Reach Customer Centricity in the Cloud.

Collaborating for High Performance

High performance. Delivered.

According to the Gartner, no leader in business or government today can afford to ignore cloud computing.[1]

Many global organizations including Starbucks, Citigroup and many others are already using it to support business processes, analyze data, provide applications to employees or partners and run company programs.[2] Media giants are reported to be working on a cloudlike service that will enable content to be delivered dynamically in multiple formats and on a variety of devices.[3] And more cloud services will soon be available, as established IT and telecom providers including Accenture, Microsoft, Fujitsu, KDDI, China Mobile and SingTel join cloud pioneers like Google, Amazon Web Services and Salesforce.com.[4]

Given the momentum behind cloud computing across so many industries, it is not surprising that Industry and Manufacturing companies are beginning to evaluate its potential and capitalize on the benefits it offers. When assessing what cloud can do for their businesses, leaders need to take into account the distinct and rapidly-evolving challenges and market trends that their industry faces today. These include the fundamental and ongoing changes in the way Industry companies communicate and transact with their customers; capture, manage, protect and analyze their ever-expanding collection of customer data; strive to decrease their IT operating costs while upgrading their capabilities; shift from product selling to a Solution selling model; leverage collaboration within company to support cross-selling; and expand into new and emerging markets at lower cost.

Most energy companies are still at an early stage in their adoption and usage of cloud computing, but the industry's structure and prevailing trends mean it is well-positioned to leverage major benefits from this emerging technology. As well as facing intensifying cost pressures, the energy sector needs to manage ever-increasing amounts of data – especially linked to Smart Grid initiatives - and make it available real-time to speed up decision process across an increasingly difficult and remote asset base. Cloud applications are ideal for meeting all of these requirements. At the same time, the sector's ongoing consolidation and growing use of collaboration demand the high degree of integration and standardization that the Cloud can deliver.

On top of this, to identify the transformational steps required to implement a customer strategy, companies clearly believe that a better view of the customer is the key. This unique blend of requirements underlines why a growing number of companies are already investigating and imple-menting cloud computing services.

As you will read in this paper, cloud computing has the potential to deliver significant benefits in all these areas helping the company to reach Customer Centricity quickly and efficiently. For this reason, our view is that cloud solutions are not an option but a necessity and that their widespread take-up in the industry is a case of "when" rather than "'if".

The Imperatives and Challenges for C-Levels

Within organizations in most industries, C-Levels are facing increasing cost pressures and a need to achieve quicker payback, higher margins and profits. As part of their ongoing challenges, Executives have to focus on increasing customer loyalty and speeding-up time to market of their products/services. Sales profitability and efficiency are also at the heart of their priorities especially because sales people need to make the most of time spent in front of the clients. At the same time, sales people turnover is a strong concern. To drive loyalty and sales, customer satisfaction and overall experience are key, but costs-to-serve have to be reduced with aim to do more with less. Finally, transformation execution challenges across channels, functions and processes have to be driven towards one goal: serve better the customer. If business executives need to drive their initiatives, CIOs are here to remind them the objective of reducing the costs to serve business

needs and ensure agility, pace and scalability of the solutions in a fast changing context.
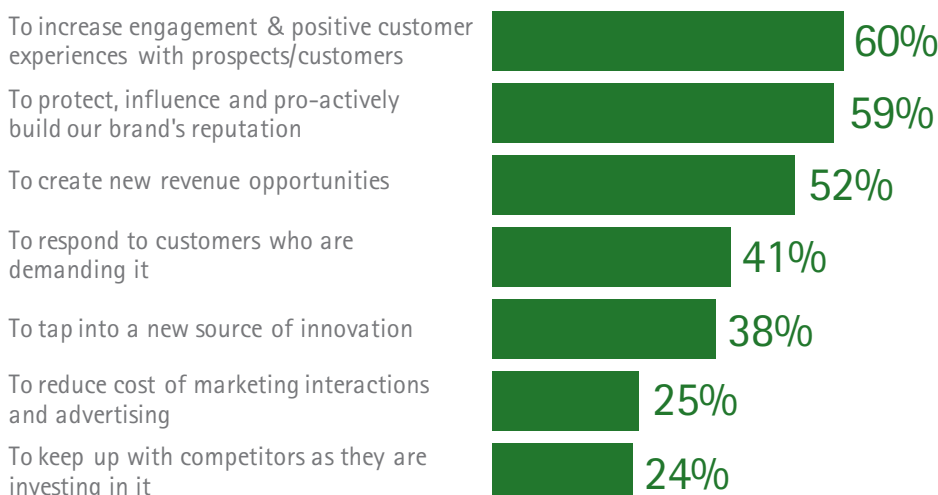
Managers, especially in Industry and Manufacturing businesses, face additional challenges than their counterparts in other industries. New operating models are emerging. A new breed of non-asset based, third-party providers has emerged in the industry, offering services in areas including risk management, price hedging, asset management, performance-based logistics contracts and insurance. Ongoing consolidation via mergers and acquisitions is leading to short-term capacity surges and driving down new capital investment, while globalization is increasing with the redeployment of old and used assets across emerging economies.

Lastly, companies need to keep up with the market trends as the way to engage their customers has changed over the last decades. Many

businesses have taken the lead in using social media platforms to engage and reinvent their relationships with customers. They use networking technologies for the customers to 'follow' their favorite brands on popular social sites, to take part in real-time discussions about products preferences and experiences, to contribute to the design of new products and services. Social media is a win-win strategy for business & customers that should be embedded into the CRM Strategy. More and more B2B companies are now making the most of this new trend (see Figure.1).

To reach sustainable and profitable growth, they need to ultimately drive a true business transformation affecting every aspect of the industry's products and services, competitive differentiation and value chain.

Figure 1. Primary Objectives to Engage in Social Media Tend to be proactive

To increase engagement & positive customer experiences with prospects/customers — 60%

To protect, influence and pro-actively build our brand's reputation — 59%

To create new revenue opportunities — 52%

To respond to customers who are demanding it — 41%

To tap into a new source of innovation — 38%

To reduce cost of marketing interactions and advertising — 25%

To keep up with competitors as they are investing in it — 24%

Source: Accenture B2B Social Media Research, 2011

3

The urge to make the shift to a Customer Centric model

To answer fast evolving customers' needs and expectations, companies have to reshape their business model to shift from one centered on products and programs to one where services are used to differentiate thanks to a Customer Centric Model.

Customer-centricity is more than just having a strategy. It requires having differentiated operations that enable a company to flawlessly execute the strategy, learn from evolving markets, and incorporate lessons learned into future strategy to consistently remain ahead of customer needs, and the competition's ability to deliver against them.

A customer-centric operating model enables companies to break the silos – integrating and coordinating the people, processes and data and supporting infra-structure across the organization and even with partners and suppliers to deliver a unified, consistent, branded customer experience. It also increases customer needs knowledge that enables companies to sell more and more Solutions to their customers which is more profitable for the company.

Customer Centricity has three imperatives and several levers to develop, as you can see on Figure 2.:
1. Increase Customer Relevance
2. Deliver the differentiating experience
3. Reach Profitable Growth

To complete this shift, it has to be done across the key processes of the company, for example Sales, Marketing, Services and Supply Chain processes to have a 360° view of the customer and rationalize the overall customer experience.

Figure 2. Customer Centricity Imperatives and Levers

Actionable and complete customer data insights

Customer experience blueprints

3 - Drive profitable growth

1-Increase customer relevance

Adaptive supply chain

"Do it yourself" capabilities

Empowered front office

Not only products but solutions

Customer centricity

Customer Services performance management

2- Deliver the differentiating experience

Marketing, Sales and Service synchronization

Extended delivery ecosystem (partners & suppliers)

Source: Accenture

Cloud: a technology whose time has come in the Industry & Manufacturing sector

In combination, the challenges outlined previously are helping to drive major companies to examine the potential of cloud computing to reach Customer Centricity. A growing number of major players are piloting and implementing cloud solutions, and IT budgets in the sector are steadily migrating away from implementing and maintaining in-house IT infrastructure towards hosted applications and software-as-a-service offerings (SaaS).

In particular, the industry's current challenges have given rise to five major trends that are favorable to cloud adoption. These are:

1. Increasing amounts of data.
Customers expect better and differentiated services based on valuable data they are providing. Companies do not only need to collect this valuable information but also analyze it in combination with sales, marketing, services and supply chain data, to serve and communicate with their customers in more effective and dynamic ways – thereby improving the customer experience and companies' top and bottom lines.

2. Higher pressure on margins.
The need for ever-improving cost and investment efficiency is driving production operations, and creating rising pressure on maintenance and operating costs, and on IT procurement. There is also a need for scalable 'out of the box' solutions for new asset startups in remote locations.

3. A growing requirement to access real-time data anytime anywhere.
Real-time operations are now crucial to avoid costly equipment failures and IT infrastructures need to be increasingly agile to support new growth and innovation strategies.

These factors are driving increasing collaboration and a need for enterprise wide 24-hour access to data on any device, especially mobile.

4. Integration and standardization of IT operations.
The requirement to achieve closer integration between applications across several business processes.

5. Increasing importance of collaboration.
A combination of talent shortages, the drive for efficiency and the need to share huge amounts of information from increasingly remote locations are driving sharing and collaboration internally and externally – both across the enterprise, and also throughout the supply chain with customers and suppliers. These trends are driving cloud computing ever higher up the industry agenda.

Figure 3. The Evolution of Collaborative Networks Beyong the Sales Organization

R&D Marketing
Knowledge sharing teams have members from different departments and skills areas

Sales Efficiency Solution Selling
Information that assists creating matching solutions for clients is available on demand at the right time

Reaching Out to Suppliers and Customers
Stakeholders communicate directly to people across organizations

Internal

External

Source: Accenture

Social Sales Case Study

Sales executives of a global communications and high-tech company recognized that becoming a solution-driven enterprise would require better collaboration and easier access to sales-related content. Like many other B2B operators, the company's existing content was scattered and difficult to find. Its sales professionals had no easy way to share best practices or contribute to a global body of knowledge. Similarly, they lacked a direct feedback mechanism that allowed them to comment on sales assets.
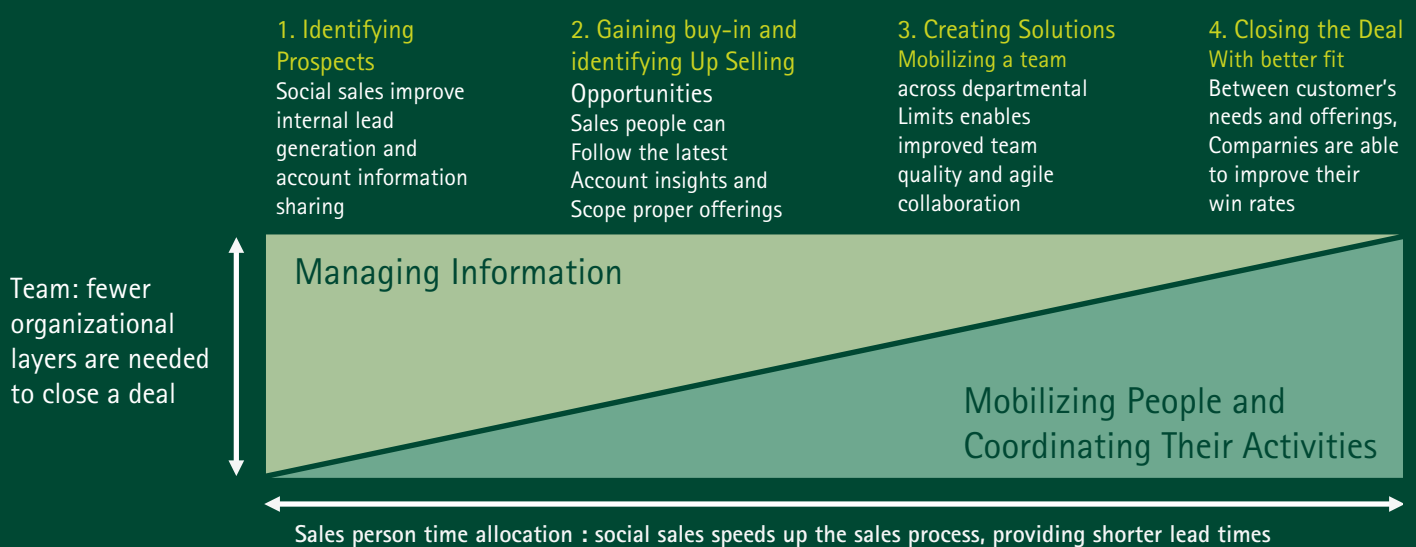
Accenture worked closely with the client to design a social networking capability, based on the Salesforce.com Chatter platform.

The solution created a vibrant digital community comprising more than 3,000 sales and marketing professionals. It delivered three key benefits:

• More client-facing time, based on better access to relevant information needed in daily sales work and improved reuse of existing sales and marketing collateral created by others.

• Improved sales performance, based on the improved quality of market and customer intelligence, sales and marketing materials, and sales training program.

• Improved engagement among employees, brought about by a deeper sense of belonging to a global sales community and the ability to take advantage of enhanced peer-to-peer networking and collaboration.

By designing and implementing a cutting-edge social sales capability, Accenture helped to support the transition from being a device manufacturer to a solution-oriented company. Along the way, Accenture helped position the client as an innovator in workforce collaboration and a company clearly on the path to high performance.

Figure 4. Social Sales Improves Sales Force Productivity

1. Identifying Prospects
Social sales improve internal lead generation and account information sharing

2. Gaining buy-in and identifying Up Selling Opportunities
Sales people can Follow the latest Account insights and Scope proper offerings

3. Creating Solutions Mobilizing a team across departmental Limits enables improved team quality and agile collaboration

4. Closing the Deal With better fit Between customer's needs and offerings, Comparnies are able to improve their win rates

Team: fewer organizational layers are needed to close a deal

Managing Information

Mobilizing People and Coordinating Their Activities

Sales person time allocation : social sales speeds up the sales process, providing shorter lead times

Source: Accenture

How can Accenture help you in your journey to reach Customer Centricity in the Cloud?

Accenture defines Customer Centricity as the unique combination of 3 different must haves for your company:

1. Customer Relevance, as in this specific Industry market, your company needs to deal with a huge amount of information and cope with it, to transform raw data to real knowledge to target and segment relevantly its pool of customers;

2. Differentiating Customer Experience, as customers are more and more seeking for particular services and the feeling to be understood and unique. This objective can be reached in the only condition that your company as well as your potential partners work hands in hands, cutting edges and collaborating on key processes to become one single voice in front of your customers;

3. Drive profitable growth by providing a more complete experience to your customers, delivering solution when they expect product, being efficient and on-time on logistic matters, and providing them with outstanding customer services.

To attain this unique set of business-driven levers, Accenture has identified a common path to reach Customer Centricity in the Cloud:

Automate and Enhance Key processes...
Accenture will help you refine and enhance your key processes that operate throughout your organization, from Sales to Marketing and Services, to reach a high level of automation, standardization, and integration, leveraging out of the box applications while also being driven by business needs. While facing demanding customers, companies need to stand as one single body articulated with fluidity and agility to serve one only goal: satisfy customer needs. Accenture will help its clients refining their processes to move toward high performance.

... With a strong cloud enabler...
To support their business needs, Accenture will leverage a unique cloud solution that support not only the processes –from out of the box to customized functionalities – but also offer a brand new set of tools to enforce and operate the main levers to reach customer centricity. One of the other key benefits of the Cloud Technology is its agile infrastructure that will drastically cut IT costs, with -40% lower maintenance and run costs, while being amazingly quick to build and deploy.

... That allows collaboration and reactivity throughout your extended company eco-system
The cloud technologies are providing a unique framework where your employees, your customers and your partners will have the possibility to collaborate directly on key processes in a fast, easy and intuitive way. No more barriers, no more constraints, your company will react faster to market changes with drastically decreased time to market, be fully integrated, attract more talented resources to increase customer satisfaction.

Using the cloud to create business value to your company

Cloud solutions will cover the exact same scope than traditional IT approaches while being costless and providing with an unlimited range of business creation possibilities to your company. For instance, a global automotive company uses a cloud solution to build a unique private social network between its customers, their cars and their car dealers supported by a revolutionary collaborative platform.

There are several examples of Industry organizations already using cloud computing to support new services. These include:

• An Energy Management company deployed one global process for Solution selling, commercial efficiency increase and higher margins thanks to cross selling (see details next page)

• An Electrical Equipment company deployed a cloud solution to share sales forecast with the supply chain to adapt the capacity planning.

• An IT company developed a partner portal in the cloud for suppliers and distributors to share opportunities.

Case Study: What we achieved with Schneider Electric – a French Global Specialist in Energy Management who shifted to a Customer Centric model in the Cloud

Context

Schneider Electric is a $20-billion worldwide leader in Energy management with a presence in 120 countries and more than 100,000 employees. One key characteristic is a strong external growth of the company over the last few years (M&A).

This client was facing the need to align its business units on the same Front Office processes and enhance collaboration across entities in order to sustain their plans for growth. A program has been launched as a global initiative to enable one consistent Customer Experience, Solutions and Cross-Selling, Global Account Management, Customer Care and Sales Force Efficiency through a common tool based on Cloud Solutions. Several tools were investigated and Salesforce.com was finally the one selected for deploying a unique CRM Solution to 17,500 end-users (sales people, call center agents, field service engineers, marketing, quality and customer satisfaction directors) worldwide.

Business Solution

To address the resolution of this unique challenge, Accenture was tasked with an ambitious goal to design, implement and deploy the solution at a rapid pace and scale to all users in 80 countries within an 18 month time frame while securing adoption and business value realization thanks to a global team combining the best of Accenture's differentiating skills in Industry, Management Consulting and System Integration (leveraging the Bangalore Cloud Center of Excellence). Accenture closely partnered with Salesforce.com to design, build and deliver a unique solution focusing on business requirements (conference room pilot sessions, prototype…). The approach is iterative and sequenced to deliver quickly to the business.

The deployment strategy is based on maximizing value creation with the rapid deployment of a core light CRM Solution throughout the company providing 6 functionalities: Opportunity Management, Sales Force Efficiency, Case Management, Account Management, Real Time Commercial Business Intelligence and Collaboration Capabilities for Front Office Teams.

This is also supported by the capability to add plug-ins in order to insert additional processes / functionalities as required to cater for the needs of the most complex organizations. This also enabled integration with back office systems as well as incorporating feedback received from deployed users thanks to the Ideas module.

Accenture also supports this client by providing an industrialized approach to deploy the solution worldwide: this approach is known as 'Rapid Deployment Toolkit' and allows to deploy several sequences of entities within 8 to 12 weeks . Accenture is also driving the change management on several sequences of countries by delivering training documents and sessions, change assets, Network of Excellence (Run Mode organization) and Business Value Realization Toolkit.

Key Results

• 5 Business Processes deployed to more than 17,500 users in less than 1 year and half in more than 80 countries
• Adoption Rate: 5 connections a week in average, Run mode in place.
• Training Satisfaction : 95%
• 5 Major releases delivered and 5 minor releases
• More than 20% of cross selling opportunities supported by the solution
• More than 20% of account coverage
• 360° view of customers and collaboration between processes

"This project led together with our partners Accenture and Salesforce.com already demonstrated a valuable ROI : + 20% of cross-selling, + 20% of account Coverage and an impressive 70% adoption rate"

Philippe Trichet,
Senior VP Customer Experience & CRM at Schneider Electric

Conclusion

The Industry and Manufacturing businesses understand that customer service is critical for their growth and profitability. But how to build the business model, capabilities, organization and culture that will enable them to fulfill aspirations remains difficult. However, as customers they serve increasingly demand new ways to achieve their own business objectives, those businesses that succeed in becoming true service providers will reap the rewards. They also identified the need for a cultural shift from product driven manufacturing to a service/solution culture that is fundamentally based on a close understanding of customer needs.

On top of this, the ubiquity of social media, coupled with the emergence of new networking technologies, is pushing organizations in all industries to rethink how they communicate, collaborate and engage with their key stakeholders. One opportunity that holds great promise – especially for organizations struggling to keep pace with the fast-changing B2B sales environment – is social CRM, more precisely Social Sales. By drawing on the networking capabilities of social media platforms, organizations can build highly collaborative, cross-functional communities of expertise. They can dramatically improve sales force productivity and they can strengthen (or, in some case, build) solution-based business capabilities that their customers now demand.

Accenture believes that to achieve their aims, there are a number of key activities and capabilities that businesses will need to develop in order to orientate their business models to an increasingly customer driven model with deep collaboration across departments. Cloud Computing Solutions can support the business process transformation towards a 360° view of the customer driving Solutions selling, as well as more collaboration within department and across employees, suppliers and partners thanks to the embedded networking capabilities in the Cloud.

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 236,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

About Accenture CRM Solutions

Accenture's Customer Relationship Management service line helps organizations achieve high performance by transforming their marketing, sales and customer service functions to support accelerated growth, increased profitability and greater operating efficiency. Our research, insight and innovation, global reach and delivery experience have made us a worldwide leader, serving thousands of clients every year, including most Fortune ® 100 companies, across virtually all industries.

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