



## ARCTIC CAT

### SAP BUSINESS TRANSFORMATION STUDY

#### AT A GLANCE

<b>Industry</b>	Industrial machinery and components
<b>Revenue</b>	US\$730 million
<b>Employees</b>	1,800
<b>Location</b>	Thief River Falls, Minnesota
<b>Web Site</b>	www.arcticcat.com
<b>SAP® Solutions &amp; Services</b>	SAP NetWeaver® Portal and SAP® CRM
<b>Implementation Partner</b>	SAP Consulting

Arctic Cat Inc. designs, makes, and markets Arctic Cat brand snowmobiles and all-terrain vehicles (ATVs) as well as products such as parts, clothing, and accessories. The firm markets its vehicles through a network of independent dealers located across the contiguous United States and Canada, and via distributors representing dealers in markets such as Alaska, Europe, the Middle East, and Asia. The Arctic Cat brand name is widely recognized and respected in the snowmobile and ATV industry.

#### Key Challenges

- Create updated, efficient system for dealer interaction
- Eliminate information synchronization issues and resulting dealer frustration
- Increase system functionality and user options
- Integrate with existing SAP® Business Suite applications
- Reduce cost of managing process and maintaining technical support

#### Why SAP Was Selected

- Ability to offer real-time order management solutions to dealers
- Proven partnership from previous implementation of SAP Business Suite
- SAP NetWeaver® Portal component a natural extension of strategy to use SAP Customer Relationship Management (SAP CRM) application
- Requirement for limited integration and configuration

#### Implementation Best Practices

- Arctic Cat provided strong leadership, directed strategy
- Implementation of SAP NetWeaver Portal was linked to broader deployment of SAP CRM
- SAP Consulting was very familiar with business model
- Center of excellence was knowledgeable about SAP CRM
- Project phased rollout to extensive dealer community

#### Low Total Cost of Ownership

- Minimized implementation costs with in-house CRM team
- Minimized training budget with phased field deployment
- Rolled internal support into existing support infrastructure for SAP software
- Eliminated need for external technical support

#### Financial and Strategic Benefits

- Greatly reduced volume of incoming calls from dealers
- Consolidated and repurposed customer service reps
- Improved dealer satisfaction
- Improved timeliness of information access (from batch to real-time communications)
- Expanded services and information to dealers

#### Operational Benefits

Key Performance Indicator	Impact
Online sales orders	+10% to 15%
Online warranty claims	+16% to 22%
Online registrations	+12% to 15%
Inbound customer service FTEs	Refocused up to 15 reps
Dealer systems needed to support FTEs	From 3 to 2
Order error rate	-5%





**“SAP NetWeaver Portal alleviates dealers’ frustrations. They can now use our user-friendly, self-service portal for transactions, even after business hours and on weekends. We’re excited about that.”**

Rhonda Beito, Applications Manager, Arctic Cat Inc.

**“The SAP NetWeaver Portal has significantly reduced the number of incoming calls from dealers. This allows our customer service folks to spend more time selling.”**

Deb Novacek, Application Systems Analyst, Arctic Cat Inc.

### Driving Forces

Arctic Cat depends on a network of 1,700 independent dealers to market and sell its products, and the company needed a better way to interact efficiently and effectively with its dealers. With a legacy system, dealers had to dial in to replicate and place orders; the process caused significant issues with data synchronization. Faulty or outdated information resulted in order problems – and a glut of telephone calls from dealers to place orders and reconcile issues directly. Service to dealers suffered as call backlog grew.

Furthermore, managing existing systems and processes was a burden. The system required technical support both internally and for dealers. This required a large customer service organization whose primary focus was troubleshooting. Arctic Cat needed a solution to ensure efficiencies and provide unparalleled service to its dealers.

### Going Real Time

Having already deployed the SAP® ERP application and, more recently, the SAP Customer Relationship Management (SAP CRM) application, Arctic Cat saw the SAP NetWeaver® Portal component as a natural choice to help reduce the growing level of dealer dissatisfaction.

While Arctic Cat’s implementation of SAP CRM focused on call-center operations and customer data management, SAP NetWeaver Portal provided an effective way to interact with dealers in real time. Plus, it required only limited integration and configuration.

By using SAP NetWeaver Portal, dealers can now place orders with the most accurate and up-to-date information. In addition, they can monitor order status, register products, and manage warranties. SAP NetWeaver Portal links to other business partners and gives dealers an easy way to access additional service providers (for example, extended warranties and financing).

The portal also lets Arctic Cat reps validate customer information and communicate service bulletins and promotional messages to dealers.

Likewise, the SAP Consulting organization was Arctic Cat’s natural choice for implementation partner. SAP Consulting provided experts who intimately knew the existing SAP solution setup and, more importantly, Arctic Cat’s business model. Having consultants who already knew how the business performed helped Arctic Cat make the right choices and accelerated the implementation.

### Win-Win All Around

Arctic Cat credits SAP CRM and SAP NetWeaver Portal with providing a win-win solution for both the company and its dealers. Dealers enjoy much better service. The number of errors and problems dealers experience has dropped dramatically. Dealers now process a higher percentage of orders directly through the SAP portal in real time – reducing the order cycle-time and administrative burden.

Arctic Cat has also recognized other benefits. The increase in first-pass, real-time transactions via the SAP NetWeaver Portal has reduced the staff dedicated to these processes. Customer service reps can now focus on outbound selling, promotions, and service activities. In addition, the SAP NetWeaver Portal offers more secure dealer transactions and lets Arctic Cat staff validate customer information online – thereby reducing mailing errors and administration.

While Arctic Cat is already reaping many rewards, it plans to use yet more SAP NetWeaver Portal functionality in the future. The firm will soon implement a preseason order process, which promises to save Arctic Cat over 6,000 administrative hours annually. This new process is just one of many initiatives where Arctic Cat intends to further address its most critical success factor – excellent service for its dealers.

50 083 815 (07/03) Printed in USA.

© 2007 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies (“SAP Group”) for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.