



SAP's solution strategy and roadmap for Retail

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State of the industry



Geopolitical tensions



Supply Chain
Disruptions



Consumer Behavior



Sustainability



Increasing transport
costs



Inflation



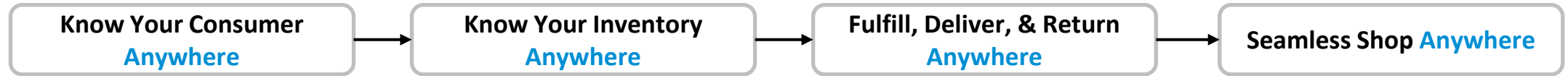
Store innovations



Challenges / Opportunities

- Accelerate the cloud move to simplify IT landscape, secure lowest TCO and improve fastest path to innovation with public cloud plug & play solutions.

Strategic Priorities to enable **Unified Retailing**



Customer Centricity

Put the customer at the center of all decisions.



Segment of One

Personalize with purpose.
Differentiate through value-added services



Digital Supply Chain

Create circular supply chains from the suppliers to the consumers' homes and back.



Redefined Stores

Reimagine the store as the command center for unified commerce.

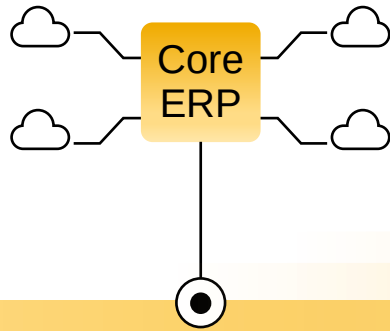


Create new business models

Leverage platform scale and ecosystems to support vertically integrated business models to expand revenue and differentiated offerings

Future landscapes

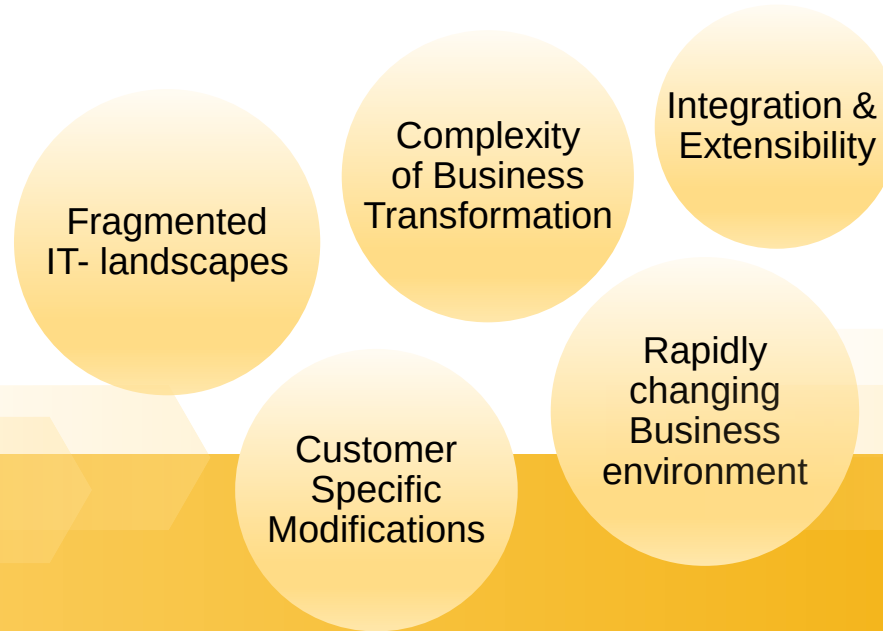
TODAY



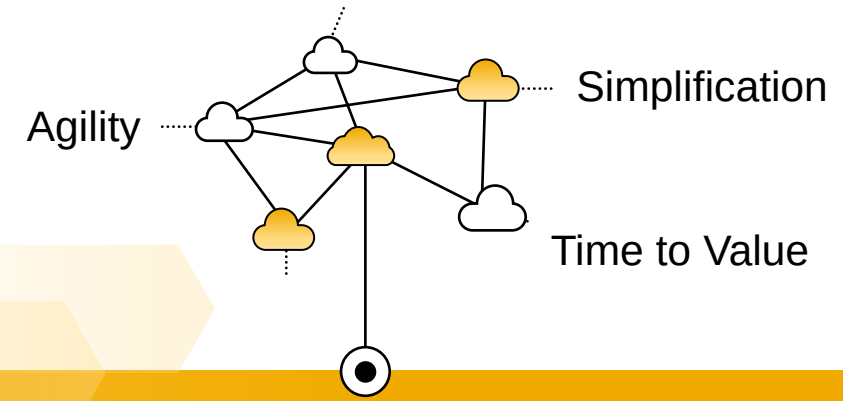
Hybrid Landscape

- Monolithic Core ERP
- Selected capabilities in the Cloud

Customer Challenges...



FUTURE

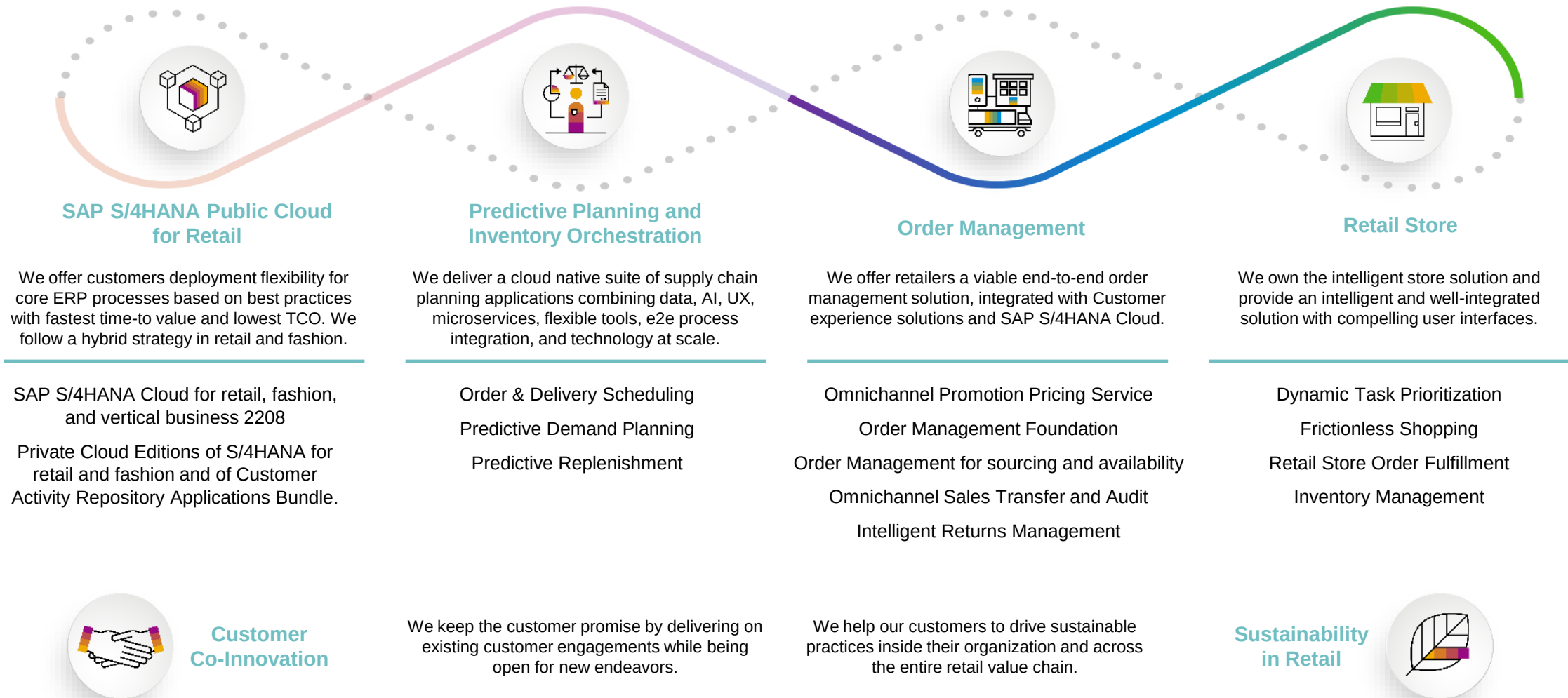


Modular ERP

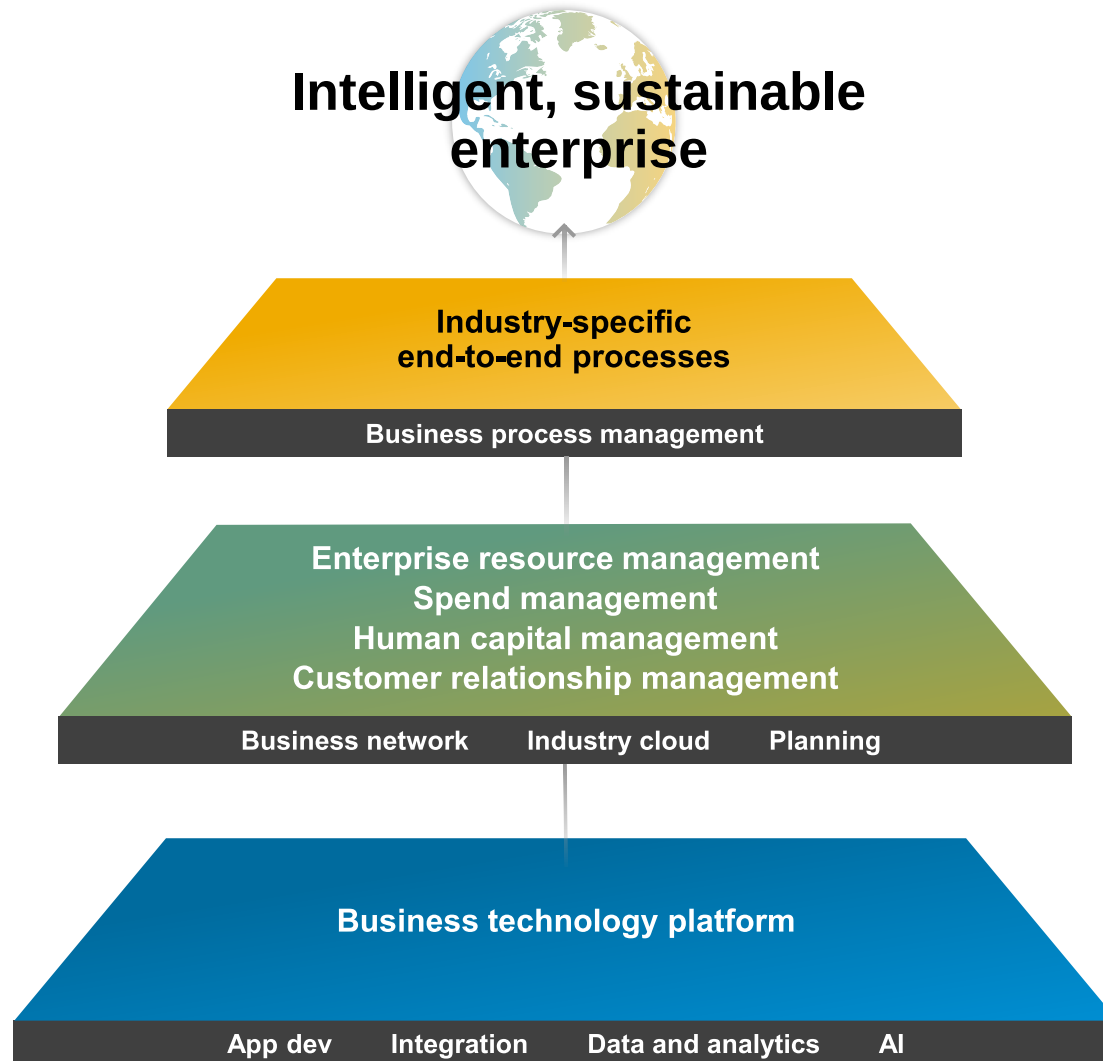
- AI driven LoB Innovations
- Suite Qualities
- Commercial flexibility

2022 | Industry Cloud and Product Strategy for Retail and Fashion

*Vision: Enable every retail or fashion enterprise to become an **intelligent, sustainable enterprise***



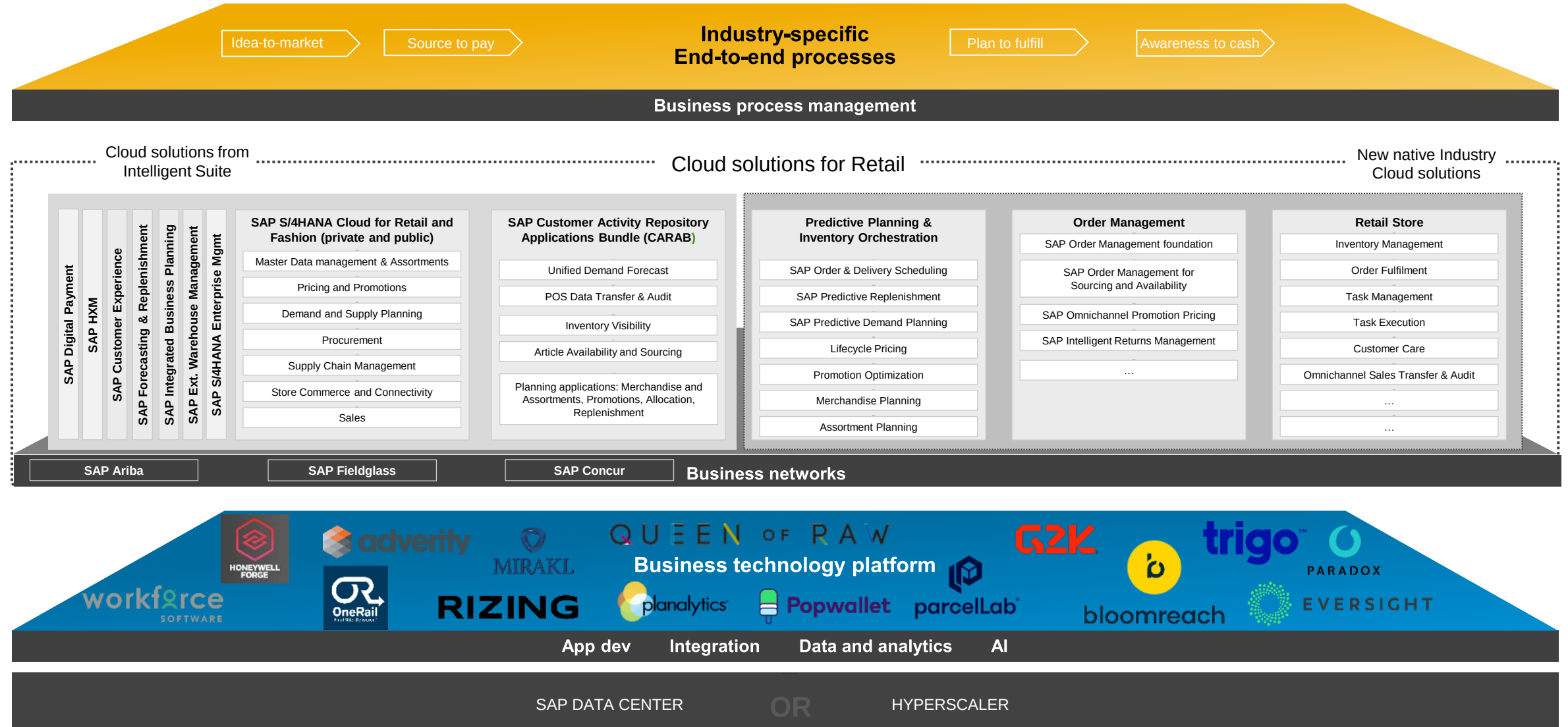
The next evolution of the Intelligent Enterprise 2022 Framework



... fueled with SAP's unique differentiators

- 1** Fully integrated suite to enable business outcomes
- 2** Unique access to integrated **material & value flows**
- 3** Ability to embed **experience management**
- 4** Data and analytics driven approach to unlock digital innovation for our customers with **AI-driven innovation** – built on the unique differentiation of **SAP HANA**

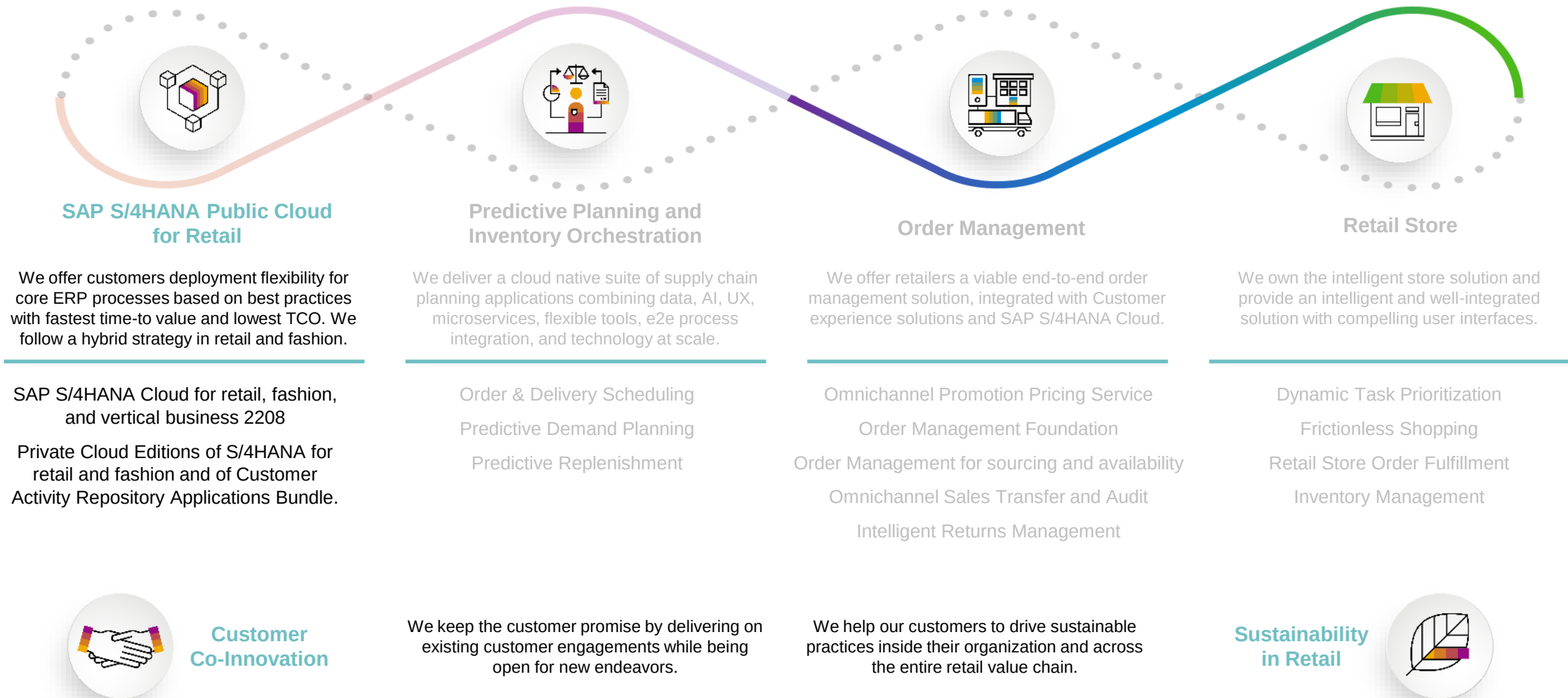
The next evolution of the Intelligent, Sustainable Enterprise for Retail



| LAB PREVIEW: Subject to change

2022 | Industry Cloud and Product Strategy for Retail and Fashion

*Vision: Enable every retail or fashion enterprise to become an **intelligent, sustainable enterprise***



A new cloud ERP for Retail

Public cloud ERP – market view

~80%

Of SAP's
customers
Are mid-size
enterprises

MM = NNN

MM is the NNN
engine for SAP
where we will gain
market share

MM > CS

- cloud growth
- #names
- deal size
- # transactions

Leaders in Finance, Product-, and Service-Centric Domains

Named as a Leader for SAP S/4HANA Cloud, in the following reports:

Gartner

SAP S/4HANA Cloud [is a Leader](#) in the 2022 Gartner Magic Quadrant™ for Service-Centric Cloud ERP

IDC

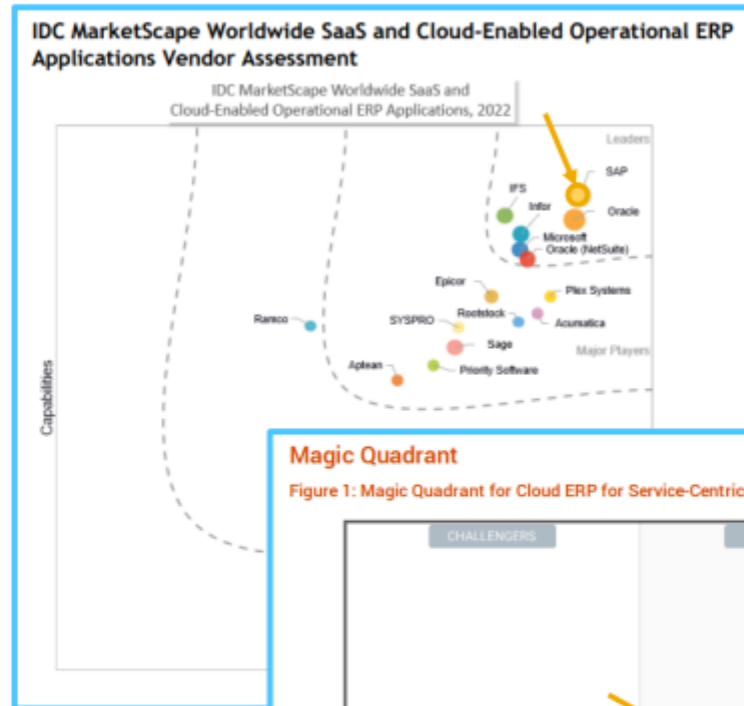
SAP [is a Leader](#) in the 2022 IDC Market Scope for worldwide SaaS and cloud-enabled Operational ERP applications

IDC

SAP [is a Leader](#) in the 2022 IDC Market Scope for worldwide SaaS and cloud-enabled Manufacturing ERP applications

Gartner

SAP S/4HANA Cloud [is a Leader](#) in the 2021 Gartner Magic Quadrant™ for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises



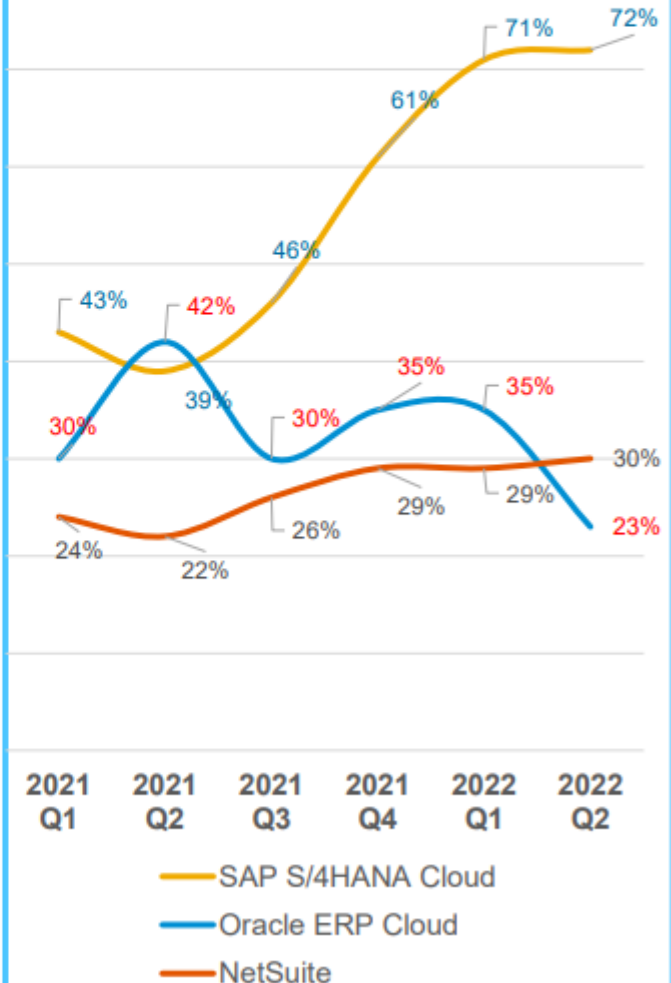
Magic Quadrant

Figure 1: Magic Quadrant for Cloud ERP for Service-Centric Enterprises



Source: Gartner (July 2022)

Cloud ERP Growth Rate SAP vs Oracle



Myths and Perceptions about S/4HANA Cloud?

~~Missing functionality~~



Increased functional and industry scope

~~Inconsistent user experience~~



Next gen UX and embedded intelligence

~~Missing localizations~~



Holistic localization strategy comparable with OP/PCE by end of 2023

~~No integrations~~



Open model supported by Business Technology Platform

~~SAP isn't true public cloud~~



Agile Modular Cloud

~~Lack of enterprise readiness~~



Three system landscape / Continuous feature delivery

~~Limited extensibility~~



Enhanced extensibility and openness

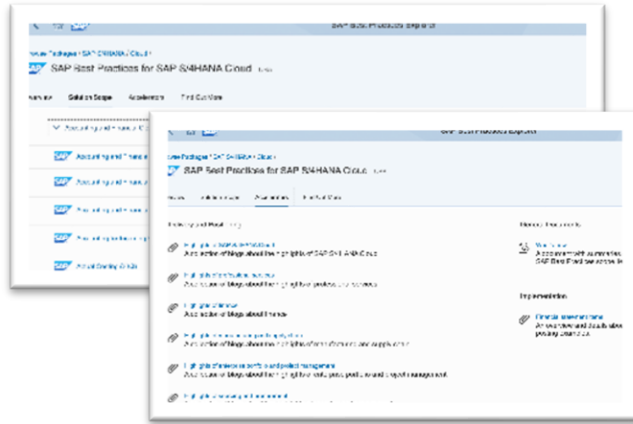
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Multiple references across industries

SAP S/4HANA Cloud for retail, fashion & vertical business

Drive business innovation through process standardization with agility, scalability and sustainability for fast time to value and low TCO

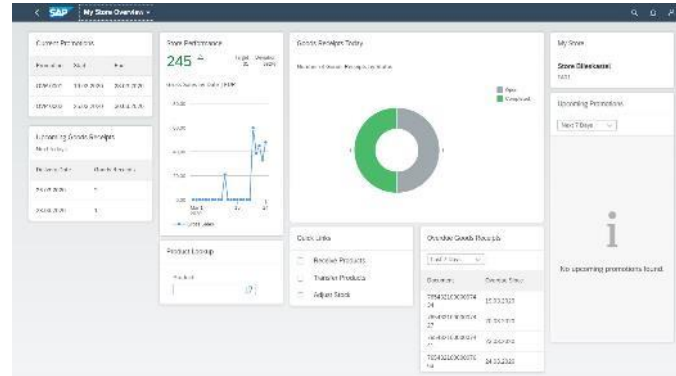


Embedded Best Practices

Standardization through delivery of pre-activated business innovation scope and end-to-end processes for retail, fashion and vertical business

Enhanced User Experience

SAP Fiori, role-based, browser user experience on any device with embedded user guidance for rapid adoption

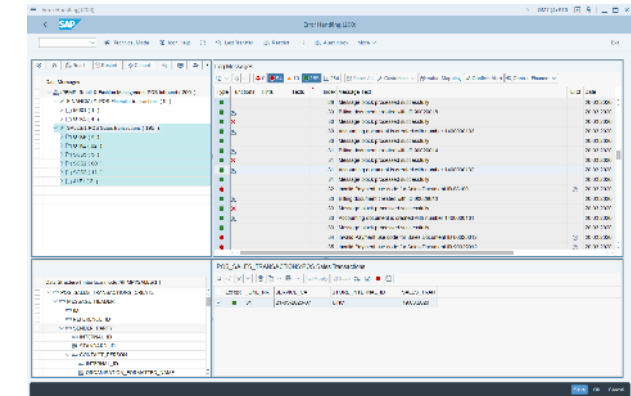


Continuous Innovation

Always on the latest release with upgrades fully managed by SAP providing continuous innovation with minimal disruption, greatest agility and lowest TCO

Agile Modular Cloud

Digital core of the SAP modular cloud architecture with pre-built integrations to SAP Line of Business and SAP Industry Cloud solutions



Security, Compliance & Scalability

SaaS delivery with technical operations, upgrades, system maintenance, etc. Managed by SAP

Openness & Extensibility

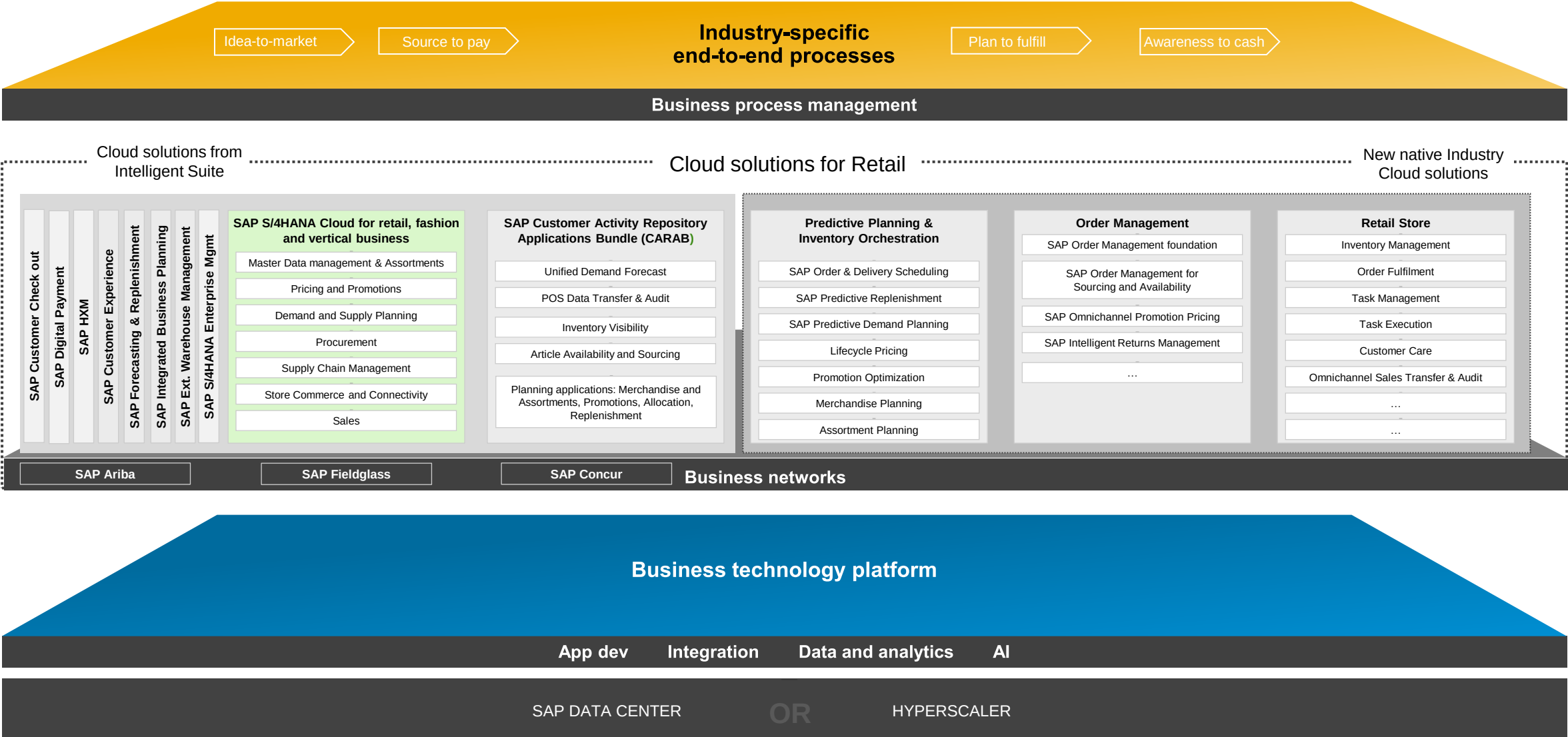
In-App, Side-by-side extensibility and on stack ABAP enhancements ensure maximum whilst maintaining a clean core

Fast time to value with rapid implementation projects and Go live

Fast pace of innovation with continuous feature delivery and extensibility

Highest security and compliance standards and lowest TCO

The next evolution of the Intelligent, Sustainable Enterprise for Retail



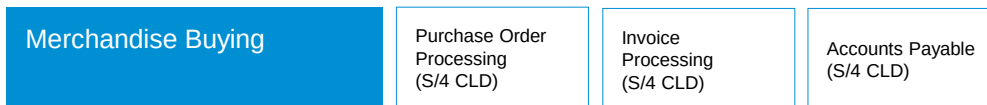
| LAB PREVIEW: Subject to change

SAP S/4HANA cloud for retail, fashion and vertical business - capability view 2022

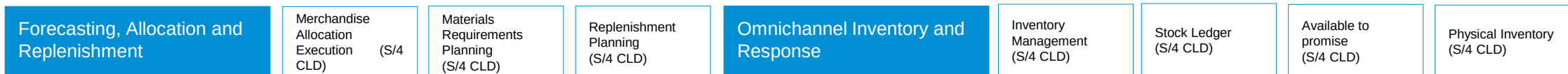
Retail Merchandising



Retail Sourcing and Procurement



Retail Supply Chain



Omnichannel Retail and Store Operations

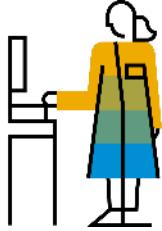


SAP S/4HANA cloud for retail, fashion and vertical business

– pre-configured best practices and scope item overview per role 2022



Master Data Specialist



Purchaser,
Receiving
Specialist



Merchandise Planner



Purchasers
Receiving
Specialist



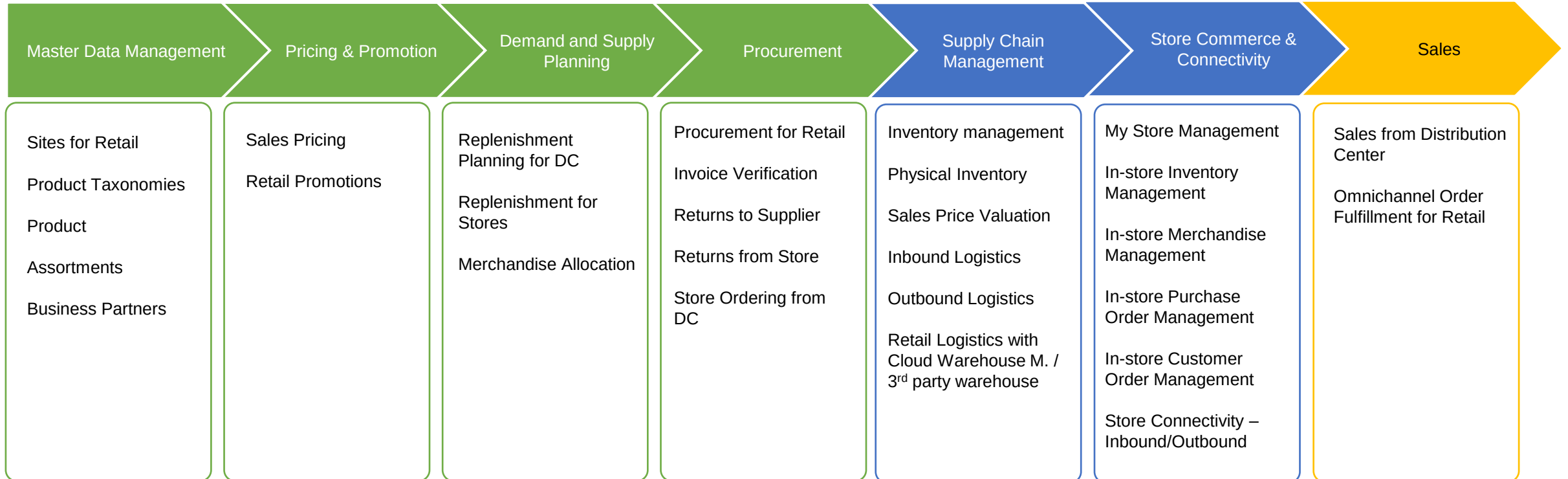
Supply Chain
Specialists



Store Associates
Store Manager



Billing Clerk, Accounts
Receivable Accountant,
Accounts Payable, Accountant



SAP S/4HANA Cloud for retail, fashion and vertical business

– a new scope item bundle (for joint activation)

Define Scope
You select the countries/regions you operate in and determine which of the available bundles and scenarios with predefined content you want to incorporate into your activation.

Bundles (1):

- Retail (1 of 1)

Scenarios (10):

- No LSP Engagement (4)
- Omni-channel Order Fulfillment for Retail (SfZ) (1 of 1)
- Retail Logistics with Embedded Warehouse... (1 of 1)
- Retail Logistics with Third-Party Warehouse... (1 of 1)
- Sites for Retail (SfZ) (1 of 1)
- Logistics with Third-Party Warehouse Management... (1 of 1)
- Search and Procurement (1)
- Logistics with Third-Party Warehouse Management... (1 of 1)
- Supply Chain (8)
- Logistics with Third-Party Warehouse Management... (1 of 1)
- Replenishment in Warehouse (442) (1 of 1)
- Warehouse Inbound Processing (388) (1 of 1)
- Warehouse Outbound Processing (385) (1 of 1)
- Warehouse Physical Inventory (38X) (1 of 1)
- Warehouse Posting Changes (38U) (1 of 1)

HINT: Scope items from „Enterprise Management Bundle“ are activated in addition

Business Process Flow:

- Master Data Management: Sites for Retail, Product Taxonomies, Product, Assortments, Business Partners
- Pricing & Promotion: Sales Pricing, Retail Promotions
- Demand and Supply Planning: Replenishment Planning for DC, Replenishment for Stores, Merchandise Allocation
- Procurement: Procurement for Retail, Invoice Verification, Returns to Supplier, Returns from Store, Store Ordering from DC
- Supply Chain Management: Inventory management, Physical Inventory, Sales Price Valuation, Inbound Logistics, Outbound Logistics, Retail Logistics with Cloud Warehouse M. / 3rd party warehouse
- Store Commerce & Connectivity: My Store Management, In-store Inventory Management, In-store Merchandise Management, In-store Purchase Order Management, In-store Customer Order Management, Store Connectivity – Inbound/Outbound
- Sales: Sales from Distribution Center, Omnichannel Order Fulfillment for Retail

- Retail Scope Bundle can not be scoped by the customer
- Ticket must be created (additional licence is applicable)

SAP S/4HANA cloud for retail, fashion and vertical business – scope items overview 2022

Master Data Management for Merchandising

- [Sites for Retail](#) 3I3
- [Product Taxonomies for Retail](#) 5FJ
- [Product for Retail](#) 3I1
- [Assortments](#) 3I5
- [Business Partners for Retail](#) 5FH*

Pricing and Promotions

- [Sales Pricing for Retail](#) 3I4
- [Retail Promotions](#) 637

Demand and Supply Planning

- [Replenishment Planning for Distribution Centers](#) 3I8
- [Replenishment Planning for Stores](#) 3I7
- [Merchandise Allocation](#) 5FL

Procurement

- [Procurement for Retail](#) 5FM*
- [Invoice Verification for Retail](#) 5FN*
- [Returns to Supplier for Retail](#) 5FO*
- [Store Ordering from Distribution Center](#) 5FX
- [Returns from Store](#) 5FR

Supply Chain

- [Inventory Management for Distribution Centers](#) 5FQ
- [Physical Inventory for Distribution Centers](#) 5FS*
- [Sales Price Valuation for Retail](#) 5FT
- [Inbound Logistics for Distribution Centers](#) 5FU*
- [Outbound Logistics for Distribution Centers](#) 5FV*
- [Retail Logistics with Embedded Warehouse Management](#) 69L*(opt.)
- [Retail Logistics with Third-Party Warehouse Management](#) 69M*(opt.)

Store Commerce

- [My Store Management](#) 5FW
- [In-Store Inventory Management](#) 3HR
- [In-Store Merchandise Management](#) 3HQ
- [In-Store Purchase Order Management](#) 5FY
- [In-Store Customer Order Management](#) 3HU

Store Connectivity

- [Store Connectivity - Outbound](#) 3I2
- [Store Connectivity - Inbound](#) 3HV

Sales

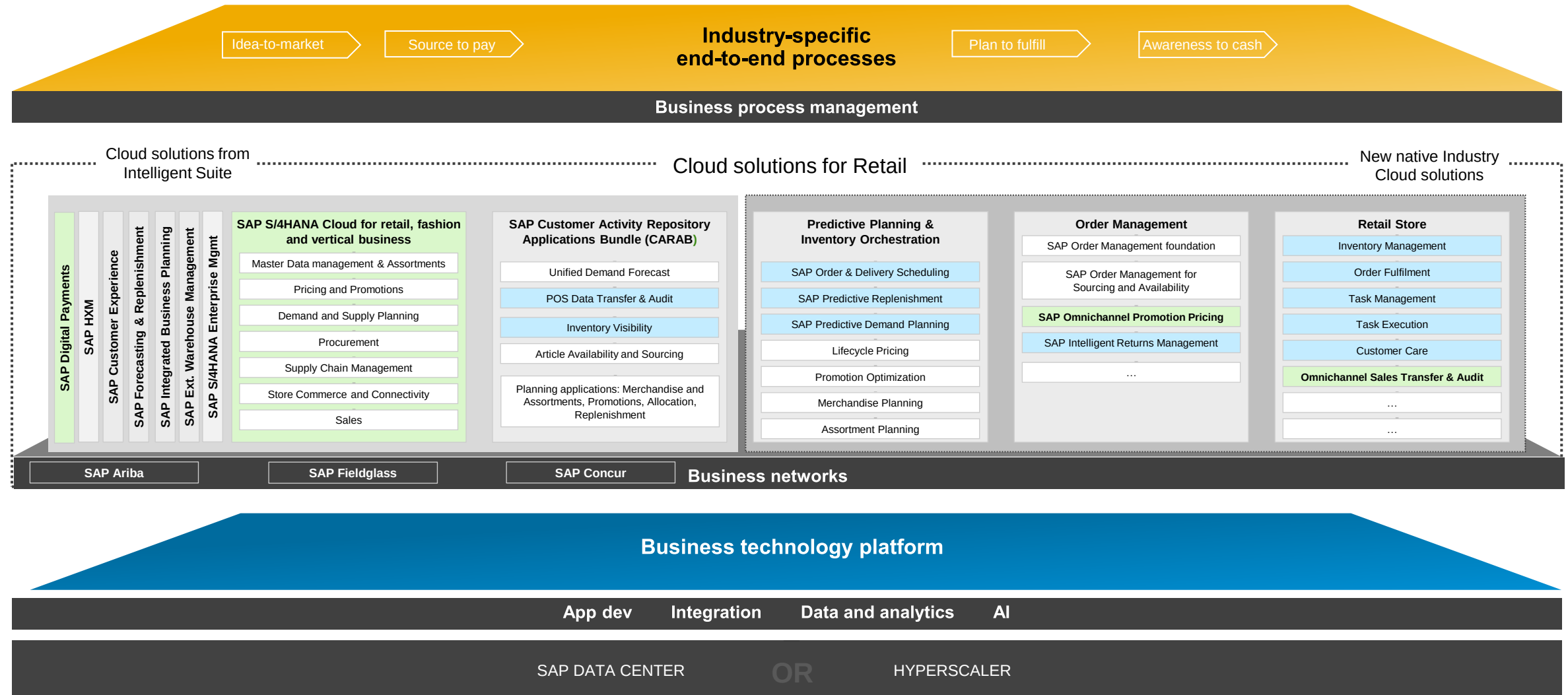
- [Omnichannel Order Fulfillment for Retail](#) 5FZ (opt.)
- [Sales from Distribution Center](#) 3HS*

* Scope items re-using generic functionality with industry flavor (industry-specific best practice process, org data and master data)

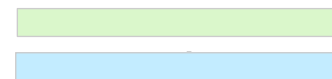
SAP S/4HANA cloud for retail, fashion and vertical business - customer targets and addressable market(s)

	Segments	Business model	Size	Life cycle	Localization	Technical
2022	• Grocery, drugs • DIY, hard goods, electronics • Specialty	• Omnichannel Retailers • Non-retailers opening up B2C operations • Companies with basic 2-tier scenarios	• Midmarket	• Net new names • Greenfield w/in installed base	• Germany • Norway	• 3SL fulfillment profile through prerequisite RISE with SAP S/4HANA cloud material (8010946/7) • Only CBC customers no solution builder based customers • New installations only
2023	with low to medium process complexity					
2024	• Fashion retailers	• Companies with advanced 2-tier scenarios • increased complexity	• Midmarket to large enterprises		• US • Further localization along roadmap	
2025++	• Fashion wholesale • Branded manufacturers or vertical retailers					

SAP S/4HANA Cloud for Retail, Fashion and Vertical Business – target architecture



Legend:



part of a typical small target architecture

optional solutions for more elaborate processes, out-of-the box integrations are planned (may be subject to changes)

SAP S/4HANA cloud for retail, fashion and vertical business – planned scope

2022

(target segments: net new names of omnichannel retailers from segments specialty, DIY, grocery with processes of medium complexity; installed base for 2-tier scenario)

Retail Merchandise Management

Master Data Management for Merchandising

- Article master management incl. mass maintenance
- Site master management
- Merchandise category management
- Retail price management
- Assortment management and listing
- Business partner management
- Promotion management

Merchandise Procurement

- Direct procurement
- Invoice verification
- Returns to supplier

Demand and Supply Planning

- Store replenishment (rapid replenishment)
- Distribution center replenishment
- Merchandise allocation execution
- Stock transport order

Retail Inventory Management and Valuation

- Retail inventory management
- Physical inventory for distribution centers
- Sales price valuation

Warehouse Management

- Inbound processing for distribution centers
- Outbound processing for distribution centers
- Returns from store

Retail Store Management

- POS inbound and POS outbound
- In-store merchandise and inventory management

Omnichannel Retailing

- Sale from distribution center
- Customer order management in-store (basic)
- Omnichannel order fulfillment in-store
- Customer consignment

Cross Processes and Capabilities

- Data migration and data integration
- Support of two-tier scenarios with master data integration (basic)
- Enablement for Central Business Configuration
- Norway localization

2023

(new target segments: net new names of retailers with advanced complexity in additional countries)

Retail Merchandise Management

- De-listing
- Reclassification
- Customer order management in-store (extended)
- Omnichannel order fulfillment (extended)
- Native mobile applications for in-store merchandising (first apps)
- Advanced intercompany sales and stock transfers (basic)
- Empties management and processing
- Sales order Fiori app enhancements (e.g. serial number and CpD customers, Taxes in Fiori Apps (B2C case))
- Extensibility enhancements
- Integration with Industry Cloud Applications:
 - SAP Order Management foundation
 - SAP Omnichannel Promotion Pricing
 - SAP Omnichannel Sales Transfer & Audit
 - SAP Order Management for Sourcing and Availability
 - Retail Store
 - SAP Predictive Replenishment
 - SAP Predictive Demand Planning
 - SAP Order & Delivery Scheduling
 - SAP Intelligent Returns Management
- CBC framework for content management
- CBC approach for localization
- Further classic localizations

2024

(new target segment: fashion retailers, retailers with advanced complexity + further countries)

Retail Merchandise Management

- Merchandise distribution
- Collective purchase order management
- Article hierarchy management
- Vendor consignment
- Retail consignment
- Manage third-party orders
- Omnichannel order fulfillment (further scenarios)
- Native mobile applications for in-store merchandising (further apps)
- Further enhancements for out-of-the box integrations, self-service configuration, extensibility, automation and migration
- Further classic localizations (if needed)
- Enablement of selected generic Fiori apps for retail articles

Fashion Retail Foundation

- Season
- Value-added services
- Characteristic value conversion
- Advanced intercompany sales and stock transfers (extended)

2025+

(new segments: selected installed base customers for move to public cloud; multi-national fashion wholesalers; branded manufacturers, vertical Retail)

Retail Merchandise Management

- New Fiori app for consumer creation
- Advanced two-tier scenarios
- Sales performance management
- Integration with CARAB
- CDS views enablement and enhancements for CARAB integration based on SLT
- Material to article conversion
- Further localizations (if needed)
- Enablement of CWM functionality

Fashion Wholesale*

- Sales contract management
- Management of excess requirements
- Supply assignment
- Material requirement planning
- Subcontracting
- Advanced management of sales orders and purchase orders
- Multi ship-to-order
- Third-party and purchase-to-order diversion
- Alignment of purchase requisitions to purchase orders
- PIR Management
- Flexible purchase commitments
- Advanced CWM functionality

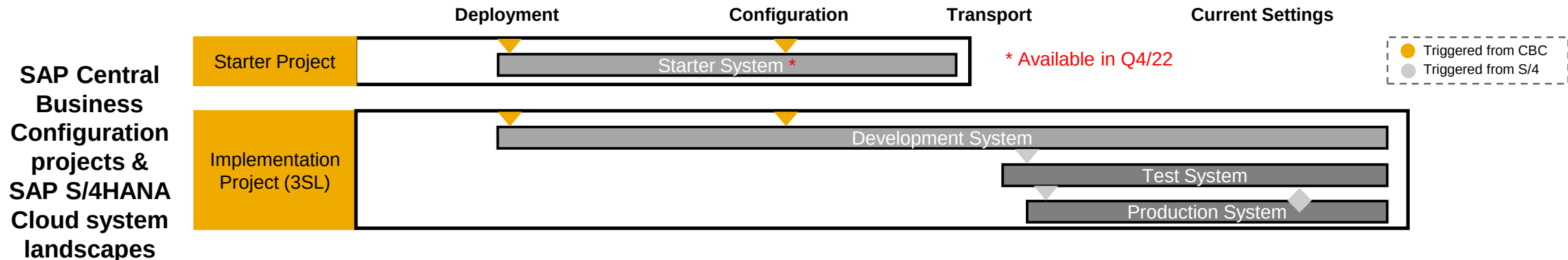
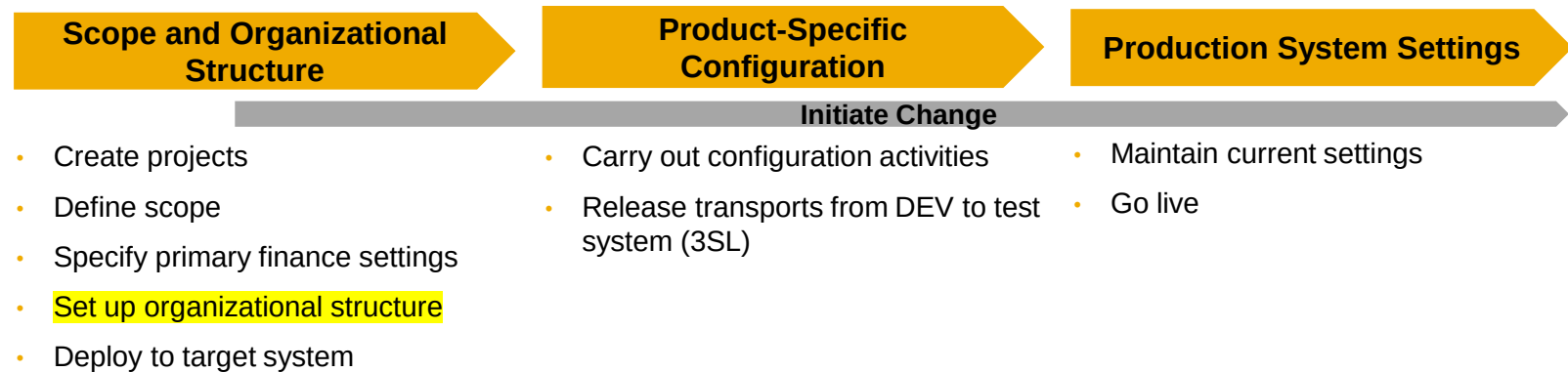
Fashion Production

- Fashion Bill of Material
- Routing maintenance supporting generic article
- Prod. version maintenance supporting generic article
- Manage master production order
- Manage master planned order
- Make-to-order

SAP Central Business Configuration

SAP Central Business Configuration allows you to **manage** all your SAP cloud implementations and ongoing operations **centrally** via the **Project Experience**.

Main processes



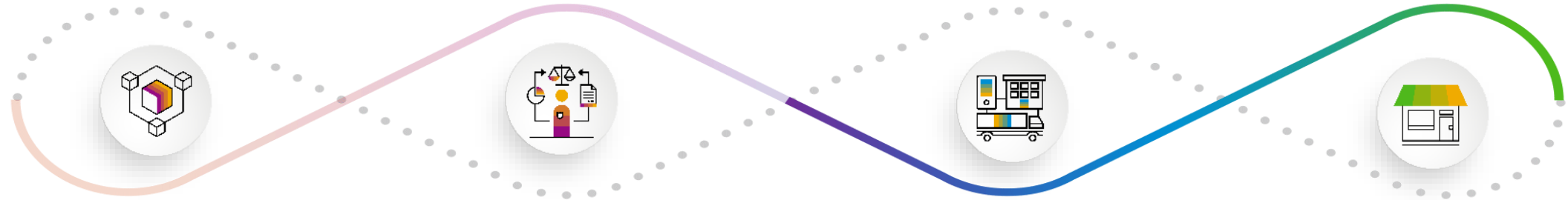
SAP S/4HANA Cloud for Retail, Fashion and Vertical Business – information

General product information

- Product Assistance – Retail help portal:
 - https://help.sap.com/docs/SAP_S4HANA_CLOUD/64609d0ecac54654b0837cba34555b82/7c444c57a10f0b22e10000000a44147b.html?state=DRAFT
 - note link using S-User authorizations. Not searchable via search engines as solution is in early-adoption phase
- SAP API Business Hub:
 - <https://api.sap.com/>
- Best Practices:
 - <https://rapid.sap.com/bp/>
- Migration objects:
 - https://help.sap.com/docs/SAP_S4HANA_CLOUD/cc9ecc5f5f6b400a98d10e930324f7ad/20607b6de19a4d34a41b0abec6186b01.html
- SAP Central Business Configuration:
 - [Activating Business Function Retail Base Scope Retail Site](#)

2022 | Industry Cloud and Product Strategy for Retail and Fashion

*Vision: Enable every retail or fashion enterprise to become an **intelligent, sustainable enterprise***



SAP S/4HANA Public Cloud for Retail

We offer customers deployment flexibility for core ERP processes based on best practices with fastest time-to value and lowest TCO. We follow a hybrid strategy in retail and fashion.

SAP S/4HANA Cloud for retail, fashion, and vertical business 2208

Private Cloud Editions of S/4HANA for retail and fashion and of Customer Activity Repository Applications Bundle.

Predictive Planning and Inventory Orchestration

We deliver a cloud native suite of supply chain planning applications combining data, AI, UX, microservices, flexible tools, e2e process integration, and technology at scale.

Order & Delivery Scheduling

Predictive Demand Planning

Predictive Replenishment

Order Management

We offer retailers a viable end-to-end order management solution, integrated with Customer experience solutions and SAP S/4HANA Cloud.

Omnichannel Promotion Pricing Service

Order Management Foundation

Order Management for sourcing and availability

Omnichannel Sales Transfer and Audit

Intelligent Returns Management

Retail Store

We own the intelligent store solution and provide an intelligent and well-integrated solution with compelling user interfaces.

Dynamic Task Prioritization

Frictionless Shopping

Retail Store Order Fulfillment

Inventory Management



Customer Co-Innovation

We keep the customer promise by delivering on existing customer engagements while being open for new endeavors.

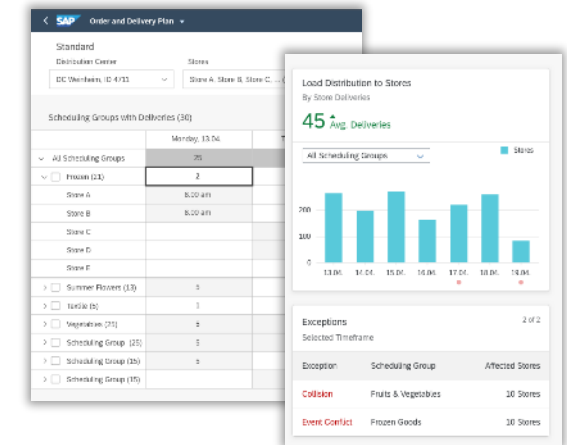
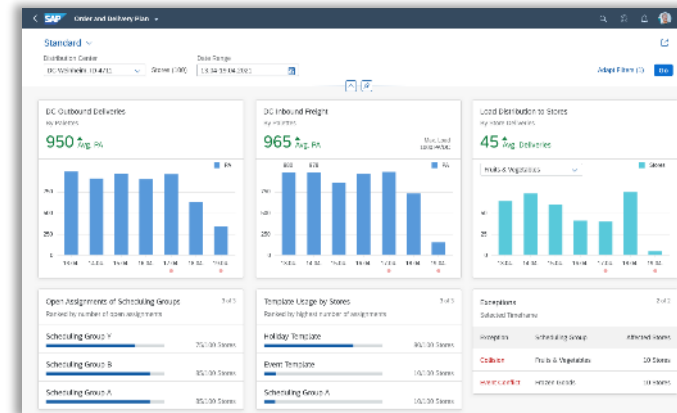
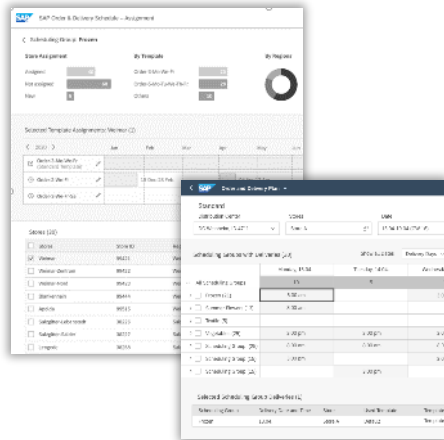
We help our customers to drive sustainable practices inside their organization and across the entire retail value chain.

Sustainability in Retail



SAP Order and Delivery Scheduling

Improve fulfillment efficiency and on-time delivery performance by providing supply chain planners with a central tool to efficiently create order and delivery schedules for all products flows within the supply network of a retailer



The **order and delivery plan** provides optimal day/time patterns for procuring and delivering products across the entire supply network

Efficient **Scheduling** improves delivery performance by considering holiday and event calendars

Integration of optimized order and delivery schedules into all relevant consuming systems



Automated creation of product groups based on flexible attributes and dynamic KPI's



Automated generation of supply networks for both - internal and external merchandise flows



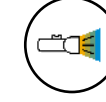
Definition of reusable delivery patterns supporting intra-day scenarios



Automated holiday and event detection with simulation capabilities to determine optimal plan



Streamlined merchandise flows for ERP, replenishment and supply chain execution systems



Monitoring and review of order and delivery plans as well as system-based optimization using embedded intelligence

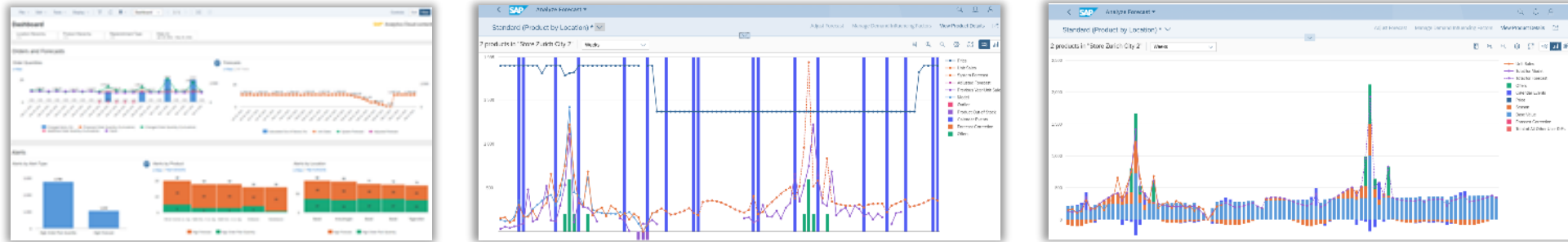
Offers a native cloud solution allowing a holistic view of the supply network to optimize merchandise flows

Create Order and delivery plans to prepare and respond quickly to changes and constraints in the supply network

Integrates seamlessly into all relevant consuming applications through Open APIs delivering schedules in real-time

Future of Predictive Demand Planning in the Cloud

Vision: Cloud native predictive service to provide ML-based demand modeling and forecasting for applications driven by demand prediction. Supporting demand data in fulfillment locations that originate from different order channels and consider all relevant influencing factors from price over promotions to local events. Additional services such as similarity analysis shall extend the set of predictive cloud capabilities.



Benefits: Increase the precision and automation level of all applications that make use of a statistical forecast

True day forecast - Precise results based on daily input - intra-day possible as well

Bayesian Prior concept - for new product introductions and other missing demand data

Self-learning (ML): the system learns with each day and adapts fast to new situations

Seasonality - With year over year variations

Trend and Weighting - Weighting (higher weight on most recent observations)

Promotion Uplift - Based on types and tactics of promotions

Price - True price elasticity

Recurring Holidays with ramp-ups and ramp-down periods incl. holidays on different weekdays

Model on aggregated data - to support weak signals on micro level like weather

Custom Influencers - like pandemics or external trends

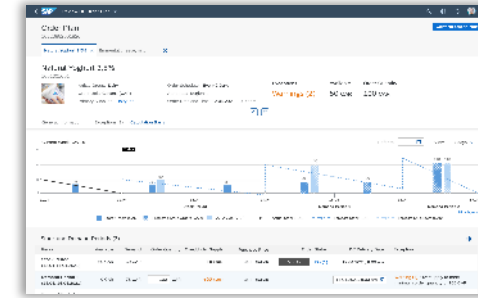
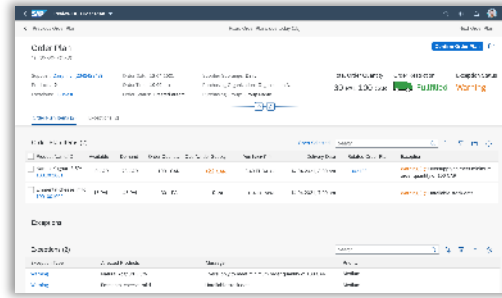
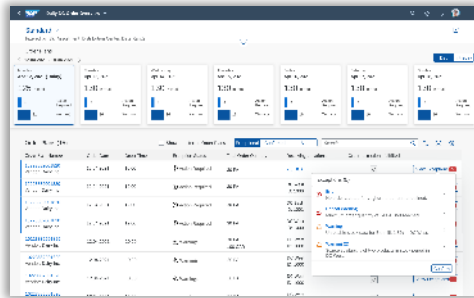
User-centric applications:

- Monitor forecasting key figures or alerts and perform top-down analysis
- Analyze forecast in depth, adjust forecast, model enhancements with additional demand influencing factors

Solution architecture: Built with cloud native architecture on SAP Business Technology Platform. Seamlessly integrating into S/4HANA Retail.

SAP Predictive Replenishment Planning for DCs in the Cloud

Vision: Business application leveraging AI to efficiently and accurately manage distribution center inventories for an optimized multi-level supply chain – supporting daily goods. It will use ML-based forecast and rolled-up cost-optimized store demands to precisely predict upcoming DC demands across multiple channels. It will optimize order quantities regarding logistical constraints, cost factors and vendor agreements.



Benefits: Optimized ordering streamlines the supply chain, increases service levels for stores and customers, and reduces cost and waste.



Multi-echelon and omni channel supply network

By aggregating store order plans up to DC levels (regional, national) and adding demands from additional channels, such as web



Cost-optimal ordering

Considering demand volatility, real and virtual costs and constraints



Supplier and logistical constraints

Such as minimum order quantities or multiples, discount scales, contracts, etc.

Supplier information exchange



Excellent user experience

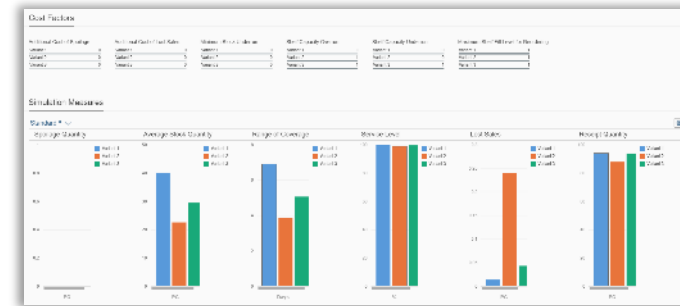
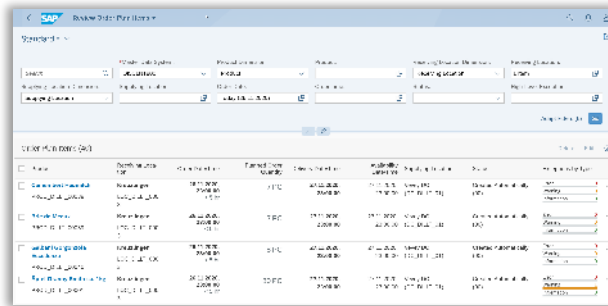
Through execution and KPI-driven interaction capabilities with detailed traceability in a highly automated environment

Easy configuration and responsibility definition

Solution architecture: Built with cloud native architecture on SAP Business Technology Platform and seamlessly integrating into S/4HANA Retail and SAP Replenishment Planning on Customer Activity Repository

SAP Predictive Replenishment Planning for stores in the Cloud

Vision: Cloud business application that leverages ML forecasts, forecast probabilities, constraints and cost factors to determine order quantities leading to lowest expected costs by considering shelf life, lost sales, shelf capacity and presentation stocks holistically for a product.



Benefits: Increase service levels and turnover rates, while reducing waste, manual efforts and cost of spoilage & stock overages



Cost-optimal ordering

Use ML-based consumer forecasting, probability distributions and cost factors to determine order amounts leading to lowest expected total costs



Prediction and consideration of expected spoilage

Predict expected spoilage due to shelf restrictions. Configure to which percentage your customers would buy LIFO or FIFO. Avoid wrong stock assumptions to generate more accurate orders



Intra-day and real-time replenishment

Any planning data is considered down to date and time basis; replenishment can be run multiple times to take most recent stock and sales into account

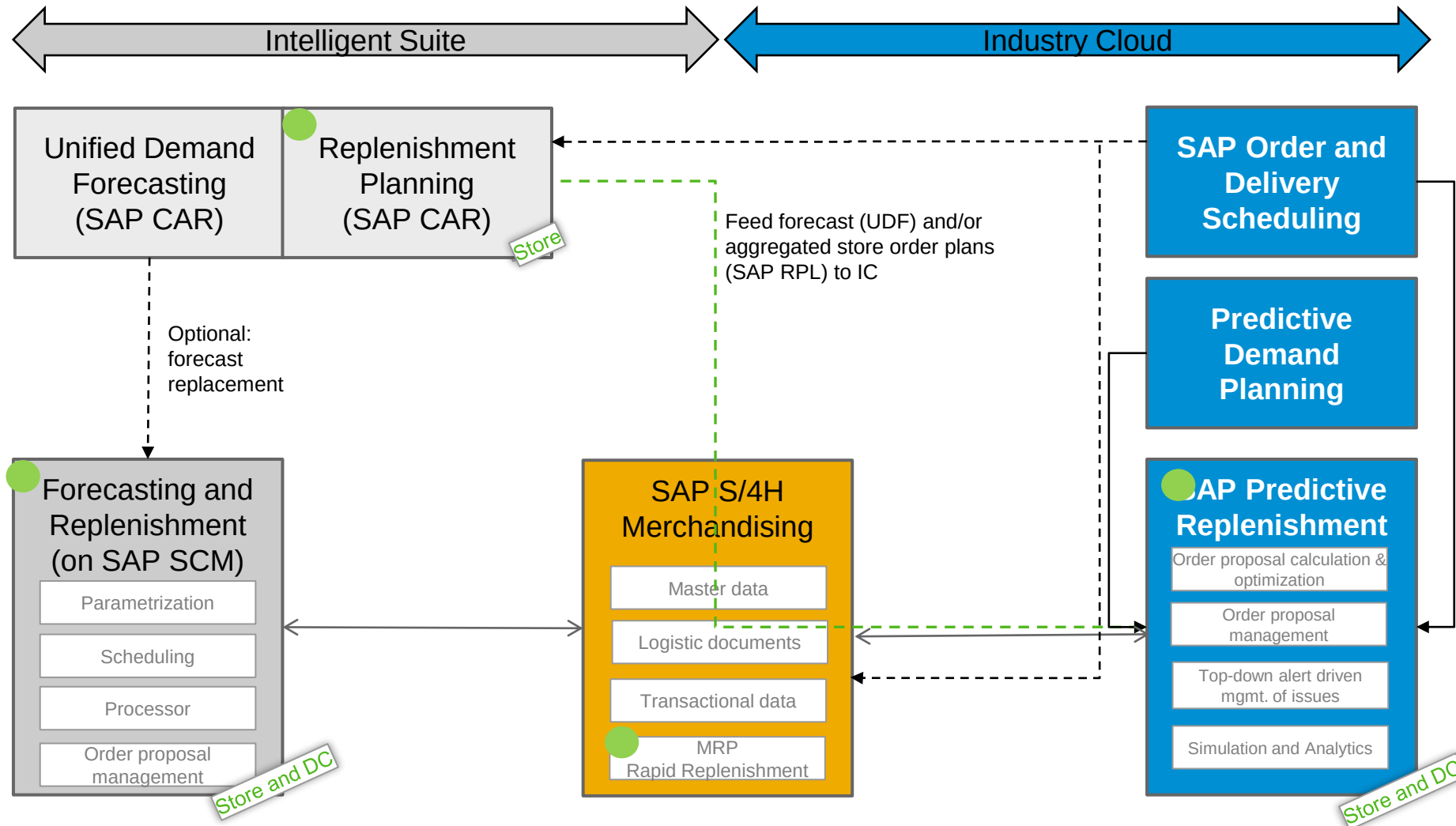


Enhanced monitoring and control

Manage your order plan review process through smart alerts and simulate the impact of parameter changes on revenue, out of stock and spoilage

Solution architecture: Built with cloud native architecture on SAP Business Technology Platform. Seamlessly integrating into S/4HANA Retail.

Transition from the on-premise to a native cloud solutions...



● Replenishment solutions

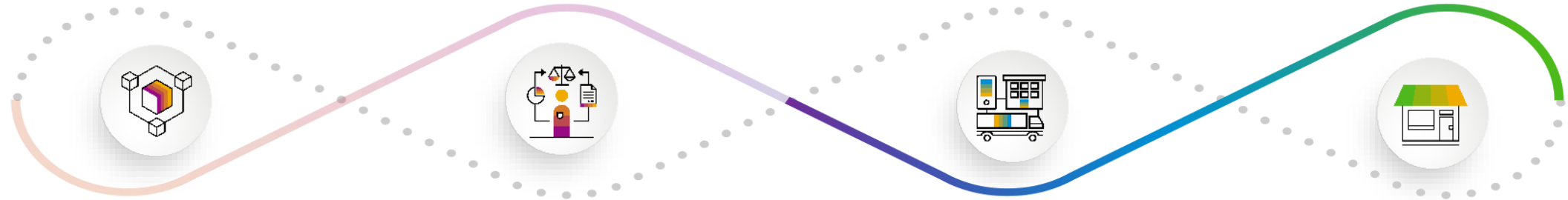
- Cost-optimal ordering approach
- Synchronized DC and store replenishment
- Human-driven user experience
- Continuous feature delivery
- SaaS
- 99+% availability

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2022 | Industry Cloud and Product Strategy for Retail and Fashion

*Vision: Enable every retail or fashion enterprise to become an **intelligent, sustainable enterprise***



SAP S/4HANA Public Cloud for Retail

We offer customers deployment flexibility for core ERP processes based on best practices with fastest time-to value and lowest TCO. We follow a hybrid strategy in retail and fashion.

SAP S/4HANA Cloud for retail, fashion, and vertical business 2208

Private Cloud Editions of S/4HANA for retail and fashion and of Customer Activity Repository Applications Bundle.

Predictive Planning and Inventory Orchestration

We deliver a cloud native suite of supply chain planning applications combining data, AI, UX, microservices, flexible tools, e2e process integration, and technology at scale.

Order & Delivery Scheduling

Predictive Demand Planning

Predictive Replenishment

Order Management

We offer retailers a viable end-to-end order management solution, integrated with Customer experience solutions and SAP S/4HANA Cloud.

Omnichannel Promotion Pricing Service

Order Management Foundation

Order Management for sourcing and availability

Omnichannel Sales Transfer and Audit

Intelligent Returns Management

Retail Store

We own the intelligent store solution and provide an intelligent and well-integrated solution with compelling user interfaces.

Dynamic Task Prioritization

Frictionless Shopping

Retail Store Order Fulfillment

Inventory Management



Customer Co-Innovation

We keep the customer promise by delivering on existing customer engagements while being open for new endeavors.

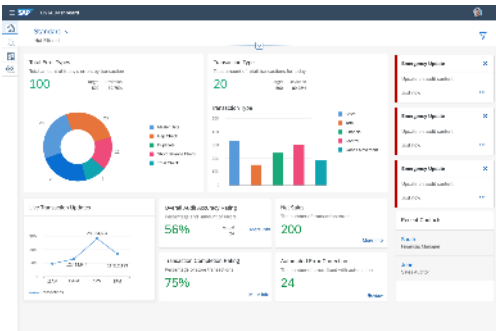
We help our customers to drive sustainable practices inside their organization and across the entire retail value chain.

Sustainability in Retail



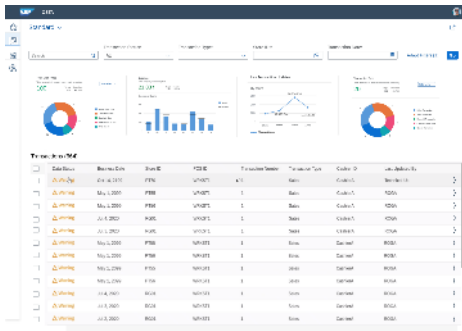
SAP Omnichannel Sales Transfer and Audit

Vision: Transforms raw sales transactions into valuable validated data. A sales transaction validation engine solution that receives, audits and ensures the completeness of sales transactions to give your company more confidence in sales data and accurate reporting.



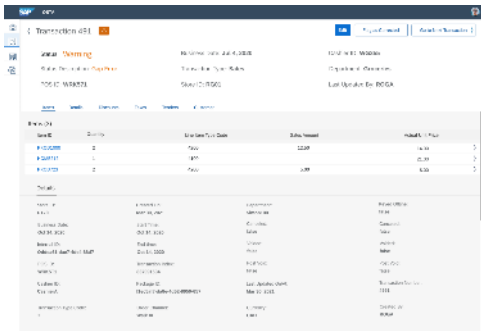
Automated checks can be configured and executed by your personal rule set.

- Reduction in errors and regulatory inconsistencies
- Improved productivity resulting in cost reductions



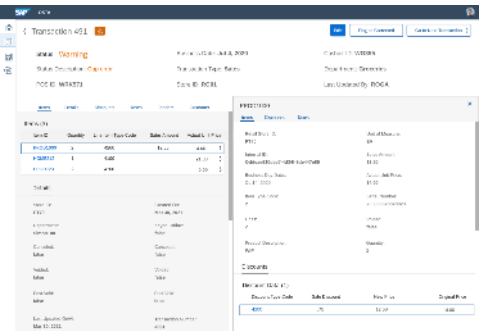
Rule based error routing ensures that each error get forwarded and processed by the responsible person.

- Improved efficiencies and collaboration
- Simplified reconciliation processes



The **error push-notification** lets you know whenever there is an error which needs to be processed manually.

- Track and maximize key KPIs (e.g., error turnaround rate)
- Real-time insight highlighting store sales and inventory information



Error solving recommendations based on historical patterns.

- Reduction in time spending for error solving
- Mitigation of risks that sales transaction is changed wrong

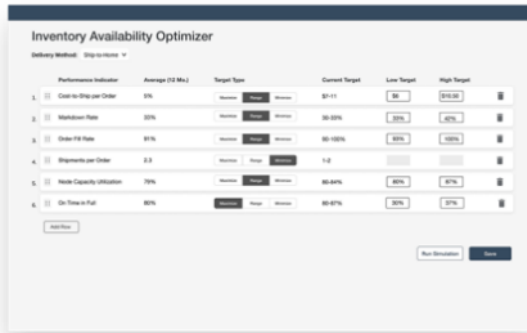
Optimizes the entire end-to-end sales auditing journey

Seamless integration into any internal or external ERP system for financial and inventory postings

Utilizes **AI-driven** recommendation and correction process

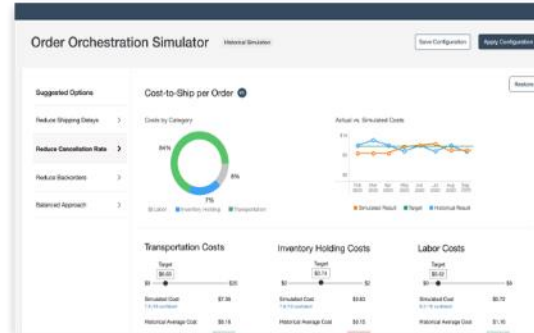
Future of Order Management in the Cloud

Vision: A dynamic inventory availability and order orchestration engine that optimizes your retail strategy from the moment a customer sees the item until the order has been handed off to the fulfillment node, store or fulfillment center, managing the trade-off between margin and customer expectations.



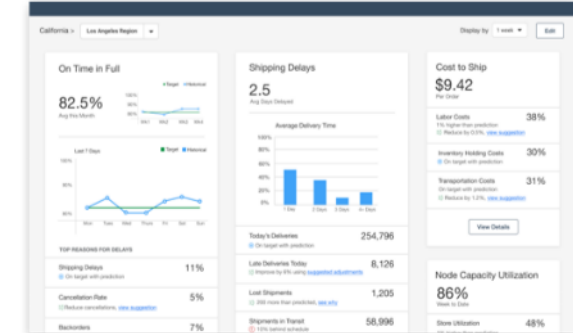
Profitable Availability Model optimizes merchandise availability for customers in line with your retail strategy

- Mitigates margin destructive orders before they are placed
- Drives best-in-class customer experience by ensuring customers see all available products



Dynamic Fulfillment Optimizer identifies the optimal fulfillment node(s) for all orders

- Rebalances orchestration in real-time
- Simulates changes on historical data to ensure tradeoffs are being managed



The Analytics Engine introduces visibility and recommendations into your order management process

- Tracks and optimizes KPIs at multiple levels of granularity
- Identifies operational gaps (e.g., vendor SLAs)

Begins optimization even before an order is placed

Optimizes your retail strategy instead of a web of rules

Efficiently integrates with **your existing architecture**

Utilizes **Artificial-Intelligence-driven decisions**

SAP Order Management for omnichannel promotion pricing

Vision: Support companies in finding optimal price and promotion strategies while providing automated recommendations on how to execute these strategies in the most optimal way, increasing profits and allowing for business process innovations.



Price Planning and Optimization Excellence

- Define price strategy and its KPIs. AI-based recommendations to automate and optimize the price setting process, considering additional data sources like competitor prices.
- Deviations from KPIs are pro-actively addressed. It includes what-if analysis and revenue & margin simulation.

Offers a technology-agnostic solution that consumes data from multiple sources.



Promotion Planning and Optimization Excellence

- Intelligently propose promotions including mark-downs and coupons automatically based on defined strategies, real-time insights and cross promotion effects.
- Enable dynamic promotions down to individual customers for immediate execution triggered by live signals.

Provides a comprehensive solution to support omnichannel pricing and promotion capabilities.



Unified Pricing Excellence

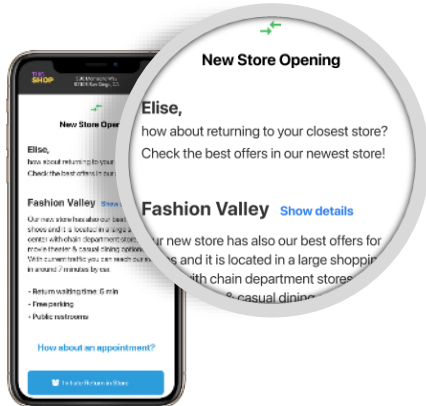
- Providing a consistent and more accessible pricing experience across all touch points in the customer journey.
- Allowing new business models with LCNC extensibility and helping SAP to reduce TCO.

Pre-integrated with SAP's sales solutions like S/4HANA, Commerce Cloud, Cloud for Customer and CPQ.

SAP Intelligent Returns Management

1 Customer Routing

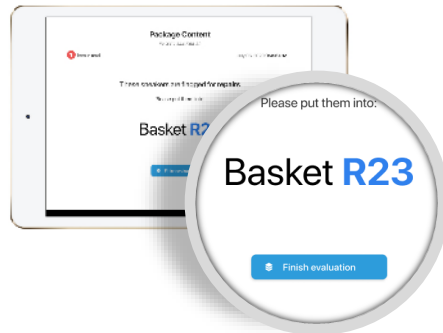
... intelligently recommends return options to customers, optimizing for customer experience and retailer costs



Form-factor-agnostic solution ensures an easy-to-implement seamless customer experience (i.e., APIs or white-label web app)

2 Returns Dispositioning

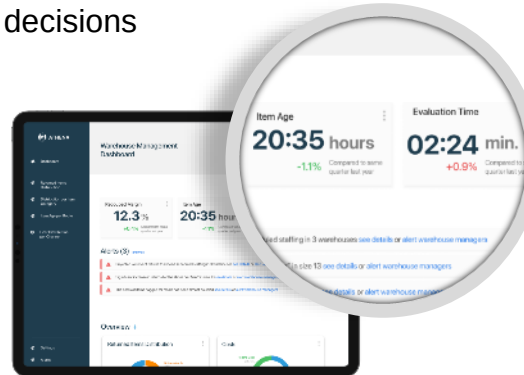
... intelligently recommends disposition decisions to warehouse associates to limit value leakage and improve consistency



Advanced-analytics dispositioning-engine helps associates make better decisions, faster

3 Analytics Engine

... introduces newfound visibility into your end-to-end returns processes to help leaders make data driven decisions



Predictive analytics helps inform warehouse staffing needs and identify emerging returns trends

Amazon: \$700bn est. returns value by 2025



Example:

Retailer with 1500 stores & € 30bn revenue

Annual value of return

€ 6bn

Losses associated with returns

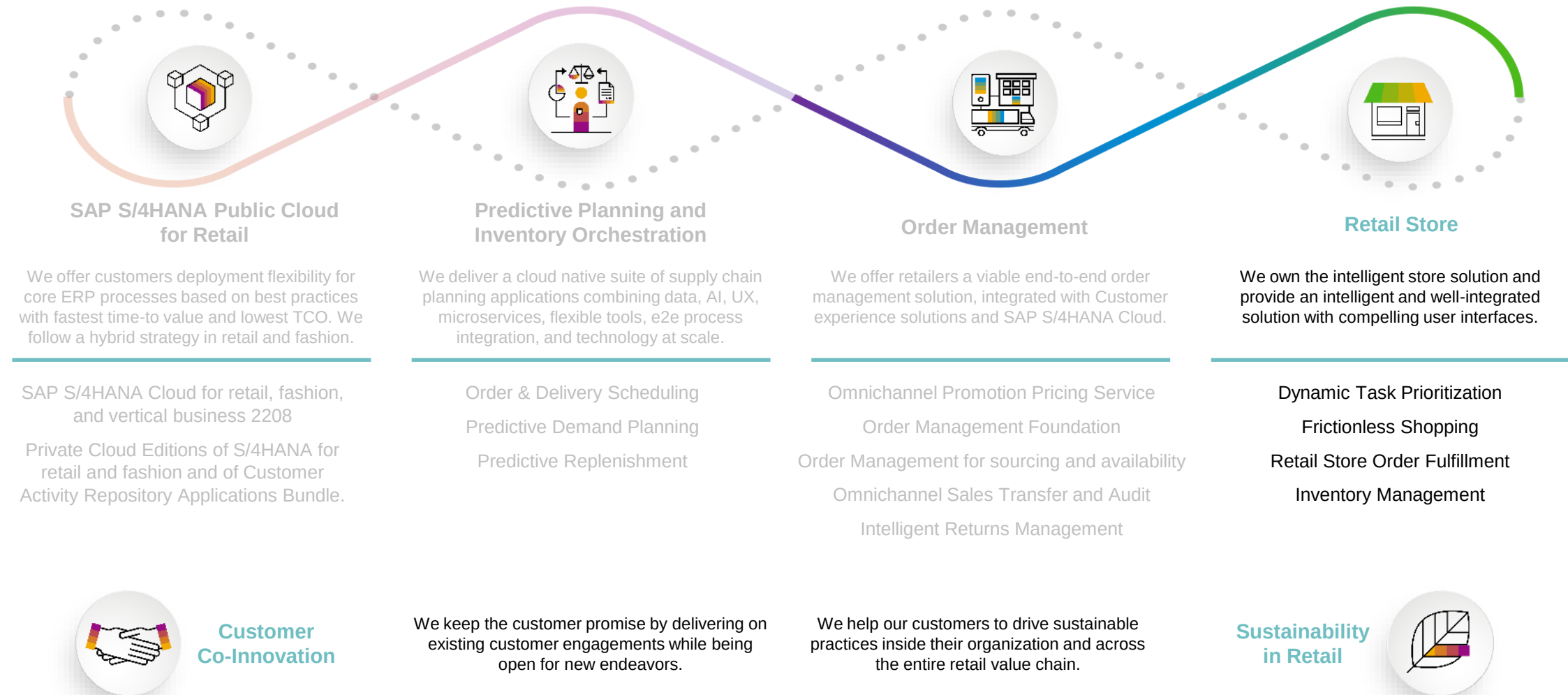
€ 1.5bn

Revenue leakage avoided because of “right” decision

€ 75m

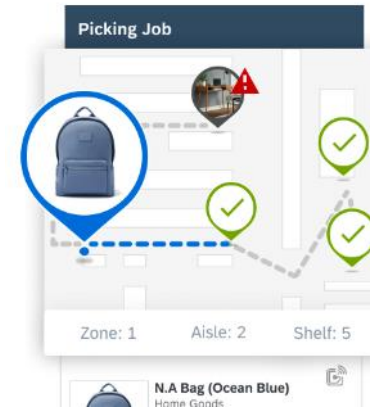
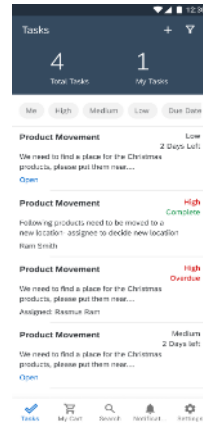
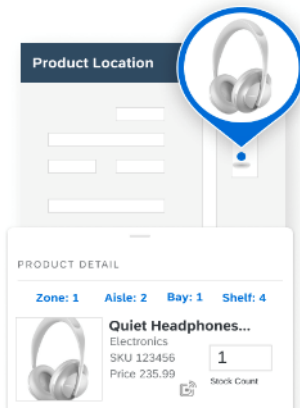
2022 | Industry Cloud and Product Strategy for Retail and Fashion

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Future of the Retail Store in the Cloud

Vision: Maximize store operation efficiency by providing store associates with granular product location, accurate stock quantity of the products, ability to track product movement in the store, and intelligent recommendations for store execution.



Perpetual inventory provides accurate real-time representation of the on-hand stock count and its location in the store

View products locations and accurate stock on-hand

Accurate tracking of product movements within the same store and storage locations

Centralized Task List one place to see all tasks that need to be done in a store, increasing task execution and overview of employees

Get all tasks, from the headquarter or created in the store in one list

Intelligent ranking of tasks pending their overall importance

Store order fulfillment using optimized sequencing based on product location for order picking, DC to store shipments, etc.

Streamline store operations through intelligent sequencing of store tasks

Reduce TCO by leveraging this content to drive inventory insights for existing retail applications

Frictionless shopping for consumers end-to-end including registration/consent, shopping, marketing, pricing, payment, complaints

End 2 End customer data and consent management including complaints management

Order management for **Grab&Go**, **Scan&Go** and **Smart Carts** with one Framework

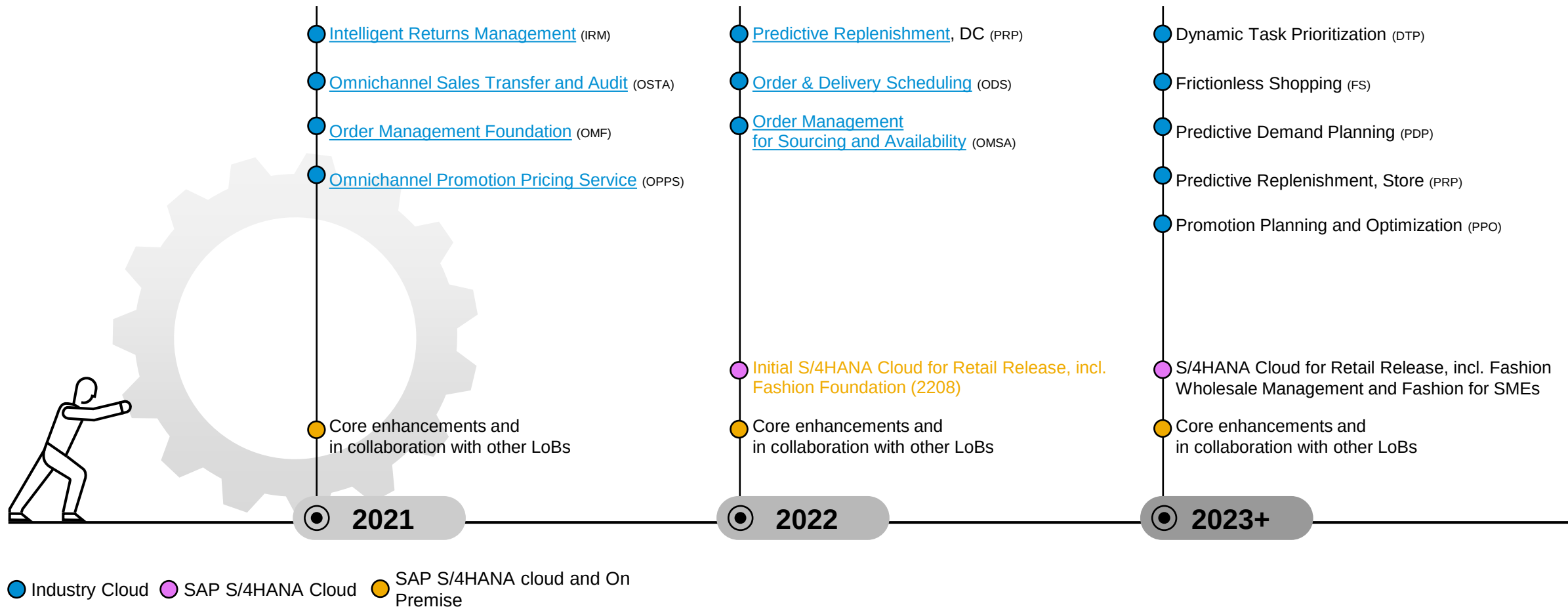
Offers a technology-agnostic solution that consumes data from multiple hardware and software sources

Provides foundation for a comprehensive solution to support omnichannel fulfillment and Smart store. The improved stock tracking will include all new available information in your best current view

Integrates seamlessly with your current IT landscape through Open APIs delivering updates in real-time

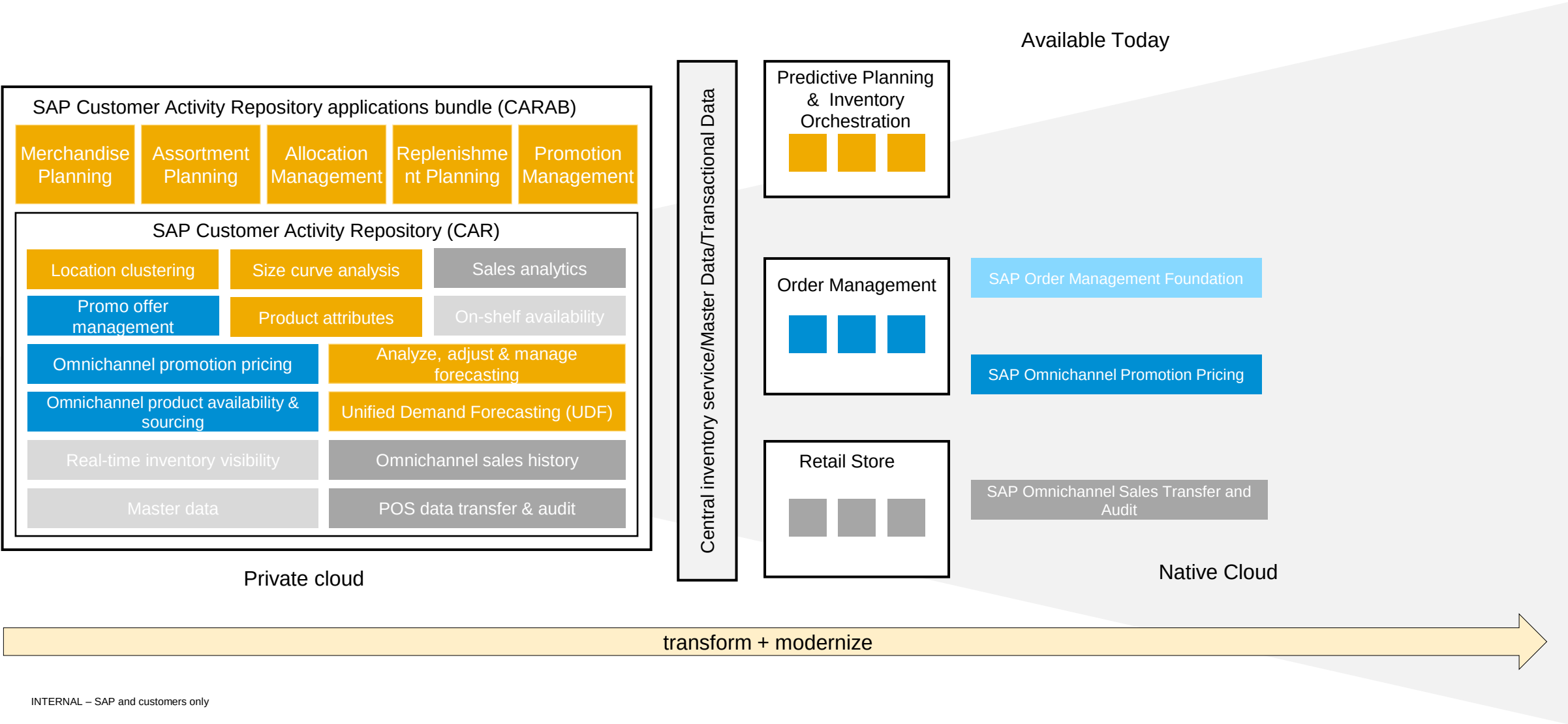
We will continue to develop and enhance our portfolio

to support the business ambitions of retailers.



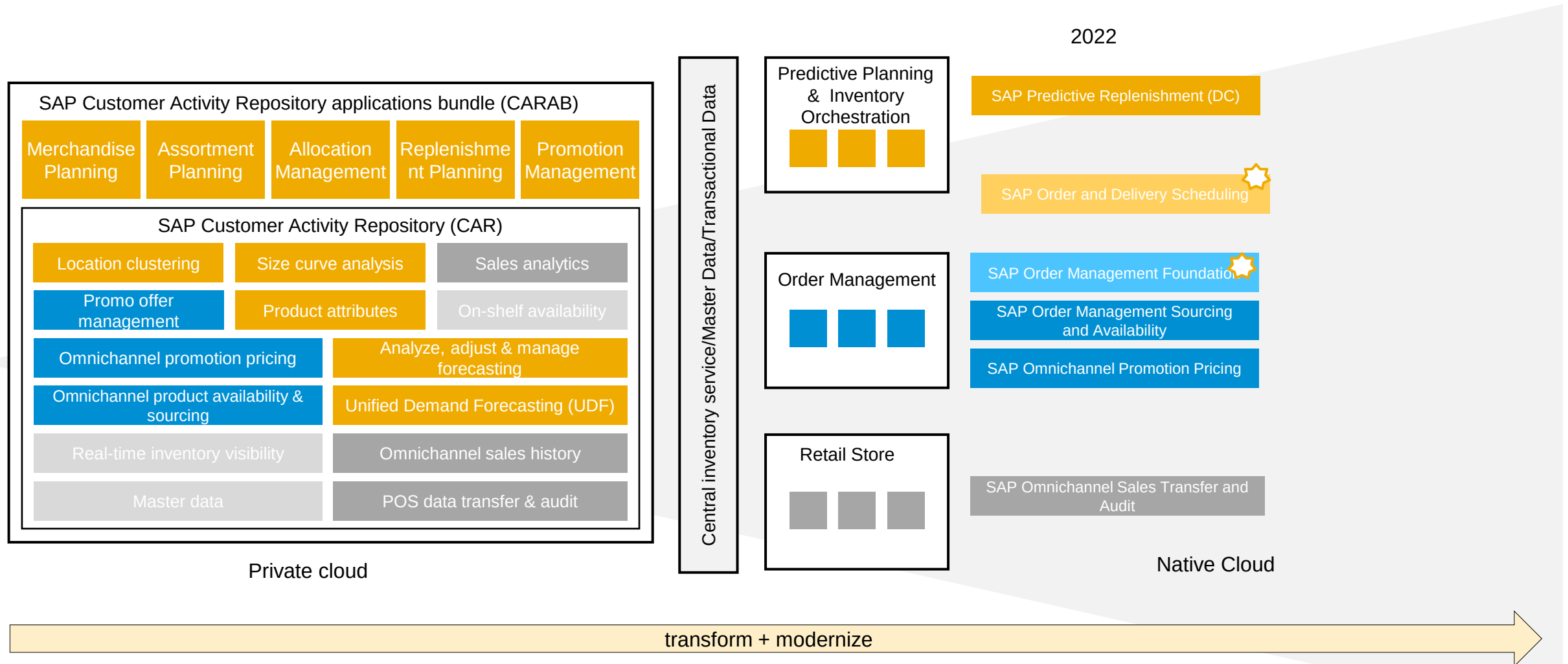
CAR transition

SAP Customer Activity Repository applications bundle – a stepwise transformation

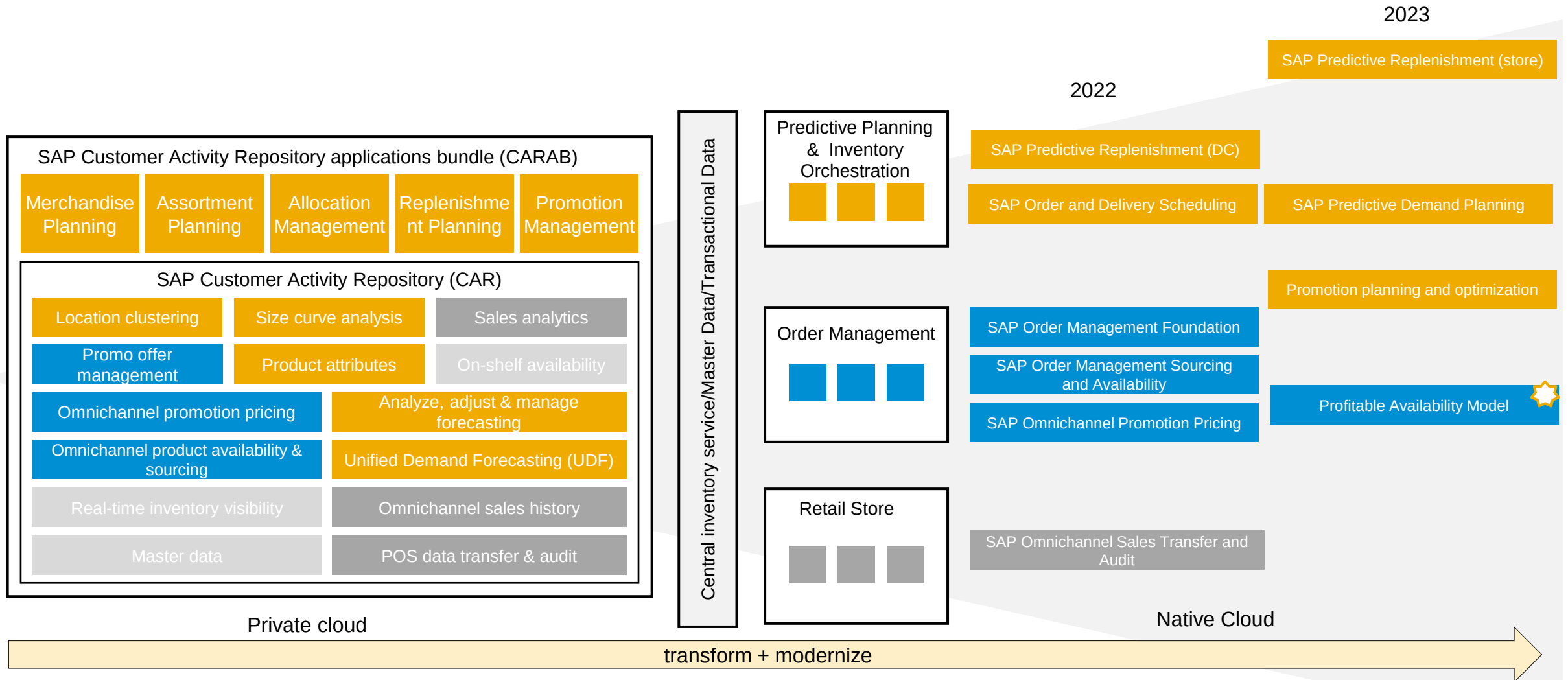




SAP Customer Activity Repository applications bundle – a stepwise transformation



SAP Customer Activity Repository applications bundle – a stepwise transformation



Thank you.