



# How Cloud ERP can help transform retail customer experience and meet sustainability goals

Whitepaper



Three factors are having a major influence on retail customer trends and behaviors in the early-to-mid 2020s.

### **Omnichannel Trend**

Digitalization and technology are continuing to shape almost every aspect of retail, from hybrid omnichannel sales to social media marketing.

### **Customer Behaviours**

Consistently abundant supply and low prices are no longer givens for the consumer. Cost of living increases and supply chain pressures are driving changes in customer expectations and behaviors, with consumers showing more loyalty to brands that are seen as supportive of their customers in difficult times, as highlighted by a 2023 CAP Gemini report.

### **Sustainability and Citizenship**

Growing awareness of environmental and social factors is influencing customer behaviors.

ERP software has a well-established and widely understood role in running retail businesses' core internal processes, such as supply chain, inventory management and logistics.

In a recent Syntax Webinar we explored how migrating to a Public Cloud platform like SAP Industry Cloud for Retail can deliver improvements in key processes such as inventory and supply chain management.

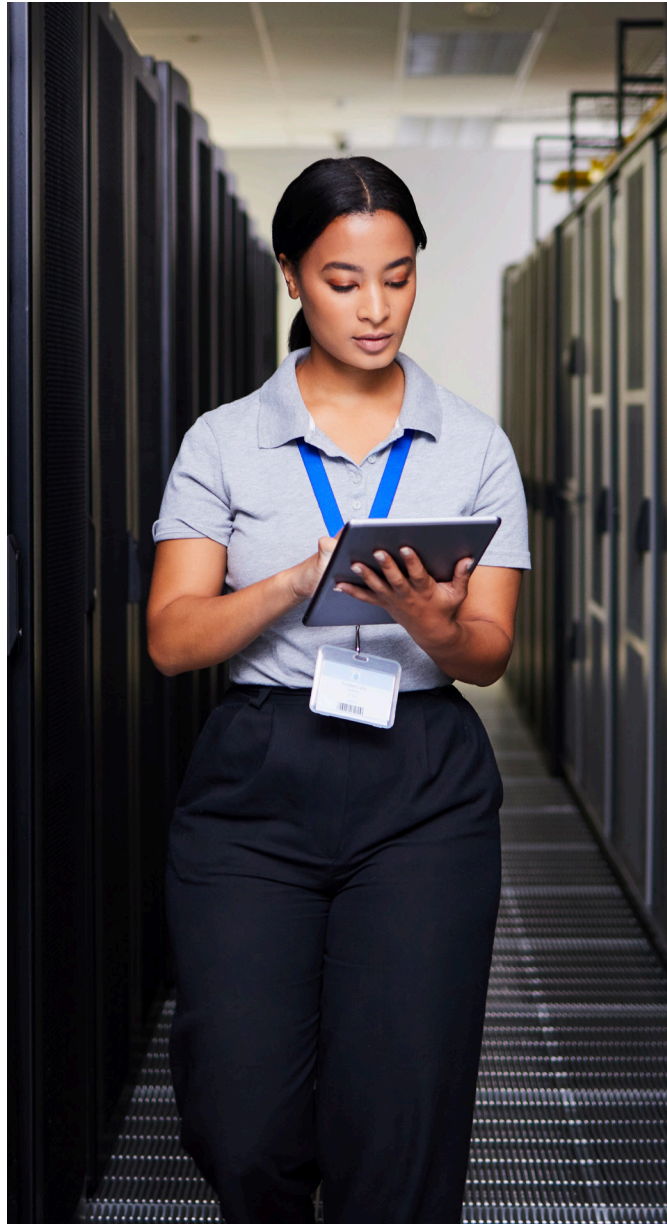
SAP Industry Cloud for Retail can also transform the customer journey, creating a consistent, robust omnichannel experience, delivering stock

information in real time, minimizing stockouts with intelligent inventory management, and enabling fast time to market for new, customer-facing digital capabilities.

This eBook looks at how SAP Public Cloud platform has evolved to meet the needs of digital retail, how it can transform customer experience, and how Syntax' retail sector and SAP expertise, experience and proven implementation approach help our retail clients maximize their SAP implementation.







# How SAP Cloud has evolved

SAP was founded over 50 years ago, with the specific objective of delivering real-time systems to support client core business processes.

As the SAP ERP grew and evolved over time, it remained primarily an on-premise platform, focused largely on internal functions such as finance, material requirements planning and inventory management.

The demands of delivering these business-critical system functions in a largely on-premise environment contributed to a necessary emphasis on protecting the core – keeping the platform robust and resilient – rather than on business agility.

SAP has seized the opportunities offered by Cloud to fundamentally change this model, reinventing SAP ERP to create an agile, wide-

ranging Public Cloud model that combines the power of SAP applications with automation, AI and analytics, and the flexibility to seamlessly integrate best-of-breed solutions from other vendors.

Early Cloud adoptions have often been technology and cost-driven, focused on reducing IT fixed costs and creating a more flexible model for IT service consumption. While this delivers its own benefits, the core value of SAP Public Cloud lies in how it can enable new business capabilities without the cost and time overhead of complex technology change.

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# SAP Industry Cloud for Retail delivers the business capabilities to meet customer expectations in a changing world

The February 2023 [PWC Global Consumer Insights Pulse Survey](#) highlights how

*“...companies must go beyond responding to consumers’ evolving attitudes, actions and aspirations. They must identify, isolate and mitigate the many frictions that stand between them and their customers, and between their customers and optimal experiences. Beyond meeting consumers where they are—physically and psychologically—companies must invest to ensure that they’ll be able to meet them where they will be in the future.”*

Delivering optimal customer experience now and in the future is about understanding these frictions, customer attitudes and aspirations, and having the business tools to turn this understanding into action in real time.

[SAP Industry Cloud for Retail](#) facilitates this capability, enabling retailers to work in the same digital space as customers, supply chain partners and other key stakeholders, and offering access to a wide and growing range of digital tools to optimize the customer journey.



## Process Integration

It delivers process integration across the supply chain, ensuring that customers get the products they want, when they want them. Where issues still occur, the customer can be kept informed with consistent, accurate and timely information.

## Warehouse and Store Inventory Management

It enables automated warehouse and store inventory management in real time, capturing every POS transaction, shop-floor stock and quality check, enacting the processes needed to ensure the right products are always available to customers, at the right quality.

## Best in Breed Capabilities

It opens up access to best-of-breed capabilities from SAP partner vendors, for example to optimize and ensure consistent omnichannel pricing or manage last-mile delivery.

These capabilities deliver many direct benefits to retail customers. These range from the basic hygiene factor of having the right stock of quality products available to the customer at all times,

at a competitive price, to seamless, intelligent management of the customer relationship across all sales, customer service and social media channels.



# Fewer stockouts, more transparency

In the years following the COVID pandemic, empty shelves and long delivery times became a source of frustration for consumers. As Forester's 2022 [Predictions for Customer Experience](#) puts it

*"The era of instant gratification is over for now... brands can no longer rely on a plethora of products as their main selling point; instead, they will have to use CX to differentiate themselves."*

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Efficient, integrated, data-driven supply chain and inventory management play a major role in reducing the risk of stockouts and delays when supply chains are under pressure, helping to ensure that customers can get the product they want, when they want it.

When stockouts and delays become unavoidable, customers expect and value accurate, transparent and up-to-the minute communication of what's happening, how the situation is being tackled, and when it will be resolved. This requires end-to-end visibility and control over the supply chain and inventory.

A 2022 [multichannelmerchant.com](#) blog points out

*"Telling customers upfront that their order might be out of stock or delayed might feel like the wrong approach, but they value transparency... Customer service teams across contact channels should have the most up-to-date information possible about shipping and delivery delays and timeframes. If you have different teams for each channel, make sure they all have the same information, so customers don't get different answers."*

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[SAP Business Network Supply Chain Collaboration](#) (formerly known as Digital Supplier Network) delivers this control and visibility across the supply chain. It enables all participants to extend processes, exchange data and execute transactions securely and seamlessly across the supply chain, minimizing the risk of stockouts by streamlining the process, and ensuring effective, transparent communication to customers and other key stakeholders.



# Reducing waste enables more competitive pricing

Tight profit margins and perishable inventory make the grocery sector particularly sensitive to supply chain and inventory management challenges.

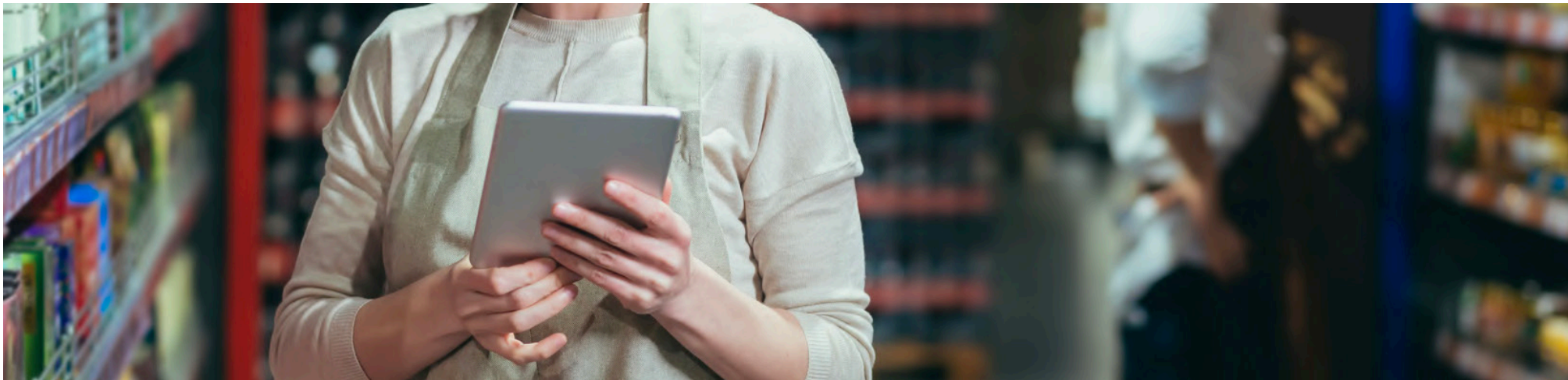
SAP Industry Cloud for Retail's data analytics, artificial intelligence and seamless integration capabilities mean live inputs from POS and Internet of Things (IoT) devices can be blended with historical and trend data in real time to drive automated or semiautomated stock management processes.

Supply chain and inventory can be managed and optimized dynamically and seamlessly in real time, without the need for emails, batch reporting or manual checks.

This reduces wastes, generating cost savings that can be passed on to the customer through lower prices.

SAP Customer Activity Repository delivers a unified view of customer activity across all sales channels. It captures all customer activity in real time, building a 360° view of customer purchase history and demand that drives a powerful forecasting engine. Its accurate, intelligent demand forecasting helps reduce waste and optimize customer experience, offers customer insights for personalized marketing, and gives real-time inventory and on-shelf availability.

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# A Richer Digital Experience for Customers

The results of the February 2023 PWC Global Consumer Insights Pulse Survey quoted earlier also reveal that

*“Increasingly, consumers are saying that they want the physical shopping experience to be enhanced, facilitated or mediated by digital technologies.”*

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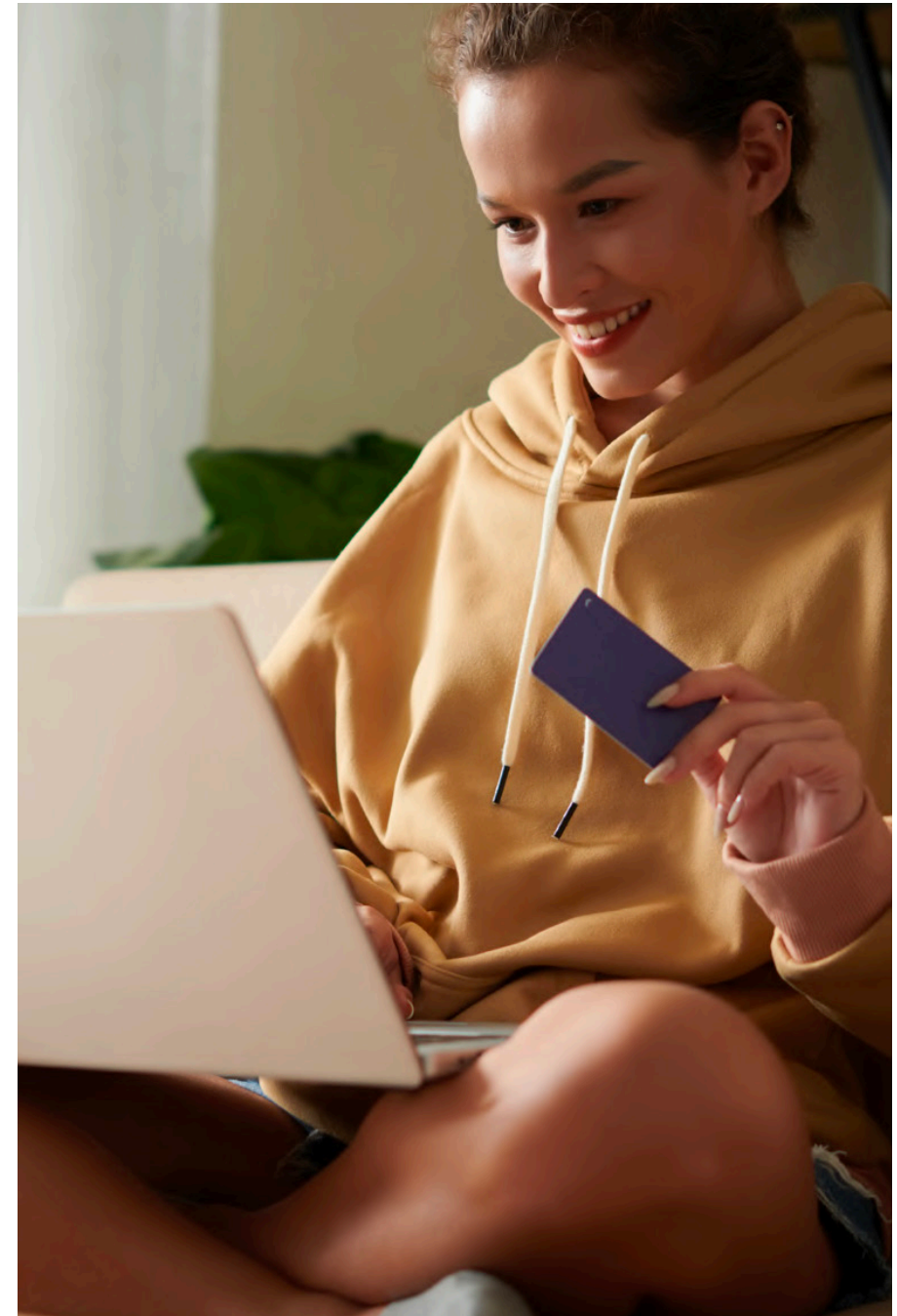
This means the retailer needs to offer a range of digital capabilities to meet the expectations of a digitally mature and diverse customer base.

SAP Industry Cloud for Retail’s seamless integration and application development capabilities open up the full rich variety of Cloud applications while enabling rapid creation of new digital functionality for customers. This range, speed and flexibility are beyond the capabilities of any on-premise solution.

SAP partners with best-of-breed providers to deliver a rich set of digital capabilities that can enhance all aspects of customer experience, from dynamic pricing in the Cloud to ensure competitive, consistent omnichannel pricing, to a platform to optimize last-mile delivery.

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# Overcoming blockers to Cloud ERP deployments

Despite the clear value that Cloud offers retail in serving its customers, and the rapid progress of digitalization in the sector, there is still some inertia towards adopting a Public Cloud solution.

Complex IT architectures, sunk investments in on-premise infrastructure and in-house IT teams, perceptions that Cloud migration has to be as costly and complex as an internal IT project, and entrenched views of IT as essentially a cost center, can all contribute towards this inertia.


Expansion in Public Cloud functional reach, along with ease of implementation and seamless internal and cross-partner integration, is increasingly counteracting this inertia and opening up the potential for Cloud to transform customer experience in the retail sector.

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# How Syntax adds value to the retail Cloud journey


At Syntax, we create unique value for our clients through:




Our deep knowledge and capabilities in retail and associated sectors such as manufacturing and consumer goods.




Our ability to perform the role of technology ambassador to our clients. We constantly maintain up to the minute expertise in the ever-expanding range of Cloud products, and understand the value that each can add for specific client requirements and use cases.



Our proven SAP expertise and partnership demonstrated through a range of accreditations and recognition that we are proud to have received from SAP.



Our ability to speed up the SAP Cloud implementation and reduce the overhead costs with our prebuilt documentation, test scripts, master data and other deliverables that normally require a significant investment of client time, cost and resource.



Our accelerator approach that builds on and adds value to the SAP Activate methodology, helping our clients to realize SAP Cloud benefits quickly by

▪ Identifying the most viable product.	▪ Starting from SAP best practices.	▪ Adding Syntax expertise.	▪ Creating processes early so that the client can run the process, apply variations, validate scope and identify gaps, giving them early experience of how it will work rather than being presented with an end product to test.
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## What's Next

To continue the conversation and find out more about how Syntax can help you in your retail SAP Cloud journey, visit us at [syntax.com](https://syntax.com)



## Why Syntax

Syntax provides comprehensive technology solutions and trusted professional, advisory, and application management services to power businesses' mission-critical applications in the cloud. With 50 years of experience and 900+ customers around the world, Syntax has deep expertise in implementing and managing multi-ERP deployments in secure private, public, or hybrid environments. Syntax partners with SAP and other global technology leaders to ensure customers' applications are seamless, secure and at the forefront of enterprise technology innovation.

**Start your journey at [syntax.com](https://syntax.com)**

