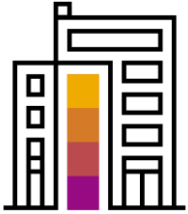




SAP® Innovation Awards 2020 Entry Pitch Deck

Creating the convenience store of the future with SAP Cloud Platform

Valora Schweiz AG



Company Information

Headquarters	Muttenz, Switzerland
Industry	Retail
Web site	www.valora.com

valora

Each and every day, around 15,000 employees in the Valora network work to brighten up their customers' journey with a comprehensive convenience and food offering – nearby, quick, convenient and fresh.

The more than 2,700 small-scale points of sale of Valora are located at highly frequented sites in Switzerland, Germany, Austria, Luxemburg and the Netherlands.

The company includes, among others, k kiosk, Brezelkönig, BackWerk, Ditsch, Press & Books, avec, Caffè Spettacolo and the popular own brand ok.– as well as a continuously growing range of digital services.

Valora is also one of the world's leading producers of pretzels with around 650 million items leaving its production facilities in Germany and the US, enabling benefits for the retail business from a well-integrated value chain in the area of fast growing baked goods.

Valora generates annual external sales of over CHF 2.7 billion.

The registered shares of Valora Holding AG (VALN) are traded on SIX Swiss Exchange AG.

Creating the convenience store of the future

Valora Schweiz AG



In the avec X and avec box, convenience refers not only to the product range, but the entire shopping experience which can be done even more comfortably at your own pace and outside of normal opening hours.

Roger Vogt, CEO Valora Retail

Challenge

Convenience on the go is paramount for today's consumers, with high-frequency locations (such as train stations) and convenience hubs gaining importance. New digital customer loyalty programs are on the rise, and customers demand 24/7 shopping possibilities and ease of payment on the go.

Solution

Valora debuted an autonomous store concept with a new kind of digital shopping experience for small scale convenience stores. The customer scans their goods and pays via mobile and no interaction with staff or registers is required.

Outcome

The customer gets a fully digital and personalized shopping experience in physical stores with 24/7 shopping experience. As the first full autonomous retail store in Switzerland, Valora stands out from their competition in terms of ease and customer service.



1st

Full autonomous
retail store in
Switzerland

20%

increase in new
registered
customers

1st

Cloud-only SAP
implementation
in Europe



Participating Partner Information



Webtiser

SAP Commerce

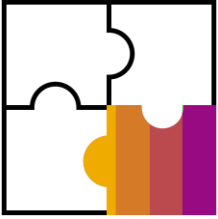


“Webtiser was able to work productively on the job from the very first second because the SAP Commerce Solution was ready within minutes on the SAP Cloud Platform.”

Mark Eichmann, CEO



webtiser



Participating Partner Information



Pagnos

SAP Marketing Cloud and SAP Customer Data Cloud Integration

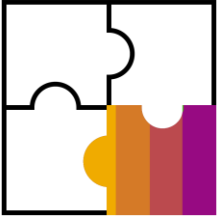


"It was really amazing to be part of this project, building the IT infrastructure for an innovative and new store concept making a vision come true. Not just talking about customer experience, but actually going bold new ways.

The implementation and integration of the SAP C/4HANA suite was sometimes challenging as there was no comparable setup before. The entire team has designed and implemented a new reference architecture for a personalized seamless customer experience."

Frank Gröger, Managing Partner





Participating Partner Information

SAP Digital Business Services

SAP Cloud Platform and Mode-2 Garage



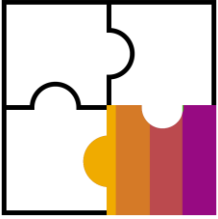
**SAP® Digital
Business
Services**



"The Mode-2 Garage is Valora's fast track to realize the *avec box* with SAP Services. Built on expertise, commitment, creativity and an open integrative environment in the Switzerland Innovation Park Zurich, our rapid prototyping approach with Valora has proven to deliver quick results, quality, and an implementation roadmap based on a solid architecture.

Innovation by SAP's Mode-2 Garage as an accelerator for quick and convenient access to the next level of business. Just like Valora's *avec box*."

Victor Leuenberger, Head of Services, SAP Switzerland



Participating Partner Information



SAP Office of the CTO MEE

Overall Guidance and Project Safeguarding



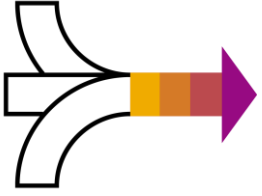
“With the project, Valora did not only set a milestone in how retail convenience is taken to the next level in Switzerland but also how they brought the latest technology to live in a bold real-world pilot within 6-month. Our joint engagement was a proof-point for how SAP will partner with its customers on their digital journey.”

Dr. René Fitterer, Chief Technology Officer Switzerland



“The project proved once more how a combination of intelligent technologies integrated by the SAP Cloud Platform can realize new business concepts in record time”

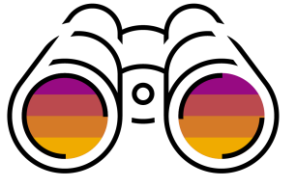
Georg Weissmueller, Business Architect, Office of the CTO MEE



Business Challenges and Objectives

Valora is a leading small-scale retailer in the convenience and food service sector. It is difficult to differentiate in typical highly-frequented locations like train stations or airports. Valora needed a flexible, innovative concept that stood out from its competitors and increased its brand value by providing the convenience of a physical store with the ease of a digital business model. The solution also needed to start small and at reasonable cost but be scalable for many locations, with the flexibility to realize new opportunities as they arise.

Valora worked with partners Pagnos and Webtiser to implement the necessary aspects of SAP Cloud Platform. They started with a design thinking workshop to come up with the architecture of what the solution needed to look like in order to best meet the customer's needs (see Additional Information slide for their Customer Journey diagram). Then they took a Minimal Viable Product (MVP) approach in order to work in lean, agile project teams, allowing the company to go from initial concept to full implementation in just six months.



Project or Use Case Details

Use Cases:

- Registration, profile and consent management using SAP Customer Data Cloud
- Door opening: 24-hour access to the store using a mobile app
- Shopping: Add products to your basket by simply tapping electronic labels (near field communication NFC) or scanning the bar code of the product or the shelf label
- Payment: In-app payment automatically fulfilled in the background
- Personalized goods: Get personalized coffee at the coffee dispenser

Project:

The solution is based on SAP C/4HANA Customer Data Cloud, SAP Marketing Cloud (implemented by Pagnos) and SAP Commerce Cloud (implemented by Webtiser), provided via APIs in a customer-specific mobile app to maximize user experience. The mobile app is developed using the SAP Cloud Platform SDK for iOS/Android. SAP Cloud Platform as central orchestration layers to call the APIs of SAP C/4HANA, SAP ERP and several third-party systems to leverage existing standard functionality and the leeway to test and realize new ideas.



Benefits and Outcomes

Business or Social

- Seamlessly integrated digital and store business model
- Increased brand value and attractiveness
- New revenue streams and net new customers
- GDPR-compliant by design and implementation
- Strengthen customer loyalty by adding digital checkout experience to other brands (based on avec app)

IT

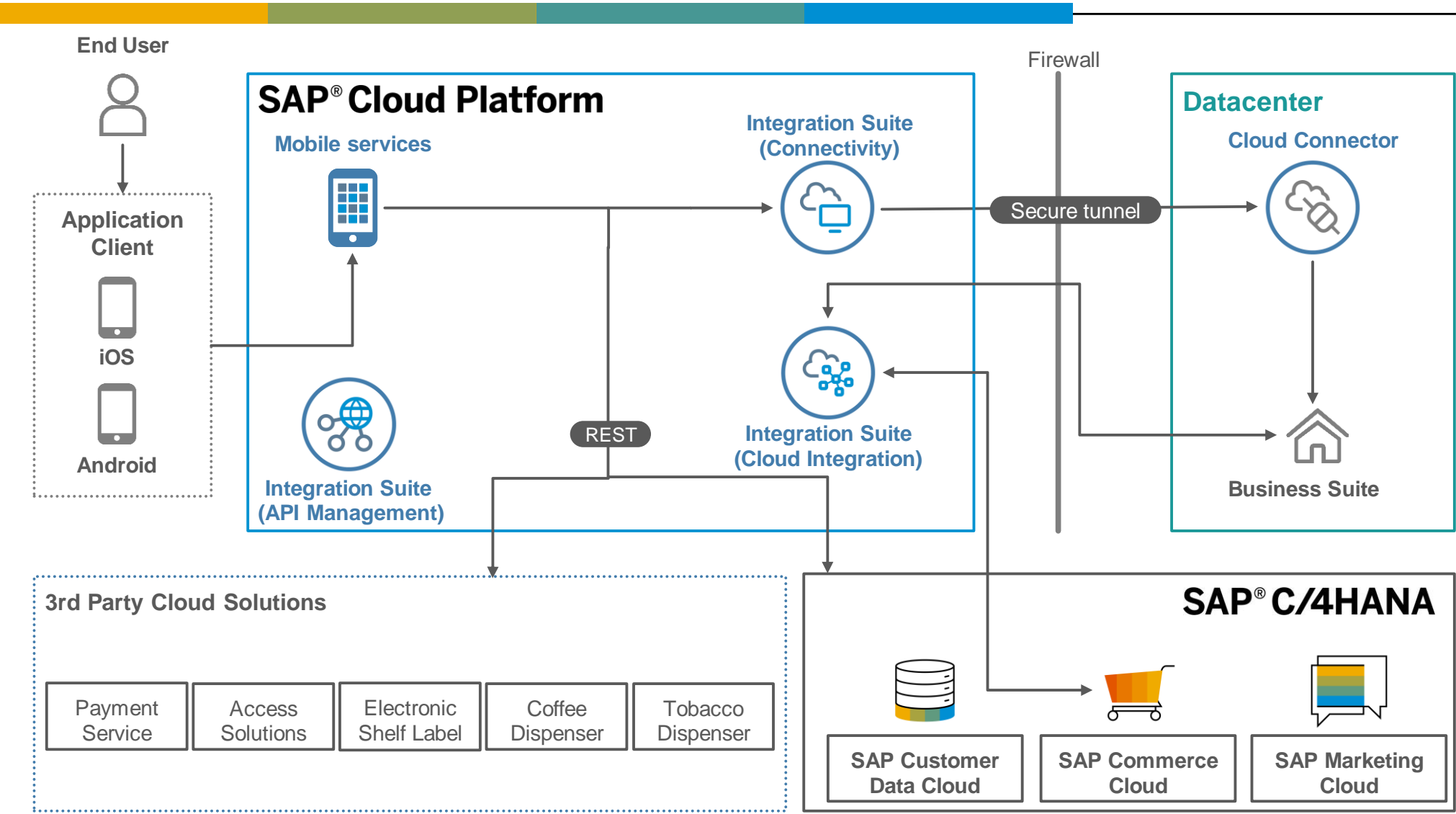
- Modular solution landscape allows Valora to explore new use cases and expand at scale if successful (e.g. “mobile self-scanning”)
- Cloud first, with usage and extension of integration strategy / architecture
- Fully integrated front-to-back office
- Cloud to Cloud within SAP landscape and external cloud partner solutions
- SAP Mode 2 Garage as enabler
- App development “lean”, but with high dependency to “backend”

Human Empowerment

- Customer can shop 24/7 at their own time and speed
- No queues in rush hours due to automated checkout
- Personalized shopping experience, e.g. customers' favorite coffee ingredients



Architecture





Deployment

Deployment status Live

Date 5th April 2019

Number of users ~ 5000 customers

SAP technologies used:

SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1 SAP Customer Data Cloud	Live	Customer data and consent management
2 SAP Commerce Cloud	Live	Master data for Cloud, basket, add to basket and payment
3 SAP Marketing Cloud	Live	Product recommendation and customer interactions
4 SAP Cloud Platform SAP Cloud Platform Integration Suite SAP API Management	Live	Integration with all SAP Cloud Platform, third parties' cloud solutions and Valora's on-premise system

If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with ☒ one or more of the following offerings:

☐ SAP MaxAttention™

☐ SAP ActiveAttention™

☐ SAP Advanced Deployment

☐ SAP Value Assurance

☐ SAP Model Company

☐ Others: SAP Mode 2 Garage

☐ SAP Innovation Services

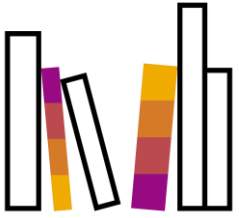
☐ SAP Innovative Business Solutions



Advanced Technologies

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

	Technology or use case	Yes or No	Contribution to project
1	3D printing	No	-
2	Blockchain	No	-
3	Internet of Things (IoT)	Yes	Coffee and tobacco dispenser
4	Machine learning or AI	No	-
5	Conversational AI	No	-
6	Robotic process automation	No	-
7	Data anonymization	Yes	Customer data is only stored in SAP Customer Data Cloud; all other systems only get the data they need for a specific process
8	Augmented analytics	No	-



Additional Information

- Project duration: 6 months (5 months development and 1 month testing and roll-out).
[Link to Project Plan](#)
- Strong partnerships in deploying multiple aspects of SAP Cloud Platform and SAP C/4HANA (SAP, Pagnos, Webtiser)
- Used Customer Journey diagram to determine what needs must be met ([Customer Journey](#))
- [Video: avec box and avec X](#)
- Based on the technology and SAP backend micro services from this case, we are able to develop and launch new business concepts faster and use cases for future technologies.
- Project Success Factors
 - MVP Approach
 - Micro service development
 - 360° Customer view
 - SAP Cloud Platform and SAP C/4HANA
 - Enabler SAP Mode 2 Garage in Dübendorf Switzerland



- Platform Decision
- Definition of overall architecture and components
- MVP/ Agile Approach
- Project Setup and Safeguarding
- Joint Marketing Activities

