Customer Relationship Management (CRM) &
Supply Chain Management (SCM)

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What is CRM?

- **Primary goal: Maximize customer lifetime value (CLV)** through organized interactions

- **Centralizes** all customer data in **one platform** (contacts, purchases, service history)

- **Key users:** Sales, marketing, and **customer service teams**

- **Critical for: Customer retention**, cross-selling, and **personalized experiences**

- **Replaces:** Disorganized spreadsheets and **siloed department databases**

- **Integrates with: ERP**, e-commerce, social media, and call centers

What is CRM?...

- **Measures success** via: **Retention rates**, CLV, and **customer satisfaction scores**

- **Industry examples:**
    - Retail: **Personalized recommendations**
    - Banking: **360° client views**

*"CRM is the **central nervous system** of customer-centric businesses."*

Evolution of CRM Systems

- **1980s:** Basic **contact databases** (digital Rolodexes)

- **1990s: Sales Force Automation (SFA)** emerges (e.g., Siebel Systems)

- **2000s: Cloud CRM** revolution (Salesforce launches in 1999)

- **2010s: Social CRM** integrates Twitter/FB for service

- **2015–2020: Mobile CRM** dominates (apps for field teams)

- **2020s: AI-powered CRM** with:

  - **Predictive analytics**

  - **Chatbots** (e.g., ChatGPT for service)

Evolution of CRM Systems…

- **Current trends:**
  - **Voice-enabled CRM** (e.g., "Hey Salesforce, show my top leads")
  - **Hyper-personalization** using AI

- **Key driver:** Shift from **transactional** to **relationship-based** marketing

- **Future: Augmented Reality (AR) CRM** for product demos

- 91% of businesses with 10+ employees now use CRM (Grand View Research)

CRM & Customer Lifetime Value (CLV)

- **CLV** is the **Total revenue** a customer generates **over their relationship**

- **CRM tools for CLV:**
  - **Purchase history tracking**
  - **Churn prediction algorithms**

- **Identifies** most profitable **customer segments**

- **Enables:**
  - **Targeted retention campaigns**
  - **Loyalty programs** (e.g., Starbucks Rewards)

- **Reduces churn** via **proactive service alerts**

- **Case study:** Amazon's **recommendation engine** increases CLV by **30%+**

CRM & Customer Lifetime Value (CLV)…

- **Key metrics:**
    - **Repeat purchase rate**
    - **Average order value growth**

- **Integration:** CLV models feed into **marketing automation**

- **Warning:** Poor data quality **distorts CLV calculations**

- Increasing retention by 5% boosts profits **25–95%** (Harvard Business Review)

Operational CRM (Sales Focus)

- **Automates repetitive sales tasks**:
    - Lead assignment
    - Follow-up reminders

- **Standardizes sales processes** across teams

- **Key features:**
    - Opportunity tracking
    - Quote/proposal generation

- **Territory management** for field teams

- **Mobile access** for on-the-go updates

- **Integrates** with email/calendar (e.g., Outlook sync)

- **Example:** Salesforce **Sales Cloud workflows**

Operational CRM (Sales Focus)…

- **Benefit:** 28% faster **sales cycles** (Aberdeen Group)
- **Risk:** Over-automation can **hurt relationships**
- Sales reps using CRM see **41% higher quotas** (CSO Insights)

Analytical CRM (Data-Driven Insights)

- **Processes customer data** to uncover patterns

- **Segments customers by:**
    - **Demographics** (age, location)
    - **Behavior** (purchase frequency)
    - **Value** (profitability tiers)

- **Predictive analytics** for:
    - **Churn risk scoring**
    - **Next-best-product recommendations**

- **Campaign performance measurement**

- **Tools:**
    - **Einstein Analytics** (Salesforce)
    - **Dynamics 365 Customer Insights**

Analytical CRM (Data-Driven Insights)…

- **Case:** Starbucks uses **90+ customer segments**

- **Data sources:** Combines **internal + external** (social, market data)

- **Outputs:** Interactive **dashboards**, automated alerts

- **Challenge:** Requires **clean, unified data**

- Companies using analytics see **73% higher sales** (Forrester)

Collaborative CRM (Partner Ecosystems)

- **Connects** vendors, distributors, and **partners**

- **Shared access to:**
  - **Inventory levels**
  - **Joint lead info**

- **Self-service portals** reduce email chaos

- **Co-marketing campaign** management

- **Example:** SAP **PartnerEdge portal**

- **Features:**
  - **Document sharing**
  - **Commission tracking**

- **Benefit:** 40% faster **partner onboarding**

Collaborative CRM (Partner Ecosystems)…

- **Integration:** Works with **PRM systems**

- **Security:** Role-based access **is critical**

- **Trend:** Blockchain for **shared transaction ledgers**

AI in CRM (ChatGPT for Service)

- **Chatbots handle** routine inquiries (24/7)
- **Sentiment analysis** flags frustrated customers
- **Automated case routing** to correct department
- **Self-service knowledge bases** with AI search
- **Predictive service:** Alerts before issues arise
- **Voice assistants** guide field technicians
- **Example:** Zendesk's **Answer Bot**
- **Benefit:** 70% faster **resolution times**
- **Implementation:** Needs **historical ticket data**
- **Future: Emotion detection** via voice tone

CRM Vendors

- **Salesforce**
  - **Market leader** (19.8% share in 2023)
  - **Best for:** Enterprise sales & marketing teams
  - **Flagship product: Sales Cloud + Einstein AI**
  - **Pricing:** $$$ (Starts at $25/user/month)

- **HubSpot**
  - **SMB favorite** (All-in-one CRM + marketing)
  - **Strengths: User-friendly**, free tier available
  - **Key tool: Marketing Hub workflows**
  - **Pricing:** $$ (Free to $1,200+/month)

- **Microsoft Dynamics 365**
  - **Deep Office 365 integration**
  - **Best for:** Companies using **Teams/Outlook**
  - **AI feature: Copilot for sales insights**

CRM Vendors…

- **SAP CRM**
  - **ERP integration powerhouse**
  - **Used by:** Manufacturers, global enterprises
  - **Edge: Hybrid (cloud + on-premise) deployment**
- **Zoho CRM**
  - **Budget-friendly** for startups
  - **Unique feature: Blueprints (visual workflows)**
- **Key Selection Criteria:**
  - **Scalability** (Can it grow with your business?)
  - **Mobile access** (Field sales needs?)
  - **AI capabilities** (Predictive analytics?)
- **Cloud vs. On-Premise:**
  - **Salesforce:** Cloud-only
  - **SAP:** Offers both

CRM Vendors…

- **Industry Specialization:**
    - **Retail:** Salesforce Commerce Cloud
    - **Healthcare:** Microsoft Dynamics 365 Healthcare

- **Implementation Time:**
    - **Basic setups:** 2-4 weeks (HubSpot)
    - **Enterprise:** 6-12 months (SAP)

Case Study: Salesforce @Starbucks

- **Challenge:**
  - **25M+ customers** needing unique experiences
  - **Siloed data** across apps/regions

- **Solution: Salesforce Customer 360**
  - Unified **mobile app, POS, and rewards data**

- **Key Tools Used:**
  - **Marketing Cloud** (Personalized emails)
  - **Einstein AI** (Predictive ordering)

- **Personalization Examples:**
  - **"Happy Birthday" free drink coupons**
  - **Weather-based recommendations** (e.g., iced vs. hot drinks)
  - **Replenishment alerts** for favorite items

Case Study: Salesforce @Starbucks…

- **Results:**
  - **23% increase** in spend by rewards members
  - **2.5X more app engagement** vs. industry average

- **Data Points Collected:**
  - **Purchase history**
  - **Location patterns**
  - **Customization preferences** (e.g., almond milk)

- **Integration:**
  - **ERP (SAP)** for inventory
  - **Payment systems** for seamless checkout

- Starbucks processes **17M+ personalized transactions/week**

- **Lesson: Hyper-personalization drives loyalty**

Supply Chain Management

- **SCM:** Coordination of **goods, data, and finances** across the supply chain.

- **Core Goal:** Deliver products **faster, cheaper, and more sustainably**.

- **Key Players:**
    - **Suppliers** (Raw materials)
    - **Manufacturers** (Production)
    - **Logistics** (Transport)
    - **Retailers/Distributors**

- **Digital SCM:** Uses **IoT, AI, and blockchain** for real-time tracking.

Supply Chain Management…

- **Traditional vs. Modern SCM:**
  - **1980s:** Linear, manual processes
  - **2020s:** Dynamic, AI-driven networks
- **Key Metrics:**
  - **Order-to-delivery time**
  - **Inventory turnover ratio**
- **Tech Stack:**
  - **ERP (SAP, Oracle)**
  - **Warehouse Management Systems (WMS)**
- **Trends:**
  - **3D printing** (Localized production)
  - **Drone deliveries** (Last-mile solutions)
- 79% of companies compete via **SCM efficiency** (Deloitte).

SCM Components – Planning & Sourcing

- **Demand Planning:**
  - **AI forecasting** (e.g., Walmart's weather-based models).

- **Inventory Optimization:**
  - **Safety stock calculations** to prevent stockouts.

- **Supplier Selection Criteria:**
  - **Cost**
  - **Quality**
  - **Geopolitical risk**

- **Procurement Tools:**
  - **SAP Ariba** (Supplier networks)
  - **Coupa** (Spend management)

SCM Components – Planning & Sourcing…

- **E-procurement Benefits:**
    - **30% faster** purchase orders
    - **Audit trails** for compliance

- **Case Study:**
    - **Apple's supplier diversification** post-COVID.

- **Risk Mitigation:**
    - **Multi-sourcing** (No single-supplier dependency).

- **Sustainability Focus:**
    - **Ethical sourcing** (e.g., conflict-free minerals).

- **Tech Integration:**
    - **Blockchain** for supplier transparency.

SCM Manufacturing & Delivery Processes

- **Lean Manufacturing:**
  - **Just-in-Time (JIT)** (Toyota's model).

- **Production Scheduling:**
  - **Digital twins** simulate factory workflows.

- **Quality Control:**
  - **Computer vision** for defect detection.

- **Warehouse Automation:**
  - **Amazon's Kiva robots** (50% faster picking).

- **Last-Mile Delivery Solutions:**
  - **Route optimization algorithms**.
  - **Crowdsourced delivery** (Uber Freight).

SCM Manufacturing & Delivery Processes…

- **Real-Time Tracking:**
    - **GPS/ RFID** for shipment visibility.

- **Returns Management:**
    - **Reverse logistics** for refurbishment.

- **Case Study:**
    - **Zara's 2-week design-to-store cycle**.

- Automation cuts **warehouse costs by 40%** (McKinsey).

- **Future Trend: Autonomous delivery vehicles**.

SCM Technologies (IoT, AI, Blockchain)

- **IoT in SCM:**
    - **Temperature sensors** for perishable goods.
    - **Equipment health monitoring**.

- **AI Applications:**
    - **Demand forecasting** (Tools: **ToolsGroup, Kinaxis**).
    - **Chatbots for supplier queries**.

- **Blockchain Benefits:**
    - **Tamper-proof records** (e.g., diamond sourcing).
    - **Smart contracts** for automatic payments.

- **Cloud SCM:**
    - **Oracle SCM Cloud**
    - **Infor Nexus** (Multi-enterprise platform).

SCM Technologies (IoT, AI, Blockchain)…

- **Digital Twins:**
  - Simulate supply chain disruptions.

- **Robotic Process Automation (RPA):**
  - Automates **purchase order processing**.

- **Case Study:**
  - **Maersk's blockchain-based TradeLens**.

- AI reduces forecasting errors by **30–50%** (BCG).

- **Challenge: Integration complexity** with legacy systems.

- **Future: 5G-enabled real-time tracking**.

SCM Vendors: SAP SCM

- **Applications:**
  - Manufacturing execution
  - Advanced planning (SAP IBP)
  - Warehouse management

- **Key Features:**
  - **Real-time analytics** integrated with SAP ERP
  - AI-driven demand forecasting
  - Blockchain for supply chain transparency

SCM Vendors: Oracle SCM

- **Applications:**

  - Retail supply chains

  - Global logistics

  - Procurement

- **Key Features:**

  - **Digital twin technology** for scenario modeling

  - **Autonomous logistics** (IoT + AI)

  - End-to-end order fulfillment tracking

SCM Vendors: Infor SCM

- **Applications:**

  - Food & beverage industry

  - Healthcare supply chains

  - Asset-intensive industries

- **Key Features:**

  - Industry-specific preconfigured solutions

  - Multi-enterprise collaboration portals

  - Predictive inventory optimization

Amazon SCM Case Study

- **Challenge:** Handle **11,000 orders/second** on Prime Day.

- **Solution:**
  - **AI-powered demand forecasting**.
  - **Kiva robots** in warehouses.

- **Inventory Strategy:**
  - **Dynamic placement** based on demand.

- **Last-Mile Innovation:**
  - **Amazon Flex** (Crowdsourced drivers).

- **Result:**
  - **98% on-time delivery**.
  - **20% lower logistics costs**.

CRM & CSM Integration: Powering Business Success

- **Real-World Impact:**
  - Companies with integrated CRM-SCM systems see **27% higher profit margins** (Aberdeen Group).

- **Data Flow Example:**
  - **CRM detects** rising demand for Product X → **SCM triggers** production increase.

- **Demand Forecasting:**
  - CRM sales data **feeds SCM algorithms** to predict inventory needs (e.g., *Nike's seasonal demand models*).

- **Order Promising:**
  - SCM provides **real-time inventory status** → CRM shows accurate delivery dates to customers.

CRM & CSM Integration: Powering Business Success…

- **Personalized Logistics:**
  - CRM preferences (e.g., "eco-friendly shipping") → SCM selects **low-carbon carriers**.

- **Unified Platforms:**
  - **SAP C/4HANA (CRM) + IBP (SCM)** share data seamlessly.

- **AI Orchestration:**
  - **Chatbots** (CRM) check order status by pulling SCM logistics data.

- **Case in Action: Amazon**

- **Prime Membership (CRM):**
  - Tracks customer preferences → **Fulfillment Centers (SCM):** Pre-position bestsellers near buyers.

CRM & CSM Integration: Powering Business Success…

- **Result:**
  - **Same-day delivery** for 65% of Prime users.

- **Implementation Tips**

- **Start Small:**
  - First integrate **order status visibility** between systems.

- **Data Hygiene:**
  - **Standardize SKUs/customer IDs** across CRM & SCM.

- **Change Management:**
  - Train **sales teams** to use SCM data when promising deadlines.

Thank You!