNICON SERVICES

As Hoffer recalls, "When we decided to implement an online product information system, we investigated many vendors. We looked at what it would take to develop the product information, to integrate the system with our existing operation, and what the customer experience would be like. We found TechniCon's CustomCommerce had advantages in all these areas."

EXECUTIVE SUMMARY

Customer Profile

SMC Corporation is the world's largest manufacturer of pneumatic and electrical automation products, supporting major manufacturers in every industrialized country.

Business Challenge

SMC wanted to provide customers access to real-time, dynamic product information via the Internet, increasing SMC's ability to get "designed-in."

Benefits

- Provides 24/7 compelling product information and sales via the Internet
- Makes it dramatically easier for customers to design-in SMC's products
- Improves SMC's customer tracking and communication
- Lowers SMC's cost of managing product data

Partners

- Microsoft Corporation
- SolidWorks Corporation

CustomCommerce is TechniCon's enterprise sales system. The platform supports a comprehensive family of e-business applications, including Internet sales and channel systems. Systems are built from the ground up for interoperability using open Web standards. TechniCon's unique data-driven technology for product content management means systems that are more powerful, easier to maintain and online faster than traditional solutions. TechniCon is at the heart of compelling sales systems for industry leaders as diverse as DaimlerChrysler, Motorola, NEC and Steelcase.

Hoffer continues, "We had decided to use SolidWorks' 3D PartStream to generate downloadable CAD files in multiple formats. TechniCon intimately understands CAD, so they were able to use native SolidWorks models."

TechniCon's proprietary technology removes a product's internal design content and publishes only the external geometric envelope, protecting a company's intellectual property. "TechniCon showed us how to build CAD models for sales and marketing use, and greatly accelerated the entire model generation effort."

TechniCon's unique, data-driven engine was a key factor in getting the system up in only four months. Hoffer explains, "TechniCon was the company that best understood managing product content. All the standard configuration vendors were proposing custom-coded, 'rules-based' projects. But TechniCon's CustomCommerce product is database-driven and didn't require a major development effort. Bottom line, we had the system in production fast."

"TechniCon's data-driven engine is easily maintainable. A team of non-IT, product marketing people in Indianapolis monitors and updates the system. They can add over 1,500 new product series a year to the system."

CustomCommerce's ability to repurpose existing information eliminates the need for multiple data creation and maintenance teams. Online catalog development was expedited by utilizing product rules already contained in SMC's ERP system for product validation and pricing. Included in the ERP dataset are product options, e.g. stroke and bore sizes. As the ERP system is updated with new products and pricing, this data is quickly repurposed for the Web site.

Technology was not the only factor in SMC's decision. Having final responsibility for the project, Tony Hutchinson, SMC's Director of Marketing, points out, "The most important objective is to provide a compelling system for our customers and sales people."

"TechniCon has a proven track record building compelling sales systems for industry leaders. Building an effective and appealing product information site comes down to having both the technology and a creative design aesthetic. Their engine supports a wide range of visual styles, which is important to us, since we're continually evolving the user interface. Our customer feedback shows we exceeded their expectations."

SELF-SERVICE SALES

SMC deploys TechniCon's CustomCommerce on www.smcetech.com, a 24/7 center for all their customers' pneumatic device needs. The site offers customers multiple tools to locate the best SMC product for their needs. Online tools help solve design calculations and guide the product selection and specification process, allowing customers to customize and configure products to their unique requirements.

The site offers multiple detailed product views, including both 2D and 3D models, with all relevant product information. All documentation, specifications, drawings and CAD files are available electronically in real-time.

Customers can choose to download the information for inclusion in their own documentation or for distribution to their team members. They can also “save” a product, placing it in an online “parts list” for follow-on analysis or discussion with other team members.

SATISFIED CUSTOMERS

SMC’s customers are the big winners. Product selection that once took days is now done rapidly and reliably online. Customers no longer have to rely on bulky printed catalogs that need constant updating. All product data, including brand new products, is available online, current and accessible from practically any location, 24/7.

“...we now see the CustomCommerce system as a powerful hub for the company. Before, we didn’t have a central engine for tracking our product marketing content. On printed catalogs, for instance, we were pulling everything together by hand.”

“Now, CustomCommerce is becoming our central repository, allowing us to pull together material faster with less work. We can see CustomCommerce enabling us to move from the big expense of printing catalogs to moving to print-on-demand. And that’s just one application we’re contemplating.”

- Tony Hutchinson, Director of Marketing, SMC

Customers are downloading CAD models from the Web site that they previously had to create themselves. Not only are customers obtaining CAD models faster and more accurately, but they include more information than they did in the past, such as dynamic device characteristics, e.g. the travel of a cylinder, or views from any angle.

“Wow! What a time saver...before I’d spend a lot of time interpreting catalog pages into assembly drawings, and when finished, I wasn’t 100% sure that I’d gotten the right product. Now I am....”

“I have a (SMC Competitor) sales rep visiting once a month trying to tell me that their pneumatics are better than SMC’s...better seals, better this and that... I’m going to show your site to her and ask how she can save me hours of drawing time and can guarantee that my drawings will be 100% accurate....”

“Thanks for the awesome website and service...”

- SMC Customer Email

Customers are drawn to the Web site. In one example, SMC attributes a 42% increase in business for one customer (from \$373K to \$531K) solely to the site.

SATISFIED CLIENT

The Web site has freed up SMC’s salespeople so they can focus their expertise on unique applications of SMC’s products. Routine tasks that previously tied up SMC’s direct sales and sales support staffs, such as downloading files and explaining product specifications, are now handled automatically on the Web site. Every month, tens of thousands of CAD files are downloaded into customers’ designs. SMC’s market research indicates over 90% of these design-ins turn into orders.

CustomCommerce tracks Web site activity and collects flexible and extensible customer information, such as contact data. Hoffer reports, “The system is generating thousands of leads a day that are forwarded on to our sales staff. Plus, the data we’re collecting is helping us assess customer requirements and track usage trends in various industries.”

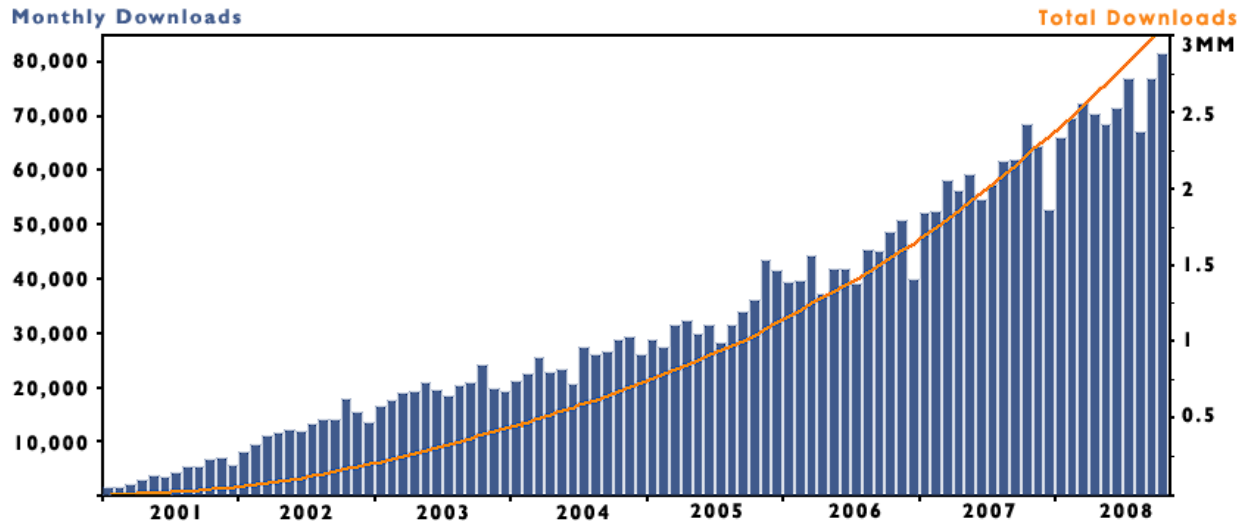


Figure 1: CAD Model Downloads.

In the first year of operation, 25,000 users registered on the Web site. By 2006, 140,000 registered users were downloading over 40,000 CAD models monthly. By 2008, 210,000 registered users were downloading over 80,000 CAD models a month with total downloads going over 3,000,000 in the third quarter of that year.

Before the Web site, SMC had been spending an average of \$30 each to generate approximately 1000 CAD models a month. At 80,000 models a month, the cost (\$2.4MM) would have been prohibitive. The Web site saves SMC money and provides a service they couldn’t otherwise provide.

TECHNICON’S BEST-OF-BREED PHILOSOPHY

SMC’s CustomCommerce implementation is based on TechniCon’s best-of-breed philosophy. Interfaces and components are all standards-based. The graphics interface supports best-of-breed Web visualization. Messaging is accomplished via XML and standard protocols. Component technologies, such as SolidWorks’ 3D PartStream, the Windows Server platform, SQL Server and Oracle provide a reliable and easily scalable environment for building Web services.

SMC’s ultimate goal is to automate and “e-enable” the entire customer experience, and drive the company into new businesses. Hutchinson concludes, “CustomCommerce is exceeding all our ROI goals, and now SMC is better positioned for a number of e-business moves in the future. In fact, all our expectations were exceeded.”

FOR MORE INFORMATION

For more information about TechniCon products or services, call the TechniCon Information Center at 510-653-9163 x121, or visit the Web site at: www.technicon.com.

For more information on SolidWorks products or services, call 800-693-9000, or visit the Web site at: www.solidworks.com.

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