

“With Sofon, we can quickly adjust to continuous changes in our product portfolio, organization, processes, and go-to-market models”



Two of the greatest challenges many companies face are dealing with the complexity of their product portfolio, and the intensive training required to enable sales to offer these products error free. One such company was Philips Healthcare, which provides innovative, intuitive, and affordable healthcare solutions. Offering the company's broad range of high tech products requires extensive product and clinical process knowledge. The company's legacy system created quick budgetary quotations, however, these quotations lacked descriptions and pictures and were unintuitive for customers – and worse still, were at times incomplete. To help improve the sales processes and more in particular the quotation quality, Philips Healthcare has chosen Sofon to support their Configure-Price-Quote processes.

## Sofon enables our US account managers to quote solutions error free, from a wide range of products

### PRODUCT PORTFOLIO

Philips Healthcare offers a broad portfolio of more than 500 configurable products through numerous sales channels and supported by sales specialists. The countless configuration possibilities and product combinations, however, demand a broad knowledge of clinical procedures, patient processes, and the company's own portfolio. Each of the configurable products can have between 10 to 150 priced items and numerous rules, and a complete Customer Solution can consist of 10 or more configurable products with cross-product relationships and dependencies.

### LACKING CONFIGURATION RULES FOR BUDGETARY QUOTES

One of the legacy budgetary quoting tools utilized in North America for half of the Healthcare portfolio lacked much-needed configuration rules, which could potentially result in erroneous or incomplete configurations and incorrect pricing. The process to verify, correct, and communicate changes was time- and resource-consuming and could result in margin leakage, customer confusion, or dissatisfaction.

### FEASIBILITY STUDY

In an effort to “make it easier to do business with us,” improve quotation document and quality, increase end-to-end efficiency, and prevent margin leakage, the search for a suitable solution for North America led the company to look to its colleagues in Europe, who had already had a successful rollout of Sofon at

Philips Healthcare in Germany, Austria, and Switzerland for Imaging Systems capital investment goods and project sales. A feasibility study conducted in July 2010 proved that the Sofon solution could meet the needs of Philips Healthcare North America.

### ENTERPRISE-WIDE QUOTATION TOOL

The Sofon implementation project in the USA got underway in March 2011 with three main goals: to establish configuration rules for budgetary quoting, to enable quotations to be created that are easy to understand for customers, and to -create the product configuration rules in one central repository that can be re-used for an enterprise-wide quotation tool.

### ENTERPRISE PRODUCT AND LIFECYCLE MANAGEMENT

Of greatest benefit to Philips Healthcare from the Sofon module range was the Enterprise Product and Lifecycle Management (EPAL) module. Using this module, Philips Product Managers are able to create product configuration rules, and also combine configured products to complete solutions which can then be used by Sales to create a correct quotation. As Phil Gamroth (responsible for North America Sales Information Systems and Project Manager Sofon North America), explains, “When a sales rep pulls a solution from the product tree, there are many products and cross product relationships or limitations which can be handled by Sofon,” something previous systems were unable to do. “EPAL can handle these



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cross-product rules. And the Proposal Organizer lets us calculate a price and create a quotation to the customer. Another key capability in this Enterprise setup is the localization that is done by Market Organizations in EPAL which allows market specific localization based on the factory product rules. In the end these localized products can even be tailored further to a sales channel specific catalog to let each sales channel only deal with the products and complexity it requires.”

### CENTRAL REPOSITORY

An additional benefit of the EPAL module is that it enables Product Managers to pull material data from disparate ERP systems. With the multi-factory, multi-market, multi-channel setup, EPAL (and the product data created) is ready to act as the central sales product data repository for all markets.

### ONE CATALOG

The central repository is another step towards the “One Catalog” strategic direction taken by Philips Healthcare, which aims to combine the entire portfolio in a single solution, so that all customer requests can be honored easily and can be combined to create the optimal solution. “At Philips Healthcare, we have different quoting tools for selling equipment and services,” explains Andreas Schuele, Global Process Owner for Catalog and Quoting at Philips Healthcare. “Within equipment sales alone, we currently have three different catalog processes and the idea is that we really want to consolidate to create one way of working – every process change or organizational change must be implemented in three or more systems, if at all

possible. In addition, the market demands that it be possible to offer service solutions, financing, or professional turnkey or pay-per-study models, as well. Enabling this, and being complete, efficient, correct, and easy to understand, is what we at Philips call ‘One Catalog’. Sofon is already part of our solution set in Europe for imaging systems portfolio and the integration of patient monitoring and clinical informatics in the US on EPAL, and SOFON is a further step in our journey to ‘One Catalog’ and unified quote support for all products and solutions.”

### EXTREMELY POSITIVE

The members of the implementation team were extremely positive regarding the development process. “The joint development of the EPAL module gave us tremendous responsiveness by Sofon to our requirements,” says Andreas Schuele, who goes on to note that “80% of the requirements were standing at the start of the development and 20% were added by discovery and growing insight in capabilities and more detailed requirements in the run of the project.”

### ABILITY TO ADJUST QUICKLY

As Andreas Schuele explains, “Sofon has now successfully improved the budgetary quoting configurations, successfully replaced the legacy quoting tool, and made the company’s quotes easier to understand. This in turn has enabled the company to adjust quickly to a changing product portfolio, organizational changes, process changes, and go-to-market models.”

## WHAT HAS PHILIPS ACHIEVED WITH SOFON IN THE USA?

- Product sales information of multiple factories and for multiple channels and multiple markets in one system
- Offline generation of budgetary quotations with product configuration
- A harmonized quotation process
- Improved Sales texts in the quotation solution and commercial catalog
- Standard marketing configurations for sales
- Guided Selling (solutions selling) applied in quotation generation
- Harmonization of output with corporate style guide
- Quotations including service contracts and installation Services
- SOFON-Outlook integration for contact data
- Central visibility to Quotes through replication with a central repository

