An Integrated, Shopper-Centric Approach to Merchandising

The Best-Run Businesses Run SAP™

Take charge with strategic planning

Like most retailers today, you are facing increased competition from new challengers in the marketplace. Thanks to the cutbacks that shoppers have made in their budgets, retailing has become a zero-sum game. There is only one way to win: offer shoppers the kind of products they want when they want them, conveniently, and at reasonable prices.

Winning demands your ability to open new stores if needed and to ensure multichannel product availability. That's why it is more important than ever to take a realistic, executable, but holistic approach to your merchandising lifecycle – one that focuses on the specific demands of your shoppers and the positioning of your competitors. You need to be able to select product assortments based on local shopper preferences to balance your most controllable investment – your merchandise inventory – profitably.

The SAP® Planning for Retail application provides the only fully integrated retail planning solution to bring together comprehensive, real-time performance metrics with powerful planning and simulation functions based on the SAP HANA® platform. The application helps ensure that your finance and merchandising departments, store operations, and trading partners are all planning and executing according to common objectives.

End-to-end support: connect planning and execution

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Strategic financial planning: optimize every sales channel

Location planning: incorporate vital regional data

Merchandise planning: analyze and identify profit opportunities

In-season plan updates: recalculate based on trends

SAP Planning for Retail brings effective planning processes to your entire organization. This extends beyond the key functions – strategic, financial, location, merchandise, and assortment – to integrate with markdown planning, shelf optimization, style management, purchasing, and allocation. By connecting these planning and execution processes, the software puts you in an ideal position to maximize profits and adapt quickly to changing market conditions. From strategic decision making all the way through to the allocation of products to stores, SAP Planning for Retail paves the way to seamless integration.

SAP listened to customers. Retailers have found that systems deployed with a familiar user interface based on Microsoft Excel are adopted at faster rates by their employees and thus deliver improved efficiencies. SAP Planning for Retail now provides SAP BusinessObjects™ Analysis software, edition for Microsoft Office, which runs directly within Excel – but with the speed required to plan and execute large data volumes and calculations during planning simulations. Offered as an add-on to Excel, SAP BusinessObjects Analysis supports all planning functions required to copy, execute, and save plan data residing in the ribbon, allowing easy access and execution of the functions required to build, release, and execute on plan strategies.

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If you're like many retailers, your store, catalog, and Web inventories are planned and managed independently. This makes it difficult to set strategic business objectives that dictate the direction of multichannel merchandising.

SAP Planning for Retail delivers data from a single, central source and provides top managers with the tools they need to **plan and execute** a comprehensive financial plan across all available selling channels. This application facilitates the creation of long-term, company-wide, and channel-specific strategic plans using quantitative measures such as market share, sales growth, and overall profitability targets.

Preconfigured templates accommodate planners' busy schedules and accelerate planning from start to finish. Multiple plan versions are available, each leveraging historical sales and margin data, allowing for what-if simulation. Cross-category margin analysis and assessment is essential for accurate planning. Sophisticated and flexible rules are available within the planning engine to define key performance indicator calculations as well as set priorities for the order in which these calculations are executed. The planner can easily define and simulate sales, promotion, and markdown share and forecast gross margin across each selling channel, which can then be allocated to divisions and departments.

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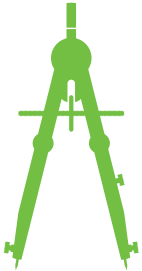
Store openings, closures, moves, and renovations are a part of everyday life at your company. To ensure that these investments are sound, you need vital data on regional marketing, competition, demographic shifts, preferences, and capacity. With SAP Planning for Retail, you have complete visibility into comp store, noncomp, and new store comparisons. The tool allows you to add new-store sales estimates based on like store volume for quick and easy simulation. Predefined templates support planning financial targets including sales (regular, promotional, and markdown) and margin targets, by selling location and channel type. These location plans can then be reconciled to the channel financial plan for an overall plan that supports company objectives.



Now you can integrate corporate location plans into store management plans and vice versa.

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Merchandise planning is part science and part art. It involves balancing the science of sales and inventory management with the art of identifying the merchandise shoppers want. This balance is critical to your success. If you have insufficient stock, your sales suffer; if you have unsold merchandise that must be marked down, your margins shrink. SAP Planning for Retail provides metrics on every level of the hierarchy, helping your decision makers find the ideal balance between these two extremes. Preconfigured and powerful planning templates enable users to create open-to-buy and open-to-receive or ship budget plans including inventory turn–driven planning methods. You can evaluate sales, margins, markdowns, shrinkage, purchasing, inventory levels, and other key performance indicators – on-screen, in real time. Integrated across your planning processes is the ability to reconcile to channel financial and location plans.

Balance real-time sales and inventory data with shopper needs to create a profitable inventory level.

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A seamless preseason to in-season functionality enables recalculating open to buy based on the latest trends. Clear visibility to analyze the impact of weekly business trends on sales, margin, and receipt flow allows merchandisers and planners to make critical in-season corrections, reducing the need for markdowns and decreasing out-of-stock and overstock rates.

SAP has created templates for retailers who want a high-quality planning solution in the shortest possible time. The templates are based on SAP's extensive planning experience across many industries as well as on the comprehensive retail planning knowledge and experience acquired by SAP and its partners. The business content is prebuilt with key planning and performance metrics. The templates provide a complete solution that can be installed quickly using a rapid-deployment service, a preplanned method of implementation, or can be tailored to your specific retail planning processes. With SAP Planning for Retail, you can reap the rewards of an integrated planning system in only a few months. And it's all comprehensively documented and wrapped in a planner-friendly interface.

Powerful planning functionality

Powerful planning functionality

A sophisticated approach
for a sophisticated business

SAP Planning for Retail offers a wide range of benefits, including the functions needed to "seed" new plans with values from a forecast or from last year, last season, or last month. Numerous forecasting techniques are available, from basic regression through exponential smoothing and long-range forecasting that takes seasonality and recent trends into consideration. New functionality makes it possible to:

- Plan units, cost, or retail in every currency
- Plan by hierarchy, as well as by alternate hierarchies (such as attributes)
- Roll up and roll down plans from any level
- Attach documents – to any level of the plan

With the SAP application, you can use predefined planning templates to achieve faster time to benefit as well as analyze preseason and in-season plans. And you can enable store managers, field associates, and suppliers to plan as a team, using the Web-based front end of the planning solution.

Take advantage of speed and agility never realized before in a planning solution using technology based on the SAP HANA platform.

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By connecting SAP Planning for Retail functions to SAP for Retail solutions, you can create the ultimate integrated merchandise lifecycle solution. With software that supports an end-to-end planning process, you put your plans into practice and reap rewards that include lower inventory levels, improved sales and margins, and satisfied shoppers who can find the products they want. In addition to SAP Planning for Retail, several other solutions are available from SAP that allow you to address all merchandising needs throughout the entire lifecycle of your products. These solutions cover merchandise management, price optimization, promotion optimization and planning, and markdown optimization.

Designed to meet the challenges of the complex retail industry, the application closes the gaps between analysis, simulation, planning, and execution.

Summary

The SAP® Planning for Retail application is the only fully integrated retail planning solution to bring together comprehensive, real-time performance metrics with powerful in-memory planning and simulation functions based on the SAP HANA® platform. Now you can create plans with unprecedented speed and agility and execute them balancing your merchandise inventory profitably based on local shopper preferences.

Objectives

- Meet the competitive demands of a complex retail marketplace
- Take a holistic, shopper-focused approach to the merchandising lifecycle
- Balance inventory to avoid the dangers of overstocking and understocking products
- Enable collaboration among all who contribute to your planning process

Solution

- A single, central source for strategic planning tools
- Integration of corporate location plans into store management plans and vice versa
- Merchandise planning that balances real-time sales and inventory data with shopper needs
- Assortment planning according to regional, demographic, capacity, and price considerations

Benefits

- "Seed" new plans using values from a forecast or from last year, last season, or last month
- Achieve faster time to benefit using predefined templates
- Analyze preseason and in-season plans on an exception basis using automatic alerts

Learn more

To learn more, call your SAP representative or visit us online at www.sap.com/retail.

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