

ECONOMIC VALIDATION

Analyzing the Economic Benefits of Using AI-Powered SAP CX Solutions Natively Connected to SAP ERP

Validating How SAP CX Solutions Deliver Better Customer Experiences, Reduce Costs, Improve Productivity, Streamline Operations, and Increase Revenue, Resulting in an ROI of 214% to 726%

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Economic Validation: Key Findings Summary

Validated Benefits of Connecting
SAP CX Solutions to SAP ERP



214% to 726%
return on investment (ROI)

- **25% to 80%** fewer resources to implement, integrate, and maintain
- **30% to 441%** potential improvement in revenue
- **35% to 70%** more productive marketing, sales and sales support, business operations, and service/support teams

- **Faster time to value and greater reliability** by integrating and connecting SAP CX solutions to SAP ERP solutions faster and with fewer issues, helping to provide earlier realization of improved customer experiences, streamlined processes, and AI-driven insights.
- **Lower total cost of operations** by lowering solution costs, eliminating the need to manage multiple solutions from multiple vendors, reducing effort to implement and maintain connections, and improving productivity for marketing, sales, business operations, and support organizations.
- **Continuous and accelerated innovation** by continuously adding new capabilities and connecting customer and operational data for all areas of the business for new use cases, improved visibility, and increased business agility.

Introduction

This Economic Validation from TechTarget's Enterprise Strategy Group focused on the quantitative and qualitative benefits organizations with an SAP ERP backend can expect when using it in conjunction with the SAP CX portfolio of solutions rather than several, disparate, non-SAP point solutions. This validation focuses on the many advantages and AI-powered optimizations that using SAP CX solutions with an SAP ERP backend provides to customers, partners, and the organization, including reduced complexity, faster time to value, accelerated innovation and cost-savings, end-to-end process optimization, lower TCO, and improved integration and connectivity with ERP and other applications.

Challenges

Today, data-driven organizations understand that the key to success for any business is making things as easy as possible for the customer by streamlining interactions across marketing outreach, sales order processing and fulfillment, invoicing, support, and business intelligence. Organizations are making investments in platforms that aim to digitally connect all functions relating to the customer experience from marketing, to sales, to order fulfillment and support. These connected platforms can enable a more personalized customer experience with self-service capabilities, expand the use of customer analytics and insights for sales and marketing teams, and improve products and business operations.

But delivering a seamless customer experience is more difficult than it sounds. Many organizations have come to rely on several point solution applications or services from disparate vendors aimed at optimizing marketing, sales, commerce, customer service, and customer intelligence. These solutions are often provided from multiple vendors, each of which does a great job for a particular function within an organization. But this approach can result in fragmented and disjointed operations across the entire organization. In some cases, whole departments of workers are required to build and maintain integrations and manually enter and extract information to and from these disparate systems to interact with another function.

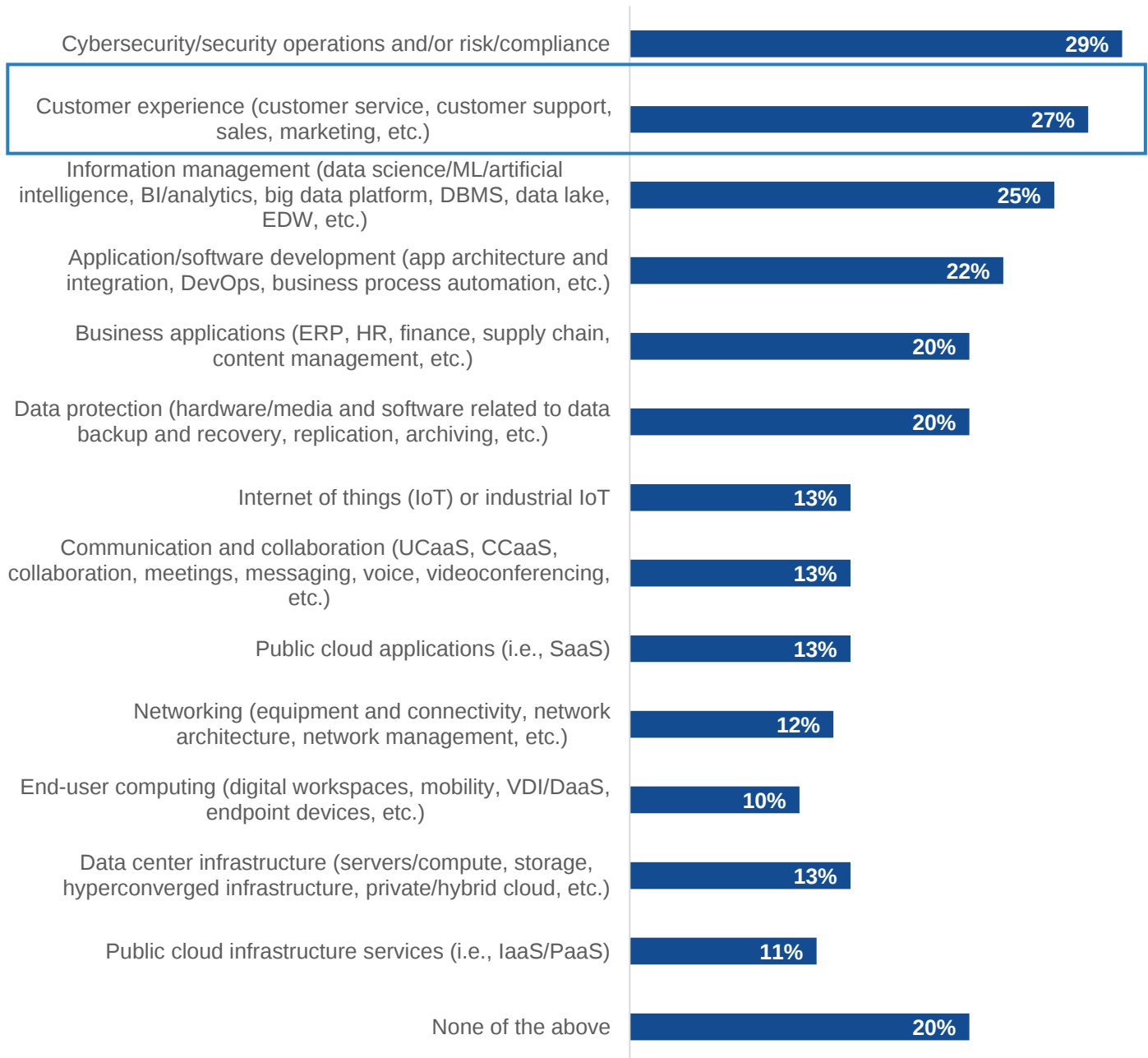
Clear CX platforms are emerging from large vendors by bringing multiple front-end application data together (customer identity, habits, order history, etc.), but most of the required operational data lives in the enterprise resource planning (ERP) backend. ERPs contain the data necessary to generate quotes and contracts, fulfill orders, handle supply chain and delivery, manage support issues, provide status of orders and invoices, and other operational tasks. If there are not seamless and efficient transactions between front-end applications and the ERP backend, it is difficult to provide data services and ensure positive experiences for front-end applications.

With many tools and business units involved, many large organizations struggle to understand their own business processes. They can benefit from advice on how to best identify and measure inefficiencies, and guidance on how to improve and optimize their end-to-end business processes. To help optimize end-to-end business processes, maximize the value of connected data, and better personalize experiences, organizations are making significant investments in generative AI (GenAI) technologies. According to Enterprise Strategy Group research, after cybersecurity operations, customer experience is the technology area that organizations are making the most significant investments in GenAI technologies.¹

¹ Enterprise Strategy Group, Research Report, [2024 Technology Spending Intentions Survey](#), February 2024.

Figure 1. Companies Are Prioritizing Investments in GenAI Capabilities for Customer Experience

In which of the following technology areas do you believe your organization is likeliest to make significant investments in GenAI capabilities over the next 12 months? (Percent of respondents, N=719, multiple responses accepted)



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Point application solutions require the addition of middleware and customizations to enable functional access to information stored in the ERP, which increases both cost and complexity. Much of this software and middleware is not designed to be industry-specific, which can result in tradeoffs, limited functionality, and added integration work.

In order to avoid downtime and disruptions, middleware, integrations, and customizations also must be continuously maintained to keep up with front-end and back-end changes, which potentially results in added risk, reduced functionality, and even more work.

Limited digital integration with the ERP backend results in more manual steps for customers and employees, potentially including the need to fill out forms, submit requests, and make phone calls to those with access to the required systems. Disparate systems can limit wholistic visibility into analytics and interactions between functions, which reduces the quality of the business insight generated and limits operational agility. Without proper front-end and back-end integration and data connectivity across different applications, organizations will spend more time on manual operations and administrative tasks that do not scale from a people or process standpoint (e.g., processes based on paperwork, spreadsheets, and emailing digital documents). To reduce costs, improve operational efficiency, maximize revenue, mitigate micro- and macro-economic risks, and facilitate a seamless digital experience for customers, organizations need a customer experience platform that provides efficient and scalable integration and data connectivity between front-end applications and back-end ERP functions.

The Portfolio: AI-powered, Intelligent Customer Experience Solutions From SAP

[SAP Customer Experience solutions](#) help companies deliver an exceptional customer experience (CX) that increases loyalty and drives profitable, long-term growth. The portfolio is built on four key pillars:

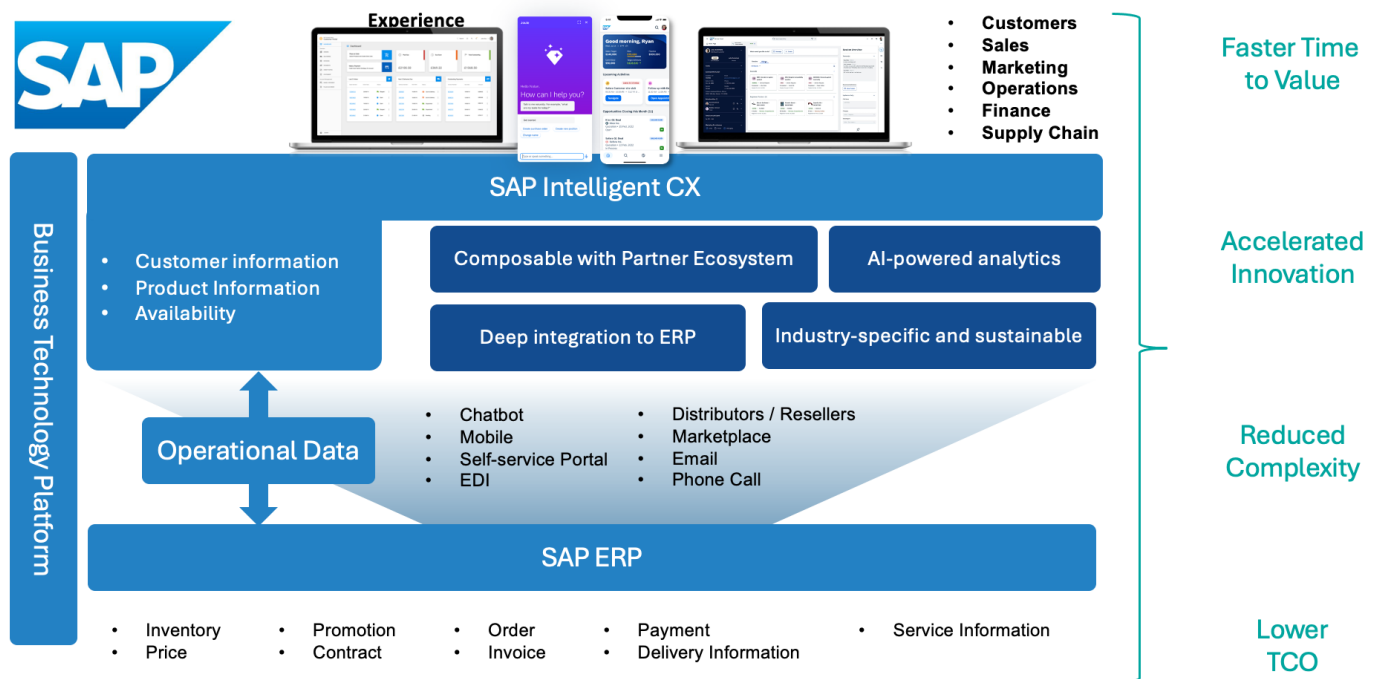
- **Industry-tailored.** Tailored solutions meet the most critical needs of an industry and its customers.
- **Connected.** Deep integrations with ERP connect operational data with contextual data to engage the right customers, anywhere they are.
- **Insightful.** AI-powered processes enable organizations to anticipate, automate, and personalize every customer interaction.
- **Adaptive.** Composability and a vast ecosystem of certified partner solutions empower organizations to build to their unique requirements and move fast.

SAP CX solutions include:

- **Marketing.** [SAP Emarsys Customer Engagement](#) is purpose-built for marketers to deliver personalized, omnichannel experiences, with a privacy-first mindset. SAP Emarsys Customer Engagement connects operational and customer data and leverages AI to power insights and analytics to help brands reach millions of customers with personalized, real-time engagements and grow customer lifetime value.
- **Commerce.** [SAP Commerce Cloud](#) drives profitable growth with connected, insightful, and adaptable commerce. SAP Commerce Cloud enables brands to link supply chain and demand signals with end-to-end processes for top-line and bottom-line growth, leverage insights to stay on top of customer behavior and commerce performance and compose their own commerce platform with extensibility to deliver innovative and optimized commerce experiences—all on a comprehensive, feature-rich, and scalable platform that organizations can trust.
- **Sales.** [SAP Sales Cloud](#) enables dynamic sales journeys that can be seamlessly connected with back-office processes to maximize revenue generation and improve the buying experience. Sales process automation within SAP Sales Cloud connects data and people to help organizations win more business with actionable recommendations; work and progress opportunities faster with intuitive, step-driven sales processes; and improve pipeline and forecast accuracy throughout the sales cycle.
- **Service.** [SAP Service Cloud](#) is an intelligent customer service solution that helps organizations reimagine customer service and deliver on their brand promise. Users can connect channels, people, and processes to quickly solve customer issues with increased efficiency. They can also boost loyalty, retention, and revenue with every interaction.

- **Customer Data.** [Customer Data Solutions](#) from SAP combines the world's leading customer identity and consent management solutions with an enterprise best-in-class customer data platform. Organizations can accelerate revenue and growth targets with customer identity and access management, data privacy, and data management solutions that give organizations in-depth customer insights while reducing compliance risks.
- **AI.** [SAP CX AI Toolkit](#) empowers an organization's sales, service, and e-commerce teams with proactive and contextual generative AI. This enables organizations to give their sales, service, and e-commerce teams access to AI from the platforms they use every day through a standalone app and Joule. The Toolkit can combine business data with AI models to create more efficient teams and deliver exceptional experiences.

Figure 2. The AI-powered Intelligent CX Portfolio by SAP



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Economic Overview: AI-powered Intelligent CX Portfolio From SAP

Enterprise Strategy Group's economic analysis revealed that an SAP ERP backend, used in conjunction with solutions from the SAP CX portfolio, provides organizations with significant savings and benefits in the following categories:

- **Faster time to value and greater reliability.** Enterprise Strategy Group found that the SAP CX portfolio integrates with their existing SAP ERP deployment and applications faster than external point solutions, resulting in streamlined processes, faster time-to-customer insight, and faster time-to-business insight and capabilities.
- **Lower total cost of operations with greater dependability.** The SAP CX portfolio reduced complexity for organizations, solution costs, time spent on implementation, manual and redundant processes, and time spent troubleshooting and maintaining systems, applications, and data connections.

- **Continuous and accelerated innovation.** After seamlessly integrating SAP CX and SAP ERP data, organizations benefitted from AI-driven insight, improved business agility, and end-to-end visibility into data and processes and were able to continuously improve the experiences and services offered to their customers.

Faster Time to Value and Greater Reliability

SAP customers felt that they were able to modernize and digitally transform their CX operations faster and with less effort and additional expertise than if they had tried to achieve similar results using an alternative platform and point solutions. In many cases, they felt that even given more time and effort put into deriving benefits from the alternative solution, these benefits would be significantly less than the outcomes achieved with SAP CX. Customers reported savings and benefits in the following categories:

- **Streamlined processes.** By integrating their SAP ERP together with SAP Emarsys Customer Engagement, SAP Sales Cloud, SAP Commerce Cloud, and SAP Service Cloud, customers were able to optimize processes and reduce silos and process roadblocks across the many functions of their organization. Any changes impacting customer and organizational data were automatically propagated across all solutions and data models, ensuring that all information was up to date and consistent for every transaction without having to wait for approvals, departmental handoffs, or electronic systems to sync. This accelerated many processes for customers and sales, marketing, and business operations teams who reported a reduction in the number of manual and redundant processes required and the elimination of periodic issues arising from lack of timely or accurate data access across the organization.

“We have gone from three people involved in every support issue to being able to resolve it with a single person.”
- **AI-driven insight.** Customers felt that integrating and connecting more customer, business, and operational data resulted in more effective AI-driven benefits. SAP solutions provided AI services that made it possible to automate processes and improve, optimize, and accelerate many different functions within their business, as well as greatly enhance customer interactions. Embedded AI functions, AI-assisted self-service, and conversational AI provided insight from e-commerce, sales, and service data that helped businesses and their customers optimize shopping experiences, answer questions, update the status of orders and returns, create summaries, and make better decisions.

“We are using AI and ML to remind our sales reps of tasks and to manage the flow of operations. Our reps are far more prepared and successful at what they do.”
- **Faster time to customer value.** Keeping customers happy is critical. A full organizational-level digital transformation can take years to accomplish, but SAP customers reported that they were able to fully connect and integrate their CX and ERP data and start offering significant improvement to their own customer experiences in as few as 6 months (9-12 months, on average, depending on size and complexity), with far less development work than they would have had to do if using alternative platforms and point solutions and middleware. After SAP’s customers had connected their systems, their customers benefitted from self-service functions, spent less time on the phone, completed transactions quicker, had greater end-to-end visibility into their orders and returns, had fewer issues and faster resolution of issues that did exist, and enjoyed an overall better experience with the vendor. This resulted in higher vendor net promoter scores, improved customer retention, and increased customer win-back rates.

“After we implemented SAP CX solutions and normalized all of our different implementations, we had an increase in customer satisfaction that went from “just horrible” to “wow—we did not expect this from your company.”

- **Faster time to insight.** With seamless connectivity and correlation between customer and operational data, organizations were able to take advantage of up-to-date visibility and insight across all functions and

processes, including finance, lead to cash, quote to cash, and digital supply chain. This enabled them to make quicker and more informed decisions that led to faster product launches, process optimizations, service improvements, and improved customer interactions. SAP customers reported increased sales conversion rates, improved sales cycle times, and improvements in forecast accuracy.

“We now can do much better sales forecasting because we have much more data going out from our business teams and coming back from our sales reps.”

- **Less impact to operations.** Because they had implemented an end-to-end SAP solution and built connections using standard SAP iFlows (out of the box integration flows that are already set up and configured for SAP customers and partners), customers reported that they felt that they had more reliable connections between data sources, resulting in fewer potential issues arising with data or systems not being available for a period. Customers felt that if they had built and maintained the substantial integration work and middleware required to integrate other point solutions and databases that they would constantly be operating under the threat of potential connectivity issues that may impede customer capabilities and/or internal access to information required to complete transactions. By involving more technologies, vendors, APIs, and custom middleware in the path of data connectivity, the risk of a small change due to an update or issue happening in one solution affecting the interaction with another is increased.

“It is critical that our systems are always available. We are 24x7 worldwide and so any downtime, planned or unplanned, is very costly. With SAP, we have had only a few hours of planned downtime over six years.”

Lower Total Cost of Operations

The cloud-based SAP CX solutions helped to provide savings for organizations compared to legacy server-client-based and alternative cloud-based point solutions for marketing, sales, commerce, and services, both of which require complex integrations and middleware. SAP customers spent less time integrating, developing customizations, managing, and maintaining the solutions, connectors, and middleware, resulting in cost savings. Finally, SAP CX solutions helped improve the productivity of existing resources across the organization, avoiding the cost of hiring new resources and freeing up existing resources to deliver more value to the organization. Customers reported cost savings in the following areas:

- **Lower total solution costs.** While there are individual solutions that may appear to offer lower 1:1 cost in certain functional areas, customers felt that looking at a holistic end-to-end solution to deliver nearly equivalent levels of functionality and seamless connectivity that they were getting with their SAP solution would be far more expensive. This would include not only the licensed or monthly subscription solution costs, but also the greatly increased implementation costs, middleware development and maintenance costs, and the internal time and effort required to build, manage, and maintain the more complex solution. Customers that had moved from alternative solutions reported that the SAP solution enabled them to consolidate servers and applications, reduce support and maintenance costs, eliminate up to 70% of the time required to manage and maintain systems, and avoid having to grow teams by up to 2x to support custom development, integrations, and middleware.

“SAP provided us with a better solution for composability, extensibility, and could better support global scale. Having B2B and B2C in the same code base rather than separate disparate products was key.”

- Less time spent managing multiple solutions.** SAP provided a single cloud-based connected platform across many integrations that were tailored to specific use cases and industries. SAP customers spent less time managing infrastructure, middleware, and point solutions. This enabled them to focus more on business process improvements and opportunities rather than managing systems and software and gave them a single vendor to deal with for support and roadmap planning.
- Less time spent on initial implementation and custom development.** The customers that we spoke with reported that, by starting with prebuilt integrations and standard SAP iFlows, they were able to avoid roughly 25% to 50% of the time and effort that would be required to build integrations, connections, and middleware on their own. This meant that they could finish this work up to 2x faster, or they could avoid having to double their team size or outsource work at higher costs to keep to the same timelines. One customer mentioned that they would need to build an API from scratch and that they would need to find and hire middleware developers rather than the SAP specialists they currently employ, changing the makeup and dynamic of their team.
- Less time spent maintaining and troubleshooting systems and data connections.** The native integrations and improved visibility provided by an end-to-end SAP solution resulted in fewer issues to investigate and troubleshoot and faster resolution of any issues that did arise. Customers felt that the SAP connections required less ongoing maintenance and support, which meant not only lower costs but also that they could run operations with fewer resources by not having to grow their team size by up to 2x.
- Improved productivity of marketing, sales, and business operations resources due to less time spent on manual and redundant processes.** Once live, the SAP front-end and back-end systems were kept continuously in sync, and SAP Emarsys Customer Engagement, SAP Commerce Cloud, SAP Sales Cloud, and SAP Service Cloud provided a significant amount of automation and AI-driven intelligence for both customers and internal operations. This resulted in new and streamlined processes, a reduction in the number of functional delays and workflow inefficiencies, and the elimination of many manual tasks, resulting in improved productivity across all functions within the organization. Depending on the job function and level of inefficiency existing in prior workflows, customers reported a 10% to 300% improvement in daily productivity.

“The SAP native integrations and iFlows gave us a starting point and saved us quite a bit of time. It probably saved us 30% of the work we would have had to do for development, steady state, run state, and migrations.”

“With SAP native integrations and standard iFlows we have fewer issues to troubleshoot, and any that do arise are easy to fix.”

“D2C teams now have their own portal where they can manage price and promotions without involving technical resources and opening tickets.”

Continuous and Accelerated Innovation

By connecting customer and operational data, organizations could innovate faster and bring new and improved capabilities to their customers and to every area of the organization. They benefitted from end-to-end visibility and improved business agility earlier and more effectively than if they had tried to build the capabilities on their own with point solutions and enjoyed the benefit of a clear roadmap and continuous innovation as new capabilities were released into the product. Customers reported savings and benefits in the following categories:

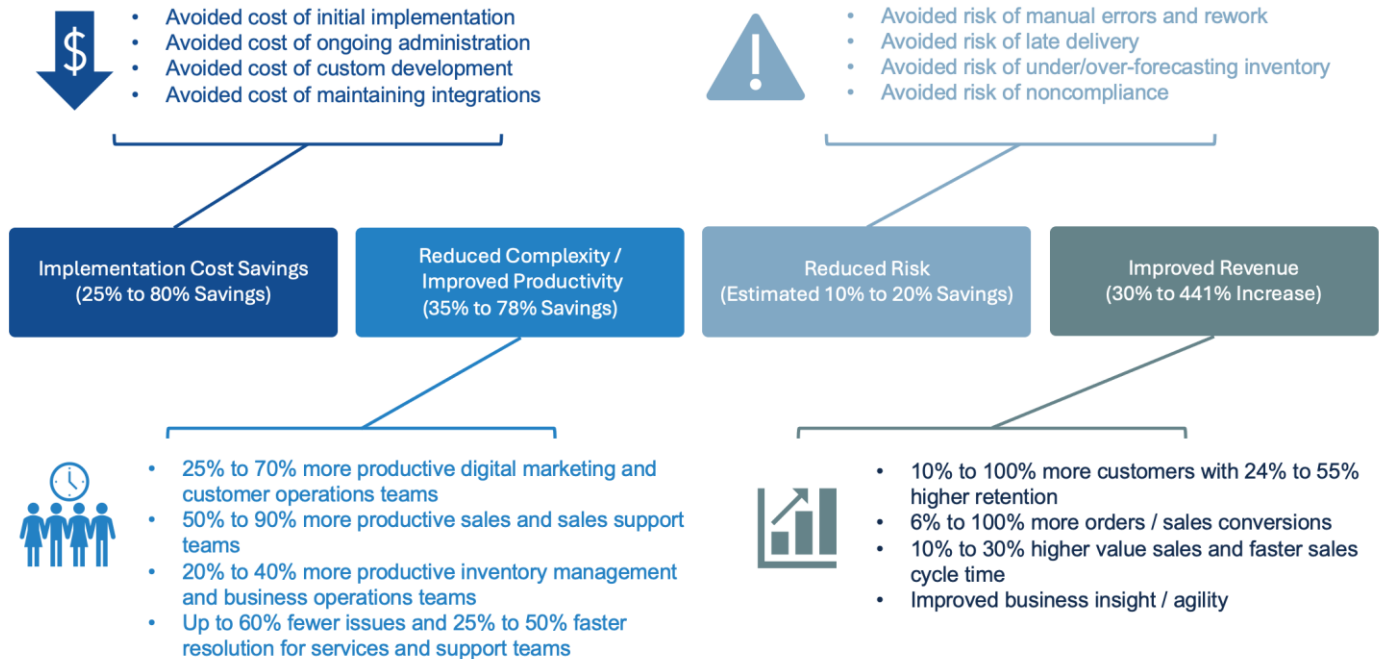
- Seamless connection of CX and ERP data.** SAP customers enjoyed seamless connectivity and correlation between customer and operational data across all phases of customer engagement. The seamless experience was made possible through a combination of proven and tested native SAP, partner, and industry-specific integrations that ensure that data is secured and protected in the right places but made available when needed to support end-to-end processes across the organization. This enabled streamlined business process improvements across market to lead, lead to order, order to cash, and services and support functions, which improved customer experiences, replaced outdated and inefficient processes, improved business planning and decision-making capabilities, and helped to provide data for improved product development.
- Improved end-to-end visibility.** By seamlessly connecting customer and operational data, organizations were able to deliver end-to-end visibility of transactions and insights to their customers and internal sales, marketing, support, and decision-makers. Businesses were able to provide their end customers with accurate and up-to-date information about the status of product availability, quotes, orders, order history, deliveries, and returns that otherwise might require access to several systems or phone calls to different departments. Internal functions in the organization were able to operate faster by being able to access the data that they needed without having to call or request data from other departments or log into separate systems and correlate information about quotes, invoices, order histories, inventory levels, etc. This availability of information also helped lower both customer and worker frustration and resulted in fewer mistakes being made across the board due to misinformation, typos, and other issues.
- Improved business agility.** With better availability, visibility, and correlation between customer and operational data, organizations were able to better analyze transactions, processes, and tendencies in near-real time with the assistance of AI insights and recommendations. This helped them to be more agile and improve their business models to focus on accelerating sales, retaining and finding new customers, identifying new routes to market, and improving existing processes and products.
- Continuously improving CX.** After SAP customers had connected their customer and operational data and seen significant benefits from using SAP Emarsys Customer Engagement, SAP Commerce Cloud, SAP Sales Cloud, SAP Service Cloud, and other tools, they reported that they expected that the capabilities and benefits that they had realized would continue to grow over time as new modules are integrated and new improvements and features are released. They expected that this would result in their customers' experience continuously improving, resulting in higher customer satisfaction and retention.

“Our sales reps used to fumble around trying to find logins and show customers outdated information in printouts and saved in folders on their iPad. Now, all data is connected and up to date and they appear much more organized, informed, and credible.”

“SAP allows us to manage prices for different types of customers in every region in real time based on a number of variables specific to that location and our current inventory and supplier costs.”

“We had issues with our previous vendor’s lack of innovation, but with SAP, there is a clear roadmap that helps with line-of-sight planning, and we have time to evaluate technologies to see if they are helpful, which adds value.”

Figure 3. Summary of Potential Savings and Benefits Provided by SAP CX Solutions



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Enterprise Strategy Group Analysis

Enterprise Strategy Group leveraged the information collected through vendor-provided material, public and industry knowledge of economics and technologies, and the results of customer interviews and case studies to create a five-year TCO/ROI model that compares the costs and benefits of transforming customer interactions and marketing, sales, and service organizations by connecting their customer experience and SAP ERP data and using SAP cloud solutions versus trying to build similar capabilities on their own using point solutions with custom development of connectors and middleware. Enterprise Strategy Group's interviews with customers who have recently made the transition, combined with experience and expertise in economic modeling and technical validation of technologies, helped to form the basis for our modeled scenario.

Our model assumed that a large enterprise organization was looking to modernize and improve its marketing, sales, and support capabilities for one of the divisions in their organization that had continued to operate under the very hands-on and resource-intensive customer-facing approach that had made them successful for many decades. Their current business model consisted of salesmen and service technicians supported by localized offices that made frequent calls and visits to customers mainly initiated by phone calls and driven by manual forms, paperwork, and manual data entry into focused CX and ERP systems.

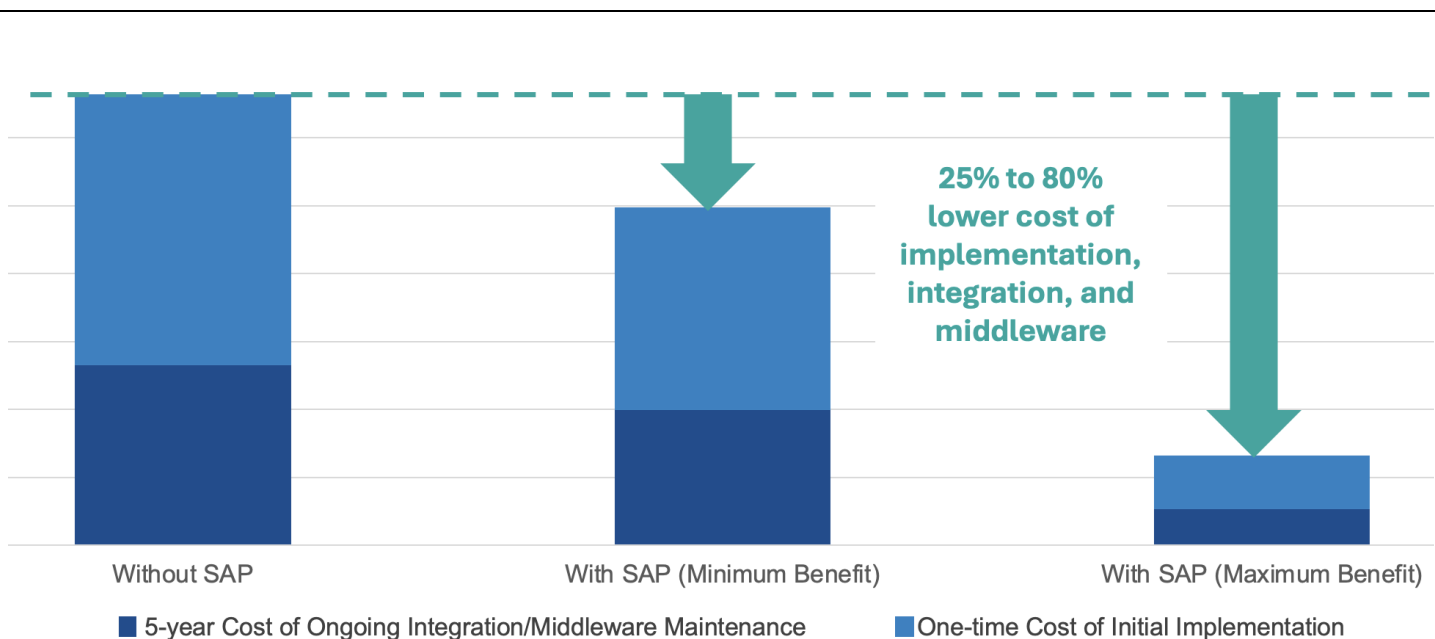
Every business is different, and the actual benefits that would be seen by an organization are dependent on many factors, including business type, size, stage, industry, current mode of operations, availability of customers, level of current operations, potential areas for efficiency improvement, as well as several other variables. Because of this, our model considered the wide range of benefits reported by SAP customers across a number of collected KPIs and in our 1:1 interviews to model minimum and maximum assumptions and variables and produce a range of potential results that might be achieved by our modeled organization.

Enterprise Strategy Group's models predicted the following areas of savings:

Avoided Cost of Integration and Middleware

Our models predicted that an all-SAP connected solution would cost 25% to 80% less to build and maintain than a DIY-integrated solution consisting of point marketing, sales, commerce, business insight, and service solutions. For the initial implementation, we conservatively assumed that a team of 12 developer and SAP specialist resources each, on average, would spend 25% of their time over a 12-month period to develop and test connectors, middleware, integrations, and APIs required to connect data between various sales, marketing, service and commerce point solutions to their SAP ERP. Once live, we assumed that a team of 4 developers would spend roughly 10% of their time maintaining middleware and connections, keeping them secured and updated to reflect any changes to each of the point solutions and SAP products. In practice, for larger and more complex solutions, this could require significantly more time and resources for both the initial integration and continuous upkeep. Based on estimates reported by customers in our interviews, we determined that it would require between 25% to 80% fewer resources or time to develop and maintain connections between SAP's Sales, Commerce, and Service Clouds and other customer experience products and the SAP ERP. This resulted in six to seven figure savings over a 5-year period for our modeled organization.

Figure 4. Expected Cost of Initial Implementation and Ongoing Maintenance Over Five Years



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Improved Revenue

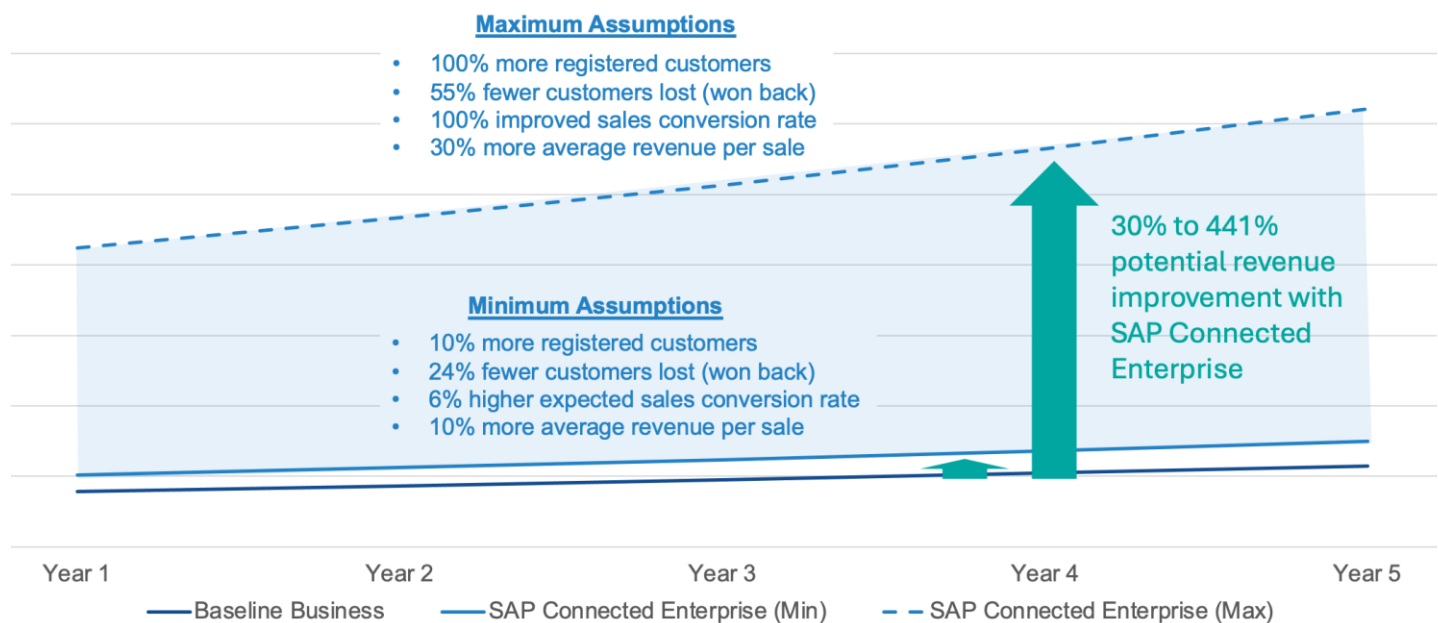
Many of the benefits provided by SAP intelligent and connected systems result in improved customer satisfaction, sales and marketing impact, improved business agility and decision-making, order fulfillment efficiencies, and more effective service and support that all ultimately contribute to the bottom line as revenue improvements. These included:

- **A larger customer base.** We assumed that a typical established business would expect a 10% annual increase in customer registrations because of advertising and marketing campaigns. SAP customers reported an additional 10% to 100% improvement in the number of annual customer registrations by using SAP Emarsys and Commerce Cloud, resulting in more frequent website visits, more active customers, and more potential sales.

- **Fewer customers lost.** Our model assumed that approximately 5% of customers might be lost annually to alternative offerings. SAP customers reported 24% to 55% fewer customers lost and/or won back each year due to improved CX and satisfaction, helping to minimize the impact to the existing customer base.
- **Higher sales conversion rates.** We assumed a typical sales conversion rate of 2.5% as a baseline, meaning that 2.5% of customers would typically make a purchase during each calendar year. SAP customers reported a 6% to 100% improvement in sales conversion rates, resulting in an adjusted modeled sales conversion rate of 2.7% to 5% after implementing the SAP solution, which increased the number of expected annual sales.
- **Higher average revenue per sale.** SAP customers reported that they were able to increase the average size of sales deal (or cart size for retail ecommerce) by 10% to 30% with SAP, resulting in not only more frequent sales but also increased revenue per sales order.

Taking into consideration the larger customer base with less churn, higher sales conversion rates, and improved revenue per sale, as shown in Figure 5, our proprietary models predicted a 5-year revenue increase of 30% to 441% depending on the characteristics and combination of potential improvements that could be realized.

Figure 5. Modeled Revenue Over Five Years Based on Minimum and Maximum Reported Benefits



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

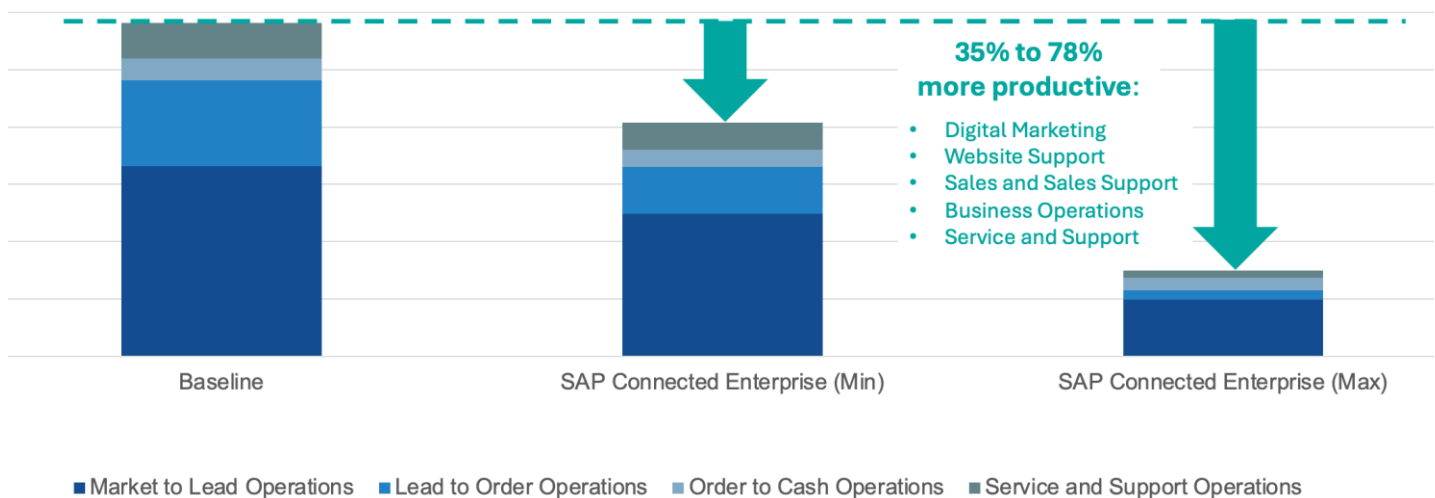
Improved Productivity

One of the largest areas of impact that we were able to validate with customers was the amount of time that a connected and intelligent SAP CX landscape could save for customers, sales and marketing, business operations, and service and support teams through effective automation of manual tasks, elimination of workflow inefficiencies, availability of information, and AI-assisted insight and recommendations. This resulted in time savings for resources and freed up time for teams involved in the following phases of the sales cycle:

- **Market to lead.** Digital marketing and customer operations teams saw 25% to 70% improvements in productivity by using SAP Emarsys Customer Engagement and SAP Commerce Cloud to reduce the time and effort required to find new customers, onboard and register customers, and manage digital products and promotions on the new ecommerce portals.

- **Lead to order.** Sales teams reported 50% to 90% improvements in productivity by offloading smaller transactional sales to the self-serve SAP Commerce Cloud solution and leveraging SAP Sales Cloud to more effectively communicate and negotiate higher-value deals directly with the customer. Sales support teams leveraged the SAP Sales Cloud to provide faster and improved support to sales teams, including much faster quote generation and approval and streamlined management of contracts and orders.
- **Order to cash.** Business operations teams reported a 20% to 40% improvement in productivity by speeding the time they had to spend dealing with invoices, payments, shipments, and returns and were able to make more informed decisions and perform faster end-of-quarter business rollups.
- **Service and support.** Service and support teams reported that they saw a 0% to 60% reduction in the number of issues that they had to deal with based on fewer manual errors, automated self-service support functions, and the use of AI chatbots. They also reported a 25% to 50% improvement in time to resolution for those issues that did require a support or service resource based on access to end-to-end customer and operational data without involving other functions and AI assistance.

Figure 6. Modeled Productivity Improvements Across the Sales Cycle Provided by SAP CX Solutions



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

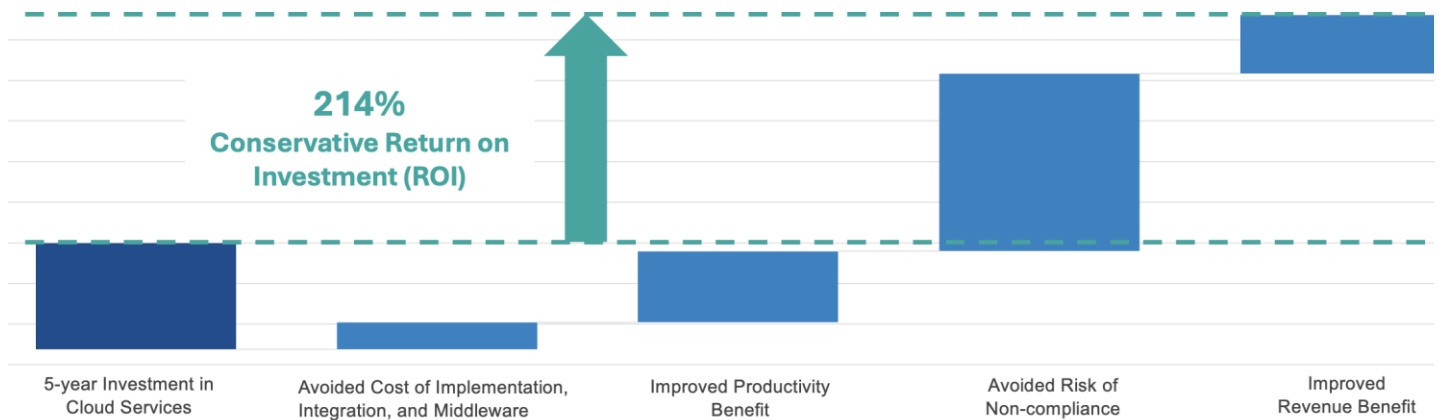
Avoided Risk of Noncompliance

SAP CX solutions ensure that customer data is safely collected and stored while remaining in compliance with localized data privacy compliance laws and industry standards. The solutions also support country-specific tax compliance and offer the ability to provide end-to-end historical visibility into all customer transactions.

Expected Return on Investment

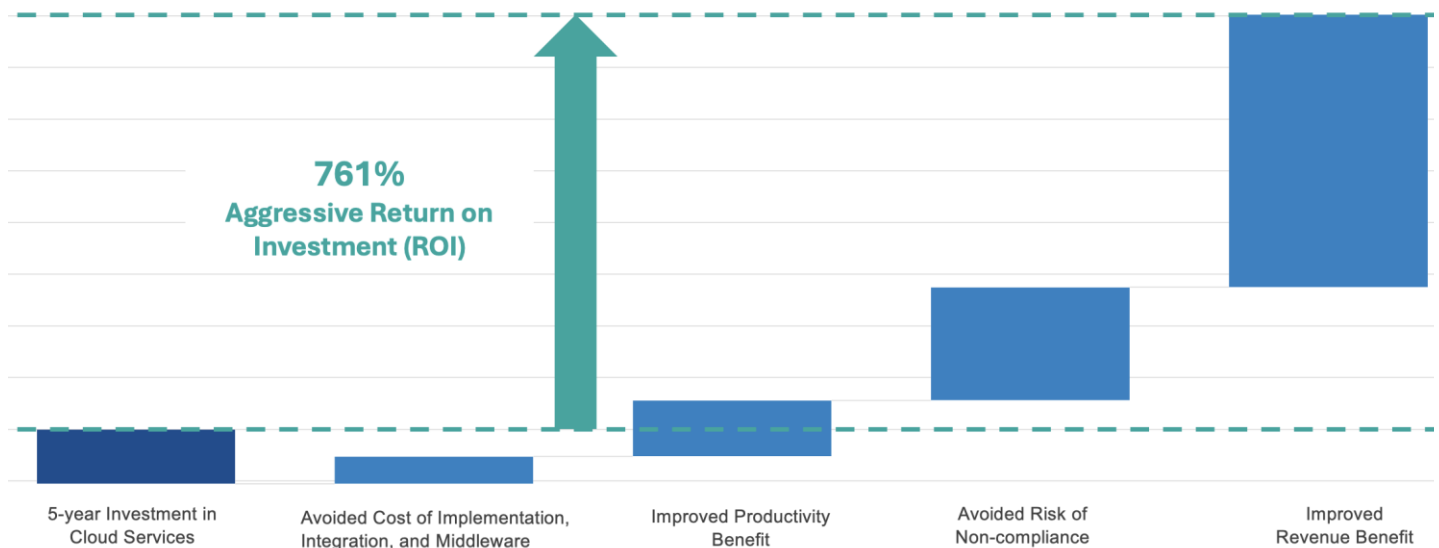
Enterprise Strategy Group compared the expected cost of SAP CX solutions against the minimum and maximum expected savings and benefits provided through avoided integration and maintenance work, improved productivity, improved revenue, and avoided compliance risk to calculate a five-year return on investment (ROI).

By considering only the minimum improvements reported by SAP customers and modeled and described earlier, we calculated a conservative ROI of 214% (shown in Figure 7). These returns may be seen by larger established businesses that have already made some degree of progress in streamlining and simplifying processes and customer experiences and those with more limited potential to grow their customer base and revenue.

Figure 7. Conservative Five-year ROI of SAP CX Solutions

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

We then considered only the maximum improvements reported by SAP customers and modeled and described earlier to calculate an aggressive ROI of 761% (shown in Figure 8). These returns may be seen by long-established and distributed organizations that currently rely on more manual processes (perhaps including face-to-face sales and support, nonuniform practices across regions, extensive paperwork, data entry, and phone calls etc.) and by new and growing organizations and business units that have more potential to expand their customer base and revenue.

Figure 8. Aggressive Five-year ROI of SAP CX Solutions

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Considerations

Enterprise Strategy Group's models are built in good faith upon conservative, credible, and validated assumptions; however, no single modeled scenario will ever represent every potential environment. Our models assume the use of all the major products that make up the SAP CX portfolio (SAP Emarsys Customer Engagement, SAP Sales Cloud, SAP Commerce Cloud, SAP Service Cloud, and SAP Customer Data Solutions). Each organization has a unique set of considerations that will determine how much of an impact SAP CX solutions will have for their organization. Enterprise Strategy Group recommends that organizations perform an analysis of their situation and goals and then consult with their SAP representative to understand and discuss the potential benefits that may be achievable for their organization.

Conclusion

Organizations have come to rely on SAP ERP to consolidate and derive insight and value from their business' operational data; however, their marketing, sales, commerce, and service organizations do not have a simple and easy way to access this data. Many of these organizations have grown their operations with a singular focus independently of other departments within the organization (e.g., some have adapted processes through M&A and regionalized practices), resulting in nonuniform and inefficient processes and the use of point solutions. This results in manual processes and workflow limitations and roadblocks that ultimately result in poor customer experiences, mistakes, delays, lack of business insight, and inefficient use of company resources.

Enterprise Strategy Group validated with customers that SAP CX solutions have helped organizations connect their customer and operational data, remove roadblocks and inefficiencies, leverage AI and automation to streamline tasks, free up resources, reduce risk, improve business visibility and insight, and provide self-service customer capabilities. This has resulted in substantial and measurable improvements in the areas of customer growth, satisfaction, and retention. It has also improved sales and revenue growth, improved productivity, improved compliance, has led to fewer support issues and faster support resolution, and many more benefits. Customers also shared that implementing the end-to-end SAP solution using prebuilt connectors and iFlows saved them significant time and effort versus trying to integrate point solutions that require development of middleware, which is far more complex and costly to maintain.

Our five-year models based on minimum and maximum customer-reported benefits as key assumptions predict that SAP CX solutions can provide organizations with a 214% to 761% ROI (or potentially even higher in some circumstances). While this helps to quantify that SAP CX solutions make good functional and financial sense, perhaps more importantly, the hundreds of customer testimonials we reviewed and the interviews that we conducted confirm that SAP CX solutions ensure a substantially more positive experience for an organization's two most important success factors: its customers and its employees. And, of course, choosing the right partner is always important as well.

"SAP is one of our best partners—we have never been in a situation where they are not right there in the trenches with us. They do not come at us with the hard sell; they prefer that you make the decisions that are best for your business in the long term, and they want to be your partner in it."

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TechTarget's Enterprise Strategy Group provides focused and actionable market intelligence, demand-side research, analyst advisory services, GTM strategy guidance, solution validations, and custom content supporting enterprise technology buying and selling.

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