B²BE
Business to Business e-Solutions

PHILIPS
sense and simplicity

CASE STUDY:

PHILIPS AUSTRALIA & NZ

INDUSTRY:

Electronics

COUNTRY:

Australia
New Zealand

B2BE SOLUTIONS:

Custom
Development

AT A GLANCE

BUSINESS OBJECTIVE

Philips needed to replace the manual, paper-based warranty claim/invoicing and payment system it operated with 450 accredited repair centres in New Zealand and Australia.

BUSINESS BENEFITS

Philips has slashed error rates and saved $300,000 per year in direct costs – and its processing and payment approval process now takes less than one day, not months.

Philips Case Study

Philips Australia and Philips New Zealand dramatically improved accuracy and responsiveness in their transactions with product repairers, using a B2BE-developed online claim validation, Invoice and payment management system.

The Client

Philips in Australia and New Zealand is a leading healthcare, lifestyle and technology company, with an annual turnover of more than $500 million. Its consumer electronics products range from LCD & Plasma TV, home and portable entertainment systems to PC products, phones and household appliances.

The Challenge

Philips needed to replace the manual, paper-based warranty claim/invoicing and payment system it operated with 450 accredited repair centres in New Zealand and Australia.

The reason: one in four Invoices from repairers contained basic errors or lacked key data such as model and serial numbers, sale or failure dates, part numbers, hours worked and customer contact details. With most repaired products already returned to their owners by the time Invoices went to Philips, it became very difficult and time consuming to obtain the corrected data.

The result: because of the delays and related expense in gathering and re-checking the revised data, the result was lengthy processing

(and therefore Invoice payment) delays – often up to several months, and additional costs to Philips. This also caused cash flow problems for the repair centres and Philips wasn't able to accurately track trends in product interventions that were happening in the field.

The Solution

Using B2BE's (this division was then called The ECN Group in New Zealand) Internet-based solution, Philips repairers now enter repair information into a system that has built-in validation processes that check each claim for accuracy and completeness in real time.

Through this advanced validation process, Invoices that have been approved automatically by the system are transferred directly via EDI to Philips' financial management systems for timely payment to the repairers. The repairer also receives instant notification of acceptance of the claim.

As the data now has a very high degree of accuracy, it can be confidently used to identify and act on product repair patterns, and Philips staff (including the customer help desk) can use the system to view, track, trace, manage and archive claims.

PHILIPS AUSTRALIA & NZ

The Outcome

Philips has slashed error rates and saved $300,000 per year in direct costs – and its processing and payment approval process now takes less than one day, not months, which means improved cash flow for the repair network and accurate data that Philips can use for statistical analysis.

Philips also:

- Has real-time access to information on product issues and opportunities;
- Has a single, integrated system that copes with the diversities of its marketplaces (such as different products and warranty periods in New Zealand and Australia);
- Can load updates and other changes easily, keeping its repairers up to date on new products, product changes and pricing information;
- Has been able to redeploy its staff to more valuable roles within the organisation.

Now and The Future

Having proved successful in Australia and New Zealand, a variation of the B2BE solution is being implemented in the 16 countries of Philips' Asia Pacific market. As a flexible, dynamic system it meets all its current requirements, and the system is regularly reviewed for potential enhancements.

The B2BE Philips Service

- Internationally linked Internet-based data entry system, available 24 hours a day;
- EDI upload of claims for larger organisations – eliminates data entry requirements but still maintains full validation and automated confirmation by email;
- Includes checks for accuracy and completeness;
- Integrated with Philips' warranty management processes;
- Full document management capabilities enable search, print, status review and archiving;
- Training provided for all Philips staff and repairers.