

Case Study 10 of 20  
Wireless and Mobile  
Applications  
Industry: Wholesale Dental

## >> THE BUSINESS

Since 1975, Ivoclar Vivadent Australia has supplied dentists with dental composites, materials and equipment products used in the dental practices and research laboratory.

There are 70 employees in Australia, with 40 based in the Noble Park, Melbourne head office. 24 sales representatives are continually visiting dentists to meet their order requirements.

## >> WHAT WAS INITIATED?

In May 2003, handheld personal digital assistants (PDAs) were issued to 24 sales representatives to collect orders from dentists on-site. Each handheld PDA contains a software package called mPower which holds a list of the 8,000 product range, together with pricing and stock availability. Once orders are keyed into the PDA and confirmed by the sales representative with the dental practitioner, they are sent from the PDA.

Prior to the introduction of the handheld personal digital assistants, sales representatives would verbally phone through orders via mobile phone. This system was costly due to long conversations with customer service representatives and often inefficient due to mistakes made by manual data entry of the order details.

Ivoclar Vivadent Australia licensed the mPower mobile software solution and purchased 24 handheld PDA's which were Bluetooth enabled. This allows the PDA's to connect with each sales representative's mobile phone which has a GPRS connection.

### What is Blue Tooth?

A type of wireless technology providing short range radio links, enabling users to connect a wide range of computing and telecommunications devices without the need to buy, carry or connect cables.

### What is GPRS?

General Packet Radio Service is a mobile network technology where data is sent and received far more efficiently than on current mobile networks, therefore delivering significant improvements for users sending small or large volumes of data.

*"You don't have to have a website to benefit from wireless technology. A sales team armed with simple wireless tools can improve service delivery and impress your customers."*

**Phil Jolly, National Sales Manager**

Since the introduction of the PDA's, sales representatives can:

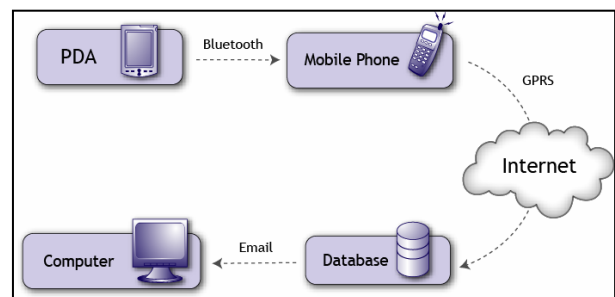
- Look up 8,000 products and prices in real time to answer client queries instantaneously
- Customer history can be viewed using a 'drill down' menu which is useful when planning sales calls
- Management can view all sales appointments using the customer contact management system
- Messages and tasks can be sent from the PDA to other staff members for action and reply.

Ivoclar Vivadent Australia has also benefited from the improved supply chain management by collecting and processing orders in the field as opportunities arise.

## >> HOW THE TECHNOLOGY WORKS

The following steps outline how the wireless and mobile application process works:

1. Sales representatives enter orders on the PDA
2. Sales representatives send order from the PDA using short range wireless radio links called "Bluetooth" to their mobile phone
3. The transmitted data triggers the mobile phone to dial up the GPRS connection
4. The data is sent to a secure externally hosted database where the order details are stored
5. The database confirms the order directly to Ivoclar Vivadent customer service in the form of an email.



## >> RESULTS

The PDA's were introduced to the business in May 2003 and were expected to deliver a positive return on investment by December 2004. This will be achieved mainly through savings on mobile phone bills and improved internal efficiencies created by easier access to customer, product and pricing information in real time.

## >> COSTS

The main expense was the upfront costs of the handheld PDA units at \$14,400 with an additional \$7,200 in annual GPRS connection fees. Operational costs include an ASP (database) monthly hosting charge at \$2,000.

## >> CHALLENGES AND PROCESS CHANGE

The biggest internal change revolved around the sales representatives who perceived the PDAs to be a mobile form of 'big brother'.

Because of the palm pilot's contact management functionality, manager's can easily look up the number of client visits, the date, time and outcomes of appointments.

Consequently, a cultural shift within the salesforce followed (for the good) because the PDAs created a more accountable sales force.

Interestingly, it was the more experienced and longer serving sales staff who embraced the wireless and mobile system more readily than their junior colleagues. Not only did they enjoy the technology's new features, they used them as a novel conversation starter with customers.

## >> FUTURE PLANS

Management at Ivoclar Vivadent aim to capitalize on the thousands of customer details the wireless and mobile system provides. Over the next six to twelve months, the customer data will be analysed and used to develop highly targeted marketing strategies.

Ivoclar Vivadent is also planning to integrate the customer database with a new Customer Relationship System (CRM) providing customer intelligence at their fingertips.

## >> REFERENCE WEBSITES

<http://www.just4markets.com>  
<http://www.just4dental.com>  
<http://www.ivoclarvivadent.com.au>

## >> REFERENCE eNOTES

eNote 13: Telecommunications  
eNote 18: Application Server Providers

## > E-COMMERCE PROFIT AND LOSS ANALYSIS

	2003
<b>Additional Revenue from eCommerce</b>	\$
Sales via the Internet	<u>22,000</u>
<b>Less: Cost of Goods Sold</b>	<u>12,000</u>
<b>Net Profit for eCommerce</b>	<u>10,000</u>
<b>Add: E-Commerce Expense Reductions</b>	
Reduced telephone bills	10,000
Reduced postage, freight, couriers and handling	2,000
Reduced paper and printer cartridges	4,000
Reduced cost for staff out of office to retrieve information	8,000
Reduced customer services costs	10,000
<b>Total eCommerce Expense Reductions</b>	<u>34,000</u>
<b>Gross Benefit from eCommerce</b>	<u>44,000</u>
<b>Less: Up Front Fixed Expenses</b>	
Computer hardware including modem	14,400
Staff training on technical systems	2,000
Telecommunications hardware and connection Costs (GPRS)	7,200
<b>Total eCommerce Up Front Fixed Expenses</b>	<u>23,600</u>
<b>Less: Calculate Operational Expenses</b>	
Hosting of Website (ASP)	24,000
<b>Total eCommerce Operational Expenses</b>	<u>24,000</u>
<b>Total eCommerce Costs</b>	<u>47,600</u>
<b>Total eCommerce Benefit</b>	<u>(3,600)</u>

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For further information go to: [www.mmv.vic.gov.au/casestudies](http://www.mmv.vic.gov.au/casestudies)

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