

# STREAMLINE SUPPLY CHAIN OPERATIONS

## PLAN AND EXECUTE INVENTORY STRATEGIES ACROSS ALL CHANNELS

Have the right inventory and react faster to market changes. The SAP for Retail solution portfolio helps you achieve greater business agility and operational transparency so you can adjust your supply network to quickly deliver the right products to your stores at the lowest possible costs.

To compete effectively, retailers must overcome numerous challenges. You must understand the distinct attributes of your shoppers, anticipate their demands, and respond quickly to their needs. To meet these objectives, you need to plan and execute inventory strategies and receive products in real time, across all channels, on a global basis. For this, you require control of the product flow across an increasingly complex and global supply chain. You must maintain multiple sales channels and high service levels, deal with large inventory and storage costs, share information about globally and locally sourced inventory across channels, manage transportation issues and distributed fulfillment centers, and complete orders quickly and accurately at minimal cost.

The SAP for Retail solution portfolio provides the functionality you need to manage your retail business more effectively, helping you achieve operational transparency and global supply chain efficiencies. A complete, modular, world-class set of solutions, SAP for Retail is built on the flexible and adaptable SAP NetWeaver® technology platform to integrate SAP® and non-SAP software and all your retail business processes (see the figure on page 3). This means everyone in your organization and supplier network works from the same software, data, and processes, increasing your business's accuracy and enhancing your supply chain decision making.

### Support for Critical Retail Processes

SAP for Retail supports all business processes critical to managing your supply chain. From planning and replenishing merchandise to multichannel order fulfillment, the solutions help you manage timely transport of products to your stores and maximize warehouse management efficiencies. Constant enterprise-wide visibility into inventory helps you anticipate the consequences of each supply chain decision so you can balance costs and service levels (see the table on the following page).

### Supported Supply Chain Processes

#### Supply Chain Planning

SAP for Retail enables consensus planning across business units so you can align strategic, tactical, and operational plans across all business units. By working with one set of master data, you are able to link financial plans directly to supply chain plans, helping you to control expenditures and coordinate strategies. One integrated set of master data also provides greater visibility and insight into your business to maximize supply chain efficiency. With powerful planning, reporting, and analytical functions, you can better understand your shoppers and anticipate their ever-shifting desires.



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#### Multilevel Replenishment

Multilevel replenishment functionality helps you balance merchandise availability while lowering overall inventory levels. Sophisticated forecasting algorithms account for all known demand-influencing factors and use highly automated replenishment methods to generate optimized order proposals. If manual intervention is necessary, an intuitive workbench presents alerts and exceptions, helping your replenishment analysts handle large numbers of product location combinations.

#### Supply Chain Visibility and Tracking

SAP for Retail solutions maximize supply chain-wide inventory management with support for real-time inventory

control, valuation, shrink-management, and physical-inventory management processes as well as sophisticated analytics. You can manage and monitor inventory levels across the entire company in real time to maintain low inventory levels while avoiding out-of-stock situations. Tight integration of inventory with financial controls helps you align your logistics and financial systems.

SAP for Retail supports multiple currencies, languages, and complex business models that help connect global and domestic operations with a vast array of trading partners. Integrated compliance functionality helps you adhere to regional and global tax and regulatory mandates. This functionality is made available within a powerful business intelligence framework for integrated analytical reporting to help you understand the cost implication of each supply chain decision and strike the cost-service balance right for you.

#### Order Management

Order management functionality helps you to fulfill shopper orders efficiently and profitably across multiple channels by leveraging shopper and product-sourcing location information. You can select the appropriate sourcing location to fill shopper orders most efficiently

and cost-effectively. Further, you can improve inventory performance through flexible fulfillment and available-to-promise methods.

#### Transportation Planning

Transportation planning functionality helps you build optimal loads and route and schedule all modes of transportation. Optimized carrier-selection and tendering functionality facilitates close collaboration between shippers and carriers. SAP for Retail helps you optimize your transportation plan by enabling you to combine all inbound and outbound movements of all transportation modes.

#### Warehouse Management

Warehouse management functionality helps you store and move goods more efficiently, which means you can maintain low inventory while still meeting shopper demand. Warehouse management processes involve picking and packing, controlling logistics documents, and inbound and outbound monitoring of goods. SAP for Retail enables the integration of mobile devices that employees can use to provide reliable, real-time information about goods stored and moved through warehouse locations.

### Supported Supply Chain Processes

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



The SAP for Retail solution portfolio provides the functionality you need to manage your retail business more effectively, helping you achieve operational transparency and global supply chain efficiencies.

### The SAP Advantage

When you work with SAP, you benefit from flexible and extensible applications that are modular in structure so you can deploy the functionality you need as you need it. Preloaded best-practice templates allow you to start using and adapting the solutions immediately to drive company-wide best business practices. A global team of experts, proven methodologies, and comprehensive documentation facilitate implementation, knowledge transfer, and user training. Ongoing R & D investments made by SAP help ensure that the solutions are continually improved in response to shopper requests and retail trends.

### Optimize Inventory, Increase Visibility, Enhance Efficiency

SAP for Retail helps you achieve the following essential advantages:

- Enhanced efficiency and reduced costs – Working with a single set of master data helps you reduce inventory levels, increase shelf productivity and in-stock performance, improve order fulfillment rates, increase product profitability, prolong product life cycles, and reduce labor and premium freight costs.
- Integrated environment – An integrated environment connects all of your sales channels so you can better understand and respond to shopper preferences.
- Aligned processes – One set of company-wide supply chain processes supports collaboration, planning, execution, and coordination of your entire supply chain, which enables you to adapt your supply chain processes to an ever-changing competitive environment.
- Increased visibility and flexibility – A steady flow of information across all processes in the retail supply chain – as well as access to meaningful data from different systems and real-time visibility into daily business processes – helps you track and trace inventory and out-of-stock items more efficiently and make informed decisions based on accurate information. And with enhanced visibility into financial targets and budgets you can increase cross-functional control.

- Improved employee productivity – With inconsistent and redundant data eliminated, your employees find information faster, make fewer mistakes, and can anticipate and plan for demand instead of simply reacting to it.

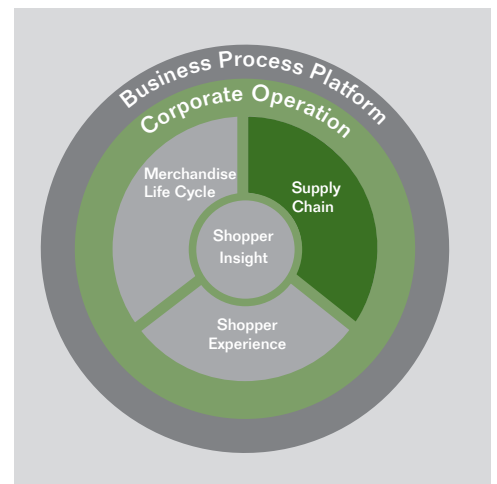


Figure: Integrated Solutions Support Supply Chain Decisions

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## Summary

The SAP for Retail solution portfolio supports all business processes critical to managing your supply chain, including delivery to stores and distribution centers, multilevel replenishment, warehouse and transportation management, multichannel order fulfillment, and supply chain-wide inventory management.

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## Challenges

- Plan and execute inventory strategies on a global basis
- Deal with large inventory and storage costs
- Share information about inventory across channels
- Manage distributed fulfillment centers
- Transport inventory at minimal cost
- Fulfill orders quickly, accurately, and efficiently

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## Supported Business Processes and Software Functions

- **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 into all materials across all locations

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## Business Benefits

- **Enhance efficiency and reduce costs** by leveraging insight gained by working with a single set of master data
- **Integrate all sales channels** through an integrated environment that enables Web-based collaboration
- **Align processes** by streamlining your entire supply chain to quickly adapt to an ever-changing competitive environment
- **Increase visibility and flexibility** with access to real-time data and a steady flow of information across all processes in the retail supply chain
- **Improve employee productivity** by providing accurate, actionable shopper information

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## For More Information

Call your SAP representative or visit us online at [www.sap.com](http://www.sap.com).

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