

Multiple Brands, One Access Point: Order Management Made Simple



“The MasterBrand One Touch initiative, built on Clean Order™, is a cornerstone within our organization to ensure that we can maintain and grow our business cost effectively, while improving customer service and loyalty. By implementing Clean Order, we are able to provide our customers with real-time order status and a “one touch” point of access across all of our brands.”

- ▶ *Dave Mewes, Chief Information Officer and Vice President of IT, MasterBrand Cabinets, Inc.*

Like many companies, MasterBrand Cabinets, Inc. (MasterBrand) has grown its business and product lines through organic growth and high-return acquisitions. MasterBrand offers stock, semi-custom, and custom cabinets at a variety of price points and finishes. The Company’s brands include Aristokraft, Decora, Diamond, Kemper, NHB and Schrock. Aristokraft and Decora offer custom cabinetry and molding; Diamond, Kemper, and Schrock specialize in laminate, maple and oak cabinetry; and NHB offers ready-to-assemble and assembled cabinetry. In addition, MasterBrand produces Home Depot’s Thomasville-brand cabinets, and owns Omega Group cabinetry.

The Challenge: Distributed Order and Fulfillment Systems

A by-product of growth through acquisition is the challenge of integrating multiple applications running on multiple platforms. Integrating business processes specific to each organization into one infrastructure, while maintaining the autonomy required to preserve each brand’s position in the marketplace also presents a formidable challenge. MasterBrand quickly realized that simply replacing existing systems with an expensive, comprehensive solution (i.e., an ERP package) would not allow it to provide the level of service and simplicity of interaction it wanted to deliver to its customers. MasterBrand also realized that the introduction of a new business application could disrupt existing operations – a chance The Company did not want to take.

Business Profile

MasterBrand Cabinets, Inc., an operating unit of consumer products company Fortune Brands, Inc., is one of the largest manufacturers of kitchen and bathroom cabinets in the world. Through the acquisition of other specialty cabinet manufacturers, the MasterBrand Cabinets family of products has grown to provide products across a wide range of price points and tastes with offerings in custom cabinetry and molding, laminate, maple, and oak cabinetry, ready-to-assemble and assembled cabinetry. MasterBrand Cabinets sells its products through home centers, home builders, and specialty retailers and wholesalers.

Employees: 12,142

Revenue: \$1.8 Billion

Industry: Manufacturing

Region: United States

Challenges

- ▶ Create a single, unified view of the customer in real-time
- ▶ Create a single, web-based order entry system for Customer Service Representatives
- ▶ Increase visibility of order history details
- ▶ Enable propagation of inactive customer data across multiple systems
- ▶ Enable the creation of an online customer self-service portal
- ▶ Create an enterprise platform to support current and future environments
- ▶ Expedite the update and notification of backorder information with other systems and stakeholders

Benefits of Implementing Vitria’s® Solutions

- ▶ Support costs reduced by allowing customers to access their own information, and by enabling CSRs to quickly research customer information
- ▶ Reduced shipping and inventory holding costs by aggregating and disaggregating orders across multiple systems and divisions
- ▶ Decreased support costs and improved customer satisfaction by providing more detailed order history
- ▶ Focus on active, high-margin customers reduces Cost of Goods Sold and minimizes risks

MasterBrand employs over 300 Customer Service Representatives (CSRs) across the three channels it services: home Dealer Channel, Wholesale Channel, and Builder Direct Channel. To accept an order from one customer that affected multiple divisions, a CSR had to access separate applications for each division in order to complete the transaction. This was an inefficient process, leading to errors in translation and higher CSR hiring and training costs. Furthermore, up to 60 percent of the inbound calls to CSRs were simply to obtain order status. This required the agents to retrieve information from several different applications (and/or call production facilities) just to assist one customer. It was taking far too much of the agents' time to merely provide order status. A better method of providing customers with up-to-the-minute details regarding their order status was critical to improving customer satisfaction.

Another major concern faced by MasterBrand was back order management, which was significantly impacting cash flow, profitability and customer satisfaction. Because the old system was batch-oriented, and not processed in real-time, a lag time of up to two days would occur when a back order situation arose.

MasterBrand needed a single interface to connect its front and back office systems in order to automate order management and provide visibility to orders across multiple divisions. By integrating systems, CSRs would be able to access the information required to provide customers a greater level of order detail, and MasterBrand would be able to open a customer self-service channel where major customers could obtain order status on their own.

The Initiative: MasterBrand One Touch Order Management, Built on Clean Order

Working in collaboration, Vitria and MasterBrand built "MasterBrand One Touch Order Management", a solution that enables comprehensive order lifecycle management across multiple platforms and business applications. The initiative is comprised of four complementary projects. The One Touch Customer Status project allows multiple entry points for customer orders while allowing for aggregation and disaggregation of orders. It provides full visibility of the orders and sub-orders to internal CSRs and the respective customers in real-time. Since the data is propagated in real-time, any exceptional events that must be addressed (such as back orders) are flagged and routed accordingly. The Back Order System was designed to streamline the resolution of such exceptions. Of course, providing such capabilities and sharing this sensitive information with various internal and external stakeholders requires very stringent security access control. That requirement has been addressed with the Access Control Framework project that monitors and provides access control to various individuals and groups. The Builder Channel System project allows customers using CAD to transmit order changes directly from CAD to the relevant order and productions systems affected. These four projects were implemented to create a composite order management system.

One Touch Customer Status

This project focused on improving customer satisfaction and reducing costs by developing a single, web-based interface with real-time order status for CSRs and customers. An online portal for customer self-service was also built to facilitate order management at the customer level, allowing them to request or change orders, or to obtain order status. Leveraging Vitria's business process management and integration capabilities, back order information previously made available to the order

fulfillment and assembly plant production systems only in batches is now available in near real-time.

Back Order System

The back order project integrated disparate inventory management systems, and interfaces with the corporate fax order solution. Before Vitria's solution was implemented, MasterBrand experienced latency associated with shipping back orders once they became available. Now the proper systems at MasterBrand are notified and updated upon any back order resulting from lack of shipping space or product availability. At the same time, once the back ordered item becomes available, MasterBrand is able to route it to its customers. This reduces the order-to-cash cycle while improving the customer service level. This affects all customers who purchase stock items.

Access Control Framework:

Several applications – some packaged, some custom – were running on a multitude of platforms, from proprietary mainframe systems to Windows 2000. Some of these applications were utilized by internal users only, others were used by external users such as customers and distributors, and some were used by both. MasterBrand wanted to create an access control architecture that enabled centralized management of users, their authentication levels, and their role-based privileges.

The new Access Control Framework enabled centralized, synchronized management of multiple users and their access privileges. With this control in place, MasterBrand offers its customers the ability to self-manage their users. Moreover, MasterBrand provides a more granular, application-specific control that was previously unavailable. This control dramatically extends the usability of extranet applications.

The creation of this architecture provided a roadmap to

move most of MasterBrand's applications to a common framework over a specified period of time. Going forward, new applications can simply be “plugged in” to the system, making changes less disruptive and more cost-effective.

Builder Channel System

The Builder Channel System provides capabilities that allow the Dealer Channel, Wholesale Channel, and Builder Direct Channel to utilize CAD software to add and update orders. Changes made to the CAD drawings that affect the order and/or the sub-orders are propagated to the appropriate systems. Customers are able to revise their plans while having the confidence that proper validation of configurations, pricing, and availability are performed automatically.

The Benefits:

The business benefits of the MasterBrand One Touch Order Management solution are numerous. By rapidly integrating multiple order management systems into a sole point of interaction, a single CSR can support any sales channel or cabinet brand. Translation entry errors are reduced, duplication of efforts is virtually eliminated, and customer response times have been improved.

The Vitria solution has reduced back order resolution time by 50 percent, resulting in improved cash flow due to faster shipping and invoicing of back ordered items. Opening a self-service channel and making order status available online for major customers has improved customer satisfaction and facilitated a significant reduction in inbound call volume. “With this new solution, we expect to achieve a substantial reduction in order status inquiries and reduce our cycle time by more than 20 percent,” added Mewes.

The four projects that comprise the One Touch Order Management system have yielded significant benefits for MasterBrand:

One Touch Customer Status

- ▶ 40% drop in CSR telephone volume has reduced staffing costs
- ▶ Payback period was less than one year
- ▶ Increased customer satisfaction

Builder Channel System Project

- ▶ Semi-Custom online configuration reduces manual work by 20%
- ▶ Internal rate of return: 27%
- ▶ Strategic automation of Builder Channel — competitive advantage from being the first in the industry to adopt

Back Order Project

- ▶ Elimination of back order latency by 2-5 days
- ▶ Back Order visibility saved over \$300k per year in wasted shipping costs
- ▶ Less than 6 month payback for project
- ▶ Improved customer satisfaction

Access Control Framework

- ▶ 80% reduction in administrative costs required to maintain five corporate web-sites
- ▶ Enables “customers of customers” sign on administration

Why Vitria

MasterBrand conducted an extensive evaluation of potential solutions to bring the systems of each business unit under one umbrella. The option of replacing its multiple systems with a single, standard Enterprise Resource Planning (ERP) system was bypassed because it would not allow MasterBrand to leverage its existing technology assets. Instead, The Company sought a solution that would utilize the systems and processes already in place. MasterBrand wanted a solution that would minimize process changes while enabling a single, centralized platform that could be enhanced and efficiently managed as business demands dictated. The result was an extensive evaluation of enterprise application integration and business process management solutions.

With a focus on customer loyalty and operational efficiency, MasterBrand Cabinets sought a solution that would integrate order management across all of its brands while extending its legacy systems. Vitria emerged as the “best in class” solution with a robust process engine and integrated product suite for end-to-end order processing. Vitria's solution-based approach, along with a firm understanding of the order management processes in the manufacturing segment, resulted in a very productive partnership from which MasterBrand Cabinets would build the foundation of its future customer interactions.



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