Quinnox and Eureka Forbes: Case Study to Deliver Business Value by Simplifying Complex Business Models and Improve Operations

Sahaj Kumar   Shalil Gupta

IDC OPINION

Organizations today are looking at ways to optimize costs, increase productivity, and enhance customer satisfaction. As businesses seek competitive advantage, CIOs and their IT organizations need to be poised to play roles ranging from enabling and supporting to more desirably helping formulate and develop strong competencies. Choosing better services, support, and agile company can help organizations reengineer their workflows for better alignment with business goals and driving new business models and business transformation. This IDC Buyer Case Study looks at how Eureka Forbes Ltd. partnered with Quinnox Inc. to simplify its complex SAP modules to improve operations. IDC outlines this workflow project as follows:

- **Problem:**
    - Eureka Forbes is a consumer goods company with a current base of 15 million customers in more than 450 locations and 18,000 dealers in India. Eureka Forbes operates and markets its products directly and relies on SAP to manage its core business functions, including supply chain and customer relationship management (CRM). To meet the changing business and customer needs, the company runs a large number of parallel SAP projects.
    - All modules of SAP were not implemented completely and were not delivering on the business expectations.
    - An unreliable IT partner in application management services (AMS) led to poor quality support services, a huge number of unresolved and open tickets, and an unstable SAP environment because of patches, hot packs, and service packs not being released on time.
    - Root causes were not addressed, leading to recurring problems in the areas of order management, service management, and marketing activities. Other key shortfalls included third-party vendor performance measurement, accurate report generation, and call center automation as well as slow "concept to market" cycles for new products, errors in employee incentive calculations, and lack of dealer visibility.
    - Lack of spare stock control also resulted in a direct loss of royalty revenue. All these resulted in operational inefficiencies, leading to the decline of revenues and negative business growth.
- **Solution:**
    - Quinnox was selected as a strategic partner to overcome the challenges mentioned above, stabilize the currently implemented SAP processes, provide year-over-year efficiency, and restore normalcy to support and operations and back-office functions.
    - Quinnox was required to implement 12 mission-critical business processes such as web sales and warehousing on SAP and build new products for suppliers and dealers.

- **Results:**
  - After taking Quinnox on board, Eureka Forbes reported reduction in operational costs, service revenues, and increase in customer satisfaction.
  - Quinnox lowered the business intelligence (BI) report generation time and reduced order entry time.
  - It also reduced resolution time on tickets, enabling faster time to market new products.

IN THIS BUYER CASE STUDY

This IDC Buyer Case Study looks at how IT solutions provider Quinnox helped Eureka Forbes optimize, stabilize, and add on to the existing SAP models to increase revenues and improve the overall business.

SITUATION OVERVIEW

Eureka Forbes relies on SAP for its core business functions such as supply chain and customer relationship management to manage day-to-day operations efficiently. With rapidly changing and growing business demands, there was a need to run a large number of parallel SAP projects. Quinnox was hired to ensure best practices and cater to the growing business needs.

Organization Overview

Eureka Forbes is a consumer goods company based in Mumbai, India. Its product portfolio consists of water purification, vacuum cleaning, air purification, and home security solutions. The company has a current base of 15 million consumers in more than 450 locations and 18,000 dealers in India.
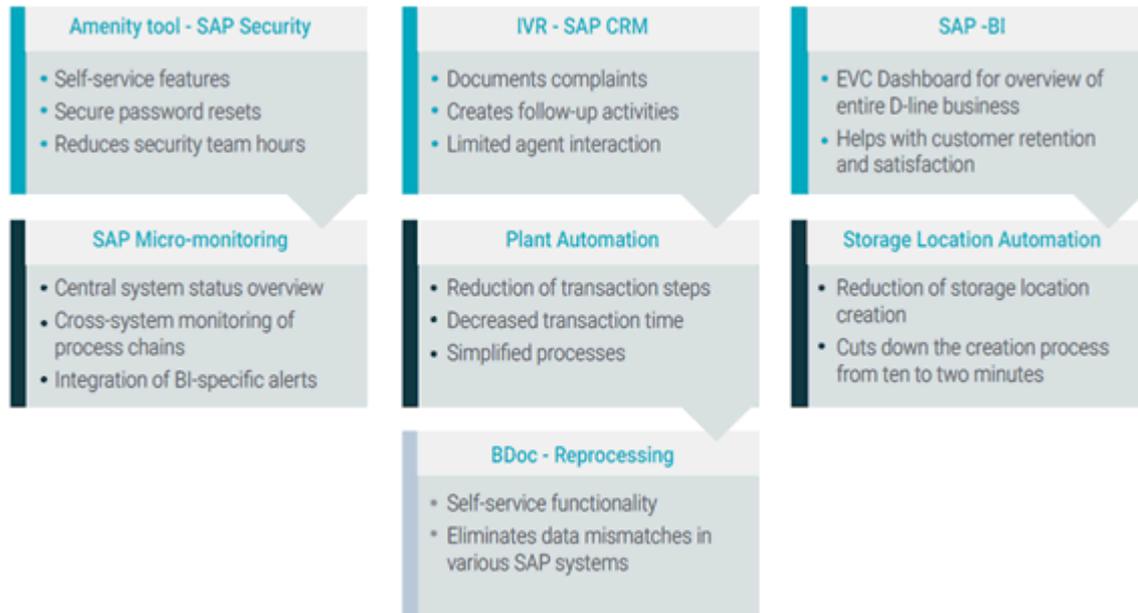
Challenges and Solution

With a surging direct sales market of 1.5 million homes, Eureka Forbes had to simplify its operations by implementing SAP to improve its quality of service. As the business grew, the present solution was unable to meet the business expectations, leading to high operational and support costs and long order entry and report generation time. This led to a substantial drop in service revenue and customer satisfaction. The previous IT partner was not able to deliver to the business the expected value in application management services. This led to poor quality support services, a six-month backlog of over 300 open tickets, and an unstable SAP environment because of patches, hot packs, and service packs not being released on time. The previous IT partner could not address the root causes, leading to recurring problems in order management, service management, and marketing activities. Many modules were suspended such as dealer management system, third-party vendor performance measurement, report generation system, and so forth. Eureka Forbes reported slow "concept to market" cycles for new products, errors in employee incentive calculations, inability to deploy call center automation, and lack of dealer visibility. The low visibility and control on spare inventory resulted in a direct loss of revenue. The company faced operational inefficiencies because of failure in implementing SAP modules, such as warehouse management and project systems.

Examining the present situation of the business, the chairman's office and CIO of Eureka Forbes took the decision to partner with Quinnox to restore normal operations and stabilize the already implemented SAP environment. The transition was completed in nine weeks, leveraging the Quinnox "Agile Transition Model" with the help of proprietary Quinnox accelerators with no knowledge transfer from the present incumbent vendor, relying heavily on proprietary Quinnox accelerators. The solutions deployed under this strategy were security, CRM, BI tools, centralized

applications for integration, plant automation, and a self-servicing facility. The interactive voice response system in CRM automated the complaint recording, and accurate report generation was enabled, including key performance indicator (KPI) reports for precise third-party performance assessments.

FIGURE 1

Technologies Implemented as a Part of the Strategy

Amenity tool - SAP Security	IVR - SAP CRM	SAP -BI
• Self-service features • Secure password resets • Reduces security team hours	• Documents complaints • Creates follow-up activities • Limited agent interaction	• EVC Dashboard for overview of entire D-line business • Helps with customer retention and satisfaction
SAP Micro-monitoring	**Plant Automation**	**Storage Location Automation**
• Central system status overview • Cross-system monitoring of process chains • Integration of BI-specific alerts	• Reduction of transaction steps • Decreased transaction time • Simplified processes	• Reduction of storage location creation • Cuts down the creation process from ten to two minutes

BDoc - Reprocessing
• Self-service functionality
• Eliminates data mismatches in various SAP systems

Source: IDC, 2017

Quinnox enabled significant improvements in the areas of web sales, spare stock barcoding, vendor portal, central warehousing, new initiatives, traceability, and auto MIRO, among others. This enabled Eureka Forbes to decrease operational cost, reduce overall maintenance and support cost, reduce order entry time, lower BI report generation time, and reduce security and authorization time, enabling faster time to market.

Results

As a result of partnering with Quinnox, Eureka Forbes has realized significant improvements in business process efficiencies and reduction in overhead costs. Post-implementation, there was a 30% decrease in call drops, coupled with over 5,150 help tickets resolved rapidly. The organization saved over 22,000 of manpower hours and gained US$163.6 million in added revenues.

In addition, there has been a significant decrease in yearly operational costs of as much as 8%, along with better vendor management and reduced project life cycles and order entry time. The associate management system for dealers allowed much greater visibility and automated invoicing and real-time transaction information. The solution partner is very prompt in providing services, helping Eureka Forbes to realize greater business value in its current partnership. The team also reported the following benefits:

- Decreased yearly operational cost
- Reduction in overall maintenance and support cost
- Reduced order entry time
- Lowered BI report generation time
- Reduced security and authorization-related tickets
- Lowered project life-cycle time for product development

ESSENTIAL GUIDANCE

Organizations should focus on customers, products, and outcomes. Customer centricity is both a focal point and the energy source. The differences are more than semantic — focusing on customers, products, and outcomes ensures that IT work is aligned with business goals and provides a self-correcting mechanism to continually adjust the priorities of the IT organization as business needs change.

LEARN MORE

Related Research

- *IDC PeerScape: Practices for Executing a Holistic Organizationwide Mobility Initiative* (IDC #AP40935217, August 2016)
- *IDC MarketScape: India SAP Implementation Services 2014 Vendor Assessment* (IDC #IN250836, October 2014)
- *IDC MarketScape: Worldwide SAP Implementation Services Ecosystem 2014 Vendor Assessment* (IDC #248305, April 2014)

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

IDC India (Delhi)

304 Solitaire Plaza
MG Road, Near Guru
Drona Metro Station
Gurgaon 122002
Delhi, India
91.124.476.2300
Twitter: @IDC
idc-community.com
www.idc.com