

Delivering superior customer experience via dealers

ISLA Service & Logistics Summit

12.-13. April 2016, Düsseldorf



CLAAS in a minute

Legal form	KGaA mbH
Supervisory Board	Cathrina Claas-Mühlhäuser (Chairwoman)
Shareholder Committee	Helmut Claas (Chairman)
Turnover in 2015	€3.8 billion
Earnings before tax	€157.7 million
Export shares of sales	77.2%
Employees worldwide	11,535



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1

General Development – Anders Grudén

2

Environment in the Ag industry

3

Our motivation for RIM:

A new perspective – Integrated value chain CLAAS / distribution partners

4

Approach

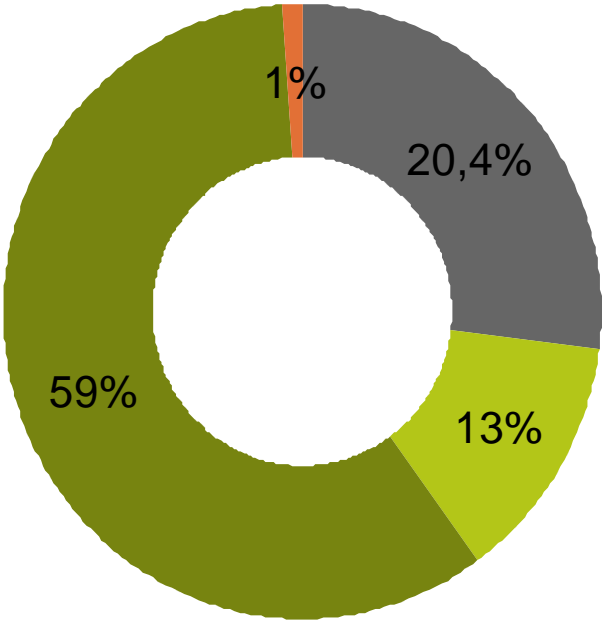
Actual trends of dealer networks in the Ag industry

- Exclusivity of dealer networks
- Growing competition from independent aftermarket
(e.g. „mother regulation“ in effect Jan 1st, 2016)
- Accelerating technological change increases complexity and parts variety
- Introduction of Full Engine Service
- Digitalization: endcustomer focus!

Parts and service revenues are essential for the profitability of our sales partners

Profit split by business unit for an average well-managed agricultural dealer (Germany)

More than 70% of operating income from after sales!



Growing competition from independent aftermarket

- New machines
- Workshop
- Parts and accessories
- Used machines

CLAAS Connect – The online portal for all transactions between CLAAS, dealers and end customers

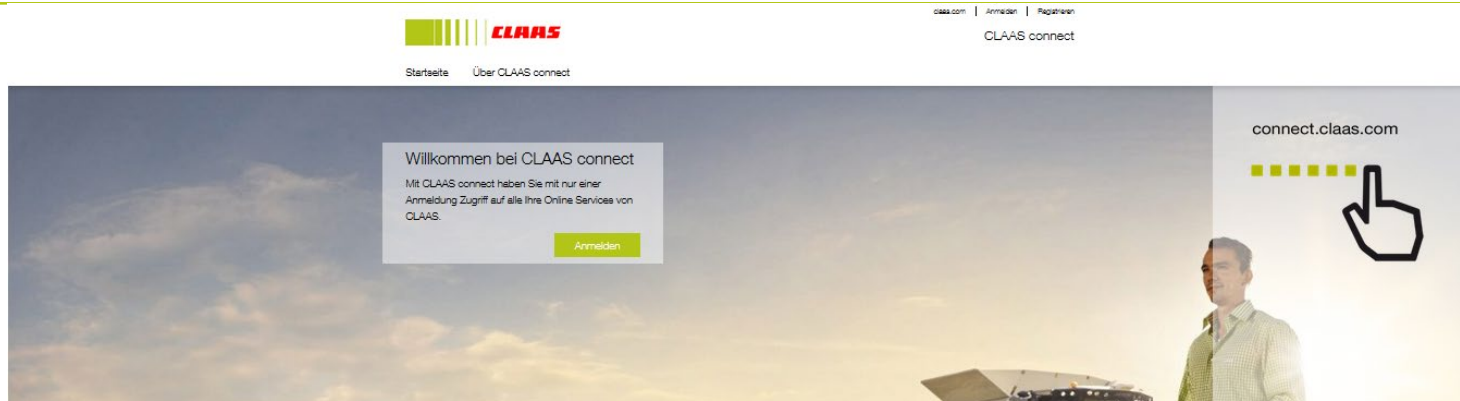
The screenshot shows the CLAAS Connect website interface. At the top right, there are navigation links for 'class.com', 'Login', and 'Registrieren', along with language selection dropdowns for 'Deutschland' and 'Deutsch'. The main header area contains the text 'CLAAS connect'. Below this is a large image of a man in a green shirt holding a tablet, standing next to a red CLAAS combine harvester. A central white text box with a green plus sign in the top left corner lists the following features:

- Direct entry point for all applications
- One registration, single-sign-on
- Available for smartphones and tablets
- The customer manages his own data centrally for all shops and CRM tools
- CLAAS and dealers have one common communication channel with the customer

Below the main image, there are three promotional sections:

- CLAAS connect.** Alle Ihre Anwendungen.
- FARM PARTS Shop**
Der FARM PARTS Shop bietet Ihnen online Zugriff auf den kompletten landtechnischen Bedarf an Teilen und Zubehör.
> weiterlesen
- EASY Shop**
Der EASY SHOP ist die bequeme Lösung, um Ihre Lizenzen zu verlängern oder Freischaltcodes zu aktivieren.
> weiterlesen

Our B2C offer: combining an advanced ordering platform and proprietary information to our customers including our distribution partners



Buy spare parts at dealer

Parts Shop

Bestellen Sie online bei Ihrem Vertriebspartner CLAAS ORIGINAL Teile für Ihre Maschine.
[> weiterlesen](#)

FARM PARTS Shop

Bestellen Sie online bis zu 300.000 marken- und bereichsübergreifende Produkte, die Sie für Ihren Betrieb benötigen.
[> weiterlesen](#)

CLAAS Farm Parts Shop

View parts catalogue

Parts Doc

Der elektronische Ersatzteilkatalog Parts Doc beinhaltet alle Ersatzteile für Erntemaschinen und Traktoren.
[> weiterlesen](#)

FIRST CLAAS USED / FIRST CLAAS PLUS

Entdecken Sie bei FIRST CLAAS USED Ihre nächste Gebrauchsmaschine.
[> weiterlesen](#)

Used machinery

Licenses for machine functions

EASY Shop

Verwalten Sie Ihre Lizenzen oder Freischaltungen für CLAAS Softwareprodukte.
[> weiterlesen](#)

TELEMATICS

Mit TELEMATICS steigern Sie Effizienz und Leistung Ihrer Maschinen.
[> weiterlesen](#)

Telematics Frontend

Special machine offers

FIRST CLAAS DEALS

Sichern Sie sich ausgewählte Produkte zu besonders attraktiven Konditionen.
[> weiterlesen](#)

CLAAS Collection

Entdecken Sie das attraktive Angebot an Merchandisingprodukten von CLAAS.
[> weiterlesen](#)

Fan Shop



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Growing number of machine types and a higher variance lead to more parts

Number of orderable parts:

<u>2004: Lexion 584</u>	<u>2014: Lexion C64</u>	
7,200	14,600	+102%

Due to the high number of different variants two Lexion C64 can differ to approx. 30% in its parts!

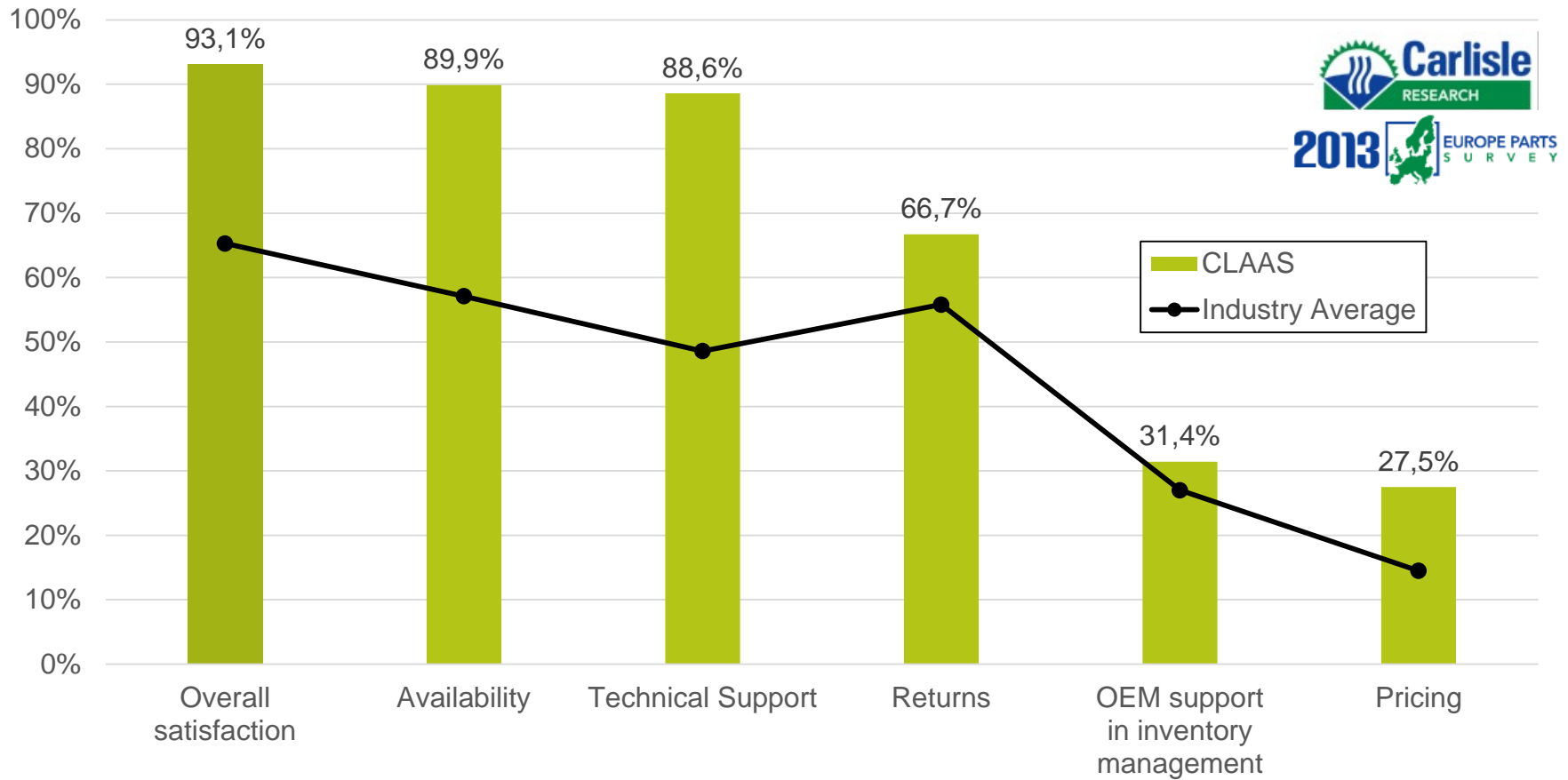


Stocked parts in Hamm:

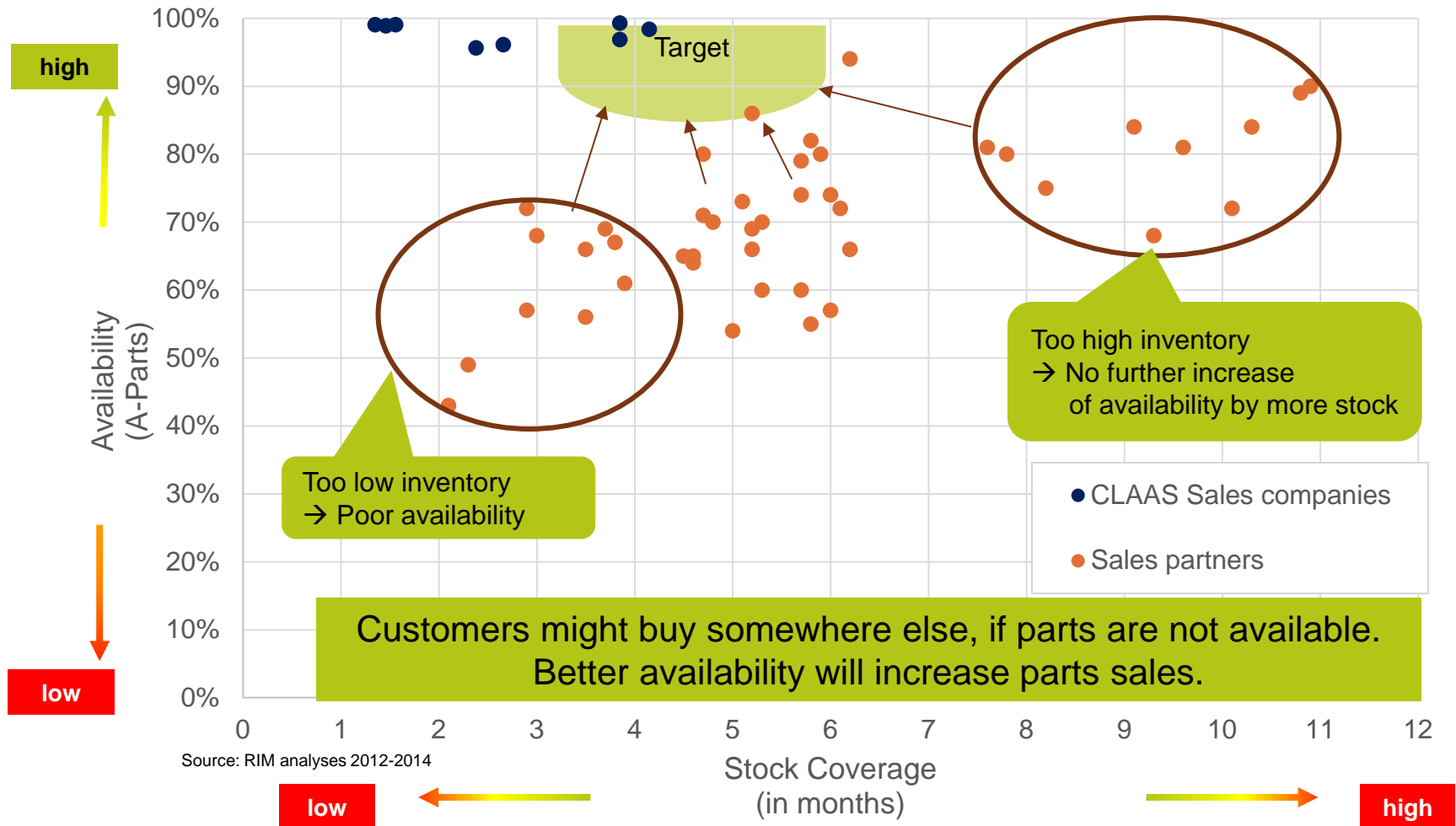
<u>2006:</u>	<u>Today:</u>	
106,000	162,000	+53%

Today, CLAAS does not offer much support in inventory management

Parts Manager Satisfaction Survey 2013 – Results (Extract)

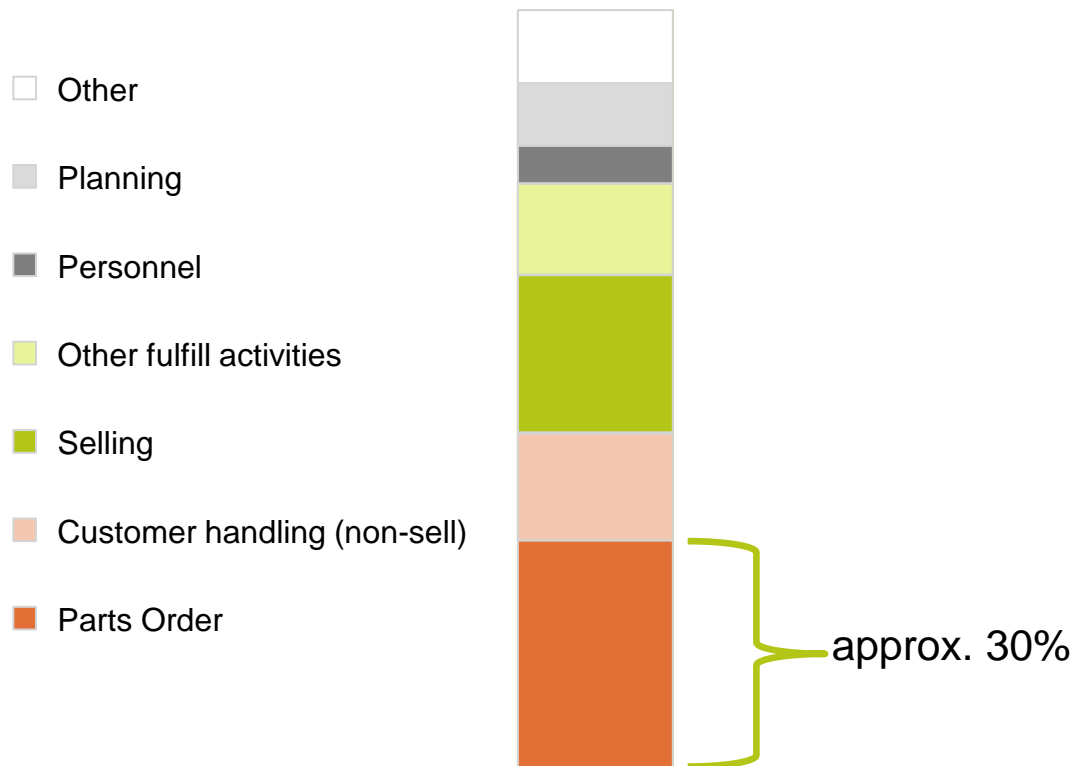


Poor availability and high inventory levels at sales partners leading to lost sales, less customer satisfaction and substantial burden on liquidity



Parts Managers spend approx. 30% of their time with ordering parts

Structure of a Parts Manager's Workday



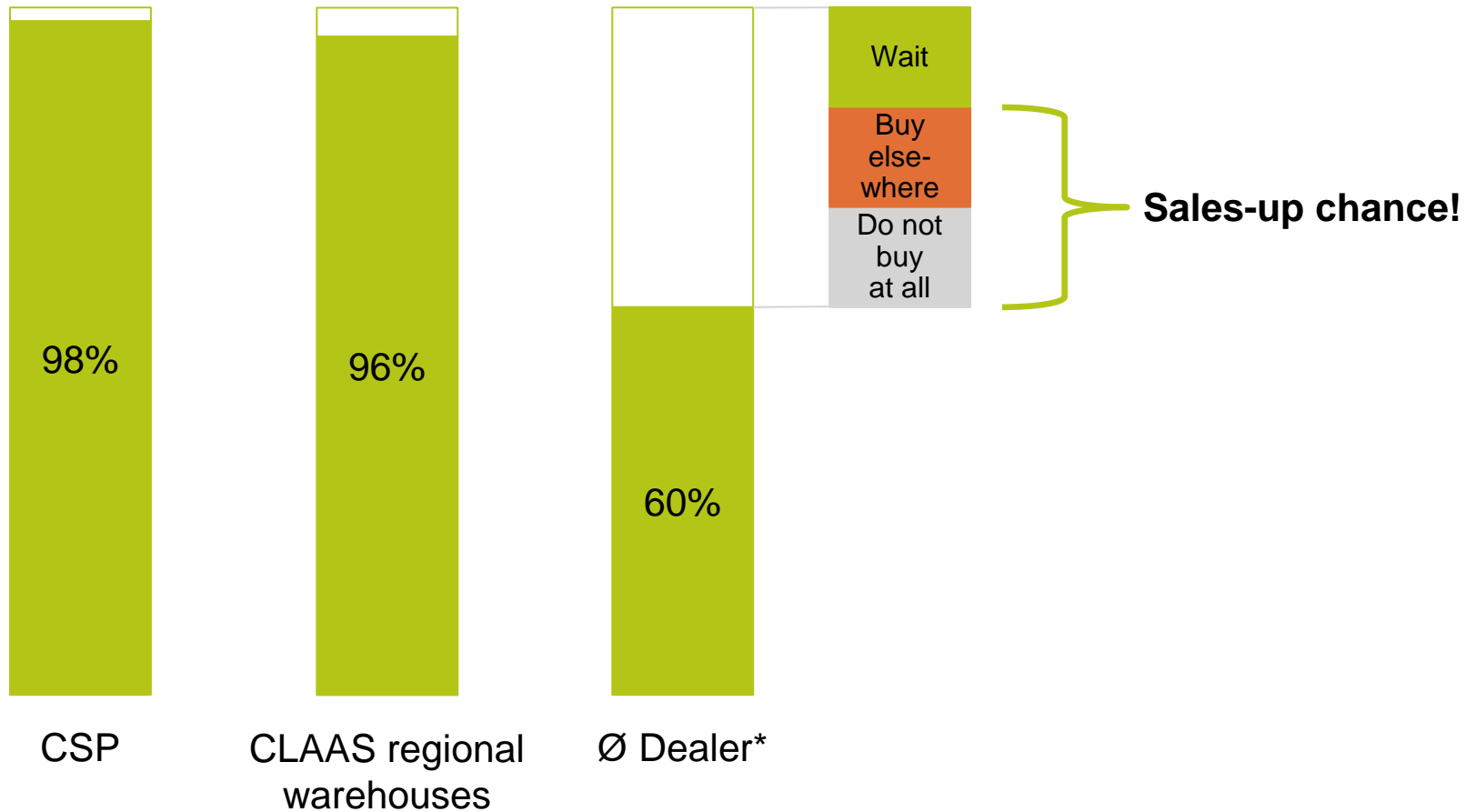
More time for other activities:

- Active selling incl. customer visits
- Execution of marketing campaigns
- Project work (Parts Shop, VIA, etc.)
- Management of KPIs
- Less overtime hours

Source: Carlisle, Parts Manager Satisfaction Study 2013

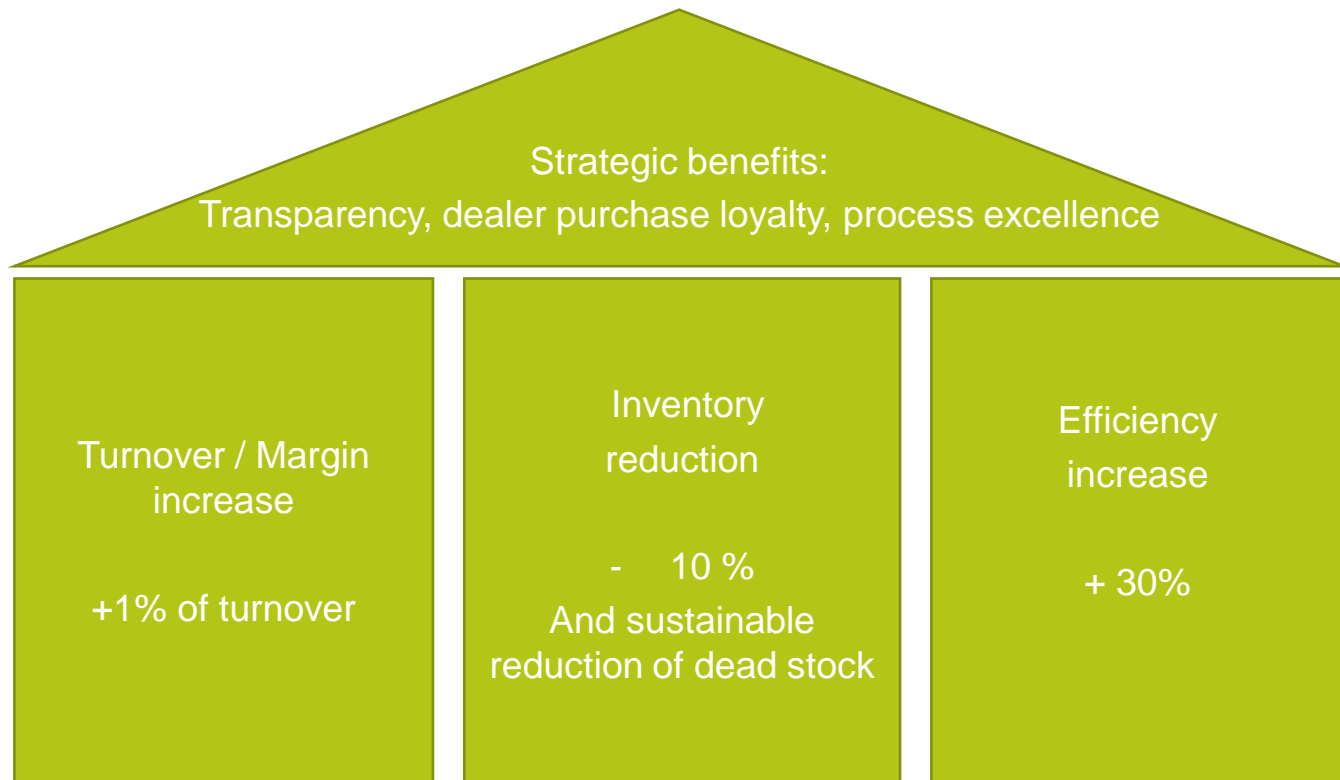
Room for improvement in the point of sale availability

Parts availability



* Based on analysis of 60 dealer locations (Europe)

Continuous benefits of the project for CLAAS after full roll-out



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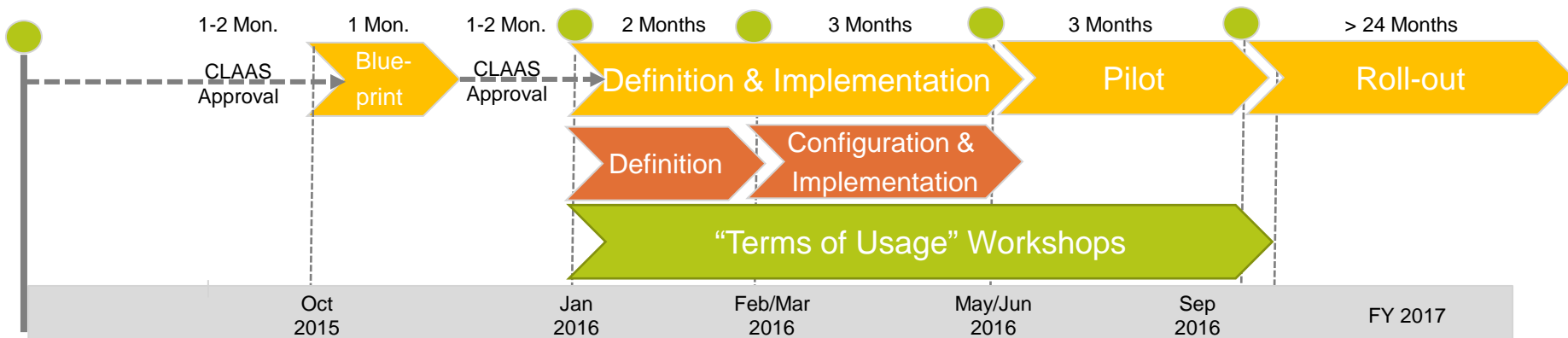
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“Synchron” was selected as the preferred realization partner out of nine potential suppliers.



...and finally: Responsibilities, cost distribution and open issues

Responsibility and cost distribution

CLAAS Service and Parts GmbH (CSP)

- Blueprint incl. project management
- System set-up & Pilot
- CLAAS SAP ERP interface
- Human Resources

Sales companies

- Proportional software usage fee
→ fixed amount per location
- DMS interfaces
- Human Resources

Issues to be worked out

- Return conditions and cleaning up of dealer inventories (onetime effect)
- Cost distribution: CSP vs. Sales Companies / Importers
- Cost distribution: Sales Companies / Importers vs. Dealers
- Volume bonus driven sales approach to be revised