

SAP White Paper



# **mySAP™ CUSTOMER** **RELATIONSHIP** **MANAGEMENT FOR THE** **CONSUMER PRODUCTS** **INDUSTRY**

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# mySAP CUSTOMER RELATIONSHIP MANAGEMENT FOR CONSUMER PRODUCTS

Today's business environment is characterized by fragmenting markets, diversifying product and service offerings, and wised-up, demanding consumers. Matching products to customers in this landscape can be a real challenge. To meet this challenge, your business needs to become more responsive, faster, and more service oriented. That means putting customers at the center of your business processes. mySAP Customer Relationship Management (mySAP CRM) is a powerful, comprehensive solution with features to help you manage every aspect of customercentric business. Above all, it enables you to meet and exceed your customer's expectations, helping you to keep them loyal, and your business profitable.

## AN INTEGRATIVE, FLEXIBLE SOLUTION

mySAP CRM is an integrative solution, leveraging all your front and back-office software – from SAP and other vendors – to manage customer relationships more effectively than ever before. Within your enterprise, mySAP CRM connects seamlessly with supply chain management (mySAP SCM) and product life cycle management (mySAP PLM) to improve your process of new product introduction as well as with financial management, business intelligence, and strategic enterprise management.

## LEVERAGING THE INTERNET

The Web and Web technology are at the heart of mySAP CRM. E-commerce is a built-in part of the solution, not an add-on. And mySAP Marketplace provides a Web community for you, your customers, and suppliers. Full support is also provided for mobile devices that support the wireless application protocol (WAP).

## COLLABORATIVE BUSINESS IS THE FUTURE OF BUSINESS

mySAP CRM supports collaborative business and interenterprise processes. Using Web technology, you can integrate your systems with the systems of your customers, suppliers, and other business partners so you can execute seamless transactions in real time and gain transparency across the extended enterprise. The result is more efficiency, lower costs, and accelerated business processes.

## ONE FACE TO THE CUSTOMER

mySAP CRM ensures that your employees have all the information they need at their fingertips to answer your customers questions and respond to all their needs. Enterprisewide data consistency guarantees you can present one face to the customer at all times and across all touch points. What's more, your employees can do more than just access data – they have real power to make decisions or take action, such as cross selling.



### **IN-DEPTH KNOWLEDGE OF YOUR INDUSTRY**

With a proven track record in the consumer products industry, SAP brings a wealth of expertise to your CRM solution, optimizing it for your specific industry requirements.

### **EASY TO LEARN, EASY TO USE**

Your employees, customers, and business partners benefit from easy-to-learn, easy-to-use portals that they can tailor to their personal needs, based on mySAP Workplace. This increases user satisfaction and personal productivity, leading to a faster return on your investment.

### **mySAP CRM: ENHANCING CUSTOMER RELATIONSHIPS AT EVERY STAGE**

mySAP CRM covers the entire customer relationship cycle. This can be broken down into four phases: engage, transact, fulfill, and service. The four phases correspond to different stages in a company's relationship with its customers.

#### **ENGAGE**

The engage phase covers processes that take place before contact is made with customers. This includes brand positioning, gathering and maintaining customer and market data, marketing planning and campaign management, strategic planning, forecasting, and promotion planning.

#### **TRANSACT**

During the transact phase, sales are actually made, orders signed, and contracts finalized. This phase covers the negotiation and finalization of terms and conditions, and the establishment of business processes.

#### **FULLFILL**

The fulfill phase includes services that have been agreed on previously. This could be delivering goods to a store providing various kinds of service. Fulfill processes include ensuring accurate delivery and product quality, payment and order replenishment, managing promotions and seasonal demand, processing claims, and requests for loans and other kinds of contracts.

#### **SERVICE**

Finally, service involves tasks that go beyond the basic sales paradigm: extra services designed to retain customers, activities that enhance customer relationships by improving or customizing products and services, and all sorts of added-value services. This is also where many opportunities for cross-selling and up-selling can be realized. The following scenarios give a taste of mySAP CRM in action. They are based on ShineCo, a fictional company in the nonfood consumer products industry, which uses mySAP CRM to manage its relationship with customers.

## ENGAGE

### A COORDINATED APPROACH

Alex is a brand manager at ShineCo, a manufacturer of cleaning products, oral-care, and other nonfood consumer products. She is developing a marketing strategy for Soapy Tabs, a new kind of clothing detergent. Analyzing the competitive situation and current brand position, she decides to focus on a defined consumer target group. She works with Mikel Blanco, the key account manager, to create a list of retailers that fall into the right profile based on market share, consumption, distribution and pricing information gathered from market research and store-level data. Their plan takes into account the category competitive landscape, the category growth potential, share targets, shipment targets, ACV targets, pricing targets, and base and incremental consumption targets. Following this Alex and the trade sales and marketing team create a marketing plan with strategies for advertising, consumer promotion, and trade promotion. The plan defines timeframes, budgets, allocated resources, and marketing goals like sales figures and market share. The marketing staff can view plans that are derived directly from the overall plan and allocated to their region. Regional sales managers work with Alex and Mikel to launch Soapy Tabs in each area. They coordinate the various aspects of the launch: identifying contact people for the sales team, executing local consumer and trade promotion strategies, preparing promotional materials, briefing staff, developing scripts for call centers, and many other tasks.

### A RAPID RESPONSE TO FEEDBACK

Following the first wave of the Soapy Tabs launch, Alex and her team use the data gathered from the initial promotion, including sample point-of-sale data, to plan the next wave. Looking at rolling estimates, they consider key performance indicators, such as sales volume and profitability. They also consider the

profitability of the campaign itself, keeping a close eye on the marketing budget. In one region, the response was more tepid than expected. Analyzing market data, Alex and Mikel find that a competitor has recently strongly promoted its product in the area. Alex has to consider possible responses. Basing her decision on a cost-benefit analysis that takes into account the market conditions, competitive situation, and account relationships, she decides to redefine all retail accounts in that area as low priority for the time being. The redefinition takes immediate effect, allowing ShineCo to focus on more profitable markets. The campaign team identifies another problem with their retail channel plan. It has proved difficult to attract independent chains with smaller outlets. Additional selling arguments are needed. Alex and her team access figures showing the relative per-square-meter profitability of the new, slimline product compared to bulky powders, and draw up a strong argument based on this fact for use during phase two. Highly positive market predictions about new detergents are automatically pushed to all relevant staff, and these are incorporated into the sales material for the next wave of the campaign.

### mySAP CRM Features

- Draws on all the power of mySAP Business Intelligence
- Access to POS data and third-party syndicated data providers
- Simulation capabilities for trade promotion planning
- Extensive customer profiling
- Tools for market analysis
- Powerful segmentation abilities
- End-to-end support for campaigns
- Creation of automatic e-mails and call lists
- Full support for mobile devices
- Rolling sales estimates based on up-to-the-minute information
- Extensive campaign reporting and analysis



## **BENEFITS**

- Identify the best channels for new products
- Better segmentation and targeting of resources
- Increased account profitability and volume
- Integrated reporting for comparing different scenarios
- Closed-loop campaign information
- Flexible marketing plans reflect your business processes
- Track campaign budgets and targets accurately
- Integration with back-end systems
- Respond to changes at lightening speed
- Integration of sales and marketing

## **TRANSACT**

### **INFORMED, EMPOWERED EMPLOYEES**

Mikel Blanco is a key account manager at ShineCo. Each evening, he uploads all the latest briefing and sales material onto his laptop, along with his schedule of meetings for the next day. At MaxiMart, a retail chain that has expressed an initial interest in Soapy Tabs, he meets the vice president for purchasing. Mikel presents specially created market analyses that demonstrate advantages of Soapy Tabs that the VP had not considered. The VP is impressed by the resources Mikel has at his disposal and the quality of his analysis. MaxiMart has agreed to stock Soapy Tabs in a range of its stores. Donna Cavretti, the manager of the store, is discussing the exact configuration of one order with a ShineCo sales rep. Accessing information he uploaded that morning, he answers Donna's questions about the launch promotion with detailed, accurate facts about payment conditions, prices, and discounts. When Donna wants to know if ShineCo can organize labeling and shelving, the rep has the relevant data at his fingertips. He can tell her that labeling and shelving services are free when an order reaches a certain size and configures the new order then and there. It is more than Donna originally planned to order, but when she considers the savings she will make by outsourcing labeling and shelving, she agrees to buy the higher quantity. When the sales rep authorizes the sale, the production planning, purchasing, and logistics departments are immediately notified via workflow. ShineCo's distribution partners are also automatically informed of the increased capacity that will be required.



### **CALL CENTERS THAT REALLY HELP YOU AND YOUR CUSTOMERS**

Donna Cavretti wants to know whether ShineCo's Soapy Tabs are environmentally friendly. She would like to use this selling argument for an advertisement leaflet. She calls the ShineCo call center to find out. The software recognizes her number and puts her through to Ramona Martinez, who is part of the team allocated to important customers. Ramona's mySAP Workplace displays MaxiMart's customer master data, with links to contracts, service agreements, product information, and other details.

When Donna asks her question, Ramona has all the facts at her fingertips. Because MaxiMart is one of ShineCo's most important retail customers, Ramona is reminded to ask Donna if there is anything else he can do. Donna asks whether a ShineCo sales

rep is going to be visiting her that week. Ramona checks the relevant calendar, linked to the account file and informs Donna that a rep has an appointment with her assistant that week.

### **FLEXIBILITY AND RESPONSIVENESS**

The regional sales manager at ShineCo, is organizing a promotion for Soapy Tabs to tie in with a high-profile sports tournament being held in his region. Together with the key account manager, he plans a budget and develops a pricing model before contacting MaxiMart. When the promotion is given the green light, he arranges for the delivery of the special displays, packaging, and free gifts. He also creates and manages the service agreements relating to maintenance and disposal of the displays. Mikel Blanco, the key account manager, becomes aware that sales targets are not being met in one sales area where the special promotion is running. The problem is the result of an unreliable distributor. Working closely with the logistics department, it is easy for him to research alternative channels and trigger cost-benefit analysis of switching supplier for the area concerned. Following the change of supplier, the promotion is soon back on target.

### **FEATURES**

- Price and product configuration on the fly
- Integration with back-end systems
- Real-time exchange of information with business partners
- Activity management and calendar functionality
- Promotions management

### **BENEFITS**

- Reduced cost of sales
- Consistency of data across all touch points
- Accurate, on-the-spot information for customers
- Empowers sales force through mobile computing
- Call center agents have accurate, up-to-the-minute facts and figures
- Higher rates of up-selling and cross-selling
- Each customer is treated as an individual, increasing satisfaction
- Create successful promotions at short notice

## FULFILLMENT

### ACCURATE FORECASTS, EFFICIENT GOODS FLOW

ShineCo is now regularly supplying Donna Cavretti's store with Soapy Tabs and must ensure that the product is always on the shelf. To accomplish this, ShineCo has to manage upstream and downstream processes in the supply chain. ShineCo's key account manager can ensure that supplier, production and distribution processes fulfill MaxiMart's requirements. He can look at actual inventory levels as well as order forecasts based on point-of-sale data and seasonal demand. Many processes occur automatically, for example, when MaxiMart's inventory levels fall to a certain level, the system generates a replenishment order. Likewise, when MaxiMart places an order, the system executes a workflow in ShineCo's system. The workflow checks that ShineCo has the capacity to deliver the order, if necessary triggering a production order at ShineCo. Information about the order is also updated throughout the system so that, for example, call-center staff and field sales reps all have one version of the truth ñ the latest logistics and delivery information. If for some reason there is a problem with one link in the supply chain, with the support of his integrated software system, the ShineCo key account manager responsible for MaxiMart is aware of the fact immediately. He can then ensure that the problem is resolved and, if necessary, contact MaxiMart before it becomes critical.

### FEATURES

- Integration of business partner's IT systems
- Permanent product availability
- Replenishment cycle management
- Integration with sophisticated supply chain management systems
- Quick reconfiguration of pricing structures and logistics channels
- Support for EDI

### BENEFITS

- Guarantee product availability
- Use actual sales data when planning production and delivery schedules
- Turn forecasts into orders at the touch of a button
- Increase order fulfillment accuracy
- Identify market changes quickly
- React instantaneously with new product and delivery conditions



## SERVICE

### BUILDING SOLID RELATIONSHIPS

ShineCo offers MaxiMart various additional services that support and enhance the supplier-retailer relationship. These include access to its retailer portal with a wide range of online services. MaxiMart can obtain detailed information on all aspects of ShineCo's products online, from chemical composition to the dimensions of boxes. Through ShineCo's retailer portal, MaxiMart can also keep informed on breaking issues. For example, when a safety scare concerning some detergents breaks, ShineCo at once posts an authoritative disclaimer explaining that its products are not affected. In addition, ShineCo allows individual MaxiMart regional and store managers to keep track of orders that have been placed. The information is available to ShineCo's call-center agents, who give details to MaxiMart employees via telephone. MaxiMart can also take advantage of online tracking function, which allows Web-based access to the relevant data within ShineCo's system.

### TIGHTENING THE SUPPLY CHAIN

MaxiMart never knows exactly what volume of Soapy Tabs it will be able to sell and overstocking is always a real danger. When MaxiMart's CEO explains this problem, his counterpart at ShineCo has the perfect solution. If ShineCo manages MaxiMart's Soapy Tabs inventory, much of the risk could be eliminated. As a result, both parties agreed on a vendor-managed inventory (VMI) arrangement. This leads to more accurate planning and more reliable availability, streamlined business, reduced costs, and increased satisfaction on both sides.

### FEATURES

- Business partner history
- Support for vendor-managed inventory (VMI)
- Collaborative planning, forecasting, and replenishment (CPFR) agreements
- Managing service agreements, such as deduction management
- Category management

### BENEFITS

- Customer retention
- Managing services for customers individually
- Configuring special services to specific needs
- Reducing inventory costs
- Maximizing the potential for collaborative business

## PUTTING CUSTOMERS AT THE CENTER



As you have seen, mySAP CRM helps your business to reach out, satisfy and keep hold of customers. By focusing on the entire customer relationship cycle, the solution gives you unparalleled power to manage customer relationships at every stage – marketing and sales, deliveries, returns, and service. Here’s another look at some of the key ways that mySAP CRM helps you do this.

### KNOWLEDGE MANAGEMENT

mySAP CRM integrates with mySAP Business Intelligence, significantly expanding the range and variety of data available for CRM. It handles unstructured as easily as structured data so you can base decisions on all available data – everything from customer histories and stock prices to news reports and Web pages.

### BUILT-IN STRATEGIES FOR CUSTOMER RETENTION

mySAP CRM can manage the special offers and services you offer to your customers, and it supports tiered services for various categories of partners. It can even suggest when it is appropriate to offer such incentives. The major advantage here is that customer retention strategies are more than an add-on; they are integrated into your business processes, for more effect.

### INTEGRATED AND INTEGRATIVE

mySAP CRM integrates fully with SAP and non-SAP back-end systems so you can be sure that you are putting all your business IT resources to work to serve your customers. Data and workflow can traverse your system, increasing efficiency and transparency and ensuring consistency across the extended enterprise. Supply chain management processes benefit from direct access to front-end data and become both more streamlined and better aligned to customer needs.

### AN OPEN, FUTURE-PROOF SOLUTION

mySAP CRM is Web-enabled and fully supports the technologies and practices that will characterize business tomorrow – mobile devices, Internet sales, collaborative business.

**THE BEST-RUN E-BUSINESSES RUN SAP**



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