

CASE STUDY

MSC Industrial Direct

“THE IMPLEMENTATION OF THE PITNEY BOWES BUSINESS INSIGHT DATA QUALITY SOLUTION HAS BEEN A SEAMLESS TRANSITION FOR OUR CUSTOMERS. THEY EXPERIENCE BETTER SERVICE, AND WE HAVE IMPROVED PRODUCTIVITY AND SALES.”

Patrick Hashimoto, New Business Development Manager, MSC Industrial Direct Co.



Challenge

Following a company merger, MSC Industrial Direct Co. found that duplicate customer records were disrupting the business workflow and causing sales compensation issues.

Solution

MSC Industrial Direct Co. implemented the Pitney Bowes Business Insight Data Quality Solution to cleanse its customer database and reconcile duplicate customer records.

SUMMARY

MSC Industrial Direct Co., Inc. a Fortune 1000/Forbes Platinum 400 company, is one of the nation's largest direct marketers of industrial supplies and equipment. Since 1941, MSC has set the industry standard for quality, selection and customer service. With inventory housed in four large distribution centers throughout the U.S., MSC supplies a catalog of more than 500,000 products — selling everything from cleaning supplies and shelving to electrical tools and machinery. MSC reaches its customers through a combination of approximately 27 million direct-mail catalogs and CD-ROMs, 97 branch sales offices, 912 sales people and the Internet.

In 2006, MSC acquired J&L Industrial Supply and inherited a customer list containing hundreds of thousands of contacts. However, a significant number of these contacts were existing MSC customers. When the companies merged, the customer database was populated with duplicate customer records, resulting in a “compensation and logistical nightmare for our sales representatives,” according to Patrick Hashimoto, new business development manager, MSC Industrial Direct Co.

MSC sought a customer data quality solution to better manage and control its duplicate customer information. After evaluating multiple vendors, the company implemented the Pitney Bowes Business Insight Data Quality Solution. The criteria for selection included a number of technical and functional requirements, including usability, flexibility,

cost effectiveness and ease of integration with existing IT systems.

RESULT

Once the Pitney Bowes Business Insight Data Quality Solution was implemented, it was utilized across the entire organization, including the new business development team, marketing analysts and circulation managers. The new business development team relied on the Data Quality Solution to cleanse duplicate records. For example, if there is one customer in the system with two separate records, they likely had two different sales representatives providing services at different points. This caused internal confusion regarding customer service, billing errors and sales compensation.

To solve this major issue, “We built an entire front end interface with the logic of PBBI behind it,” Hashimoto explains. “There are user defined rules, which can be customized. It's not limited to a single industry or task and we can create rules specific to any customer segment.” The Data Quality Solution's unique matching analysis displays potential duplicates for each customer, which safeguards MSC against creating a whole new customer record when there is already an existing record in the system. In fact, MSC has been able to automatically resolve 45 percent of duplicate accounts based on recommendations from the Data Quality Solution. The rest of the accounts are resolved manually. The solution also allows

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a manager to view the sales representatives for each account.

Since implementing the PBBI Data Quality Solution, MSC has significantly increased sales force productivity. “As we reduce duplicates, we reduce billing errors and minimize internal compensation issues due to the elimination of backend adjusting,” said Hashimoto. With multiple sales channels via print catalog, sales offices and the Web, the reduction of duplicate customer records translates into real savings.

Marketing analysts also use the Data Quality Solution to track prospecting leads. They examine new customer acquisitions and match their records against the customers that receive MSC’s mailings. Previously, this was done via manual lookup, a time consuming and cost intensive process. Additionally, circulation managers use the tool to look at existing leads and determine how many are available for targeting by sales. MSC sends over 25 million mail pieces annually. With

the increasing cost of postage, the PBBI Data Quality Solution ensures that only one piece of mail is sent to each customer – and only when determined necessary.

Minimizing customer credit exposure is another additional benefit of implementing a data quality and cleansing solution. With the help of the Data Quality Solution, MSC can significantly minimize customer credit line exposure. For example, a customer with a \$10,000 credit line also had a duplicate record with a \$5,000 credit line, giving them a total of \$15,000 when they were only authorized to have a \$10,000 credit line.

“The implementation of the Pitney Bowes Business Insight Data Quality Solution has been a seamless transition for our customers. They experience better service, and we have improved productivity and sales,” said Hashimoto. “The tool is very powerful and easy to use since the interface is clearly built with the end user in mind.”

UNITED STATES

One Global View
Troy, NY 12180-8399
main: 518.285.6000
1.800.327.8627
fax: 518.285.6070
www.pbbusinessinsight.com

CANADA

26 Wellington Street East
Suite 500
Toronto, Ontario
M5E 1S2
main: 416.594.5200
fax: 416.594.5201
www.pbbusinessinsight.com



ABOUT MSC INDUSTRIAL DIRECT

MSC Industrial Direct Co., Inc. is one of the premier distributors of Metalworking and Maintenance, Repair and Operations (“MRO”) supplies to industrial customers throughout the United States. MSC distributes approximately 590,000 industrial products from approximately 3,000 suppliers to approximately 364,000 customers. MSC reaches its customers through a combination of approximately 27 million direct-mail catalogs and CD-ROMs, 97 branch sales offices, 912 sales people, the Internet and associations with some of the world’s most prominent B2B e-commerce portals. For more information, visit the Company’s website at <http://www.mscdirect.com>.

ABOUT PITNEY BOWES BUSINESS INSIGHT

Pitney Bowes Business Insight (PBBI), a division of Pitney Bowes Software Inc., provides a unique combination of location and communication intelligence software, data and services that enable organizations to make more informed decisions about customers, competition and market expansion. PBBI’s Data Quality Solution provides organizations with the most accurate, consolidated and up-to-date customer information to enhance target marketing, solidify customer relationships and increase customer satisfaction. Visit www.pbbusinessinsight.com for more information.