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Digital transformation: clichéd buzzwords or the future of retail?
Get it right with Fujitsu and SAP S/4HANA

From buzzwords to benefits

Digital transformation. It's everywhere. Everyone's talking about it. But far too many businesses are only playing catch-up. Going through the motions simply to stay competitive.

That's missing the point. Digital transformation is more than buzzwords – it's a huge opportunity for you to change the way you work. And to reap some amazing rewards. It's not just a matter of keeping up; it's a future filled with potential. For those ready to seize it.

Let's talk shop

Customers are demanding so much more from the retail experience. They want a seamless experience moving from in-store to online. They want to know where their products are coming from. And sustainability is rapidly climbing the agenda.

There are also factors you can't control – influences from beyond the sector. Economic uncertainty has slowed spending. The Covid-19 pandemic has forced stores to close. But, despite that, online sales continue to grow – already accounting for more than a fifth of all sales.

All told, retail is getting more and more challenging. The question is: Are you ready to deliver the experience customers expect?

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With Fujitsu and SAP S/4HANA you are

Transform your digital core with SAP S/4HANA. Connect and consolidate your applications and discover how much more efficient your business could be. Streamlined processes, valuable insights, and the information you need, where you need it.

Fujitsu and SAP give you the tools and insights you need to create a compelling, next-generation shopping experience. While, at the same time, simplifying and automating your processes and supply chain to give you significant cost savings.

We have the experience and qualifications to lead you through the whole process. Don't fear change. Let's co-create your next evolution and seize the opportunities this technology brings.

Come with us.

Understanding the modern consumer

Do you know your customers? Of course you do. You wouldn't be in business long if you didn't. But the modern consumer is quite different from the customers of the past. Let's look at three qualities that define this new breed.

1 Increased expectations

Keep your customers happy and they'll keep coming back. A poor experience pushes consumers away more than anything else (more than even price and product quality). Very few customers continue to interact with a brand after a poor experience.

But when customers feel appreciated, the payoffs are great – notably, greater loyalty and being willing to pay more. This is true everywhere, but especially so when it comes to luxury or indulgence purchasing.

So, what makes a good experience? Consumers have shown that they are willing to pay more for greater convenience. And a friendly, welcoming experience is also known to loosen purse strings. But without a doubt, a positive experience with a brand is more influential than great advertising.

2 Digitally savvy

Be there – wherever your customers go. As your customers become more digitally savvy, they are changing the way they shop. Whether it's mobile research or actual buying, experience is king at every touch point. Speed, convenience, and accurate information are crucial. Great design and innovative technology can wow customers. But they're not enough if the fundamentals aren't there.

Many businesses try to wow customers with stylish design and the latest technology. But really, it's more important to make sure that the technology simply works. They might not even notice it unless it fails. Designs need to be elegant and user-friendly, with automation providing ease-of-use. But, more importantly, they need to be fast, convenient, and give people the information they need.

Today's customers expect instant. They expect convenience.
A seamless transition from smartphone to tablet to desktop to human.

3 Hands on

Give your customers a unique experience, both online and in-store.
A digital journey, curated marketplaces, and connected spaces.
Your customers want their shopping experience to have an emotional connection, complete with personalized recommendations.

The problem is that creating this curated, personalized experience means collecting data. And given the huge number of regulations now controlling how that data is stored, this is a big concern for businesses. Get it wrong and you risk losing a lot.

Building the business case

Digital transformation is a much-abused term. You no doubt hear it all the time.

But what does "digital transformation" really mean to the modern business? Let's look at the big motivators behind it and find out what actually matters.
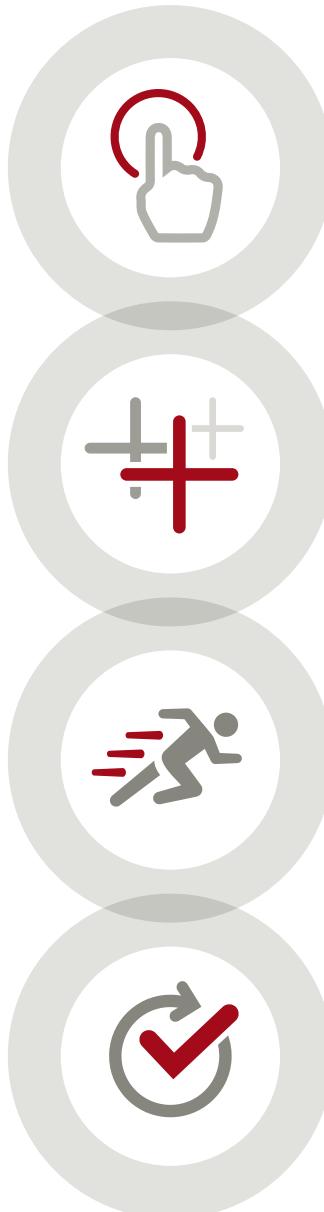
Keeping pace

Too many businesses are trying to keep up rather than seizing opportunities. While it's important not to fall behind the competition, you're never going to stand out if you're only ever chasing the pack. You want to be at the front – leading the change.

But the competition is fierce. Gartner predicts online giants Alibaba and Amazon will control 40% of the global online retail market share by 2023. Just between the two of them. That's some stiff opposition right there.

And then there's the question of return on investment (ROI). This mainstay of business cases doesn't help when it comes to digital transformation. It works for single digital initiatives, but when you're shifting your entire business model, it's not up to the task. Customer satisfaction? Group productivity and revenues? Even business survival? Because the impact of digital transformation is cumulative, ROI is impossible to measure.

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Digital first

Consumers want a seamless experience when moving between in-store and online. But counter to this, many businesses are focusing on maintaining high-street market share. At the expense of creating a better digital customer experience. These budgets need balancing.

To correct this trend, businesses need to focus on long-term revenue growth, not short-term technology ROI. Small digital projects aren't enough. To get the most of your digital investments, you need to see the value through the eyes of your customers. Use the customer lifecycle to make a business case for them.

Market uncertainty

Are you confident making predictions given the economic uncertainty in the world today? 2019 had the slowest rate of spending growth since 2010.[1]

Around the world, retailers were subjected to large-scale restructuring. 85,000 jobs were lost. A third of FTSE 350 CEOs changed. More than 9,000 stores closed. But amid all this doom and gloom, online sales grew – reaching 21% of total sales.

Online sales are driven by creating a superb digital experience. But that requires a commitment to full digital transformation. Not just attempting a few bolt-on projects and hoping for the best.

85%

Enterprises saying 'improving customer experiences' is a top benefit of real-time customer analytics.[2]

58%

Enterprises saying customer retention and loyalty saw a significant increase in the use of customer analytics.[3]

[1] Retail Trends 2020, Deloitte
[2,3] How To Improve Customer Experiences With Real-Time Analytics, Forbes, 2018

Promoting the product

Consumers are looking for personalized products, and they want them now. Not just that, they are more and more interested to know what a brand stands for. They want to know if the products they're buying are ethical and sustainable.

Any place, any time

Are you ready to respond? Customers are more impatient than ever. Google recently reported a 120%[4] growth in searches for "same-day shipping". You need to be able to deliver, anytime, anywhere.

The data needed to make that possible is more crucial than ever. Digital-first retailers ensure they have the data where and when they need it. Those that don't adapt are doomed to fall behind.

The two-way supply chain

Gone are the days of the traditional supply chain. With companies designing and producing products, while customers buy and consume them. Competitive supply chains today are two-way streets.

Your customers are now taking part in the development process – working and innovating with you. This improves their experience, while also reducing product development cycles down to a few days. That means your customers get authenticity and personalization baked into the heart of your supply chain. And with that comes transparency, and the chance to save costs and grow revenue.

[4] Based on tracking Google search activity, as reported by Kiran Mani, Managing Director of Retail at Google, at the National Retail Federation (NRF) Shop.org conference 2019

47%

Online shoppers who will typically back out of a purchase if they don't qualify for free shipping.[5]

51%

add additional items to their carts in order to meet a shipping minimum.[6]

The importance of purpose

What does your brand stand for? Customers today are interested in the causes brands support. Sustainability. Responsible sourcing. Ethical practices. Whatever your purpose, you'll need to define the commercial model to deliver it.

For instance, the retail industry is a major contributor to carbon emissions worldwide. Putting sustainability on your agenda isn't just a big moral move, it also brings a notable business opportunity. That is, if you have the digital infrastructure to make it work.

The core enterprise

Is your infrastructure ready for the future?

It's a crucial component to embracing any digital transformation. Legacy systems need to be reviewed. People need to be retrained.

Data needs to be handled properly. Preparation is everything.

Legacy vs. new

Complex, fragmented systems stand in the way of agility and innovation. Many retailers have a wealth of different systems, supporting all manner of functions. Making all these work with new technologies can be a major headache.

Meanwhile, fast-growing start-ups might avoid those issues, but scaling up without losing their essential agility is another matter. Both types of business need a coherent and agile infrastructure to stay competitive.

So, how do you unite disparate, siloed technologies, including warehouses, datacenters, merchandizing, order management, and supply chain? And how do you do it worldwide, in multiple environments: private cloud, public cloud, hybrid cloud, and on-premises?

People vs. tech

Tech is important, but so is human interaction. 74% of consumers want more of it in the future. That means the technology supporting this human interaction must be unobtrusive and work seamlessly across platforms. After all, only 46% of consumers believe the employees they speak to understand their needs.

Automated solutions present another challenge. To provide the best service, they need to learn from human interactions. Get that right, and your people are freed up to dedicate more time to complex cases.

But technology is only part of the story. Your people also need the right digital experience. The demand for new highly skilled roles in the retail industry is creating a talent war. Better then to equip the employees you have with the skills they need to take your business to the next level.

Supply vs. demand

Consumers now expect a two-way supply chain that can deliver 24/7, adapting at a moment's notice. Speed, agility, and customization. That means you need to understand more about your supply chain, and make it more transparent to your customers.

Fortunately, today's technology can revolutionize the way data is collected across the whole system. With the right overview, you know exactly what you have and where. And you can predict supply and demand, so you're ready for anything.

50%
Retail digital execs who are expanding, upgrading, or making new investments in customer mobile tools in stores.[7]

30%
Increase in retailer's track and trace investments in 2019, to meet consumers expectation of real-time order visibility and perfect delivery performance.[8]

[7] Keep experimenting to apply the best digital technology for your store environment, Forrester, 2018
[8] Retail CIO Agenda, Gartner, 2019

Digital transformation is the future.
Not because you need to keep up with the competition, but because of the opportunities it brings to your business. Retail companies must be able to respond to rapidly changing conditions and offer targeted customer engagement at scale. But how does a digital core with a single source of truth help?

SAP S/4HANA

Transform your business processes with SAP's intelligent Enterprise Resource Planning (ERP) solution: S/4HANA. Access your data wherever you may be. Gain customer and business insights with machine learning, and predictive analytics. And know that it's all secure and compliant with industry and government regulations.

With SAP S/4HANA you set a solid foundation for master data. It enables smooth processes in logistics and in digital channels, end to end, from order to payment. Both online and in-store. And insight from operational retail data empowers faster, better decision-making. SAP S/4HANA gives both headquarters users and store associates an intuitive user experience, driving a compelling customer experience.

Intelligent Technologies

Take it a step further, with Intelligent Technologies. Bringing SAP S/4HANA and the Intelligent technologies together as a digital core results in a more flexible and intelligent enterprise. To achieve next-generation business processes, retailers need an intelligent ERP solution that can be continuously enhanced and extended. One that provides innovative business services and applications, built on emerging technologies. Technologies such as machine learning, blockchain, and IoT. What's not to like?

Well, what about that old ERP system that you've spent years fine-tuning? The systems that everyone knows inside out? Or the risks inherent in any step into something new? Can your business afford the time, costs, and effort involved in such modernization?

Choose Fujitsu

Trust the experts. We have a proven track record of integrating applications, systems, and cloud services to help businesses transform. We manage and support systems with millions of users around the globe. And we understand the complexity involved in digital transformation.

We're with you from start to finish, with services covering consulting, implementation, integration and management. We can help with everything from infrastructure to hybrid cloud solutions. Choose a technology partner that delivers solutions 'with you' and not 'to you'. We work with you to co-create solutions that unlock new business value and deliver powerful outcomes.

We do this together.

Drive digital transformation with SAP and Fujitsu solutions.

Guaranteed outcome:
Agree a scope and timescale for your migration project.

Industry experts:
Benefit from the experience of highly trained consultants.

Global reach:
Get the help you need, where you need it.

Reduced risk:
Avoid costly mistakes with highly automated migration processes.

Co-creation:
Harness the power of collaboration, driving quick, tangible outcomes.

Fast time-to-value:
Employ industry-templated solutions with Fujitsu intellectual property (IP).

Your SAP technology.
Our expertise.

The right partner is crucial to your transformation. You need an expert who understands your digital journey is unique. And that the right approach comes when you co-create.

We work with you and your SAP technology to make every part of your business perform at its best. You become more agile, more flexible and more efficient. So, you can speed your path to growth.

And then go further. With emerging technologies like AI, IoT and blockchain at your disposal, you're ready to innovate. And stand out from the competition.

From a single provider, you get a solution that brings together infrastructure, services, licensing and consulting.
So, you have everything you need to put intelligence at the heart of your business.

Come with us.

Find out more

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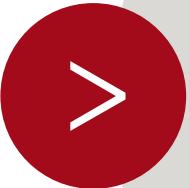
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