Microbattery
Powers Up a New
Customer-Facing Storefront

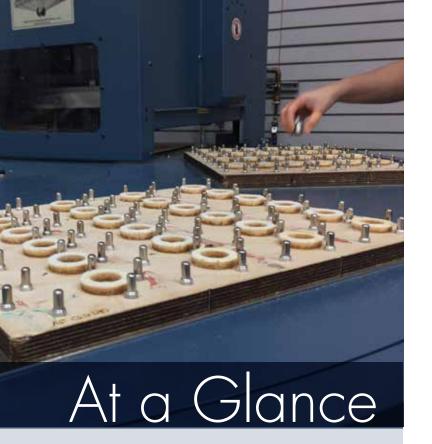Online Battery Retailer Runs Front-End Business with SAP Anywhere

by **Ken Murphy**, Senior Features Editor

By now, consumers are so familiar with purchasing products online that the convenience is sometimes taken for granted. Presented with an intuitive shopping cart experience, online shoppers rarely give much thought to the technology that makes their one-click purchases possible.

Without the right application, however, it can be difficult for an online retailer to provide customers with the ease of use and level of service to which they're accustomed. This can be especially true of small companies where an all-hands-on-deck approach usually means that there is less of a clear-cut separation between the front-office and back-office operations. Systems that are designed to run the entire business can facilitate management for smaller staffs, but also offer less flexibility to make isolated changes to a specific line of business or function. This lack of flexibility can make it difficult to enhance the customer experience without touching the back end.

Online battery retailer Microbattery knows the importance of providing its customers with superior service and a top-flight shopping experience. Without a brick-and-mortar store, the 40-employee company relies on loyal customer support; for example, customers that return to microbattery.com to replace hearing aid batteries represent a significant revenue stream. Microbattery manufactures, packages, and distributes hundreds of kinds of brand-name and private-label batteries for everything from hearing aids to watches to wheelchairs.

Microbattery has been selling batteries online for over 15 years and for most of that time the company has relied on one system to run both its front and back office. As online purchasing has grown more sophisticated and the volume of sales increased, Microbattery recognized that it could more effectively enhance the customer experience with a front-end application dedicated to serving that goal. The company had additional reasons for a solution

At a Glance

Goals: Improve vendor price transparency, reduce customer service transaction time, enhance reporting, and minimize segregation of duties (SoD) conflicts with a new front-end only application as well as enhance the customer's shopping cart experience

Strategy: Implemented SAP Anywhere (as of March 2017) to increase visibility and control

Outcome: Improved customer insights — enabling better decision making, a faster response to customer issues, and a superior online shopping experience; separated front-end and back-end operations — mitigating SoD concerns and providing sales and customer service with targeted information; and gained greater control, flexibility, and visibility for running the business

upgrade, most of which would translate to improving the customer experience. These motivations included the need for vendor price transparency and to simplify basic reporting. In short, Microbattery wanted to have greater visibility and control over costs and day-to-day business operations than its existing system could deliver. With this control, the company could provide its customers with a more personalized experience, be more proactive in its offerings and options, and respond more quickly to customer issues.

"A lack of vendor pricing transparency into our software-as-a-service (SaaS) product meant ballooning, hidden costs every time we wanted to add an ecommerce channel or make other changes," says Microbattery Executive Vice President Jeff Becker. "Your system is supposed to help you run your business, and we were starting to feel like our business was being held hostage by the product we were using."

Taking Back Control

With Microbattery's previous system, basic reports entailed hours of programming. And because the system ran both the front and the back office, it was difficult to set permissions for users. To liberate itself from this predicament, the business set parameters for what a new front-end system would look like in terms of functionality and scope. Back-end operations would transfer to a new accounting system designed for small to midsize enterprises (SMEs). One preference, according to Becker, was to purchase an application license from an established vendor that caters to large companies as well as SMEs — with the thought being that, in the event of growth, Microbattery could stay with the same vendor while minimizing changeover costs, particularly in the back end.

After exploring several options, Microbattery opted for SAP Anywhere, SAP's front-office SaaS application purpose-built for SMEs. Running on SAP HANA in a public cloud, SAP Anywhere is designed to help an SME to manage online (or in-store) marketing efforts, omnichannel commerce, inventory, and order management. With SAP Anywhere, Microbattery believed it could overcome the three main shortcomings of its previous system: a lack of vendor pricing transparency, a difficulty formatting basic reports, and a difficulty in mitigating potential segregation of duties (SoD) conflicts.

"We identified a great advantage of SAP Anywhere to help grow the business without an extreme annual expense and without a guessing game as to what the year-over-year price is going to be," Becker says. "Every expansion of the previous system came with a significant year-over-year expense, so we didn't have a one-time investment where we could establish

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a return on investment (ROI). While we knew it would be expensive to do everything we wanted to grow the business, we couldn't tell exactly how expensive because there was no transparency."

SAP Anywhere, conversely, has set subscription plans available on one-year contracts with varying rates depending on the number of supported channels, users, and storage capacity. Concerning reporting, the application includes out-of-the-box basic reports. For Microbattery, this would result in being able to pull up detailed customer data or access real-time inventory status — functionality the company lacked without the time-intensive process of building custom reports. And as far as mitigating SoD conflicts, with SAP Anywhere running just the front office, Microbattery would no longer have to worry about setting permissions to keep front-office employees out of the back office and vice versa.

"In our previous system, with people potentially in both the front and back office, permissions were difficult to set," Becker says. "So what would sometimes happen was employees couldn't perform an aspect of their job; for example, a salesperson couldn't provide a commission report because it was tied to accounting."

To solve such a problem, Microbattery would have to add another module — one isolated for commission reports, for example. Doing so, however, would entail another year-over-year expense at a cost that was difficult to pin down.

Closer to the Customer

With SAP Anywhere (scheduled to go live in March 2017), employees who work in the front office will have access to all cu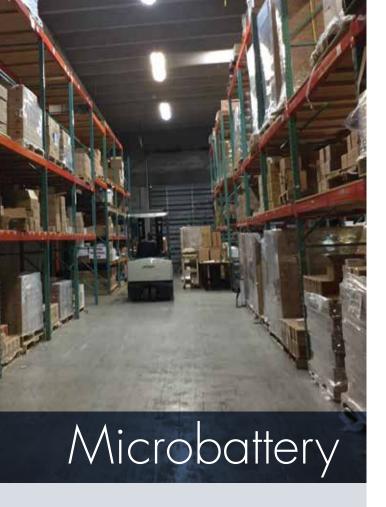stomer information at their fingertips. In addition to the added functionality, this will be a tremendous advantage over the existing system, where often permissions had to be granted or customer information had to be disseminated from accounting before it could be useful.

SAP Anywhere has customizable dashboards, such as a "Customer 360" view, which display granular customer data such as orders versus returns, alerts on open orders, unpaid orders, recent orders, and other information that can be populated into a personal storefront view.

"Every time we open a customer record, we will see the customer's information without having to hunt and peck for it," Becker says. "One-click access provides an entire overview of the account. With SAP Anywhere, we will not have to work for this information."

For deeper insights, Microbattery can pull in back-end data into the dashboard view, syncing only the records and historical data it chooses. "We will be able to sync records based on permissions specific to customer service or to sales," Becker says. "Everyone will be able to do their job with exactly the information they need. They won't be lacking data or, conversely, have access to information they shouldn't have."

SAP Anywhere features include the ability to pull in social data, such as from Facebook or Twitter feeds, into a customer's record to use in creating targeted marketing campaigns. According to Becker, Microbattery is still deciding how many of SAP Anywhere's features it will use right off the bat, especially considering that a lot of the features and functionality are new to the company. "Marketing has been restricted to front-office data," he says. "With SAP Anywhere, we can more actively market to our customers and track our customers better. Before,

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we were limited to maybe a generic email blast, or else hours of programing to create a campaign."

Shopping Simplified

From the customer's standpoint, the shopping cart experience will likewise offer improved functionality, providing customers with much of the same account information that a customer representative has access to.

"Customers will have more information and an easier check-out," Becker says. "They'll see their recent orders and what they paid, and they can see a credit memo when they log in, which they can use for a re-order. This is one of the major things we liked about enhancing the customer experience with SAP Anywhere, and we expect to see a lot more benefits revealed to us as we start to bring the application online."

As an early adopter of SAP Anywhere in the US (general availability release in the US was in 2016), Microbattery worked with SAP to add functionality to the application. This included taking credit card payments over the phone, for example, in addition to the out-of-the-box integration with PayPal Pro. "There's a lot of activity in our company that didn't initially exist with SAP Anywhere, but once SAP realized everything we wanted to do, it made the commitment to bring together some new features," Becker says.

Final Preparations

One of the bigger challenges for Microbattery in the transition to SAP Anywhere was the data cleansing process. According to Becker, the business wanted a way to recognize duplicate customer records. "We hadn't had a mechanism to detect and prevent duplicate records," Becker says. "SAP Anywhere is intuitive enough to look at an address, for example, and recognize multiple accounts for the same customer."

In January 2017, Microbattery was deep into the manual scrubbing of duplicate data to prepare for the March 2017 launch of SAP Anywhere while also connecting its back-end system to SAP Anywhere to populate the application with customer and pricing data, and confirming everything is synching correctly.

This will bring Microbattery one step closer to a front office with a front-row view of its customers and their buying decisions, greater control over managing those relationships, and a foothold into SAP software should the company continue to experience the double-digit growth it enjoys now.

"SAP Anywhere is a great beginner product for running the front office," Becker says. "It's not complicated; we need a website where customer service can take care of the customer and where sales can enter the orders and see basic customer data so they can make decisions. When we need to go into the back office for a deeper dive, we can." ∎