



Manufacturer Increases Customer Satisfaction and Revenue 10 Percent with B2B Solution

Overview

United States and Japan
Consumer Goods

Mikimoto, the world's leading pearl jeweler, is based in Tokyo, with stores in the United Kingdom, France, the United States, Malaysia, and Monaco.

Mikimoto's ordering process could be slow and inefficient. To heighten its customers' satisfaction and encourage their continued business, the company sought a way to make transactions easier.

By implementing the Microsoft® Business Network solution, Mikimoto can streamline and largely automate the process of placing orders, acknowledging shipments, and providing invoices.

- Customer satisfaction increased
- Order-to-cash cycle cut 50 percent
- Customer service staff efficiency improved
- Revenues projected to climb by 10 percent

"With Microsoft Business Network, Mikimoto aims to connect our entire community, large and small, to make it easier for customers to do business with us, so that they will be more likely to do business with us."

Hiroki Gotoh, Manager, Wholesale Division, Mikimoto America

Mikimoto, the world-renowned creator and largest distributor of cultured pearls, wants to ensure the same high quality in its customer relationships that it has achieved with its products. Its ordering process, based on faxes and phone calls, was slow and error prone, so the company's Mikimoto America subsidiary is piloting a solution based on Microsoft® Business Network. The solution will make the ordering process more streamlined and automated for customers, who will benefit from increased responsiveness, flexibility, and information. The order-to-cash cycle is being slashed by 50 percent, to just one week. And Mikimoto anticipates freeing up to 40 percent of the time of its customer service staff, enabling staffers to initiate more proactive customer contacts. In all, the company expects to increase revenues 10 percent.



“Business Network streamlines the ordering process so that it’s faster and easier both for us and for our customers. That’s a real win-win.”

Sanny Rahardja, IT Manager, Mikimoto America

Situation

As befits a company known worldwide and for more than a century for its commitment to quality, Mikimoto aims to provide the highest quality service to its customers—mostly retail jewelry stores—so that they in turn can offer corresponding levels of quality and service to the final customers. But it hasn’t always worked out that way.

The ordering process has been largely manual, a time-consuming patchwork of phone calls, faxes, mail orders, and electronic data interchange (EDI) that could be improved both for Mikimoto and for its customers. A six-person customer service staff in the company’s Mikimoto America subsidiary has handled up to 70 purchase orders per day from more than 350 accounts.

Given the delays that often resulted—rounds of phone tag, illegible or missing faxes—the customer service staff hasn’t had the time to build the ideal relationship with each customer. Other sales process channels, such as the recently added EDI, have functioned better but at a relatively high cost, requiring 30 to 40 percent of a staff person’s time plus a monthly fee. The typical order-to-cash cycle took an average of two weeks.

Meanwhile, customers have had their own frustrations with this process. “We usually call in special orders, and we have to call during Mikimoto’s business hours, which aren’t always the same as ours,” says Bill Braunschweiger Jr., President at New Jersey-based Braunschweiger Jewelers, a longtime Mikimoto customer. “Since suppliers aren’t open on the weekends, we have to wait until Monday morning to call. Often we can’t get through to place an order, so we waste time trying to make contact.”

In addition, customers did not receive automatic confirmation of their orders and had to initiate contact with Mikimoto to

confirm that orders were received and were being processed and shipped.

Mikimoto considered and rejected an extranet as a solution. “We wanted to make the process simpler both for ourselves and for our customers,” says Sanny Rahardja, IT Manager at Mikimoto America. “A Web site would suddenly require them to learn and work with a different interface, one that would only support their relationship with Mikimoto. It didn’t seem like the right solution for our customers.”

Solution

Mikimoto is now piloting a Microsoft® .NET-connected order-processing solution based on Microsoft Business Network Professional (Business Network), a combination of software installed at Mikimoto—integrated with software that Mikimoto was already using, including Microsoft Office System, Microsoft SQL Server™ 2000, and Microsoft Business Solutions–Great Plains® software—as well as Web services hosted by Microsoft and designed to help businesses work more easily and effectively with their trading partners.

“We chose the Microsoft solution in part because it is a Microsoft solution,” says Rahardja. “We are well aware that Microsoft is the leader in providing this type of business solution, and we have confidence that using Microsoft technology can make this project successful for us and for our customers.”

Users at Mikimoto and at customer locations such as Braunschweiger Jewelers interact with the solution through their familiar Microsoft Office Excel 2003 and Microsoft Office Outlook® 2003 messaging and collaboration client. Outlook 2003 becomes the centralized location for viewing all business documents exchanged between Mikimoto and its customers. Mikimoto and its

customers can use Excel 2003 to create and access orders, invoices, and shipping notices.

The solution also integrates with the Great Plains software that Mikimoto already uses, collecting transaction data and integrating it into the company's general ledger. (Great Plains software is not a Business Network requirement for companies that choose to work solely through Outlook and Excel or to use Microsoft BizTalk® Server, part of Microsoft Windows Server System™, for custom integration to their back-end systems.)

The Microsoft Business Network Process

Customers can view Mikimoto's product and price list as an e-mail within Outlook, and then click on the e-mail attachment to launch the list within Excel to prepare an order. The product price list can include other information such as new items that will be featured or promoted. The customer chooses items and quantities, selects "prepare" and "order" from the Business Network menu

within Excel, and the solution generates a purchase order. The customer can then review the PO and send it as an Excel attachment to Mikimoto, retaining a copy in the "Sent Items" folder in Outlook for reference and use in building future POs.

The PO is received by Mikimoto's Business Network server, which generates a delivery confirmation for the customer and forwards the PO to the Great Plains order processing module for standard processing. When Mikimoto processes the order, the Business Network solution generates an order acknowledgment that is sent to the customer as an Excel attachment in an e-mail message. Similarly, the solution generates a detailed shipping manifest as an Excel attachment that is sent to the customer when Mikimoto ships the order. And it generates an Excel and Outlook-based invoice when the process is complete.

At any point in the process, the customer can respond manually to one of the automated messages and attachments, opening a file to obtain a complete document history on the transaction and sending an e-mail query to Mikimoto for more information or to change an order. The existing documentation then serves as an easy template for the customer to replenish orders as needed. And the message attachments are XML-based, so it's easy for Mikimoto's customers to integrate them into their own back-end software.

Implementing the Microsoft Business Network Solution

Mikimoto's Business Network solution is composed of three key parts:

Business Network Clients

Add-ins to Outlook and Excel that provide Business Network-specific functionality within these applications and that communicate with the Business Network server using Web services. Mikimoto has four workstations configured as Business Network clients.

The Business Network solution streamlines the process of doing business with Mikimoto. Here, a customer has opened a Mikimoto price list sent as a Microsoft Office Excel attachment, clicked on desired items, and entered desired quantities to create a purchase order that can be sent to Mikimoto directly from Microsoft Office Outlook.

The screenshot shows a Microsoft Outlook window with an email titled "Purchase Order" from "Jim's Jeweler's". The email content is a purchase order form with the following details:

- Order number: 9999999
- Order Date: 6/21/2003
- Order Type: Standard
- Payment Terms: Net 30
- Cancellation Date:
- Shipping Method: UPS
- Contract Number:
- FOB:

The form also includes a "Ship To Address" section with the following information:

- Supplier: MIKIMOTO
- Name: Jim's Jeweler's
- Address: 3 WAY OUT AVE
- City: REDMOND
- State/Province: WA
- ZIP/Postal code: 98052
- Country/Region: United States

A "Complete!" dialog box is overlaid on the form, indicating that the document has been sent. Below the form, a table of products is visible:

Product ID	Description	Quantity	Unit Price	Total Price
G 70116 K	Graduated 7.5x3.5mm A+ 16"	4	\$440.00	\$1,760.00
G 70118 K	Graduated 7.5x3.5mm A+ 18"	4	\$440.00	\$1,760.00
G 70120 W	Graduated 7.5x3.5mm A+ 20"	4	\$440.00	\$1,760.00
G 70216 K	Graduated 7.5x3.5mm A+ 16"	4	\$440.00	\$1,760.00
G 70220 K	Graduated 7.5x3.5mm A+ 20"	4	\$440.00	\$1,760.00

The total price for the order is \$18,965.00. The screenshot also shows a list of products in the background, including items like G 70216 K, G 70218 K, G 70219 W, G 70220 K, and G 70220 W, with their respective prices and descriptions.

“Business Network will give us the time to have much more personal and productive relationships with our customers. In our highly competitive industry, that’s a benefit of enormous value.”

Tami Moskowitz, Assistant Manager,
Wholesale Division, Mikimoto America

A Business Network Server

A message router that receives business documents from—and forwards them to—the Business Network clients. In addition to the Business Network-specific solution software, the Business Network server uses Microsoft SQL Server 2000 as its database and runs on Microsoft Windows® 2000 Server operating system. Mikimoto contemplates a move to Microsoft Windows Server™ 2003 after the solution moves into production. Customers also host a Business Network server at their sites. During the pilot, Mikimoto is working both with actual customers such as Braunschweiger and with simulated customers.

The Business Network Cloud

A set of Microsoft-hosted Web services and Web pages that connect various Business Network servers, store messages, and allow administrators to configure their business partner relationships. The use of the Business Network cloud enables small and medium-sized businesses to benefit from the fully automated and integrated Business Network solution with minimal technology investment at their locations, while still benefiting from features such as digital certificate-based encryption for high levels of security.

To implement the solution, including hardware and software installation, the customization of templates, and integration into Mikimoto’s existing Great Plains software, the company turned to its solution provider, Blue Moon Industries. Because Mikimoto was one of the first customers to pilot Business Network, the process took longer than the three-to-six month period that Microsoft and Blue Moon anticipate for the typical deployment. At each customer site participating in the pilot, such as Braunschweiger, the solution was implemented in half a day.

Benefits

Increasing Customer Satisfaction

“With Business Network, Mikimoto aims to connect our entire community, large and small, to make it easier for customers to do business with us, so that they will be more likely to do business with us,” says Hiroki Gotoh, Manager of Wholesale for Mikimoto America. “Business Network will make our processes smoother and provide our customers with information and services—such as the PO confirmation and order acknowledgment—that we didn’t provide before.”

Bill Braunschweiger agrees. “We are a progressive-thinking company with a frugal spending mentality,” he says. “We look at anything that has the ability to make our business and employees more efficient. Business Network certainly can do that. It helps us to place orders and check prices and stock availability around the clock, regardless of whether the supplier is open. Our own customers are more demanding and want information faster than ever. Business Network will help us provide it. All this is a great benefit to a small retail company like ours that likes to maximize the efficiency of its staff and of every customer contact we make.”

Enhancing Efficiency, Lowering Costs

In addition to increasing customer satisfaction, the Business Network solution resolves the inefficiencies of Mikimoto’s phone-and-fax ordering process—increasing accuracy and eliminating the need to rekey data. IT Manager Rahardja anticipates that it will cut Mikimoto’s two-week order-to-cash cycle by 50 percent, to one week. “Business Network streamlines the ordering process so that it’s faster and easier both for us and for our customers,” says Rahardja. “That’s a real win-win.”

For Mikimoto, a streamlined process is also a more cost-effective one. Rahardja estimates

For More Information

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For more information about Blue Moon Industries products and services, call (401) 437 9500 or visit the Web site at: <http://www.bluemoonind.com/>

For more information about Mikimoto products and services, visit the Web site at: <http://www.mikimotoamerica.com/>

that after it is fully deployed on Business Network and migrates from its EDI solution, the company will save approximately U.S.\$15,000 in the annual staff time and per-transaction fees currently spent to support EDI. And the new solution will remain cost-effective for Mikimoto because there are no per-transaction fees associated with Business Network.

Increasing Revenues

Gotoh estimates that the Business Network solution will increase Mikimoto America's sales by 10 percent. That increase comes both from the greater satisfaction cited by customers such as Braunschweiger and from the greater efficiency of the solution.

Rahardja estimates that the fully deployed Business Network will free up 30 to 40 percent of the time that the customer service staff now spends supporting the ordering process. They will be able to channel that time into more proactive customer contacts and better communications with sales representatives on the road.

"We haven't been able to reach all of our 350+ accounts as frequently as we'd like," says Tami Moskowitz, Assistant Manager, Wholesale Division. "Business Network will give us the time to have much more personal and productive relationships with our customers. In our highly competitive industry, that's a benefit of enormous value."

Microsoft Business Network

Microsoft Business Network is a combination of on-premise software, integrated with Microsoft Office, Microsoft Business Solutions applications, and Microsoft BizTalk Server, as well as hosted Web services designed to help businesses more easily and effectively work with their trading partners. Microsoft Business Network streamlines how businesses collaborate with their customers, suppliers, and other business partners. For more information about Microsoft Business Network, go to:

<http://www.microsoft.com/businesssolutions/mbn/>

Software and Services

■ Products

- Microsoft Office Excel 2003
- Microsoft Office Outlook 2003
- Microsoft BizTalk Server 2002
- Microsoft SQL Server 2000
- Microsoft Windows 2000 Server

- Microsoft Windows Server 2003 Standard Edition

Hardware

- Compaq Proliant ML750
- Compaq Proliant ML370

Partners

- Blue Moon Industries

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