DATAXSTREAM

Strategies to Bridge the Customer Experience Gap

Featuring The Tile Shop, a specialty retailer that streamlined order entry, cut training time in half, and increased overall sales by building a better customer experience at every step of the customer's journey.

Outdated interfaces and data silos turn B2B customer-facing teams into data entry clerks instead of unleashing their true power to improve the customer's experience.

The result: These teams revert to manual work-arounds, such as Excel spreadsheets, hand-written Post-Its or notes on their personal cellphones.

- It takes them longer to respond to customers.
- They make more errors.
- They lose out on more sales to competitors who have a seamless approach.

When a tool is difficult to use, the people you task with selling and supporting your customers grow frustrated. Consider this: 70% of GenZ employees say they'll leave a company for better, smarter technology (Adobe).

When employees aren't happy, customer service dwindles and the customer's experience tends to suffer.

Customer experience involves every touch point a customer has with an organization. That experience starts at first touch – when a prospect connects with your team – and lasts until delivery and post-sales support. The experience encompasses digital and in-person channels.

The problem is that most technology was not built for the complexity of B2B sales, with millions of SKUs, high-touch customer interaction, and complex payment and delivery requirements. Legacy database-driven platforms just aren't cut out for today's omnichannel environment.

B2B buyers leverage 10 or more channels, double what they used in 2016, according to McKinsey. Distribution Strategy Group surveys show that distributors' customers take a similar approach. For example, after reviewing products on a distributor's website, nearly two-thirds of customers send an email, according to the research. Forty percent give a sales rep a call.

Omnichannel order management and point-of-sale integrates sales channels, such as field sales reps, ecommerce platforms, brick-and-mortar stores, marketplaces, mobile apps and more for efficient order processing, fulfillment and customer service.

Customers want a consistent and cohesive customer experience, regardless of the channel where the order is placed. In a perfect world, no channel exists in a vacuum; for example, if a customer calls in, a customer service rep can see what a customer has purchased through another channel, such as ecommerce, in the branch or with a sales rep. It also allows for streamlined, automated customer follow-up so no customer slips through the cracks.

Unfortunately, companies face challenges in doing this. For example, for many organizations, order entry platforms are siloed. They also may be highly customized, outdated, and complex to learn. They may require manual data entry or handwritten notes that slow down order processes and increase the chance of errors.

Additionally, if their technology is challenging to use, then customer service is going to suffer. In some industries, high-touch customer service is required and demands regular follow-ups, scheduled check-ins, and live human-to-human communication where real-time access to customer history is critical. According to the Distribution Strategy Group research, your people are key contributors to customer satisfaction. So, if technology is handcuffing them and not allowing them to deliver the best customer service, then customer experience will suffer – leading to increased customer churn, lower wallet share and lost business to alternative suppliers.

Case Study

The Tile Shop

The Tile Shop is a specialty retailer with 140+ store locations nationwide. Leadership describes the business as being in the "fashion industry," because their job is to beautify physical space with high-quality tile solutions.

While selling tile squares may sound uncomplicated, the industry has a long sales cycle that requires high-touch customer service and customer relationships that span the B2B and B2C worlds.

Selling high-end specialty products at The Tile Shop requires managing three primary customer groups:

- B2C consumers sponsoring a tile project in their home or other location.
- Professional contractors installing tile in bathrooms, kitchens, or other locations.
- Designers who engage with consumers and contractors.

Managing B2B and B2C relationships adds a layer of complexity. Pro contractors use The Tile Shop storefronts as their business showroom. Consumers engage with designers and contractors in these spaces. Product selection and design often occur on site.

Given that the average cost of a bathroom remodel in 2024 is between $25,000 and nearly $79,000 for materials and labor, and a kitchen remodel ranges from $14,600 to nearly $42,000, the decision to

Meet The Tile Shop

- www.tileshop.com

- Specialty retailer of tile products

- 140 storefront locations

- eCommerce site

- More than 5,000 natural stone and human-made tile selections

pull the trigger, from conception to deployment, can run nine months on average for a bathroom and 15 months for a kitchen. So, it is important to have regular customer check-ins and reminders along the way, otherwise you run the risk of having that customer wander off to a competitor's store.

It's incredibly challenging to manage these relationships without the right digital tools. What's more, these relationships aren't one and done. The Tile Shop prides itself on having high-value, long-term relationships with its customers. Providing seamless customer service is important to them.

> *"We're constantly thinking about that customer experience and asking, 'Why is this hard? Let's make this easier."*

CHRISTOPHER DAVIS | CIO | THE TILE SHOP

The Tile Shop's Workflows Before OMS+

Before implementing OMS+, these complexities were primarily managed through siloed digital and paper solutions.

Sales teams printed customer quotes and orders for signoff, and left notes by hand. While the technology backbone was SAP, the platform was not optimal for the diverse customer and transaction types that ran through The Tile Shop's systems. Because much was done manually, the follow-up with customers was slow, inconsistent and sometimes confusing. It resulted in an even longer sales cycle and sometimes lower conversion rates.

Employee turnover was also higher than they'd like, and the long training times made it challenging to get new staff up to speed quickly.

On top of these challenges, The Tile Shop wanted to continue its steady store growth, but their point-of-sale system was not working for them. They had heavily modified their legacy SAP order processing system to be their point-of-sale and the result was a difficult, hard-to-use, inefficient tool. The lack of systemization thwarted scalability.

Executive leadership knew these workflows were holding them back, but they also knew the last thing they wanted to do was replace their point-of-sales platform. SAP did the job, but their current POS system it made selling harder, given the complexities of their business.

What's Standing in the Way?

Many companies face the same challenge, so why don't they just buy a new tool? In reality, upgrading legacy platforms and breaking down the walls between them to enable a better customer experience is challenging:

- The initial investment required for new systems is often substantial, and hidden costs are involved in training staff, migrating data, and integrating new systems with existing ones.
- The complexity of legacy systems further complicates the upgrade. These systems are often heavily customized, making it hard to replace them without losing critical functionality.
- Legacy platforms are intertwined with other systems and processes. This can lead to disruptions upon upgrading, a major concern for businesses that cannot afford downtime. Technical debt can lead to further complications.
- Employees may be reluctant to learn new systems and processes, especially if they are comfortable (enough) with the current setup. Extensive training may be required to bring employees up to speed on the new system.
- Regulatory and compliance issues add another layer of complexity. New systems must comply with industry regulations and standards, which can be challenging and
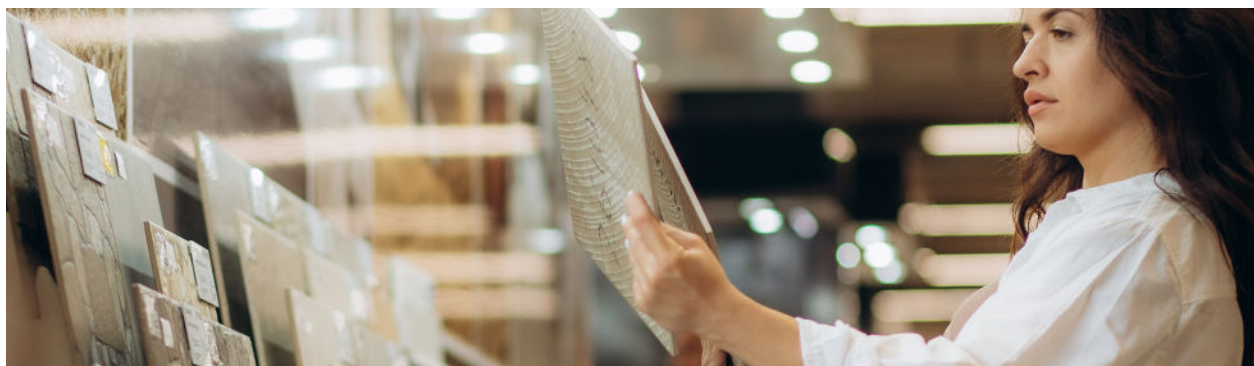
time-consuming. Ensuring data security and privacy during the transition is also crucial, as any breaches could have severe consequences.

Addressing these requires careful planning, resources, and a strategic approach to managing the transition to minimize disruptions.

But finding the right partner for the journey is worth the effort. According to McKinsey, organizations that use technology to change the customer experience will see customer satisfaction increase by 15% to 20%; cost to serve lower by 20% to 40%; and conversion rates and growth increase by 20%. Imagine the impact the right solution can have on your business, freeing your team to deliver better customer service by regularly following up with their customers and strengthening those relationships.

The Solution: OMS+ Embedded into SAP for Smoother Selling

SAP recommended that The Tile Shop use DataXstream OMS+, a point of sales and order management platform that is embedded into SAP. As a cross-channel order management solution, the platform increased the speed of order processing and improved the point-of-sale experience with a user-friendly interface.

Tile Shop CIO Christopher Davis, a 15-year retail veteran with 30 years in the IT space, called OMS+

"so smart." He selected it for its "potential incremental capability that I could introduce at a fairly competitive solutions cost across our function and organization."

The solution eliminated silos in The Tile Shop's customers' journeys. "When they place an order, we know it immediately all the way through our organization." In fact, the architecture is so smooth that Tile Shop has mirrored its flow in their ecommerce platform.

The surge in customer follow-up across the organization made a huge difference for sales teams interacting with customers, contractors, and designers on the show floor by phone or email. That saved their customers time and energy and increased loyalty and wallet share.

The Tile Shop extended SAP without the high cost and risk of replacing legacy sales tools.

> *"My team's been able to introduce small incremental changes on an ongoing basis, improving the experience. The sales associates are appreciative because they're seeing value consistently. We don't sit still. We'll be looking at the right things to ensure we service the customer, deliver more value, and get more wallet share."*
>
> **CHRISTOPHER DAVIS | CIO | THE TILE SHOP**

OMS⁺ Deliverables

· **In-store sales conversions: Increased 1%-2%**

· **Added revenue: $4 million-$6 million generated**

· **Customer experience: Sales follow-ups tripled**

· **Staff training time: Reduced by 25% to 50%**

Where The Tile Shop is Now

Three years later, Davis's team continues to improve how its crew interacts with their diverse customer base. They've also substantially cut training time.

The system sets reminders for when and to whom to reach out daily. As a result, sales follow-ups have improved significantly, translating into significant added revenue for The Tile Shop. The company attributes between $4 million and $6 million in additional sales to OMS+. The partnership between SAP, The Tile Shop, and DataXstream remains strong.

"My hope is that we're laying the foundational capability so that when the home industry is again on a growth trajectory, we will be well-positioned because we will have optimized our processes, increased our efficiency, so we'll be more profitable, and more able to compete in an increasingly competitive industry."

About DataXstream

DataXstream's OMS+ is a cloud-enabled embedded SAP application designed to improve point-of-sale transactions. It simplifies order inputs with a user-friendly interface, improves customer care with real-time inventory visibility, and automates order processing to speed fulfillment. On the backend, high volume, high touch sales simplify, allowing the sales or customer service reps to focus on the customer instead of fighting their software.

Visit dataxstream.com to learn more.

OMS+ Benefits

· **Eliminates manual processes and reduces errors**

· **Streamlines order processing and point of sales**

· **Better customer management reduces sales lifecycle**

· **Improves inventory accuracy and visibility**

· **360-degree view of the customer improves customer and employee experience**

· **Increases sales margins**

· **Accelerates store expansion**

· **Reduces time to train**

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