

In the retail industry, intensifying competition and rapidly evolving products make speed and accuracy basic business necessities. To thrive in this environment, your core business processes must incorporate industry expertise in the form of best practices. SAP can help you. Our SAP® Best Practices for Retail package is based on proven best practices for the retail industry. The package contains methodology, documentation, and preconfigured business process templates to quickly and cost-effectively turn your SAP software into a live retail solution that's personalized to meet your needs – minimizing deployment risk while accelerating ROI.





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## EXECUTIVE SUMMARY

# OPTIMIZE YOUR RETAIL SOLUTION WITH SAP® BEST PRACTICES

The SAP Best Practices for Retail package is an implementation tool for preconfiguring SAP for Retail solutions. It comprises everything you need, including support for key industry-specific business scenarios, to rapidly set up a comprehensive and proven SAP solution for managing your merchandising tasks and complete supply chain successfully.

As competitive pressure and economic uncertainty increase, today's retailer needs to build the best industry practices into its core business processes – and do so quickly and cost-effectively. The SAP® Best Practices for Retail package helps you do just that. It comprises everything you need, including support for key industry-specific business scenarios, to rapidly set up a comprehensive and proven SAP solution for successfully managing your merchandising tasks and complete supply chain.

Available free of charge to SAP customers and partners, the SAP Best Practices for Retail package is an implementation tool for preconfiguring SAP for Retail solutions. When you choose to implement SAP for Retail solutions using SAP Best Practices for Retail, you can be confident that you are receiving proven expertise and concrete business value. Support for key business scenarios helps you rapidly realize business benefits

without extensive configuration of your SAP software. Yet the package also lets you fine-tune all the comprehensive functionality in the SAP for Retail solution portfolio to meet your specific needs.

Use SAP Best Practices for Retail to evaluate and implement the optimal solution for your business and realize the benefits of your SAP software faster, with less effort, and at a lower cost than ever before. SAP Best Practices for Retail can be used by companies of all sizes that need rapid implementation, as well as by global enterprises that need to create a corporate template for their subsidiaries.

# OVERVIEW OF SAP BEST PRACTICES FOR RETAIL

## ACHIEVE FAST, PROVEN, AND PREDICTABLE BUSINESS VALUE

The SAP Best Practices for Retail package features tools and technology to help you realize best practices in the retail industry. By including methodologies, descriptions of business scenarios, and proven preconfigurations of SAP software, the package provides a prototype that you can turn into a productive retail solution – reducing the time, cost, and risk of implementation (see Figure 1).

### Package Components

Like all SAP Best Practices packages, SAP Best Practices for Retail includes the following components:

- Extensive business process documentation that you can use repeatedly – for self-study, evaluation, or project-team and business-user training
- Complete preconfiguration settings that give you everything you need to support key processes with minimal installation effort
- Detailed, step-by-step procedures for implementing your SAP software
- Solution builder, an automated implementation accelerator that streamlines your deployment of SAP for Retail solutions

### Flexible Technology

SAP Best Practices for Retail allows you to configure a solution that supports only the business scenarios or processes you require. This eliminates unnecessary configuration time in the development process and reduces development and maintenance costs.

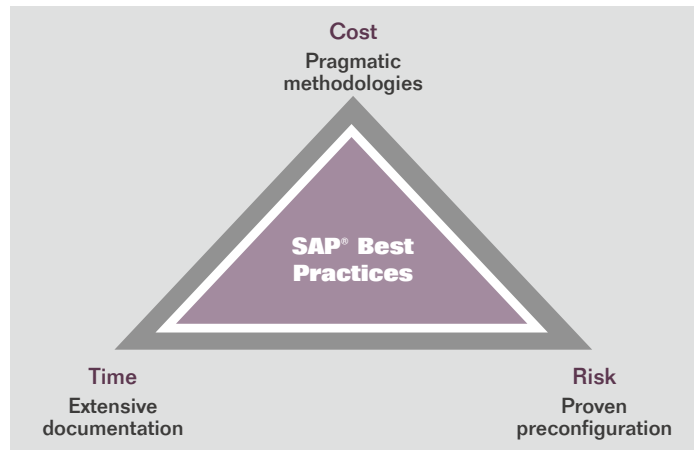


Figure 1:  
Features and  
Benefits of SAP®  
Best Practices

For additional flexibility, personalization tools let you overwrite many of the default settings prior to software activation to match your company's organizational structure. Along with the scenarios and functions covered in SAP Best Practices for Retail, you can also add other business-specific enhancements (such as a custom workflow) to your retail solution during your project.

### Areas of Use

You can use the SAP Best Practices for Retail package in all phases of a project:

#### ■ Evaluation

The package helps you quickly set up a prototype to get a look-and-feel impression of your SAP for Retail solutions. You can activate the package from scratch to personalize and enable a subset of the predefined scenarios supported by SAP Best Practices for Retail. Or you can export an online demonstration

version of the package to showcase all the supported scenarios, complete with sample master data.

#### ■ Implementation

The package contains all the steps and content necessary for implementing key functionality needed to support selected business scenarios. It supports each scenario with pre-configuration settings, configuration guides that detail what settings were applied, and business process documentation that you can use for manual test cases and business-user training.

#### ■ Demonstration and training

Early in your implementation project, you can use the SAP Best Practices for Retail package to demonstrate your prototype and train your project team and future business users. In addition, the package documents numerous procedures that can serve as a basis for business-user documentation and training material.

## Automated Activation

With the solution builder in SAP Best Practices for Retail, your project team can quickly select the scenarios that you need your implementation to support, personalize them, and activate them automatically. The solution builder fully logs all activation activities so that your project team can immediately see the progress and status of their activation.

## Rapid Implementation and Time to Value

SAP Best Practices for Retail pre-defines only the most relevant processes and functions for the retail industry

to deliver shorter implementation times and predictable costs. That translates into accelerated time to value for retailers that implement SAP solutions. Based on a 2007 survey of SAP partners and customers, organizations reduced implementation time by an average of 32% by using SAP Best Practices packages (see Figure 2).

## Comprehensive Tool Set

To accelerate your adoption of industry best practices and help you get the most out of your SAP solution, SAP Best Practices for Retail provides the following tools, preconfigured settings, and documentation.

## Solution Builder, Solution File, and Scope Templates

The solution builder and solution file allow your project team to select and scope the scenarios you need, personalize default settings, and automatically enable your required business scenarios. Scope templates help you quickly select all supported scenarios or the specific subset you need to meet your business needs. You can also navigate detailed documentation to help identify the scenarios you require.

## Installation Data Files

Unique installation data files provide the specific default configuration settings and content you require during the implementation of your SAP for Retail solution portfolio. You can personalize these default settings using the solution builder to match your unique requirements.

## Enterprise Structure Personalization

The solution builder's enterprise structure tool shows a graphical representation of the default enterprise structure (provided by the installation data files). After selecting and saving your specific solution scope, you can use the enterprise structure tool to personalize the default settings, such as company name, plant names, and more.

## Implementation Assistant

Once you select the process scope and personalize the settings (or select the default settings), you can use the solution builder's implementation assistant – an automated workbench –

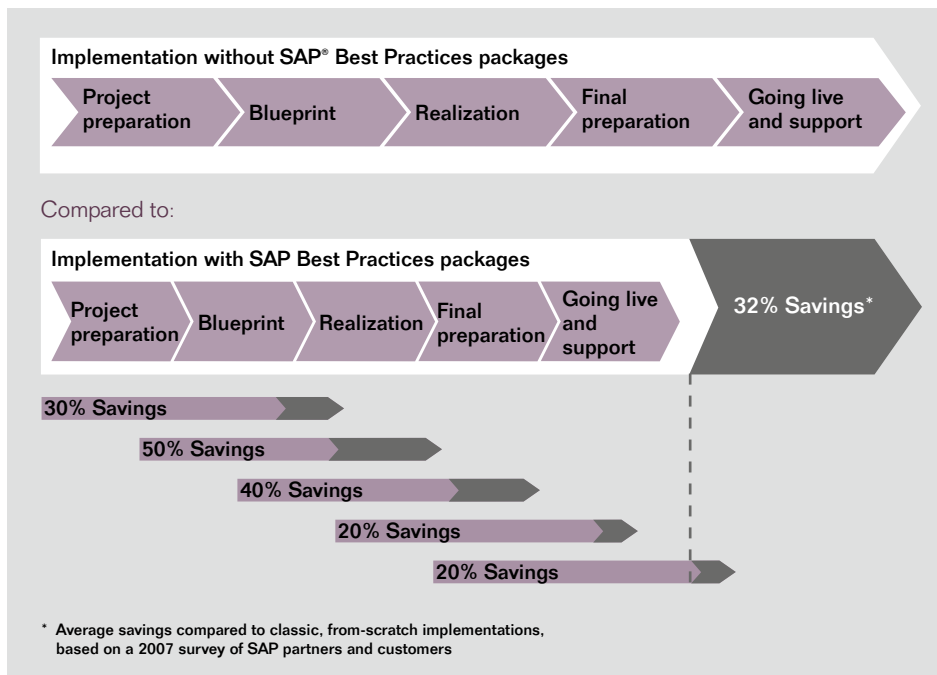


Figure 2: Faster Deployment Time with SAP Best Practices

to activate business scenarios and processes rapidly. You enable each scenario via specific building blocks of preconfigured settings and configuration procedures. These settings and procedures are provided via extended computer-aided test tools (eCATTs), business configuration (BC) sets, and, in some cases, documented manual configuration steps.

The implementation assistant guides you step-by-step through the activation process directly within your SAP for Retail solutions. It also controls the activation sequence of all scenarios and their associated building blocks.

#### Business Configuration Sets

SAP Best Practices for Retail delivers preconfigured settings in the form of BC sets that you can use to assemble either a prototype or a development solution. Via the implementation assistant, you can choose which preconfiguration to use for implementing functions that support a specific business scenario. When you activate the BC sets in the development solution, they automatically carry out configuration settings and save them in transport

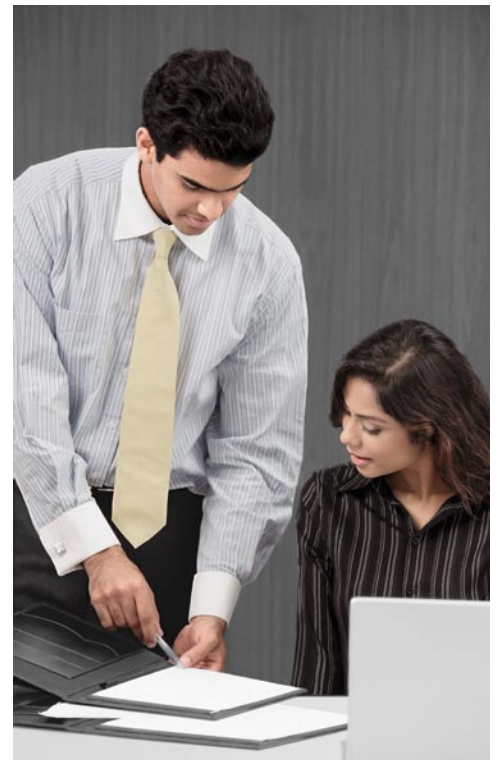
requests. If necessary, you can employ the delta configuration to implement further customer-specific requests that are not covered by SAP Best Practices for Retail. Then you can import the transport requests resulting from the BC-set activation and delta configuration into your quality assurance or production solutions.

#### eCATTs

You use eCATTs within the context of SAP Best Practices for Retail to activate BC sets and create master data. For example, you can use eCATTs to create master data in all components of the software landscape in which you need example data. You execute eCATTs from within the installation assistant.

#### Business Process Documents

When you have successfully installed the components of SAP Best Practices for Retail that support a business scenario, you can leverage detailed process documentation to test how the scenario can work in your situation. SAP Best Practices for Retail provides documented business process procedures for all of its supported scenarios. This documentation contains detailed, application-focused descriptions of individual business processes and scenarios.



Support for key business scenarios helps you rapidly realize business benefits without extensive configuration of your SAP software. SAP Best Practices for Retail also lets you fine-tune all the comprehensive functionality in the SAP for Retail solution portfolio to meet your specific needs.

# SUPPORT FOR CORE RETAIL SCENARIOS

## ENABLE INDUSTRY BEST PRACTICES ACROSS KEY BUSINESS PROCESSES

SAP Best Practices for Retail includes descriptions of key business scenarios enabled by SAP for Retail solutions. It also includes details about how to set up and configure your SAP applications to support those scenarios. This unrivaled combination of detailed business documentation describes first-in-class business practices in the retail industry. It includes a complete set of technical tools and information to help you implement the core functionality of SAP for Retail to support your business processes.

### Item Management

The item management scenario shows how to create master data for retail merchandise and gives detailed information on different article categories. This scenario covers the creation of single and generic articles, as well as structured articles like prepacks, sales sets, and displays. You can list articles directly via the article creation functionality of your SAP for Retail solutions. The solution supports mass data by reference handling and working with maintenance groups. It also enables you to effectively manage the characteristic values for fashion articles (such as sizes and colors) via value grouping and characteristic profiles, which make it easier to manage and update large volumes of article data.

### Retail Pricing

The retail pricing scenario supports two pricing methods: price calculation at retail levels and price calculation at wholesale levels. In the retail calculation, the scenario describes the fundamen-

tals of two-step pricing and data retention for condition records, using the example of the sales-price calculation for a single article. Additional process variants cover sales-price strategies based on competitors' prices, price points, and price families, as well as market-basket calculation for a number of articles destined for an imaginary market basket. You can automatically add price-relevant changes in your master-data or condition records to your pricing work lists for review and release.

At the wholesale level, this scenario describes the specific calculation for different price-list conditions. It also examines individual customer discounts and the effect they have on price determination in the sales order.

### Assortment Operations Execution

The assortment management demands of retailers differ greatly. Some retailers require identical assortments in all areas, while others demand assortments unique to each store or store group. Some have mainly nonreplenishable seasonal merchandise and, thus, frequent assortment changes; others sell mainly replenishable basics, so their assortments are subject to fewer changes. SAP for Retail solutions take these differences into account by providing a variety of tools for assigning articles to assortments and assigning assortments to assortment users (for example, sites or stores).

The assortment operations scenario described in SAP Best Practices for Retail can be handled in different ways.

In the integrated scenario assortment planning can occur outside ERP (such as in a business warehouse) and then released for assortment execution in ERP; while in the nonintegrated scenario, the assortment management process occurs entirely in ERP using the layout concept. The layout concept allows you to structure the sales area of your stores optimally, according to your assortment. At the same time, it forms the basis for using external space management systems. The layout workbench tool in SAP for Retail is the main entry point for all functions relating to space management and layout. You can use this tool to create and change layout modules that represent a specific area in a store (for example, a shelf).

### Promotion Management

From a sales perspective, promotions provide retailers with a key opportunity to differentiate and position their merchandise in a competitive, aggressively priced environment.

The scenario for promotion management describes how to manage promotions and allows for several types of temporary discounts or promotional offers. Promotions are planned at the headquarters level and then sent to the participating stores when the promotion is announced. When planning a promotion, you can take into account critical factors such as time periods, article quantities and prices, expected sales, and logistical units of measure, as well as data from previous promotions. You can differentiate between general promotions that target anonymous



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consumers and individualized promotions that offer special prices to known customers for whom customer master data already exists.

### Price-Catalog (PRICAT) Inbound

In this scenario, a retailer receives pricing and catalog-related data for goods and services from a vendor via electronic data interchange. Once the transferred data is reviewed, automated inbound processing allows the creation and updating of master data or price conditions.

### Price and Revenue Management: Manual Price Changes\*

SAP Best Practices for Retail supports the ability to make manual price changes as part of the price and revenue management scenario. The price planning workbench in SAP for Retail provides a uniform working environment for price planning. Integration of the sales-price calculation allows you to automatically use the information from the price calculation. You can store planned price changes in a price plan. A connected budget function lets you monitor sales deductions that result from planned price changes. To calculate the impact of the sales deduction, SAP for Retail takes into account both the price differences and the current stock and planning quantities.

Once planning is completed, you release the price plan for subsequent processing. You can use an approval procedure to prevent unwanted price changes if a budget overruns.

### Price and Revenue Management: Markdown Planning\*

SAP Best Practices for Retail also provides detailed documentation and support for planning markdowns. Monitoring sales performance to identify poor-selling articles for markdown – particularly when dealing with seasonal merchandise – is key to retail success. You can maintain settings in the slow-seller management area of the SAP NetWeaver® Business Warehouse (SAP NetWeaver BW) component for

controlling rule-based markdown. If articles do not meet the target sales ratios within a defined time period, SAP NetWeaver BW generates markdown proposals for the selected analysis level, based on the markdown profiles assigned.

### Demand-Driven Procurement

This scenario describes the planning and execution of external procurement for a distribution center based on stock levels, store orders, and demand forecast. Several different forecast and requirement planning methods are available to determine the required order quantities. You can determine the best supply sources by various methods, taking vendor contracts into account.

Purchase order processing begins with the requirements planning workbench in SAP for Retail. This workbench enables your stock planners to carry out quantity optimizing when converting a purchase requisition to a purchase order. It also shows them how to use the order cancellation function and automatic purchase order block-and-release function of SAP for Retail. In addition to quantity optimizing, you can take other order optimizing methods into account (such as investment buying, load building, and goods receipt capacity checks) before issuing the final order to the vendor.

This scenario also includes a description of purchase order monitoring that shows you how to stay up-to-date with

\*Scenario requires the SAP Merchandise and Assortment Planning application

the progress of open purchase orders. The final step in this scenario – vendor evaluation – not only helps you optimize merchandise procurement but also makes it easier for you to choose future sources of supply and continuously monitor existing supply relationships. That's because it provides detailed information about the best prices and terms of payment and delivery.

### **Plan-Driven Procurement\***

The scenario for plan-driven procurement is suitable for the external procurement of merchandise with short lifecycles and long procurement lead times. It is intended primarily for the procurement of seasonal merchandise that is not purchased through the regular replenishment process. Processing the purchasing-relevant documents via the purchase order manager tool of SAP for Retail helps buyers become more efficient by simplifying their day-to-day tasks.

The operational purchasing process is based on plan data and open-to-buy (OTB) budgets transferred from the SAP Merchandise and Assortment Planning application, which is part of the SAP for Retail solution portfolio. With the operational assortment planning and control function in SAP for Retail, you can specify the articles and quantities you wish to order in a purchasing list. This list can include existing articles, PRICAT articles received from vendors, or newly planned articles for which no information exists yet. The

scenario also describes the creation and management of prepacks.

With the release of a purchasing list, you can transfer the articles to an order list for the actual ordering of the merchandise. The order creation process is monitored and purchase orders are restricted to OTB budgets (with possible exceptions). Throughout the scenario, the allocation planning and order scheduling processes both interface with the order process.

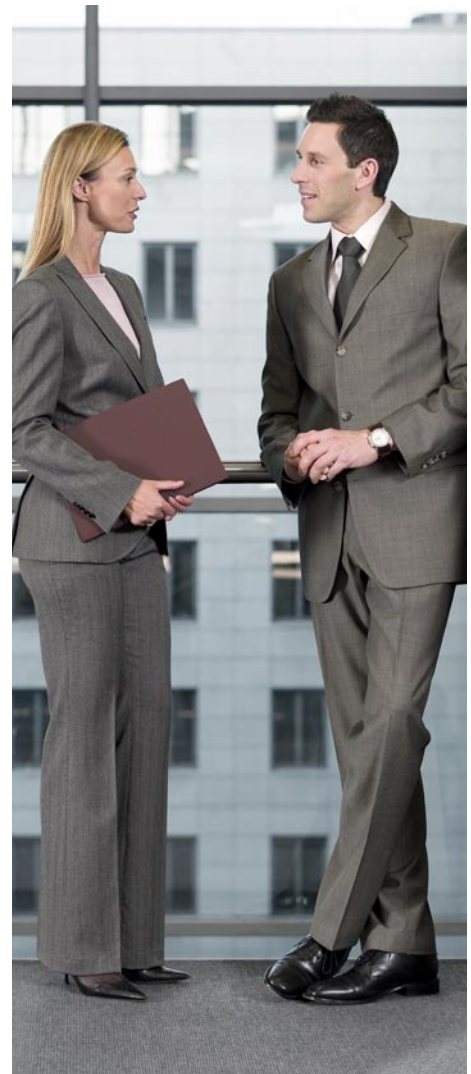
### **Quotation-Based Procurement**

This scenario covers the procurement of merchandise based on quotations from several vendors. The procurement process begins with the management of quotations and vendor selection using the planning workbench in SAP for Retail. The next steps are order processing and purchase order creation based on the best competitive quotation, followed by order release and goods receipt at your distribution center.

### **Perishables Buying**

The perishables buying scenario describes the procurement and distribution of perishable products to your stores. It also describes a vendor evaluation process to optimize article procurement and make it easier to monitor existing supply relationships and select new sources of supply.

Buying perishables requires considerable experience, is subject to strict time constraints, and must accord with



business management criteria or processes. The perishables buying workbench in SAP for Retail streamlines the planning, procurement, and logistics for perishable products. It supports decision making by allowing a speedy analysis of requirements and current market conditions.

### **Subsequent Settlement**

Retail companies like yours conduct price negotiations with vendors periodically, such as on a yearly basis. Some of the conditions agreed upon with the vendor are applied retroactively instead of directly via the merchandise invoice and are often tied to other conditions, such as a minimum order volume with that vendor. Some conditions depend on the flow of goods, such as annual bonuses, incremental rebates, or account rebates; others do not, for example, advertising subsidies, pay-

\*Scenario requires the SAP Merchandise and Assortment Planning application

ments for disposal, or listing payments. The subsequent settlement scenario supports the interim or final settlement of such arrangements, based on the business volume of the period.

### **Invoice Verification**

This scenario supports the accurate content, prices, and calculations for receipt invoices. Logistic invoice verification is closely connected with the purchasing, logistics, finance, and controlling functions of SAP for Retail. It matches incoming invoices with orders and goods receipts and provides the information for payment or evaluation of invoices. You can maintain general or vendor-specific tolerance limits for invoice deviations. The scenario shows how to treat invoice differences caused by price or quantity variances, both automated or manually. It also supports the automatic evaluation of receipt settlement.

### **Lean Warehouse Management**

Due to low margins and high volumes of merchandise, efficient logistics in warehouses and distribution centers is extremely important for most retailers. For warehouses with a simple structure of just one fixed bin per article, SAP recommends the lean warehouse management functionality of SAP for Retail. Lean warehouse management manages stock at the storage location level.

To support this scenario, SAP Best Practices for Retail depicts a simple exemplary warehouse structure. After

goods receipt, you store the goods directly in a picking area with fixed storage bins. The picking is done via transfer orders that you can arrange in picking lists based on several criteria, such as wave picks. Several monitoring and mass processing functions support the logistics process. The scenario also covers the returning of deliveries to a vendor and physical inventory counts in the warehouse.

### **Warehouse Management**

This scenario describes the processing of retail goods in a distribution center using a warehouse management system with inventory management at storage-bin level, allowing multiple locations for an article in the warehouse. The scenario is divided into individual processes that display the complete movement of the merchandise through the distribution center. These processes include goods receipt, put-away with different strategies for different types of goods, picking, outbound processes, and the automated replenishment of picking bins from reserve storage. The scenario also includes periodic processes, such as conducting physical inventory in the warehouse.

### **Merchandise Distribution**

This scenario supports the delivery of merchandise directly from the vendor to a recipient, from a distribution center to a recipient, or from the vendor to a distribution center and then to the recipient. Through its merchandise distribution functions, SAP for Retail

enables you to carry out the distribution process efficiently from the planning stage right through to logistic handling of the merchandise. You can use an allocation table (push method) or the collective purchase order (pull method) to plan merchandise distribution and then trigger and execute distribution centrally in the distribution center. In the logistic distribution phase, you can use efficient methods like cross-docking or flow-through to move merchandise through the warehouse without put-away and then prepare it to be shipped to customers or stores.

### **ECR-Compliant Procurement Processes**

Retailers today are working more closely with manufacturers and vendors to achieve common goals. As a result, collaboration concepts such as efficient consumer response (ECR) are becoming more and more important. New technologies are also enabling small and midsize companies to handle structural change and improve their competitiveness.

This scenario describes the flow of electronic data interchange documents between vendors and the retailer throughout the procurement processes, which include vendor-managed inventory and buyer-managed inventory. In the vendor-managed inventory process, the retailer provides stock movements to the vendor, who is responsible for replenishing the retailer's warehouse. In the buyer-managed inventory process, the retailer decides on order quantities

and sends orders to the vendor, who replies with order confirmation, shipping notification, and finally an invoice.

### **Sales Order Management**

Sales order management is a business-to-business scenario that shows how you can directly process sales orders to business customers without the involvement of a store. This scenario incorporates presales, the actual sales order, and the resulting follow-up actions, such as delivery, complaints, returns, and billing. It also covers the handling of customer contracts, bonus agreements, and consignment stock, and it shows you how to create a product catalog for your merchandise. Please note that SAP Best Practices for Retail also supports scenarios for taking customer orders in a store.

### **Cross-Channel Customer Order Management**

In this scenario, a consumer in the store orders merchandise that is currently not in stock or generally not kept in stock in the store but available for order via a catalog. The order is maintained in SAP for Retail via the SAP Mobile In-Store Inventory Management application. The order is then delivered by a third-party vendor or the distribution center either to the store for pickup or directly to the consumer, who receives an invoice. Please note that SAP Best Practices for Retail also supports scenarios for point-of-sale payment.

### **Customer Order Management at Point of Sale\*\***

This is a business-to-consumer scenario supported by SAP Mobile In-Store Inventory Management integrated with the SAP Point-of-Sale (SAP POS) application. The scenario enables you to order articles specifically for a customer, who has to pay a certain amount in advance (down payment). For this purpose, you can create the sales order from a store terminal connected to SAP POS using the sales order functionality of SAP Mobile In-Store Inventory Management. The actual down payment takes place at the point of sale. When the customer picks up the articles, a delivery process is started. The sales order functionality is called again from the point-of-sale terminal and the delivery process completed. The result is an invoice document with the calculated balance due. SAP POS retrieves the amount to be paid, and payment is completed. A point-of-sale transaction log (TLOG) stores the payment data. This TLOG is uploaded via the SAP POS Data Management application to SAP for Retail, where the customer account is finally cleared.

### **Store Connectivity**

Connecting store merchandising and POS systems with headquarters is a key requirement of any retailer. This scenario describes how store systems can connect to the merchandising functionality of SAP for Retail solutions via a POS interface based on the generic intermediate document (IDoc) format.

For outbound POS functions, the scenario covers the data transfer to the POS system, along with the download of articles, assortment lists, conditions, promotions, and more. It also includes the continuous preparation of change data, such as price changes. For inbound POS functions, the scenario describes the uploading of sales data, cash balancing, store orders, and goods movements, as well as processes based upon this data (such as store replenishment and physical inventory).

### **In-Store Merchandise and Inventory Management**

Ordering, goods movement, and managing store-specific information and master data make up the back-office business of a store. All these functions are preconfigured and described in SAP Best Practices for Retail. With the SAP Mobile In-Store Inventory Management application, employees can execute these activities from the store, working directly in the central systems via an online connection. Using Internet-based technologies, the user interface combines the intuitive usability of the Web browser with the store-compatible transactions of the central SAP for Retail solutions. Therefore, even part-time employees can quickly learn how to use the in-store software without extensive training.

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\*\*Scenario requires the SAP Point-of-Sale and SAP POS Data Management applications

## Mobile In-Store Inventory Management

Mobile in-store applications are part of a complete store retailing system together with SAP for Retail solutions. You can centrally store data in SAP for Retail, connecting to it via a portable wireless LAN device. As a result, you can review and create online data directly in the central system.

SAP Best Practices for Retail features tools and technology to help you realize best practices in the retail industry. By including methodologies, descriptions of business scenarios, and proven preconfigurations of SAP software, the package provides a prototype that you can turn into a productive retail solution – reducing the time, cost, and risk of implementation.

This scenario includes business processes for in-store inventory management, such as inventory lookup, physical inventory count, and goods movements. In addition to supporting online mobile devices, SAP Best Practices for Retail enables the use of a simple ASCII file upload via Web browser or a mobile device connection via third-party software.

## Outbound Point-of-Sale Connectivity\*\*

This scenario documents how to download information from your SAP for Retail solutions to SAP POS via the SAP NetWeaver Process Integration (SAP NetWeaver PI) offering. This includes information on articles, mix-and-match pricing, promotions, categories, departments, and more. SAP Best Practices for Retail describes in detail how SAP for Retail downloads the master-data record for a new article. Each record is processed by the SAP POS application running on your store server, sent to the application's client software running on your in-store cash registers, and subsequently rung up in SAP POS. SAP for Retail can also leverage the master files download, which can include single articles, generic articles, structure articles, promotion price and discounts, merchandise category discounts, merchandise category hierarchy, and bonus buy promotions. Finally, SAP Best Practices for Retail describes how to fully initialize the article master file in SAP POS.

## Inbound Point-of-Sale Connectivity\*\*

SAP Best Practices for Retail also describes how SAP for Retail receives business information and transactions from SAP POS. The purpose of this scenario is to explain the preconfigured features and processes within SAP POS and how the transactional data created by them is forwarded to your SAP for Retail solutions.

You can create several different variants of sales transactions in SAP POS, including cash, check, or credit card sales, the handling of gift certificates, department sales, paid in and paid out, returns with refund, item exchange, and more. SAP POS converts the sales transaction binary file (also known as a TLOG file) and stores it in a folder. The file adapter in SAP NetWeaver PI picks up the file for data mapping and conversion to a remote function call and then transfers the data to the SAP POS Data Management application. After sales auditing, data cleansing, and optimization, SAP POS Data Management creates an aggregated IDoc and sends it to your SAP for Retail solutions.

## Retail Business Intelligence: POS Analytics\*\*

This scenario describes generic business content for point-of-sale analytics and gives examples of insightful reports using the data from the POS systems.

\*\*Scenario requires the SAP Point-of-Sale and SAP POS Data Management applications

# SUPPORT FOR GENERAL BUSINESS SCENARIOS

## LEVERAGE BEST PRACTICES ENTERPRISE-WIDE

SAP Best Practices for Retail can be used by companies of all sizes that need rapid implementation, as well as by global enterprises that need to create a corporate template for their subsidiaries.

SAP Best Practices for Retail also covers the following non-retail-specific scenarios in the area of enterprise management and support.

### General Ledger

This scenario supports the accounting requirements of an organization by enabling a complete record of all business transactions and financial reporting for multiple accounting standards.

### Asset Acquisition Through Direct Capitalization

This scenario supports asset acquisition that involves the purchase of a fixed asset from a vendor and the capitalization of costs when the vendor invoice is processed.

### Accounts Receivable

The accounts receivable scenario supports a subledger that records the accounting data of all customers and helps to manage the billing of customers. This scenario is also an integral part of sales management.

### Asset Acquisition for Constructed Assets

This scenario supports assets under construction. It covers the accumulation of costs during the building of fixed assets and the capitalization of costs at the completion of construction.

### Accounts Payable

The accounts payable scenario supports a subledger that records accounting data of all vendors and other creditors and helps to manage the payables. This scenario is also an integral part of purchasing management.

### Document Splitting

This scenario enables you to split up financial postings and assign dimensions (such as business or geographical segments) automatically. It covers managerial reporting needs and is a prerequisite for segment reporting.

### Period-End Closing Financial Accounting

This scenario includes those processes required to close the books and prepare financial reports, accruals and

reversals, foreign currency revaluations, and balance confirmations with customers and vendors.

### General Cost Center Planning

This scenario describes how managers of nonoperational cost centers (such as sales, marketing, administration, and research and development) can plan the costs for various cost types or elements of their respective cost centers.

### Cash Management

You can apply this scenario to monitor cash flows and generate liquidity forecasts to help ensure that you have sufficient liquidity to cover your payment obligations (such as liquidity on bank account balances).

### Overhead Cost Accounting – Accrual

This scenario documents how to plan, allocate, control, and monitor overhead costs.

### Asset Accounting

You can leverage this scenario to manage fixed assets. It supports a subsidiary ledger to the general ledger, providing detailed information on transactions involving fixed assets.

### Period-End Closing Activities

This scenario provides the sequence of all steps required for period-end closing on a daily, monthly, and yearly basis.

# BUSINESS BENEFITS OF SAP BEST PRACTICES FOR RETAIL

## MEET TODAY'S NEEDS, BUILD FOR TOMORROW'S

With SAP Best Practices for Retail, you can realize a variety of business benefits:

- **Use solutions tailored to meet your needs**

SAP Best Practices for Retail provides the tools, content, and methodology you need to implement and optimize your SAP for Retail solutions from both a functional and a technical perspective.

- **Take advantage of rapid implementation and manageable costs**

Rapid implementation techniques make it possible to reduce costs and accelerate time to value. And the scalability of SAP for Retail solutions means that a company invests only once – even when the organization changes or grows.

- **Use prepackaged business expertise and avoid beginners' mistakes**

SAP Best Practices for Retail largely anticipates common business requirements and delivers exactly the documentation and configuration needed for a smooth evaluation and implementation. All the deliverables of SAP Best Practices for Retail are fully reusable and can be adapted to meet your specific needs.

- **Extend your business solution**

SAP Best Practices for Retail contains methodology, documentation, automated tools, and preconfigured business process templates to support a variety of retail-specific scenarios. So you can start with enabling the scenarios you need today and then expand your SAP for Retail solutions to support additional scenarios tomorrow.

- **Build a working prototype**

With SAP Best Practices for Retail, it takes only a few days to build a working, fully documented prototype that you can use as a starting point for your implementation.

- **Improve project performance and communication**

SAP Best Practices for Retail offers an integrated tool that you can use to evaluate and demonstrate SAP for Retail, train your project team, and implement your solution. All project members use the same tool, which leads to effective communication.

### For More Information

#### Take the Next Steps

An assortment of cross-industry SAP Best Practices packages support business scenarios that focus on customer relationship management, supply chain management, enterprise portals, and business intelligence. For example, the SAP Best Practices for Business Intelligence package supports the business processes associated with gathering, analyzing, and leveraging business intelligence. You can easily combine SAP Best Practices for Retail with additional support for functionalities delivered with various cross-industry SAP Best Practices packages.

SAP Best Practices for Retail is available free of charge. To order the entire SAP Best Practices for Retail package – including the documentation and preconfiguration CD – con-

tact the contracts department of your local SAP office. SAP customers and partners can also order online from the SAP software catalog on the SAP Service Marketplace extranet. To order additional copies of the documentation CD, go to SAP Service Marketplace and order online from the SAP knowledge catalog. Please note that some versions of SAP Best Practices consist only of a documentation CD (for example, SAP Best Practices for Business Intelligence). That is, no preconfiguration CD is needed.

To learn more about SAP Best Practices for Retail, go to [www.service.sap.com/bestpractices](http://www.service.sap.com/bestpractices) on the SAP Service Marketplace (an extranet for SAP customers and partners), visit [www.sap.com/bestpractices](http://www.sap.com/bestpractices) on our public Web site, or e-mail us at [bestpractices@sap.com](mailto:bestpractices@sap.com).

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## Summary

To succeed in today's highly competitive, fast-changing retail industry, your core business processes must incorporate industry expertise in the form of best practices. The SAP® Best Practices for Retail package, available free of charge to SAP customers and partners, is based on proven best practices for the retail industry. The package contains methodology, documentation, and preconfigured business process templates to quickly and cost-effectively turn your SAP software into a live retail solution that's personalized to meet your needs – minimizing deployment risk while accelerating ROI.

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## Business Challenges

- Dynamic industry environment
- Rapidly changing market conditions
- Need for best-in-class business processes
- Limited time for project implementation

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## Key Features

- **Complete preconfiguration settings** – Get everything you need to support critical retail processes based on industry best practices with minimal installation effort and business disruption
- **Business process documentation** – Leverage extensive and reusable documentation for self-study, evaluation, and training programs
- **Implementation accelerators** – Speed evaluation, implementation, and training
- **Clear implementation methodology** – Follow a logical, step-by-step process to enable best-in-class retail processes

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## Business Benefits

- **Improve competitive success** by enabling business processes based on the best practices in the retail industry
- **Control cost** by utilizing a pragmatic methodology for optimizing your retail software solution
- **Save time** by accelerating the implementation of your software solution
- **Reduce risk** by leveraging prepackaged industry expertise

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## For More Information

To learn more about SAP Best Practices for Retail, go to [www.service.sap.com/bestpractices](http://www.service.sap.com/bestpractices) on the SAP Service Marketplace extranet (available to SAP customers and partners), visit [www.sap.com/bestpractices](http://www.sap.com/bestpractices) on our public Web site, or e-mail us at [bestpractices@sap.com](mailto:bestpractices@sap.com).

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