



Gulf Coast Seal Reduces Sales Cycle and Lowers IT Costs with Customer Extranet

Overview

Country: United States

Industry: Energy (Oil and Gas)

Customer Profile

Gulf Coast Seal, Ltd. of Houston, Texas, with offices in the United Kingdom, is a leading worldwide distributor of high-performance, industry-standard, and custom sealing products and solutions.

Business Situation

The existing file management system did not support the collaboration and communication tools needed to work more effectively with customers or with internal sales, design, and production resources.

Solution

A Web-based collaboration solution using Microsoft® Windows® SharePoint® Services and CorasWorks Web Parts enabled Gulf Coast Seal to improve customer satisfaction, increase sales, and lower costs.

Benefits

- Increased revenue
- Reduced sales cycle time
- Reduced IT operations costs
- Higher customer satisfaction
- Improved file management

“Windows SharePoint Services enables a much closer working relationship with our customers and truly differentiates us from the competition.”

Steve Leatherwood, President, Gulf Coast Seal

A business value study conducted by Wipro Consulting identified that Gulf Coast Seal, a leading global manufacturer and distributor of industrial seals, could realize tangible bottom-line value by deploying a Web-based collaboration environment using Microsoft® Windows® SharePoint® Services and by using specialty Web Parts functionality from CorasWorks. Configured as a customer-specific extranet, the new collaboration environment provides self-service access to pricing. Configured as team workspaces, it facilitates the development of custom orders. The solution is expected to enable Gulf Coast Seal to increase revenues, shorten its sales cycle for custom orders by 50 percent, and decrease network desktop and file management costs by 51 percent. The solution is expected to pay for itself within 6 months and provide a 263 percent internal rate of return on use of capital.

“The opportunities are so significant that we feel we’ve only scratched the surface of how we can benefit from Windows SharePoint Services to collaborate, both within the company and with our customers.”

Brian Rusk
Network Administrator
Gulf Coast Seal

Situation

As a leading global provider of industry-standard and custom seals, Gulf Coast Seal Ltd. of Houston, Texas was confronted with a classic business challenge: how to better serve more customers without increasing overhead costs. This situation presented even greater challenges because the company serves both ends of the market, high-volume distribution of third-party products and custom designed and manufactured solutions.

As a leading distributor of Parker Seal Group products, Gulf Coast Seal needed to maximize the effectiveness of its inside sales force in a competitive, high-volume, low-margin general distribution market. Offering more than 50,000 seal and related products, Gulf Coast Seal found that its inside sales team had little time to develop new customers because they spent too much time responding to routine pricing queries such as volume discounts and order re-pricing from their existing customers. The company needed to find a more efficient way to handle standard pricing queries and continue a high level of customer responsiveness—their cornerstone of customer retention.

Quick Facts	
Revenue	↑ 1%
Sales cycle time	↓ 50%
Network desktop and file management costs	↓ 51%
Internal rate of return	263%
Return on investment	750%
Payback period	≤ 6 months

As a custom-designed seal manufacturer, Gulf Coast Seal also needed to find more efficient ways to share documents and collaborate with customers seeking custom solutions. As the creator of more than 4,000 custom-engineered seal solutions a year, the company needed more efficient collaboration between its customers and in-house design

and production professionals. Ensuring that the right product was made to the right specification at the right price in the right time frame was especially important. During the design process, orders for custom solutions brought in by the company’s outside sales force require that engineers from both the client and Gulf Coast Seal collaborate to create the specifications and final product.

Sharing and modifying drawings and specifications by using e-mail, faxes, and standard postal mail created document versioning problems, which significantly slowed the overall design process. From startup to completion, the average cycle time of a custom design solution took too long and compromised the company’s competitive advantages. Deployment of a single location that provided document storage, management, and search, and enabled teams to track customer- and custom product-related information was a critical part of improving the collaboration process and reducing cycle time.

Gulf Coast Seal also identified easy deployment and maintenance as a critical success factor of a collaboration solution for both its general distribution and custom order business. The ideal solution would reduce

rather than add to the administrative demands placed on the company. Like other similarly sized companies, the 117-employee firm does not have a dedicated IT department or development staff. In fact, the company

has only two employees who handle IT-related activities, which they accomplish between their engineering-related responsibilities.

The company’s previous file management environment consisted of traditional network file shares based on the Microsoft®

“Windows SharePoint Services gives us a central document repository that eliminates concerns about version control. With SharePoint-based team sites we have cut our project development time in half.”

Mike Dush
Engineering Designer
Gulf Coast Seal

Windows NT® Server version 4.0 operating system. This environment did not provide the collaborative functionality required to help Gulf Coast Seal improve customer service, reduce operational costs, and increase revenue.

Solution

To solve its customer service, document management, and collaboration challenges, Gulf Coast Seal implemented a solution based on Microsoft Windows® SharePoint® Services. Windows SharePoint Services is the Web-based team collaboration environment built on the highly reliable, scalable, and manageable Microsoft Windows Server™ 2003 operating system. Windows SharePoint Services enables anyone with a Web browser to create and access team workspaces to manage documents, discussions, lists, surveys, and other important contextual information such as team member status and presence.

Extranet data access. The new Web-based collaboration solution was configured in an extranet environment outside the company firewall and integrated seamlessly with the company's line-of-business applications. This approach enables customers of Gulf Coast Seal's standard seal products to access pricing information anytime, anywhere. By providing a secure, easy-to-use, self-service environment, where customers can access and query complete pricing information dynamically, these customer-specific extranet sites solved the needs of the high-volume side of the business and freed the company's inside sales representatives to pursue new business.

Collaboration on the intranet. Customer-dedicated extranet sites also serve as a Web-based collaborative workspace, where the company's custom sales team can work with customers to develop customized design-build solutions. This approach provides a centralized, secure document repository that enables Gulf Coast Seal employees to better maintain document version control and

streamline the overall custom design process, resulting in greater efficiency.

The company upgraded its six corporate servers from Windows NT Server version 4.0 to Windows Server 2003 and used the centralized management capabilities of the Active Directory® directory service to help lower IT operations costs. To improve end-user efficiency, Gulf Coast Seal upgraded all desktop PCs to Microsoft Office 2003. Seamless integration between the Office 2003 programs and Windows SharePoint Services provides a very effective user environment because it is based on productivity tools the company's engineers and information workers are familiar with and use every day.

To take advantage of the built-in extensibility of Windows SharePoint Services, Gulf Coast Seal also integrated Web Parts from CorasWorks, a Microsoft Certified Partner. The company used two CorasWorks Web Parts, Workplace Central Tree-View and E-mail Notification, to provide additional functionality that enables sales personnel to become more effective in their daily interaction with customers.

- **Workplace Central Tree-View** simplifies and secures user navigation by letting users see only the SharePoint sites and sub-sites for which they are registered. This helps to ensure that customers access only the pricing and information published for them and not other customers.
- **E-mail Notification** enables users to create ad-hoc workflows in document libraries and lists. Gulf Coast Seal uses this Web Part as a simple way to automate the creation, verification, and release of engineering documents within its Houston and United Kingdom operations.

The easy-to-deploy Windows SharePoint Services solution was implemented by a single Gulf Coast Seal employee working part-time.

“The ease with which the Windows SharePoint Services platform can be extended has helped increase our efficiency, enabling us to spend more time with customers than dealing with IT issues.”

Jeff Lynch
E-Commerce Manager
Gulf Coast Seal

The solution is also easy to use, and requires no formal training of employees or customers.

Benefits

A business value study conducted by Wipro Consulting (formerly NerveWire), an independent consulting firm, measured the financial value of the Windows SharePoint Services implementation at Gulf Coast Seal. The study found that based on a relatively small investment that included new server hardware, software licenses for Microsoft and CorasWorks software, and deployment costs, Gulf Coast Seal has realized a return on its investment in less than 6 months.

The business value analysis used traditional valuation measures to determine that the company’s internal rate of return on its use of capital was 263 percent, and its return on investment was 750 percent.

Specific benefits included increased revenue from new custom orders, a 50-percent reduction in cycle time for developing custom products, a 51 percent reduction in network desktop and file management costs, enhanced sales force efficiency, and an overall improvement in customer satisfaction. The Benefits Summary table provides detailed benefits information.

Benefits Summary	
Cost avoidance	9%
Savings in IT operations	47%
Savings in business operations	44%
Total benefits	100%
Use of Capital	
Internal rate of return	263%
Return on investment	750%
Payback period	≤ 6 months

Gulf Coast Seal expects to realize even more benefits in the future. “Windows SharePoint [Services] provides a huge benefit over conventional network file shares,” says Brian Rusk, Network Administrator at Gulf Coast

Seal. “We have only scratched the surface of how we can use Windows SharePoint Services to collaborate, both within the company and with our customers.”

Self-Service Access to Information Improves Sales and Operational Efficiency

Easy self-service access to important information is as critical for company personnel as it is to customers. Gulf Coast Seal used collaborative team workspaces built using Windows SharePoint Services to meet this vital goal.

External communication. The efficiency of Gulf Coast Seal inside sales representatives was compromised by customers of third-party seals, who routinely call for price updates or order changes. To respond to the need for up-to-date pricing and product information, Gulf Coast Seal has already deployed several customer-specific extranet sites, which enable its customers to review products, screen volume pricing, and determine their own ordering process.

Putting pricing information in a secure and dedicated online location enables Gulf Coast Seal customers to create their orders whenever they need and has enabled inside sales representatives to save an average of

four hours per week per customer, which they are now using to service more customers. The resulting rise in customer satisfaction has increased customer retention. The optimization of sales representative time has given Gulf Coast Seal a level of competitive advantage that they need to compete more effectively in its high-volume, low-margin business.

“Before we deployed Windows SharePoint Services, our inside sales representatives fielded a high volume of calls from existing customers looking for pricing,” says Steve Huggins, Inside Sales Manager at Gulf Coast Seal. “The reduction in effort to

“The reduction in effort to support customers has allowed our inside sales force to service more clients, and to dedicate more time to developing new clients.”

Steve Huggins
Inside Sales Manager
Gulf Coast Seal

support customers has enabled our inside sales force to service more clients, and to dedicate more time to developing new clients.”

“Windows SharePoint Services enables a much closer working relationship with our customers and truly differentiates us from the competition,” says Steve Leatherwood, President of Gulf Coast Seal.

Internal communication. A SharePoint site has also been dedicated as a central repository for business documents, marketing materials, and company brochures. Access to internal and customer-facing marketing collateral helps to improve operational efficiency. A separate site for human resources-related information also provides contact information and enables employees to submit vacation requests online. The improved efficiency of conducting employee-facing activities in a self-service environment enables all employees to spend more time on their core activities rather than routine administrative functions.

Custom Product Development Cycle Time Reduced by 50 Percent; New Revenue Gained

Gulf Coast Seal used Windows SharePoint Services to provide a centralized document repository and collaborative workspace that makes working with customers during the custom design-build process more efficient.

All parties benefited from not having to use e-mail and faxes to communicate changes in design specifications, and problems with document version control have been eliminated. The ability of users to tag documents with rich metadata reduced document search time significantly. The resulting increase in efficiency enables Gulf Coast Seal to reduce the cycle time for custom-engineered solutions by an estimated 50 percent.

By creating a separate SharePoint site for each customer and making it accessible on an extranet, Gulf Coast Seal has effectively

addressed the problem of interacting with customers. Rather than sending engineering documents by e-mail, only a single version of the product design is maintained in the SharePoint site and is checked in and out as required by either the customer or Gulf Coast Seal personnel.

“Version control was a major problem before we deployed SharePoint Services,” says Mike Dush, Engineering Designer at Gulf Coast Seal. “It sometimes took a lot of detective work to figure out which e-mail attachment or which file on which computer represented the final version of a design. Windows SharePoint Services gives us a central document repository that eliminates concerns about version control. With SharePoint-based team sites, we have cut our project development time in half.”

An additional, unanticipated benefit of increased efficiency is that the time regained by the inside sales team due to improved productivity enables them to spend more time pursuing new business. The expected growth in sales of custom-designed solutions is directly attributable to the time they gain by being more productive with their existing customers.

IT Management Costs Reduced by 51 Percent; Less than 30 Minutes for Site Setup

The Web-based and self-service collaboration environment of Windows SharePoint Services provides a centralized document repository that helps improve version control and document search capabilities and dramatically reduces file management efforts of the Gulf Coast Seal IT and engineering departments. Network desktop and file management costs are about 51 percent less than those generated by using traditional network file shares. Total IT maintenance and support costs have declined by an estimated 81 percent.

One of the key reasons why file management costs dropped dramatically is that a

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about CorasWorks products and services, call (703) 797-1881 or visit the Web site at: www.corasworks.com

For more information about Gulf Coast Seal, Ltd. products and services, call (713) 910-7700 or visit the Web site at: www.gulfcoastseal.com

collaborative workspace requires less than 30 minutes for one part-time IT staff member to set up. Each site is easily customized to include the customer's logo, graphics, and specialized information. After setup, the site is self-maintained by the local engineer-administrator, effectively freeing up the IT person's time to do more productive value-added IT or engineering activities.

Using Windows SharePoint Services as a collaboration solution between Gulf Coast Seal and its customers enables a level of document version control that was not possible previously. Collaboration on engineering documents now takes place directly in a SharePoint Services-based environment. This innovation significantly reduces the volume of e-mail (and associated e-mail storage demands) exchanged during the custom design cycle and results in more direct communication.

A SharePoint site created as a technology library serves as a single online source for IT resources within the company. This helps to streamline workflow processes and reduce costs. For example, the company avoided travel and related expenses by not having to fly staff engineers to its U.K. office to deploy a new enterprise resource planning solution. E-mail alerts and notifications help all personnel track daily progress on an issue-by-issue basis without leaving their respective offices.

"The use of Web Parts from CorasWorks has enabled us to quickly and cost-effectively add specialized functionality that would have taken a long time to custom develop," says Jeff Lynch, E-Commerce Manager at Gulf Coast Seal. "The ease with which the Windows SharePoint Services platform can be extended has helped increase our efficiency, enabling us to spend more time with customers than dealing with IT issues."

Microsoft Windows Server System

Microsoft Windows Server System™ is a comprehensive, integrated, and interoperable server infrastructure that helps reduce the complexity and costs of building, deploying, connecting, and operating agile business solutions. Windows Server System helps customers create new value for their business through the strategic use of their IT assets. With the Windows Server operating system as its foundation, Windows Server System delivers dependable infrastructure for data management and analysis; enterprise integration; customer, partner, and employee portals; business process automation; communications and collaboration; and core IT operations including security, deployment, and systems management. For more information about Windows Server System, go to: www.microsoft.com/windowsserversystem

Software and Services

- Products
 - Microsoft Windows Server 2003 Standard Edition
 - Microsoft Office 2003
- Technologies
 - Microsoft Windows SharePoint Services
 - Microsoft Active Directory

Hardware

- Intel-based servers

Partners

- CorasWorks