



Defining the **New Era of Customer Success**
in Business Software

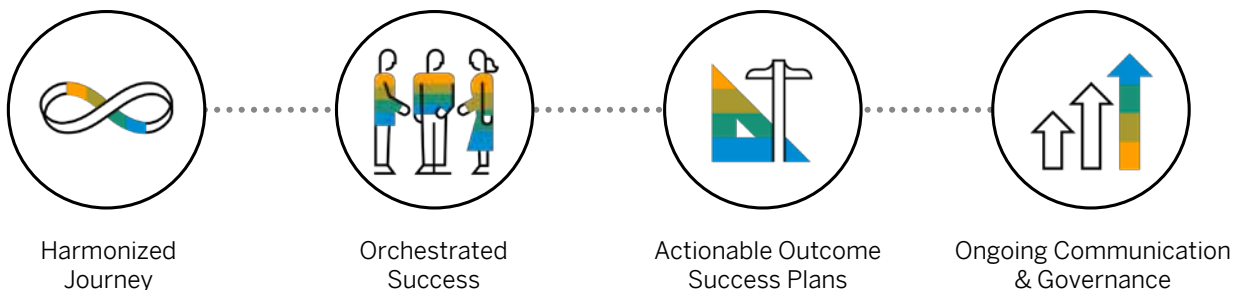
Introducing Customer First: Enterprise Success

Customer First is a global SAP initiative to foster a transformation across the company in how we partner with and care for customers. We want to support our customers' journey to the Intelligent Enterprise with positive, ongoing, end-to-end customer experiences.

Customer First is three things: a mindset, an engagement methodology, and an organization. A mindset of being relentlessly focused on customer business outcomes, an engagement methodology for delivering a simple, consistent experience, and an organization of empowered employees across the cloud and on-premises. This paper focuses primarily on the engagement methodology aspect of Customer First.

We know our customers want SAP to be easy to work with, highly responsive, and focused on what matters to them. Customer First means that buying SAP software is just the beginning of a truly collaborative journey with SAP. We are doubling down on engagement throughout the entire lifecycle, keeping close tabs on key measures of success and adjusting as needed to maximize value.

We recognize that SAP is a large organization with a vast portfolio of solutions and services and that this can sometimes result in a somewhat fragmented and complex engagement experience. Thus, our strategy has evolved to focus on end-to-end customer value and simplified solutions – meaning our customers can achieve business value and innovate faster.



Customer First: Enterprise Success is a customer engagement methodology that is cross-LOB, value-oriented, and adoption and business results-centric. What makes Enterprise Success unique in the business software industry is that SAP is not just talking the talk of customer empathy, but also walking the walk. We've developed an engagement methodology that aims to bring customer relationships into a new era. The methodology involves:

- The introduction of a **Customer Success Executive (CSE)** function, responsible for the holistic SAP-customer relationship and success via the execution of the Enterprise Success engagement methodology.
- Long-term engagement comprising **Enterprise Relationship Assessment, LoB Relationship Assessment, Outcome Success Plan, Outcome Success Plan Execution, and Ongoing Governance & Communication**.
- **9 Dimensions of Success:** a framework to define the most critical aspects of the customer-SAP relationship to assess and maximize the customer's value from SAP solutions and services while tracking improvement.

This paper goes into more detail about the engagement methodology introduced above. We're excited about our early successes in executing this new engagement methodology and about scaling it more broadly.

The Customer First: Enterprise Success Engagement Methodology

We have created a simple 5-step engagement methodology that ensures customers extract and continue to extract maximum value from their relationship with SAP. This engagement methodology does not invalidate the existing lifecycle management framework, nor does it change the required onboarding and adoption steps, but rather introduces consistency for multi-cloud, hybrid customers, where appropriate. This methodology was piloted with more than 200 customers in 2018 and refined in the field.

The 5 steps in the Enterprise Success engagement methodology are:

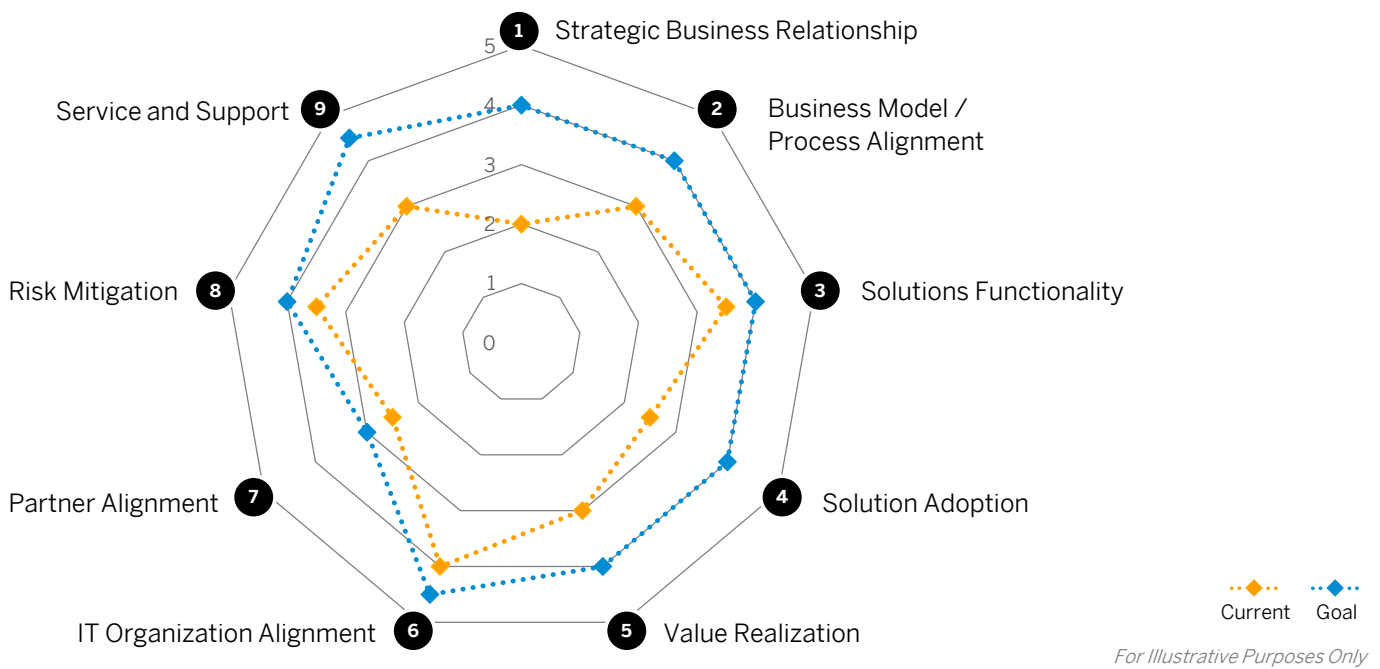
1. Enterprise Relationship Assessment (collaborative relationship assessment, measuring the 9 Dimensions of Success (detailed below))
2. LoB Relationship Assessment (collaborative relationship assessment by line of business)
3. Outcome Success Plan (create Outcome Success Plan (OSP) to address focus areas)
4. Outcome Success Plan Execution (execute against OSP(s))
5. Ongoing Governance & Communication (establish ongoing alignment and communication cadence)



Enterprise/LoB Relationship Assessment

The first stage of the Customer First engagement methodology involves the CSE getting familiar with a customer's business and SAP's relationship and history with the customer. A core aspect of this initial discovery phase is the 9 Dimensions of Success framework.

9 Dimensions of Success



9 Dimensions of Success is an SAP-developed framework to measure customer success and identify areas for relationship and value improvement. Customers and SAP collaboratively rate the maturity level of each dimension of success from 1 (low maturity) to 5 (high maturity):

- | | | |
|--|------------------------------------|------------------------------|
| 1 Strategic business relationship | 4 Solution adoption | 7 Partner alignment |
| 2 Business model/ process alignment | 5 Value realization | 8 Risk mitigation |
| 3 Solutions functionality | 6 It organization alignment | 9 Service and support |



The 9 Dimensions of Success with definitions of each maturity level.

Strategic business relationship

1

Degree to which SAP is aligned to support the customer's business strategy.

Maturity ratings:

1. SAP is a vendor to the IT/procurement organization providing point solutions based on your requirements for packaged solutions or tools. SAP is not considered a significant part of your IT strategy and your relationship is primarily transactional.
2. SAP is viewed by your IT and business organizations as an important provider of solutions that support a critical business process(s). SAP reactively supports the IT organization in its business requirements definitions (e.g., you issue RFP to SAP and others).
3. We collaborate on specific business processes/LOBs to uncover better ways of supporting them. SAP brings industry and technical insights. Most interactions between us are with your IT organization or single LoB. We conduct multi-year technical roadmapping together and SAP has a significant role in your strategy.
4. We ground our engagements in your business strategy and its enablement. Your business & IT executives are engaged with SAP to collaboratively define technology requirements aligned to business goals. We conduct multi-year planning based on business impact and technical feasibility.
5. We have a strategic relationship based on trust and the achievement of your business objectives. We have executive alignment and formal governance at the enterprise/LoB level. We proactively explore new ways innovation can bring you a competitive advantage. You are primarily a "why not SAP?" shop and are willing to act as a reference on behalf of SAP.

Business model/process alignment

2

Degree to which SAP is partnering to evolve the customer's business models and business processes.

Maturity ratings:

1. We do not collaborate on your current or future business processes.
2. We collaborate on business process definition on an ad-hoc basis and largely driven from the solution capability backward to your need (e.g., RFP responses).
3. We collaborate on documenting current business processes, identifying improvement opportunities, and then aligning them with best practices and solution capabilities.
4. We partner to explore how advanced technology can improve existing business processes, provide competitive differentiation, and better ensure the attainment of your business metrics.
5. We engage around your future business model plans and potential opportunities and proactively engage to define competitive differentiation and the associated business processes to realize it. We define and execute on an innovation roadmap.

Solutions functionality

1

SAP solutions have the required functionality to support the customer's business.

Maturity ratings:

1. Additional functional or performance enhancements are needed to better support your business processes.
2. SAP solutions support business processes but require enhancements before they can fully enable business processes.
3. SAP solutions are providing the expected functionality and performance required to support your business processes.
4. SAP solutions are providing more functionality than originally planned and with adequate performance to enable a greater degree of or additional end-to-end business processes than originally planned.
5. SAP solutions are providing a broadest level of functionality possible in support of your end-to-end business processes. You have full understanding of SAP's product roadmap and we are aligned on future functionality plans.



Solution adoption

4

Degree to which the customer is fully using the technology acquired from SAP.

Maturity ratings:

1. Significantly low usage of solutions vs. your plan.
2. Lower than anticipated usage of solutions, but adoption plans and roll-out are/will be progressing.
3. Solution adoption is in line with anticipated consumption and deployment.
4. Solution adoption is progressing more rapidly than anticipated in initial deployment/roll-out strategy(s).
5. Maximum solution adoption/deployment in relation to plan.

Value realization

5

Degree to which the customer is getting the expected business impact/outcomes from SAP solutions.

Maturity ratings:

1. Business value of SAP solutions is not being appreciated or captured as planned across majority of SAP solutions.
2. The business value of SAP solutions is evident across most business processes but gaps remain where value is not being appreciated or captured as planned.
3. Business value of SAP solutions is being appreciated and/or captured as planned.
4. Many business processes are realizing greater than previously planned business value/impact from SAP solutions.
5. Most business processes are realizing greater than previously planned business value/impact from SAP solutions.

IT organization alignment

6

Degree to which SAP and the customer's IT organization are aligned on enablement, planning,

Maturity ratings:

1. SAP is primarily a supplier to your LoB(s) based on their requirements. SAP is not considered a significant part of the IT organization's strategy.
2. SAP reactively supports the IT organization in its business requirements definitions (e.g., you issue an RFP to SAP and others).
3. Your IT organization and SAP collaborate on specific business processes/LoBs to uncover better ways of supporting them. SAP brings industry and technical insights. The IT organization and SAP conduct multi-year technical roadmapping together and SAP has a significant role in your IT strategy.
4. Your IT organization and SAP embrace your business/LoB strategy. Your IT Executives are engaged with SAP to collaboratively define technology requirements aligned to business goals. We conduct multi-year planning based on business impact and technical feasibility. We are piloting the impact of advanced technology on business processes.
5. Your IT organization and SAP proactively partner to bring new innovation to your business units. The IT organization and SAP co-innovate to create new solutions and competitive advantage for your business. The IT organization and SAP have formal governance in place and conduct multi-year strategic planning. The IT organization is an SAP first shop and strong proponent of SAP's technology and vision. Your IT organization and SAP are collaborating on your scaling of an innovation competency to institutionalize innovation within your organization.



Partner alignment

7

Degree to which SAP and the customer's key partner(s) are all aligned on roles, planning, strategy, and roadmapping.

Maturity ratings:

1. You and your partner(s) operate independently of SAP on the deployment of SAP solutions.
2. SAP reactively supports your partner(s) as requested.
3. You and your partner(s) collaborate on ways to support specific business processes/LoBs to uncover better ways of supporting you. Your partner's expertise in SAP helps you set future strategies, plan business innovations, technology roadmaps, and/or manage new releases/upgrades.
4. Your partner(s) and SAP align to enable your business/LoB strategy. Partner(s) and SAP engage to collaboratively define technology requirements aligned to your business goals. We collaborate with you and your partner(s) to conduct multi-year planning based on business impact and technical feasibility.
5. We proactively collaborate to bring new innovation to your business units. Partner(s) and SAP co-innovate to create new solutions and competitive advantage for your business. Partner(s) and SAP have formal governance in place and conduct multi-year strategic planning on behalf of/with you. SAP and partner(s) are collaborating on your scaling of an innovation competency to institutionalize innovation within your organization.

Risk mitigation

8

Degree to which SAP is partnering to mitigate risks to the customer's business operations.

Maturity ratings:

1. We have minimal collaboration to reduce customer's risk.
2. We collaborate on an as-needed basis to identify and minimize risks associated with specific solution go-lives/deployments.
3. We generally collaborate on identifying and minimizing the risks associated with specific solution go-lives/deployments and associated user enablement.
4. We actively collaborate on identifying and minimizing the risks associated with changes to business processes and the subsequent change management associated with enabling the workforce.
5. We collaborate on reducing numerous aspects of risk at a macro level, including but not limited to: disruptions of business processes, change management, fraud, security breaches, regulatory risk, workforce instability, brand, or reputational risk, etc.

Service and support

9

Degree to which SAP provides support/services for efficient and effective deployment, operation, and maintenance of SAP solutions.

Maturity ratings:

1. You believe support responsiveness or quality is causing disruptions in operations or delays in implementation(s).
2. The level and quality of support and services from SAP is adequate in some areas but you believe challenges exist in some key areas.
3. The level and quality of support and services from SAP is sufficient to meet development, test, deployment, and production deadlines. Service levels are generally being met.
4. We partner to proactively detect and resolve potential issues before they become problems. SAP services are delivering value while providing visibility into resolution progress and project status/milestones. SAP is meeting or exceeding service levels and expectations.
5. We are partnering to optimize and extend the value of existing operations while also collaborating on new innovation initiatives.

The Enterprise Relationship Workshop

A two-to-three-hour commitment for the customer, the Enterprise Relationship Workshop brings together a small SAP team and customer executives to complete a collaborative and thorough assessment of the SAP-customer relationship. During the workshop, the current maturity levels for each of the 9 Dimensions of Success are discussed and detailed information is collected to inform the creation of an Outcome Success Plan (OSP).

The Customer Success Executive, alongside the Industry Account Executive, leads the collaborative execution of the workshop and documents opportunities and challenges. The customer brings an executive sponsor (e.g., CIO, COO, or CFO), senior stakeholders from each of the major LoBs/focus areas where SAP solutions are present, and key senior IT organization members associated with the SAP relationship.



Outcome Success Plan

Once the customer-SAP relationship assessment has been completed and opportunities for improvement and innovation have been uncovered, it is time to create an Outcome Success Plan (OSP) to address them. The OSP includes tactics for addressing any issues with SAP solutions and services and taking advantage of new opportunities to drive further customer success.

The CSE begins by defining an initiative(s) for each major challenge/opportunity identified via the 9 Dimensions of Success framework as a potential detractor from the customer achieving maximized business value. The CSE then identifies the appropriate SAP and/or partner owner for each initiative and coordinates the creation of an action plan to drive necessary change.

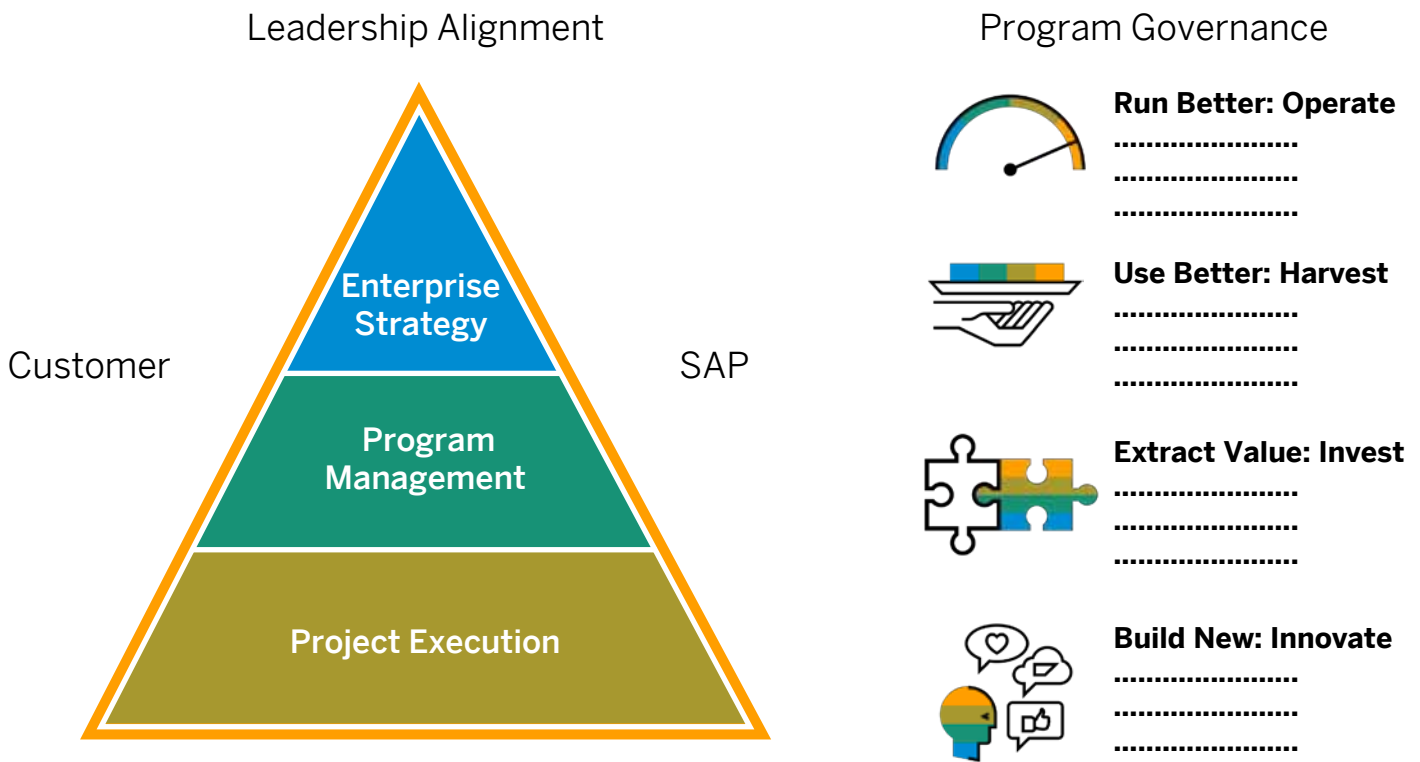
The CSE works alongside senior customer stakeholders in the relevant lines of business to identify the right customer owners/sponsors for each initiative. The CSE also facilitates the validation of the OSP with customer stakeholders.

Outcome Success Plan Execution & Ongoing Governance & Communication

Once the OSP is validated, the CSE works alongside the customer stakeholders to ensure the identified resources are making progress to achieve the objectives and that any obstacles are being addressed in a timely manner.

Customer success progress is monitored regularly and full transparency is shared between all stakeholders from the customer to SAP to ensure the objectives of the OSP are met and ongoing communication is maintained. A core SAP team – consisting of the Industry Account Executive, CSE, Customer Engagement Executive(s) (CEEs), and Customer Success Manager(s) (CSMs) – works together to ensure ongoing overall customer success.

Customer First governance typically includes quarterly engagement planning with the IAE and client partner, and enterprise relationship assessment every six months, biweekly account management status with the IAE, and monthly account updates with the entire team. Initiative-specific progress is tracked and communicated on a monthly or biweekly basis, and OSP reviews and updates with senior leadership are conducted monthly or quarterly.



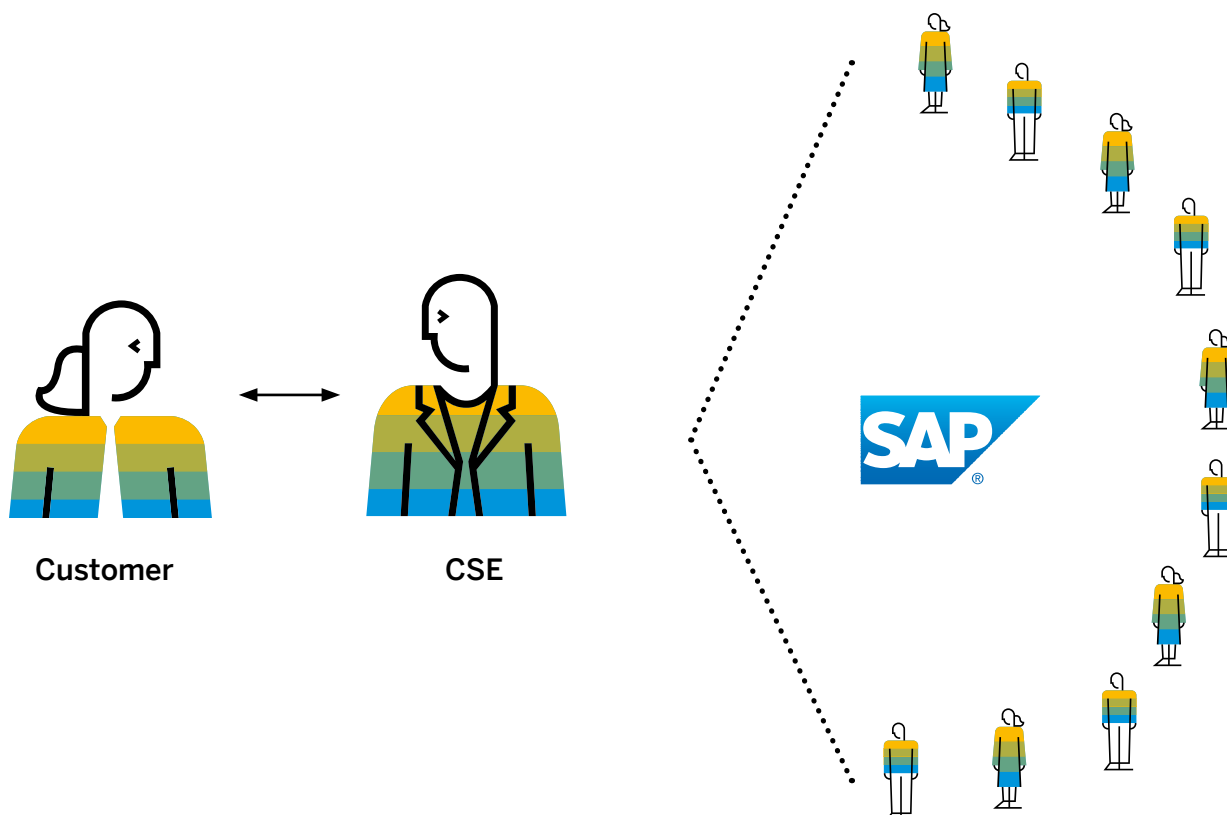
What is a Customer Success Executive (CSE)?

As part of the Customer First initiative, SAP has created a new function: Customer Success Executive (CSE). The CSE takes on the responsibility of executing the engagement methodology and proactively engaging with customers to drive their success across the entire lifecycle of acquiring, implementing, and appreciating value from their entire portfolio of SAP solutions and services. The CSE is typically someone already engaged with and familiar with the customer who will spend a portion of their time executing the engagement methodology.

The CSE focuses on helping the customer achieve their business outcomes via a harmonized experience with SAP. As the point of contact to the customer, the CSE works vigorously with the customer to earn and keep their trust, 'wearing the jacket' to ensure the customer's journey results in an experience that meets and delivers their business outcome expectations and ensures high levels of satisfaction.

The CSE function involves:

- Bearing overall accountability for customer success across all SAP products and services
- Engaging in implementation, optimization, and measurement to foster mutually beneficial relationships
- Being the customer's trusted advisor and acting as a customer advocate, motivated by customer outcomes
- Assessing the customer relationship objectively and establishing ongoing governance
- Delivering SAP, partner, and customer resources via an Outcome Success Plan (OSP)
- Being a team captain and informing and guiding SAP teams on how and where to engage



Help us improve Customer First: Enterprise Success

SAP will continue to enhance and evolve the Enterprise Success engagement methodology based on customer input.

We welcome and value your feedback, which you can provide by emailing the SAP Customer First organization at

sap_customer_first_office@sap.com.



Marty Mrugal

Global Head of Customer Success at SAP

Martin Mrugal is the head of SAP's global customer success organization Customer First. His team is focused on transforming the way SAP engages and cares for its customers throughout the entire life-cycle. Martin's new organization brings together several cloud and on-premises customer teams under one umbrella, including Analytics and Innovation, SuccessFactors, SAP Cloud Platform, S/4HANA Customer Engagement, and Digital Supply Chain.

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