ASUG
Americas' SAP Users' Group

How doTERRA leverages Customer Data "Front to Back" to Drive 5x Growth

Todd Thompson, CIO, doTERRA
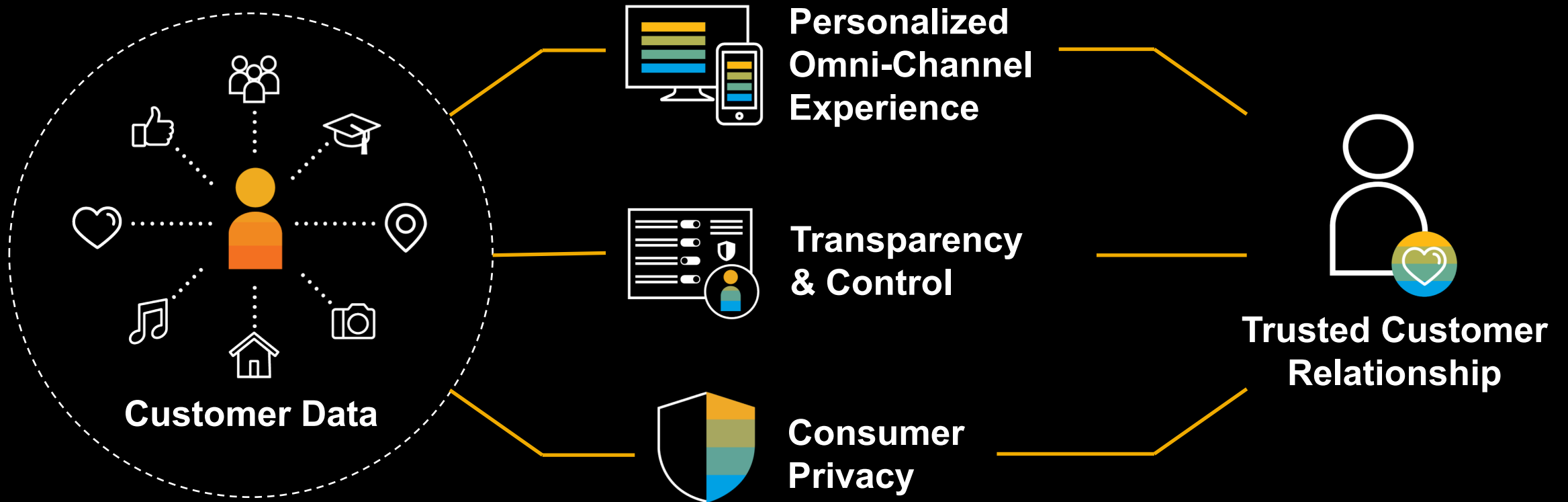Sonny Dasgupta, Dir. of Marketing, SAP

Session ID # 83734

Key Outcomes/Objectives

1. How does SAP Customer Data helps building trusted relationship with customers

2. How does dōTERRA support rapid growth and global expansion with SAP CX solutions

3. Lessons learned from dōTERRA's digital transformation journey

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Agenda

- Customer Data as the foundation for CX
- dōTERRA's digital transformation journey
- Improving customer engagment with SAP CX

# Mega trends driving the need to build trusted customer relationships

Customer Data

Personalized Omni-Channel Experience

Transparency & Control

Consumer Privacy

Trusted Customer Relationship

The Customer Experience Gap

80%
OF CEOS BELIEVE THEY ARE DELIVERING A SUPERIOR EXPERIENCE…

8%
OF CUSTOMERS AGREE

Consumers demand more transparency and control

TRANSPARENCY

70%
SAY YES

IF CUSTOMERS KNOW HOW DATA IS USED

CONTROL

75%
SAY YES
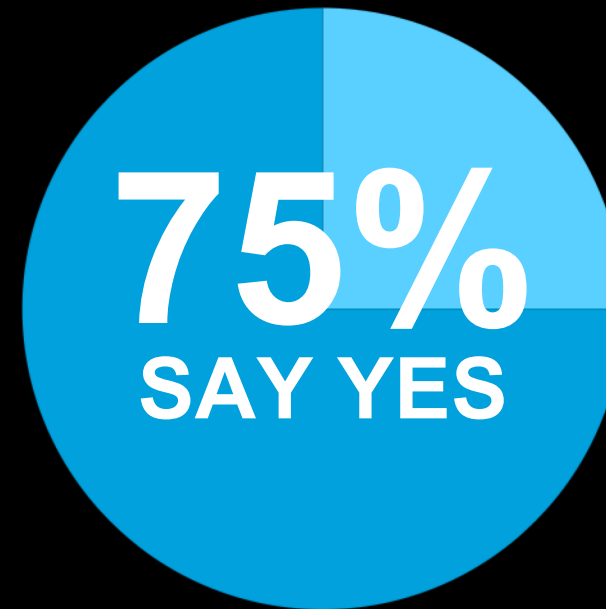
IF CUSTOMERS HAVE CONTROL OVER DATA

Building **Trusted Customer Relationships** have become complex

	Then	Now
Customer Data	Enterprise-owned	Customer-granted
Channels	Web	Web, Mobile, Bots, IOT
Identification	Probabilistic	Deterministic
Privacy Compliance	Limited	Comprehensive
Business Model	Product Sales	Lifetime Service

Consumers now own and control their data

Data Collected

Connections

Profile Data

Social Data

Likes & Interests

Location Data

Behavioral Data

Registration Data

Device Data

VS.

Individual Rights

The right to **rectification**

The right to **erasure**

The right to **restrict processing**

The right of **access**

The right to **data portability**

The right to **be informed**

The right to **object**

Rights in relation to **automated decision making and profiling**

Need: **Building trust** into the customer journey

Awareness	Consideration	Conversion	Retention	Advocacy

Need: **Building trust** into the customer journey

CONNECT
users to brands

COLLECT
consent and preferences

CONVERT
users into brand advocates

Awareness › Consideration › Conversion › Retention › Advocacy

Introducing: SAP Customer Data Cloud

Customer Identity

Customer Consent

Customer Profile

Awareness → Consideration → Conversion → Retention → Advocacy

CONNECT
users to brands

COLLECT
consent and preferences

CONVERT
users into brand advocates
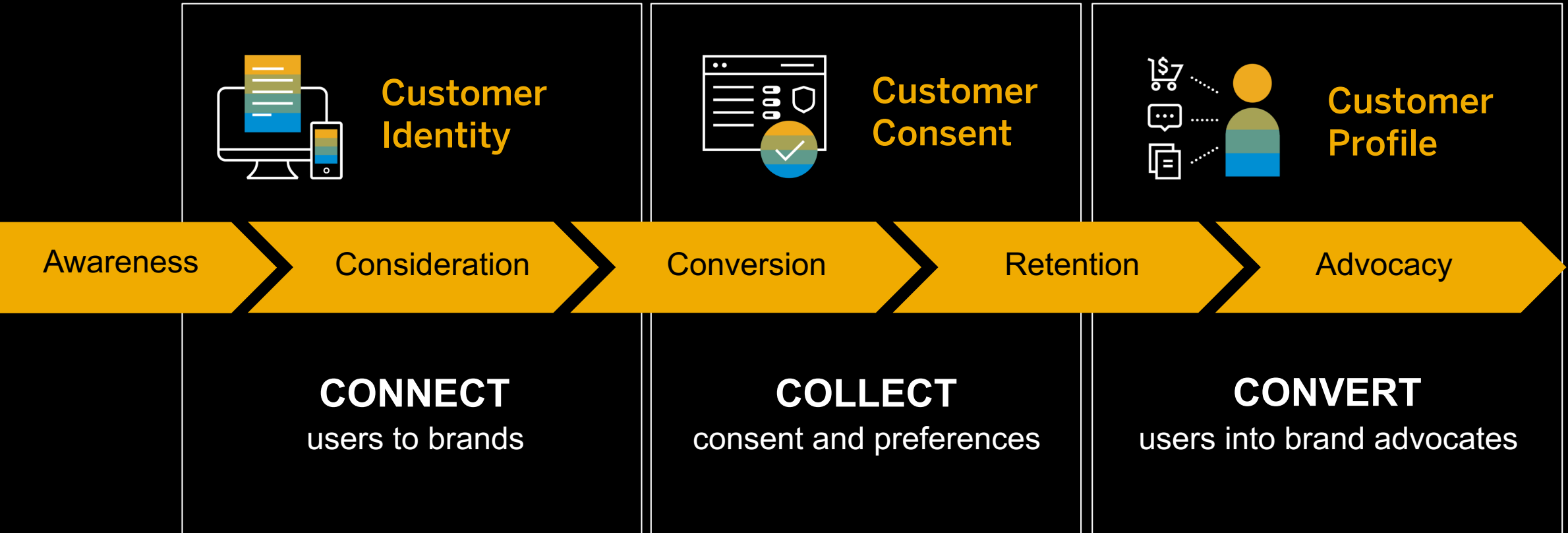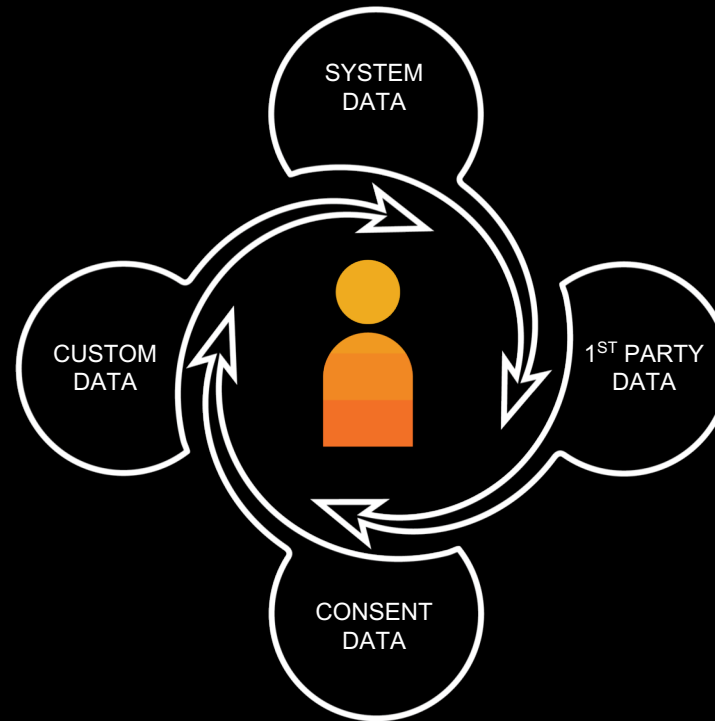
SAP Customer Identity: Identify customers across channels & devices

SAP Customer Profile: Orchestrate profile, preferences and consent

SYSTEM DATA

CUSTOM DATA

1ST PARTY DATA

CONSENT DATA

SAP Marketing Cloud	SAP Commerce Cloud	SAP Sales Cloud	SAP Service Cloud

Email Marketing

Marketing Automation

Data Management & Ad Serving

Web Analytics

Ecommerce & CMS

Recommendation & Personalization

Master Data Management
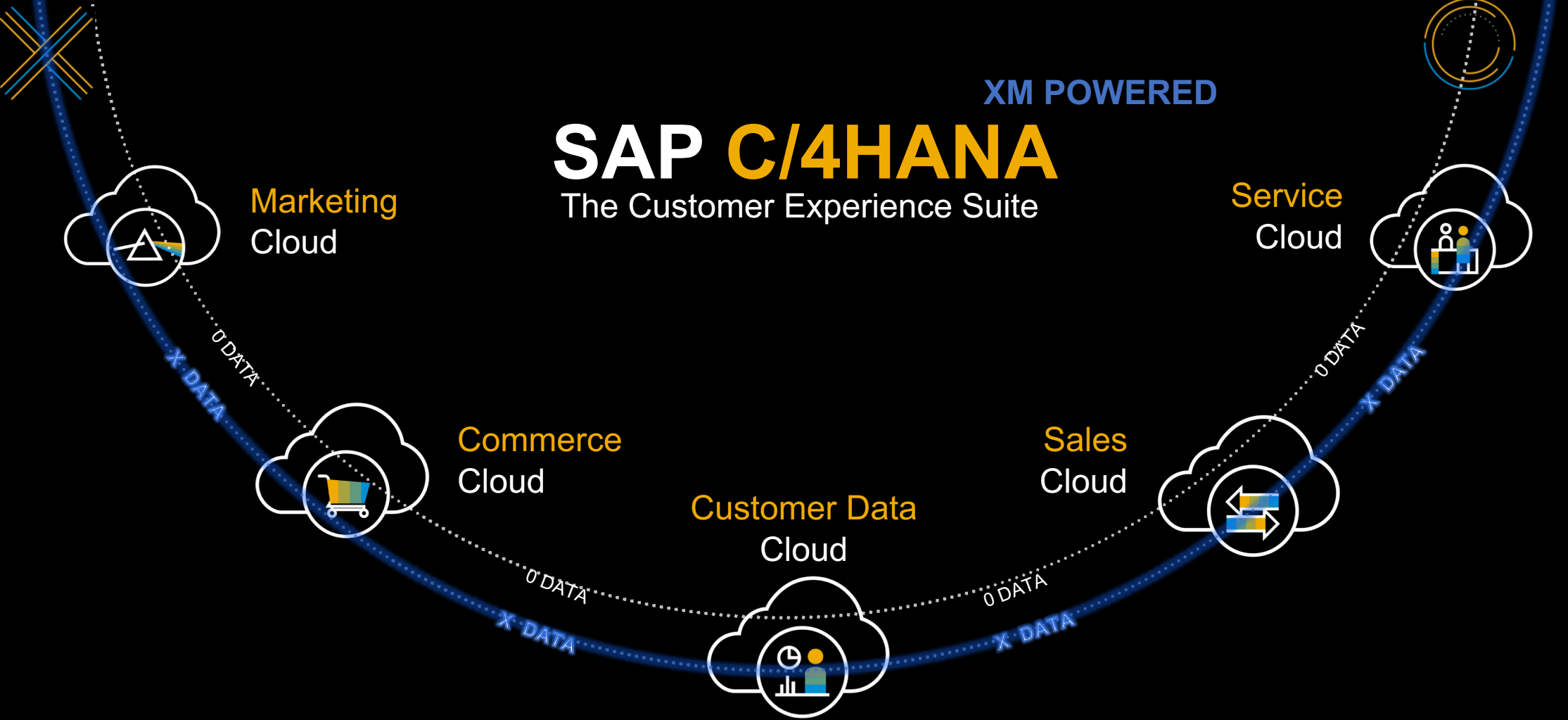
XM POWERED

SAP C/4HANA
The Customer Experience Suite

Marketing Cloud

Service Cloud

Commerce Cloud

Sales Cloud

Customer Data Cloud

O DATA

X DATA

Harmonized User Experience

End-to-End Processes

Business and Master Data Services

Suite Intelligence and Analytics

Platform Services

Extensibility and Integration

Open Ecosystem

Driving Digital Transformation

What is dōTERRA?

- Started in 2008
- Privately held
- 3,200+ employees
- ~6+ million customers worldwide
- US $2B+ in annual revenue
- World's largest essential oil company

$2.4B

Revenue
run-rate (USD)

25%+

Annual growth
rate

100+

Countries
(shipped to)

20+

Countries
(on the ground)

350K

Bottles filled
per day (average)

1M+

Line items
per day (peak)

Revolutionizing the way families manage their health and lifestyle through product innovation

Essential Oils

- Individual Oils
- Oil Blends
- Oil Infused Products

Wellness

- Supplements
- Targeted Benefits

Spa

- Skin Care Products
- Hair Care

Living

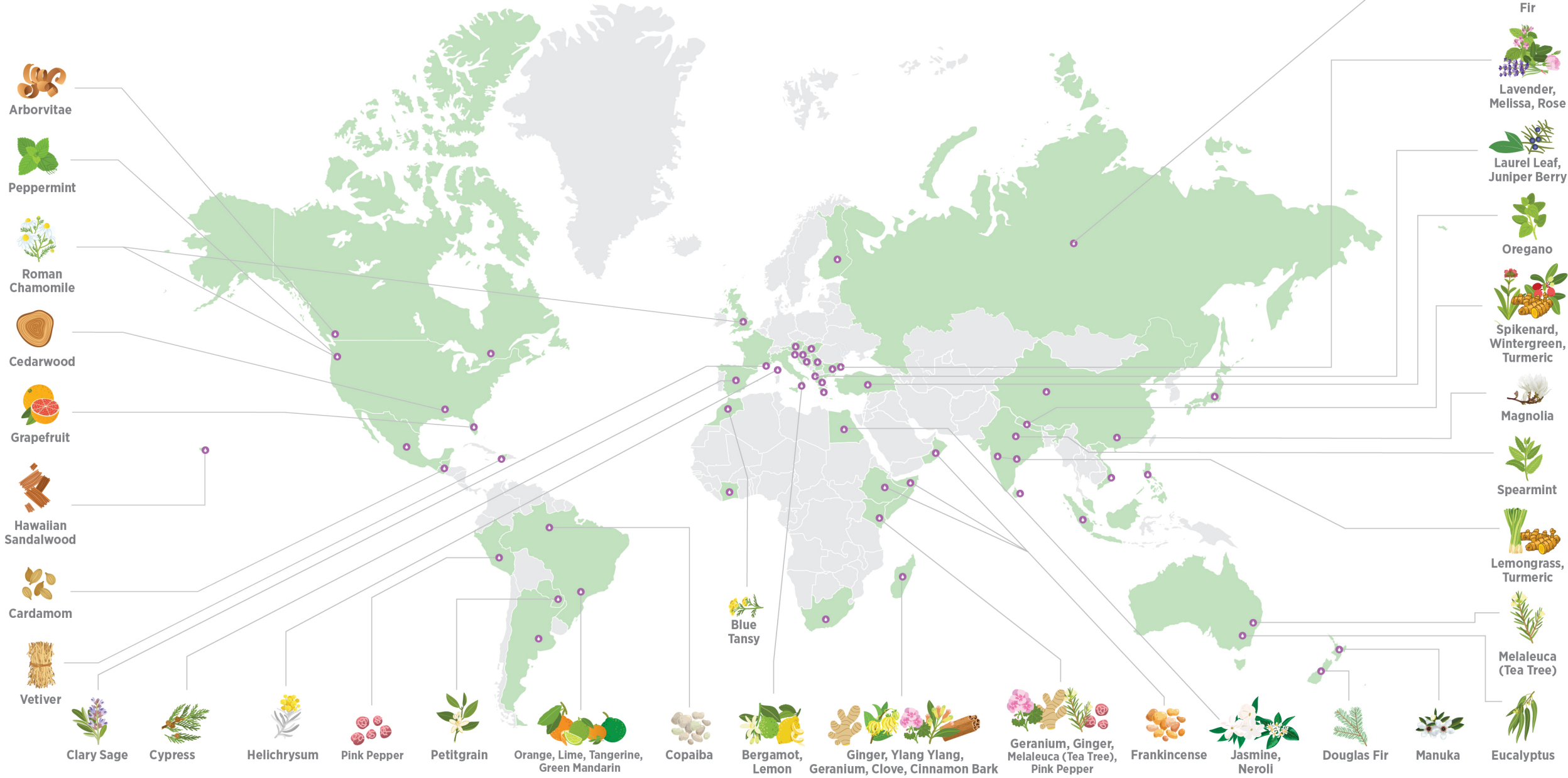- Home Cleaning
- Personal Care
- Laundry

dōTERRA Sourcing® | Global Botanical Network™

Through dōTERRA's Global Botanical Network of farmers and essential oil producers, dōTERRA has leveraged the experience of skilled partners around the world to create the optimal supply chain for production, distillation, and distribution, enabling dōTERRA to supply these essential oils directly to you and your loved ones.
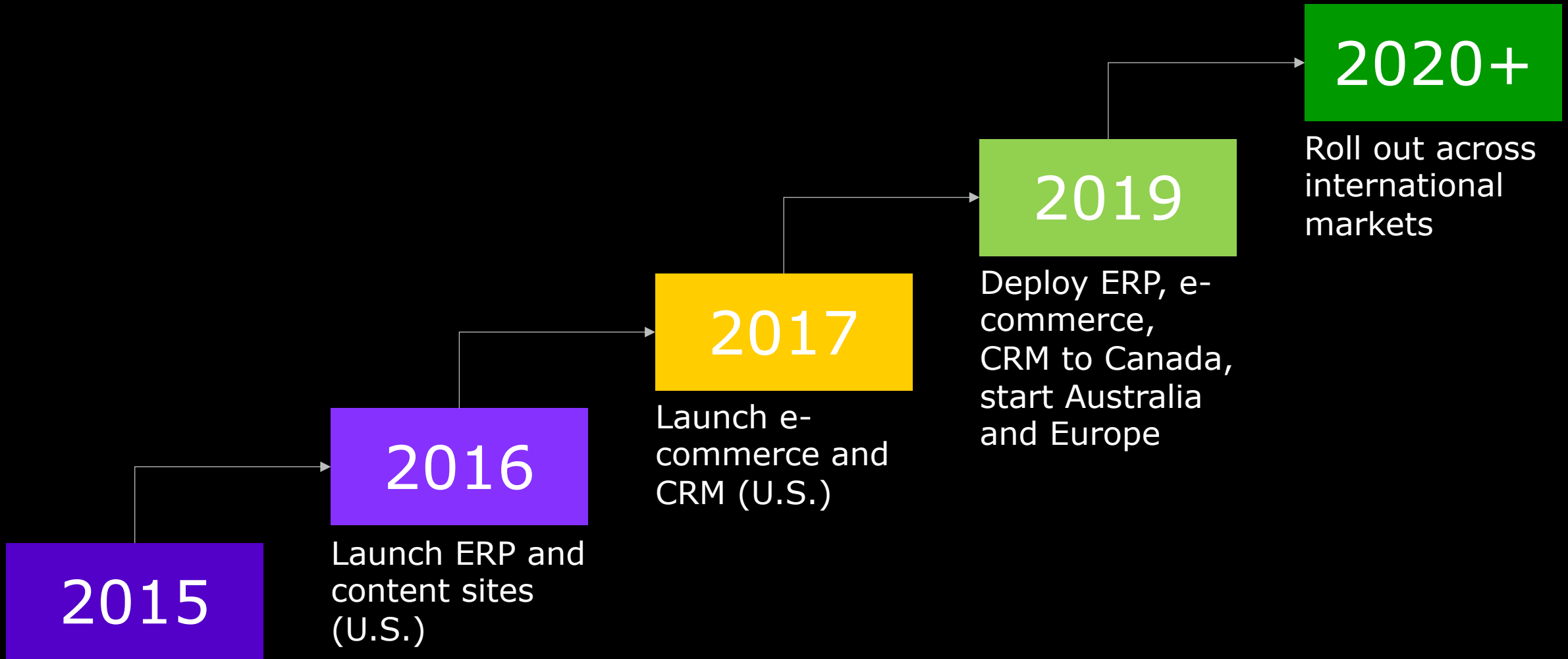
Left side labels (top to bottom):
- Arborvitae
- Peppermint
- Roman Chamomile
- Cedarwood
- Grapefruit
- Hawaiian Sandalwood
- Cardamom
- Vetiver

Right side labels (top to bottom):
- Siberian Fir
- Lavender, Melissa, Rose
- Laurel Leaf, Juniper Berry
- Oregano
- Spikenard, Wintergreen, Turmeric
- Magnolia
- Spearmint
- Lemongrass, Turmeric
- Melaleuca (Tea Tree)
- Eucalyptus

Bottom labels (left to right):
- Clary Sage
- Cypress
- Helichrysum
- Pink Pepper
- Petitgrain
- Orange, Lime, Tangerine, Green Mandarin
- Copaiba
- Bergamot, Lemon
- Ginger, Ylang Ylang, Geranium, Clove, Cinnamon Bark
- Geranium, Ginger, Melaleuca (Tea Tree), Pink Pepper
- Frankincense
- Jasmine, Neroli
- Douglas Fir
- Manuka
- Eucalyptus

Center map label:
- Blue Tansy

Case for Change

- Support rapid growth / global expansion ($5-10B revenue)

  - Million+ new customers a year across dozens of countries—legacy system constraints

- Improve the digital core and enhance the customer experience

  - ERP (finance, HR, operations / supply chain)

  - E-commerce (content, shopping, sign-up)

  - CRM (customer care)

- Better integrate across the value chain, front-end to back-end

- Improve analytics for decision making

dōTERRA Digital Transformation: Scope / Approach

- Multi-year, multi-phase program beginning July, 2015

- Hybrid of waterfall (for S/4) and agile (for web) methodologies

- SAP S/4HANA 1511 + Fiori where smart (common, casual use functions)

- SAP Commerce Cloud (on-premise Hybris) for e-commerce

- SAP Service Cloud for CRM

- HANA Enterprise (BI) + Tableau

- SAP SuccessFactors for eRecruiting, but on-premise HR for other HR

- Deloitte implementation partner, Virtustream hosting / managed services

dōTERRA Digital Transformation: Roadmap

2015

2016
Launch ERP and content sites (U.S.)

2017
Launch e-commerce and CRM (U.S.)

2019
Deploy ERP, e-commerce, CRM to Canada, start Australia and Europe

2020+
Roll out across international markets

Reimagine *everything*

Enabling Growth

- Platform for massive growth (5-10X, to $5-10B in the next 5 years)
  - Annual growth both organic and from new international markets
  - Scale constraints in prior system eliminated with move to SAP
  - Hybris Commerce now taking orders for millions of online customers
  - Performance tested to handle 100K+ orders per hour
  - Currently handling 100K+ orders / 1M+ line items per day, including large spikes—scaling to 300-500K orders per day
  - Enabling growth via more aggressive promotion and targeted marketing
  - One of the largest SAP Customer Experience deployments in the world

Getting Closer to Our Customer

- Enhancing customer engagement
  - SAP Commerce
    - ➢ More intuitive / personalized user experience (and they keep thinking of things…)
    - ➢ More pricing / promotion options
    - ➢ Improved search
    - ➢ Mobile responsive
    - ➢ No real scale constraints yet…

Getting Closer to Our Customer

- Enhancing customer engagement
  - Service Cloud: 1,000+ agents and growing…
    - Better understanding of customer profile / scenario
    - Integrated CRM / Commerce experience for the agent-assisted sale
    - Reduced average handle time due to improve usability / better information
  - Customer Data Cloud
    - Single sign-on for unified experience across web / mobile properties
  - S/4HANA
    - Integration of front- and back-end processes on a single, in-memory database
    - Powerful analytics to enhance decision-making

dōTERRA Digital Transformation: Keys to Success

- Lean forward (carefully) on SAP roadmap
  - Take advantage of innovation where smart after carefully evaluating—expect bumps!

- Keep it as vanilla as possible

- Stay business-focused and business partnered

- Phase to manage risk; ramp migrations to manage change

- Emphasize learning
  - Important part of implementation partner selection and staffing
  - Knowledge transfer targets and checkpoints to confirm learning
  - Decision to SLOW the implementation process to better accommodate learning

Questions?

dōTERRA®

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Presentation Materials

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http://info.asug.com/2019-ac-slides

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Q&A

For questions after this session, contact us at [email] and [email].

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