

Big Data? No Big Deal

Analytics Solutions from SAP Help Transform Big Data into Business Value

by Padmini Ranganathan, SAP

It doesn't matter what your role or industry is — whether you're an executive, manager, or an individual contributor, in the sales, marketing, IT, HR, or finance department, in the utilities, manufacturing, or retail industry — the ability to make strategic, well-informed decisions is absolutely necessary. Analytics capabilities provide a powerful weapon that helps employees and companies sort through amassed data, real-time data, and data gleaned on the internet to find the information they need to plan, adapt, and grow the business. Let's explore the various business needs that analytics can address — for any role and in any industry — and which SAP solutions can provide those crucial capabilities.

Better Understand Customers

The need to better understand customers and their behavior is a common one across industries. Consider the telecommunications industry, which processes huge amounts of device-to-device and device-to-network data on a daily basis. These millions of records contain valuable information regarding customer usage trends and internal operations. Managing this data, analyzing it, and extracting value from it is paramount to business success. Yet some telcos struggle to manage the volume, velocity, and variety of their data.

Then there are retail companies, which need analytics for targeted marketing campaigns and increased customer responsiveness. It has also become absolutely essential for retail companies to create a strategy to leverage customer information produced in social media. Applying analytics to vast amounts of consumer sentiment can help deliver the insights required to plan marketing campaigns and trade promotions, and to design store fronts to attract positive customer reaction.

However, very few retailers are equipped with the right tools that will allow them to continuously analyze market and consumer sentiment. Instead, they navigate blindly as they attempt to expand their markets and customer base.

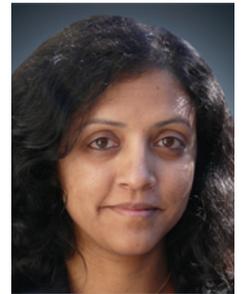
The way retail companies are combining social media data with internal data is rapidly transitioning. Companies must now evaluate, through feedback found in social media channels, the impact of marketing campaigns, seasonal and promotional events, and emotional sentiment. Through these evaluations, businesses can collect early insight on product defects and gain intelligence for new product development, design, and introduction. Companies can also leverage customer sentiment for more optimal product assortments and services to help them meet customer expectations.

With the SAP rapid-deployment solution for sentiment intelligence with SAP HANA, retailers can achieve all of these goals.

Achieve Superior Customer Service

For many companies, the key to creating a sustainable business and achieving profitability is real visibility into cost-to-serve. Cost-to-serve can be grouped into three major categories:

- **Sales.** The measurements you can use to capture cost in this resource category include number of sales calls to customers, time spent with each customer, and sales expenses for each customer, to name a few.
- **Operations.** Cost in the operations category can be tracked by order size, number of items on an order, returns, cancellations or order changes, slow moving inventory, quote conversion ratio, online ordering, special packaging requirements, and will-call orders.



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- **Finance.** Examples of ways to measure costs in this category include days to pay, customer-specific inventory requirements, and transportation/freight expenses by customer.

The best way to assess cost-to-serve is by implementing a holistic customer stratification model. This model helps companies truly understand the different service requirements and reveals the needs of each customer. But, of course, creating this model depends heavily on analytics.

To help companies better capture cost-to-serve metrics to complement a customer stratification model, SAP offers SAP Net Margin Analysis. With this application, organizations can leverage pre-packaged analytic applications to help provide more detailed data on indirect costs produced in business-to-business ecosystems.

Obtain Operational Excellence

Consumer interests, technology innovations, and economic turns create highly volatile markets, making it harder for businesses that depend on supply chain processes to identify, assess, and understand supply and demand patterns. Gaining visibility into the granular details of supply and demand patterns is vital to making the right decisions. Again, analytics are critical to delivering these details to the right people at the right time.

For instance, SAP Supply Chain Performance Management enables companies to measure the effectiveness of supply chain operations, identify supply chain trends and patterns, align objectives

with risks, and perform root-cause analysis to correct disruptions (see **Figure 1**).

Another operations-focused group, the utilities companies, is dealing with large unplanned expenses and resource constraints. And to keep customers happy, they need to be able to rapidly respond to any situation, such as unplanned outages. With SAP Smart Meter Analytics, powered by SAP HANA, utilities can better understand causes of outages and the impact on customers. And with SAP Visual Intelligence, they can highlight the number of customers affected by different outages across long periods of time.

Optimize Human Capital

Human capital analytics is shaping a new era in HR management. For example, with the right analytics solution, executives are able to tie financials to human capital to get a better view of the company's workforce and make informed decisions based on economics rather than emotions. Likewise, managers can more effectively monitor employees assigned to a talent group and measure the progress and success of employees, enabling better decisions on skills development, promotions, and rewards. With SAP Predictive Analysis, HR managers can draw connections between performance levels and turnover, foster high-potential employees that are at risk of leaving, and better identify strategic initiatives. With the SAP Executive HR Reporting analytic application, SAP also offers talent, workforce, and HR analytics for all human capital management (HCM) stakeholders.

Find the Exact Information You Need

Whatever your role and whichever industry you're a part of, you'll come across the challenge of sifting through massive amounts of data. Instead, you need to get to the piece of crucial information that will give you a strategic business advantage. It is also imperative that your company is able to understand, assimilate, and take action on the insights and intelligence provided by analytics.

Fortunately, analytics solutions from SAP can help you paint an accurate picture of your business based on the information hidden in big data. By enabling companies to drill down into specifics, analytics can help shape decision-making so every person can be more intelligently informed, adaptable, and aligned to the company's growth strategy. ■

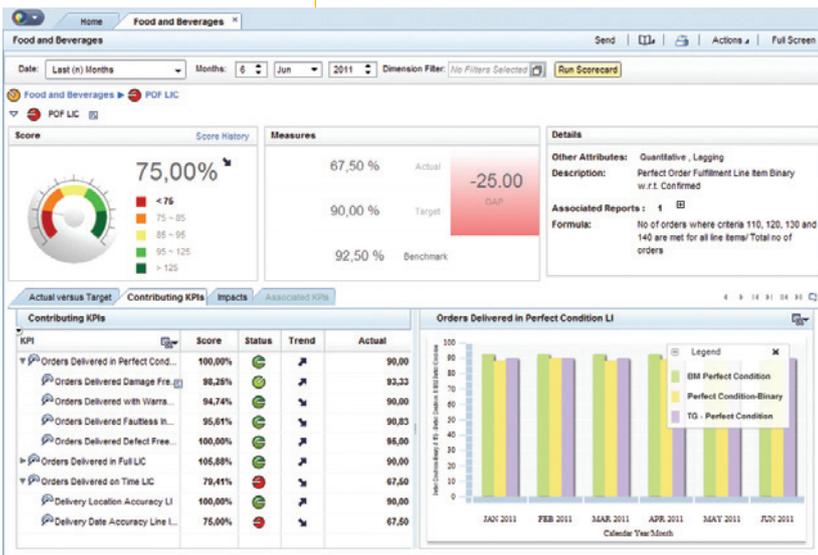


FIGURE 1 ▲ SAP Supply Chain Performance Management allows companies to make better, more-informed decisions by identifying risks, opportunities, and trends