

Manufacturing Keynote: Building a Connected Industry 5.0

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Speaker A - 12.44%

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Notes:

- Today we are going to dive in to the future of manufacturing, to an era where, where humans and agents come together to drive customer success. We're going to share with you the latest innovation that Salesforce is launching to help support you on that journey.
- New revenue cloud platform natively integrated as part of the sales agreements. New pricing engine which is natively embedded. Introducing decimal precision for quantities.

This is how we are able to pivot all the pricing changes.

- Now let's quickly pivot into advanced account forecasting. If I'm a regional manager or a territory manager, I would like to see a holistic view of all of my products. This gives them drive the accurate forecast, but build relationships with their planning team. This helps you grow your sales revenue and profit your profit margins.

- We've introduced multiple capabilities on the embedded AI insights for the service agents. The next one is the asset telematics summary. The other big innovation is the inventory visibility and the product transfers. Driving the asset centric services really puts you ahead of your competition.

- August: What I'm looking at as a service agent is the digital representation of this asset, a connected twin. With the power of summaries for agent force, I'm now able to intelligently summarize all the asset information related to the various work orders. This drives the faster response times and then continues to increase my first time fixed rates.

- I am always inspired to hear our customers stories about how they're leaning in to the innovation that Salesforce offers. We talked about how an operational transformation is top of mind for manufacturers across the globe. You also can get a free manufacturing cloud trial with the QR code here.

Speaker A

00:00:10

Good afternoon, Dreamforce. I am Amy Armstrong and it is my honor to welcome all of you in the room and online to our manufacturing keynote. Today we are going to dive in to the future of manufacturing, to an era where, where humans and agents come together to drive customer success. We are going to talk about trends in the industry and we're going to share with you the latest innovation that Salesforce is launching to help support you on that journey. But first, we want to start with a, uh, thank you. Thank you to our customers, thank you to our partners, thank you to all of you for building the world around us and persevering through the ups and downs. But most of all, thank you for being with us today. On the screen you will see a QR code to our latest trends in manufacturing report. We just released this report last week. We talked to leaders at 800 manufacturers of different sizes and shapes all around the globe to really get a clear understanding of what was top of mind and where they're focused. And we're excited to share with you some of those results today. One thing that was top of mind to almost everyone in the study was that they could not continue to do the same thing and see success. In fact, 85% of respondents said that they needed to change their day to day operations in order to stay competitive. But only 40% felt that their operations were in an optimal spot today. So that leaves a lot of room for improvement. These manufacturers are saying that they were going to make significant changes, if not complete overalls to their operations. And this was being driven by increased technology budgets and investments in things like plants and equipment. And both of those are expected to see a rise over the next year. So when we asked these manufacturers where they were going to

start, we saw some key themes around sales, marketing and service. In fact, almost all manufacturers said that they were making an investment in changing their sales and marketing operations. And this was being driven by things like rising costs and eroding profit margins and the need to find new ways for profitability. And when we asked manufacturers how are they going to prioritize this transformation, we heard things like, we need to rethink our pricing strategy, we need to lean into sales and marketing effectiveness. We need to find ways to get our products to market faster. Another key place where they said they were making investments was service. And the key three themes that we heard from the service perspective were we need to make sure that we're leaning into customer loyalty and satisfaction. We need to ensure that we are differentiating ourselves from our competition and we need to increase the lifetime value of our current customers in the world today, our customers expect a more personalized experience and that along with competitive pressures globally, makes it more expensive to acquire new customers. So it's critical to the manufacturers that we are retaining our current customers, deepening our relationships and finding new, profitable ways to do this effectively and efficiently. In almost every conversation I have with executives, I hear that they're looking to improve the customer experience, but they want to do that while also lowering the cost to serve. Another m thing that we heard was, hey, it's not just us and I'm sure a lot of you here in online sell through partners or channels. And we heard that over 46% of the respondents said that partner channel communication was top of mind. Whether that is collaborating on opportunities, whether that's optimizing sales agreements, or whether it's finding new ways to go to market with a channel partner, these are critical extensions of our manufacturer's business. And what you've all heard this week is that we have a new extension of our business. There's a new extension that can help us to augment work and drive efficiencies and that's agents, and agents are driven by AI. And in this survey we found that only 5% of respondents said they weren't doing anything with AI today. So it is critical for manufacturers to have a plan around enterprise AI in their organization and it needs to happen now. But that cannot be done in a silo. In order to have an effective enterprise AI strategy, data and integrations are key. Data is going to be the most important part of a successful AI strategy and no one knows data better than salesforce. So with that, I would like to welcome my colleague and friend, Tony Kradoville, VP of industry solutions and strategy, to share with you how Salesforce is leaning in to empower this journey to the next era. Tony.

Speaker B

00:05:58

All right, thank you, Amy, for kicking us that way. Everyone's advantage of. You saw a lot of slides up here. Plan B. Yeah. All right, uh, thank you, Amy, for kicking us off and everyone taking advantage of this survey. Um, that's available to you. I saw a lot of you clicking on the QR code. Um, all those charts are in there. The survey itself is almost 90 pages long and it's also segmented by type of manufacturer. So if you're interested in what your peer groups are doing, you can look at building products and say, okay, what does that peer

group do around these questions? Uh, it's a great way to shape your plans, shape your strategies, and also, uh, your investment priorities. Um, I really want to thank everyone for attending today. Uh, Dreamforce is a great way to learn about Salesforce, but frankly, it's also a really great way for us to learn about what your needs are and what your priorities. I've had a lot of amazing conversations this week and all this helps really guide and shape our product roadmap. So thank you for participating in that. Um, a couple things I'd like to just summarize from the survey what we heard from Amy Washington. There's a clear focus on business transformation. That's nothing new. We talk about transformation all the time. But I think what's different now our customers are trying to fundamentally transform how they go to market in a lot of ways. Manufacturers in the past have been very product centric. We engineer products, we build them, we ship them, we get them through distribution. But at the end of the day, transparency in the market is so great. Our competitors are very responsive. Competing on the basis of product alone is very, very difficult. And beyond that, um, you have all compressors coming from different regions and all types of things coming at you. Um, thinking about your business beyond the product is important. And this includes things like services, it includes things like subscriptions, it includes whole different ways of pricing your products rather than just static pricing, um, matrices, uh, and that type of thing. M just one example. But we also think of things around service. How do we monetize the lifetime value of assets for the asset manufacturers that are out here? And then also how do we reinvent and rethink our distribution channels? Um, a lot of us, about 70% of the manufacturers in the room go through distribution as a way to get their products to market. Um, you want to be on the same page as your distributors and that's fundamentally important. It's something we hear over and over again. Why is this? Why can't we do this now? I think a lot of you that have been part of the Salesforce ecosystem for a while have seen variations of this slide. It hasn't changed. I've been doing this for 30 years. This has been the fundamental problem in manufacturing forever. We can't get out of this data challenge and this system challenge and this management of it systems. For every consolidation project that we do, we acquire three more companies with the 20 other systems. It never ends. Where customers with Salesforce and I kind of classify them as the upper quadrant ones that are getting the most out of the platform. They truly treat that as a platform for all customer engagement. So you're not necessarily replacing all these systems in the back office. But you're insulating your customers, your employees, your channel partners, your customers from that complexity and you're able to do it in a very nimble, cost effective, timely manner. And that's really I think the fundamental value prop of Salesforce in manufacturing. We've been doing this a long time. We've had variations of the Salesforce platform. I've heard a lot of comments throughout the last couple days is I wish you guys could stop renaming things all the time, but that's what we do. Um, but the Salesforce platform is fundamental to all of our products, our product strategies, key tenants of it remain the same as they did 25 years ago. It is one platform. So all the manufacturers in the room are on the same version. Very important point that we don't talk about enough, but you're not getting into version gridlock, you're not getting behind on upgrades, that

type of thing. It also allows you to innovate. So it's a metadata driven platform. You can create innovation, create customizations while still staying up to date. Customers have been taking advantage of this for a long time. Manufacturing is our third largest segment overall at Salesforce. Know it's a great set of use cases for manufacturers in general because it is the platform. Innovations that we come up with can be applied to it and our customers can take advantage of it. We're going to talk about how that plays out in our industry strategy and our industry clouds as well, including manufacturing cloud. Um, we weren't talking about agent force two weeks ago. Right now that's available to you because of this platform concept. So again, something just to kind of keep in the back of mind and why that's so important. What do manufacturers do in Salesforce? We get especially new customers. They're new to the Salesforce ecosystem. They know the brand, they know the company. Say geez, we think you're an innovative thing. We've heard about you a lot, but we don't really know what you do right. If we think you're a CRM tool to just kind of clarify and simplify, we tend to think about manufacturing use cases in four big buckets. Commercial operations, this is Salesforce automation. Key account management stuff you'd expect out of a CRM system. But we've extended that to include key back office elements. This includes things like product catalogs, includes things like orders forecasting, like true forecasting for a run rate business. That's this area of commercial operations. Service experience is big and this applies to all manufacturers. It gets really complex for the asset manufacturers in the room for us. We've leveraged and continue to build on the capabilities and field service. We've had assets inside of Salesforce for a long time now. We're going to share a lot of exciting innovations in that space today, um, as we get into the demos and the details. The third area is partner engagement. Roughly 72% of manufacturers have some type of distribution channel or partner network or contractor network that they take their products to market in. Fundamentally, having that partner on the same page as you, as your employees, having access to the same data but doing it in a secure manner is important. We've taken advantage of the capabilities in experience cloud to build visibility into all the processes, the data elements, the data objects that we've created. So that's another key area. And then the fourth area we know none of this works. At the end of the day, Salesforce isn't the system or record for a lot of this information. So having a strategy that ties into your ERP systems, your supply chain tools, pricing tools and so forth is incredibly important. And we call this the fourth area of investment, translating uh, data and insight and action, obviously a big area. Right. We haven't talked a lot about that this week. All right, we've had this platform again for 25 years. One, uh, key innovation that we started five years ago was this concept called manufacturing cloud. And that's this guy in the middle here with the gear. Manufacturing cloud is fundamentally four key elements. Um, it's a packaging strategy for one respect. We've taken sales and service cloud and we've included all that capability inside the manufacturing cloud product set. On top of that, we've created specific objects for manufacturers. What does that mean? We've built out the capabilities around order, being able to aggregate orders and see them in the context of contracts. We've expanded the capabilities of forecasting, made it possible to pull in a uh, sales and operation planning process into Salesforce. We've

expanded service capabilities, that's all fundamental to what we call manufacturing cloud. Is it a managed package? No, this is actually built in core Salesforce. And what that allows you to do for existing customers that are on sales cloud, service cloud, want to take advantage of some of this capability? You turn it on, it's in your orgs already. So we've tried to make it simple for customers, easy to adopt and take advantage for the investments that they have in place already. The third layer on this chart from the bottom up is what we call uh, their platform elements that we've added. We call it flow for manufacturing. I'm not going to go into all these, we have a lot of sessions on them today, but we've added elements that help scale for the data complexity of manufacturers and also help us innovate quicker. So the things like the data processing engine omnistudio are available to customers and we use that to build the manufacturing specific applications. We won't go through all these today because there's a lot in manufacturing cloud at this point, but applications are built on top of the stack. So we have applications supporting commercial operations, visibility to forecast rebates. Um, we're working on a bunch of things in the revenue cloud space that we'll talk about on the service side. We've also created manufacturing specific councils, uh, asset views that are incredibly important for asset centric manufacturers. All that's available in the application space and we continue to add to that. Everything's released three times a year. We're on the same innovation schedule as the rest of Salesforce. So you know, you can kind of plan the same way that you have in the past and your Salesforce admins can get this enabled right away as well. So again, we want to make it the easy button and nothing at the end of day is 100% easy. We try to make it as uh, best as we can. Okay, on top of that we've created um, specific analytics for all this. So this is in addition to the manufacturing cloud, um, product set. And then if you think about the other elements of Salesforce, revenue cloud, commerce cloud, data cloud, uh, those dovetail into it because it is based on the platform. So any innovations that we announce you can take advantage of. Okay, so let's talk about a couple of these innovations and actually see them in action. On the commercial operations front, we're excited to announce a couple key things that are available now. One is embedded AI insights. So we've taken generative AI technologies and applied them to sales agreements. So what is the health of my contract? Contracts get really complicated. They have a lot of part numbers on them, potentially a lot of categories, a lot of volumes that you expected, pricing as orders come in. We're able to track progress against that contract and ultimately generate a view for your account teams as to the health of that business with the customer. On top of that we've added sales agreement enhancements. Uh, those include a couple things. One is we've aligned with revenue cloud, revenue cloud. For those that haven't had a chance to take a look at it, spend uh, some time with the rev cloud, uh, the product area, it's a fundamental rethinking of the world of CPQ. So rather than buying a monolithic CPQ package, relying on what you have in your ERP system, Salesforce has decomposed the world of CPQ into four elements, product, catalog, pricing, quoting, and ultimately a configurator. It gives you ultimate flexibility. You can use any of this, one of the services, all the services. It's a consumption based model, so you're not being forced to buy like a big monolithic package. Right. So we're really excited about the potential of that.

We've actually started to integrate the product catalog and the pricing services into manufacturing cloud, and that's allow us to do a couple sales agreement enhancements as well. And we'll get into that in a demo, uh, right now. So, nada. Why don't I invite you up in August, join us on stage.

Speaker C

00:17:51

All right.

Speaker D

00:17:59

I'm part of our manufacturing, uh, product team. Before I proceed with innovations, I would like to thank our demo driver, August Chris. He's a one man army who made all this possible. So let's get started with the manufacturing sales innovations. As a sales representative, I'm currently looking at the sales agreement, which helps you to collaborate with your customers and partners to be able to drive effective sales planning. And it helps you compare what is planned versus the actual order quantity, which continues to streamline the entire customer demand and effective sales processes. On the right hand side, with the power of summaries for agent force, I now have the ability to summarize and look at the sales agreement performance. And this is a big deal because if you think about the sales agents and if they are partly new to the account, or they might not have all the insights, it helps them really focus and hone in on where the discrepancies are with this performance and have an effective conversation with customers. So imagine this customer has requested us to add couple of new products in the mid cycle of the sales agreement. What you're looking at is the new revenue cloud platform, which is natively integrated as part of the sales agreements. And you look at this entire rich configurator and product catalog experience and then be able to add the various attributes and specifications, such as what are the various packaging elements, what's the quality of this particular product that's being added. And this is huge. What is exciting is that we also have the new pricing engine which is natively embedded as part of this process. So that way, as a sales representative, I could instantly update my price and get a feel of how things are proceeding. To have a conversation with the customer, let's go ahead and add all these products into the sales agreement. And then what I'm looking at is the new product that's been added. And then now I have the ability to be able to quickly look at what are the attributes that have been different for the new product that's been added, whether it's the high viscosity on the quality or the various packaging elements that are added. But let's wait. I don't know if some of you noticed, we now have duplicate products within the same agreement. We now have innovated and introduced a programmatical manner to be able to change the display name. So you now have the ability to go back and change the display name, so that way you can distinguish between what products have been added, all keeping the same product SKU. What we've also introduced is introducing the decimal precision for quantities. This has been a long pending request, but this is a great deal for a lot of process manufacturers in the room to actually precisely identify the

quantities against it. So this is how we are able to pivot all the pricing changes that are requested by the customer, stay compliant, and continue to drive revenue margins protection. Now let's quickly pivot into advanced account forecasting. So if I'm a regional manager or a territory manager, I would like to see a holistic view, macro view of all of my products and the various quantities and revenues across my sales agreements, across all of my net new opportunities, which are part of it. That way I can have a, uh, very effective conversation with the customer on the whole forecast. That's part of it. What you would also see is, again, powered by summaries, by agent force, is that you have the ability to summarize in a very quick manner as to how the performance of this overall forecast looks like. This is a big deal. I came from a manufacturing organization where the sales planning team doesn't want to believe the sales forecast team. So this actually gives them drive the accurate forecast, but build relationships with their planning team. Now, just to summarize, what you just looked at from a manufacturing sales innovations, is that you have the ability, with all these, uh, innovations, to have more effective relationships with your customer, navigate through all the nuances of the various demand changes, but more importantly, helps you grow your sales revenue and profit your profit margins. Now, August, why don't we switch over to the manufacturing service innovations? So what you're going to look at is the various service innovations that, uh, we've unpacked through the course of last twelve to 18 months, tagging along the theme of AI and agent force. We've introduced multiple capabilities on the embedded AI insights for the service agents. So the first one is the asset and the warranty summary. If you think about if I'm an agent and I'm working with a customer, I might or might not have touched that asset and it might be the first time. But how do you quickly summarize the entire information that's available related to the assets, its various warranty claims, the entire service history? So it gives me a quick snapshot to have a more intelligent conversation with the customer. The next one is the asset telematics summary. If you think about the ever growing number of connected assets and then being able to capture all that valuable telematics information, it could be the uptime, it could be the performance monitoring pieces of it. How do you again quickly summarize all that information which is part of it now? We've been pivoting a lot in terms of making sure that we also incorporate all the asset centric services. Because customer has always been your primary stakeholder. That's a given thing. Now. However, for manufacturers, asset is also an equally important entity, a Persona by itself. And driving the asset centric services really puts you ahead of your competition. So there are various innovations part of the asset centric services such as we have introduced. If you all remember the warranty lifecycle management last year, we've also introduced the supplier recovery, which was the last mile of that end to end process, which really helps you to be able to go back to your suppliers and recover that money, because otherwise all this money would have been left on the table. And this also helps you reduce your revenue leakage. The other big innovation that we have introduced is the inventory visibility and the product transfers. This actually gives you the ability to have all that inventory data in the hands of an agent or a technician to be able to understand what's the right inventory levels, be able to search through it and then initiate product transfers. If you're all thinking

this is what the service innovations are, then let me tell you, I'm happy to introduce that we have two more significant product innovations that we've released recently in summer asset service lifecycle management and connected assets. This is where I get very excited and passionate about it because this continues to drive more and more innovation headed towards the right direction of asset centric services. In the asset service lifecycle management, we are looking at the entire lifecycle of the asset, all the way from establishing the install base of the asset, capturing the information of the various warranty terms the entitlements, what are all the various services, maintenance plans, work orders that are part of it. And then as part of the connected assets, we are actually going to bridge the gap, which has always been a huge gap between your IoT Telematics island, if you will, and then the service execution engine, which is Salesforce. So connected assets give you the ability to be able to bridge gap between these two worlds. So that way when you have a real time event, a fault code, it could be an engine oil leak, it could be fan motor, um, getting overheated. How do you take that event and then be able to drive more and more proactive service and maintenance? So with that, let's take a look at all these service innovations in action. August, why don't we show them all the service innovations? So what I'm looking at as a service agent is the digital representation of this asset, a connected twin which continues to showcase the most critical asset information, such as the serial number, the accounts, contacts, milestones, give you the information related to when it was manufactured, when it was installed, and the entire service events that are executed on the right hand side. With the power of summaries for agent force, I'm now able to intelligently summarize all of this asset information related to the various work orders, the various warranty claims, and more importantly, we are also bridging gap with the IoT telematics data. It gives me a good synopsis, which really helps me imagine if I'm a technician. This drives the faster response times and then continues to increase my first time fixed rates. On the left hand side, I have the real time visibility into the entire asset revenue and health score. This is all powered by data cloud. One of the key performance indicators of asset health score is the age of the asset, the condition of the asset. This really helps me drive towards better diagnostics and then gives me a head towards the predictive service. Now, with all these insights in hand, let's go back and take a look at the alert. So there was an alert which highlighted that there is a fan motor overheating situation. I don't know what's going on. Let's establish a communication. So by doing that, I'm actually making a real time connection to the asset, understanding what are all the various conditions that are performed. And once I do a refresh, I'm actually looking at a, uh, firmware update that was attempted. But wait, it's been failed, so there must be something going on. But how do you think all this happened? And this is where we have our new connected assets event orchestration framework, which is really helping me declaratively capture all the events that are emitted by this faulty equipment and then be able to define what kind of actions needs to be taken. Do I need to send an sms, create a case, create a work order, maybe dispatch a technician if it's an emergency situation? So this is all powered by the business rules engine, which is orchestrating all these rules behind the scenes. So let's go back and take a look at the fan motor in order to repair it.

What do I need to do? But before I go to work order, let me take a look at the various entitlements, because I need to know what's covered and what's not covered. On the right hand side, I now have the ability to look at all the various entitlements of this asset, what's covered and what's not covered. Like in this case, it says, I've consumed four out of ten work orders. And then as part of the warranties, I also know that this particular fan motor can be fixed. Let's go ahead and dive into the work order that was created. Now I'm into this work order page, and I'm looking at all the information that's associated with the asset. But then I also have this interactive asset hierarchy which actually gives me the ability to pinpoint exactly which particular component might have had this issue. I also have actions which can actually instantly do a part swap and then instantiate the warranty as well. On the right hand side, as part of the asset service prediction, it's actually educating me in terms of, hey, there is a battery situation. So there is a, uh, 85% chance that there is a malfunction that's happening. And it is recommended that the battery needs to be replaced. I'm going to go ahead and take that recommendation, but then that particular part perhaps is not covered. So in that case, I would need to go back and look at my inventory. Do I have the right inventory of this particular battery model? And then how do I actually go ahead and execute my job? The other piece, which is also important, is for certain repairs which are not covered as part of the, the warranty, I would need to do a work order estimation again for the very first time. You now have the ability to be able to then, and there itself generate a, uh, most accurate quote which takes into account all the various products, the assets that are needed, the various labors, and then be able to generate the most accurate code. So let's pivot back. So imagine that as a service agent, uh, as a technician, I finished my job and then now I'm ready to, um, go ahead and look at the warranty claim that was already submitted. So now here as an adjudicator, I'm actually looking at my warranty claims record. I have all the information in terms of the various asset warranty terms that are highlighted here, what's covered and what's not covered. I also have all the payment information that has been captured. And then on the right hand side I have these nice embedded analytics which gives me information about all the various metrics related to this claims processing. I do see an orange bar which actually highlights that I need to initiate a service part return. I know for a lot of manufacturers you need to have these faulty parts, the core to be returned back in order to drive the warranty claim approval processes. So here I'm actually looking at the fan motor which has actually been returned back in order for it to be covered under this particular warranty claim. It doesn't stop there. The final mile is supplier recovery. You now have the ability to be able to cover the supplier recovery claims as well, and this gives you the ability to close loop with your supplier and continue to drive more and more revenue, reduce your revenue leakage on that. So in summary, manufacturing service innovations with the power of Salesforce platform has really helped the service agent be able to drive more and more proactive and predictive service. It helps continue to increase the efficiencies of your assets, reduce the downtime, and more importantly, create exceptional customer service. With that, I'll hand it over to you, Tony, for other innovations.

All right, thank you, Nanda and August. Um, some amazing things. The team's been working really hard on this and again, I want to thank everyone for their contributions, uh, as an ecosystem to helping shape this strategy. Um, I'm going to pick up the pace a little bit here. We want to just kind of wrap up with two other areas of innovation, just more from awareness standpoint, uh, from a partner engagement standpoint, we've added into manufacturing cloud, um, basically views into things like claims forecasting, sales agreements. We're building on that innovation with the ability to basically drive more complex pricing programs, uh, into your distribution channel. This includes the development of an inventory capability to support the sharing of inventory position with your distribution channel. On top of that, we have a function coming in the spring which, um, effectively protects your distributors against, uh, prices that you've negotiated with your end customer, but you're fulfilling through distribution. So a price protection mechanism for distributors. Um, the semiconductor folks in the room will love it, but I know a lot of other, um, manufacturers, uh, go to market that way. And then finally, based, um, on customer feedback, we're building capability to improve transparency in our data processing engine, um, supported elements in our platform. And this includes things like rebates, finally on the data, aih, an insight track. There's two key areas to think about here. We gave you a preview of some Einstein for manufacturing generative AI based summaries. That's just a start. We have a whole list of them coming over the next six, uh, months, so definitely stay aware of that. Um, right now, there's five that are coming in the winter release, but more to come on that also the connected, uh, products, um, demo that we saw, the foundation for that, for at least the collection of the telemetry data can be supported by data cloud. So when you're looking at data cloud use cases, just know that we've actually created a set of objects in data cloud to support, uh, assets and telemetry. A lot more innovation coming in that space. But if you think about now, you have both customer and product now available in data cloud, as well as the telemetry associated with it. All right? All the stuff is laying the foundation for agents. So like I said, being on the platform, it really allows you to take advantage of new innovations as they come out. Agent Force is available for manufacturing cloud to take advantage of the core functions of sales and service. On top of that, we're going to be building additional agents that take advantage of things like forecasting sales agreements and so forth. More to come on that, but just know you can actually start using this on your manufacturing cloud orgs and definitely take the time to learn about that. Uh, you've probably seen this multiple times during the day here, but you go ahead and you can pilot it right now, there's tons of sessions on Agent force here at Dreamforce, so certainly take advantage of it while you're here. With that, I'm going to close and invite, uh, Mark Flynn up and we'll have a panel discussion to round out the session.

Speaker C

00:37:49

All right, thank you, Tony. Thank you, Tony. All right, many of you know that, uh, Salesforce has had a long, great track record of driving customer success and driving innovation

alongside of many of you in the audience today. Some of you know that some of the best innovations on our platform have actually come from our customers. So what I wanted to do is invite two trailblazing customers up to the stage to join me, Brent Circa and Steve Reed. If you'll come on up onto the stage. So Brent is the CIO of Warren Caterpillar, uh, and that is uh, one of the largest and fastest growing caterpillar dealers in North America. Steve Reid joins us from Daikin and Steve has uh, the joy of having two roles at the moment. He's been the chief transformation officer for the last couple of years and he's also running sales right now for the organization. So we're delighted to have each of you uh, here with us today. So I may start with you Brent, and just ask you maybe talk a little bit about your uh, organization and your journey with Salesforce.

Speaker E

00:38:52

Sure. Again, thanks for having me. This is exciting. Glad to be here. Is everybody having a good time? All right? Very good. Well as you know, you know we are a caterpillar heavy equipment dealer. So when you look out and you see a skid steerable dozer, you know, that yellow paint, that's, we're a dealer for that. Um, we're located in West Texas and panhandle of Texas and all of Oklahoma. And you know, really we started in service so we kind of took a different tact and we really started to implement that over the past twelve months. Well about halfway in we realized that there is a value in having other items. So we embarked on this journey and said okay, you know, how can we take all the information that we're doing every part of our business, which is rental, parts, sales and service, how can we combine that, make it into one, three, six, customer view? I mean that's what Salesforce does. So we embarked on this manufacturing cloud journey and it's really exciting because we're currently uh, implementing uh a full rental management system and manufacturing cloud built just on the platform, no hooks, no customization. So it's really exciting to see where uh, we're going because there's a need in our industry. It's very bespoke, very customized to each of those lines of business and we knew there had to be a better way. So it's exciting to step back and really think about the future and knowing that we already have all of our service, we have all of our customers, we have all of our assets now, we have those products now we have that full lifecycle, um, that we can transact, check equipment in, bring it back and do it all over again. So we're really excited because we're actually um, implementing here in the next month with all of that. So exciting times.

Speaker C

00:40:40

Yeah, it's great to hear. And one of the things is with the data foundation that you've established, you've been able to go after all those high margin businesses like the services, aftermarket parts and the rental business. So great story, Steve, I may pose the same question to you. Talk about your organization which is sort of vast at the moment, but also uh, the journey you've been on with Salesforce.

Yeah, ah, thanks, thanks for having me. So yeah, so daikin uh uh, is a global company. Uh, we're the largest h vac manufacturer in the world. So it was a pretty big piece. The largest piece of that business is here in the United States. Uh, and we're on quite a journey uh, at the moment. So um, we are truly trying to transform our business a little bit just to keep up with the demand, uh, with the consumer. Right. And our customers. Because I look at the business two ways, both with internal customers but then also with external customers. And so we're attacking both. We're just trying to enhance that experience for both. So we are in the middle of changing our ERP, um, as well as here obviously with Salesforce, our CRM and we are also doing a little different. We're kind of going at it all together, um, um, end to end. I think there's seven clouds I think we're using. Uh, we launched them all. We're um, six months into the build. Uh, we're about a year into the process. So we're just entering this journey and um, we're excited about it but we're really trying to make it an end to end experience uh, both for internal and external customers as we just got to enhance it.

Speaker A

00:42:06

Right.

Speaker F

00:42:07

The world's moving forward. Uh, so we have a tremendous opportunity to keep working on this, um, as we move forward, uh, it is a complete end to end and we're going to have elements of, we do have a service piece of our business as well. We have a parts piece distribution as well, um, multiple channels. Um, we have some company owned distribution, we have some independent distribution. So it's uh, a fairly complex model. Works uh, well um, uh but we've been able to truly put this together with salesforce, particularly on our front end, the back end office, the manufacturing, the erpps. Uh uh, that's certainly part of it but I uh, think the most complex is we call it our front end office and that is the piece that Salesforce has partnered with us on to uh, truly help us uh, on our journey.

Speaker C

00:42:55

Steve, six months into his deployment and they're already asking to bring it all to all other countries around the globe. That's the part that he didn't share with you yet. So he's being pressed on a global rollout at the same time.

Speaker F

00:43:04

Yeah, I mean, we truly are working on a one daikon approach, uh, where we are going to take what we're learning here in North America, um, this journey, uh, because it is true end to end, uh, um, we are having other parts of the world starting to look at it and say, hey, well, what are you doing here? You're having an amazing, uh, program. Um, it's going

very well. Um, you know, we picked the right partner and we're sure of it. Um, and so we are trying to help, and maybe we can take some of these best practices and things that we're learning here that we can go and share with the other parts of the world.

Speaker C

00:43:35

Yeah, that's great, Steve. Thank you. Brent, um, you and I share this philosophy of, uh, solving for the 80 20 rule and not letting the edge cases necessarily get in our way. Can you talk about how that 80 20 philosophy has allowed you to really drive adoption and innovation at a high rate of speed?

Speaker E

00:43:51

Yeah, it makes sense. Right? For scalability, for elasticity to grow in your business, you have to remove the customizations, and 80 20 is kind of that number. But I'm happy to report we are actually at 0% customizations with our rental management system right now. And that's pretty, it's empowering, it's incredible, but the product can do it, and so you're really looking at configuration, not customization. So getting the right people in the room now becomes easier. Finding the right talent, finding anybody you need now becomes a part of the process, instead of having to go out and say, well, what do you do? Can you customize this? Whereas now we have the ability to really just jump ahead of the rest. And so it's an exciting time to think, you know, I've never been in a situation where you've had 0% customization.

Speaker C

00:44:39

Yeah. And it's really shifting the paradigm. So the interesting thing with Brent is the OEM is actually knocking on his door saying, hey, can you show us that solution that we built? Because we think it may be good for the other 170 dealers around the rest of North America and around the rest of the globe. So it's an interesting switch that you've driven there. Um, Steve, you talked about the ERP transformation, so how are you able, you know, oftentimes we have customers say, hey, we're going to do back offsite, going to do front office, we're going to do back offs first. How did you guys sort of prioritize through that decision making set of let's do it both together.

Speaker F

00:45:09

Yeah, I think, um, uh, we started out with a pretty thorough, um, uh, investigation into this, right. We knew we wanted to do both. We um, gathered a team of people together. Um, we actually staffed and resourced this as permanent, um, positions so that we knew we had the right staff at the right time to help us. We looked at it, really, the front office. We want to get done a little bit, uh, earlier. Um, we're going to change. The Erp is a big process. Right. We have multiple manufacturing facilities in North America, so that's a longer, uh, process. We felt, but we felt that it was more impactful to do the front office

first. We thought that would impact the customers much, um, more than maybe the ERP would, um, because we needed some, uh, enhancements. Right. We, we um, we kind of started on this. We got a group of people together and I think that was a big key that I think we, we did, uh, I think we did it right where we invested in bringing people together. We had a meeting. We understood what, what we were solving for and uh, you know, once we got the people together, because to me it's people, it's process, then you get to technology. So we spent a lot of time on gathering the right people together. Then we did a lot of on the process. What were we trying to solve for? What was the end of the game? And so by doing that before we got to the software, we think it went, um. I won't use the term I usually use about the speed of which I like to do things, uh, but I do think execution is really important. And so once we had the plan together, um, chose the partner. I'm very clear on that. And then we have to keep moving very quickly. We have a very aggressive plan. Um, we're doing, you know, this. Our part of the front office of Salesforce is a 26 month transformation. That's pretty quick. And in six months we've got the seven clouds up. They have a very good process and plan that's working well. So I, but I think it was in the detail and planning up front that got us there.

Speaker C

00:47:05

Yeah, it's a go slow to go fast mentality. And many of our customers today are saying, hey, if we did, if I look back at our process, the one thing I'm glad we did right was we went very, very slow. Slow and more meticulous in the use cases and the user stories upfront. And you guys did a great job with that. Brent, um, we see many of our customers, we go through a quality discovery process with many of our customers and then the customer says, hey, we want to do this transformation but maybe it backs down and it's a renovation of one particular business unit at first. So for customers on the sort of brink of renovation versus transformation, any council.

Speaker E

00:47:39

That that you would offer, I will say that having a partner there and we use an implementation partner, that's a big part of the transformation piece because they have to understand your business. They have to understand does it make sense to change the way we do things. And so it's finding that value that you can implement that will help you transform. Otherwise it's just going to be a renovation after renovation, after renovation. So the importance is finding the right people and looking at the process. Obviously the product's important but it really is about the value and finding that.

Speaker C

00:48:16

Well, we are thrilled to have the both of you here. I'm going to thank you both and turn it back over to Amy to wrap us up.

Thank you.

Speaker C

00:48:23

Thank you.

Speaker D

00:48:30

Awesome.

Speaker A

00:48:31

Thank you, Mark. Thank you, Brent. Thank you, Steve. I am always inspired to hear our customers stories about how they're leaning in to the innovation that Salesforce offers. So today we talked about a couple things. We talked about how an operational transformation is top of mind for manufacturers across the globe. We talked about how manufacturers need a, ah, data and AI strategy now to stay competitive in the industry. We shared with you some of our exciting new innovations on the platform, including agent force. And hopefully we showcased how Salesforce can provide that agility that's needed for manufacturers as you take your journey to the next and new era. But the learning doesn't stop here. We have two resources for you here. If you didn't get it already, that transit manufacturing report is up and live. Um, as Tony mentioned, it's a lot longer than what we covered off on here. You also can get a free manufacturing cloud trial with the QR code here. So with that, I'd like to thank all of you online and thank all of you here today for joining us and thank you for partnering with us as you continue on your transformation journey.