

# KDD068 - CRM Platform Selection

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|--------------|-----------------------|
| Status       | Approved              |
| Owner        | KUTANI-ext, Karunakar |
| Stakeholders |                       |

## Issue

Syensqo requires a robust CRM system to support its sales lifecycle and currently relies on multiple customized instances of Salesforce (Core CRM and ICARe). These instances are integrated with various backend systems (PRS, PF1, WP1) and point solutions (Dynasys, Gensuite, Qualtrics, QlikSense, etc.). However, the existing architecture, built on a heavily customized Salesforce environment with numerous bespoke interfaces, is creating challenges related to process and data consistency, scalability, and integration complexity.

These inefficiencies are hindering Syensqo's ability to deliver a seamless and consistent customer experience, while also misaligning with the company's strategic goals of simplification, agility, and innovation.

There are 3 KDDs in the CRM space.

- [KDD040 - CRM Platform Approach](#) was created to determine if a single instance, greenfield approach is required for the CRM platform
- [KDD061 - Sales Contract Authoring](#) was created to understand how the contract authoring will be executed
- This KDD "CRM Platform" was created to determine which CRM tool/platform will be used.

## Recommendation

Aligning with [KDD040's](#) recommendation of "Greenfield CRM implementation with Single Instance for all GBUs", we propose implementing Salesforce as the single-instance CRM and CX solution for all GBUs, to deliver a seamless customer experience, efficient processes, and consistent data management through a unified platform.

Highlights of the recommended **Option B - Implement Salesforce and integrating Salesforce CRM capabilities with SAP S/4HANA**

1. **Incumbent Advantage:** Salesforce is the incumbent solution and the associated business familiarity, operational excellence skills and IT experience are already aligned with this platform.
2. **Change Impact of Alternative Solutions:** The alternative solution of the SAP CX platform has a very different UX and functional flow.
3. **Change Management Risk:** The change management impact of moving away from Salesforce would be very high and the risk profile would also be very high. The unique UX and functional flow of the SAP CX would necessitate major process overhauls and retraining efforts.
4. **Best of Breed:** The consensus from independently market analysts is that the Salesforce CRM platform is better than the SAP offering (and likely the best in the market)
5. **Enhanced SAP S/4HANA Integration:** Salesforce's native integration with SAP S/4HANA has undergone significant enhancements over time, providing a more efficient connection. To fully leverage this standard integration, existing custom interfaces will be removed or adjusted to align with standard offerings supporting a more streamlined data exchange and optimized business processes integration.
6. **Native Integration with Icertis:** The Icertis contract authoring platform integrates effortlessly with Salesforce, providing a streamlined and embedded connection. This integration leverages the full potential of both solutions, enhancing contract management efficiency, accuracy, and visibility. (see [KDD061 - Sales Contract Authoring](#) )
7. **Functional Coverage:** Syensqo's functional requirements are thoroughly met by Salesforce's extensive capabilities. SAP CX has no functional capabilities over and above the capabilities of Salesforce. That is, Salesforce has all the functional requirements that Syensqo needs.

## Resolution

[CRM system next step - decision.pdf](#)

## Background & Context

Syensqo's current customer relationship management (CRM) processes are supported by a complex architecture that involves multiple applications, including two Salesforce instances, On-Premises and Cloud applications, and various manual and automated system interfaces. The various functions implemented, along with their current challenges, are detailed below in the following exports from the LeanIX enterprise architecture tool: [Core CRM interface provider.pdf](#) and [Core CRM interfaces consumer.pdf](#)

- The management of Customer Master Data is characterized by diverse creation and onboarding processes for corporate groups and customers, which are dispersed across multiple teams, including the transformation centre, data operations teams, and service teams. These processes utilize custom interfaces resulting in inefficiencies and potential data inconsistencies.
- Although lead and opportunity lifecycles follow established sales cycles, custom logic is applied for lead scoring, lead assignments, revenue projections, and realized net sales tracking.
- The pricing process is a complex, multi-platform system with varying GBU adoption. It integrates SAP ECC historical data and Dynasys forecasts into BW, generating Integrated Contribution Margin (ICM) insights, Customer Product Combination (CPC) price recommendations, and Contribution Margin improvements via Dataiku. This process utilizes custom objects for reviewing and committing, as well as custom interfaces for replicating prices to backend SAP.

- OneQuote is a custom application that manages the quotation process, including creation, product configuration, pricing, approvals, and customer communications. However, it has not been adopted by all Global Business Units (GBUs). Quotation validity dates and price validity dates differ; the latter has a longer horizon to minimize the impact of policy changes on customer orders. OneQuote data is not replicated to ECC, its price conditions are replicated, and open orders are adjusted manually during price policy revisions.
- The Composites GBU uses the ECC Quotation process, which differs from OneQuote due to material group level differences. The outputs of OneQuote and ECC Quote vary significantly in detail and format across GBUs. For forecasting purposes, quotes from both systems are integrated with Dynasys, but quote reporting is done in different tools.
- Complaints follow a guided process that includes registration, investigation, commercial response, customer communication, and closure. This process integrates with Gensuite for root cause analysis and resolution, as well as Qualtrics for customer feedback. However, quality inspections, returns handling, and credit memos are not linked back to the complaint. Custom functions facilitate acknowledgments and communications between internal and external teams, and to connect all related processes.
- Sample management and tracking is a complex process, with some GBUs having an interface that integrates Salesforce, SAP, and CMC (a third-party sample provider) for automated sample transmission and information sharing. However, this interface needs to be replicated across all GBUs using CMC services for compliance purposes. The sample order process involves manual screening, which results in inefficiencies. Moreover, commercial samples management is entirely manual, relying on emails for inventory management, material records, and transactions, leading to significant communication challenges. A standardized approach is essential for capturing orders, communicating with production and R&I, and managing outbound logistics to end customers (both billable and non-billable).

Given the complexities and challenges identified in Syensqo's current CRM processes - including multiple applications, custom interfaces, and manual intervention - it is clear that a transformation is necessary. This KDD aims to explore potential solutions that will standardize CRM processes, providing a single customer view, efficient workflows, and automated processes. This will lead to improved efficiency, accuracy, and customer satisfaction.

## Assumptions

- SAP S/4HANA will serve as the ERP (Enterprise Resource Planning) application for managing and executing customer records, sales contracts, sales orders, logistics, warehousing, transportation, billing, and rebates.
- Orders generated globally from ecommerce solutions (Salesforce + SAP) represent only 4% of total orders for 2023 (excluding Esker and Elemica).
- Salesforce also features a custom solution called Convergence, tailored for vendor management and procurement processes. As this capability is not customer-facing, it is addressed in [KDD002 - Procurement Contract Lifecycle Management](#).
- [KDD052 - Sales Pricing Process](#) focuses on pricing strategy, optimization, approval processes, and execution.

## Constraints

No constraints identified; further updates may be determined during detailed design phase.

## Impacts

- **Data Mapping:** Mapping data fields from Salesforce to SAP accurately to ensure all critical data is transferred correctly.
- **Custom Development:** Existing developments in Salesforce need to be reviewed and potentially deploy/enhance standard features in SAP.
- **Interface Redesign:** Existing interfaces between Salesforce and other systems may need to be redesigned to work with SAP.
- **Training Programs:** Implementing comprehensive training programs for users.

## Business Rules

There are currently no known rules identified, but we will revisit and update if any emerge during the detailed design phase.

## Options considered

### Option A - Transition from Salesforce to SAP CX and integrate with SAP S/4HANA

**Objective:** This option utilizes a comprehensive SAP solution, encompassing the full SAP stack (i.e., SAP Sales and Service Cloud V2 & S/4HANA), to empower and streamline business processes. The primary benefit of this approach is that it leverages native/standard integration across all SAP products, thereby eliminating the need for duplicate data entry, ensuring alignment of enterprise structure and master data, and providing end-to-end traceability and transparency from 'Lead to Cash'.

#### Approach:

- The integrated master data management of SAP CX and S/4HANA creates a unified customer platform, delivering a seamless experience through real-time data replication, tailored corporate group management, and GBU segmentation, as well as team assignments, centralized organization management, and enhanced security.

- The Lead and Opportunity lifecycles are streamlined with guided selling processes and real-time customer insights, providing a unified lead-to-cash cycle. This streamlined approach enables accurate sales revenue tracking and forecasting without the need for multiple system integrations. Moreover, machine learning-based lead intelligence and customer and relationship insights help identify high-quality leads and predict conversion likelihood.
- SAP CX streamlines the quotation process, encompassing guided selling, quotation configuration, pricing, and discounting, as well as approval workflows, customer-specific pricing, quote validity, and quote versioning. By integrating with S/4HANA, sales quotations can access real-time data, automate data synchronization, and simplify order-to-cash processing. This integration ultimately provides a single source of truth for customer, product, and pricing data, increasing efficiency and accuracy throughout the quotation-to-cash process.
- Contract Management provides a centralized repository for storing and managing contracts, automated workflows for approval and notification processes, and real-time tracking of contract validity periods, product information, and pricing. Additionally, S/4HANA provides advanced analytics and reporting capabilities, enabling real-time insights into contract performance and supporting data-driven decision making.
- The complaint management process is streamlined by integrating it with sales orders, quality inspections, returns handling, and credit memos. The guided process automates registration, investigation, commercial response, and tracking, as well as customer communication and closure, with automation of acknowledgments and communications between teams. Additionally, SAP CX and S/4HANA integrate with Qualtrics for customer feedback, providing a closed-loop process.
- Sales order management standardizes and automates the sample order process, eliminating manual screening and inefficiencies. S/4HANA's inventory management and logistics capabilities will efficiently manage outbound logistics for end customers and distributors.

## Option B - Implement Salesforce and integrating Salesforce CRM capabilities with SAP S/4HANA

**Objective:** This option utilizes Salesforce's CRM platform and capabilities to consolidate the current multi-tenant landscape into a unified Salesforce environment, in line with KDD040's recommendation for a "Greenfield CRM implementation with a Single Instance for all GBUs." Additionally, any non-CRM functions that can be transitioned to S/4HANA will be migrated to streamline core CRM functions. This approach will necessitate integration between Salesforce and S/4HANA to facilitate an efficient Lead to Cash execution process and enhance end-to-end business process execution and reporting capabilities.

### Approach:

- Streamline master data processes by retaining Prospect creation and Customer conversion in Salesforce, eliminating PRS, and integrating Salesforce with S/4HANA for real-time data replication. Align GBU segmentation with S/4HANA's organizational structure and map team assignments to S/4HANA's business partner concepts, reducing interfaces and enhancing efficiency.
- Continue using Salesforce for lead and opportunity management, and revenue projection maintenance. However, leverage S/4HANA data for forecasting and realized sales/revenue data, ensuring an accurate view of sales performance.
- Price setting will continue in Salesforce, integrated with Dataiku for price optimizations. Salesforce will remain the platform for price execution via quotation creation. Once quotations are released, prices will be replicated to S/4HANA. Furthermore, Salesforce quotations will be replicated to S/4HANA to ensure end-to-end Quote-to-Cash process integration. To enhance visibility, Price Transparency dashboards will be implemented using S/4HANA data, covering sales revenue, prices, forward costing, orders, and contract information.
- Operational Contract management will be centralized in S/4HANA, simplifying processes, reducing errors, and boosting efficiency. S/4HANA will serve as the single source of truth, providing accurate and visible data for informed decision-making. The contract dashboard and KPIs will be driven by S/4HANA data, offering real-time insights and performance metrics. Additionally, necessary metadata required for contract database management will be replicated from S/4HANA to Salesforce.
- Salesforce will handle case management and approvals, integrating with S/4HANA for quality notifications and corrective actions. S/4HANA will manage investigation outcomes, including returns and settlements, and update Salesforce cases for tracking. Feedback tracking will remain in Qualtrics, with reporting in both Salesforce and S/4HANA for a unified view.
- Salesforce manages and approves samples, then integrates with S/4HANA for logistics and fulfillment. Third-party integrations remain in Salesforce, with S/4HANA updates flowing in for tracking and monitoring purposes.

## Evaluation

|   | Option A - Transition from Salesforce to SAP CX and integrate with SAP S/4HANA  | Option B - Implement Salesforce and integrating Salesforce CRM capabilities with SAP S/4HANA  |
|---|---|---|
| Best of Breed                             | ➖ Robust alternative with SAP integration, but lagging in innovation and breadth.   | ➕ Best-of-breed CRM leader in innovation and have robust ecosystem.   |
| Product Maturity                          | ➖ SAP CX V2, is a relatively new and untested player in the CRM market. SAP CX V2 is still in the process of building its reputation and demonstrating its capabilities to deliver successful outcomes. | ➕ Salesforce is a mature and well-established Customer Relationship Management (CRM) platform, with an impressive track record of successful implementations for over a decade.   |
| Alignment with "Simplification principle" | ➕ Moving to SAP CX aligns with simplification, as it unifies processes across SAP platforms, streamlining the technology landscape.   | ➕ Single Instance model using standard processes and integration.<br><br>➖ Unifying multiple instances will simplify the landscape; however, the process simplification could present challenges, as the underlying data structures, workflows, and data models are unique to each application. |
| Alignment with                            | ➕ Full alignment with SAP S/4HANA, providing standardized processes across the GBU's through a unified platform.  | ➖ Salesforce can be standardized to an extent, but the bespoke developments around Pricing and OneQuote   |

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| "Standardization principle"       |  | solutions have intricate dependencies and customizations that may challenge full standardization.   |
| System Integration                | + High integration with SAP S/4HANA due to integration content being provided by SAP.  | + Salesforce's native integration with SAP S/4HANA has undergone significant enhancements over time, providing an improved and more efficient connection.                         |
| Implementation Time               | - Transitioning to SAP CX and integrating it with SAP S/4HANA will take time, including data migration, system setup, and full alignment with business processes.  | + Harmonizing Salesforce and integrating it with SAP S/4HANA will require less time than a complete system change.  |
| User Training & Change Management | - Significant training and change management required to transition to SAP CX and adapt to new processes.  | + Users need to adjust to the streamlined Salesforce system, but they are already familiar with the platform.   |
| Cost of Implementation            | - Transitioning to SAP CX and deep integration with SAP S/4HANA involves substantial costs (licenses, migration, customization, etc.).   | + Lower than the costs of a full transition, including system optimization and integration efforts.   |
| Long-term Scalability             | + SAP CX offers excellent scalability, especially when integrated with SAP S/4HANA, allowing for growth in users, data, and complex workflows.   | - Salesforce can scale, but integration with SAP S/4HANA may present some limits as complexity grows.   |
| Customization Flexibility         | - Customizing SAP CX can be more complex compared to Salesforce. Though it provides extensive flexibility, customizing it requires specific SAP expertise and can take more time due to its tight integration with SAP S/4HANA and alignment with enterprise-wide processes. | + Salesforce is highly customizable, offering flexibility to align with evolving business needs and complex workflows.  |
| System Maintenance                | + Simplifies troubleshooting and maintenance as both SAP CX and S/4HANA are from same vendor. System updates and performance optimizations can be handled more cohesively.   | + Harmonizing Salesforce reduces maintenance complexity with some effort to manage integration with SAP S/4HANA.  |
| Risk of Disruption                | - Transitioning to a new system (SAP CX) poses a high risk of operational disruption during implementation.  | + Some disruption during the streamlining and integration process, but users remain on Salesforce, reducing the overall risk.   |
| Customer Experience Impact        | - While it delivers a better end-to-end experience with deeper integration between CRM and S/4HANA the transition phase would affect customer service consistency.   | + Offers the best balance between optimizing the CRM experience and minimizing disruption, ensuring smoother transitions with a positive long-term impact on customer experience. |

## See also

[Sales Pricing Process KDD](#)

[CRM Platform Approach KDD](#)

[CRM system next step - decision.pdf](#)

## Change log

| Version                 | Published                 | Changed By                   | Comment |
|-------------------------|---------------------------|------------------------------|---------|
| <b>CURRENT (v. 200)</b> | <b>Oct 16, 2024 14:42</b> | <b>KUTANI-ext, Karunakar</b> |         |
| v. 199                  | Oct 16, 2024 14:42        | KUTANI-ext, Karunakar        |         |
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| v. 197                  | Oct 16, 2024 12:12        | WENNINGER-ext, Sascha        |         |
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## Workflow history

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