If you knew what your customers wanted, could you make their dreams come true?
Agile Business – Customer

If you knew what your customers wanted, could you make their dreams come true?
1. Executive summary

A complex omnipresence of customer touch points is an integral part of today’s customer experience. Chief marketing officers (CMOs) and chief information officers (CIOs) have to handle. Following the so-called multichannel approach, customer experience is now shifting from a one-dimensional interaction into a diverse ecosystem of intertwined channels and contact points.

Customers are comparing prices on their mobile devices through the internet, seeking peer recommendations or calling up sales representatives to find out more about products and promotions they spot on TV. In order to provide a holistic brand, product and service experience, all these channels and contact points need to be seamlessly integrated.

With changing consumer behavior, potential customers expect high degrees of quality and professionalism when it comes to product presentation and they take more criteria into consideration when making a purchase decision.

With digitalization and omni-channel presence of customer touch points, companies are facing new and rapidly increasing challenges. Key questions companies should answer are:

- How can sales and marketing functions face the changed customer behavior?
- How is it possible to create a unique customer experience that sticks in the minds of customers?
- What is marketing in conjunction with sales required to do for offering high-quality services in order to retain profitable and loyal customers?

It is the age of the customer. Hence, the CMO agenda needs to focus strongly on a customer-oriented buying experience. Technology can help the sales and marketing functions work in a more agile way and win faster in the digital economy. Better applications help drive better processes.

### Key challenges

- Need to offer relevant, individualized content at the right time in order to create an exceptional buying experience
- Seamless delivery through all channels and customer touch points
- Exponentially growing data volumes stored in many different systems

### Improved technology

- Merge data from various sources, such as campaign planning, logistics and invoicing
- Real-time reporting capabilities and campaign simulation can help lead to quicker decision-making
- Better customer insights and data-driven customer journeys with big data and analytics

### Outcomes

- More exact segmentation through a high-quality database containing customer as well as market data allowing contextual, individualized offerings through customer-preferred channels
- Improved predictions regarding consumer buying behavior using predictive analytics algorithms in order to determine the next best action
- Higher conversion rate

Improved technology can help the sales and marketing functions work in a more agile way and win faster in the digital economy. Better applications help drive better processes.
## 2. Current challenges in marketing and sales

As recent market studies confirm, the consumer purchasing journey has never been so interesting, full of opportunities and challenging at the same time — for buyers and sellers alike:

<table>
<thead>
<tr>
<th>customers expect to be provided with relevant and valuable content.¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>But most recently, only 16% of marketers had the capability to capture customer intent and deliver content through all channels which are closely aligned.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For industry leaders real-time personalization² is one of the top business priorities in order to create a targeted offering for the concerning segment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the same time, the majority of organizations lack the right technology to personalize customer experience.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CMOs define keeping pace with the high and ever-growing expectations³ of the connected customer as the greatest marketing challenge.</th>
</tr>
</thead>
</table>

All industries are facing rapid changes in consumer behavior and in the economic environment. Commoditization has stripped away existing sources of differentiation. Traditional industry boundaries have dissolved and customers have more power than ever.

At EY, we understand the key challenges of your business to help you put the customer in focus.

**Demanding customers**

- Easy options to buy from competitors
- Consumers share their brand experiences e.g., on social media but also seek for other consumers

**Omni-channel marketing**

- Need for continuous delivery suitable, personalized content in an ecosystem which features a high complexity
- Finding the right time and the right vehicle to approach the customer

**Mastering new technologies**

- In-memory, mobile and cloud computing offer new and helpful possibilities.
- Big data and analytics are prominent topics for all industries.

**Organizational changes**

- Coming from an efficiency-based product view and change to an agile customer-centric organization
- Need for strong collaboration of the sales and marketing divisions

**Handling high data volume stored in many different IT systems**

- Creating a fully integrated marketing data layer according the principle single point of truth
- Consideration of data privacy topics
- Lack of flexibility due to unconnected data silos

---

¹ “The Contextual Marketing Imperative,” — Forrester, October 2015
² “Create a Pragmatic Personalization Program,” — Forrester, August 2016
It is apparent that, in the digital world, CMOs and CIOs need to become strategic partners to achieve customer service and marketing excellence.

Additionally, organizations need to have the skill sets for operating in a customer-centric, integrated and efficient way. They should also be able to quickly respond to market changes and realize innovative market approaches with the help of strong sales and marketing collaboration.

This requires organizations to know their customers well through a 360-degree consumer view — one that not only includes the execution of customer value but also an evaluation of potential risk.

The below figure summarizes significant sales and marketing requirements that help provide the basis for a 360-degree consumer view and, as a result, help organizations face the above challenges.

**360-degree consumer view**

Collecting information from all channels and touch points in order to understand consumer needs, behavior patterns and purchasing methods. This also helps you to identify potential risk.

1. **Segmentation**
   Defined targets on the basis of clear insights into current and potential value

2. **Consumer journey**
   Understand and consistently manage all the touch points in the consumer experience, providing an end-to-end consumer journey

3. **Propositions**
   Focused offerings aligned to needs of profitable consumer, with flexible but competitive design and transparent pricing

4. **Marketing automation tools and campaign planning and reporting capabilities**
   Clear focus on meeting needs of profitable consumers in order to plan customized campaigns with positive return of investment

5. **Retail collaboration**
   Different strategies implemented with different retailers in order to align marketing strategy to final consumer and gain mutual benefits

6. **Service delivery**
   Value-adding touch points – phone, online self-service tools and information, engaging point of sales
Does your technology enable you to achieve your sales and marketing goals, and offer options to upscale your performance at every stage of the customer life cycle? Does it also help you to improve the strength of your customer relationship in a way that is measurable using KPIs such as customer satisfaction and customer value, ultimately helping to maximizing sales?

As your business advisor, we can work with you to jointly assess your current situation and explore potential technologies that fit your specific needs and help upscale your performance. An example for how technology can improve performance across the three phases of the customer life cycle is shown below.

For exemplary purpose
3. How EY can help

Together, the CMO and the CIO have an unprecedented opportunity to drive holistic customer transformation. With the EY Agile Business – Customer approach, enabled by SAP Hybris Marketing and the whole Customer Experience Suite, we can help you bring the customer vision close to reality through significant changes to customer applications and a “purpose-led transformation” approach.

Our holistic approach draws on our deep knowledge and focuses on providing exceptional customer experiences. We help our clients become more agile and win faster in the digital economy through helping with business case development in combination with a feasibility study based on the strengths and weaknesses of their organizations and a total cost of ownership view.

**EY Agile Marketing Business Calculator**

Our approach can help provide clarity regarding the expected marketing benefits for your company when choosing EY Agile Business – Customer. The EY Agile Marketing Business Calculator we developed for this purpose considers your organization and industry-specific parameters – such as revenue, number of customers and size of the sales and marketing force – while calculating the expected benefits. Additionally, we can evaluate your specific maturity levels for different assessment dimensions.

As part of our approach, we help create an implementation road map to launch the next customer analytics applications according to your current status, and your sales and marketing objectives. Our approach is broad based and tailored to your current situation and aspirations.

The improvement potential of the marketing business and the specific road map determine the transformation agenda.

As your business advisor, EY can provide you recommendations on mastering the challenges and opportunities relating to today’s ever-changing customer journey. With the EY Agile Business – Customer approach, your company can benefit from our ongoing global market research and deep industry-related know-how.

---

### Illustration of how EY’s Agile Marketing Business Calculator uses company- and industry-specific parameters to predict business benefits

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company revenue</td>
</tr>
<tr>
<td>2</td>
<td>Number of customer</td>
</tr>
<tr>
<td>3</td>
<td>Number of business transactions</td>
</tr>
<tr>
<td>4</td>
<td>Size of marketing and sales force</td>
</tr>
<tr>
<td>5</td>
<td>Size of product portfolio</td>
</tr>
<tr>
<td>6</td>
<td>Industry sector</td>
</tr>
<tr>
<td>7</td>
<td>Existing level of customer analytics</td>
</tr>
<tr>
<td>8</td>
<td>Existing channels and revenue shift</td>
</tr>
</tbody>
</table>

For exemplary purpose
4. Enabling technology

It is more important than ever for organizations to provide a personalized and unique customer journey at every stage. To do so, you need to have real-time insight into your customers’ data. Today’s multichannel communication leads to isolated data silos – data stored in many different IT systems – that must be merged to become available for segmentation and sentiment engagement. SAP Customer Engagement & Commerce (CEC) can provide a single point of control in order to build a consistent brand experience while merging real-time data from different sources.

As an integrated solution, SAP CEC suite consists mainly of the following four components which offer a wide range of possibilities to support your day-to-day business:

- Hybris Marketing
- Hybris Commerce
- Cloud for Sales
- Cloud for Service

SAP CEC, with special focus on Hybris Marketing, compiles all customer data from historical interactions (such as orders and purchases), customer activities, and customer motivation and intent from front-end channels such as web browsers and social media. It then combines this data with market, sales and service, as well as financial data in one single up-to-date source. On the basis of the aligned customer information, you can more easily decide on the next best action, provide the desired product information or send promotions and offers.

As shown below, SAP Hybris Marketing suite consists of nine integrated components which can help you gain real-time customer insight and deliver exceptional customer experience with speed and agility.

Depending on your organization’s current situation, as identified by the EY Agile Marketing Business Calculator, we can work with you to identify which modules should be implemented in which phase of the implementation road map. Additionally, the Hybris Marketing tool offers connectivity to SAP ERP systems or third-party applications. Furthermore, SAP CEC features extra functionality: SAP Hybris Commerce, SAP Cloud for Sales and SAP Cloud for Service.

From an integration perspective, the solution collects and integrates data from many sources inside and outside the organization. A good example of this is the deep integration with SAP ERP systems, specifically with regard to finance and inventory data. Having access to invoice data is as important as the knowledge about products on stock or shipping or production issues. For sentiment engagement, data from social channels can be analyzed and used to offer products and services tailored for the customer.
An integrated customer profile is a substantial benefit in the integration and harmonization of customer master data. Analytics helps to generate insights on the basis of the integrated data. This knowledge can be used to identify customer segments for marketing campaigns and also the channels to take for better customer reach.

The technology supports different ways for executing marketing campaigns, such as push- and trigger-based campaigns. Analyzing and adjusting marketing campaigns determines success. Mechanisms to track customer reactions and use that to generate insights are also available. Through real-time reporting, the marketing campaign effectiveness can be measured and adaptations applied to help maximize the output of the campaign.

EY Agile Business – Customer helps you to stay differentiated in a very competitive environment and among today’s well-informed customers. Potential benefits for your business include but are not limited to:

- Create an exceptional and consistent brand experience with customers as the focus point at every stage of the customer period
- Operate in a customer-centric, integrated and efficient way in order to develop strong relationships with profitable and loyal customers
- Seamlessly provide individualized and relevant content at the right time through customer-preferred channel
- Strengthen cross-functional collaborations using one integrated system as a single point of control which contains perfectly aligned customer data

SAP Hybris Marketing is a relatively new SAP product. However, EY has experience in Hybris Marketing projects in several geographies, across different sectors, including:

- The implementation and integration of Hybris Marketing for a Chinese retail store chain
- Helping a consumer marketing platform with Hybris Marketing as a main feature that leverages a common and integrated consumer data model for an Italian food producer
- Last but not the least, EY itself has a working C4C platform in place.

At EY we believe that you should always consider marketing together with sales to create a consistent overall solution. This approach must be reflected in the assembly of the implementation road map as well as in strategy development in order to achieve the long-term goal of customer service excellence.
5. EY differentiators

Our industry focus
Our deep industry knowledge can help you identify and solve problems. We focus on a customer-analytics approach, assessing your performance against your peers and investigating processes and technologies that may be hampering your business.

Our holistic approach addresses the impact on the entire organization
EY’s deep customer knowledge enables us to focus holistically on marketing and customer process optimization and automation, cost reduction, risk mitigation, customer analytics and organization management.

Our approach focuses on individual client issues and time-critical business processes to develop and demonstrate innovations with SAP Hybris Marketing. It integrates business processes, SAP functions, SAP technical, marketing and sales processes as well as analytical reporting to address all aspects of value deployment.

Additionally, we use EY process and finance operating model know-how to assess the impact on your finance organization and support organizational change throughout deployment.

Our technology assessment approach
EY continuously updates and improves proven approaches for advising clients on selecting and implementing a technology-enabled integrated footprint (SAP Hybris and S/4, Cloud, etc.). This includes the assessment of current customer system complexity, current challenges and system landscape’s adaptation readiness. At the same time, we can help facilitate alignment of the client strategy with the technology deployment road map.

Our SAP knowledge and global alliance
EY is a global SAP alliance partner, and maintains a well-established and successful relationship with SAP as proven by the numerous projects and close collaboration over several years.

We are proud of the repeated recognitions we’ve received from SAP for our strong performance.

---

**2016**

- SAP Pinnacle Award for Market Impact Partner of the Year
- SAP Pinnacle Award for Quality Partner of the Year

---

**2015**

- EMEA & MEE Global Strategic Service Partner Award: Fastest Growing on Premise and Cloud Business

---

**2014**

- SAP MENA Partner award: Best Global Partner for joint revenue and capacity build
EY’s Agile Business offerings

In today’s business world, challenges grow by the day, as does the speed at which they need to be addressed. Technology is often seen as a simple solution to address these challenges. Yet, for many organizations, simple is not nearly as simple as it seems. EY’s Agile Business offerings enabled by SAP technology can help organizations address challenges in the digital era. Our EY SAP collaborative approach focuses on more than technology alone. We take a comprehensive, business-first view to address strategy, customer value, user experiences, processes, technology and operational impacts in tandem.

This brochure gives you an overview how EY can help you to use SAP Hybris to focus on marketing and sales transformation, business impact analytics, organization management, cost reduction and a strong business case development based on the strengths and weaknesses of companies and a total cost of ownership view.

Contacts

Technology Enablement

Dr. Martin Zirkel
Partner, Advisory
Ernst & Young GmbH
Arnulfstr. 59, 80636 Munich
+49 89 1433124133
martin.zirkel@de.ey.com

Holger Lohlein
Manager, Advisory
Ernst & Young GmbH
Arnulfstr. 59, 80636 Munich
+49 89 1433125488
holger.lohlein@de.ey.com

EMEIA Advisory Center

Tristan Werner
Partner, Advisory
Ernst & Young GmbH
Arnulfstr. 59, 80636 Munich
+49 89 1433120440
tristan.werner@de.ey.com

Customer

Felix Nickl
Partner, Advisory
Ernst & Young GmbH
Arnulfstr. 59, 80636 Munich
+49 89 1433120723
felix.nickl@de.ey.com

Matthias Felber
Executive Director, Advisory
Ernst & Young GmbH
Arnulfstr. 59, 80636 Munich
+49 89 1433115406
matthias.felber@de.ey.com

Strategy

David Toma
Senior Manager, Advisory
Ernst & Young GmbH
Theodor-Heuss-Anlage 2, 68165 Mannheim
+49 62 1420824903
david.toma@de.ey.com