Case Study

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has over 30 years' experience in sales and marketing. She began to specialise in telemarketing in the 1980s once she recognised the development of the telemarketing industry. This culminated in Helena founding HSM in 1991 and the company has since become one of the UK's leading B2B telemarketing agencies.

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Keywords: CRM, customer database, lead/demand generation and management, telemarketing, increased sales

Miele Professional Partnership Programme: Putting data and telemarketing at the heart of a successful B2B business strategy

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Received: 16 March 2004

Abstract

This case study describes how Miele teamed up with HSM to set up the Miele Partnership Support System, a one-stop-shop support system integrating all the facets of the business. The paper outlines the aims of the new strategy, the key stages, how it works and its results thus far, and concludes by discussing implications for the future.

Background

Miele Professional is the commercial division of Miele, the well-known German manufacturer of high-quality domestic appliances, commercial equipment and fitted kitchens.

Miele Professional has been providing the hospitality, health and catering businesses with high-quality laundry equipment in the UK since 1963. Initially Miele sold direct to its business customers as well as through its UK network of partners. As with many companies dealing through a dealer channel, in those early stages, while Miele amassed a vast amount of sales and service data, it held very little useful data on its customers and prospects.

Early on, Miele recognised that it could get more out of its customer database and so it brought in HSM, an agency specialising in strategic relationship management, to cleanse and segment the database, identify and add new prospects and, through telemarketing, populate the database with more intelligent marketing and sales information to enable Miele to plan a smarter sales and marketing strategy.

The database enhancement exercise and subsequent telemarketing and direct marketing programmes carried out by HSM revealed that the dual-channel approach Miele was adopting (ie direct to customers and through the partner network) was counterproductive as sales leads were being competed for by both channels. In response Miele took the strategic decision to join the two up — handling the sales leads generated by HSM's activity internally and then passing the leads on to the dealer network for conversion to sales.

To realise the strategy effectively, HSM created a sales and marketing

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and customer service solution which enabled Miele's area sales managers (supported by HSM's telemarketing team) to work more effectively with a select group of the UK's best dealers. The system, branded the Miele Partnership Support System (MPSS), was designed to provide a one-stop-shop support system that was quick and easy for everyone to use. The system integrated the sales lead management, sales support, finance and warranty, partner training, advertising, direct marketing, PR and product sales coordination, all 'under one roof'.

In addressing the brief HSM worked within some highly challenging time and financial constraints, and delivered a fully operational sales and marketing solution within six months of the brief.

Aims and objectives

Miele briefed HSM to deliver a solution that enabled it to adopt its new sales strategy while meeting the following aims:

- to cleanse and enhance its commercial customer database
- to research and meet the selected partners' needs
- to generate and manage all sales leads through a central hub
- to facilitate the provision of:
 - Miele product and sales training
 - marketing and PR collateral
 - finance and warranty options.

The objectives of the programme were to:

Acquisition

- increase sales leads by 40 per cent per annum
- increase Miele's share of its dealers' total business from 30 per cent to 50 per cent

Sales lead generation

- increase commercial laundry equipment sales by 30 per cent
- reduce the time between lead generation to partner follow-up from four to two days maximum.

Key stages

Database cleanse

The first stage undertaken by HSM was a thorough cleanse of the Miele prospect and customer database.

On the customer front Miele had records of the organisations that had purchased Miele equipment, the date of purchase and the models purchased, but limited information on the organisation itself or who the key decision makers were. There were also very limited records of prospects, and little information on which to base any customer acquisition activity.

Sales growth

Adopting a new sales strategy

Sales growth in professional laundry equipment can only really be achieved in one of two ways:

- by persuading people to switch from sending laundry out and move to

- on-site laundry cleaning
- by winning on-site business from a rival company.

Dual channel approach

Following telemarketing and direct marketing activity that HSM carried out, it became apparent to Miele that the dual-channel approach to the market was not the most efficient or effective route to sales growth. Rather than increasing sales, operating two competing channels to market was duplicating effort, alienating the partners and not fully capitalising on what is a finite market.

From these findings Miele decided to adopt a new sales strategy, breaking from the tradition of the sector.

Strong partnership

Miele decided rather than have the two routes to market that competed with one another, it would join them together. Miele believed that if it provided help and support and worked in partnership with its partner network it would gain a higher level of loyalty. Miele believed that the addition of a strong partnership with the dealers to its established superb-quality product range and its proven sales lead-generation programme would be a winning formula.

Virtual salesforce

In practice the partnership would create a virtual salesforce and, very importantly, a service team that was considerably larger than its nearest rival. Miele's own sales team would combine forces with the top 40 dealers throughout the UK, who would become Miele Professional Partners. Each had an average of three sales people and five service engineers (circa 326 people), all working together in a coordinated sales effort nationwide.

Assessing and meeting partners' needs

Once Miele had made the decision to refocus its own sales effort to work exclusively with the partner network, it sat down with the partners to ask them what support would help them to grow their business.

Top of the list was sales lead generation, closely followed by product and sales training, finance options, marketing, PR and recruitment.

Since Miele had been working with HSM for some time it felt confident that HSM's deep understanding of the partner network and proven systems development expertise would result in an intelligent and a cost-effective solution. Miele presented HSM with a very open brief; it asked 'What can HSM do to add value to the partnership and to improve Miele's relationship with the partner network?'

Contact management tool

HSM took the brief and the partners' comments away and came back with the solution: the Miele Partnership Support System (MPSS). The MPSS is an online, open-access lead-generation and contact management tool which fully integrated with the existing sales lead-generation programme that HSM was managing and also acted as the Miele intranet for Miele's own salesforce and its professional partners.

Getting partner buy-in

Miele recognised that even though the technical side of the MPSS was exactly what was needed, its success was entirely reliant upon securing

buy-in from its key partners selected from the partnership network throughout the UK.

The solution had been created in direct response to the research-identified needs of the partners, but the partnership link it created with the Miele salesforce and the use of technology to manage that link were both completely new concepts.

Working with HSM, Miele launched the MPSS to a hand-selected group from the UK's top 40 dealers at its Miele Professional Partnership Forum at Derby County Football Club in September 2001.

Systems development expertise

The event consisted of a launch presentation demonstrating the many features and benefits of the system HSM were planning to build, followed by a workshop to discuss the elements of the programme in more detail.

So effective was the presentation that the workshops were full to bursting and the partners had to be asked to leave to make way for the next event!

The solution

The solution HSM created was built within four months of the brief, launched within six and delivered within a project budget of £30,000.

Online tool

Using online technology HSM created the MPSS, an online tool that brought together the Miele sales team, the Miele partners and the HSM contact centre team to integrate and streamline the management of sales leads and support all sales-related activity.

Streamlined

In keeping with the feedback from the partners, sales lead generation and management sits at the heart of the solution. It also adds value over and above lead generation by assisting the partners by providing product and sales training, finance and warranty option calculators, marketing and PR materials and training support.

Adding value

By managing the sales lead process from beginning to end, the system gives Miele a fully accountable report of every lead from receipt to conversion. Through the MPSS Miele is able to access all sales leads information online, keep account of each lead's performance in real time and accurately measure the return on every pound it spends.

Fully accountable

Partners on the programme are provided with their own log-on and password. The first point of call is the front page, from which they can see instantly the new leads and can then easily navigate to access the information they need. The front page is also used as a tool for general communication and is updated regularly with Miele news and all system updates.

Partners can also update their own details from the front page and give their feedback direct to Miele.

Lead generation and management

Lead generation is the number one part of the relationship managed through the MPSS.

Leads are first generated and qualified by the Miele telemarketing team in the HSM contact centre. The qualification process not only ensures the accuracy of the data and value of the contact; it also involves a search to see what contact Miele has had with the lead before and in what capacity.

This helps HSM to guide the Miele sales team and the partners to the appropriate action.

At this point HSM also gathers permission to market to the lead by phone, mail and e-mail. The data are added to the Miele database in compliance with the Data Protection Act and so permission for future contact by whatever channel is secured.

Miele's area sales managers access their sales leads daily from the MPSS and then allocate them to the most appropriate partner depending on location, sales history and so on.

Once posted, the system is configured to send an automatic e-mail alert to the partner advising them of the lead. The partner responds by logging on to the site, where s/he has full access to details including the name and all relevant information on the company, the name, job title and contact details of the decision maker, the equipment requirement and any additional comments HSM's team has gathered.

The partner then responds to the lead and records all resulting activity in a special online form, enabling the Miele sales person and Miele management to track the outcome continually.

Additional automated e-mail reminders are dispatched through the system to the partners to remind them of any further actions that they have set.

Estimates of equipment required and associated costs are also posted to enable the Miele sales team to forecast sales performance and produce pipeline reporting.

When the lead converts to an actual sale, the partner adds on more detailed information about the order, enabling full sales management reports to be produced.

If the lead does not generate a sale relatively quickly the partner decides whether to hold on to it for future sales and marketing activity or pass it back to HSM to follow up with telemarketing to ascertain what further sales and marketing activity is appropriate.

By having the support of HSM for leads that require a more long-term approach the partner is liberated to concentrate its focus on the really warm leads.

Product and sales training

To improve the partners' ability to secure sales, Miele also offers those on the Professional Partnership Programme regular free training. Courses are listed and promoted through the MPSS and partners can book directly on to them via online forms.

Courses are run on Miele products, sales, services and PR, and most of Miele's professional partners do take advantage of the service, with the majority of courses being oversubscribed.

Finance and warranty options

Corporate sales of laundry equipment can often depend on a good financial deal and the Miele Professional Partnership Programme facilitates the calculation of payment options and warranties with easy-to-use partner-specific online calculators.

Automated e-mail reminders

Forecast sales performance

Interest rates and types of deals vary from partner to partner, but because each one logs on using a unique password and code whenever they access the online calculators each partner is given the options specific to them.

Marketing and PR

The marketing and PR support offered by the MPSS operates at two levels, corporate and local.

With regard to the corporate level, each partner on the Miele Professional Partnership Programme has full access to all Miele's marketing collateral and PR materials. This means each partner is exposed to all Miele's own marketing, and so should a customer make reference to an advert or a special promotion s/he has seen, the partner is able to refer to the campaign in question in a matter of clicks.

At the local level each partner can take advantage of a number of services offered through the Partnership Programme when managing their own marketing and PR.

- Miele has a bank of direct marketing mail packs, current price lists and brochures available on request to the partners for the marketing initiatives they undertake.
- Miele publishes its advertising schedules on the MPSS in advance so the partners are able to plan any local marketing around the wider corporate effort.
- Miele is on hand through the MPSS to offer partners assistance with the design and copywriting of their own adverts to help improve the quality of partner-produced marketing and sustain Miele's brand consistency.
- As well as training the partners to plan and manage their own PR, through the MPSS Miele is on hand to proofread press releases and advise on distribution strategies.

Through all the above Miele has educated the partners in planning and executing more effective marketing campaigns.

Recruitment

The success of the Miele Professional Partnership Programme has made a real difference to the bottom line of the participating partners and as a consequence many are recruiting new staff to meet the growing demand.

Miele assists with the recruitment process by helping identify the best candidates and sitting in on interviews, and this service can be promoted and managed through the MPSS.

Communications

The degree of success of the programme is mainly down to effective communications, and all of the services described above work because they are effectively communicated. Through the system the functional communications are supplemented by others to improve further relations between HSM, Miele's area sales managers and the partner network.

**Marketing/PR
services offered**

**Effective
communications**

Practical applications

A regular newsletter is sent to all partners on the system which keeps them abreast of all the latest Miele news — from product information to reports of Miele staff's charity treks across the Antarctic. Each is archived on the system so partners can look back over previous editions.

Cross-partner communication is also supported by the system. This can be used for purely social communications but also has practical applications, for example if one partner wants to offer excess stock to another they can use the MPSS to do this.

Administration and management

The MPSS provides full administration rights to Miele so that it can carry out its own updating and administration of the system. This keeps the ongoing costs to Miele down to a minimum.

Unprecedented success

Results

Miele considers HSM's solution to be an unprecedented success: it has become an important part of the business and has really reinforced the decision to sell only through the partners channel.

- Since the launch of the Partnership Programme MPSS has achieved a 100 per cent increase in sales leads for 2002 and a further 50 per cent increase for 2003.
- Miele now has 60–70 per cent of its partners' total business, compared to 30 per cent two years ago.
- Miele's commercial laundry equipment sales have grown by 40 per cent since the introduction of the Partnership Programme.
- MPSS has decreased the time between sales lead generation to partner follow-up from three to four days to consistently below 24 hours.
- Conversion rates have improved from below 10 per cent to over 17 per cent due to the efficiencies that the Partnership Programme has brought.
- The system provides an online, real-time, one-stop support system for Miele's key partners. This makes it easier for them to do business with Miele.
- The comprehensive nature of the tool means all aspects of the relationship between Miele and its partners can be managed online.
- The training offered through the system is used by most of the partners and typically is oversubscribed.
- The data gathering, qualification and sales lead generation undertaken by HSM ensure partners operate within the confines of data protection legislation and free them up to focus on the hot sales leads.
- Through the system Miele partners have become more marketing literate and new professional marketing channels have been opened up for them.
- By making the conscious decision to sell exclusively through the partner network, partner loyalty to the Miele brand has grown considerably.
- Many of the partners have dramatically increased their own

businesses, some by as much as 100 per cent since the launch of the Partnership Programme.

Further and future developments

Since the implementation of the Miele Professional Partnership Programme Miele has added an online purchase tool for partners, and 100 per cent of the partners on the programme now purchase online.

Now that the partners are well versed in using Miele's direct marketing materials through the system to promote themselves at a local level they have requested e-mail marketing collateral. HSM and its specialist division, Inbox, have been commissioned by Miele to develop and carry out this next part of the programme.

Strategic development

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