INTELLIGENCE EVERYWHERE: How retailers can rediscover and deliver their purpose
Retailers everywhere are having to ask themselves some tough questions. Buffeted by the onslaught of disruptive digital competitors, many are struggling to connect with consumers in today’s integrated marketplace. Now that customers expect to shop everywhere, whenever and however they wish, retailers must rapidly work out what they mean to customers and how they can deliver on a renewed sense of purpose.

SO WHY IS PURPOSE SO IMPORTANT?
A retailer’s purpose is no longer a matter of getting products to people at the right price as efficiently as possible. Consumers now seek a more profound experience: buying something they want or need, in the moment, from someone they trust.

Accenture research that tracks how retailers execute against their purpose reveals that consumers who score retailers higher on this crucial measure spend

31% more than consumers who give them a lower rating.¹

The differential in spending is particularly pronounced in

**Apparel**: 75%

**Health and Beauty**: 67%

Part of fulfilling their purpose is providing not just goods but experiences that consumers will value.

That means, for example, creating stores that offer unique brand interactions that are not available anywhere else. But crucially, offline and online experiences have to integrate seamlessly to fulfill one goal: driving affection for the brand. So rather than focusing on the individual channels, the emphasis shifts to considering the whole offline/online experience in an adaptive way—taking into account all the interactions before, during and after a store visit.

Currently, retailers are struggling to do that. Having invested a lot of time and money in creating a more intelligent, engaging digital customer front-end, they are now confronted with a digital asymmetry between their enterprise operations and digital customer channels. In other words, retailers are now finding it hard to keep the digital promises they’ve been making to customers. Without reestablishing the symmetry between front and back office they won’t be able to provide the relevant and memorable customer experiences that are so essential. Back-office functions like logistics, payments, receivables, refunds and so on must now share the same intelligence that flows through customer channels. That’s the imperative for becoming an intelligent retail enterprise.
What does an intelligent retail enterprise look like?

As they focus on delivering relevant, engaging and purposeful interactions to their customers, retailers must reimagine their organization, inside and out. That means investing in new capabilities to transform enterprise operations so what happens on the inside supports the digital promises made on the outside.

Becoming digital on the inside means introducing new ways of working, lean operations and accelerated performance driven by transforming workforce capability and integrating technology with talent. With foundational new technologies and a decoupled ‘future-ready’ architecture, retailers will be equipped to unlock potential streams of new business value. This new IT operating model supports the capabilities, ecosystem relationships and innovation that sit at the heart of the intelligent retail enterprise.

Why does enterprise-wide intelligence matter so much? Because without it, retailers can’t deliver the fluid and personalized experiences customers expect. And if they can’t do that, they’ll rapidly lose relevance and ultimately fade from view. In addition, brands themselves are becoming more complex and global. For example, many large fashion organizations operate with a diverse portfolio of brands, from basic to designer, and they need to find a way to enable intelligence across all of them without having to stand up independent operations for each one.

SPOTLIGHT ON GROCERY RETAILERS

Grocery retailers have a number of specific needs which can be addressed through transformation into an intelligent enterprise. Stewarding massive quantities of data and with large in-store workforces, these companies stand to make significant gains by targeting opportunities to drive operational efficiency across the value chain, from customer demand to store operations. Areas where this new intelligence could be applied include automation of processes, and advanced analytics on interactions with customers (after all, compared to retailers in other sectors, grocery retailers have many more interactions with their customers).
What’s more, because no single retailer can be all things to all people, they must be able to share intelligence across an increasingly diverse ecosystem of partners—from fulfillment to product and experience design to complimentary services. These “coalitions of the willing” will be vital to provide holistic consumer solutions, as well as securing key capabilities that consistently bring a retailer’s purpose to life at each and every customer touchpoint.

**Bringing it all together: the intelligent retail platform**

Because retailers’ legacy business systems weren’t built to support this new enterprise-wide intelligence and the speed and agility consumers demand today, internal transformations and adoption of new technologies are both critical.

**KEY CHALLENGES TO ADDRESS INCLUDE:**

- **BLOCKS ON INNOVATION** and scaling
- **LIMITED INFORMATION** processing capability to analyze and act on the enormous quantities of data
- **INABILITY TO HARNESS** technology advancements like AI, RPA, cognitive systems, predictive analytics and blockchain
What’s needed is an intelligent platform to bring all this together. To be able to leverage intelligence in everything they do, retailers must bring all the data at their disposal into one place, through a single platform, where new technologies can be applied to it, in real time. Unlike today, where back-office technology limitations mean that processes lag actions, it will become possible to pick and choose where to apply intelligence, at the moment of need, to reshape execution, teams and business models.

Retailers recognize the need for a foundational platform to integrate and support their new, intelligent capabilities. Having viewed investment in the back office as a ‘necessary evil’ for many years, they know this next stage of evolution is inevitable. After all, they can’t create and operate a 21st century channel to consumers with a platform that’s likely to have been custom-built for the pre-internet era. But getting there requires a major transformation. And for many, the scale of challenge is daunting. Nevertheless, retailers are moving beyond the realization that things need to change, and starting to move ahead with implementing their own vision of how to deliver the intelligent retail enterprise.
Why the SAP S/4HANA® solution?

The more global and complex the retail industry becomes, the more retailers realize they need to weave intelligence into every area of their operations—from marketing and merchandising, procurement and from supply chain to integrated market customer experiences. SAP S/4HANA®, SAP Cloud Platform and digital technologies in SAP Leonardo including analytics, AI and automation can now support the dynamic operational capabilities and insights at scale that retailers need. Openness to the external world through a cloud-based ecosystem is in marked contrast to yesterday’s walled gardens. These new SAP® solutions and technologies are built with partnerships in mind, extending intelligence beyond the retailer’s own operations and out into the wider world. And that’s essential for retailers to engage successfully with the multiplicity of ecosystem partners that will help them achieve their purpose and deliver on their promise to customers.
The intelligent enterprise: realizing value at speed with Accenture myConcerto

How can retailers take advantage of the new capabilities that SAP software provides? Accenture myConcerto is an end-to-end digital platform designed to improve delivery quality, speed to value and business results. myConcerto offers a structured approach to defining value, proving business cases and moving forward with certainty at pace.

Accenture myConcerto

Accenture myConcerto brings together Accenture’s most disruptive ideas around industry, innovation and technology to deliver greater business value more quickly. It provides retail companies with an integrated approach built around key SAP technologies and industry contexts. Connected to SAP Cloud Platform and SAP Leonardo, it uses pre-configured solutions to help retailers innovate faster. myConcerto embeds SAP Model Company services and SAP Value Assurance service packages for SAP S/4HANA solutions into an end-to-end digital platform, offering new approaches for transformation. It brings together intelligence, innovation and industry-focused offerings, providing the technology foundation that enables the intelligent retail enterprise. Offering smart tools and diagnostics, myConcerto assesses ‘as-is’ capabilities and defines ‘to-be’ target architectures. Automated diagnostics help to rapidly compose a personalized business case, roadmap and solution prototype. During and after implementation, myConcerto continuously measures business value, provides new insights for improvements and innovation and enhances the roadmap.
SAP technologies and Accenture myConcerto: powering the intelligent retail enterprise

New SAP solutions and technologies provide the platform for building the intelligent retail enterprise. These can help retailers achieve the increased efficiency, speed and agility they need to compete and win in an ever-tougher and more diverse marketplace. That’s not all. It will also equip retailers to deliver on growing customer demands for customization, convenience and immediacy. Accenture myConcerto brings technologies together and supports retailers at every stage of their journey to the intelligent retail enterprise with the SAP S/4 HANA solution. From discovery to implementation and beyond, myConcerto offers a phased approach that enables every retailer to identify and achieve new digital capabilities.

It starts with discovery, using design-thinking to identify specific business challenges and uncover differentiating value drivers. Next is the definition and development of the business case and custom transformation roadmaps for the rapid delivery of ROI. Using a unique set of tools, accelerators and next-generation methodology helps to develop intelligent design and rapid prototyping, making use of industry-leading practices.

For every client, myConcerto provides a personalized, digital engagement platform with co-created solutions. For digital delivery, the platform is powered by automated provisioning of systems, with an analytics-enabled dashboard and virtual agents to support multiple project personas. Integration and scaling drive transformation at scale across the enterprise. Continuous improvement and innovation are supported by predictive monitoring, automation, BOTS and intelligent analytics.
Accelerating the intelligent retail enterprise journey

myConcerto helps at every stage of the transformation journey.

In the DISCOVER phase, we use intelligent tools and automation to identify areas for optimization and improvement.

In the DESCRIBE phase, we use the discover phase outputs to automate business value case creation and develop a transformation roadmap with the optimal SAP solutions and technologies to drive rapid ROI.

In CO-CREATE, we collaborate to design the end-state solution using industry templates integrated with SAP Model Company. We infuse SAP Leonardo-based innovation, working with our industry and line-of-business experts, and Accenture’s Liquid Studio for SAP Leonardo.

In the SCALE phase we provision systems into development environments to mobilize and execute fast. With SAP Activate and SAP Solution Manager we can collaborate seamlessly with SAP for the best results.

Lastly, in SUSTAIN, we embed automation and AI to facilitate continuous improvement, and a closed-loop monitoring program with targeted KPIs.
Overall, Accenture myConcerto offers retailers the opportunity to harness an insight-driven approach with powerful analytics and digitally-enabled processes that will help enable them to engage all their customers with constant relevance. And in a world in which fulfilling their purpose is retailers’ overriding priority, getting this right is not an option.
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Resources:

1 2018 Accenture Love Index research
2 ibid

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