

# LEVERAGING THE SAP FOR RETAIL SOLUTION PORTFOLIO

## GAIN BETTER INSIGHT AND CONTROL TO OPTIMIZE PERFORMANCE

With the SAP for Retail solution portfolio, you can get ahead – and stay ahead – of your competition. By gaining deeper shopper insight and superior operational control, you'll maximize the effectiveness of your merchandising strategies.

Retailers everywhere are operating in a world of increasing complexity and constant change that creates significant challenges and opportunities. Increasing globalization, abundant supply, and enhanced access to information have triggered a tectonic shift of power to the shopper. New regulations require more stringent adherence to corporate governance processes. Intensified competition and changing technology mean that every retailer must find new and powerful ways to innovate and differentiate as rapidly and efficiently as possible.

The SAP for Retail solution portfolio provides a means to turn these challenges into opportunities. As the retail industry's most comprehensive set of integrated business solutions, SAP for Retail gives you the tools to drive your strategy through to execution. By understanding your shoppers' preferences and anticipating their needs, you can provide a shopping experience that maximizes revenue and inspires their loyalty.

### A Comprehensive Set of Solutions

SAP for Retail offers retailers a complete, modular, world-class set of solutions with built-in support for best practices and seamless integration across business functions. You'll gain real-time visibility across your entire enterprise that lets you proactively manage every aspect of your business.

Unlike software adapted from other industries, SAP for Retail is designed specifically for retailers. You'll get the insight and functionality you need to

optimize your business processes and deliver value by focusing on the levers that matter most: your merchandise, your supply chain, and your shoppers (see Figure 1).



Figure 1: SAP for Retail Core Focus Areas

### Leverage Shopper Insight

Today's shoppers are demanding, informed, time-pressured, and face a number of choices in the marketplace. To compete effectively and profitably, today's retailers must be able to understand the needs and wants of their shoppers and quickly respond to new trends and preferences.

SAP for Retail supports a single, unified understanding of shopper demand that may be leveraged across the retail application portfolio. This unified approach helps instill in retailers the confidence that their business decisions are in line with shopper expectations and that these decisions can be executed quickly throughout the enterprise.



With SAP for Retail, everyone in your organization works from the same software, data, and processes. A clean, single source of data ensures accurate information, which relieves your employees of the time-consuming, manual process of compiling information from various sources. In addition, basic, repetitive tasks are automated and streamlined. A dashboard with reports and personalized screens and lists allows your employees to focus on exceptional situations, while SAP for Retail takes care of the rest.

Shopper insight processes include:

- **Demand insight framework**  
Build a unified understanding of shopper demand patterns and preferences
- **Holistic demand forecast**  
Increase accuracy of product life-cycle forecasts with a single, demand-driven, store-level forecast
- **Analytics**  
Measure and review key business drivers with comprehensive analysis functionality

### Optimize the Merchandise Life Cycle

Today's retail merchandisers need to understand and respond to their customers while profitably growing the business. Responding quickly to shopper demands requires real-time, accurate insight into buying patterns and market trends. SAP for Retail streamlines the merchandise management environment, enabling you to understand shoppers and anticipate new trends – with the flexibility to deliver in a timely manner.

SAP for Retail provides a single, unified understanding of shopper demand that may be leveraged across the retail application portfolio.

Merchandise life-cycle processes include:

- **Strategy management**  
Define business goals and performance measures at the corporate, zone, store, department, category, and customer levels
- **Base-price management**  
Translate strategic objectives top-down into optimal SKU-level pricing recommendations
- **Financial performance**  
Gain margin, profit, and revenue from low-visibility products
- **Life-cycle management**  
Leverage understanding of customer demand across all pricing activities from product introduction through end of season

### Streamline Supply Chain Operations

To compete effectively, retailers must provide the precise products customers want when they want them. You have to optimize your supply network to deliver the right products to your stores quickly, 24x7, at the lowest possible costs.

SAP for Retail helps you squeeze inefficiencies out of the supply chain and better manage transportation resources and distributed fulfillment centers. The solutions support all business processes critical to managing your supply chain, including delivery to stores or distribution centers, multilevel replenishment, warehouse and transportation management, multichannel order fulfillment, and chainwide inventory management. Further, you can optimize your workforce – a critical issue when managing full- and part-time workers with diverse skill levels.

Supply chain processes include:

- **Advanced planning and optimization**  
Provide a single demand management platform to enable consensus planning across business units
- **Replenishment**  
Predict demand through enterprise-wide collaborative forecasting
- **Supply chain visibility and tracking**  
Monitor and control processes better through global supply chain visibility and analytics
- **Order management**  
Check the availability of materials and components in distribution centers, production sites, and storage locations
- **Transportation planning**  
Create optimized, executable transportation plans and make the best use of available capacity for freight vehicles, trucks, railcars, ships, and airplanes
- **Warehouse management**  
Provide full visibility to all materials across all locations

## Differentiate the Shopper Experience

Today's shoppers are inundated with product and shopping choices. As a result, retail growth and profitability demand quantitative data to anticipate and fulfill shoppers' needs and the insight and tools to inspire their loyalty. The SAP for Retail solution portfolio helps retailers provide unique, rewarding shopping experiences – through every channel – that keep customers coming back.

At the store level, SAP for Retail helps you enhance your store operations and revenues by delivering an outstanding shopping experience, one that improves product selection and availability and boosts customer service. By leveraging best business practices, you can achieve unparalleled operational efficiency while maintaining security and minimizing risk.

By understanding your shoppers' preferences and anticipating their needs, you can provide a shopping experience that maximizes revenue and inspires their loyalty.

Shopper experience processes include:

- **Point-of-sale management and operations**  
Improve business agility, associate productivity, and service levels
- **Multisite workforce development**  
Improve customer service by providing adequate staffing levels during peak hours
- **Supply chain and inventory visibility**  
Plan and execute cross-channel central inventory and improve visibility into distribution centers and backroom stock levels
- **Analytics and performance measurement**  
Deliver relevant, timely, and insightful information to anyone, anywhere, anytime to understand, optimize, and align the business
- **Fraud and risk prevention**  
Examine and evaluate every point-of-sale transaction for procedural accuracy and potential integrity issues

## The SAP Advantage

When you work with SAP, you'll benefit from the following:

- A flexible, adaptable SAP NetWeaver® technology platform to integrate SAP® and non-SAP software
- Flexible and extensible applications that are modular in structure so you can deploy the functionality you need as you need it
- A global team of experts that is available 24x7
- Preloaded best-practice templates that allow you to start using and adapting the solutions immediately – and that drive company-wide best business practices

- Proven methodologies and comprehensive documentation that help facilitate implementation, knowledge transfer, and user training
- R & D investment that ensures that the solution is continually being improved in response to customer requests and retail trends

## Benefits of SAP for Retail

SAP for Retail helps you execute the merchandising strategies that will set you apart from the competition and realize the following business benefits:

- **Increase shopper loyalty** by responding rapidly to consumer demands
- **Grow your business profitably** by making the best merchandising decisions
- **Enhance efficiency and reduce costs** by working with a single set of data
- **Optimize supply chain processes enterprise-wide** with a single set of solutions that support collaboration, planning, execution, and coordination
- **Increase visibility** with a seamless flow of meaningful data across all processes to help make informed decisions
- **Improve employee productivity** by eliminating inconsistent data – enabling your employees to spend less time searching for information and make fewer mistakes

## Find Out More

To learn more about SAP for Retail, call your SAP representative today or visit us on the Web at [www.sap.com/retail](http://www.sap.com/retail).

---

## Summary

The SAP for Retail solution portfolio is a complete, modular, and fully integrated set of solutions designed for retailers. It provides built-in support for best practices, seamless integration across business functions, and real-time visibility across your entire enterprise so you can proactively managing every aspect of your business.

---

## Challenges

- Understand and respond to shoppers while profitably growing the business
- Compete with dominant global players by providing the precise products your shoppers want when they want them
- Optimize the supply network to deliver products at the lowest possible costs
- Administer a complex set of regional distribution centers and local suppliers
- Differentiate the shopping experience to motivate shoppers to return

---

## Supported Business Processes and Software Functions

- **Merchandise life-cycle optimization** – Streamline the merchandise management environment and gain the insight needed to understand shoppers and anticipate new trends
- **Supply chain management** – Optimize supply chain processes company-wide with a single set of solutions that support collaboration, planning, execution, and coordination
- **Shopper experience differentiation** – Integrate and manage data from multiple sources and across channels to give customers the merchandise and product information they want – with superior customer service

---

## Business Benefits

- **Strengthened shopper loyalty** by responding faster to consumer demands
- **Increased profitability** by making the best merchandising, pricing, and promotion decisions
- **Enhanced efficiency and reduced costs** by working with a single set of data
- **Optimized processes** by supporting collaboration, planning, execution, and coordination of your entire supply chain
- **Increased visibility** with a seamless flow of meaningful data across all processes to help you make informed decisions
- **Improved employee productivity** by eliminating inconsistent data and time-consuming manual tasks

---

## For More Information

To learn more about SAP for Retail, call your SAP representative today or visit us on the Web at [www.sap.com/retail](http://www.sap.com/retail).

50 089 263 (08/04)

©2008 by SAP AG

All rights reserved. SAP, R/3, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.