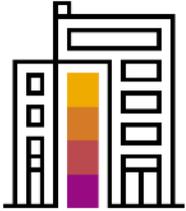


SAP Innovation Awards 2021 Entry Pitch Deck

Delivering the **Retail Experience of the Future** with
SAP Customer Experience Portfolio and SAP ECC
Elkjop Nordic AS

PUBLIC



Company Information

Headquarters	Oslo, Norway
Industry	Consumer Electronics Retail
Web site	www.elkjop.no

Elkjøp Nordic is the leading consumer electronics retailer in the Nordics. The company sells consumer electronics, mobile phones, computers, white goods, domestic appliances, kitchen goods, and services related to these products both directly to consumers and to businesses. The company is an omnichannel retailer and serves their customers both online and through more than 400 stores. The company has over 11,000 employees operating under the brands Elkjøp and Elkjøp Phonehouse in Norway; Elgiganten and Elgiganten Phonehouse in Sweden; Elgiganten in Denmark and Gigantti in Finland.

Elkjop Nordic offers a wide range of well-known brands at competitive prices. The company has a customer first corporate culture with a relentless focus on the customer and efficiency.

The company is a subsidiary of Dixons Carphone plc, a leading multinational consumer electrical and mobile retailer and services company, employing over 42,000 people in nine countries. Together they are the market leader in the UK & Ireland, throughout the Nordics, and in Greece.

Next Gen Retail - The Retail Experience of the Future



Elkjop Nordic



“Building our Next Generation Retail (NGR) program based on the core SAP product suites gives us a sustainable foundation for flexibility & rapid innovation in a highly competitive market.”

Bjørn Dalen, Elkjøp Nordic AS Program Director NGR

Challenge

Elkjop Nordic had twelve different legacy systems that could not support the company’s vision for a next generation retail customer experience. Systems serving critical processes were sun-setting, and it forced the decision to re-evaluate all the systems. The next gen customer experience needed to support mobility, unified channels, a single customer journey, and other use cases.

Solution

Because of a successful deployment of SAP ERP (ECC) in 2015, the company decided to base its Next Gen Retail platform on SAP Customer Experience Suite, SAP ECC, and SAP Customer Activity Repository(CAR). The solution takes a cloud first approach and includes a front-end architecture that delivers 100% uptime. A number of high-volume event-driven requirements are met with a micro-services based architecture as well as custom add-ons from ASAPIO/Kafka.

Outcome

The solution went live in Denmark on May 8th, 2020 and has been deployed in 110 out of 460 stores so far. The new architecture delivers a seamless customer journey across in-store and online with one unified customer master record and 100% in-store mobility available for employees. Implemented stores have higher sales, reduced cycle times, and improved productivity.



24%

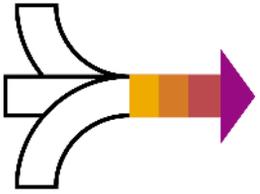
110 of 460 stores (24%) implemented to date with improved sales, productivity, and cycle times.

500

500 legacy interfaces were evaluated and either replaced, updated, and/or re-connected.

4500

Number of employees trained so far in the 110 of over 460 stores that have been implemented.



Business Challenges and Objectives

- There was no mobility supported in the legacy retail systems. To provide some services and close sales, store representatives often had to leave the customer, go to a desk-top computer, and then return.
- The customer experience was bifurcated across online and store channels. Customers in the store could not be tracked or serviced online when they left the store. Customer experience data either did not exist or was siloed across multiple systems.
- Any upgrade in systems capabilities required the adjustments of all 12 different interconnected legacy systems touching 500 different interfaces.
- The existing systems were not extensible and could not support the latest innovations. The old systems, for example, couldn't adapt to selling the new subscription business models. This forced store employees to log in and out of multiple systems to complete a sale.

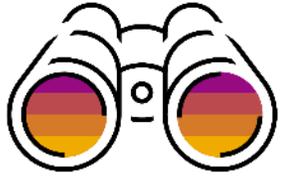
User experience objectives:

- Deliver a seamless customer experience across on-line and in-store channels.
- Introduce more self-service capabilities for customers and automate processes for deliveries and installations.
- Support subscription business models and reduce the cycle time for completing mobile subscriptions.

Technical objectives:

- Cloud first strategy and a failover architecture to support the 100% uptime required for retail.
- Replace 12 different legacy systems with an integrated landscape based on core functionalities from a strong SAP suite.
- Real-time, high-volume, micro-service event-based architecture for retail. Real-time sales reporting to SAP ECC.
- Support the monitoring challenges of retail business (high volume) with an SAP Fiori based approach.
- Work with SAP to improve native connectivity to other cloud infrastructure.

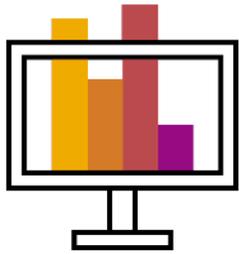




Project or Use Case Details

Use Case Examples:

- **Mobility** – There was no ability for store employees to use a mobile device to manage a sale for customers in the store. Previously, the employee would have to leave the customer, go to a desktop computer, and then return. Now nearly all the retail store use cases are 100% mobile enabled.
- **Unified Customer Experience** – The on-line and retail store systems were siloed and not able to deliver a seamless experience. As an example, if a customer was in the store looking at a new TV but had to go home and get approval from their spouse, it was not possible for the customer to confirm the sale online once they left the store. NGR now enables a unified online and off-line experience and the sale, including any offers and discounts already set up, can be completed at home & shipped.
- **Customer Insights** – Micro-services and unified data across online and storefront systems provide real-time insights to store staff. These insights will help deliver better customer service and identify relevant triggers and profiles for the employee to better customize offers and complete sales.
- **Business Models** – Legacy systems could not adopt to new business models like wireless subscriptions. Employees would have to log into a separate third-party system to complete an order. Through NGR they are able to complete subscription orders all from one system.



Benefits and Outcomes

Business or Social

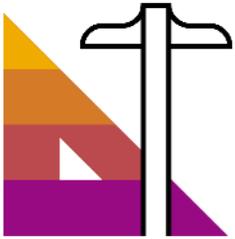
- 110 out of 460 stores have been implemented.
- Improvements in business for deployed stores include:
 - Improved efficiency from:
 - Assisted sales processes (mobile subscriptions & cross/up-sell products +)
 - Mobile enabled staff (serving customers on the shop floor assisted)
 - Processes served by one tool (access to most processes through one interface)
- Actual store metrics not yet available as the project is still under implementation

IT (optional)

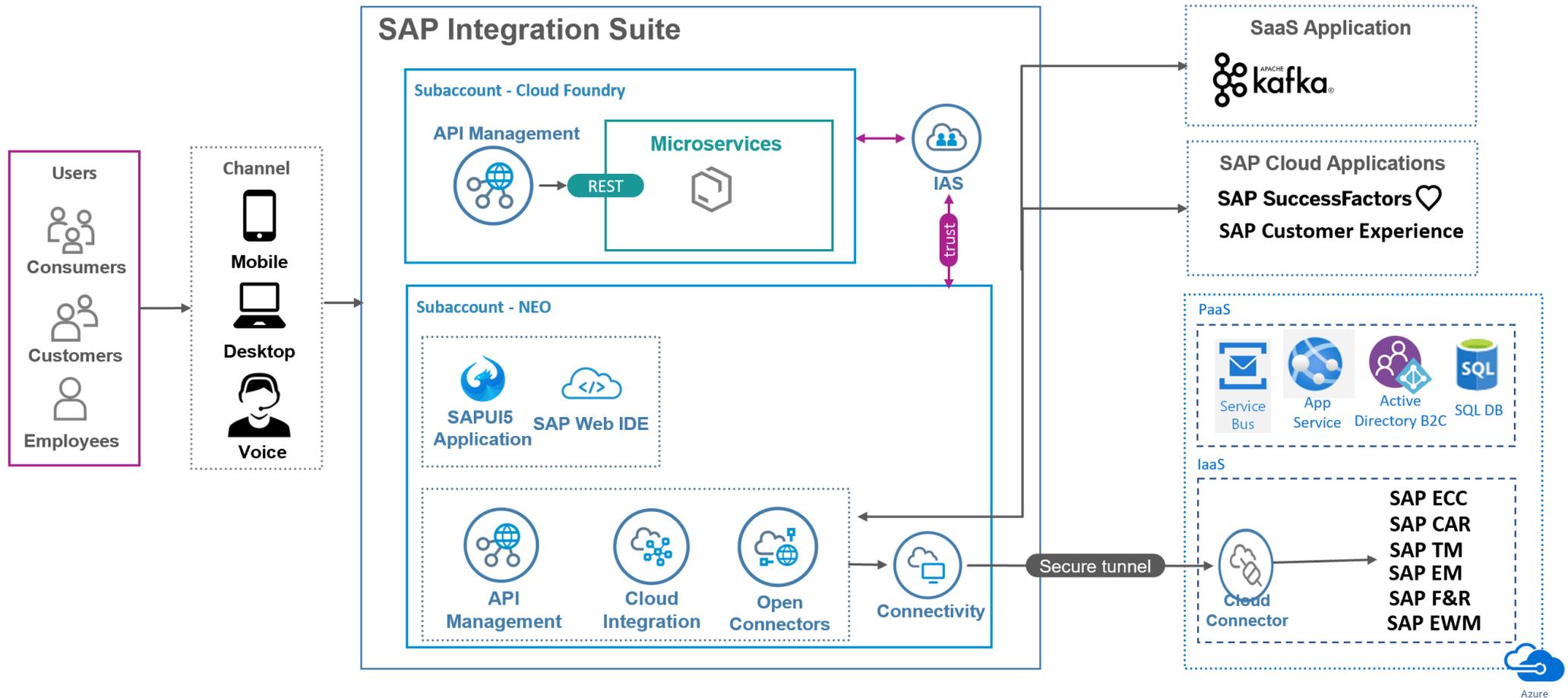
- 500 interfaces adjusted, replaced, and/or re-connected.
- Event-driven, micro-services based, high-volume architecture.
- 100% uptime for retail with failover backup system for front end data.
- Real-time sales reporting to SAP ECC system with custom add-ons from ASAPIO/Kafka with 30K events per second.
- Solved retail monitoring requirements with their own SAP Fiori based app

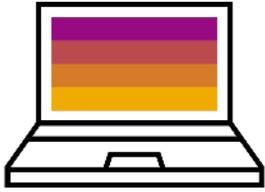
Human Empowerment

- Employees are inspired and engaged by the capabilities brought to them. They have access to relevant customer insight, and they can sell to and service the customer more efficiently.
- Customers are happier with faster service times and a seamless customer journey.
- 4500 employees have been trained on the new systems so far using a E-learning platform.



Architecture





Deployment

Deployment status Live

Date May 8th 2020

Number of users 4500

SAP® technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP Customer Experience	Live	Supporting customer facing processes incl. marketing, commerce, service, customer care, store, and others.
2	SAP ERP (ECC)	Live	Core component managing all transactional & financial processes as a HUB for the business systems.
3	SAP Integration Suite	Live	Out of box integrations, APIM for security and Enterprise messaging for decoupled architecture
4	SAP (other products)	Live	See detailed list of SAP products on page 11.

If you have used one or more of the services or support offerings from SAP Services and Support during the implementation or deployment phase, please indicate which one(s) below with an

SAP MaxAttention™

SAP ActiveAttention™

SAP Advanced Deployment

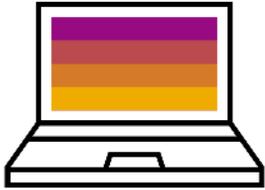
SAP Value Assurance

SAP Model Company

Others:

SAP Innovation Services

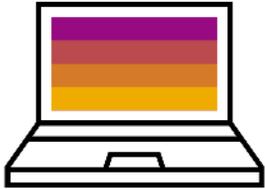
SAP Innovative Business Solutions



Advanced Technologies (1 of 2)

The following **advanced technologies** were part of the project.

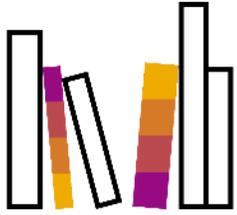
Technology or use case	Product used*	Contribution to project and how product used integrates with SAP products
<p>1 Machine learning or artificial intelligence Robotic process automation, conversational AI, AI-based knowledge graph</p>	Snowflake with Azure	Use AI to analyse customer feedback. Uses ML with human feedback to determine the attributes for product on-boarding making the onboarding process more efficient.
<p>2 Intelligent data management Multi-cloud, data virtualization and governance, smart data tiering, persistent memory, data privacy</p>	Kafka and SAP CPI	Data from multiple sources in the NGR landscape is pushed to the Snowflake data warehouse platform from which data is mixed, matched, enriched etc. to serve as a foundation for advanced analytics & real-time reporting.
<p>3 Advanced and augmented analytics</p> <ul style="list-style-type: none"> • Real-time and streaming analytics, spatial analytics • Natural language query and generation • AutoML to identify trends, patterns, outliers • Predictive analytics (time series analysis and forecasting, regression, classification) 	NA	
<p>4 Data and analytics solutions in the cloud</p> <ul style="list-style-type: none"> • Unified data and analytics cloud platforms by SAP • Modern/self-service data to analytics 	Azure	Used for managing the on-boarding of new products. Uses ML with human feedback to develop all the attributes for a new product.



Advanced Technologies (2 of 2)

The following **advanced technologies** were part of the project.

Technology or use case	Product used*	Contribution to project and how product used integrates with SAP products
5 Advanced cloud integration <ul style="list-style-type: none">• API economy (monetization and API marketplaces)• AI-based or crowdsourced integration• High throughput, low-latency digital integration hub	SAP API Management, Kafka, Azure	High throughput around marketing consents and sales orders were replicated in real time. On-line reservations were made to core systems (ERP) in a secured channel with throttling and required spike arrests etc.
6 Industry cloud platform	SAP Integration Suite	Integration is managed all in the cloud on SAP Integration Suite
7 Blockchain	NA	
8 Internet of Things	NA	
9 3D printing	NA	



Additional Information

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP ECC	Live	Core component managing all transactional & financial processes as a HUB for the business systems.
2	SAP Service Cloud	Live	Supporting all processes connected to services, repairs, installations, capacity handling, support tickets etc.
3	SAP Sales Cloud	Preparing	Supporting processes serving our B2B customers. Budgets, plans, tenders, quotes etc.
4	SAP Marketing Cloud	Live	Processing insight-based marketing campaigns. Post-sale follow-ups, renewal campaigns, segmentation etc.
5	SAP Commerce	Preparing for B2X (B2B Live)	The core engine serving our online channel. Will be implemented in a headless state with an SPA in front.
6	SAP Forecasting and Replenishment	Live	Replenish NDC & stores based on calculations based on stock, sales, purchase, thresholds, min/max qty etc.
7	SAP Transportation Management SAP Event Management	Live	Planning last-mile distribution. Assigning deliveries to routes, trucks etc. and monitoring events & deviations.
8	SAP Extended Warehouse Management	Live	Used in distribution HUBs where we have local stock. Processing inbound and outbound goods processes.

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