Big Data and CRM – Powered by HANA

Chris Dircks
Legal disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. This presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation and SAP’s strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this document is not a commitment, promise or legal obligation to deliver any material, code or functionality. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This document is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP’s willful misconduct or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.
Global Trends and Their Impact on Customer Analytics

Big Data
- Information explosion
  - Explosion of data with no end in sight
  - Information is everywhere but trapped in organizational silos
  - Harder to filter valuable insights out from all the noise
  - End of the gut decision – fact based business decisions are now expected

Predictions

Mobility
- Enterprise in your pocket
  - Revolution in consumer experience raises the bar for professional applications on mobile devices
  - Ubiquitous access on any device is the expectation among business users
  - Fact-based decision making takes place everywhere, information must be available at the point of interaction.

Velocity of decision making
- Need for speed
  - Customer perceptions change at the speed of thought – how can I capture that knowledge and react now
  - Conditions can change on a dime, need to adapt and respond instantly
  - Must make real-time course corrections to influence the outcome of in-flight activities
Going Beyond “What happened”

What happened?

What is happening now?

What will happen?

How and why did it happen?

What is the risk if it does/doesn’t happen?

How do you prevent / ensure it happens again?
Agenda

1. The new game changing capabilities of SAP HANA
2. Today’s CRM HANA solutions
3. Preview: Next Generation High Performance Customer Analytics from SAP
4. Wrap up
SAP HANA: Breakthrough innovation

In-memory computing is a technology that **analyses massive quantities of data in local memory** so that the results of complex analyses and transactions are available at your fingertips – and business decisions can be executed without delay.

- With in-memory technology, you can:
  - **Gain Real-Time** – know it when it happens
  - **Go Deeper** – ask any question on any data
  - **Act Broadly** – manage large volumes of data
  - **Run Faster** – analyze at the speed of thought
  - **Get Flexibility** – eliminate pre-fabrication requirements
What is SAP HANA?

- SAP HANA™ is a modern platform that leverages the power of in-memory computing.
- Enables to drive businesses in real-time on an ever increasing massive volume of data.
- Can be deployed as an appliance or delivered via the cloud.

Batch bulk uploads

SAP HANA modeling

SAP HANA information composer

Real-time copy

Other data sources

SAP ERP

SAP CRM

SAP Business Warehouse

(Other query tools)
Real-time solutions powered by SAP HANA

- **New Accelerators** and **Analytic Content** for powerful analysis and reporting on big data
- **New Applications** for highly innovative processes and business models

**Benefits**

- Make smarter and faster decisions
- React more quickly
- Unlock new opportunities
- Invent new data-driven business models
- Ensure quick time-to-value
HANA Uses: Content, Accelerators and Applications

- **Analytic Content** provides pre-built reporting and data models that run natively on SAP HANA.
- **Accelerators** dramatically improve the performance of existing SAP Business Suite functionality.
- **Applications** are new high performance side-by-side native HANA applications.
Learn more at ExperienceSAPHANA.com
1. The new game changing capabilities of SAP HANA
2. Today’s CRM HANA solutions
3. Preview: Next Generation High Performance Customer Analytics from SAP
4. Wrap up
## SAP Sales Pipeline Analysis

### Rapid-deployment solution with HANA for real time pipeline visibility

<table>
<thead>
<tr>
<th>Solution Capabilities</th>
<th>Key Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Instant real time visibility into consolidated pipeline</td>
<td>• Identify pipeline exceptions and issues in real time</td>
</tr>
<tr>
<td>• Analysis of very large pipeline data sets in real time</td>
<td>• React rapidly to resolve pipeline issues</td>
</tr>
<tr>
<td>• Easily perform pipeline complex pipeline analysis</td>
<td>• Make informed decisions to correct pipeline trends</td>
</tr>
<tr>
<td>• Track pipeline progress and evaluate opportunity success rate</td>
<td>• Avoid surprises at the end of the quarter</td>
</tr>
<tr>
<td>• Pre-packaged content for HANA with BusinessObjects Explorer</td>
<td>• Improved pipeline mix</td>
</tr>
<tr>
<td></td>
<td>• Improve sales execution</td>
</tr>
</tbody>
</table>
SAP Sales Pipeline Analysis
Rapid-deployment solution with HANA for real time pipeline visibility

- Gross Sales (SUM)
- Net Sales (SUM)
- Cost (SUM)
- Quantity Sold (SUM)
- Profit (SUM)
- Discount (SUM)

Available Now!

You are currently exploring all data. Select values to narrow it down.

Displaying: Gross Sales

Line: Accessories
   Gross Sales: 4,733,541,064

Line: Printers
   Gross Sales: 1,405,989,013

Line: Computer
   Gross Sales: 1,254,702,190

Total (3)
   Gross Sales: 7,394,038,067
SAP Customer Segmentation Accelerator

Rapid-deployment solution with HANA for high volume segmentation

Scalable solution that allows marketers to deal with large number of end-consumers to reach their target audiences with relevant marketing messages

Core features

- The solution falls under the ‘HANA accelerator’ category for driving high performance for huge data volumes (~1 sec on 10 Mio customer records)
- Clear visualization in graphical modeler through Waterfall approach
- HANA data load facility for initial build
- HANA delta-replication capability
- Plug-and-play activation

Available Now!
SAP Customer Segmentation Accelerator
Rapid-deployment solution with HANA for high volume segmentation
Delivered as a Rapid Deployment Solution
Preconfigured software and services enabling rapid deployment

SAP brings together software and services in a new offering that gives you essential reporting functionality quickly and affordably.

- Preconfigured software to eliminate the guesswork
- Rapid delivery in a short timeframe, using SAP consulting
- An affordable, flexibly priced solution
- Limited scope to jump start
- A clear path to real-time operational analytics
Agenda

1. The new game changing capabilities of SAP HANA
2. Today’s CRM HANA solutions
3. Preview: Next Generation High Performance Customer Analytics from SAP
4. Wrap up
High Performance Customer Analytics from SAP

Account Intelligence

Customer Value Intelligence

Audience Discovery & Targeting

Configurable, Integrated Analytic Apps

One Data Foundation, One UI

Planned Q1 2013
Customer Value Intelligence
- Target Users: Marketing Manager, Product Manager
- Empowers Sales and Marketing to invest the right resources into the right customers, products and channels.
- Combination of front and back office for comprehensive targeting by Revenue, Margin and Value.
- Beyond analysis and insight to advice, action and execution. For example cross/upsell advice to action.

Account Intelligence
- Target User: Sales Manager, Sales Rep
- Empowers Account Executives with real-time and complete view of all Customer activities
- Across channels
- Exception identification and management tools to improve sales success.
- Comprises Sales, Financials, CRM, and external sources like customer satisfaction

Audience Discovery and Targeting
- Target User: Marketing Manager
- Empowers Sales & Marketing professional to rapidly and easily segment large customer populations
- Manage Target Groups for insight to action
- Trigger initiatives like customized offers for each segment and channel
High Performance Customer Analytics from SAP

Key Values

- Integrated single view of customer value across the front and back office, in real time
- Delivering recommendations and advice directly to business users
- Closing the loop from Insight to Action
- Tight integration with SAP ERP / CRM, open to other sources
- Configurable managed application experience, rather than development tools
SAP Customer Value Intelligence
What:
Drive revenue and margin performance of your customers, products and organizations – invest the right resources in the right places

Combination of front office and back office worlds for comprehensive analysis and advice

Margin visibility – decomposition of margin to target margin improvements

Call for action – take focus customer segments and define initiatives to improve customer value

Simulation and Business Advice
- Simulations in real time to provide advice on cross/up sell and discounting.
- Predictions on customer behavior and profitability for more effective segmentation and targeting
- Perform what-if scenarios to see the impact of pricing and discount changes.
- Social analysis of sentiment and satisfaction, and the impacts on revenue and margin
Hard to choose where to focus: which customers, products and tactics to focus on?

Challenging to drive consistent execution on these strategies within marketing, sales and service

Challenging to track effectiveness of these strategies for review and refinement

Difficult to predict how decisions impact both short and long term financial performance

Multiple systems for account management, customer satisfaction, financial terms, and order management
SAP Customer Value Intelligence

Key Roles

- **Strategic Marketing:** Target your customers based on their identity, behavior and lifetime value, and focus on the right segments for growth. Set the right strategies for these customers across discounting, product mix, channel mix and service levels.

- **Product/Brand Manager:** Target your products to the most receptive customers, and improve revenue and margin with your existing customers.

- **Marketing/Sales Executive:** Real time visibility into revenue and margin performance vs. targets, and the drivers behind.

- **Cross-role:** Whitespace Analysis & Cross/Upsell for product placement advice
  - Marketing Campaign Manager (cross/upsell campaigns)
  - Sales Strategy (sales directive)
  - Sales Rep/Service Rep (tactically, through Account Intelligence)
8. Jane reviews the alerts generated for her initiative, that will track the revenue, margin and adoption rates for these customers and the overall key Segment. These alerts will painlessly keep her up to date and let her know which initiatives are successful.

7. With one click, she saves this recommendation as an initiative. This sets up a target group of the suitable customers along with the messaging and goals as an initiative. This initiative is sent to the Sales teams and surfaced through Account Intelligence.

6. Jane sees that a product line of consumable components has a low penetration into these particular customers, and would have a significant impact on margin.

5. The Product Category Up Sell recommendations are based on the purchase history of this customer and like customers, based on success likelihood and revenue/margin impact.

4. The Product Line Cross Sell recommendations are based on the target product line mix per segment. This target is system generated and user modifiable.

3. She then chooses Product Positioning from the options for increasing margin for customers, and views recommendations for the Product Line Cross Sell and Product Category Up Sell.

2. Drilling into this key segment, she filters on the high Revenue and low Margin customers within the segment.

1. Jane reviews the Customer Segment Overview by Revenue and Margin, and sees that a key Segment has high Revenue but low (and sinking) Margin.
SAP Account Intelligence
What:

- **Beautiful visualization and interaction** with customer portfolio for strategic analysis of customer relationships
- **Automatic customer stratification** to enable planning sales tactics that make business sense
- **Real time Customer360 views** – mash up of ERP and CRM analytical views for an up to date snapshot of customer loyalty, satisfaction, and business outcomes
- **Call for action** – take focus customers and define initiatives to improve sales success

**Complete view of customer relationship**

- Understand who are your most important customers, what is their value, how engaged they are, and how happy they are
- Plan customer visit and call activities that meet frequency, reach targets
- Offer valuable cross sell recommendations
- Become relevant to your accounts with valuable insight of all interactions, including social analysis
SAP Account Intelligence
Business Challenges

- **Multiple systems** for account management, customer satisfaction, financial terms, and order management

- **Hundreds of thousands of daily customer interactions** across multiple customer touch points and systems

- **Hard to view complete account information** on a single version of the truth

- **Hard to aggregate mass volumes of data** to visualize customer profitability, duration, sentiment, and satisfaction

- **Hard to understand where to focus; what to do next to grow revenue and profit in my account**
SAP Account Intelligence

Key Roles

- Carlos is **Regional VP of Sales** for North America at a software maker and looks after 200,000 customers. He needs to set sales strategy around best customers and align the sales organization to meet financial targets. He often meets top tier customers and wants to delight them.

- Sarah is **Sales Manager** at a discrete tools manufacturer. She looks after a sales team who sell into 2000 accounts. She sets frequency and reach targets for her team and needs complete and accurate information on her customers to facilitate account planning and sales rep coaching.

- John is a **Territory Manager** at an electronics wholesaler. He looks after 200 accounts and often meets top tier customers and wants to delight them. He often gets calls from customers inquiring about product information, availability, and pricing. He needs a complete view of the customer in order to position the right products while delivering a superior customer experience.
1. John is planning next month’s call activity schedule. Using the **Relationship Monitor** he analyzes all customers in his territory according to important KPI’s in a scatter plot.

2. He uses **Customer Stratification** to understand who are his most and least valuable, loyal, engaged, and satisfied customers.

3. He uses **Time Travel** to visualize how the customer experience lifecycle has evolved through time.

4. He uses the in context **Customer360 dashboard** to dig deeper into each account to learn about value, loyalty, and satisfaction.

5. The dashboard helps him understand white space, expiring contracts, and open interactions. He can also see **cross-selling proposals** are available for this account.

6. John **searches** for high value customers in his region. He identifies a sub-group of high value customers he can visit during his next trip to the midwest.

7. He opens the **geo planner**. On the geo planner he can see the geographic proximity, **prepare a route**.

8. In **one click**, he creates a visit plan for all accounts in the smart list in SAP CRM. The activity plan contains the cross sell recommendations.

9. While on the road, John finds some idle time and wants to drop by another high value customer in close proximity. He opens the **mobile geo planner**. A smart list is pushed to John with high value accounts nearby. He digs into the fact sheet and sees product upsell recommendations. He calls the account.

10. John visits the customers. Customer is interested on the cross sell. He opens the account fact sheet, clicks and **creates a new quotation**.

**SAP Account Intelligence**
SAP Audience Discovery & Targeting
SAP Audience Discovery and Targeting

What:
- **Segmentation** on a wider and more granular set of data, including social sources
- **Tracking** of successful implementation of initiatives out of segmentation
- **Audience Discovery** by identifying common characteristics within a given group
- **All levels of sales & marketing** can use segmentation features to define own target customers to improve sales

- **Real-time simulation and segment building**
  - More granular targeting leveraging data mining and predictive analytics
  - Improved alignment amongst Sales, Marketing and Product Development to focus on target customers
SAP Audience Discovery and Targeting

Business Challenges

Data is in different data sources

- SAP systems / Non-SAP / Data in the cloud

Data Characteristics

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Votes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 MB</td>
<td>14</td>
<td>5%</td>
</tr>
<tr>
<td>1.1 to 10 MB</td>
<td>19</td>
<td>6%</td>
</tr>
<tr>
<td>11 to 100 MB</td>
<td>26</td>
<td>8%</td>
</tr>
<tr>
<td>101 MB to 1 GB</td>
<td>38</td>
<td>12%</td>
</tr>
<tr>
<td>1.1 to 10 GB</td>
<td>69</td>
<td>23%</td>
</tr>
<tr>
<td>11 to 100 GB</td>
<td>37</td>
<td>13%</td>
</tr>
<tr>
<td>101 GB to 1 Terabyte (TB)</td>
<td>42</td>
<td>14%</td>
</tr>
<tr>
<td>1.1 to 10 TB</td>
<td>29</td>
<td>10%</td>
</tr>
<tr>
<td>11 to 100 TB</td>
<td>7</td>
<td>2%</td>
</tr>
<tr>
<td>101 TB to 1 Petabyte</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>over 1 Petabyte</td>
<td>12</td>
<td>4%</td>
</tr>
</tbody>
</table>

- Volumes huge
- Aggregated & not
- Structured & not
- Current & Historic

Business Users Expectations

- Can’t write SQL / Can’t wait / Need to Collaborate

Lack of Insight

- Visualisation
- Exploration
- Predictive Analytics
- Simulations
- Optimizations under Constraints
SAP Audience Discovery and Targeting

Key Roles

- Campaign Manager: select a target group and run a marketing campaign
- Segmentation Expert: create the best customer segments to match offers and customers
- Statistician: Apply the best algorithm to solve an optimization problem

Plus
- Marketing Planner
- Marketing Analyst
- Brand/Product Manager
- Service Manager
- Business Developer
- Social Media Specialist
- Webcommerce Manager
Customer Validation & Co-innovation
an opportunity to influence
Motivation and Goals

MOTIVATION

- Meet the customer expectations regarding product quality
- Reduce distance from customer to development
- Enable early live customers

GOALS

- Increase quality of SAP software before shipment on an ongoing basis
- Get closer to our customers
- Earlier integration of customer in the product lifecycle

OPTIONS

- Installation onsite on systems owned by the customer, implementation costs are paid by SAP
- Systems hosted by SAP and customer gets remote access, implementation and hosting costs are paid by SAP
Takeaways

1. SAP HANA in-memory storage and calculation drives real time decision making, on big data. Integration of predictions and recommendations directly within HANA and real time replication from SAP CRM and ERP are an unbeatable combination.

2. SAP packaged analytic content and acceleration of SAP CRM (and ERP) functionality is available today to enhance the value of your current investments, with more in the pipeline.
   - SAP Customer Segmentation Accelerator
   - SAP Sales Pipeline Analysis content kit

3. SAP is about to release a group of next-gen high performance customer analytic solutions that will help transform your sales, service and marketing organizations.
   - SAP Customer Value Intelligence to target the right resources into the right customers, products and channels for overall revenue and margin performance.
   - SAP Account Intelligence to improve customer engagement and account management in real time, in and out of the office.
   - SAP Audience Discovery and Targeting for interactive real time high volume customer segmentation with data mining, analysis and campaign execution
Thank you for participating.

Please remember to complete and return your evaluation form following this session.

For ongoing education on this area of focus, visit the Year-Round Community page at www.asug.com/yrc