

Shaw Industries Case Study



Shaw Industries Increases Sales Process Efficiency and Reduces Errors with the Fujitsu LifeBook® T4000 Tablet PC

Challenge:

Improve efficiency and maintain profitability in the face of shrinking margins caused by the rising cost of materials.

Solution:

Shaw's sales force relies on a powerful mobile solution based on the Fujitsu LifeBook T4000 Tablet PC. More than 1,000 sales reps across the U.S. use the powerful Tablet PCs to access the company's mobile SFA solution which has automated key job functions including pricing, ordering, and claims processing, and enables the sales reps to review information housed in an online product catalog and marketing library.

Benefits:

- Automation of key sales job functions combined with the ability to perform them at anytime and from any place has increased the efficiency of the sales force and significantly reduced errors.
- Flexibility in design means that the LifeBook T4000 Tablet PC is the ideal product for SFA. The convenience of a Tablet PC and the utility of a notebook combined with the flexibility to extend battery life and utilize an optical drive, translates to a win in all usage patterns.
- Eliminated the need to re-key sample orders and credit memos, resulting in a reduction in errors and a streamlining of the sales process.
- Larger screen and more powerful Tablet PC technology has enabled the marketing and sales teams to develop and use more sophisticated selling tools, resulting in an improved ability to sell.

“We use a lot of different brands of technology at Shaw and track failure rates. Failure rates with our existing Fujitsu tablets were the lowest of any vendor we have worked with. This experience translated into a clear benefit for Fujitsu when we were buying new systems because we already knew how good their equipment was and felt confident we would get similar quality with the Fujitsu LifeBook T4000 Tablet PC.”

— Steve Abernathy, Director, Marketing Technology, Shaw Industries, Inc.



Shaw Industries, Inc., a subsidiary of Berkshire Hathaway, Inc., produces and sells residential and commercial flooring, including carpet, hardwood, ceramic and laminate flooring, to customers around the world. The company's 30,000 employees manufacture and sell more than 600 million square yards of carpet each year – enough to wrap a six-foot wide path around the earth's equator seven times.

Feeling the Squeeze: Maintaining Profitability in Spite of Rising Costs

Increasing costs of raw materials, competitive price pressures, and shrinking margins are realities for companies in business today, regardless of industry. When that company's products are based on precious raw materials like oil and wood, as is the case for Shaw, these pressures are compounded. Explains Steve Abernathy, director of marketing technology at Shaw, "Raw materials account for 40 to 60 percent of our costs, while at the same time, the price of flooring over the past 20 years has remained relatively constant, or in some cases, actually decreased. While we had implemented technology-based improvements in our manufacturing and distribution process over the years, one area that had not benefited from these advances was the sales and marketing organization.

Automating the Sales Force to Increase Efficiency and Improve Accuracy

Shaw's 1,000 US and Canadian-based sales reps sell more than 25,000 different products using the phone, fax, on-site customer visits, and paper order forms. Previously, territory managers were couriered a seven-pound package of pricing and product information each week, while orders and price changes were faxed in by sales reps and then keyed into the company's order system by a clerk. Duplication of work and errors were a daily reality.

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In order to improve the efficiency of its sales force, Shaw equipped sales reps with Fujitsu Tablet PC technology and a mobile sales force automation (SFA) solution, which provided the sales team with the perfect combination of power and mobility.

When it came time to replace the original Tablet PCs, Shaw once again turned to Fujitsu. Shaw consulted its sales reps and received an over-

whelming response to keep the Tablet PC technology. While the sales force liked the mobility and ease of use of the Tablet PC and the pen-centric mobile SFA application, they were looking for improvements in screen size and clarity. The team also requested wireless capabilities, longer battery life, and a larger keyboard. Shaw tested tablets from several manufacturers including Fujitsu and ultimately chose the Fujitsu LifeBook® T4000 Tablet PC. With its wide viewing-angle display, integrated wireless LAN technology, and flexible modular bay, which enables users to install a second battery or an optical DVD drive, the Fujitsu LifeBook T4000 Tablet PC met all of the sales team requirements.

“The Fujitsu LifeBook T4000 Tablet PCs really fit the bill,” says Abernathy. “The screen clarity and display capability are just phenomenal. Because the Fujitsu Tablet PC has a modular bay, which supports a second battery, we were also able to meet the needs of sales reps for longer battery life and a larger keyboard.”

The fact that Shaw was also happy with the performance and reliability of its current Fujitsu Tablet PC solution went a long way in helping the team to decide on the Fujitsu LifeBook T4000 Tablet PC. “We use a lot of different brands of technology at Shaw and track failure rates. Failure rates with our existing Fujitsu tablets were the lowest of any vendor we have worked with. This experience translated into a clear benefit for Fujitsu when we were buying new systems because we already knew how good their equipment was and felt confident we would get similar quality with the Fujitsu LifeBook T4000 Tablet PC.”

Reducing Complexity: The Fujitsu LifeBook T4000 Tablet PC Combined with a Mobile SFA Solution

Today, the sales reps use Fujitsu LifeBook T4000 Tablet PCs to interface with the company’s homegrown mobile SFA solution, which

has automated key job functions including pricing, sample ordering and claims processing. It also enables sales reps to review product and marketing information using an online catalog and marketing library. In addition, the reps use the Tablet PCs for email and Internet access.

The highly mobile Shaw sales reps visit customers, place and track sample orders and claims processes and familiarize themselves with new product or promotional information—all on the road. On a typical day, a sales rep will visit five customer sites and the sales force, as a whole, places more than 15,000 sample orders each month.

With more than 25,000 different products and 35,000 customers and pricing agreements to track, Shaw’s SFA system houses approximately 25 to 30 million lines of pricing and the number of pricing transactions can number in the millions within a couple of weeks. The solution also houses more than 2,000 documents in the marketing library. Given the sheer number of transactions and complexity of information, the sales team relies on the power and mobility of the Fujitsu LifeBook T4000 Tablet PC to perform their job effectively.

Improving Sales Efficiency and Paving the Way to Better Margins

The benefits of Shaw’s original implementation of Fujitsu Tablet PCs and mobile SFA solution were felt soon after implementation. The mobility and ease-of-use of the Fujitsu Tablet PC technology, combined with the mobile SFA solution, enabled Shaw to implement efficiencies throughout the sales process that have reduced errors and eliminated duplication of work, resulting in increased profit margins. The Tablet PC technology has also enabled sales reps to access up-to-date pricing agreements at any time, helping to ensure that the agreements are accurate and complete.





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FPC58-1455-01

With the new Fujitsu LifeBook T4000 Tablet PCs, these benefits have been multiplied. Transactions are now processed faster throughout the day, thanks to faster processing speeds, wireless access and improved battery life. The new wireless capabilities have also enabled reps to place sample orders, process claims and obtain pricing approvals from regional managers, resulting in improved customer service and eliminating the need for sales reps to take care of these tasks after a long day on the road. Explains Abernathy, "The wireless capabili-

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ties, longer battery life, and improved processing speed of the Fujitsu LifeBook T4000 Tablet PC have enabled Shaw to increase the processing efficiency of its sales team and significantly reduce errors in the process."

The increased power and large, clean display of the Fujitsu LifeBook T4000 Tablet PC have also improved Shaw's ability to effectively market and sell its broad range of solutions. With the new Tablet PC technology, Shaw's marketing and sales teams are able to develop and use more sophisticated selling tools, using DVD presentations and clear product display photos during meetings to help differentiate Shaw's products from the competition.

Facing rising costs of materials and shrinking margins, Shaw has improved the efficiency of its sales force through the implementation of Tablet PC and mobile SFA technologies. The Fujitsu LifeBook T4000 Tablet PC has enabled Shaw's sales reps and sales management to eliminate duplication, reduce errors, and better meet the needs of its customers. The resulting improvement in margins has helped Shaw to remain at the forefront of its industry.