

Building a Knowledge Management System with Hughes Supply

In 1956, Florida-based wholesale building supplier Hughes Supply installed its first computer—a card processor. Today, with nearly 8,500 employees and 482 sites in 34 states and Mexico, the company maintains multiple mainframes, and supports approximately 4,500 PCs throughout its enterprise.

Clarence Hughes and his son Russell founded Hughes Supply in 1928 with a \$10,000 loan and the philosophy, “You can’t do business out of an empty wagon.” Today, that same philosophy has propelled Hughes Supply to \$3 billion in sales and eight product divisions.

In the past, Hughes Supply grew its business through acquisition, and the number of employees and customers dramatically multiplied. By the year 2000, Hughes Supply’s inventory had swelled to more than 250,000 construction, HVAC, plumbing, electrical and PVF products. Leveraging knowledge throughout its enterprise was no longer a simple task, and, with each acquisition, became increasingly burdensome.

Three support centers were created in Information Technology to aid Hughes Supply branch-location employees with their PC and point-of-sale questions. The company not only needed to get a handle on these internal support centers, but they also needed to find a way to provide internal customers with the knowledge accumulated in these centers.

“Although we had provided support for several years, the tools in place for analysts were

not very efficient, which made providing service difficult,” said Christine Edel, Information Design and Development Manager.

“Our first-call resolution was at about 55 percent. We knew at that point that we had to get a handle on our level of service.”

When Hughes decided to make the move to implement a knowledge management solution into their internal support center, they began to bring potential vendors in one at a time. They narrowed an initial selection of 10 vendors down to two, one of which was ServiceWare.

“We brought ServiceWare and the other vendor into the same room, and allowed our analysts to demo both products. In the end, they selected ServiceWare,” said Edel.

Hughes also was looking for a solution that would integrate with their new call tracking system, ServiceCenter (created by Peregrine Systems). They found the answer in ServiceWare’s eService Suite and its patented, self-learning Cognitive Processor®.

“We liked the product. The user interface was very clean and we thought was very intuitive for our users. And the fact that the database was self-learning, we felt, would give us the advantage of getting to the right solution for the customer as quickly as possible,” said Tom Ward, Vice President of Information Technology.



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Hughes also was impressed with the knowledge and capability of ServiceWare’s Decision Integrity Team, a consulting team of industry experts that helps companies make wise and informed decisions about knowledge management.

“One of our requirements was that we wanted a vendor that wasn’t just going to install the software and then leave,” said Edel.

“ServiceWare fit the vision we had when we were choosing a vendor—they seemed sincerely concerned with not only helping us to implement the solution, but in staying around post-implementation for guidance.”

“We felt there was a tremendous commitment to customer satisfaction,” said Ward.

“The primary benefit that we have received at Hughes Supply from using the ServiceWare product is that we are getting better quality, faster resolutions to our (internal) customers.”

Hughes chose to implement two components of eService Suite into their internal help desks: eService Architect™, which is used to build and maintain knowledge, and eService Site™, ServiceWare’s Web-based delivery software. The company began building its knowledge base in September of 1999, and went live with the system in January 2000. They have since implemented eService Site in one strategic business unit, and are planning on rolling the system out to the entire company by early summer.

Upon going live in January of 2000, Hughes made use of the system mandatory by analysts. Within months, results started to materialize.

“Our first-call resolution goal was 70 percent before implementation—we’re now at 86 percent,” said Edel.

Moreover, escalation to Level 2 support is down to approximately 20 percent from its previous 60 percent. Training for new employees, which used to take approximately two weeks, is now capped off at a week or less. They also discovered one unexpected but welcome benefit:

“Our agents handling customer calls are much more enthusiastic and excited because they now have the tools to help them satisfy their customers needs,” said Ward.

By the end of 2002, the help centers anticipate having to maintain nearly 6,000 PCs. They are looking at implementing eService Professional, ServiceWare’s agent-facing component, to support its knowledge management initiative.

“Over the past year and a half we have developed a sound and productive working relationship with ServiceWare,” said Edel. “And the ServiceWare User Group has given us the opportunity to share our experiences with other companies.”

For more information on ServiceWare’s award-winning knowledge management solutions, please visit <http://www.serviceware.com> or call 1-800-572-5748.

