

Building a business case Getting executive buy-in

Presented by Mark Richards

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E-Commerce is unlimited in scope and touches all disciplines

CRM

UCC-128

PIM software

Email Services

EDI Rebate Process

Item Attributes

Pricing Issues

On-Line Stock Check

Company web-site

Data Warehousing

Search Engine

Data Sync

ASN's

On-line POD's

Configurator

On-line ordering

GTIN's

Item Images

Knowledge Management

E-Catalog

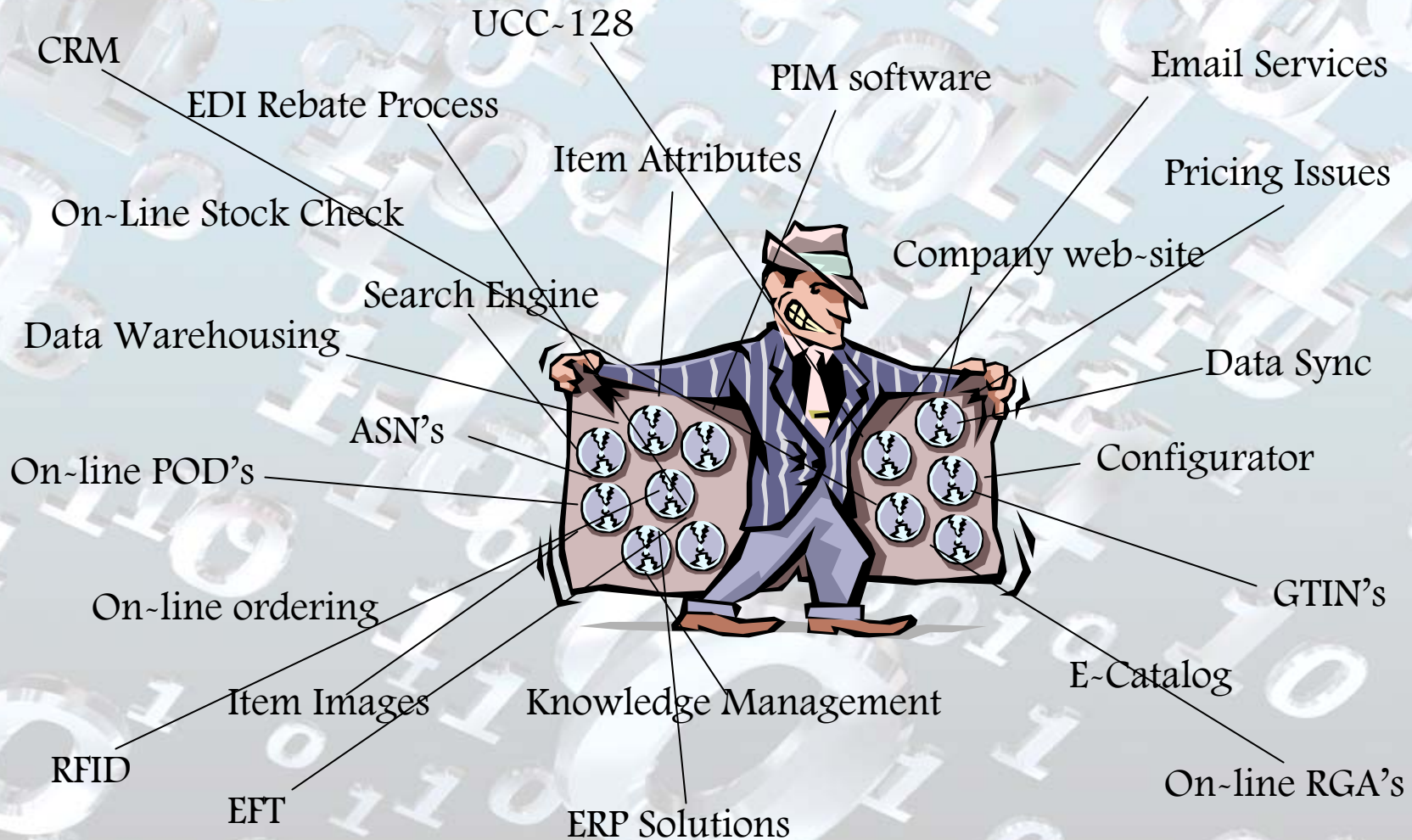
RFID

On-line RGA's

EFT

ERP Solutions

There is no shortage of what e-Commerce can do



But what can it do for you?



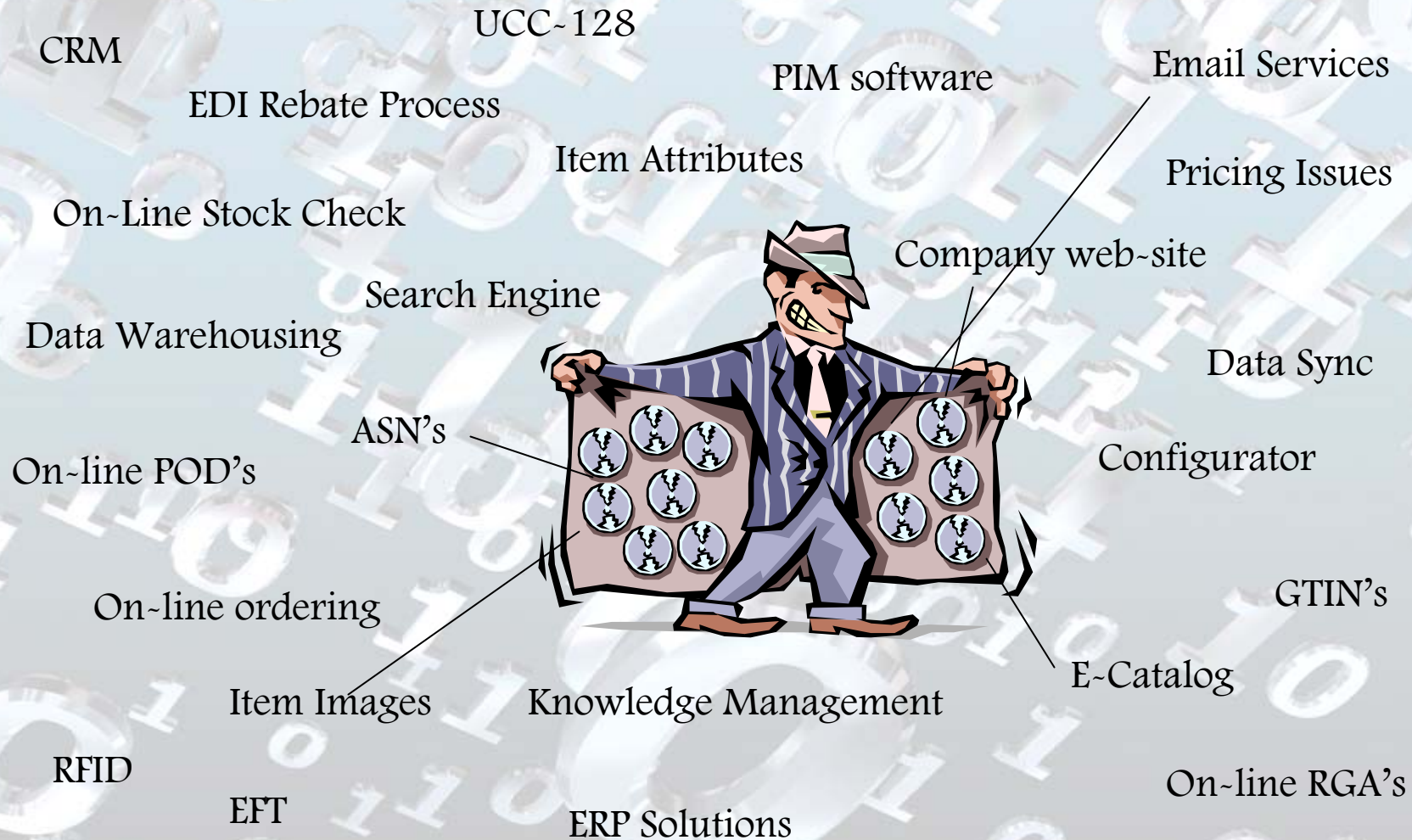
- Things to know:

- Companies strategic direction
- Companies business needs/objectives
- Customer's needs

- Things to ask:

- Does a software solution exist?/What is available?
- Does it add value?/Improve process?
- Is there an ROI?/Does it help in bottom line?

Now make choices based on what you know



Start with an easy one

Short term

→ Email Services

- Customers want data fast
- Customers want data in the most inexpensive way
- Must offer value and benefit both parties

Then tackle a more challenging one

Long Term

→ Company web-site

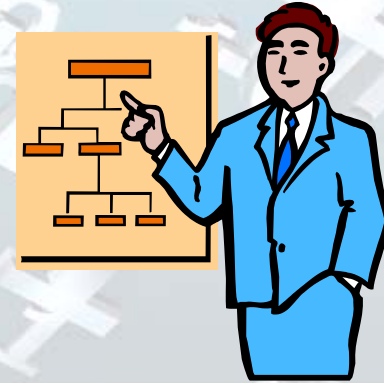
- Must remain competitive
- Must offer alternatives
- Must have representation on the web

E-Commerce –Keep it Simple

Email Services-What the business case should contain

- Executive Summary
- Statement of need/Business Opportunity
- Scope of Proposal
- Proposed Business Solution
- High Level Timeline
- Financial Payback
- Risk Analysis

- Goal- Make the decision a simple one for the deciders



E-Commerce –Executive Summary

Email Services

The main goal of this initiative is to improve service to the customer while reducing paper and associated manual transactions as they relate to the costs for printing and mailing paper invoices. This will serve as a way to invoice customers who are not EDI capable and allow them to receive their invoice within hours of the shipment providing them with vital shipping information in a quick automated way.

The positive aspects of this approach:

- Little human intervention~ The process is automated
- Lowers business costs
- Secure environment
- Streamlines current process
- Traceable and repeatable

E-Commerce –Statement of Need-Business Opportunity

Customers who are not EDI capable still want a way to receive information in a quick yet simple method. One that will help speed up the information flow and avoid any software costs.

Currently the only way to obtain invoice information in an automated way, is to be EDI capable. Email gives the opportunity to electronically invoice everyone.

This enables the customer to know when the order has shipped, but to invoice their customer shortly after the transaction. Having the invoice quickly provides all of the pertinent shipping information about the order such as # cartons, line items, Pro number, carrier, etc.

E-Commerce –Scope of Proposal

- Email will be limited to providing invoices only
- Customers will have the option to chose invoicing via this method-Agreement
- Minimal IM resources
- Testing will be required to insure process is working
- Email confirmation will be part of the process
- Notification will be required if there is a process failure
- Resending of invoices will be part of the process
- Proper sign-off is required



E-Commerce –Proposed Business solution

In order to send out invoices via email, there are two possible solutions

In-house development- Current schedule will not allow this project to get off the ground for at least 6 months. Development time could push back even further. Nothing currently in place- Would have to create entire process

3rd Party provider- The 3rd party provider have expertise in this area, proven security and fallback procedures, and minimal down time. – Minimal reliance on internal resources ~ Development of all templates, software and security provided at no charge.

E-Commerce –High level time line

With the 3rd party doing most of the development, the total time to implement this process is approximately 160 hours (4 business weeks) of internal development.

The costs for this development range from \$6,000-\$10,000

~Minimal internal resources will be required

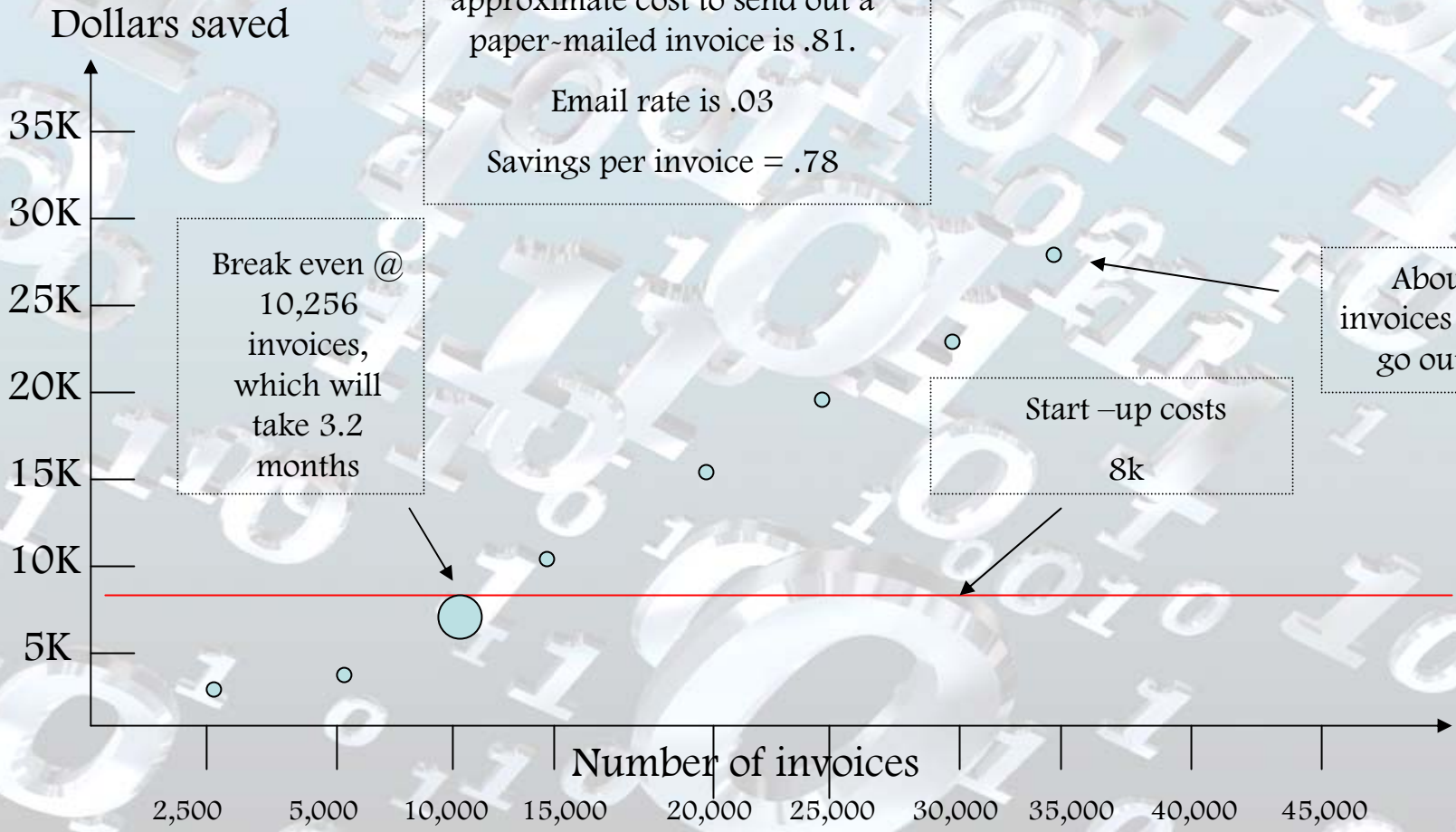
E-Commerce – Financial Payback

Based on past studies the approximate cost to send out a paper-mailed invoice is .81.
Email rate is .03
Savings per invoice = .78

Break even @
10,256
invoices,
which will
take 3.2
months

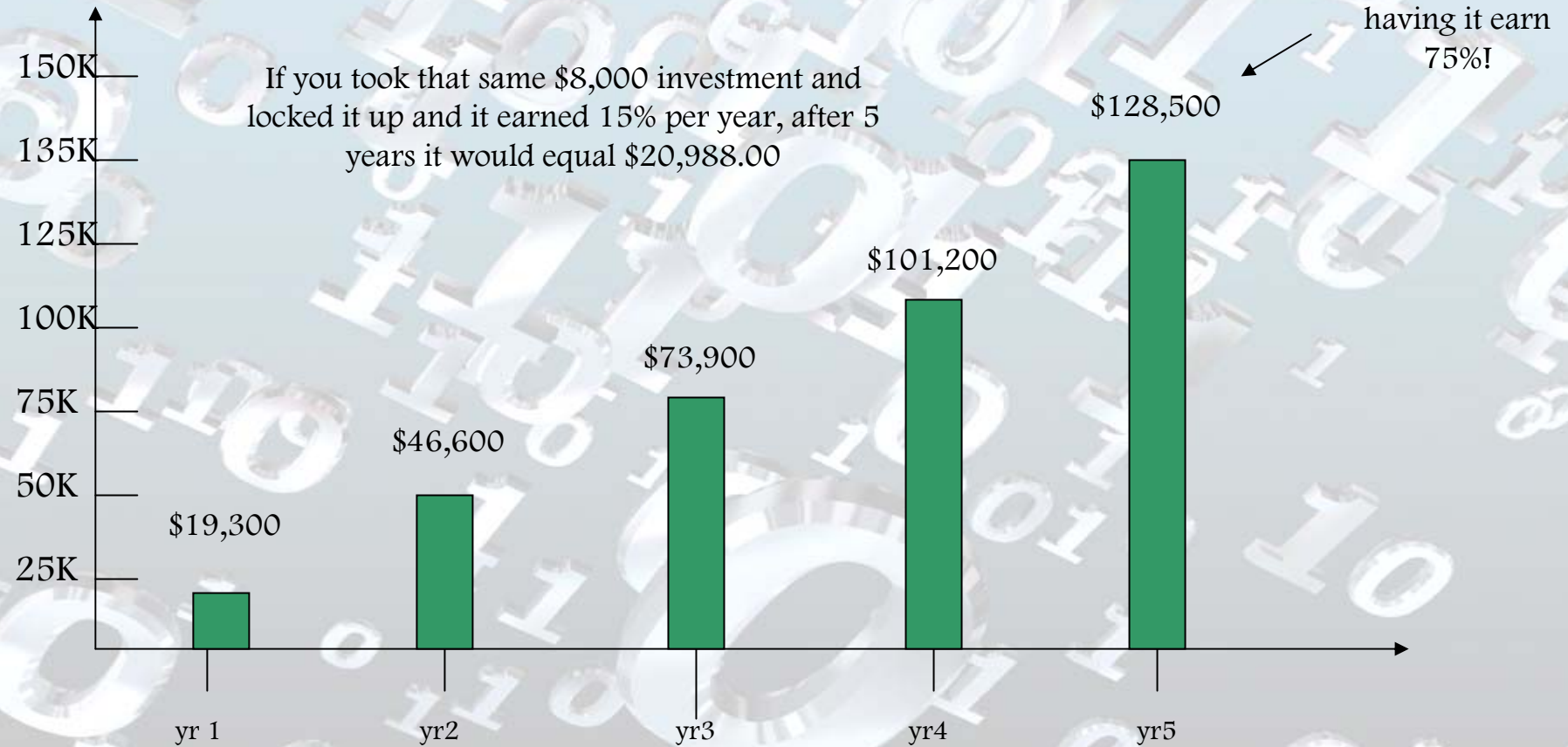
About 35,000
invoices per year
will
go out via email

Start-up costs
8k



E-Commerce –Financial Payback: 5 year impact*

Dollars saved



*based on just 3% of total invoice volume



E-Commerce –Risk Analysis

Not being perceived as an innovative company

Not responsive to customer needs

Not helping out the ‘little guy’

Missed opportunity to provide a true value-added service

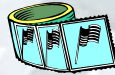
Email not 100% reliable

Invoices are sensitive in both time and content

Security

E-Commerce – Summary

- ROI within 3.2 months- Permanent long term cost reduction
- Provides true value add
- Confirms receipt
- Reduces paper load and work load
- Reduces postage
- Eliminates 3 day float
- Benefits customer



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