CASE STUDY

Smooth operations
How a medical devices major is transforming order management to drive $45 million impact

WHO WE WORKED WITH
A multinational medical devices leader headquartered in the US

WHAT THE COMPANY NEEDED
To ensure smooth operations, the company needed to improve cohesion, clarity, and process consistency across the enterprise. An improvement in productivity was critical, too. Disparate technologies working at cross purposes required frequent manual intervention, gobbling up hours of employees’ time. The company also wanted cleaner, more relevant data that could be analyzed for business insights, and a more scalable, efficient operating model.

HOW WE HELPED
A Lean DigitalSM approach helped generate real impact by harnessing technology and analytics through advanced organizational models such as global shared services. In so doing, we are re-imagining the company’s order management processes to improve the handling of service calls, re-inventing customer care, and making field service more visible across the enterprise.

WHAT THE COMPANY GOT
This newly future-ready company transformed its order management processes, reconciled master data across technology platforms, and improved the customer experience and field service capabilities, and expects to deliver $45 million in impact as a result.
Running streamlined operations in an acquisition-driven industry is a challenge—especially when product innovation is a top priority. That’s what this medical devices leader discovered. Conflicting operating models and technology infrastructures were not combining well, and the company urgently needed a more scalable, efficient way of conducting business. We helped the client harness Lean Digital℠, and transform its operating model for impact. The result: future-ready operations on track to deliver over $45 million in business impact by boosting cash flow, revenue, and productivity.

**CHALLENGE**

Reconcile disorderly data, refurbish the back office

When a company can’t identify clients, respond to feedback, or address complaints, customer relationships suffer. Yet all too often, this firm’s mixed bag of technology didn’t distinguish between buyers, users, and payers, because its field service management software, ERP, and CRM all captured information differently.

The enterprise also lacked effective customer segmentation tools. That had to change in 2016, when the enterprise hoped to accelerate growth and expand margins by shifting its product portfolio and restructuring operations to better align with its customers. But undertaking that kind of transformation demanded a back office that could drive scalability, foster sales and service, and bump up margins.

**SOLUTION**

Build a framework for success

We helped enable Intelligent Operations℠, a rapidly attainable, yet scalable business platform built to adapt while generating growth, cost efficiency, and business agility. We began by assessing key processes and systems using a four-dimensional framework across customer experience, sales experience, complexity, and risk (CSCR). That helped us define target business outcomes—and to focus on areas that would deliver the most impact. The customer and sales frameworks provided a way to measure the experience of the end customer and to distinguish it from service delivery or the order-to-cash process. Meanwhile, we put the complexity and risk frameworks to work designing a target operating model and fine-tuning customer segmentation. Some important insights that emerged from the CSCR analysis:

- **30% of customer complaints were due to poor master data management.** Another **20% were due to wrong information about deals.** Both resulted in poor customer engagement.

- **Nearly $12 million in orders were on hold monthly** because of the company’s manual contract management process. What’s more, almost **50% required rework.** And that hampered the sales experience.

- **40% of purchase orders (PO) failed validation checks and no POs existed for 20% of billable service orders** because management protocols weren't standardized.

- **Nearly $300,000 in orders were cancelled monthly.** Plus, it was hard to calculate the lead time needed to fulfill orders and meet commitments because of poor visibility in order management.

The analysis called for short- and long-term improvements to business processes. We identified order management as the best place to start for instant impact. We also recognized a real need to transform service calls management and customer care processes, but saw those as value generators over the longer term.

Transforming order management

An initial diagnosis revealed several non-standard order management protocols, such as incorrect invoicing, inaccurate inventory reporting, discrepancies in deal pricing, and wrong shipping details. As a result, nearly $12 million in orders was
on hold every month. We are setting up rigorous protocols with multi-level interventions to resolve issues quickly and smoothly. To improve order entry accuracy, we established baselines and thresholds for audit sampling to minimize people, process, and IT errors. With more effective monitoring using ERP, we improved inventory accuracy and reduced lead time. All this drove ownership at the plant level and set up a framework for operational governance.

**Improving service call processes**

We established a governance framework that forces the system to validate every service call with a purchase order. In addition, the framework makes every service call billable —therefore ensuring each service call produces revenue. We’re also evaluating a mobile app that allows customers to authorize POs in real time so field service teams don’t lose out on revenue opportunities.

**Keeping tabs on field service teams**

The customer care team frequently put off assigning service calls because it couldn’t always predict when field service teams were available —and that affected the end customer. So we created a regularly updated central repository defining standard operating procedures and made sure everyone in all regions understood these procedures. The repository delivers information on the availability, location, and skill sets of field service teams.

**Re-inventing customer care**

Existing customer satisfaction surveys (CSATs) weren’t measuring emotional quotients accurately and —to complicate matters further —each region rolled out CSATs differently. What’s more, the company captured only 8% of customer feedback, so acting on it was a challenge. Genpact is helping the client redesign its CSAT survey framework and drive uniform adoption across operating units. We’re also working with the company to build models capable of analyzing data to calculate customer emotion quotients and to establish a new baseline. The goal: improving CSAT scores by replicating best practices and bridging process gaps.

**Preparing for operations 2.0**

Alongside all this, Genpact is helping the client integrate its technology and design its future state target operating model through robotic process automation and Genpact Systems of Engagement℠.

**IMPACT**

**Revenue on the rise and a future-ready firm**

The transformation is already improving cash flow, upping income, minimizing revenue leaks, and boosting productivity. In addition, several existing processes are now prepared to unlock additional value through robotic process automation. Over the course of Genpact’s engagement, this company can expect:

- $36 million in cash flow impact
- $3 million through revenue enhancement
- $5 million boost to revenues by minimizing leakage, and
- $1 million in savings from productivity enhancements.

That’s $45 million. That’s impact.
Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes for hundreds of Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. We obsess over operations and focus on the details - all 78,000+ of us. From New York to New Delhi and more than 20 countries in between, Genpact has the end-to-end expertise to connect every dot, reimagine every process, and reinvent companies’ ways of working. We know that rethinking each step from start to finish will create better business outcomes. Whatever it is, we’ll be there with you - putting data and digital to work to create bold, lasting results - because transformation happens here, at Genpact.com.

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