Retail and (CPG):
Reimagine digital and disrupt the disruptors with Deloitte and Google Cloud

Start

Retail and CPG enterprises face an uncertain future.

Social and economic disruption has played havoc with the supply chain, exposing weaknesses in the tried and tested 'just-in-time' model. Concurrently, customer expectations have risen as people turn to digital commerce and services to shop and stay connected.

The normalized use of on-demand subscription services has helped create a landscape where customers expect connected, personalized experiences as standard—and younger, leaner businesses are taking note. In fact, many cloud-native startups recognized this shift creeping in before the pandemic started, finding success in offering the experiences that traditional retailers have been slow to adapt.

We've also seen the pandemic lead retail and Consumer Packaged Goods (CPG) enterprises towards health and safety-led initiatives, such as offering socially distanced alternatives to traditional in-store shopping. But despite efforts to adapt, the home has become the center of consumption, and it's here that consumers are safe to browse and engage with their favorite brands on their own terms. Using augmented reality, virtual reality enabled by real-time data on Google Cloud, consumers can visualize retail store layouts and determine the appropriate shopping endpoints—physical store, tablets, mobile phones, etc.

Suffice to say that the retail and CPG landscape has likely changed for good. And for SAP customers running application workloads on aging, inflexible, and costly infrastructure, the time has come to ask: 'Are we ready for the future?'

If your answer is 'Yes,' Deloitte and Google Cloud have built a rapidly deployable solution to help you accelerate transformation and realize your true potential as a highly scalable 'built-to-evolve' Kinetic Enterprise™. And in this paper, you'll learn how our solution can deliver a 'Selective Transformation' to help you address critical market challenges and prepare for an uncertain future.

What is Selective Transformation?

Instead of moving everything to the cloud, Selective Transformation lets you define how you upgrade your SAP ERP, carrying only the data and processes that matter most to your business to SAP S/4HANA® with Google Cloud technology.

In a nutshell, it's designed to do the heavy thinking and lifting, helping you:

- Understand your ERP processes.
- Reimagine and reinvent your business processes.
- Move your SAP core to the cloud.

Discover the future of supply chain optimization

Panic-shopping hit retail and CPG enterprises hard at the start of the pandemic. While the recovery was swift for many, we can't ignore the weaknesses it exposed in conventional approaches to the supply chain.

Couple unexpected social, economic, and even geographical disruption with rising customer expectations, and it's clear that a more agile, proactive data-driven approach to supply chain management is required. For context, let's highlight some of the most significant supply chain challenges facing both retail and CPG enterprises today.

CPG:

Material scarcity, port congestion, pressure from retailers to restock supply stock fast, and real-time track and trace transparency with retailers.

Retail:

Ensuring proper levels of inventory and supply chain transparency with customers, including stock updates, next or same-day delivery, and disruption alerts. These are fundamental to offering a smooth omni-channel customer experience.

Selective Transformation helps address these challenges

By embracing Selective Transformation, retail and CPG enterprises can respond and adapt to supply chain challenges without disrupting mission-critical operations or the end-customer experience. Selective Transformation enables:

CPG organizations to:

- Anticipate real-time business needs by combining SAP Integrated Business Planning (IBP) data with first-party consumer and third-party market data contextualized by Google's leading demand forecasting artificial intelligence (AI).

- Create a more transparent supply chain by combining SAP data with real-time production and logistics data from suppliers.

- Automate routine processes and create a networked economy with a Digital Supply Chain Twin—the only solution that enables simultaneous demand and supply sensing. Digital Twins also enable organizations to simulate real-time manufacturing and supply chain anomalies, helping save millions of dollars.

Retail enterprises to:

- Improve demand forecasting by combining SAP data sources such as Customer Activity Repository (CAR), Enterprise Resource Planning (ERP), and third-party data with Google Demand AI analytics.

- Optimize inventory using Inventory AI from Google Cloud, enhanced with SAP inputs such as demand, transportation, and procurement.

- Optimize supply chain operations, such as by analyzing SAP Warehouse or transportation management data with Google data (and AI) to enable automation.

And by combining SAP data with real-time inventory and logistic data, both CPG and retail enterprises can create a more transparent supply chain. The kind that lets you optimize supply planning and easily share predictive stock updates with customers to drive trust and retain brand integrity.

Drive customer satisfaction through personalization

Regardless of whether you operate in retail or CPG, customers expect the commerce journey to be connected and hyper-personalized. They want to begin an interaction on one channel and pick it up seamlessly elsewhere—be it online or in-store.

From a retail perspective, customers want your employees and service agents to know who they are, how they've interacted with you in the past, and what they want. Personalization and hyper-convenient experiences are non-negotiable. Likewise for CPG enterprises, consumers like you to know exactly what they want and provide highly targeted interactions and personalized product portfolios and recommendations.

That's why SAP on Google Cloud lets retailers combine SAP product, sales, and marketing data with AI and Machine Learning (ML) tools to create connected, personalized omnichannel journeys.

For example, by combining SAP data with our search AI solution, you can create custom buying experiences or integrate product data with our recommendation AI tool to help identify opportunities to upsell and cross-sell. What's more, aggregating SAP and Google geographical data lets you run predictive segmentation analysis of your customer base.

CPG enterprises benefit too. By combining product, media, Customer Relationship Management (CRM), Direct-to-Customer (DTC), and Business-to-Business (B2B) digital commerce and site data from SAP and non-SAP sources, you can unlock the insights you need to enhance the supplier and retailer experience. You can also combine SAP CRM, Sales Cloud, Consumer 360, and product data to help cross-sell and personalize product recommendations when and where they're most likely to resonate.

We understand how important it is to customize your products because, let's face it, one size rarely fits all. That's why you can apply AI and ML to a unified market and unique Google consumer data to uncover the location and demographic insights you need to create carefully customized product portfolios.

North America's largest family-owned food service supplier modernizes the B2C experience with Deloitte and Google Cloud

Challenge:

Over the course of years of sharp growth and expansion, our food and distribution client had accumulated significant technical debt, and a large portfolio of legacy technology. Those technologies weren't just costly and complex to maintain, they'd also become barriers to further growth—slowing the organization down and restricting how it could innovate and evolve. Eager to break free of those restrictions and realize the benefits of real-time innovation at scale, the company chose Deloitte to help transform their key business processes, enabled by an agile, elastic, and cost-effective Google Cloud platform.
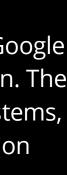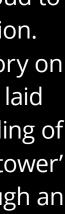
Solution:

The digital transformation effort began by implementing SAP S/4HANA on Google Cloud to modernize ERP with a scalable platform that's frequently updated and rich in innovation. SAP, non-SAP and other data sources were integrated onto a centralized data repository on Google Cloud Platform, enabling real-time insight generation across all ERP data. This laid the groundwork for new insight generation, giving the company a deeper understanding of metrics, KPIs, and market signals. That foundation was then used to create a 'control tower' solution that enables operations staff to monitor and optimize truck operations through an integrated real-time monitoring architecture, data store, and user interface.

Outcome:

Underpinned by the scalability of Google Cloud, the company can now adapt its business model and introduce new integrations across its application portfolio with ease. In a landmark move, our client is now home to the largest SAP S/4HANA deployment on Google Cloud, decommissioning more than 65 legacy applications as part of its modernization. The company also uses Microservices-based APIs to integrate platforms with non-SAP systems, extending its capabilities safely and efficiently. That's enabling a new wave of innovation and ERP integration that will give detailed insights into the customers, deliveries, and products affected by internal and external supply chain events.
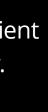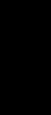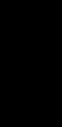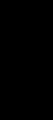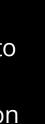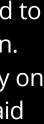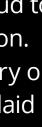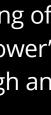
Interconnect to optimize store operations

Despite social, economic, and geographic pressures, customer expectations continue to rise. Pandemic or not, customers still want you to provide the goods and services they want—when and where they want them. And if you can't, they want you to let them know about it and keep them updated with empathetic and personalized interactions.

In the retail space, nobody wants to turn up at your store and find stock is missing, only to look online and discover there will also be delays. Yes, there are factors outside of your control, but you can make small but powerful changes to mitigate this and retain customer goodwill.

The same goes for CPG enterprises. Suppliers and retailers need to know that you'll be able to provide the stock they need, on time, exactly when they need it—arguably before they know they need it themselves.

So, how can you make it happen?

By eliminating silos between SAP and non-SAP data, you can pull in data from across the organization and the wider supply chain, democratizing data access from a single, easy-to-use platform. Let's unpack what that means for both retail and CPG enterprises.

Democratized data for retail

By upgrading your SAP ERP with Google Cloud and Deloitte, retailers can combine supply chain insights with AI and ML-based inventory management tools to:

- Ensure proper levels of inventory across physical stores and online fulfillment centers.

- Investigate stock, sales, and bay capacity data across locations, so you always know what's selling and what's not.

- Enable a real-time inventory ledger with Google Cortex and SAP to unlock a holistic view of inventory across the network.

Your marketing teams benefit too, as they can augment sales data, buyer behavior data, and campaign & marketing data to identify incremental sales opportunities and optimize store assortments. And with a single, intelligent view of your supply chain, you can even reduce the carbon footprint of delivery fleets by optimizing delivery routes, creating competitive advantage through a faster, greener delivery service.
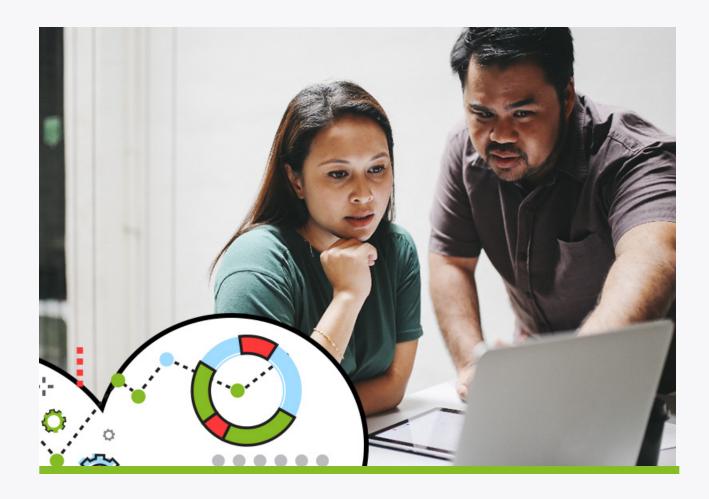

CPG operations—unified

With a single window on the entire organization, CPG enterprises can ensure suppliers and retailers get the stock they need, when they need it, and optimize production to eliminate excess wastage by:

- Unifying SAP sales, product, and store data with unique Google data signals such as search trends, location data, and store visit data.

- Driving supply chain agility and resilience by simulating the supply chain with a digital twin in the cloud.

- Improving your SAP environment's agility, flexibility, and scalability to help you tackle spikes in demand, so you're always available when it matters most.

Retail and CPG enterprises can also supercharge SAP data in Google Cloud with bespoke prediction models informed by business goals, helping you stay one step ahead of customer demands.

What is a **Kinetic Enterprise?**

A next-generation organization able to move nimbly and respond proactively to change—be it competitive, regulatory, financial, environmental, and more.

Built to evolve, a truly Kinetic Enterprise is supported by four key pillars:

Intelligent

Take advantage of digital platforms, intelligent apps, and technologies

Responsive

Scale swiftly on-demand with cloud-enabled agility

Inclusive

Drive app and service-led innovation with an all-encompassing ecosystem

Clean

Focus on lowering business and technical debt

Amplified by the power of Google Cloud, Kinetic Enterprises enjoy the best uptime in the industry, unmatched security, real-time data and insights, connected by the largest private IP network in the world, and more.

Become a Kinetic Enterprise with Deloitte and Google Cloud

It's time to prepare for the future and protect your enterprise from uncertain disruption with a 'built to evolve' Kinetic Enterprise approach to digital transformation.

Instead of throwing out your existing systems—such as custom environments—or moving everything to the cloud, Selective Transformation takes a more pragmatic, incremental approach to SAP S/4HANA adoption.

Time is money, and downtime can make the difference between a sale and a lost customer—an unfortunate reality when embarking on a more radical, greenfield transformation.

But a brownfield approach changes all that by minimizing disruption and delivering a technical upgrade that builds on your existing SAP environment. It also sets you on a path for a phased SAP S/4HANA transformation, so you can make incremental changes at your own pace as your business grows and needs change.

Underpinned by guidance and support, Deloitte will provide critical service support at each stage of your Selective Transformation journey, including:

- Assessing your current environment and needs.
- Making the business case for Selective Transformation.
- Identifying and prioritizing critical areas and actions.
- And more

In fact, we've been helping businesses turn challenges into competitive advantages for more than 20 years, and together with Google Cloud, we can deliver the innovative approaches and digital solutions you need to face disruption head-on and prepare your SAP environment for an uncertain future.

To learn more about how Deloitte and Google Cloud can help you unlock the benefits of a Selective Transformation, please get in touch.

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