SAP Value Paper | PUBLIC

# **Transform Retail Merchandise Management** with SAP® Solutions

Business Value of SAP S/4HANA





# The Need of an Intelligent ERP System

# Support "Next Practices" with Intelligent Enterprise Resource Planning (ERP)

Radical change in the retail industry is occurring at a rapid pace. Changes in technologies, in business models, and in standards and with the ever-evolving customers require constant adaptation. Retail companies must be able to respond to rapidly changing conditions and offer targeted customer engagement at scale. How does a digital core with a true single source of truth help?

### Stability and flexibility

A digital core is an IT architecture that offers stability and long-term reliability for core enterprise processes, yet also provides the flexibility to adapt quickly to new opportunities, challenges, and regulations. This solid foundation gives you a single source of truth with tailored real-time views delivering customer and business insights and enables flexibility for innovation to accommodate new business models, new regulations, and business events, such as mergers or acquisitions.

# Immediate response

The ability to respond quickly is an essential part of managing a retail company. To do this, simulation, prediction, and analytical capabilities are important components. Data is critical for gaining the insight to make decisions. This insight must be at a granular level, so that decision-makers have the detail they need to understand trends, opportunities, and risks and quickly carry out what-if analysis using predictive algorithms.

# **Embedded intelligence**

Innovative retailers leverage new technologies to support their digital transformation strategies and respond effectively to both encroaching competitors and new demands of the digitally empowered customer. Improved processing power is making machine learning applicable in more and more retail areas, enabling further optimization and automation of business processes as well as more impactful, personalized, and contextual consumer experiences.

# Integrated and connected to the outside world

To take advantage of new opportunities and better meet individual needs, retailers must address end-to-end (E2E) processes across departments and lines of business to deliver on new customer experiences, products, and services. The Internet of Things (IoT) lets them connect to the outside world, driving unprecedented efficiency and optimization as well as new levels of customer connectivity and new retail business models.

# Enhance and Extend Next-Generation Processes with Intelligent ERP

Bringing SAP S/4HANA® and the SAP® Leonardo technologies together as a digital core results in a more flexible and intelligent enterprise. To achieve next-generation business processes, retailers need an intelligent ERP solution that can be continuously enhanced and extended with innovative business services and applications built on emerging technologies, including machine learning, block chain, and IoT. Intelligent ERP is immediate - empowering business users with insights to act in the moment; it is intelligent - going beyond automation to predictive suggestion; and it is integrated - not only between your departments, but for consumers and suppliers alike.

# **Jacques' Wein-Depot**

- 360-degree view of the customer across multiple touch points anticipated
- 100% integration between systems
- Complete digital transformation of the enterprise in the coming years

"Our ultimate goal is to be able to integrate data from all touch points to get a 360-degree view of the customer, which will enable us to deliver the very best service."

Dirk Bungarz, General Manager, Accounting/HR/IT, Jacques' Wein-Depot

# **Sharjah Cooperative** Society

- 9 months project duration from manual task to automation
- 5 days annual stocktaking time from 3 weeks
- 5 weeks for design and preassembly phases

"Project delivery is very efficient, organized, and transparent. There is a willingness to be flexible when needed. The project team has proven they are up to the task."

Jasim Al Abdooli, IT Department Head, Sharjah Cooperative Society



# **Strategic Priorities in a Digital Economy**

The digital economy is disruptive. Retailers need strategic priorities that drive transformation. SAP supports a reimagined set of end-to-end business scenarios to support the strategic priorities of serving the digital consumer of today. These are some examples:



# **Customer centricity**

New technology allows retailers to detect, predict, and anticipate unspoken needs. Understanding the profitability impact from start to finish – down to the single article, and through integration of all process areas – is key to providing the right experience all the way from awareness, to the shopping journey, delivery, and postpurchase engagement.

End-to-end scenario: Customer-centric assortment planning – Sell the products your consumers want



# Service to the segment of one

The ability to capture and anticipate customer needs in the moment is key to giving customers exactly what they want, when they want it. Sensors monitor use, consumption, wear, and freshness, alerting consumers to replace, replenish, or repair, thus creating demand that can be met just in time with the right corresponding personalized offer. Machine learning will drive more-impactful, personalized, and contextual consumer experiences.

End-to-end scenario: Connect to your customer's lifestyle – Enable immersive customer experiences



# Digital supply chains

Connecting the end-to-end supply chain from suppliers to consumers' homes allows retailers to drive efficiency in material flows, better demand and supply matching, and faster response, offering new opportunities for automated replenishment and new convenient delivery options.

End-to-end scenario: Connected supply chain – Reduce delays and provide superior customer value



### **Smart store**

Virtual reality, the use of digital technology to create immersive simulations, and augmented reality, which let users interact with digital content that is overlaid on real-world content, allow retailers to create new and differentiating shopping experiences. Customer identification, smart fitting, endless aisles, gamification – the opportunities are endless – help drive loyalty as well as new revenue opportunities.

End-to-end scenario: Revitalize the store – Deliver brand-building store experiences



# Monetizing new customer offers

A superior understanding of customer needs is now possible by leveraging data and predictive analytics, allowing new revenue-generating offers. The ability to monitor use and consumption with sensors enables new business models, such as subscriptions, pay per use, or outcome-based models.

End-to-end scenario: Ingredient and recipe meal-kit service - Offer personalized meals



# **Customer Centricity**

# **Customer-Centric Assortment Planning**

What do my consumers really want? With this end-to-end integrated scenario, leverage the power of social insights, sentiment analysis, and search data to improve your assortment planning and have in store today what your shoppers demand tomorrow.

### Traditional scenario













- Central spreadsheet-based assortment planning based on historic data held in Microsoft Excel form
- Error-prone manual work
- No systematic inclusion of external or forward-looking data
- No integration with execution in back end
- Items are purchased and listed in regions with no insight into regional demand added to ERP

- · Sales data imported postevent
- · Demand review after the fact
- Manual stock adjustments
- · Markdowns and clearance sales

 After-the-fact profitability analysis with no opportunity to respond to demand and shopper takeaway

# A new world with SAP

















to help enable flawless

orders for stores and

distribution centers







- Demand signals, consumer sentiment, product search, and social media data are collected into the SAP C/4HANA suite and the SAP Customer Activity Repository application to represent real-time market demand
- Google search rankings overlaid with current portfolio to provide additional product suggestions
- Intelligent store clustering supporting the launch to establish optimum mix of stores and assortments based on multiple attributes
- Optimization of assortment mix by revenue and margin

 Continuous monitoring of volumes and item profitability in material ledger to allow instant response

· Integration into SAP S/4HANA

execution of decisions in SAP

S/4HANA and to create push

- Radio frequency ID (RFID)-enabled store process helping store associates to control inventory
- Automated stock transfer to rebalance supply across stores and eliminate markdowns

Top value drivers\*

Understand market demand

Smart store clustering

Plan launch

Profitability monitoring

Rapid response

40% higher revenues

46% fewer markdowns



# Service to the Segment of One

# Connect to Your Customer's Lifestyle

With this integrated end-to-end scenario, you are able to create an immersive shopping experience for your consumers – one that earns lifetime loyalty and also delivers significant efficiencies and new business opportunities to the retailer.

### Traditional scenario









Consumer













- Consumer recognizes major defects in running shoe
- · No sensor data is made available
- · Consumer looks up information about running shoes online
- No personalized offers are made
- · Cumbersome execution between channels exists

- · Consumer chooses retail store
- Associate advises unknown consumer. no connection to Web offers
- · Associate has no access to sales history, sizes, functional needs of the shopper
- · Consumer decides and pays
- Anonymous sales data imported to ERP system
- Lost opportunity to maintain consumer contact and build consumer loyalty

### A new world with SAP



- · Integrated sensors in shoes send end of life signal to back-end system
- · Consumer receives information on end of life of running shoe
- · Back-end system determines personalized product recommendations based on consumer history, peer groups, trends, and social media inputs using machine learning
- · Consumer orders desired shoes in Web shop and receives relevant value-added up-sell offers based on customer data and trend signals
- · Consumer pays and can choose convenient delivery options a 5% coupon is offered for store pickup
- · Retailer fulfills order and delivers for store pickup

 Consumer picks up order in store

Consume

- Associate recognizes consumer in store and can make additional smart offers based on the consumer's profile and documented preferences
- Store staff completes the transaction and registers new shoes to initiate tracking again
- · Personalized sales data is updated in SAP S/4HANA and the entire cycle starts over again
- · Product recommendation further improves with every cycle
- · Consumer eniovs superior service and can rely on timely and relevant personal offers to keep them running

Top value drivers\*

Flawless execution of service promises

New levels of customer proximity and understanding

Hyperpersonalization with IoT technology

revenue increase from real-time promotions 5% revenue increase nome and predictive analytics

**5%** to **10%** sales increase from cross-sell opportunities based on a single view of the customer

\* Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA, line-of-business or cloud capabilities, and SAP Leonardo technologies. As each enterprise is at a different level of maturity, we recommend working with you to determine the value proposition for your enterprise.



# **Digital Supply Chains**

# **Connected Supply Chain**

With this integrated end-to-end scenario, you are able to create an automated, connected, hands-free supply chain that delivers new levels of speed and efficiency as well as superior value to your shoppers and consumers.

### Traditional scenario



















- · Manufacturer sends product to a retail distribution center
- No inventory visibility on the road is available
- · No information on delivery status is available
- Delays in traffic are not accounted for
- · Often manual and error-prone goods receipt are with paper or scannerbased lists

- · Issues align the supply chain
- · There is no visibility on status on the road
- There is no chance to react
- · Goods can arrive too late or damaged without warning
- · Customer faces empty shelves
- · Store associates have no information on upcoming arrivals

# A new world with SAP





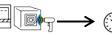
























- · Online order confirmation based on collaborative demand planning and order forecast
- Smart rerouting in case of issues along the route
- · Goods receipt in distribution center with RFID
- · Real-time alerts on issues such as cold chain violation, theft. and delays
- · Goods receipt in store with RFID
- · Secure supply chains supported by block chain transactions
- · There are fully stocked shelves
- · Customer can get detailed information on pedigree, ingredients, cold chain compliance, and so on

Top value drivers\*

Real-time supplier collaboration

Real-time alerts and automated response

Supply chain automation

Consumer safety

30% reduced cost of supply planning

40% reduced damage and waste

25% reduced total logistics cost



### **Smart Store**

# Revitalize the Store

Create a smart store to deliver brand-building store experiences. With this integrated end-to-end scenario, you can manifest your brand, create new store experiences, and capture changing needs by running your stores like an online business.

### Traditional scenario





















- Shopper enters story anonymously
- · No history is available
- No insight into the shopper's needs, preferences, or buying behavior is available
- The interaction is only captured upon checkout
- · No interaction is sensed
- · Store run by point-of-sale transactions
- · You only see what is sold
- · Valuable interaction data is lost
- Customer preferences are not discovered
- · Decisions are made after the fact
- Staff is without access to real-time inventory information or incoming deliveries
- · Staff can't guide customers
- · No personalized offers No convenience options
- · No help when items are not available
- No ability to feedback
- · No ability to differentiate customer experience or
- lovaltv Stores exposed to price competition from online

pure plays

offer service that drives

# A new world with SAP







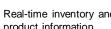












- Ability to use geospatial data to identify nearby stock locations
- · Price differences eliminated and shelf stock controlled with advance scanner technology







- · Shopper is recognized and approached according to their privacy settings
- · Smart "clienteling" is enabled based on history and known and predicted preferences
- · Interaction is from smart shelf heat maps
- Sensor technology helps optimize store layouts. assortments, and price points and enables better understanding and predicting shopper preferences
- · Real-time response to
  - relevant customer demand signals Accelerated replenishment
  - Triggered product transfer with RFID enablement to balance stock between stores flexibly
- · Real-time inventory and product information

- Real-time inventory information and endless aisles
- · Frictionless checkout
- · Convenient service options
- · Ability to drive shopper and consumer lovalty and increase shopper share of wallet

Top value drivers\*

Relevant offers and promotions

Improved products and offerings

Empowered staff

Compelling shopping experience

New customer loyalty

95% higher revenues and customer loyalty

25% fewer markdowns

30% increased inventory turnover

\* Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA, line-of-business or cloud capabilities, and SAP Leonardo technologies. As each enterprise is at a different level of maturity, we recommend working with you to determine the value proposition for your enterprise.



# **Monetizing New Customer Offers**

# Ingredient and Recipe Meal-Kit Service

With this integrated end-to-end scenario, use superior understanding of your customers' needs to create new revenue-generating offers and services, such as personalized meals.

### Traditional scenario



 Consumer shops for groceries with a few meals in mind, at best equipped with a shopping list





recommendations

Lack information for store staff to make

· No customer history, no insight on preferences

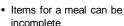
· No recipes, no information on nutritional values,

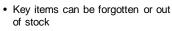
no way to match with consumer lifestyle











· Leftovers, excess packaging can result



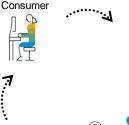
- No added consumer value
- No way to differentiate retail services

### A new world with SAP

Consumer subscribes to meal-kit service Provides cooking and taste preferences, physical and exercise information per their individual preferences and goals

> Feedback and machine learning can be used to improve recipes, recommendations, and the overall offering, and kick- off the next delivery cycle

> > Consumer profile and preferences are enhanced based on structured and nonstructured feedback







Nutrition expert

Food and nutrition experts help consumers discover matching items based on their personal preferences and buying history

Through machine learning, back-end system determines recipe recommendations based on consumer data, preferences, and history, including data from social media

Trend analysis from Web searches helps make recommendations that drive demand

Meal kits are assembled and shipped directly to consumers based on shipping preferences

Home delivery or pickup of selected meal kits are according to specs, in the right size, amount, and nutritional values, and with reduced sustainable packaging

Consumer prepares meals and provides feedback

Top value drivers\*

New levels of customer proximity and understanding

Flawless execution of service promises

Hyperpersonalization by machine learning and predictive analytics

Up to 3X larger size of shopping baskets

30% reduced markdowns 40% reduced logistics cost per item

Improved customer loyalty



# **Deep Dives Along the Retail Value Chain**

This section examines primary capabilities where value can be achieved through SAP S/4HANA, SAP C/4HANA, line-of-business (LoB solutions), and SAP Leonardo.



# Marketing and merchandising

- Marketing and merchandising insights
- Product design and development
- Master data management for merchandising
- Omnichannel merchandise and assortment planning
- · Omnichannel marketing
- Omnichannel pricing and promotions



Procurement and private label

- Procurement insights
- Supplier management
- Sourcing and contract management
- · Merchandise buying
- Invoice management
- Private label manufacturing



Supply chain

- Supply chain insights
- Forecasting, allocation, and replenishment
- Omnichannel inventory and order response
- Warehouse management
- Transportation management
- Logistics networks



# Omnichannel customer experience

- Customer insights and personalization
- Store commerce
- Digital commerce
- Mobile commerce
- Omnichannel order management
- Omnichannel customer service

# Marketing and Merchandising

# **Typical challenges**

**Current state** with ERP

Capabilities of SAP S/4HANA

Capabilities of SAP C/4HANA and SAP Leonardo

- · Volatile market within fashion and consumer electronics - any retailer dealing with highly seasonal merchandise needs to manage an increasing number of products with rapid changes in the product lifecycle
- · Inefficient, manual processes for product data maintenance with no clear data ownership and little to no transparency in the process, as well as high costs through incorrect master data across the value chain - impacting not only the retailer's bottom line but also presenting a risk to consumers if data is not correctly displayed in all sales channels
- · Inconsistent product prices and promotion offers, not distributed properly across all channels, leading to dissatisfied customers

- · Master data management and retail transactions provided little support for season handling or decisionmaking to steer merchandise flows accordingly in order to procure and deliver goods on time
- · Master data management for retail products differed from master data management of other industries in terms of data models and tables, and maintenance of product data was complex and not intuitive
- Decentralized maintenance of sales prices and promotional prices in marketing for online channels and category management or merchandising for the brickand-mortar store resulted in high efforts for distribution across systems and consolidation

- · New seasonality concepts as a main driver for product processes along its complete lifecycle, from master data creation to procurement and sales, price calculation, and stock management
- · On-top distribution curves helping merchandisers come up with the right mix of sizes
- SAP Fiori® apps providing a single friendly interface for the creation and maintenance of retail products and standard materials
- Tight integration into the SAP Commerce Cloud solution for displaying product data to the consumer
- Centralized storage of pricing and promotion offers, with services for retrieval and calculation to achieve consistent values in all channels

- · Strong integration with SAP C/4HANA and execution based on SAP S/4HANA
- · Enhanced customer experience with personalization to the segment of one
- Contextualized marketing capabilities offering touch points that serve customers in what they need independently and on location
- Social listening and predictive insights enabling smart decision-making
- Machine-learning algorithms enriching and completing master data from data pools and supporting the customer experience
- · Cloud-based service for consistent calculation of consumer sales prices and promotion offers in a shopping basket across all channels\*



- · Increased revenue
- Reduced markdowns
- · Reduction in cost associated with data errors
- Increased return on promotions
- Improved customer loyalty

# Procurement and Private Label

# **Typical challenges**

**Current state** with ERP

Capabilities of SAP S/4HANA

Capabilities of **SAP Ariba** and SAP Leonardo

- · Difficulty in identifying the best sources of supply, with data spread across disparate sources
- · Lack of a robust sourcing execution process, reducing realized savings
- · Poor contract management, resulting in negotiated savings leakages and compliance issues
- · Manual processes, extending transaction cycle times and inhibiting the ability to take advantage of opportunities for discounts
- · Paper-based supplier invoices and delayed invoice updates

- · Instead of conducting one search for contract documents. changes in search parameters require users to return from contract list to search screen every time
- There is a lack of visibility into or information about contract utilization
- · Identifying supply source requires separate searches by user in purchase information records (PIR), contracts, scheduling agreements, and other records
- · There is an inability to get an aggregated and enriched view of spend data across multiple
- · To identify erroneous invoices, a user must go back and forth to change search parameters, and requires an administrator to resolve business issues with suppliers
- · Manual capture and upload of invoices in any form is utilized

- SAP Fiori apps for managing and performing mass updates on sourcing documents
- RFQ and supplier quotation management, and enabling direct execution of requests
- Native integration to the SAP Ariba Sourcing solution to initiate sourcing events out of SAP S/4HANA and receive back-sourcing award, with follow-on documents updated or created automatically
- Embedded and predictive analytics for contract consumption
- Enhanced and automated invoice management and collaboration

- · Creation of "request for" documents (RFx), sourcing events, management, collaboration, and analysis
- Supplier collaboration for contract creation, signing, management, and syndications
- · Supplier and end-user collaborative workspaces and workflow
- Support for material master, services, and bill of material (BOM) integration for sourcing and contracts
- · Sourcing award and contract integration using material master data to create purchase orders and outline agreements
- · Visibility about preferred and qualified suppliers
- · Invoice verification based on machine learning
- · Cloud-based exchange of master data between suppliers and retailers



- Higher sourcing savings from unit-price reduction
- Improved supplier compliance
- More flexible pricing (rebates), enabling more targeted business models
- · Increased discount capture – net-new discounts
- Reduced procurement function costs
- Improved invoice processing efficiency

# **Supply Chain**

# **Typical challenges**

**Current state** with ERP

Capabilities of SAP S/4HANA

Capabilities of cloud-based Supply **Chain Solutions** and SAP Leonardo

- · IT complexity and data duplication due to separate warehousing systems
- · Lack of accurate up-to-date inventory data, lead times. and procurement timings for planning, leading to late and inefficient planning and preventing fast response
- · Complexity in valuating inventories in multiple currencies and for different valuation methods (for legal. profit center, and reporting purposes)
- · Lack of end-to-end visibility with electronic track and trace capabilities
- · Inability to track and manage deposits and value-added services

- Visibility on overall progress across system boundaries; get overview on material flows messaging interface between ERP and extended warehouse management application
- · No standard UI capabilities for end-to-end user experience
- · Live inventory updates not available; inventory status is reflected in the system with time offset
- · Limited material ledger valuation capabilities available
- · Inventory analysis enabled using a separate analytical system with data integration issues and data latency
- · Tracking the journey of products from remote supply locations into stores enabled across separate systems
- · Core mission-critical retail processes, such as replenishment processes or calculation of available-topromise (ATP) quantities, can be run only in nightly batch windows

- · A single platform for all warehouse and transportation management embedded in the SAP S/4HANA core, including optimization, automation, and labor management, basic and advanced shipping . capabilities, and real-time analytics
- · Live inventory management through redesigned data model, allowing unlimited simultaneous material movements and transparency on inventory and material flows and fast course correction
- · Ability to change lot size to "1" for the lowest level of granularity in inventory stock keeping
- · Material ledger valuation for faster actual costing, and multiple valuation methods in multiple currencies
- · Fully integrated management of value-added services and deposit articles
- · Accelerated replenishment and available-to-promise calculation

- High-volume and highly automated warehouses with the SAP Extended Warehouse Management
- Complex transportation requirements met with the SAP Transportation Management application

application

- Insights into transportation execution, timely execution of critical business processes, and tracking of goods and assets in transit using the SAP Global Track and Trace solution
- Collecting, mapping, storing, and analyzing vehicle and sensor data in real time, optimizing logistics and improving services with the SAP Vehicle Insights application



- · Reduced total logistics cost
- Higher inventory turns
- · Reduced days in inventory
- Increased inventory accuracy
- · Reduced supply and inventory planning cost
- · Reduced warehouse operating cost
- · Increased visibility in actual profitability, allowing for margin optimization
- Reduced transportation management costs
- Decrease in revenue loss due to reduction of stockouts
- Lower inventory carrying cost

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# **Omnichannel Customer Experience**

# **Typical challenges**

Current state with ERP

Capabilities of SAP S/4HANA

Capabilities of SAP C/4HANA and SAP Leonardo

- A wild mix of user interfaces based on different technologies, using different navigation schemes, hampering the user experience and employee efficiency, particularly in the store
- Little to no decision support for store employees with regard to where the inventory is, what placements are the best, and which products to keep in the range or not
- Little information on what shoppers like and need
- Inability of store to act as a fulfillment location for omnichannel
- Lack of visibility into omnichannel inventory and order fulfilment that results in slow resolution of order fulfillment issues, with risk of delayed delivery

- User interfaces are transaction-oriented versus role-oriented and not based on the user's work process; therefore, they are not telling the users what they need to do
- Inventory information is kept at level of location or in decentralized store merchandise management systems, with no real-time insight into store inventory
- Sales transactions are the only source of information of what shoppers want, like, or need
- Omnichannel fulfillment scenarios, such as buy online or pick up in store, are difficult to support
- Responsible employee has to check multiple reports to get a holistic view of all order process-related issues with limited to no monitoring capabilities

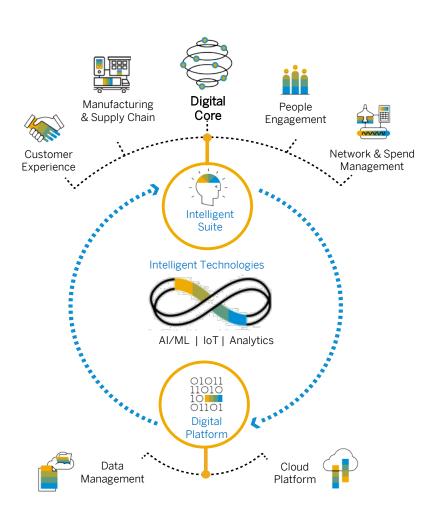
- Digital age user interfaces with role-based launch pads, empowering employees with contextual information, insight to action, collaboration, and real-time access to information
- Hands-free ERP using chatbots and voice command
- Integration into IoT and analytical services for capturing shopper interaction during store time and eliminating friction
- True omnichannel inventory and product availability orchestration including using the store as a fulfillment location
- Ability to monitor fulfillment status of all sales orders across the whole order-tocash cycle

- Personalized shopper engagement through real-time customer identification and localization, with smart devices based on consent and profile
- Individualized product and offer recommendations
- Clienteling and "endless aisle" capabilities based on a 360degree customer view and real-time omnichannel inventory
- Frictionless shopping with fully automated checkout
- Nutrition and lifestyle advice based on individual profiles and machine learning
- Improved insight and visibility into the physical store environment for better in-store replenishment and management of assets
- Digital receipt in the cloud for shoppers and consumers\*
- Support for subscriptions and usage-based services



- Improved customer satisfaction
- · Reduced cost of sales
- Increased sales productivity and on-time delivery
- More business model flexibility
- Improved compliance
- Reduced revenue loss due to underbilling
- 15% to 20% improvement in retail store FTE productivity
- 30% less time needed for decision-making

# **SAP Strategy – Deliver the Intelligent Enterprise**



# **Intelligent ERP is the** digital core of an **Intelligent Enterprise**

An intelligent enterprise can be continuously enhanced and extending with business services and applications built on a digital platform to create transformative business value.

Retailers that innovate for their customers and prefer to be early adopters have already begun this journey.



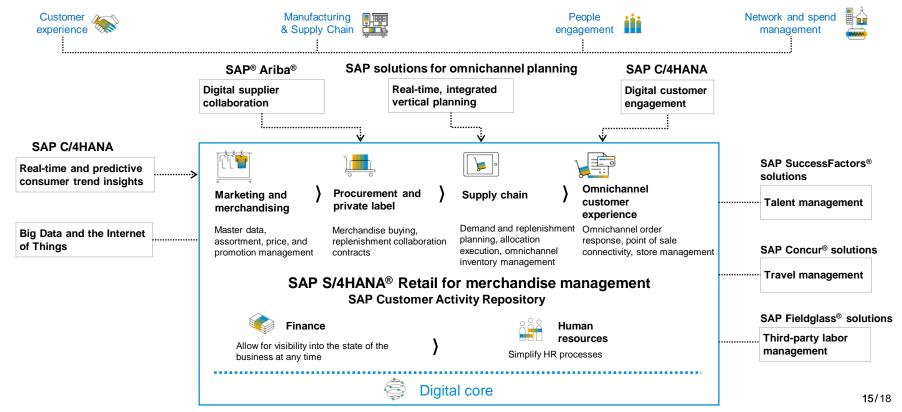


# Intelligent Suite - SAP Portfolio of Solutions for Retail

# An end-to-end intelligent enterprise for retail

The SAP S/4HANA Retail solution for merchandise management is at the core of a comprehensive suite of retail offerings designed to help retailers meet the demands of a digital economy. It supports retail core processes, starting with master data down to point-of-sales connectivity. It allows insight into operational retail data, empowering users with contextual, real-time information for faster and better decision-making. Processes can be extended easily to connect to business networks to form a digital ecosystem and collaboratively drive business model improvements. Equipped with a simple and intuitive user experience, the merchandise management capability offers better support for headquarters users as well as store associates to drive compelling customer experiences. Flexible deployment options as private and public cloud support the overall value proposition of SAP S/4HANA.

SAP S/4HANA is at the center of the SAP for Retail solution portfolio, spanning the entire value chain and helping to create compelling next-generation shopping experiences while simplifying and automating processes to achieve significant bottom-line cost savings.





# The Value of SAP S/4HANA for Retail Companies

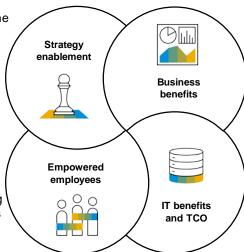
SAP S/4HANA provides retailers with a proven framework to adopt industry next practices while attaining operational excellence across the full value chain.

### Strategy enablement

- Accelerate new business-model innovation and new revenuegenerating opportunities
- Understand every aspect of your business and adjust to rapidly changing business requirements: report in real time by function, region, category, channel, and product
- Enable faster domestic and international expansion
- · Accelerate M&A synergy
- · Reorganize on the fly
- · Achieve greater speed and agility
- · Manage risk and ensure compliance

# **Empowered employees**

- Higher productivity with a new, role-based way of working with a responsive, intuitive user experience on all devices
- Improved user experience with access to data from anywhere on any device, with interactive graphics and analytics on a single copy of data
- Greater ability of store associates and store managers to serve their customers effectively when equipped with the right information
- Actionable insights on unified, real-time data and processes with built-in system suggestions for decision support



### **Business benefits\***

- 15% to 30% higher inventory turns
- 10% to 30% lower inventory carrying cost
- 90% decrease in revenue loss due to stock-outs
- 10% to 25% reduction in total logistics cost
- 5% to 10% reduction in markdowns and waste
- 25% to 40% increased retail store FTE productivity
- Higher customer satisfaction
- 25% to 50% reduction in cycle time for financial forecasting and reporting
- 10% to 40% improvement in invoice processing productivity
- 40% to 50% reduction in days to close annual books

### IT benefits and TCO

- Fast performance by up to a factor of 10
- Memory footprint reduction by up to a factor of 5
- Merger of OLAP and OLTP
- · Elimination of many desktop clients
- Simplified software landscapes
- Native integration
- Reduced total cost of ownership (TCO) through landscape simplification

# **Customers are Achieving Value with SAP Solutions**

# Jacques' Wein-Depot

Industry Retail

### **SAP Solution**

SAP® for Retail solutions, SAP S/4HANA® Finance solution, SAP Omnichannel Point-of-Sale application by GK, SAP Customer Experience solutions, and SAP HANA® Enterprise Cloud

Customer Web site www.jacques.de

Click <u>here</u> to read the business transformation study.

Jacques' Wein-Depot wants to capture and retain demand from in-store wine tastings by making buying wine a simple, connected, and enjoyable shopping experience across all its stores, channels, and devices.

It is transforming its IT landscape to support truly omnichannel retail operations, including click-and-collect, frictionless returns of online purchases between stores, and more – helping the company deliver sparkling customer service.

"Our ultimate goal is to be able to integrate data from all touch points to get a 360-degree view of the customer, which will enable us to deliver the very best service."

Dirk Bungarz, General Manager Accounting/HR/IT Management, Jacques' Wein-Depot Wein-Einzelhandel GmbH

# **Guangzhou Mini King Food**

Industry Retail

SAP Solution SAP S/4HANA Retail solution for merchandise management and SAP Customer Activity Repository application

Customer Web site www.gzln.cn/en /foodEnterpriseGroup.html

Click <u>here</u> to read the business transformation study.

Guangzhou Mini King Food Co. Ltd. (Mini King) is a vertical enterprise that integrates R&D, refined processing, and retail sales of "green" leisure food across mainland China.

With SAP solutions, Mini King integrated its finance, procurement, and business processes in a central source, enabling live decision-making made possible based on real-time insights. This allows the retailer to collect information on customer behavior and product favorites and make recommendations based on customer preferences — resulting in increased customer satisfaction and loyalty.



"By enabling digital management, we have seen improvements that stagger the imagination: from paper to online, closings in an hour instead of a business week. It's good we're mobile now, too. We're rolling."

Xianhao Cai, CIO, Guangzhou Mini King Food Co. Ltd.

# **Customers are Achieving Value from SAP Solutions**

# **Sharjah Cooperative Society**

Industry Retail

**SAP Solution** 

SAP S/4HANA® Retail solution for merchandise management, SAP® Model Company service for Core Retail, and the SAP HANA® Enterprise Cloud service

Customer Web site www.arabic.shjcoop.ae/en/

Click <u>here</u> to read the business transformation study.

As the first cooperative society in the United Arab Emirates, Sharjah Co-op-Society (SCS) has thrived in a rapidly growing economy despite fierce competition. To perfect its business, it implemented scenarios supporting automatic order support, meat processing, and in-store production operations.

With help from SAP, SCS went from manual tasks to automation in 9 months, reduced annual stock-taking time from 3 weeks to 5 days, and automated its inventory replenishment processes. With the SAP Model Company service for Core Retail, preconfiguration services allowed SCS to complete implementation in the record time of 9 months.



"Project delivery is very efficient, organized, and transparent. There is a willingness to be flexible when needed. The project team has proven they are up to the task."

Jasim Al Abdooli, IT Department Head, Sharjah Cooperative Society

# **Snow Peak**

Industry Retail

SAP Solution

SAP S/4HANA Enterprise Management, SAP C/4HANA, and SAP Predictive Analytics

Customer Web site www.snowpeak.com

Click <u>here</u> to read the business transformation study. Snow Peak is a retail network with more than 100 stores selling products designed to meet the needs of campers and backpackers. Snow Peak wanted to serve its customers better by tracking and analyzing their buying histories to offer the most relevant and compelling products.

The retailer has deployed SAP solutions to manage its customer points program, analyze customer behavior in real time, and make product suggestions while optimizing inventories and getting more productivity out of its staff.



"A huge digital transformation is occurring within Snow Peak since we introduced SAP software. The knowledge that our staff members have accumulated has been made visible and can be shared."

Tohru Yamai, President, Snow Peak.

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