Digital Transformation & The Customer Experience

Robert Jackson, SAP MM Consultant and MM/PM Training Specialist, Hybris
Agenda

- What is Digital Transformation?
- How Does Hybris fit in?
- Digital transformation
  - Retail
  - Financial Services
  - Utilities
“BY 2018, ONE THIRD OF THE TOP 20 IN EVERY INDUSTRY WILL BE DISRUPTED BY DIGITALLY TRANSFORMED COMPETITORS.”

Frank Gens
Chief Analyst, IDC
THE MAJORITY OF BUSINESSES CAN’T SUPPORT AN OMNI-CHANNEL CUSTOMER JOURNEY.

JUST 12% CAN PROVIDE A SEAMLESS HAND-OFF BETWEEN CHANNELS.

SOURCE: Forrester Wave Customer Service Solutions 2014
Welcome to the digital economy

1900
INDUSTRIAL ECONOMY

1950
CONSUMER ECONOMY

2000
DIGITAL ECONOMY

ABUNDANCE

PRODUCTS

DESIRE

ENGAGEMENT

SCARCITY
Customers Today

MOBILE
INFORMED
SOCially CONNECTED
So What is Digital Transformation

CONSUMERS HAVE TAKEN THE DRIVER SEAT.

YOUR COMPANY HAS TO BECOME CUSTOMER-CENTRIC.
What are the Challenges?

EACH CUSTOMER CHOOSES THEIR OWN ADVENTURE
Customers are harder to engage

99.76% of online ads are ignored. 
Source: Google

57% of the buying process is completed before a first interaction with sales.
Source: Customer Executive Board

60% of consumers abandoned a purchase due to a poor service experience.
Source: American Express Global Barometer
COMPLEXITY MAKES AGILITY IMPOSSIBLE.

CRM. WEB CMS. MOBILE. MARKETING. OMS. STORES. CONTACT CENTERS. ETC.
How do Companies Respond to These Changes?

Key Areas of Investment

- **Deliver Personalized Experiences in Context**
- **Orchestrate Processes and Data to Simplify Your Front Office**
- **Transform Again and Again and Be as Agile as Your Customers**
How Does SAP Hybris Help?
HYBRIS HAS AN UNPRECEDENTED RECORD OF INNOVATION

“hybris leads all other commerce software vendors on strategy. This reflects their continuous investment and improvements to their commerce platform as well as their comprehensive vision, strategy, roadmap for an omni-channel B2B commerce platform.”

- Forrester
Simplified Front Office with SAP Hybris
A MODERN PLATFORM, DESIGNED FOR MODERN BUSINESS

MOVE AT SPEED OF BUSINESS

ONE CUSTOMER EXPERIENCE

Built to complement not replace existing investments

CONFIGURED FOR SUCCESS
Our Customers. Our Partners.
Accelerators. Hybris Extend. The Data Hub.

ERP  WMS  PLM  CBM  Data Pools
CONTENT

PRODUCTS

COMMERCE

CMS
Streamlined and intuitive management of content

MERCHANDISING
Auto-optimized product mix based on business goals and context

PERSONALIZATION
Tailor to match customers and their intent

OPTIMIZATION
Measure, learn, improve

EXCEPTIONAL CUSTOMER EXPERIENCE
Relevant engagement to drive loyalty
Modern platform designed to add value and agility to existing systems and processes.

RESTFUL. Extensible.
Digital Transformation in Retail
Case Study: Costco

- World’s 7th largest Retailer, **£2bn online sales** in North America, $90bn turnover

- International rollout halted on the IBM platform in favor of hybris due to **speed of delivery and cost of deployment**

- Drop ship vendor integration using EDI

- 7 months in **discovery and development**

- Sophisticated **checkout capability** for multi address shipment, gifting and B2C / B2B

- Integrated to Reply **SaaS WMS**

- Developed **a template for global expansion** covering UK & Mexico. South Korea, Taiwan & China in progress
Case Study: Iceland

- UK’s **5th largest** Supermarket
- £1bn in home delivered sales
- Fulfillment from **800 stores** nationwide
- **Advanced promotions** capability to re-populate basket promotions on product / promotion change-over
- Store ranges managed through **Solar search engine for high performance** and scalability
- **8 month** delivery schedule
- Integration to delivery routing engine for high availability slot allocation
- Stock and substitutions management
- **hybris web, mobile and call centre** for Phase 1
Case Study: Delhaize

- Food retailer operating in seven countries across three continents
- Four-staged roadmap
- Supports various business models
  - In-store Picking / Warehouse Picking / Mixed Picking
  - Home Delivery / In-store Collection & Pick-up Point
- Store specific assortment managed through Solr search engine for high performance and scalability
- Advanced promotions capability
- Store Dashboard & PDA integration for in-store picking and putaway
- Integration to Delivery routing engine for high availability slot allocation
- Stock and substitutions management
- hybris web, mobile, APP and call center
Case Study: Monsoon

- £1bn retailer, over £100m online with plans to grow to £200m in three years
- Virtual machines added during peaks for immediate scale then taken offline
- Worked with the board to define Multi Channel Strategy including web, mobile, contact centre & in store systems
- Website, mobile & tablet, call centre on hybris
- Shared basket between brands, Amazon, Internationalization
- Implementing 14 international sites for multi brands and with multiple languages, currencies
- Fixed Price Contract
Digital Transformation in Financial Services
Emerging Impacts in the Financial Services Industry

- Pay as you go Automobile Insurance
  - where you go, how fast you go, when you go
- FitBits for Health
- Driverless Cars – Who pays? Who’s covered?
- Drones
  - Utility inspection
  - Crop protection
- FinTechs in emerging Banking markets
  - Smart Phone “branches”
- The “Connected Home”
- Internet of Things
Disruption in Financial Services

- FinTechs are going direct to consumer
  - Taking out the Banks

- Insurance is ripe for Disruption

- Starting to be focused on marketing as much as technology

- Financial Service companies are recognizing that the Customer Experience is key
UNPRECEDENTED CHANGES ARE AHEAD
Insurance business model evolution

**Today**

- **Product - centric**
- **Loss Compensation**

**Tomorrow**

- **Customer - centric**
- **Loss prevention**

**Mathematical abstraction** of reality

**A Financial Service**

**Influencing physical reality**

**A Risk Service**
Neighboring industries’ business models are also evolving
Life & Wellness – New Business Model

Life Insurance

Health Rider

Fitness Tracker

Branding

Health Monitor

Lifestyle reward

Reward consumption

Device protection

Health Membership

Benchmark & Predict

Life Insurance

Health Insurance

Physical device

Configurability

Analytics

Reward management

Point / $ consumption

P&C Insurance

Service Management

Big Data

Consolidate Data

Connect all touchpoints and channels

Capture data

Engagement Experience

Connectivity

One Product

Delivered to millions

Profitably

Device

App

Consolidate

Data

Connectivity

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PAST SOLUTIONS CAN’T COPE ANYMORE

Volume

Machine2Machine

Speed

Instant messages

Opportunities

Planning

Transactions

Customer

Service calls

E-mails

CRM data

GPS

Demand

Velocity

Real-time needed

Offers and contracts

Volume

Speed

Instant messages

Opportunities

Planning

Transactions

Customer

Service calls

E-mails

CRM data

GPS

Demand

Velocity

Real-time needed

Offers and contracts
RADICAL SIMPLIFICATION IS NEEDED

Drive business innovation

Keep the lights on

Consumption
For immediate business impact

User Experience
Engage front line employees/customers

IT Environment
Collapse redundant infrastructure layers

Drive business innovation

Keep the lights on

Innovation

Transformation

Digitally Connected
Better Informed

Socially Networked
Simplified Front Office with SAP Hybris
Ageas Approach at a Glance

Customer Strategy
- Strategic growth through activities in Asia
- Launch of next greenfield operations with joint venture partner in Philippines and Vietnam

Project Scope
- Front Office (incl. Hybris, CRM, Product and Quotation Mgmt), Middle Office, Back office (incl. Financials, HR, Business Planning, Procurement)

Project Start: October 2015

Go-live dates (Philippines)
- Go-live Rel. 1.0 on Feb 1st 2016 - New business
- Go-live Rel. 1.1 in April 2016 - Entire insurance operation

Highlights
- Greenfield supported wall-to-wall by SAP
- Project acceleration through Best Practice
- Software hosted in SAP HANA Enterprise Cloud
- SAP provides Onboarding and Application Management Services (AMS)

Ageas Group
- International business for over 190 years
- Focuses business activities in Europe and Asia
- Owned subsidiaries and partnerships in over 50 markets
- Among Top 20 European insurer
- #3 Car insurer in UK
- 13,000+ people in the consolidated entities, 30,000+ in the non-consolidated partnerships
- Annual inflows close to EUR 26 billion in 2014
- Joint-venture companies related to SAP
  - EastWest Ageas Life, Philippines
  - MB Ageas Life, Vietnam
Placing customer needs first regardless of line of business

Configura il tuo abbonamento
Scegli la combinazione dei moduli e personalizzali

La tua soluzione
12 €
AL MESE

Allianz

Commerciante
19/12/1980
ANCONA

CASA
Proteggi le tua casa dagli imprevisti

Danni a terzi
Casa 5 €

Danni ai mobili della casa
Casa 2 €

Danni ai locali della casa
Casa 5 €

Furto in casa
Casa 4 €

MOBILITÀ
Assistenza satellitare per la tua auto

Emergenze alla guida
Auto 13 €

Emergenze in casa
Casa 2 €

Invalidità premunite da malattie
Persona 7 €

Invalidità permanente da malattie
Persona 17 €

Grandi interventi e malattie gravi
Persona 12 €

Premoriente
Persona 10 €

DIARIA
Persona 1 €

SALVA
Simple entry

**SIMPLE LIFE INSURANCE.**
**SIMPLE IS HERE AGAIN.**

Easy to get life insurance, in 3 quick steps. It’s really that simple.

Call 13 3962

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**What is Simple Life Insurance?**

Simple Life is insurance that helps protect your lifestyle and the people who depend on you. You might consider it when your circumstances change such as changing jobs, entering the property market, or starting a family.

Simple Life offers four types of cover, with benefits paid as a lump sum – Life Cover up to $1 million, Total and Permanent Disability Cover up to $500,000, Critical Illness Cover up to $200,000 and Illness Protection up to $5,000. To make things simpler, you can choose from one of our packages, or any combination of covers when you get a quote.

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**Life Cover**

- $100,000: $60.00 per month
- $1,000,000: $51.00 per month

**Disability Cover**

- $100,000: $25.00 per month
- $500,000: $19.00 per month

**Critical Illness Cover**

- $50,000: $11.00 per month
- $200,000: $11.00 per month

Total cost: $81.00 per month

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Designing experiences around special needs

Example

Enhancing migrant lives

We provide a selection of products and services that enhance the lives of migrant communities.

We at Lebara are committed to meeting the needs of our migrant communities at every step of their journey: from planning, to arrival, to living within their new home in any part of the world, wherever they should choose to settle.

Providing insurance and banking services to refugees and migrant communities.

https://www.lebara.com/ca/en/lebara-has/services
SAP STRATEGY 2020
Our Strategy is aligned with the Key Success Factors for the Bank of the Future

Digital Customer Engagement

#1 in Digital Customer Engagement
- Front and center of our strategy
- Digital Banking for retail and commercial banking
- Predictive analytics, profiling and customer information hub for real-time, digital customer engagement and eCommerce

Real-time Insight

# 1 in Real-time Insight
- Leverage S/4HANA and industry solutions to enable real-time insight on transaction level
- Industry specific solutions for Accounting for Financial Instruments, Performance Mgmt, Risk & Compliance to address regulatory needs
- Leverage investment in FRDP and in HANA (EDW) to provide Financial Services Data Platform

Agile Platform

#1 in Agile Platform
- Adaptive, scalable product systems / digital core
- Establish the HANA Cloud Platform as the market leading innovation platform for FinTechs/FSI eco-system.
- Make use of disruptive technologies such as Blockchain
MBANK
Anticipates Customer Demand with SAP Predictive Analytics

Achievements

- Personalized communication: creation of tailored offers based on customer profiles
- Ability to choose the most relevant groups for their retail marketing campaigns
- Better understand the preferences of its customers and anticipate future demand by using predictive models
- Significant and rapid increase in marketing campaign response rates:
  - 400% increase in credit products hit rate
  - 200% increase in insurance products hit rate
  - 250% increase in savings products hit rate

“SAP Predictive Analytics has allowed mBank to discover individual customer preferences. Now we are able to initiate more direct conversations, resulting in a better understanding of our clients on a personal level.”

Bartosz Witorzenc, Director of Strategic Initiatives, mBank
PAYPAL
Managing online payments with SAP HANA

Objectives
• Increase **data quality and granularity**
• **Reduce time** to acquire data
• Increase accuracy by **reducing manual processes**
• **Increase time** spend on **value-add activities**

Statistics
• **400m active accounts**
• Online payments in **190+ countries**
• **15m payments per day**
  (doubles on Black Friday and Cyber Monday)
• Expected **growth rate: 30% YoY**
• **All on a single HANA box** (48 TB)
TORONTO, Canada — July 14, 2016 — ATB Financial, the largest Alberta-based financial institution, has collaborated with SAP SE (NYSE: SAP), financial technology start-up Ripple Labs Inc., and ReiseBank AG in Germany to send the first real international blockchain payment from Canada to Germany.

Overseas payment process took 20 sec instead of 3 days
This will be place where we will feature (opening in Q1.2017):

- The future of banking
- Meet-ups on thought leadership in Fintech with internal and external speakers including academia
- Dedicated startups working on Fintech and the future of banking where the ideas can be seeded into SAP customers
- Executive education with the Ivy League universities (Cornell, Columbia, Princeton, ...) on the future of Financial Services
- A place where our Financial Services customers can come and work and interact with students and startups
- The best HANA expertise through HPI graduates with deep knowledge of HANA
Many new models are emerging
“The vision here is a single user database that combines the traditional consumer purchasing habit information with Under Armour's additional insights gained through our Connected Fitness platform. This work can be categorized into two main areas: Architecting the future to create a business platform that will scale our organization and sustain our global growth, and developing the consumer insight engine that will use data to drive this business to $7.5 billion and beyond.”

Kevin Plank
CEO, Under Armour
Thank you