Optimizing Your SAP environment to be a Fact-based, Customer centric and Intelligent Enterprise

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Agenda
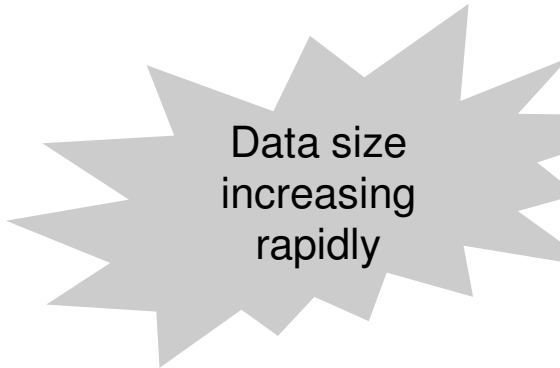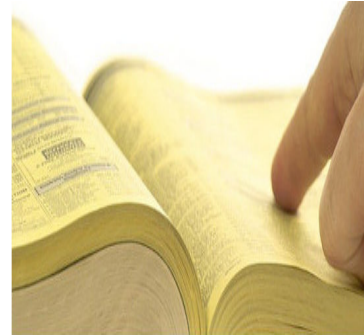

1. Current Industry Trends & Issues

2. SAP and DB2 – Optimized for each other

3. SAP Solution Overview

4. Why SAP?

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1. **Current Industry Trends & Issues**

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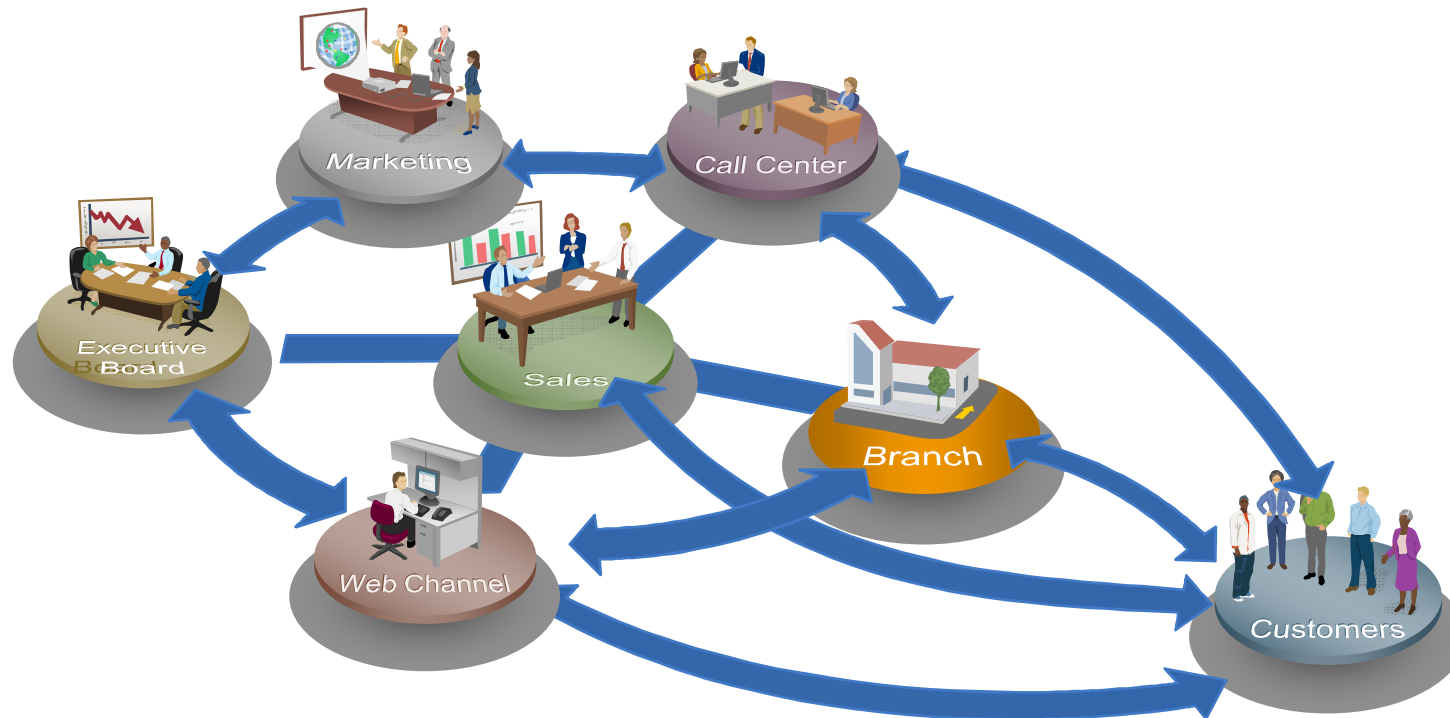
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World Trends, Changes and Future

twitter

facebook

Channels are increasing

Data size increasing rapidly

Influencing and reaching the mass

With so much information, identification of right customers, right .., everything is complex

The paradox of today's world is that with so much information there is so little insight.

Customer awareness and alignment are missing	Customer value is not understood	Customer needs are not understood
Insight into customer behavior is lacking. Resources and investment are improperly deployed	Can't identify best (and worst) customers. Unable to prioritize..	Opportunities are missed. Margin suffers. Customer perception is poor. Product penetration is not achieved . Attrition likely

What does this mean for your Business?

Top executive issues

- How do I grow and make more money?
- How can I built loyal customers?
- How can I make the right offers to my loyal customers?
- How do I get more from my partners?
- How can I identify hidden revenue opportunities within my customer base through predictive analytics?
- How can my call center agents delight customers with the best next-step recommendations?
- How can I increase cross-sell and up-sell effectiveness through better customer understanding?
- How can I build long-term customer relationships with intelligent customer interactions?

I am a SAP Customer, what should I do to become a fact-based, customer centric and Intelligent organization ?

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Information Management
Foundation for business

- DB2 Optimized for SAP: Partnership, Integration, Innovation

- Best Performing DB for SAP: DB2 leads all key SAP benchmarks
  - DB2 supports 68% more SD users on half the processors vs. Oracle
  - 38%-74% price advantage vs. Oracle (Lic & Maint thru SAP/DB2 OEM)

- Substantial reduction in average dialog response times by 20%-30%

- Average SAP BI response times decreased by up to 50%

- Predicted 5-year DB management cost savings expected to be ~40%

- Customers report 25-30% less DBA effort to manage DB2 vs. Oracle

- Disk Space Savings:
  - 40+% vs. Oracle with Compression
  - 50+% vs MS/SQL with Compression

SAP is a DB2 Reference Customer

SAP

- **DB2 one of the main development platform for SAP**
  - o Development & test systems for new & future releases:
    - SAP ERP 2005 / ECC 6
    - SAP CRM 5.0, SAP SCM 5.0
    - SAP NetWeaver BI, SAP NetWeaver MDM
  - o Widely used across development and QA systems:
    - SAP ECC 5.0
    - SAP NetWeaver BI, Web Application Server (J2EE)
    - SAP Bank Analyzer
    - mySAP SCM
    - SAP R/3 Enterprise

- **Currently over 1,200 systems running on DB2**

- **SAP IT runs its business systems on DB2**
  - o SAP IT is an **Oracle-Free zone**
    - HR@SAP runs on DB2 with Unicode (migrated from Oracle)
    - CRM@SAP runs on DB2 (migrated from Oracle)
    - Upgraded R/3 to mySAP ERP 2005 on DB2 with Unicode (migrated from Oracle)
    - Upgraded to BI 7.0 / NetWeaver 2007 on DB2 (migrated from Oracle)

DB2 Optimized for SAP – Key Differentiators

Performance

- DB2 is the fastest database for SAP Applications
- SAP SD 3-Tier, SD 2-Tier (16 Core) consistently superior
- Better response times and more efficient use of system resources

DB2 Deep Compression Technology

- TCO driver, 40% savings in database storage
- Significant annual cost savings for managing SAP database storage
- Improves performance

DB2 Autonomics and SAP product integration

- Reduces administration (people) costs. Ease of use and automatic settings for SAP workload.

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Fact based, Customer Centric and Intelligent External Facing Solution

SAP

Business Communication Management

Building Loyal Customer

Customer Analytics

Incentive Commission Management

Real Time Offer Management - Rules

Partner Management

SAP Business All-in-One

Infrastructure - DB2

SAP Business All-in-One
Overall Value Proposition

SAP

SAP Business All-in-One

A comprehensive, integrated industry solution to power your business end-to-end:

Supports any number of employees

Typically On-premise deployment , but also offered as a partner hosted solution

Go live in 8 - 16 weeks

More than 700 industry-specific solutions in more than 50 countries and 25+ languages

It is an end-to-end offering based on **SAP Business Suite and Datawarehousing**

Myths vs. Facts
Not Affordable – Too Expensive – Not Easy to USE

"It Will Take Years to Implement SAP"

Evaluate   Acquire   Implement

Most fast-start program customers typically take 8~12 weeks to implement SAP Business All-In-One

"SAP Is Too Expensive for SME Companies"

SAP Business All-in-One solutions are specifically packaged and affordably priced for the SME customers with limited budget

SAP provide full pricing transparency upfront to help customers understand the cost upfront

SAP provides pricing flexibilities including subscription, financing, special offers and incentives for SME customers
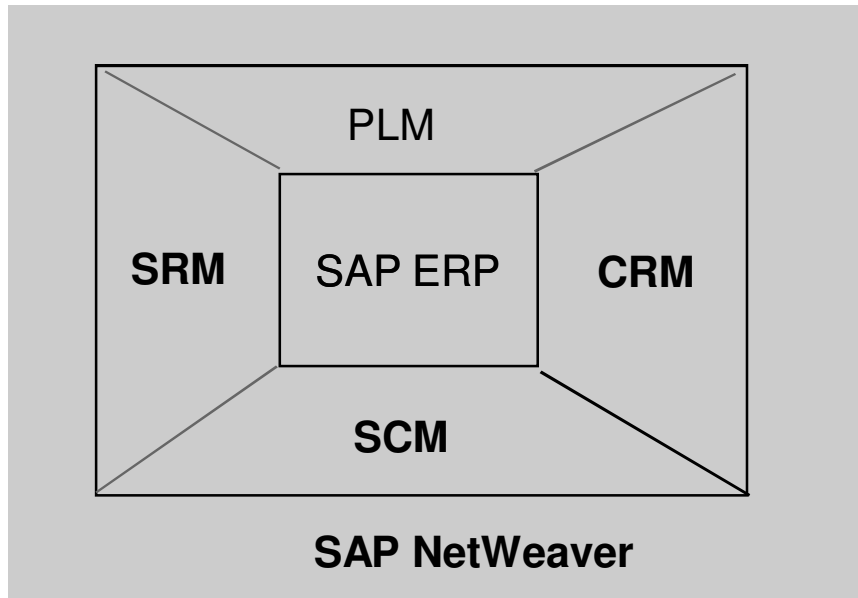
"SAP Is NOT Easy to Use"

New superior and flexible user experience & ease of consumption powered by SAP NetWeaver Business Client

Embedded real-time analytics provide unmatched BI capabilities

Shift from applications to strategic processes of the customer

SAP

Integrated Applications

PLM

SRM | SAP ERP | CRM

SCM

SAP NetWeaver

- Application-centric
- Benefit: Integration
- Large-scale implementations
- Limited eco-system
- Upgrade required
- Independent components

Strategic End-to-End Processes

Product and Service Leadership

Operational Excellence

Best People and Talent

Strategic IT

Superior Customer Value

Financial Excellence

High Performing Assets

Responsive Supply Networks

- Customer-centric
- Benefit: Value-creating processes
- Step-by-step implementations
- Vast array of solution extensions
- No upgrade, no business disruption
- Harmonized, end-to-end processes

Business Communication Management
Intelligent & Customer Centric Solution

Customer

| Telephony | E-mail | Web form | IVR | Fax | SMS |

Business Communications Management: capabilities

Inbound Contact Center

Unified Contact Routing

Customer Interaction Handling

Outbound Contact Center

Automated Dialing

Outbound Call Handling

Enterprise-wide Communications Management

Corporate Communication Services

Fixed and Mobile Terminals

Operations and System Management

Business Communications Management Reporting

| Online Monitoring | Reporting | SAP CRM BW Integration | Blended Analytics |

Business Communications Management Interactive Voice Response (IVR)

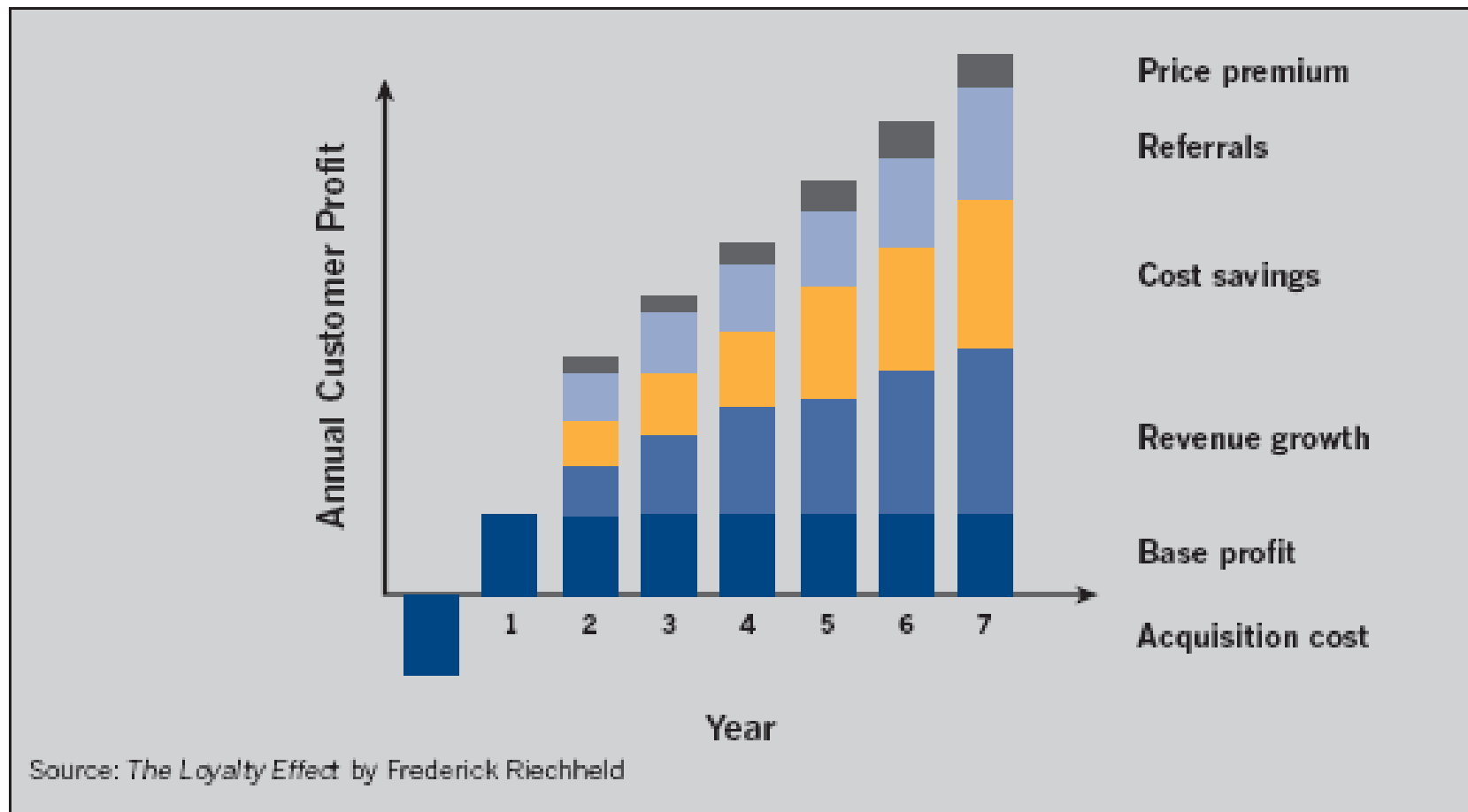| Caller Recognition | Voice Menus | Automated Voice Services | Info and Off-hour Services |

Customer Loyalty is key to Profitability
Customer Centric

Frederick Riechheld of Bain & Company:
'a 5 percent increase in customer retention results in a 25 percent to 100 percent increase in profitability'

Source: *The Loyalty Effect* by Frederick Riechheld

Loyalty Management
The Art of Giving – Customer Centric

SAP

Loyalty Solution

Loyalty Management	Loyalty Program Management
	Reward Rule Management
	Membership Handling
	Processing Engine
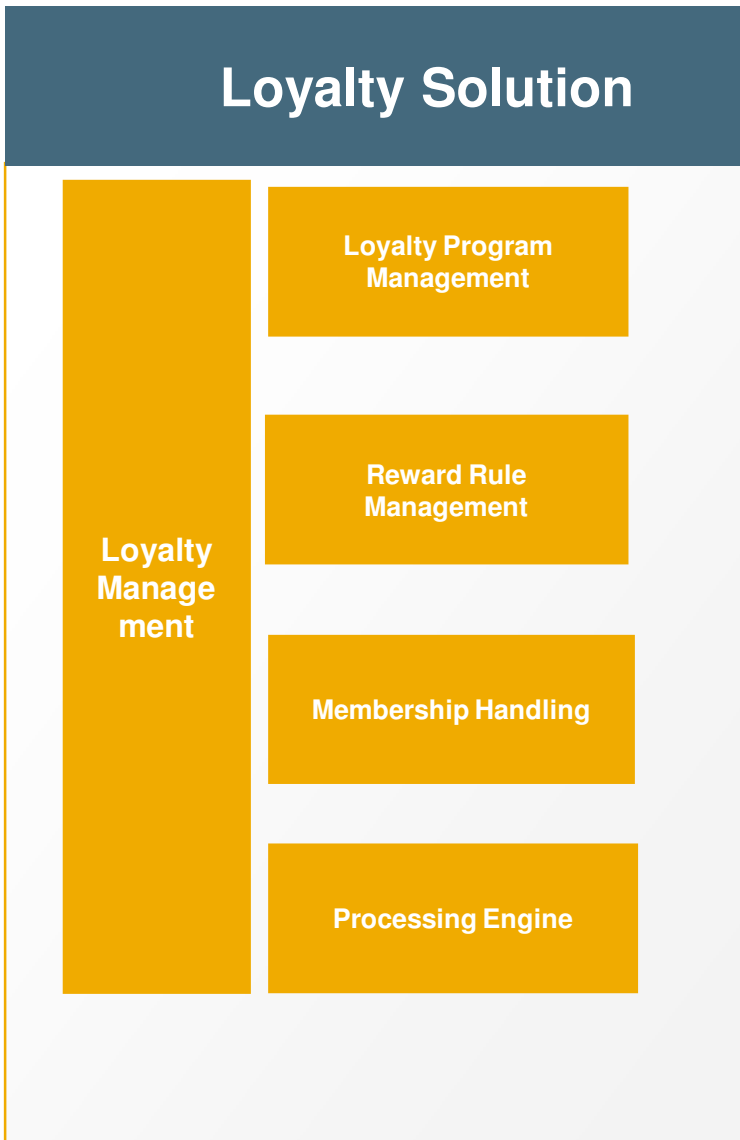
- Point Management
- Partners
- Industry Specific segments
- Tier Management

- Rule Modeling
- Template & expert mode Maintenance
- Campaign Integration
- Rule Scheduling
- Version Management

- Membership Tier management
- Member activities
- Point account management
- Member profiling

- Scalable engine
- Tier Evaluation processing.
- The Point expiration engine
- The batch mode Engine

Customer Analytics
Shift from Product Centric to Customer Centric

SAP

Customer Information Management

Customer Insight

Customer Lifecycle Management

Customer Centric Business Strategy

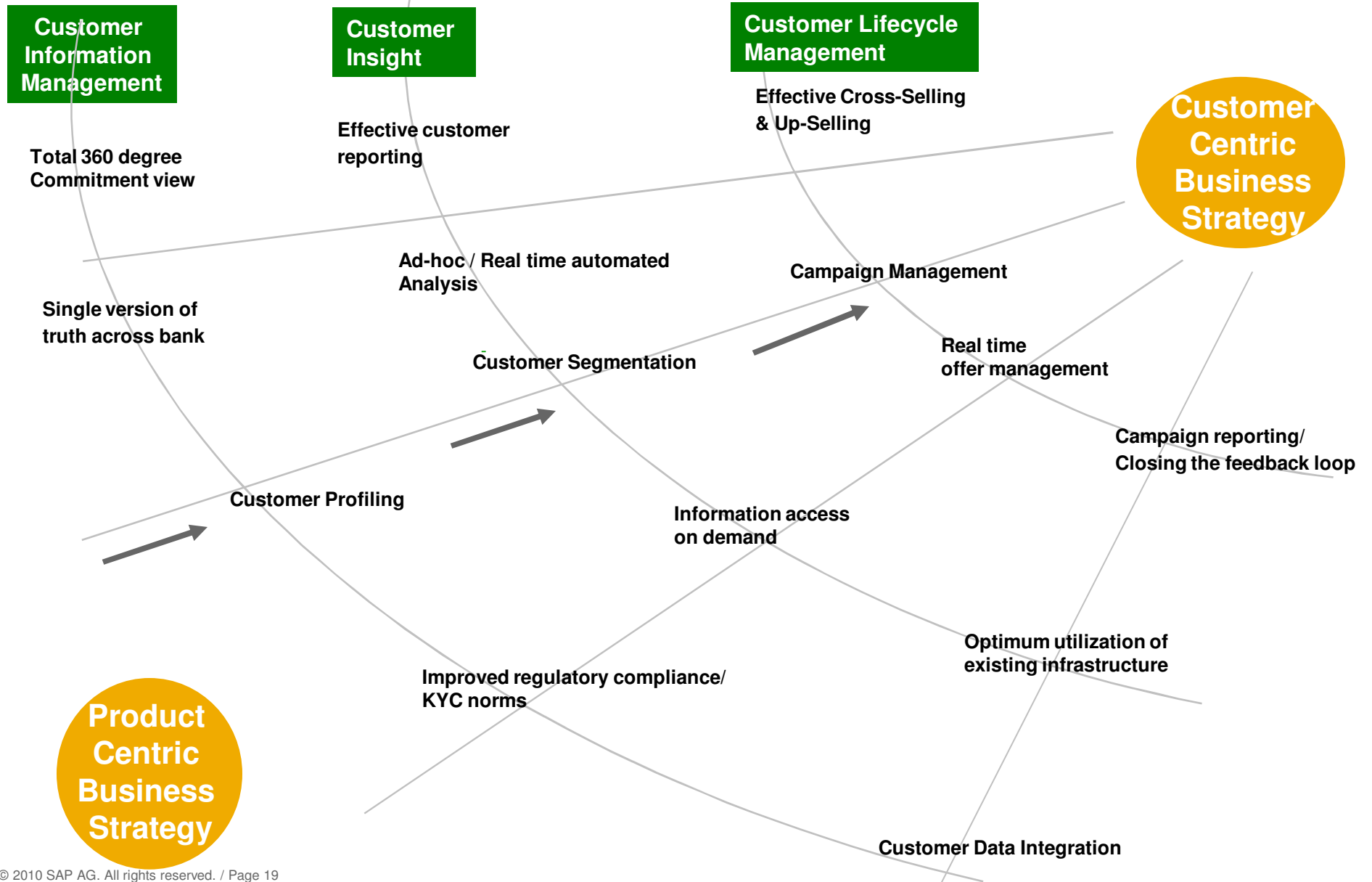**Total 360 degree Commitment view**

Effective customer reporting

Effective Cross-Selling & Up-Selling

Single version of truth across bank

Ad-hoc / Real time automated Analysis

Campaign Management

Customer Segmentation

Real time offer management

Campaign reporting/ Closing the feedback loop

Customer Profiling

Information access on demand

Optimum utilization of existing infrastructure

Improved regulatory compliance/ KYC norms

Product Centric Business Strategy

Customer Data Integration

Incentive Commission Management
Industry Challenges

Increased Competition

- New players increase competition
- Ongoing globalization due to expansion into new (emerging) markets
- Competitive pressure forces market consolidation well as ongoing Industrialization

Changing customer demand

- New demographic challenges
- Higher expectations on services and products
- Shrinking loyalty
- Improved customer information

Growth by
- **Customer centricity**
- **Business Agility and Innovation**

Increased margin by
- **Process efficiency**
- **IT efficiency**

Compliance & governance

- Increasing government regulations (Solvency II, IFRS, …)
- Degrade rating results and threatening risks lead to increased internal and external governance

Technology

- New technology enable change (e.g. Internet sales, Mobile strategy)
- Increasing demand for agility forces Insurers to replace aging IT systems

Incentive Commission Management
Intelligent and Fact based Enterprise

SAP

Remuneration Models

- **Flexibility**
- **Transparency**
- **Process Oriented**

Distribution Network

- **Network Structure**
- **Internal and External**
- **Service**

Remuneration Mgmt

- **Efficient Processes**
- **Single Point of Truth**
- **360° View on Sales Force**

Cash Management

- **Forecast / Cash Planning**
- **Settlement Management**
- **Accruals etc.**

Remuneration Models

Remuneration Management

Realization of Sales Strategy

Distribution Network

Finance-/ Cash Management

Real Time Offer Management in Action
Make the right offer at the right time

Real-time customer information

Real time customer profile and transactions

Previous customer's responses

Offers Information

- Offer / Message
- Target Audience
- Value / Priority / Goal
- Channels

RTOM

Optimal Recommendation

Cross/up sell offers
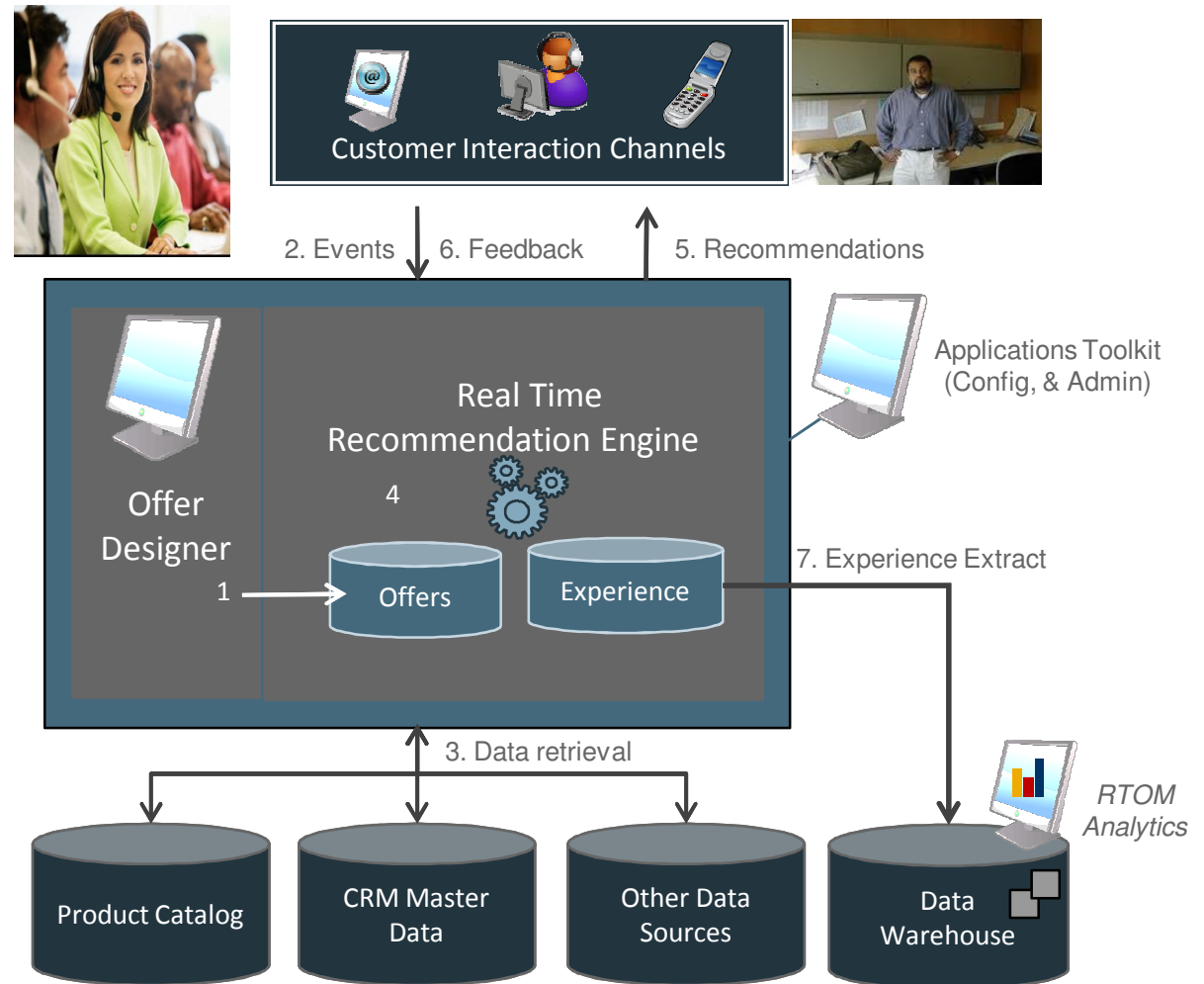
Retention offers

Marketing Messages

Next Best Action …

Real-time interaction information

Nature of the interaction

Location, waiting time, purchased item…

Real Time Offer Management Architecture
Landscape and Flow

#	Flow Step
1	Offers are designed and saved in the RTOM engine
2	Interaction application event triggers RTOM
3	RTOM retrieves data from data sources
4	The engine detects the optimal offers
5	Recommended offers are provided to the application
6	Recommendation result is sent back to the engine
7	Experience is extracted and exported for Analytics

Customer Interaction Channels

2. Events   6. Feedback   5. Recommendations

Applications Toolkit (Config, & Admin)

Offer Designer

Real Time Recommendation Engine

4

1 → Offers   Experience

7. Experience Extract

3. Data retrieval

Product Catalog   CRM Master Data   Other Data Sources   Data Warehouse

RTOM Analytics

Partner Management
Customer centric and Intelligent

Price transparency

Democratization of information

Plenty of choices

Social networking and communities

Customer

Implications

Shift in negotiation power from Vendors to Customers

Evolution from 'Relationship Management' to 'Total Experience Management'

New communications and interaction channels to manage on top of traditional ones

Greater needs for adaptability and responsiveness

Partner Management

Organization

Partners

Customer

- Visibility to Customer's Customer profile
- Help partner to sell more
- Visibility and facts into his compensation
- Provide support to partners
- Help partners to mange his business more effectivly

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Why SAP?

Industry based customer focused Solution

Providing insight and visibility into business

Single application

Extend your ERP with Customer focused solutions

Mobility

Mobile applications on most of the popular platform with SAP

Reduce operating costs

SAP runs best on DB2

We internally use DB2 to run our business

SAP/DB2 Customers in Indian Subcontinent!

Thank You.