MAKING DIGITAL Transformation Real for SMBs

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WHAT DOES IT MEAN TO TRANSFORM YOUR BUSINESS?

If the *Oxford English Dictionary* limited its annual "Word of the Year" selection to a business and IT term, "transformation" would easily take top honors. Almost all businesspeople have heard that we're in the midst of a "digital transformation," driven by the explosion of business data, the proliferation and connectivity of powerful computers and smart devices, and the growing sophistication of software applications and cloud-based services.

Most small and medium business (SMB) decision makers understand that they need to adapt to these new realities: 65% of SMBs believe that technology solutions help them to significantly improve business outcomes and/or run the business better. But while SMBs want to use technology to improve and transform their businesses, many struggle to find the right formula to help achieve these goals. Breaking the code on the still-somewhat-fuzzy realm of digital transformation involves viewing this trend through the lens of the core business outcomes it supports:

- Delivering new customer experiences
- Generating new or increased value streams
- Creating new business models

In this ebook, we examine why SMBs need to adapt their businesses to keep pace with new technologies and rising customer expectations. We discuss each component of digital transformation in more detail, and we examine how SMBs are catalyzing and supporting digital and business transformation initiatives by using SAP's integrated business solution for SMBs, SAP Business One, version for SAP HANA.

SMB Views on How Technology Relates to Their Businesses

SMB Group 2017 SMB Routes to Market Study, companies with 1–249 employees

DELIVERING NEW AND IMPROVED CUSTOMER EXPERIENCES

Improving customer experiences is a central element of almost every digital/business transformation initiative.

In our digitally driven world, customers have come to expect near-instant responsiveness. Increasingly, they also want business interactions tailored to their personal interests, buying histories and individual needs. But if a business uses disconnected point solutions, spreadsheets or aging homegrown solutions, this is very difficult to do, especially if the company is growing. To keep pace with customer expectations, businesses need a unified view of the customer.

Accounting, sales and marketing, customer service and support teams must be able to access and share a consistent, current view of customer data to provide each customer with a positive experience, from marketing through customer service. An integrated, multi-functional business management solution provides SMBs with the foundation necessary to improve the customer experience.

When processes are connected and automated, companies can accomplish the following:

- Create more responsive, efficient and connected processes to handle incoming orders as well as to automate inventory, packaging and shipping delivery.
- Match inventory levels with changing customer demand, ensuring product availability and customer satisfaction.
- View customer purchasing and support history, and use that information to offer targeted deals, to quickly resolve complaints or support requests, and to convey to each person that he or she is a known and valued customer.

UPPING THE GAME TO STREAMLINE AND GROW

EvoShield and its 60 employees fill an increasingly important niche in the sports equipment sector: high-impact protective gear. Founded in 2007, the rapidly growing Athens, Georgia–based company soon outgrew the capabilities of its legacy accounting and point solutions.

EvoShield sells both through big retailers and direct to customers via the web, and its old software was proving unstable and making it difficult for EvoShield to share information with its business partners. EvoShield realized that it needed to up its game with a more comprehensive, unified business management solution to satisfy customer demands. The company turned to SAP Business One, powered by the SAP HANA in-memory database, to help grow its business to the next level.

With SAP Business One, version for SAP HANA, EvoShield has achieved other benefits as well, including a 15% reduction in compliance chargebacks and a 20% savings on its shipping costs to send marketing materials to events.

EvoShield has moved from using disjointed information silos to a common database that contains all customer information. This has enabled the company to create a streamlined, paperless order entry and management process and to improve its on-time shipping by 67%. The new system has also helped the company operate more efficiently and improve quality control—which translates into lower-cost and higher-quality products for its customers.

"WHEN PEOPLE SEE A SMALL COMPANY WITH SAP, THEY ARE MORE LIKELY TO WORK WITH US. WE CAN NOW USE SERVICE LEVELS AS A COMPETITIVE ADVANTAGE."

— David M. Shinn, VP Operations, EvoShield LLC

CARVING A MORE AGILE PATH TO GROWTH

For Black Crows—which is headquartered in Chamonix, France, at the foot of Mont Blanc—skiing is a way of life. Black Crows designs and manufactures ski equipment and apparel for freestyle skiers, with a commitment to bringing cutting-edge freshness into the industry.

Founded in 2006 by pro freeskiers Camille Jaccoux and Bruno Compagnet, Black Crows has grown quickly from a startup to a company with 30 employees.

Today, it has retail and online customers in 20 countries and more than 30 markets. As the company grew, management recognized that it would need to automate and integrate operations to provide the high-quality products and high level of service that customers had come to expect from Black Crows.

The company decided that SAP Business One, powered by the SAP HANA in-memory database, was the right solution to help achieve its goals. Black Crows' marketing and development manager, Chris Booth, says the solution has delivered: "It is multi-functional, fast to get up and running with and user-friendly for non-technical people."

With everything automated, integrated and stored in one database, the company can deliver products on time, track inventory in real time, create more accurate forecasts and react quickly to accomplish tasks such as restocking orders. With streamlined, professional processes, Black Crows can continue to delight its customers.

"WITH SAP BUSINESS ONE, OUR SMALL TEAM IS ABLE TO PROVIDE A HIGH LEVEL OF PERSONALIZED SERVICE, FROM OUR BASE TO PLACES SUCH AS THE U.S. AND JAPAN... OUR CUSTOMERS CAN EXPERIENCE THE SAME DEGREE OF FLUIDITY WITH OUR COMPANY AS THEY DO WITH OUR PRODUCTS."

—Eric Bascle, CEO, Black Crows

DRIVING NEW VALUE CREATION

There are many ways in which companies can create new value streams and bolster their bottom lines. The "transformation" in this scenario is one of degree, ranging from creating new products or services to simply tweaking existing processes to make them more efficient and more cost effective.

Implementing efficiency gains is a prerequisite to scale and grow the business—and doing so should be a baseline goal for every SMB.

- Beyond this, companies can also seek to add value by employing other strategies including the following:
- Adding a new sales channel (e.g., online store, new sales partners, new retail locations)
- Entering a new geographical market
- Creating new product and/or service offerings
- Diversifying into complementary business sectors, either through organic growth or via mergers and acquisitions
- Producing higher-quality products or delivering high-demand services, allowing companies to charge premium prices and boost their profit margins

If a company lacks a flexible, scalable and highly automated suite of business applications, it will be hard-pressed just to keep up with the status quo—let alone ready to tackle opportunities that can add value to the business. A unified business management solution paves the way to achieve these goals—from simple efficiency gains to the most ambitious new ventures.

ENTERING NEW MARKETS AND REDUCING WASTE

Huber's Pte Ltd. has long been a premier producer and supplier of high-quality meat products and services to hotels, restaurants, clubs, retail shops and other businesses in Singapore. In 2007, the 120- employee company launched Huber's Butchery and Bistro to add a new, direct-to-consumer channel and revenue stream to its existing operations.

To enable this business expansion and growing customer demand, the company implemented SAP Business One, version for SAP HANA.

Among other capabilities, Huber's gained the ability to handle batch inventory operations. By using batch number identification features for the company's products, Huber's has improved product traceability and realized a 10% reduction in traceability-related losses.

When visiting customers, Huber's employees can also access the SAP Business One suite on SAP HANA database using their mobile devices. This mobile access enables employees to generate sales orders and answer customer questions on the go, improving both operational efficiencies and customer satisfaction.

Since implementing SAP Business One on SAP HANA, Huber's has seen its revenue increase by 40%. The solution's scalability gives Huber's confidence that SAP Business One can continue to meet the company's needs and help it create new value streams.

"SAP BUSINESS ONE HANA IS ABLE TO PROVIDE THE SCALABILITY TO MATCH OUR REQUIREMENTS FOR INCREASED CUSTOMER SATISFACTION, REDUCTION IN WASTE AND CONTINUOUS GROWTH FOR THE FUTURE."

—Ryan Huber, Managing Director, Huber's Pte Ltd.

HUBER'S BUTCHERY
excite your appetite!

IMPROVING BUSINESS VISIBILITY AND EFFICIENCY

Based in Malaga, Spain, TropiCo Spain cultivates, produces and packages a variety of ready-to-eat tropical fruit products for customers across Europe. The company was already running its operations on SAP Business One, but with a 30% year-over-year growth rate, TropiCo Spain needed to make its business processes even faster and more efficient. To achieve these goals, it upgraded to SAP Business One powered by SAP HANA.

As with the previous version of SAP Business One, TropiCo Spain's 20 employees found the upgraded solution intuitive and user friendly. But they also noticed a considerable speed improvement with the SAP HANA–powered implementation. That improvement has made business information more accessible, accurate and immediate.

SAP Business One, version for SAP HANA, also provides TropiCo Spain with powerful business intelligence tools and a number of built-in key performance indicators (KPIs) "out of the box." TropiCo Spain has also found it easy to set up custom versions of reports and KPIs to meet its specific needs.

The system integrates all of the company's processes, from the initial receipt of goods through to the final revenue collection. With real-time KPIs, employees no longer have to wait overnight—or sometimes weeks—to view critical reports.

"BUSINESS INTELLIGENCE TOOLS PROVIDE US WITH THE KEY PERFORMANCE INDICATORS FOR THE COMPANY, AND THANKS TO SAP BUSINESS ONE ON SAP HANA THEY ARE IN REAL TIME, SO YOU DON'T HAVE TO WAIT OVERNIGHT, WEEKS OR MONTHS [FOR] REPORTS TO BE GENERATED TO OBTAIN THESE INDICATORS."

—Oscar Ramirez, Manager, TropiCo Spain

DIGITAL TRANSFORMATION CREATES NEW BUSINESS MODEL OPPORTUNITIES

Well-known market disruptors such as Uber and Airbnb aren't the only companies using new digital technologies to develop innovative business models. SMBs are also tapping into these tools to introduce new business models in existing markets, or to pioneer entirely new categories of products and services.

To launch new business models, executives, managers and other employees need time and bandwidth to devote to these efforts. Integrated business solutions such as SAP Business One, version for SAP HANA, help SMBs to integrate and automate processes that would otherwise consume considerable human time and effort.

Freed from the manual drudgery of routine tasks, employees can devote more of their skills—and their creativity—to crafting business innovations and advancements.

These systems also provide solid foundations to help turn new business model ideas into real-world operations. Doing so typically requires cutting-edge and integrated accounting, inventory, sales and marketing, CRM and other software-powered functions.

In fact, in our digitally driven, transformative world, IT and business are inseparable sides of the same coin. Indeed, the bulk of business transformation occurring today wouldn't even be possible if not for the transformative digital technology that supports it.

IMPROVING HEALTHCARE AND CUTTING COSTS FROM A DISTANCE

Some of today's most innovative business initiatives are occurring in the healthcare sector. One example is a "telecure" solution that allows doctors to remotely monitor and diagnose patients in their homes.

Developed by Budapest-based Medistance, the healthcare solution manages data generated by home-based medical devices that measure blood pressure, heart rates, glucose levels and other health variables. The system delivers this data to doctors and laboratory technicians and helps them analyze it. Doctors can often make diagnoses and dispense advice from their offices, speeding the response to any medical issue and also reducing the need for patients to schedule face-to-face appointments. The Medistance solution incorporates SAP Business One along with the SAP HANA Cloud Platform. In addition to improving patient safety and outcomes, the efficient and scalable solution also reduces medical spend and administrative costs.

Sold either as on-premises software or as a cloudbased service, the telecure system is now being piloted by a number of healthcare providers from Scandinavia to the Middle East. With fewer than 40 employees, Medistance is demonstrating how even small companies can make big impacts that transform old and accepted ways of doing business—or healthcare.

"BIG DATA VOLUMES EVALUATED BY SAP HANA SPEED INFORMATION DELIVERY ACROSS HEALTHCARE ORGANIZATIONS, CARE TEAMS, FAMILIES AND ELDERLY COMMUNITIES, RESULTING IN BETTER DECISION MAKING AND IMPROVED TREATMENT."

—Rudolf Mezei, CEO, Medistance

SAP BUSINESS ONE, VERSION FOR SAP HANA

SAP Business One, combined with the speed and processing power of SAP HANA's in-memory database, is fueling digital and business transformation initiatives across the SMB landscape. SAP Business One delivers integrated accounting, CRM, operations, sales, marketing, service and warehousing functionality. Embedded analytic and reporting applications, including Business Objects technology and SAP Crystal Reports, are also included.

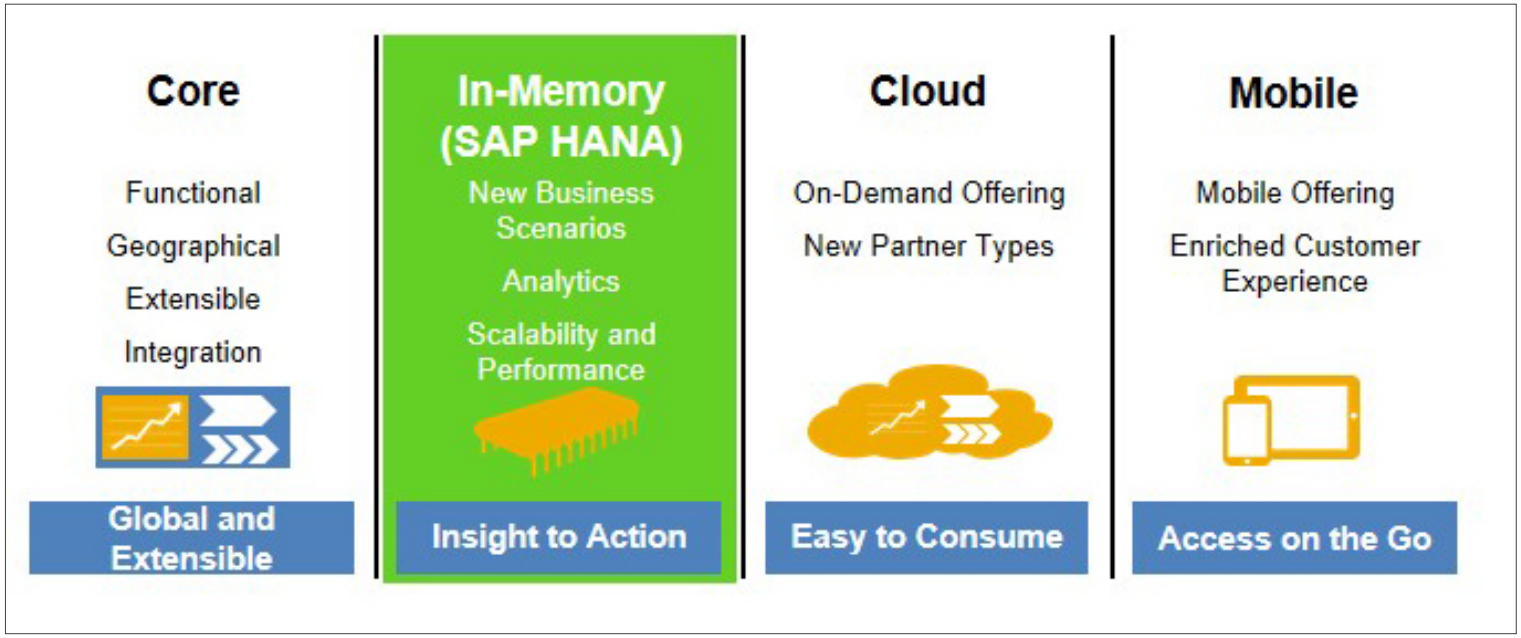
SAP HANA marries an in-memory database with high-speed analytics and flexible data acquisition tools to speed performance and improve insights and decision making.

Users can access SAP Business One for SAP HANA from both desktops and mobile devices to view reports, manage contacts and handle sales and service activities anytime, anywhere.

SAP offers the solution in both an on-premises software licensing model and as a subscription-based cloud service.

Designed and priced specifically for SMBs, SAP Business One for SAP HANA is available with 42 localizations and in 27 languages.

The SAP Business One Portfolio



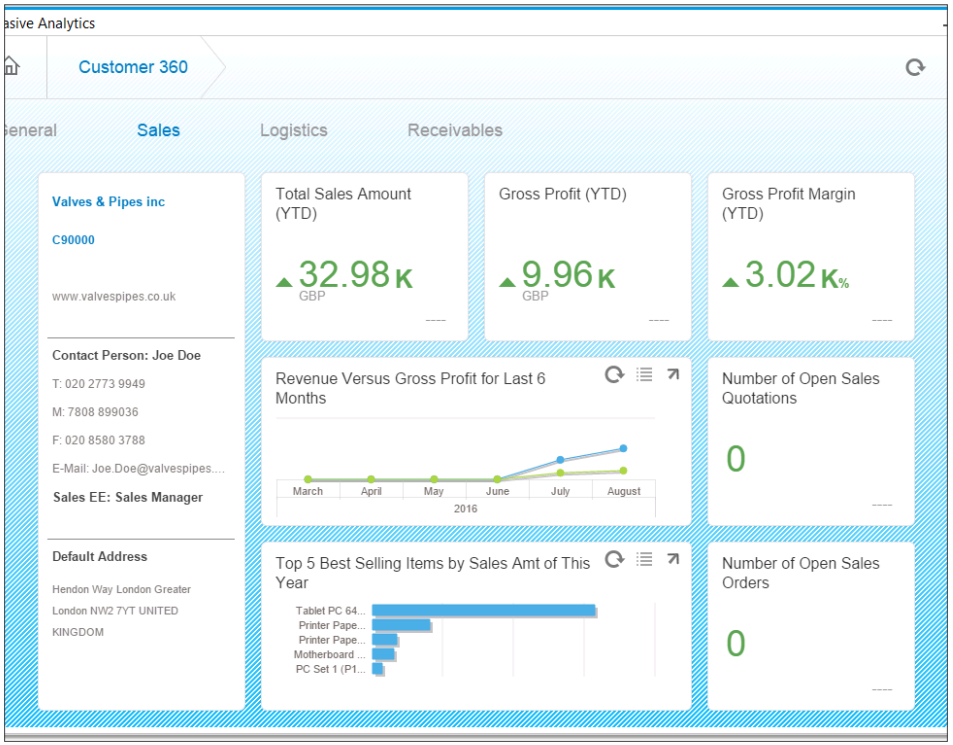
CUTTING-EDGE FEATURES: SAP BUSINESS ONE 9.2, VERSION FOR SAP HANA

The latest release, SAP Business One 9.2, version for SAP HANA 9, delivers cutting-edge functionality to give small businesses large-enterprise capabilities in an easy-to-use application. For instance:

- ***Intelligent Forecast*** provides statistical forecast functionality with built-in models that automatically select the best algorithm to apply for a given circumstance.
- ***Pervasive Analytics Designer*** offers dashboards and KPIs, including Customer 360, which provides key customer information at a glance. Users can also link dashboards and KPIs to business actions, such as opening Business One forms and triggering an enterprise search.
- ***Role-based, Fiori-style Cockpit*** includes predefined roles for sales, purchasing, financing and inventory, as well as a widget gallery with more than 100 widgets for dashboard, KPIs and other requirements.
- ***Mobile App Scenarios for the iPad*** provides integrated functionality including enterprise search, available-to-promise (ATP) check when creating sales orders, embedded analytics and a cash-flow forecast dashboard.
- ***SAP Business One Sales*** mobile solution lets salespeople manage sales activities, customer data and sales documents on the go.
- ***App Framework for Custom Development*** offers a development environment to create lightweight, high-performance, web-based analytical applications to extend core capabilities.

These capabilities provide SMBs with a solid foundation to keep pace with a complex and dynamic business environment—and gain a competitive edge.

The SAP Business One Portfolio



ABOUT SAP

As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile device, SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 350,000 business and public sector customers to operate profitably, adapt continuously and grow sustainably. SAP Business One has more than 55,000 customers and 800,000-plus users in 150 countries.

For more information:

- SAP (www.sap.com)
- SAP Business One 9.2, version for SAP HANA (www.sap.com/products/business-one-hana.html)
- SAP Business One (www.sap.com/businessone)

ABOUT SMB GROUP

SMB Group is a technology industry research, analysis and consulting firm focused on technology adoption and trends in the small and medium business (SMB) market. Founded in 2008, we help our clients to:

- Identify market trends and opportunities.
- Understand and segment the SMB market.
- Evaluate and act upon market opportunities, competitive threats and disruptive trends.
- Develop more compelling messaging.
- Position solutions for growth and competitive advantage.

For more information:
www.smb-gr.com