Leveraging SAP solutions to provide intelligent and integrated customer experience

pwc

The path to more personal customer connections

A new era of Customer Experience (CX) is here: the Intelligent and integrated customer experience. Within this paradigm, companies are able to seamlessly integrate all aspects of customer journey across multiple channels and use artificial intelligence to get insights about their customers and automatically deliver suggestions for how these insights can be used to drive a better experience along the customer journey. Powered by SAP C/ HANA solution and Leonardo, the new era CX is defined not only by the incredible experiences organizations will create, but also by the speed in which these experiences will be delivered to the market.

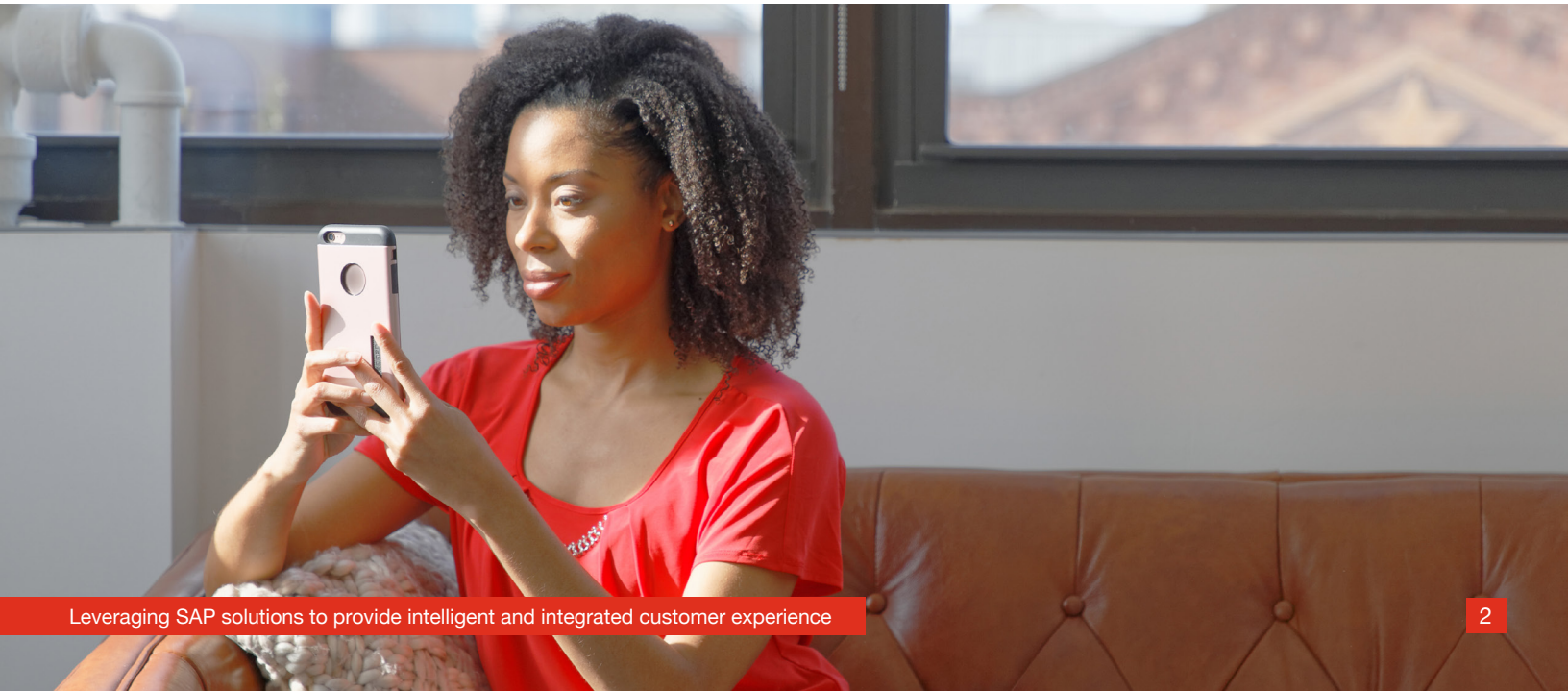
Adding intelligence to the Integrated Customer Experience

Integrated Customer Experience

As customer expectations rise, in addition to providing high quality goods and services, companies must also deliver a compelling and integrated customer experience across multiple channels through all the stages of customer journey. Companies that can do this will win business and companies that cannot, will wither in an ever-growing competitive market place.

Intelligent Customer Experience

An intelligent customer experience is a digital experience that leverages machine learning and responds to the full spectrum of a customer's needs. Intelligent customer experience leverage data to learn about customers' needs in real time and respond to them with personalized and preferred methods of communication.



Four underlying principles enable a superior customer experience

At its heart, the Intelligent and Integrated Customer Experience is about exceeding your customers' expectations and showing that you know them in a personal way. There are four key principles that must be present in order to qualify as a superior customer experience:

1

Consistent and contextual

Customer experiences are consistent and contextual across all channels and devices. There is no interruption in the customer journey if they change or revisit channels at a later time.

2

Convenient and secure

All channels are supported with access anytime, anywhere, and fast. The customer may continue their journey on own time, via their preferred channel and device. Customers have unprecedented control over their customer journey and their privacy

3

Seamless and integrated

Navigation is intuitive and without hassle across all channels. No long wait times, intuitive design, fast and simple resolution of questions or issues. Bring together marketing, commerce, sales, service, revenue processes, and the back office to deliver on promises to customers.

4

Personalized in real time

The right experience is delivered to the right customer in the right way. Content is relevant to the customer, informed by their stage in the journey and pertinent to their needs. Leverage all available structured and unstructured customer data as fuel to optimize customer interactions in real time.

CX leaders see the vision of Intelligent Experience

PwC commissioned a study conducted by Forrester Consulting, 60% of CX leaders see larger returns from CX initiatives relative to other initiatives in their organization. However, 62% of CX leaders recognized that they need to make major changes in the near future to compete in the Intelligent Experience Economy.

Although we see that many organizations agree with the idea of customer-centricity, not many of them have built and embedded the underlying capabilities needed to truly execute on the customer vision. The study showed that CX leaders were overly optimistic about how long it would take to transform their customer experiences, with over half of respondents believing they could shift their organization in two years or less. In our experience of working with numerous organizations as they go through the stages of transformation to the Intelligent Experience Economy, we have consistently seen that it takes five years or more to bring about this level of change.

Five key components for transformation

To reimagine customer engagement for the Intelligent Experience Economy, organizations must build and embed the underlying capabilities they need to truly execute on the customer vision.

We have identified five key components for making this transformation:

1 Make the customer journey your new value chain

The Intelligent Experience Economy calls for revolutionary action rather than incrementalism. Creating a common language and taxonomy around the customer that is universally adopted throughout the business will fuel CX transformation at scale and embed the customer in the core of the organizational culture.

2 Embed AI in the customer experience

Embedding AI in the CX is a great opportunity for organizations. It can enable easier communication with customers, speed up transaction times, personalize customer experiences, and significantly reduce customer service costs. Furthermore, organizations that have embedded AI will have unique access to customer data.

3 Let the Chief Customer Officer drive CX change

The role of the CCO must evolve from building awareness around the customer and understanding customer insights to driving and executing the CX itself.

4 Connect customer experience measurement to real value

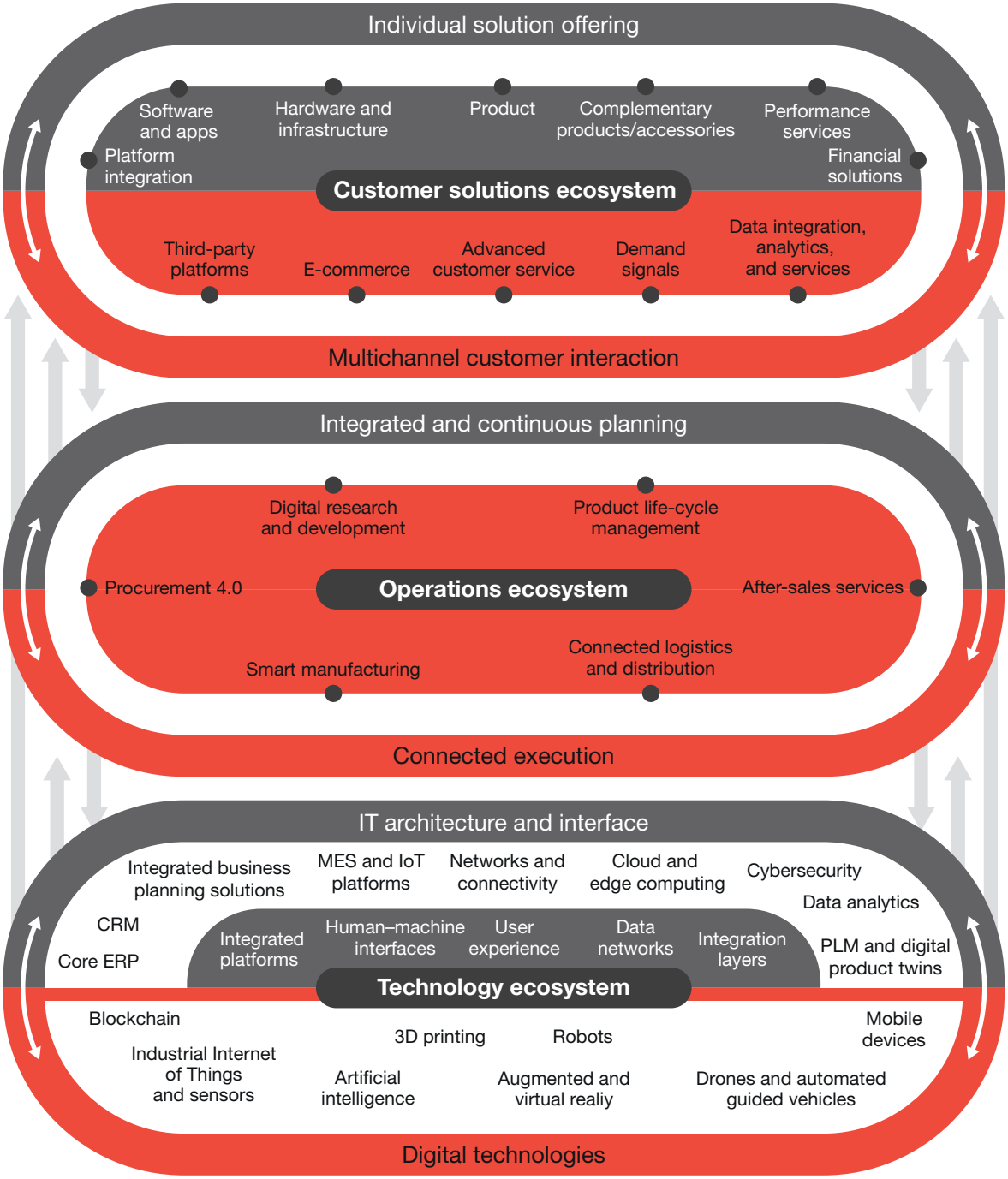
Too many businesses see metrics as the end point instead of the starting point. Organizations must develop real-time customer metrics, and they must be tied to real value.

5 Ignite the core

A culture of CX is the cornerstone of success in the Intelligent Experience Economy. To ignite the core, organizations need to spread the CX vision with all leaders, managers, frontline employees and back office employees alike. All employees must also understand how their work directly impacts the CX, and how they are empowered to improve that experience. Organizations must also adopt a design thinking methodology and deliver through agile sprints. Finally, organizations will have to invest in talent and establish partnerships across the value chain.

A framework to guide the CX transformation

To address the Intelligent and Integrated Customer Experience, you need a comprehensive customer engagement capability framework to guide your organization's transformation. Based on our experience working with many companies who have successfully made this transformation, we recommend a customer engagement capability framework that helps you transform each step of the customer journey:



Source: PwC's Strategy& Global Digital Operations Study 2018

A framework to guide the CX transformation

Step 1 — Discover

Discover is when, through marketing efforts or via word of mouth, you have made it on to your customer's radar: your customer experience is underway. Discover is marked by providing relevant content to enable the prospective customer to learn more about your products or services and have their questions anticipated and answered.

What does it look like in the Intelligent and Integrated Customer Experience?

- Offer or product recommendations using machine learning
- Real-time personalized coupons by leveraging unstructured and structured customer data
- Lead conversion propensity based on machine learning
- Understand what drives customers to your web page with an integration of Google Analytics with marketing campaigns

Step 2 — Transact

The Transact is the moment at which the customer decides to do business with you. They subscribe to a service, purchase a product, or sign up for a "try and buy." Customer and payment information is received by the organization. In Transact, the crucial hurdle is to offer a quick and painless sign-up and payment experience for a product or service that is easily tailored to precisely meet the customer's needs.

What does it look like in the Intelligent and Integrated Customer Experience?

- Personalized, contextual customer experience based on deep and enriched 360 degree personal profile
- AI-driven merchandising optimization
- Dynamically created personalized bundles of products, subscriptions, and services
- End-to-end commerce for headless (zero UI) and AI-enabled channels and bots
- Seamless integration between sales engagement, sales execution systems and underlying ML-based model driving enhanced recommendations to the sales users using a conversational guided selling app

A framework to guide the CX transformation

Step 3—Fulfill

Fulfill is when the customer has received the product or is onboarded with the service. Speed is the key at this stage of the journey. Customers expect to receive both products and services in real time. Personalized, seamless support must also be made easily accessible should there be any hiccups with Fulfill.

What does it look like in the Intelligent and Integrated Customer Experience?

- Supply chain visibility via effective “track and trace” (T&T) system that allows players to determine the status of any given shipment of goods at any point in its travels, by any transport mode
- Autonomous transportation, and optimized logistics processes, innovative technologies will transform such mundane jobs as picking goods to fulfill an order
- Last-mile delivery – Lowering costs and providing greater customer value by using Uber-like apps to employ nonprofessional drivers to deliver packages, autonomous self-driving delivery robots moving at pedestrian speeds that distribute packages along flexible routes — Monitored by human operators
- End-to-end visibility into provisioning and the usage of XaaS offers across the devices

Step 4—Use

This is when your customers have access to and are using your product or service. The objectives here are to be sure that customers are receiving the highest possible value and have seamless access to relevant educational content and support from the contact center for their questions. Installed base and entitlements must be automatically accounted for, and upgrades, roll-overs, and renewals must be completely seamless.

What does it look like in the Intelligent and Integrated Customer Experience?

- AI/ML/bots for intelligent service including AI-based problem-solving capabilities, virtual agents, predictive service, next-best action, problem resolution, and knowledge management
- Bot-to-agent handover with fallback channel in Conversational AI. Virtual assistant for agents, enabled by Conversational AI. Improvements in agent usability, agent guidance, and agent productivity, blending all channels to support “no-touch” to “low-touch to “high-touch” service
- Improvements in mobile capabilities, scheduling optimization, and the Internet of Things (IoT) for field service management
- Digital handshake between back office and front office to support end-to-end service scenarios

Address CX transformation with SAP C/4 HANA

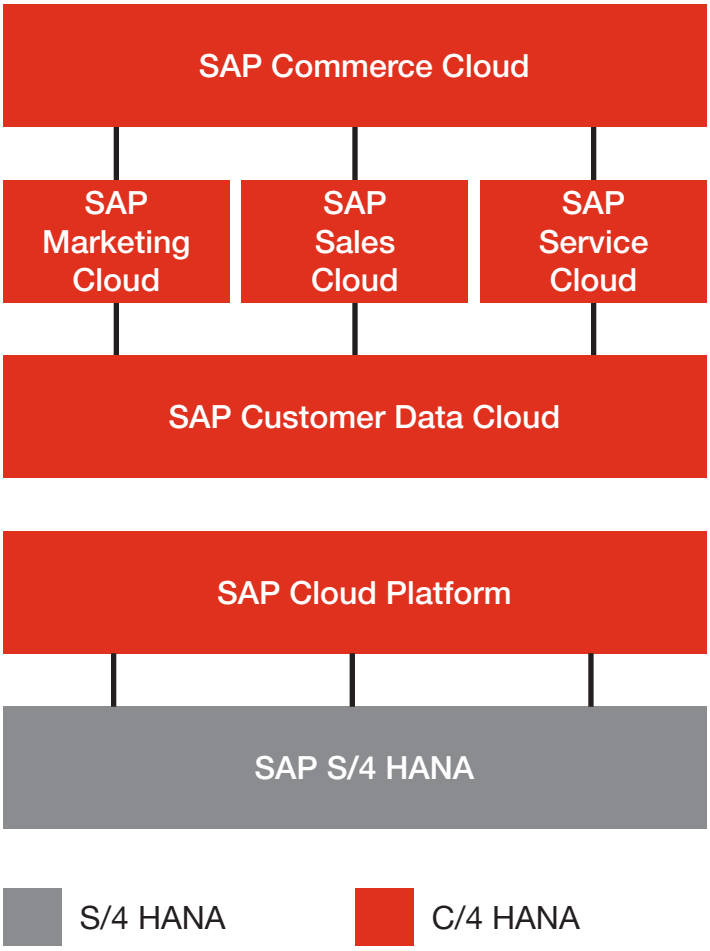
Enterprises using SAP solutions are uniquely positioned to make the successful transformation to reimagining customer engagement. With SAP's C/4 HANA solution platform, you can enable integrated customer experience via out-of-box integration with S/4 HANA and SAP Leonardo brings in the innovative technologies such as big data, IOT, predictive analytics, and machine learning needed to deliver intelligence.

SAP C/4 HANA solution portfolio consists of five key components:

- **SAP Customer Data Cloud**—offers secure and transparent handling of customer data to create the accurate, complete profiles needed to provide relevant, contextual experiences.
- **SAP Marketing Cloud**—provides a single customer view to gain deep insights and deliver individualized customer experiences. Optimizes marketing with proactive intelligent decisions through the closed loop planning, measurement, and execution process.
- **SAP Commerce Cloud**—Enables consistent, personalized, and content rich commerce experience. The built-in ability to support B2B, B2C, and B2B2C operations. Product content management is streamlined for quick launch of new offers.
- **SAP Sales Cloud**—consists of sales force automation (SFA), configure, price & quote (CPQ) and sales performance capabilities. Also, supports XaaS business models via subscription billing and entitlement management solutions.
- **SAP Service Cloud**—Chabot solution of SAP Service Cloud takes care of the routine and repetitive, efficiently dealing with queries that don't require a human to answer. That allows you to offer 24-hour service and gives service agent the time to deal with complex inquiries. Core systems provides advanced field service capabilities.

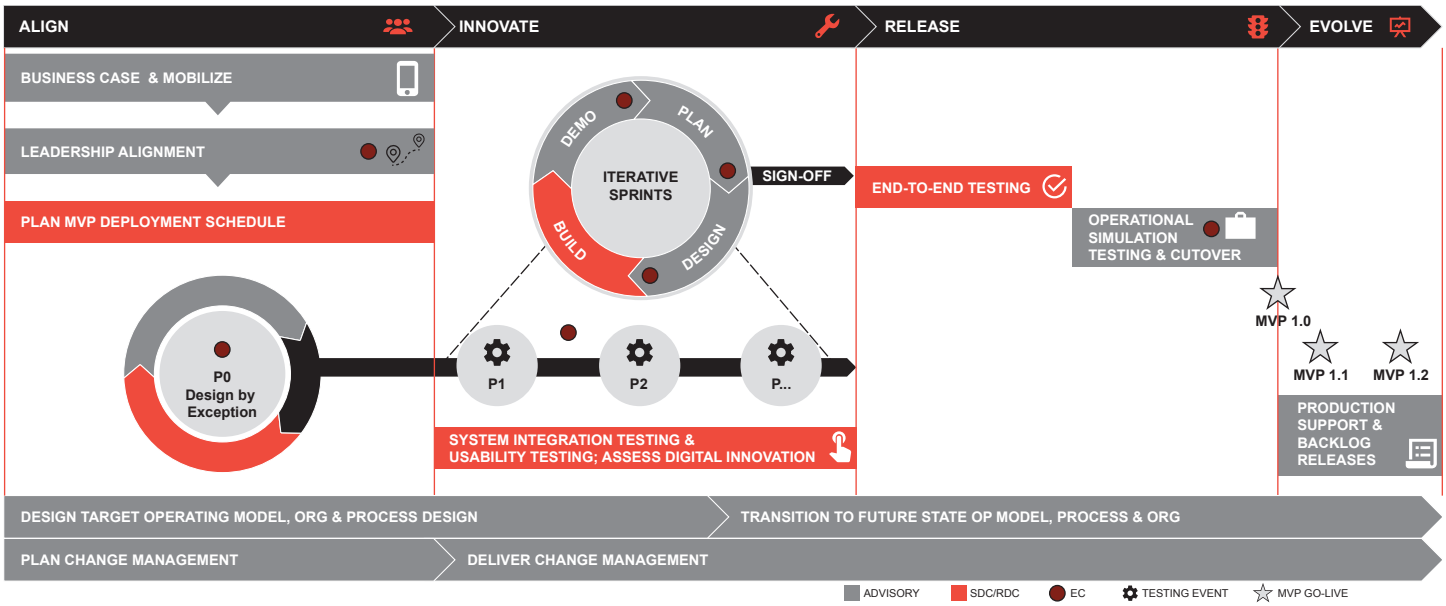
SAP solution architecture to address holistic Intelligent and integrated CX transformation

A holistic Intelligent and integrated CX transformation includes a combination of SAP's C/4 HANA, Leonardo and S/4 HANA – all accessible from the cloud.



A holistic intelligent and integrated CX transformation journey

We offer a 6-week Discover phase to determine the business case, define the CX future state, perform proof of value and the customer value realization schedule using design thinking-led approach. We can partner with you to realize the business value of CX future state by deploying multiple releases of MVP (minimum viable product) using an agile approach.



Contacts

Munish Gupta
Principal, SAP CX Competency
munish.gupta@pwc.com

Ravi Krovidi
Director, SAP CX Competency
ravi.krovidi@pwc.com

pwc.com/sap

© 2019 PricewaterhouseCoopers LLP, a Delaware limited liability partnership. All rights reserved. PwC refers to the US member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.
559287-2019 KH