



Bridging digital and physical for better customer experiences

**Connected enterprises deliver
value in both worlds**



Go digital?
Stay physical?
Customers
say yes
to both.

According to Forrester research commissioned by KPMG, companies that offer customers the ability to purchase through both physical and online locations have 30 percent higher lifetime value than those that use only one channel.¹

It's clear that companies need to integrate and evolve their physical and digital channels to meet increasingly high customer expectations and compete in today's fast-changing market. But many retail and consumer organizations have failed to do so. Why? They've been driven by market forces like the advent of online shopping, which at first made the future of physical stores look bleak and drove stores to focus most of their efforts on the digital experience at the expense of the physical experience.

Fortunately, today more organizations are realizing the value of leveraging their significant investments in stores and physical environments by integrating technology to advance and entertain in their physical space. But many still struggle to create a truly seamless omnichannel experience that attracts, wows, and keeps customers coming back for more.

That's where connected enterprises can help. Connected enterprises support the integration of both digital and physical worlds by placing the customer at the very core of the business. They break down functional silos and integrate front-, middle- and back-office groups, getting everyone across the enterprise working in cohesion toward the same goal: exceeding customer expectations at all touchpoints and across all channels—whether digital or physical.

1 A study conducted by Forrester Consulting on behalf of KPMG, July 2016.

It pays to become a connected enterprise. 2X

Organizations with a customer first outlook are 2X more likely to see greater overall success.²

The infographic is titled "KPMG Connected Enterprise" and features a blue and purple color scheme. At the top, it says "Click for more information" in a white box. Below this, there are several sections:

- Seamless interactions are vital for every customer engagement:** A teal box with white text explaining that getting closer to customers requires much more than channel harmonization and integration. It notes that single- and multi-channel initiatives are a start, but they're not enough. High-performing organizations are investing in an architecture of capabilities that align people, operations, systems, and processes around the customer to capture business value.
- What is truly required to deliver a connected customer experience?** A purple box with white text stating that at KPMG, they've identified eight critical capabilities that every organization needs in order to evolve its omnichannel capabilities and transform into a KPMG Connected Enterprise. A large white number "8" is displayed in a circle.
- The value of KPMG Connected Enterprise:** A section with three icons (a person, a bar chart, and a magnifying glass) and a line graph showing a positive trend. The text explains that it's a challenge to consistently meet customer expectations in a way that's profitable. Organizations that understand the needs of their customers and align their operations, systems, and processes can help organizations realize their potential and capture the greatest value.

At the bottom, a summary statement reads: "Our research shows that organizations with a Customer First Outlook are 2X as likely to see greater overall success." Below this, two large percentages are shown: "75%" and "100%".

2 A study conducted by Forrester Consulting on behalf of KPMG, July 2016.

Eight key capabilities of connected enterprises

1 Product, pricing and customer strategy: Delivering relevant, valuable, consistent and targeted products, services, experiences, pricing and offers

2 Experience centrality: Delivering a seamless and personal customer experience that continually meets evolving expectations across channels

3 Seamless commerce: Delivering a convenient, secure, integrated and consistent transaction experience across channels

4 Advanced data and analytics: Using data insights to engage and execute across all touch points while also protecting privacy and security

5 Technology architecture and enablement: Leveraging technology systems and expertise to deliver cross-channel experiences, enable employees, and synchronize with the broader digital ecosystem

6 Organizational alignment and people capability: Marrying the vision, culture, organizational structure and performance management approach to customer needs and perspectives

7 Responsive supply chain: Leveraging advanced, analytics-driven demand planning, inventory management and distribution to enable customers to select, receive and return products and services conveniently

8 Partnerships, alliance and vendor management: Leveraging third-parties to increase speed to market, reduce costs or deliver on the customer promise

A closer look

So, while connected enterprises can help merge your physical and digital presence, what kinds of real-world problems can they help your organization solve?

Perhaps the biggest one is enabling organizations to understand and deliver what their customers actually want.

For years, businesses were over-investing in high-end experiences without a true understanding of their customers' basic desires. Research shows that organizations with a customer first outlook are twice as likely to see greater overall success.³

Connected enterprises, however, help businesses really understand what their customers want personalization, variety, speed, convenience, etc. by sharing data information and insights across functions to get a broader perspective on what makes individual customers tick.

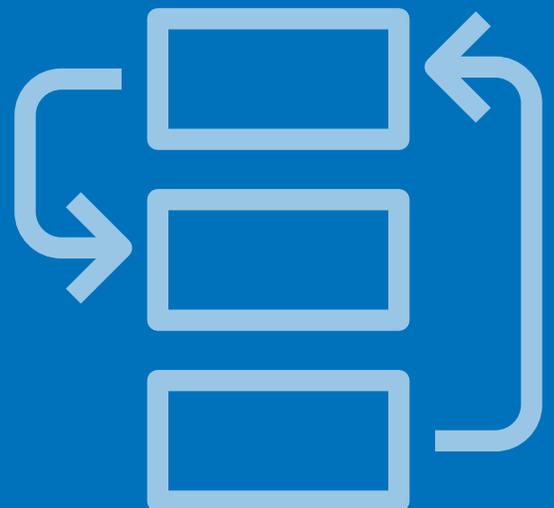
In addition, connected enterprises make actually delivering on the customer promise more affordable by prioritizing customer-centricity across all business functions. Consider all of the areas of the business impacted by grocery delivery, an example of a service growing out of customer demand for greater convenience. Implementing a grocery delivery service model requires strong supply chain, delivery, and quality assurance capabilities, just to name a few. Connected enterprises ensure alignment among these (and other) key functions to avoid any obstacles in the way of serving the customer..



³ A study conducted by Forrester Consulting on behalf of KPMG, July 2016.

What's in store?

Connected enterprises deliver seamless customer experiences on any channel. But what might that look like? Consider physical stores getting a digital makeover to better serve customer's changing needs, leveraging innovations like online ordering with curbside pickup, internet-connected product kiosks and more. Or think of an e-commerce organization incorporating a physical experience in order to reach a new audience, increase brand awareness and excitement, and showcase a new product—even if the inventory isn't there.



Organizational alignment comes first

The whole organization needs to be in sync in order to deliver an exceptional experience. That's why integrating your physical and digital presence isn't possible without everyone in the organization aligned around a shared enterprise vision focused on customer-centricity.

Driving organizational alignment might be the first step in becoming a connected enterprise, but that doesn't mean it's simple. In fact, it will likely require people from the front- to the back-office to embrace new roles and new tools.

That's where the eight key capabilities of connected enterprises comes into play (see sidebar). These capabilities will help move your forward to successfully integrate your digital and physical strategies.





Employees need to share the vision

In-store, organizations might need to rethink onboarding and training, to better support front-line employees in using new technological innovations to create a fast, frictionless experience for every customer. For example, if a customer can't find an item, employees should be able to pop over to a kiosk or pick up a tablet and quickly order that item for the customer.

Meanwhile employees in the middle- and back-office must also share the vision. For example, the supply chain must be fast, billing convenient, IT resilient, vendor partnerships smooth, and pricing strategies optimized and customized. Break downs at any point can detract from the customer experience, both in-store and online.

Regardless of their function, your business needs good people—not just to interact with customers in physical spaces or online, but to ensure the rest of the enterprise is working towards the same goal: better meeting customer needs from all locations.

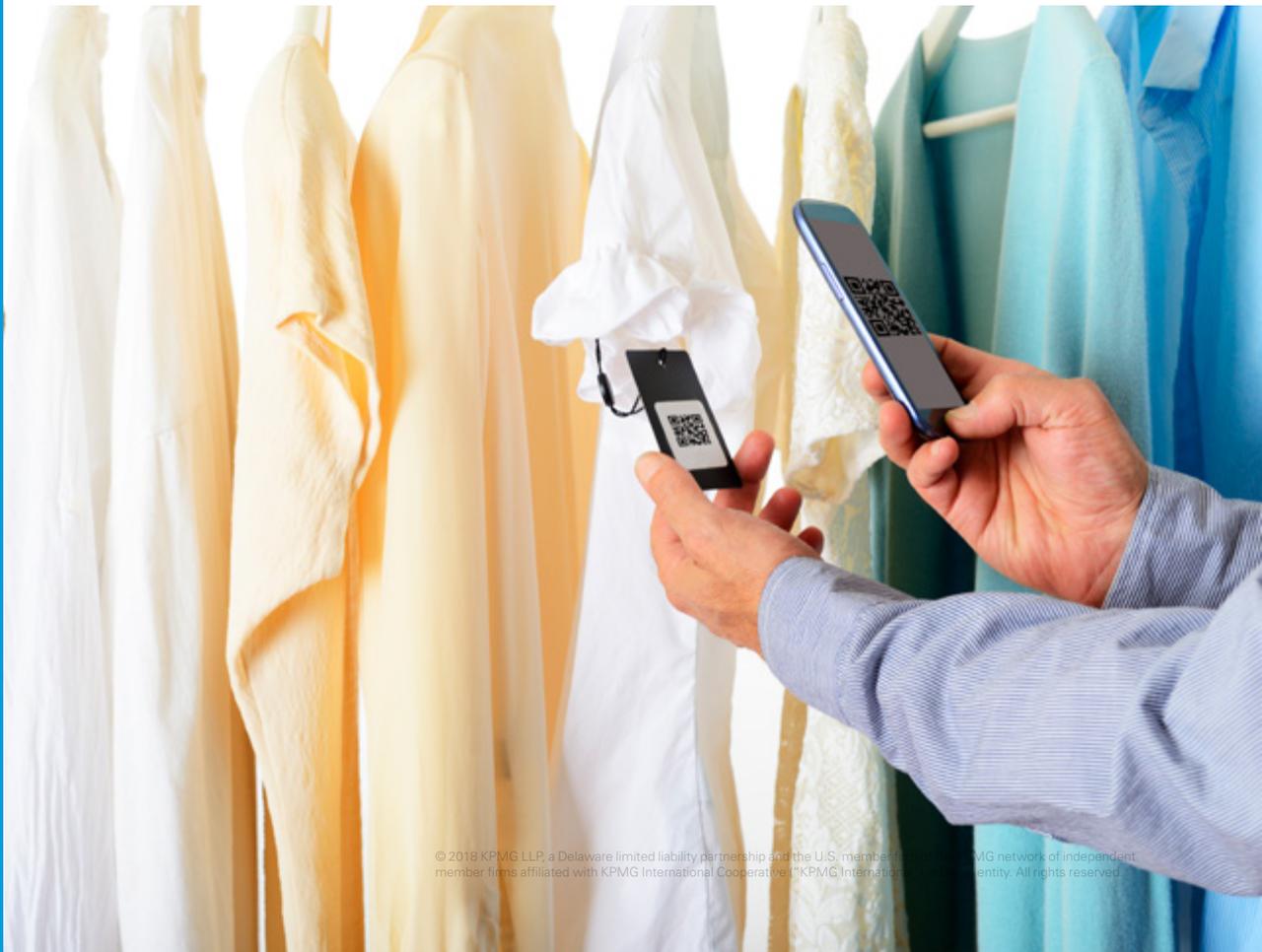




Why work with KPMG?

Today's customers are better informed, better connected and more demanding than ever before. Customer experience is overtaking price and product as the number-one brand differentiator. Organizations are investing record amounts on customer-related initiatives, but not all are seeing a credible return on investment.

KPMG combines expertise in strategy and implementation—as well as far-reaching industry and functional knowledge—to create better customer outcomes that produce better business returns. That means looking beyond the front office to a wholesale transformation of functions such as marketing, sales, and service—and linking them to the middle and back office. The resulting organization is closer to customers and can deliver interactions that are seamless, responsive, relevant and consistent, helping companies build greater loyalty and share of wallet. From ambition to implementation, KPMG works alongside organizations on their journey to become customer-centric, balance cost against customer satisfaction, and maximize opportunities to increase revenue.



Get connected now!

KPMG can help your organization evolve into a connected enterprise that meets the demands of today's informed, connected consumers. Focused on helping make the right investments and maximizing return, we work alongside organizations across their entire journey to become customer-centric: from strategy to design to implementation to improvement to governance. We help them reshape people, operations, systems and processes to connect entire enterprises more closely to their customers, employees, partners and products—and realize the value.

Why us? We know how your business works and we know how to get things done. Our global network of talented professionals combine technical expertise with practical business experience in consumer-facing industries, helping your organization address each capability across the connected enterprise—down to the detail—in the right context for your business functions.

KPMG is a market leader on evolving into a connected enterprise:

- **Forrester Wave™**: Business Transformation Consultancies, Q3 2017
- **HfS Blueprint Report**: Digital Technology Strategy and Consultancy Services, 2017
- **IDC MarketScape**: KPMG a leader in digital transformation consulting and systems integrations services



Is your business a connected enterprise?

Try our free diagnostic tool to find out.



Contact

Connect with us to find out how we can help you build a customer-centric organization with a connected enterprise approach:

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