

Unlocking Value In The Experience Economy

A Collaborative Approach to Accelerate the Intelligent Enterprise Journey



The Experience Economy has reshaped how CEOs are thinking about running their business. With feedback coming from various channels, there is a tremendous potential to leverage these insights in a meaningful way to drive business model innovation, process optimization and reimagine how work is done. Based on conversations with many of you, we hear questions such as:

1. How do I build and sustain a customer experience-led culture?
2. How can I improve experience to deliver on the promise to my customers?
3. How can employees become ambassadors for my brand?
4. How can I connect experiences across the value chain to drive growth?

We believe that SAP with Qualtrics is uniquely positioned to address these questions, and help companies drive the right experiences and business outcomes. With 1.8B experience touchpoints running on Qualtrics and over 77% of the world's transaction running on SAP, this presents a tremendous opportunity to connect the dots with our customers. Linking operational data with experience data in the moment will enable agile responses to shifting trends, better service to customers and employees, and the ability to adopt innovative business models and processes quickly.

This document articulates how SAP can help accelerate your journey to the Intelligent Enterprise bringing experience and operations together. We would also like to invite you to participate in XM in Motion – a brand new, immersive engagement methodology focused on business outcomes and optimizing value with experience.

The Experience Revolution

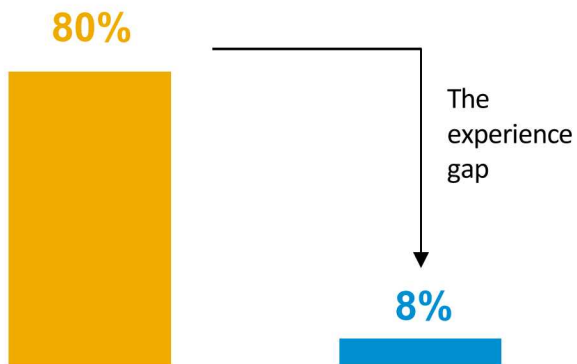
The trend is clear: we live in an experience economy. The winners and losers will be determined by the experiences they provide.

Let's start with customer experience. Companies want their customers to be fanatics for their products and services and inability to meet their expectations will leave them far from the loyalty they desire.

If employee experience is poor, then it will not only impact the company internally but also adversely impact customer experience. The same is true for your suppliers and other stakeholders in your ecosystem.

The Experience Gap

What is interesting is that while 80% of CEOs believe they are delivering a superior experience, only 8% are actually doing so. This is the gap that needs to be addressed.



Experience Management is at the Heart of Digital Transformation

Companies understand that this gap exists which is why 92% of digital leaders are focused on improving customer experience through digital transformation. Successful business model innovation, process optimization and workforce productivity are directly linked to improving customer and employee experiences.

That being said, companies need to understand the experience journey across the value chain from the first point of interaction from marketing and commerce all the way through the supply chain to ultimately any service interactions. – the end to end customer journey.

This is what we refer to as Experience Management - understanding what is happening through operational data or O data that resides in business systems and interlocking it with experience data or X data coming in the moment from customers, employees, suppliers and other stakeholders.

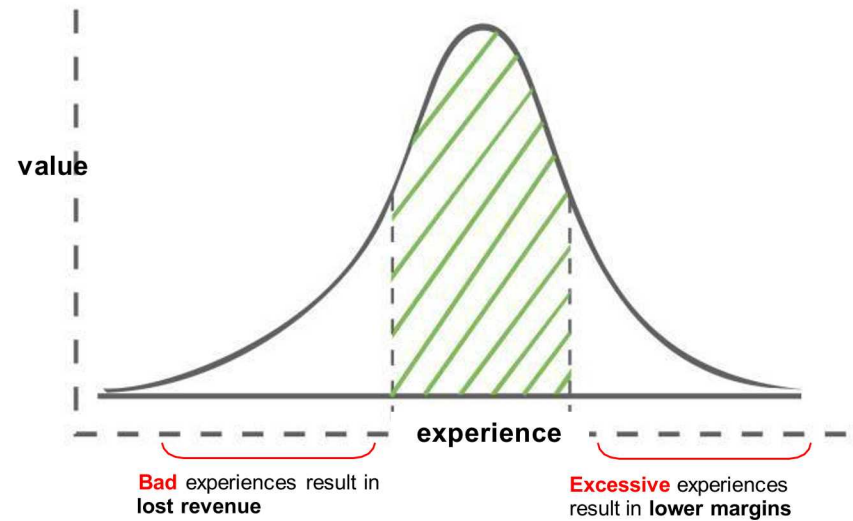
There are clear leaders driving experience management. Amazon's entire delivery model is based on making customers' lives easier in every area. Netflix uses customer data to provide personalized recommendations and Costco believes in treating employees well because this will result in improved customer experiences.

Optimize for Value and Experience Across the Intelligent Enterprise

Ultimately, the primary objective of experience management is to optimize experiences with value. Experiences across customers, employees, suppliers, and other stakeholders all are directly influenced by downstream business processes and are at the same time the leading driver for revenue growth and cost optimization.

A balance is required – one that focuses on creating the best possible experience but at the same time keeping shareholder value top of mind. Bad experiences could lead to significant revenue loss but investing too much in experiences could result in lower margins. Organizations must evaluate the marginal experience value with the marginal experience cost to determine what is optimal for them.

Optimal Experience Level
 Marginal experience value = marginal experience cost

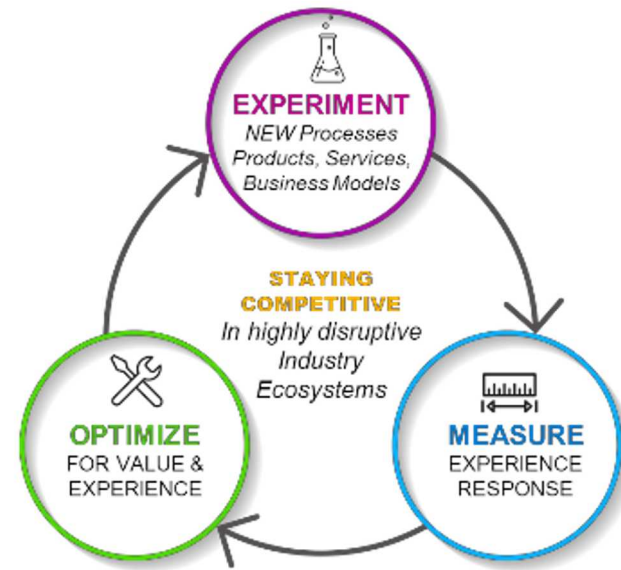


Intelligent Enterprise Drives Experiences and Outcomes

To do this, organizations must continuously experiment, measure, and optimize based on experience feedback to understand impact to key value areas.

- Experiment with new processes, products and services, business models
- Measure experience response based on experimentations
- Optimize based on value and experience

This is a continuous evolution that leading organizations adopt to drive innovation with the focus on linking experiences to business process and to business outcomes.



Revolutionary Performance Improvements

Introducing Experience Management Engineering (XME)

SAP Experience Management Engineering is focused on making the Intelligent Enterprise value and experience real for each and every customer- from vision to value. This includes expert resources and a toolkit to gain insights from in-the-moment experience feedback and business operations benchmarking to understand where enterprise value is for customers.

xm IN MOTION

Working Together to Optimize Value and Experience

As part of XME, XM in Motion – a brand new, immersive and engaging engagement methodology – is offered to customers. This approach will help organizations connect the dots between experience and operations data for end to end processes across the industry value chain.



Strategy Alignment

Build the XM vision and get executive buy-in



XM Discovery

Identify key initiatives to optimize experience and value



Build the Roadmap

Value & Experience based roadmap to deliver the vision



Deliver on the Promise Make it happen and measure success

	Strategy Alignment	XM Discovery	Build the Roadmap	Deliver on the Promise
Objectives	<ul style="list-style-type: none"> Set engagement direction and expected outcomes 	<ul style="list-style-type: none"> Identify key initiatives and build the case for change 	<ul style="list-style-type: none"> Roadmap based on identified initiatives Arrive at a Go/ No-Go decision 	<ul style="list-style-type: none"> Value delivery and adoption Accountability to deliver results
Approach	<ul style="list-style-type: none"> Hold executive workshop to build experience management vision to drive digital transformation 	<ul style="list-style-type: none"> Design Thinking/experience-based approach to identify and prioritize use cases (i.e. stakeholder journey mapping) Focus on <i>moments that matter</i> to customers, employees, etc. Document value of linking experience to business model and process change using experience/operational benchmarks 	<ul style="list-style-type: none"> Experience and operational end-to-end process showcases and demos 	<ul style="list-style-type: none"> Measure the impact on experience and operational metrics
Key Participants	<ul style="list-style-type: none"> Executive sponsors Business leads from both parties 	<ul style="list-style-type: none"> Business unit heads, business users Domain experts from SAP 	<ul style="list-style-type: none"> Business unit heads, Business, IT Users SAP Domain expert, enterprise architects 	<ul style="list-style-type: none"> Executive sponsors (steering committee) Program managers SAP services/ partners Customer success
Collaborative Outputs	<ul style="list-style-type: none"> Executive proposal with identified business scenarios Mutual agreement to collaborate together 	<p>Board ready presentation on the 'Case for Change'</p>	<p>Immersive demos, solution road map and IT architecture</p>	<p>Implementation blue print and governance model</p>

Customers Articulate the Value of Experience Management

“In the extremely personalized and competitive world of financial planning and investment management, a highly engaged workforce is the key to delivering a superior experience to our clients.”

– Blackrock

“Ten years ago, no one believed we could sell shoes online, however, we continuously exceeded our sales goals. SAP Solutions have been critical to us in our commerce journey, enabling our brand to take the customer retail experience to the next level.”

– Aldo

“As a consumer electronics manufacturer, our CX is defined by the direct interaction our customers have with our products – and the reviews they share with each other and publicly.”

– Belkin

“Qualtrics Site Intercept gives us the flexibility to change our website on the fly, whether responding to breaking news or highlighting top stories. We can provide website visitors with targeted and relevant content, so we’re not bombarding them with messages that don’t make sense. By using Site Intercept, we can present new site content or promotional materials without having to use ad space, which is like getting free real estate on a site.”

– Cox Media Group

“3.8% increase in reorder rate, 135K additional monthly revenue, and 13 point increase in NPS”

– -1800-contacts

“Qualtrics Experience Management is changing the way we do things. At any moment, we can talk to consumers and find out what they want, why they want it, and what we can do next to make them happy.”

– Chobani



“*We share the belief that every human voice holds value, every experience matters and that the best-run businesses can make the world run better.*”

– Bill McDermott, SAP CEO



“*Our mission is to help organizations deliver the experiences that turn their customers into fanatics, employees into ambassadors, products into obsessions and brands into religions.*”

– Ryan Smith, Qualtrics CEO

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