

EINSTEIN ANALYTICS FOR MANUFACTURING

6 Ways To Improve Revenue & Operational Performance



The current environment of strong global demand and optimism is an attractive landscape for manufacturers. It's an opportunity to aggressively grow revenue.

And innovations such as connected, smart devices and machines are creating opportunities to advance differentiation and service. Yet it also poses challenges. Globalization and competition for capacity now require manufacturers to be even more fluid and nimble.

New competitors can emerge more rapidly than before, tapping into a dynamic on-demand global ecosystem of suppliers. Shrinking product lifecycles are pressuring manufacturing processes and sales productivity. Margins are being squeezed due to labor shortages and tightening supplier capacity. Business customers and end consumers alike are seeking greater customization, immediacy, and service.

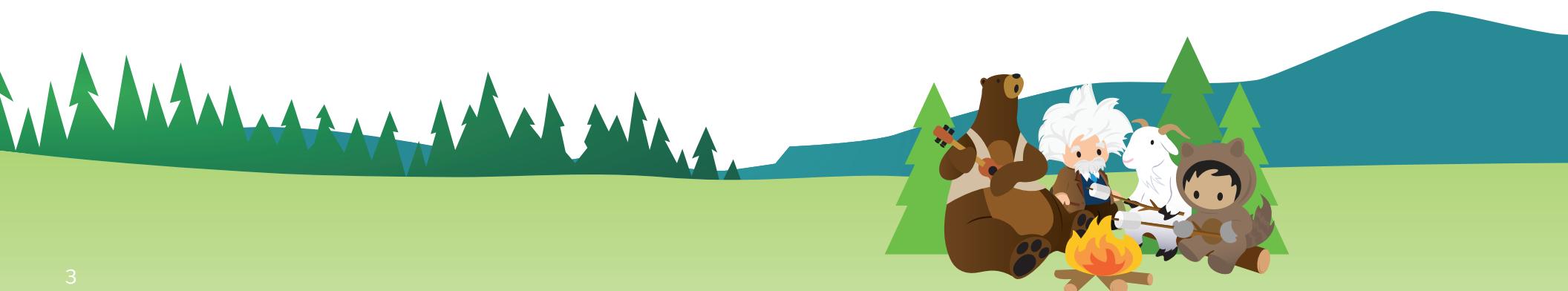


The result is a dynamic new era in manufacturing. A recent Forbes study found that manufacturers are looking to significantly revamp the services and products they offer, and the markets they play in, in the coming years. It's more important than ever for B2B and B2C manufacturers to forecast demand smarter, whether selling to retailers, distributors, or end consumers directly through eCommerce channels. B2B manufacturers need to continually optimize salesforce productivity. And every manufacturer must proactively manage their supply chain.

The good news is that there's more data than ever before for manufacturers to make better decisions about products, suppliers, customers, sales and service. It's being created in vast quantities, by connected products and machines, customer activity and interactions, and by CRM, ERP, SCM, HR, and other apps within and beyond the enterprise. The challenge is that much of it is still locked away in silos, spreadsheets, and it all simply requires too much time and effort to harness effectively.

"There's one significant asset that manufacturers have not yet optimized: their own data."

**ANALYTICS
UNLEASHES
PRODUCTIVITY AND
PROFITABILITY,**
McKinsey, August 2017



Einstein Analytics for Manufacturing

The Analytics Opportunity

Modern manufacturers are using advanced analytics to identify new markets, sectors, geographies, and whitespace. They're able to plan for changes in products they offer based on fluctuating business and consumer demand, make decisions based on trends in underlying margins, and factor it into their product-level forecasts using the latest machine learning and predictive analytics. And they've built a more integrated view of

their accounts, from opportunities, to bookings, to backlogs, by uniting data from their ERP and MRP systems, together with their CRM.

They're using analytics to connect the dots across their suppliers, customers, and product in a whole new way—this eBook shows you how you can too.



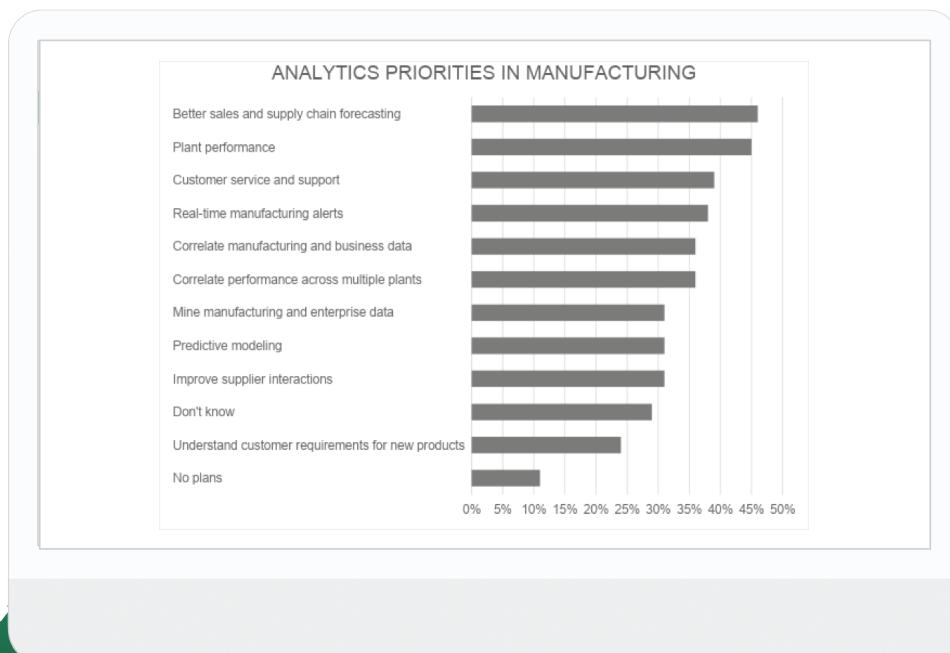
Source: Global Manufacturing Outlook, 2016, Forbes Insights

Sales. Operations. Service: The Three Pillars of Manufacturing Analytics

There's no doubt that data is the new strategic asset for manufacturers, and analytics is the key to unlock it. But where are manufacturers investing? Forecasting demand is priority—from sales to distributors, retailers, or even end consumers. It's about increasing accuracy to ensure revenue predictability, while cost effectively meeting business and consumer demand.

Analyzing and optimizing plant performance is also top of mind, such as safety and compliance measures, measuring manufacturing cycle time, and ensuring effective utilization of capacity.

In an environment where retailers or distributors can more easily change their manufacturing relationships, analyzing service and support has become foundational too. Beyond traditional metrics like on-time delivery to commit, customer rejects, modern manufacturers are measuring satisfaction and how well sales teams are engaging with their accounts, expanding relationships and anticipating needs.



Data: Manufacturing's Underutilized Asset

Which product categories have the highest or lowest margins? What are the drivers of sales that can most accurately predict bookings? What suppliers might impact our production or margins? What is demand looking like for the key retailers and distributors that we are doing business with? Which accounts or regions have the most attractive whitespace?

For many manufacturers, the challenge is that the data to quickly answer these questions is buried in different legacy systems –MRP, ERP, CRM, PLM, etc. Data is further fragmented across processes such as order-to-cash or procure-to-pay, and even lies in systems outside of the enterprise either making it prohibitive to maximize the value from it, or forcing leaders to make assumptions based on limited visibility.

Models for summary and detailed revenue forecasts are often error-prone, or too unwieldy to perform on a rolling basis. Rigid management dashboards often limit the ability of analysts to ask questions about products and accounts across the most relevant dimensions like markets, channels, or sectors, without resorting to spreadsheets.

Opportunity

Improve Revenue Visibility

Analytics Challenge

Gaining a perspective of quotes, revenue actuals, billings and backlogs across accounts, geos, and site is foundational for decision making, but often still means wrangling data from multiple legacy ERP and finance systems, and marrying it together with CRM bookings data.

Shift to Rolling Forecasts

Account, product, and business unit level demand forecasts often lack the latest data that brings together anticipated opportunities and historical bookings trends, and frequently rely on error-prone spreadsheet based models with a limited set of drivers, that jeopardize accuracy.

Improve Product Insight

With accelerating product cycles, it's often hard to efficiently gather metrics from demand, to margins, to quality at the right level of category, item, and component level detail across geographies, markets, resellers to plan and analyze effectively. Category managers risk analysis based on incomplete or out-of-date data.

Increase Sales Effectiveness

Sales leaders and reps are often unable to easily identify whitespace and opportunity and meet account-level or overall quotas. In an increasingly complex environment selling more product variation, to different customer types, many don't have the data to optimize sales activities accordingly.



Who Can Benefit From An Analytics Upgrade?



Executive

Elevate business visibility and predictability with faster, and self-service access to pipeline, bookings, billings, backlog metrics across the dimensions that matter.



S&OP Managers

Improve B2B or B2C demand forecasts, and better align supply chain processes by more efficiently combining CRM and ERP data to make better decisions. Strengthen models by applying machine learning to improve demand and supply forecasting accuracy, and reducing forecasting cycle time.



Revenue Management

Increase revenue forecasting maturity by more easily combining bottom-up sales forecasts with top-down corporate goals. Apply predictive modeling based on opportunity and historical revenue data to reduce forecast risk.



Category Managers

Manage product profitability and forecast category performance by getting better access to opportunity, sales, margin, inventory, and quality data across categories, SKUs and channels that typically lie in multiple systems. Analyze actuals and forecasts more effectively using self-service analytics.



Sales

Mobilize ERP and CRM data for a complete revenue and opportunity view of accounts for whitespace selling. Use intelligence assistants on the data to understand which accounts to focus on that offer the greatest opportunity, and the best chance of closing.



Service

Monitor and analyze agent efficiency, machine history, and CSAT trends to improve service levels across accounts and regions. Improve visibility into account opportunities and bookings to upsell or partner with sales team.

6 Ways Salesforce Einstein Analytics Can Help:

Salesforce Einstein Analytics + Hilo Navigator. A Winning Combination For Manufacturers

Salesforce Einstein Analytics helps manufacturers discover opportunities, make accurate predictions, and stop problems before they surface by providing sales, service, and operational self-service analytics.

The days of “expert only” data analysis are over. Native to Salesforce, and with pre-built analytics apps, Einstein Analytics users can take intelligent actions quickly, from wherever they are.



Industry leaders like GE Aviation and Delphi Automotive use Einstein Analytics to make business decisions up to 40-percent faster than they did before.

Hilo Navigator, a Salesforce AppExchange App running on Einstein Analytics, takes revenue intelligence for manufacturers further. Powered by Salesforce Einstein Analytics predictive analytics and visualization, Hilo Navigator combines Salesforce Account and Opportunity level bottom up forecasts with historical revenue data and top down forecasts—enabling sales, operations and finance teams to forecast faster and smarter.



Improve Your Revenue IQ

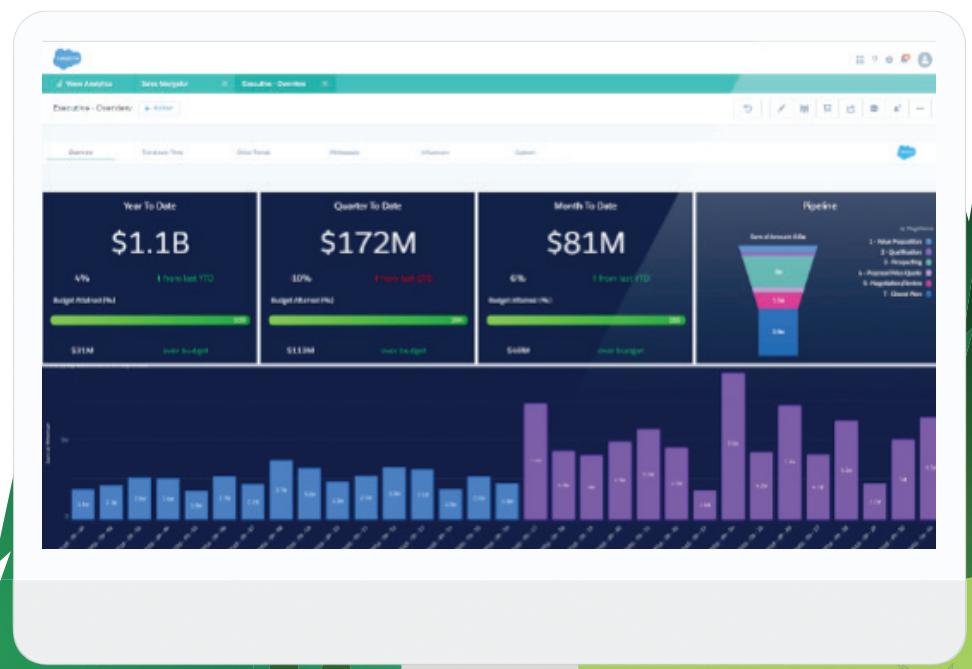
Merging data from various databases ERP, SCM, CRM, etc. takes time and often leads to revenue information gaps.

Revenue and billing data lies in ERP applications like SAP or Oracle, and often is analyzed in spreadsheets or siloed BI tools. Opportunities and bookings data, where the customer has made a commitment to purchase a good or serve resides in Salesforce. Improving your revenue IQ means integrating both sides of the revenue funnel together consistently, across accounts, products, geographies.

Einstein Analytics, combined with the Hilo Navigator App, helps by blending together both sides of the revenue equation –billings and backlog data from your ERP, and sales, marketing, and service data from Salesforce.

Manufacturers need to get down to the detail, to the item level. Certain tools impose data limits that handicap your analytics efforts. With Einstein Analytics, you can analyze hundreds of millions of rows of data, breaking through traditional limits, so you can slice and dice business performance across multiple metrics and dimensions. Get instant insight into:

- MTD, QTD, YTD bookings and revenue
- Actuals vs. Forecast booking and revenue
- Quota vs. Actuals
- Revenue by plant, BU, or product
- Net Operating Profit
- Product opportunity, revenue, backlog
- Account opportunity, revenue, backlog
- Cash-to-Cash cycle time
- EBITDA by BU



Pre-built dashboards provide opportunity, bookings, and revenue trends across accounts, products, geos

Forecast Smarter. Faster.

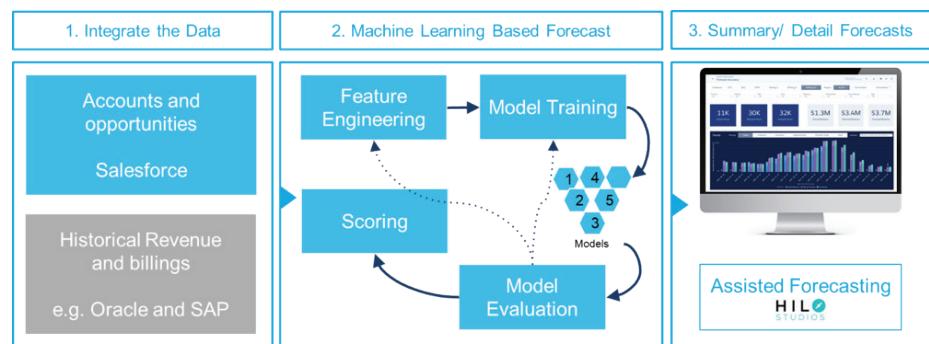
Forecasting revenue is often painful. Bottom-up forecasts can rely on gut feel, and vary widely between BUs and sales teams. Top down forecasts can leave out key drivers and assumptions. Spreadsheets create room for error and multiple versions of models and data. Demand forecast accuracy across different retailers, distributors, or other channels can vary wildly.

A great forecast requires great data, from lagging to leading indicators. And it should be rolling so it's in tune with the business. Finally, the model should include the right drivers to deliver the best accuracy. Done right, and there should be little daylight between actuals and forecast, and top and bottom level forecasts—easier said than done.

Einstein Analytics with Hilo Navigator enables Smarter Forecasting.

It starts with creating integrated historical revenue and billings data from the ERP/MRP with Salesforce account and opportunity data. Pre-built machine learning models designed for product based

companies train the model based on the data and correlations. Finally, it breaks monitoring and analyzing forecasts and variances free from spreadsheets, with interactive analysis, comparison of actuals vs manual forecasts and AI-based forecasts, across every key business dimension.



The result is forecasts that are easier and faster to produce, and more relevant to the business

- Bottom-up forecasts
- Top-down vs. Bottom-up variances
- Actual vs. Forecast YTD, QTD, MTD
- Manual Forecast vs. AI Forecast
- Product, BU, Account, Rep level forecasts
- Opportunity level forecasting
- Opportunity and billing based drivers
- Forecasted effort to close
- 3/6/12 month rolling forecasts

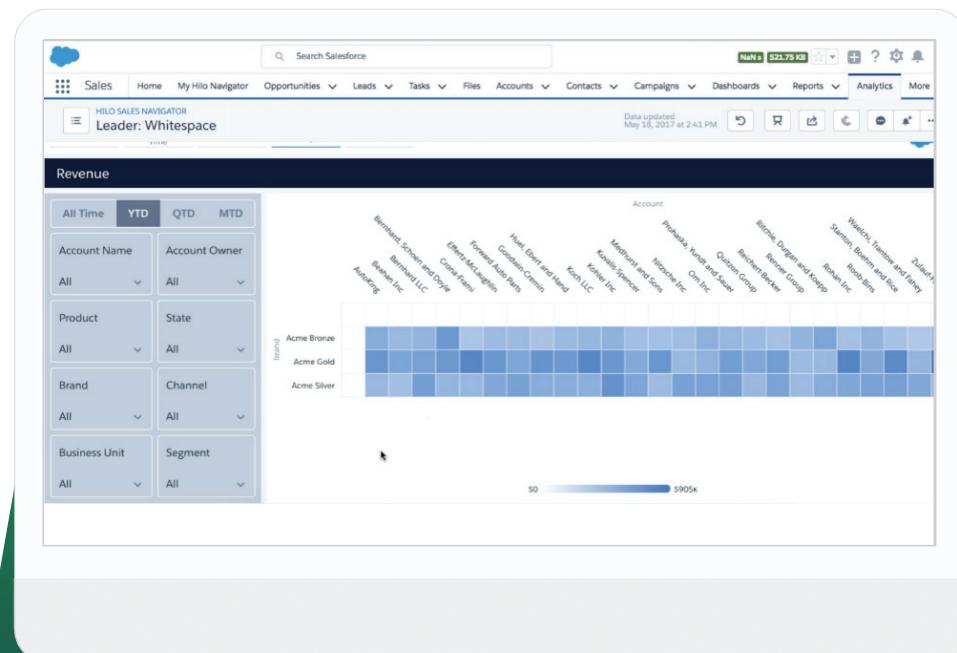


Maximize Your Account Value

Upselling existing B2B customers is a smart strategy, driving value from key accounts. But it can be hard to identify which opportunities to start with. For manufacturers with large product catalogs, product variations, operating on accelerated product lifecycles, it's easy for sales teams to miss opportunities to drive more value from current accounts.

Creating a sales plan based on what products current accounts have purchased, and figuring out where the best white space opportunities are can be tricky. It's why it often seems easier to pick up a net new lead from marketing or inside sales instead - even though industry data says it's costlier to work a new opportunity than an existing account.

With Einstein Analytics and the Hilo Sales Navigator App, identifying whitespace is easy. Within Salesforce, manufacturing sales teams can instantly see all their accounts, and the products they've already purchased, and filter them by geography, product family, industry or more to focus efforts. It's whitespace analytics made simple.



Upgrade Product Analysis

Category managers often have their hands full optimizing product assortment, pricing, and promotions across different markets. They utilize cost models to manage pricing and margins, understanding current and anticipated product sales, and managing suppliers to further improve the bottom line. It's no wonder that manufacturers and retailers regard category management as extremely important to their organizations.

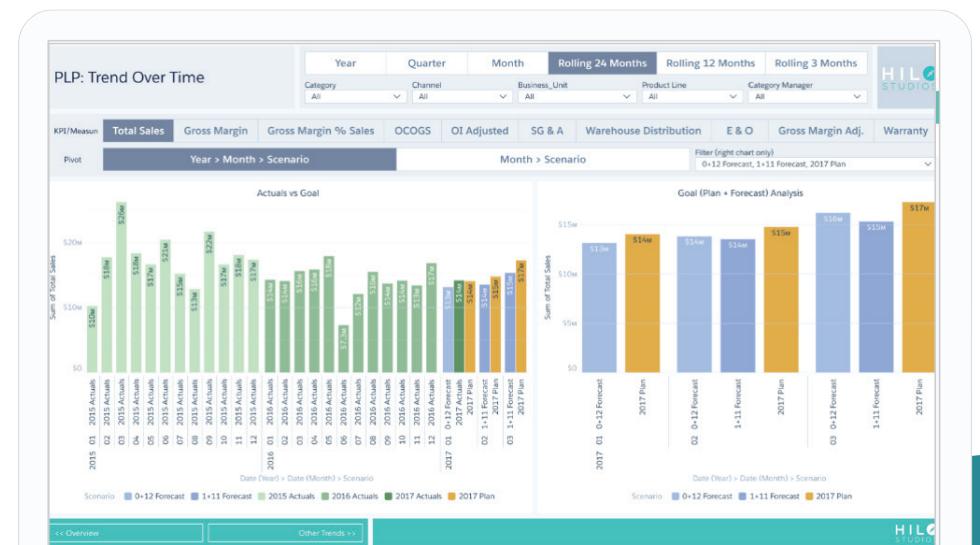
Category managers need to understand the full array of drivers that affect the category they own: Customer awareness, satisfaction and sentiment that may portent increases or decline in demand. Effectiveness of promotions, and opportunities to introduce new products and campaigns. The sales pipeline and forecasts, and how they are changing over time. Quality, on-time delivery, and service that may impact NPS. And supplier, materials and manufacturing cost measures and trends that drive margin.

Because Einstein Analytics and Hilo run on the Salesforce platform, category managers can gain immediate visibility into marketing, sales and service data for the product lines they own. And with

integration to ERP/MRP applications like SAP and Oracle, as well as Point of Sale apps, they can connect revenue, supplier, and quality measures too—to gain a 360-degree view of their category.

Key category analysis metrics include:

- Total sales
- Gross margin
- Product pipeline, bookings, backlog
- Sales goals and forecasts
- COGS and OCOGS
- Channel/reseller analysis
- Product line/categories analysis
- Rate of New Product Introduction
- Supplier quality
- On-time delivery
- Product rejects/returns
- Customer satisfaction/sentiment/CSAT

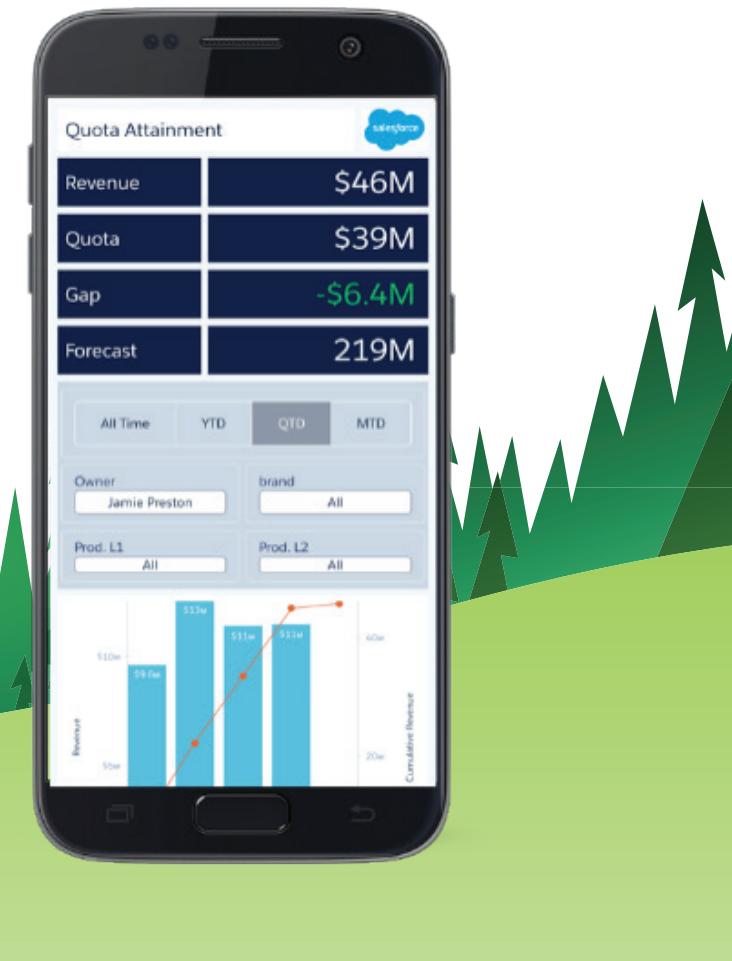


Category Analytics Success at Delphi Automotive Plc

Delphi Automotive PLC, is an automotive parts manufacturing company based in the UK, with over \$17BN in revenue and 160K employees.

They use Einstein Analytics to improve aftermarket channel and revenue and profitability visibility by:

- Improving product category analytics to include revenue, gross margin and profitability analysis
- Implementing frequent rolling forecasts
- Incorporating Point of Sale data from aftermarket reseller channels



Arm Your Sales Team

New manufacturers and products are appearing at a faster rate, creating a fluid competitive and pricing environment. Increasing product velocity increases deal complexity, with a frequently changing mix of products to position in sales cycles, which in turn can hinder sales productivity.

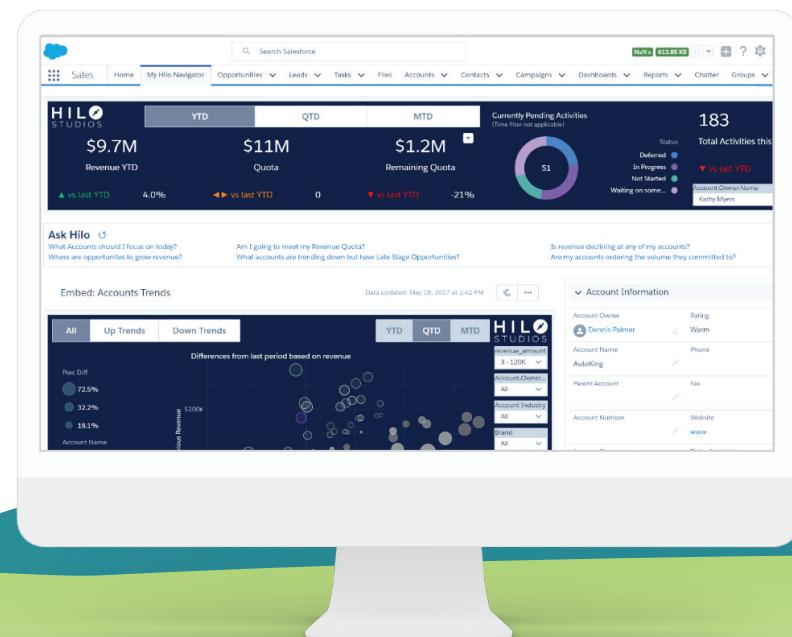
In this complex and rapidly evolving environment, equipping overtaxed sales teams with intelligent assistants is becoming more and more necessary.

Einstein Analytics and Hilo help sales individual contributors make better decisions, in context. Mobile analytics provides a complete account perspective, from opportunity, to historical revenues, to CSAT, providing an essential companion for every customer meeting.

AI-based assistants build forecasts based on historical patterns, providing perspective on time-to-close, mitigating attainment risk, and recommend the right activities to prioritize based on the accounts and products being sold—helping improve sales productivity.

Sales teams saw on average, 1 in 7 deals convert that wouldn't have otherwise closed in the same timeframe, by using Einstein Analytics -- Salesforce customer survey

- What accounts should I focus on today?
- Where are opportunities to grow revenue?
- Will I meet my quota?
- What accounts have late stage opps?
- Are my team selling new products?
- Is revenue declining in any accounts?
- Are my accounts ordering their commit?
- Do any of my accounts have low NPS?
- Which accounts have whitespace?
- Are my team's forecasts accurate?



Equip Your Partners with Insight

For manufacturers, providing analytics for their suppliers and across their distribution networks is a typically untapped and underutilized competitive advantage. For example, 75-percent of revenue for manufacturers is typically driven indirectly by partners. That's fertile selling ground that can be optimized by analytics. The key is to arm every manufacturing partner, distributor and reseller that sells your products with the personalized tools, KPIs, predictive and prescriptive analytics that they need to sell smarter, faster, and providing them with better service. For your suppliers, it's about providing them with the relevant insight they need to more effectively align their own manufacturing and sourcing operations with you.

It's why Einstein Analytics is unified with Sales Cloud PRM (Partner Relationship Management), providing analytics that's part of a powerful platform that manufacturers can use to partner more effectively, through real-time collaboration, sharing forecasts and goals, aligning around opportunities and more—all via a single point of engagement.

Suppliers can instantly see sales trends, SKU level forecasts, regional variances, product reject/returns trends, so they can ramp to get ahead of any upcoming demand fluctuations, or so they can

proactively identify any material or component quality issues that may be surfacing in your downstream manufacturing process.

For OEMs, distributors and retailers, with Einstein Analytics delivered through Sales Cloud PRM, you can provide them with a more complete perspective on seasonality, geographic demand, and delivery performance. It means they can align their own inventory and restock levels more closely to reduce risk of out-of-stocks, carrying too much inventory, or getting ahead of changing average lead times for delivery. It's also a powerful opportunity for you to showcase SKUs and NPIs they should be carrying but perhaps aren't, by providing them with an aggregate macro perspective of all your SKUs that are trending across all channels.

The screenshot displays the Salesforce Sales Cloud PRM home page. At the top, there's a search bar and a navigation menu with links like Home, Partner Programs, Accounts, Contacts, Reports, Dashboards, PRM Steps, PRM Step User Progress, and NE Courses. Below the menu, there are three main visual components:

- Top Deals: Indirect**: A horizontal bar chart titled "Sum of Amount" showing deals for various companies. The data is as follows:

Opportunity Name	Sum of Amount
Advanced Interconnections Corp - 20K	20K
Advanced Interconnections Corp - 30K	30K
Advanced Interconnections Corp - 32K	32K
Advanced Interconnections Corp - 5K	5K
Advanced Interconnections Corp - 8K	8K
Advanced Interconnections Corp - 10K	10K
United Partners - 52K	52K
Universal Services - 45K	45K
Vand Enterprises, Inc - 100K	100K
Vand Enterprises, Inc - 10K	10K
Vand Enterprises, Inc - 110K	110K
Vand Enterprises, Inc - 14K	14K
Vand Enterprises, Inc - 15K	15K
Vand Enterprises, Inc - 40K	40K

 The chart is labeled "As of Yesterday at 11:38 PM".
- Escalated Partner Cases**: A donut chart showing the status of escalated cases. The data is as follows:

Status	Count
New	10
Waiting on customer	0
Escalated	0
Warning	0

 The chart has a legend: New (light blue), Waiting on customer (dark blue), Escalated (teal), and Warning (green).
- Pipeline By Stage: Indirect**: A funnel chart showing the pipeline by stage. The data is as follows:

Stage	Count
325K	325K
90K	90K
10K	10K
1K	1K

 The chart is labeled "New B2B".

On the right side of the screen, there's a social feed with posts from users like James Preston, Erica Ware, and Harmon Manufacturing. The feed includes comments and likes. At the bottom right, there's a citation: "Simple Rules for Making Alliances Work, by Jonathan Hughes and Jeff Weiss, HBR. Reprint R0711H".

Analytics Success at GE Aviation

GE Aviation is a world-leading provider of commercial, military and business and general aviation jet and turboprop engines and components as well as avionics, electrical power and mechanical systems for aircraft, with a global service network to support these offerings.

Goal

GE Aviation wanted to get a clearer perspective on their sales and revenue process, track deal scorecards and monitor global orders and revenue across the multiple business units.

Results

Using Einstein Analytics, GE Aviation:

- Transformed analytics velocity, finding that Einstein Analytics dashboard development is around five times faster than their traditional Business Intelligence tools
- Improved visibility by enabling executives to dynamically filter between key product lines and drill into deals as needed.
- Delivered analytics self-service, with business leaders able to dynamically filter and drill down by product types, timeframes, accounts, opportunities, and by regions without requiring manual effort.
- Streamlined data flows, with daily dashboards that are always clean and up-to-date.
- Enabled sales mobility with dashboards that are customized for iPad and iPhone, and even Apple Watch so sales, service, and executives have access from anywhere.

Salesforce and Our Partners Drive Success for Manufacturers

Contact us to learn more





salesforce

THANK YOU.

