

THE INTELLIGENT ENTERPRISE FOR THE RETAIL INDUSTRY

Innovation on the road
to a new world of retail

April 2022

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THE BEST RUN



The Road to a New World of Retail

Ubiquitous access to information has shifted power from the retailer to the consumer. This has increased the pressure on retailers and brands to invest in innovative business models and new ways of creating value for their ecosystem.

Consumers demanding new levels of value: With so much choice at their fingertips, consumers expect more than ever before; ultraconvenience, flawless service, and seamless experiences are now foundational to brand loyalty. Leading brands have been raising the bar for years, and now consumers have come to expect these standards everywhere.

Disruptive market entrants: New digital-first competitors and innovative business models continue to emerge. Retailers must embrace disruption and vertical integration, as they are reshaping the traditional retail landscape.

Sustainability paradigm shift: The retail industry is under scrutiny from both consumers and regulators, as retail companies are a major contributor to carbon emissions. At the same time, retailers are in a powerful position to enforce sustainability principles across their supply base. Leaders are thinking about environmental and social governance standards not as problems but as solutions to achieve more efficient and less wasteful practices that safeguard their business's license to operate.

Purpose-driven retail: The next generation of customers is looking for brands that align with their values, and they are willing to "walk the talk." Commitment to a purpose has become as important as a brand's digital experience. The future of retail is about thoughtful curation of products and brands that align with their mission and provide for a trusted engagement.

Sustainable Retail

SAP can help retailers make sustainability profitable, manage their carbon footprint, support climate change remediation, and uphold social responsibility. Our key sustainability strategies for the retail industry are:

Circular Economy – Zero Waste

The circular economy principles help retailers maintain their relationship with consumers in various moments of circularity – moments of buying, sharing, recycling, or donating. Producing and distributing goods according to consumer demands and avoiding overstocking and wasting of resources and goods are key to sustainability but also contribute significantly to a retailer's profit.

Climate Action – Zero Emissions

Production, transportation, last-mile delivery, omnichannel delivery and returns, in-store operations, and assets and buildings all contribute to a retailer's carbon footprint. They also provide many opportunities and entry points to improve end-to-end processes and thus reduce the carbon footprint and emissions.

Sustainable Brand – Zero Inequality

Consumers have increasing expectations for the products they buy. From sourcing through production to delivery, they expect everything to be good for the environment and society. Today, the success or failure of a brand is directly linked to its contribution to environmental and social responsibility.

Sustainability in the retail industry is a crucial lever to increase customer loyalty, raise profits, and effectively improve business processes. At the same time, these improvements are also good for the environment, society, and the business.

Strategic Priorities for Retailers to Run as Intelligent Enterprises

To transform their business and be ready to meet the expectations of tomorrow's consumers, leading retailers set the following strategic priorities.

Be customer centric across the value chain: Put the customer at the center of all decisions. Enable personalized customer interactions with curated experiences and hyperlocal assortments of sustainable products.

Serve the "segment of one": Personalize with purpose. Differentiate through value-added services. Use modern digital capabilities and intelligent technologies combined with real-time customer insights to meet unique customer needs and preferences at scale.

Implement digital supply chains: Create circular supply chains from the suppliers to the consumers' homes and back. Enable fast response to changes in demand and supply. Design out waste and optimize transportation to reduce transmissions and cost.

Redefine stores: Reimagine the store as the command center for unified commerce. Regardless of the point of purchase, the store underlines your customer value proposition by providing unique and seamless shopping experiences. Empower the store associates to enhance each customer's visit with contextual customer profiles and connect the digital and physical spaces to fulfill any customer request.

Create new business models: Leverage platform scale and ecosystems to support vertically integrated business models to expand revenue and differentiated offerings. Create sustainable outcomes and higher brand loyalty through expansion of service offerings and continuous engagement with consumers.



Customer centricity

85%

Of retailers consider it important to make strategic use of data, including integrated, predictive, what-if, and scenario planning, and they use it as a competitive differentiator . . .

. . . but only **9%** are able to do so.*



Segment of one

~75%

Of retailers consider it important to deliver a fun, contextual, and personalized customer experience . . .

. . . but only **10%** are able to do so.*



Digital supply chain

~70%

Of retailers consider it important to have visibility into the global inventory pool and optimize it for a "source anywhere, fulfill anywhere" model . . .

. . . but only **15%** are able to do so.*



Redefined stores

74%

Of retailers consider it important to equip store associates with real-time product and inventory information to help them serve shoppers better . . .

. . . but only **30%** are able to do so.*



New business models

>60%

Of organizations consider it important to work with their broader ecosystem to drive successful business models . . .

. . . but only **25%** are able to do so.*

*Source: SAP Performance Benchmarking

From Best Practices to the Vertical Edge

Today's retailer still relies heavily on the “horizontal” layer that represents the backbone of operational systems. To change the game on what we call the vertical edge, companies need to double down on digital first and omnichannel strategies. Agile operating models need to infuse innovation along the customer value chain – from agile planning, to smart order management orchestration and fulfillment, to redefining the store entirely. Modular cloud services, open integration, and exposing intelligent technologies to our partner ecosystem and customers are the building blocks for scenarios at the vertical edge.

	Current Practices	Next Practices	Vertical Edge
CUSTOMER CENTRICITY	<ul style="list-style-type: none"> Planning of global and local assortments based on understanding of customer needs Select survey execution to detect experience feedback 	<ul style="list-style-type: none"> Demand signals and changes in usage and consumption adjust assortments and promotions in real time Pervasive capture and inclusion of sentiment and experience data as a business metric 	<ul style="list-style-type: none"> Predictive planning and inventory orchestration Process automation using artificial intelligence
SEGMENT OF ONE	<ul style="list-style-type: none"> Personalized offers and recommendations based on understanding of individual and contextual customer needs 	<ul style="list-style-type: none"> Customer participation in the production process to design individual products Predicting customers' needs and enabling fast and convenient fulfillment 	<ul style="list-style-type: none"> Product customization at scale Automation of seamless delivery and consumption options in real time
DIGITAL SUPPLY CHAIN	<ul style="list-style-type: none"> Digitalized supply chain from manufacturer to consumer for better tracking and tracing Flexible omnichannel delivery and fulfillment options 	<ul style="list-style-type: none"> Source-to-consumer delivery to the place of need with connected homes and smart products End-to-end carbon emissions tracking Fulfillment from anywhere, return from anywhere with global inventory, dynamic sourcing, and last-mile delivery 	<ul style="list-style-type: none"> Circular economy processes with principles of sustainable procurement and production such as recycling, reuse, repair, reselling, and more Holistic omnichannel order management and fulfillment with distributed order processing
REDEFINED STORES	<ul style="list-style-type: none"> Store front-line empowered with smart apps and real-time insights to better serve customers Omnichannel sales processes 	<ul style="list-style-type: none"> Sensor-based customer identification, store interaction, and checkout Omnichannel store fulfillment capabilities Unified digital and physical experiences 	<ul style="list-style-type: none"> Experiential retail with highly personalized experiences Ultra-convenient and frictionless shopping
NEW BUSINESS MODELS	<ul style="list-style-type: none"> Extending business into new offerings and market categories Merging of experience data and operational data to create new offers and services 	<ul style="list-style-type: none"> Extended value chain to the point of consumption for instant feedback and usage-based services Creation of platform scale and expansion into adjacent and new businesses 	<ul style="list-style-type: none"> Cross-industry processes Moving from selling products to marketing outcomes that help customers meet personal goals From ownership to service-oriented business models

The Key to Resilience: The Intelligent Enterprise

[Brakes](#), a B2B food delivery service and leading supplier to the food service sector in the United Kingdom, saw its business almost cease overnight with COVID-19. Yet Brakes was able to pivot, adapt, and add value in a time of crisis. It launched a new direct-to-consumer platform with SAP® Commerce Cloud solutions in just seven days.

Watch the [video](#).

Innovation at the Vertical Edge

Moving from proven best practices to the vertical edge takes courage, yet it can offer a significant upside and competitive advantage.

[Read](#) how [Coop Switzerland](#) used advanced forecasting enhanced with intelligent technologies to help enable sustainable shopping by reducing food waste while increasing market share during a crisis.

Road Map to the Vertical Edge

Within each of the five strategic priorities of retail companies, there are opportunities to move to next practices and the vertical edge jointly with our partners and customers. These areas hold significant potential to extend retail core processes from current best practices to next practices using digital technologies and a digital mindset. Below, you will find the digital capabilities to advance to next practices and the vertical edge.

	Current Practices	Next Practices	Vertical Edge
CUSTOMER CENTRICITY	<ul style="list-style-type: none"> Best-of-suite planning applications for merchandise, assortment, promotion, and allocation planning Intelligent forecast modeling Configurable surveys 	<ul style="list-style-type: none"> Forecasting cockpit Category management planning Promotional buying and allocation using machine learning (ML) Capturing and monitoring experience data as well as real-world data 	<ul style="list-style-type: none"> Predictive inventory orchestration based on forecasting and optimization services Agile merchandising based on insights and analytics Cloud-based omnichannel demand and supply planning
SEGMENT OF ONE	<ul style="list-style-type: none"> Planning for promotions and campaigns based on dynamic customer segments. Context-driven commerce experiences based on browsing behavior Demand and supply segmentation by customers and channels 	<ul style="list-style-type: none"> Contextualized ML to tailor recommendations and offers to individual customers "Lot size of one" production including personalized services 	<ul style="list-style-type: none"> Digital framework to consider knowledge of individual customers for product customization at scale Personalized production in stores or even at customers' homes
DIGITAL SUPPLY CHAIN	<ul style="list-style-type: none"> Integrated and demand-driven supply chain planning and execution with track-and-trace functionality Omnichannel order product availability and dynamic sourcing 	<ul style="list-style-type: none"> Hands-free robotics supply chain Extension of order and delivery options with click-and-reserve and click-and-collect functionality 	<ul style="list-style-type: none"> Omnichannel planning and fulfillment based on cloud services for intelligent order orchestration Task-driven in-store fulfillment with last-mile delivery and intelligent returns optimization, reducing waste and triggering a circular economy
REDEFINED STORES	<ul style="list-style-type: none"> Set of online applications to run store merchandising and inventory management based on real-time data from ERP and points of sale 	<ul style="list-style-type: none"> Inclusion of digitally captured, non-transactional real-world data and consumer feedback to optimize store operations Touchless shopping capabilities à la grab-and-go 	<ul style="list-style-type: none"> Fully automated store operations Capture of customer interaction to enhance one-to-one engagements with personalized shopping list, store navigation, ingredient information, convenient delivery and pickup
NEW BUSINESS MODELS	<ul style="list-style-type: none"> Subscription models Extension of product offerings with value-adding services from other industries 	<ul style="list-style-type: none"> Harmonized data models and objects across industries and smart management of attributes Software-as-a-service offering for retail 	<ul style="list-style-type: none"> Use of retail capabilities and retail services in adjacent consumer-facing industries and business-to-consumer (B2C) models Integrated platforms and solution architectures for holistic offerings Consumption and usage-based pricing

Industry Cloud

Intelligent enterprises strike the balance between optimizing their current business models and innovating at the vertical edge to develop new revenue streams and growth potential using digital technologies. SAP and its partners are offering industry cloud solutions that extend the end-to-end processes of SAP's intelligent suite to help drive customers' core business in their industries.



Customer Centricity: Omnichannel Planning and Optimization

New technology allows retailers to detect, predict, and anticipate unspoken needs. Understanding customer needs and sentiment is key to providing the right assortment and offerings.

CURRENT PRACTICE

From planning in siloed departments using stand-alone, best-of-breed applications and backward analysis . . .

NEXT PRACTICE

. . . to being first to serve tomorrow's demand using predictive insights and intelligence in an integrated planning suite on one common platform



Vertical Edge: Predictive Inventory and Demand Orchestration

Anticipating and executing against dynamic trends and customer preferences require even more flexible ways of planning and optimization. Comprehensive sets of business services such as forecasting, clustering, and similarity services, mixed with real-time transactional data and third-party information, build the foundation for cross-channel insights and a new generation of cloud-based planning and optimization applications.

Elkj p: Helping Customers Enjoy Amazing Technology with Integrated Customer Experience

Elkj p Nordic AS is an omnichannel consumer electronics retailer in the Nordic region, selling its products and services directly to consumers and businesses. The company has a customer-first corporate culture with a relentless focus on the customer and efficiency. Elkj p's vision for a next-generation retail customer experience needed to support mobility, unified channels, and a seamless customer journey, which is why the company turned to SAP software. Read the [customer story](#).

Beeline: Getting Ahead of Fashion Trends with Better Understanding of Customers and Market

Beeline GmbH is selling its brands through concession partners and owned stores worldwide, with over 100 million individual items sold per year. Accurate planning of future demand across channels, integrated end-to-end process management, and real-time insight into sales and customer activities are elements of Beeline's digital transformation and allow the company to be first to market with the trending products its customers are looking for. Read the [customer story](#).

SAP Solutions: Omnichannel Planning and Optimization

New business capabilities delivered by the intelligent suite and industry cloud solutions enable flexible, sustainable, and responsive delivery and value-adding service for consumers.

Intelligent demand data foundation

- Orders across channels as a common base for omnichannel demand planning along with transactional data
- Embedded intelligence to detect errors in integration or identify similar products for referencing

Unified demand forecasting

- Intelligent forecast modeling
- Cockpit to manage forecasting exceptions
- Intelligent services to determine similar products for reference and use in relevant applications (assortment planning, replenishment planning)
- Determination of cannibalization effects

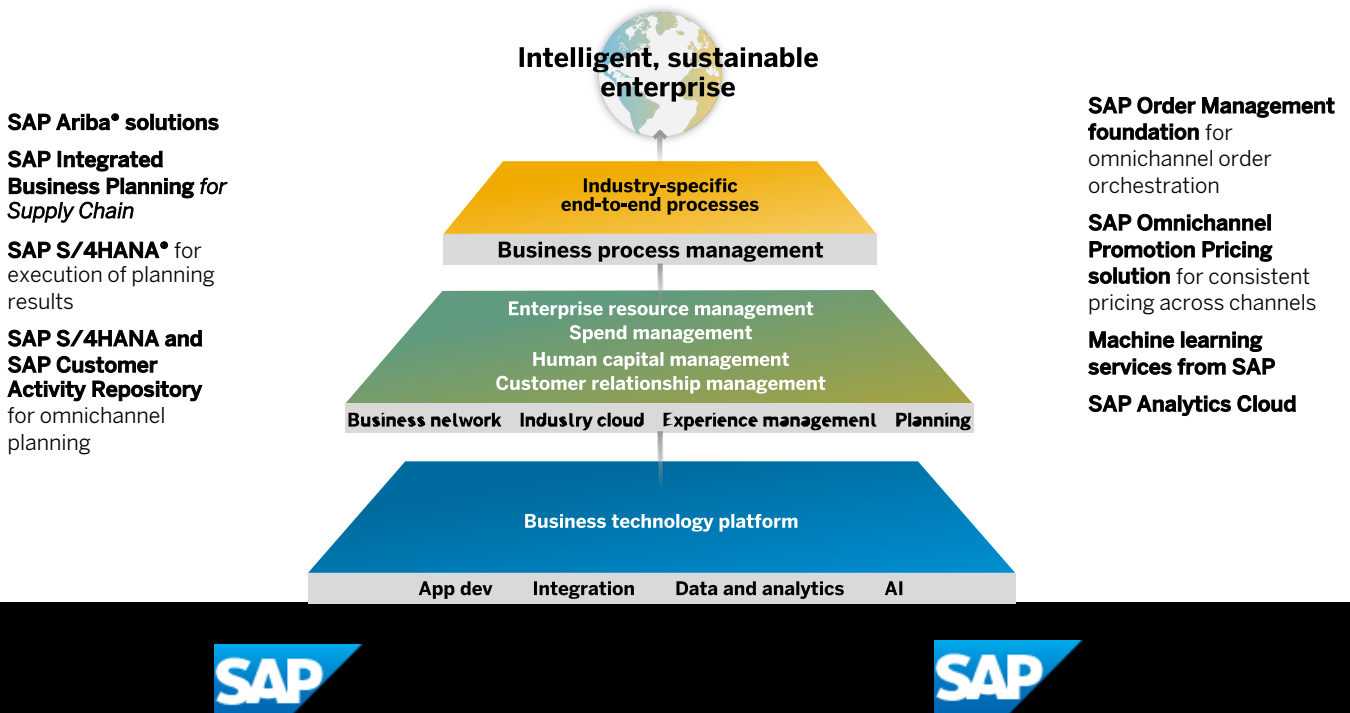
Merchandise and assortment planning

- Omnichannel planning – retail and wholesale
- Optimized option planning
- Intelligent store clustering
- External data for product ranking
- Flexible planning hierarchies and business rule framework
- Closed-loop to shelf-optimization tools

Allocation planning

- Smart allocation based on results of assortment or promotion plans
- Initial push followed by demand-driven in-season refill
- Cross-product allocation for end-of-season distribution

The architecture for the Intelligent Enterprise in retail companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.



[SAP Order Management foundation](#) provides omnichannel order orchestration, connecting your sales channels to each of your fulfillment systems and locations. Retailers can extend and connect their distribution and delivery capabilities by leveraging all nodes across their network, including traditional distribution centers, stores, dark stores, and third-party drop shipping. Now, SAP customers can reduce costs, improve agility, and increase customer satisfaction by enabling one consistent order across their business to act as a single source of truth, combined with orchestration across systems.

[SAP Omnichannel Promotion Pricing](#) provides consistent promotional pricing across all your sales and engagement channels. Build brand loyalty with consistent promotional pricing across sales channels. Integrate the same calculation logic and price and promotion data across every sales channel application to offer reliable promotional pricing information to your customers. Achieve consistent promotional pricing across every sales and engagement channel with a cloud-based solution that supports omnichannel customer experiences.

Segment of One: Connect to Your Customers' Lifestyle

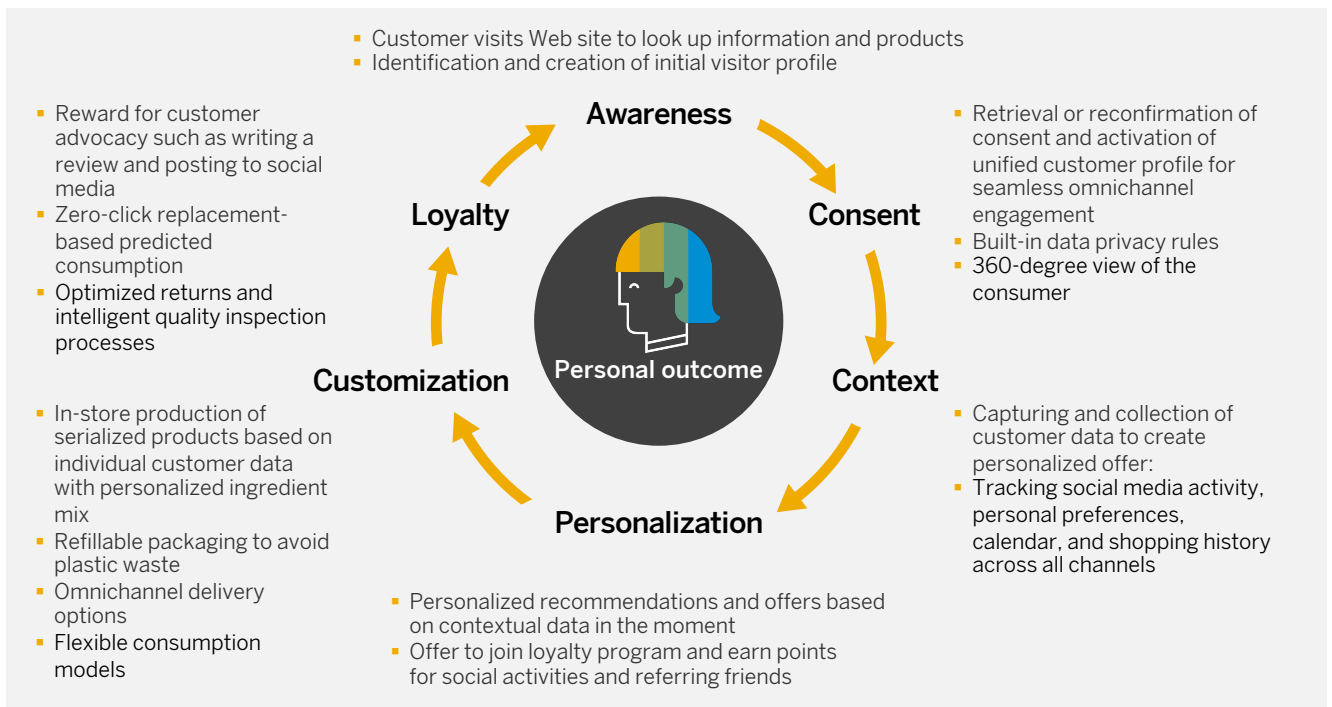
Serving your customers by name and according to their personal preferences and needs drives new levels of customer value, brand loyalty, and profitability.

CURRENT PRACTICE

From catering to customer segments with reactive offers and limited personalization . . .

NEXT PRACTICE

. . . to serving the segment of one with individualized offerings and services based on real-time data-driven customer insights.



VERTICAL EDGE: Deep Personalization and Production Anywhere

Presenting unique products and offers to customers helps them express individuality and helps retailers establish lifetime relationships. Vertical retailers that own the entire supply chain from product development and production to distribution are the first to adjust their processes to mass-customized items. In the future, individualized production will take place in store or even the customer's home, using frameworks for digital designs and 3D printing. Availability of DNA information will allow deeper personalization across product categories.



Deichmann

Deichmann SE, a family-owned business, is the market leader in the European footwear retail business, serving customers across 30 countries globally. The company invested in SAP Emarsys® Customer Engagement solutions to further automate multiple processes, gaining the capability to have a 360-degree view of its customers. Deichmann plans to be able to run highly personalized marketing campaigns to optimize customer experience and consistency across all channels, which will further improve customer engagement rate and revenue. View the [video](#).



Maui Jim: Delighting More Customers Globally with New and Enriched Experiences

Born on the beaches of Maui in Hawaii, Maui Jim Inc. is a global eyewear business and one of the fastest-growing premium eyewear brands in the world. As Maui Jim's unique blend of superior lens quality and stylish frames won more fans around the world, the organization needed to support increasing growth while enriching customer experiences with its aloha spirit. Read the [customer story](#).

SAP Solutions: Connect to Your Customers' Lifestyle

New business capabilities delivered by the intelligent suite and industry cloud solutions enable solutions that precisely fit the needs of a single customer.

Customer data and Insights

- Identity management
- Trust and consent management
- Customer data quality management
- Customer data platform to enable a real-time, unified customer profile across the business and enable value-driven business use cases

Loyalty and personalization

- Integration of AI and predictive analytics with marketing execution to scale 1:1 personalization and continuously optimize business results
- Enhanced behavioral loyalty with tracking and rewarding of social media activity and customer behavior across channels

Fulfillment

- Flexible consumption models – subscription order, billing, and revenue management
- Local production at retailers' site
- Smart omnichannel fulfillment optimization based on real-time business KPIs

Circular economy

- Optimized returns processes with intelligent quality inspection and dispositioning processes
- Waste and recycling management

The architecture for the Intelligent Enterprise in retail companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.

SAP Customer Experience

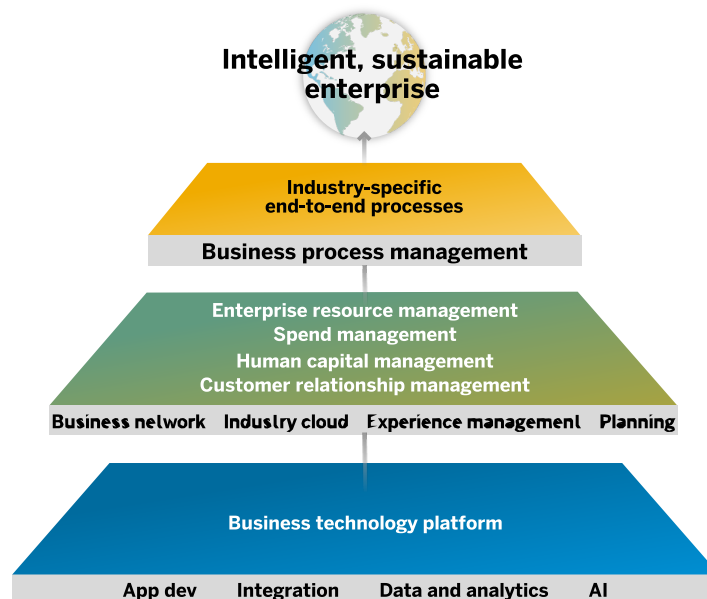
for commerce, customer data, marketing, and loyalty management

SAP Billing and Revenue Innovation Management

for subscription order management

SAP Commerce Cloud and SAP Customer Data Platform

for trusted and personalized online customer experience



SAP Order Management foundation for omnichannel order orchestration

FINDMINE for giving guidance on complete looks

IoT services from SAP

SAP Analytics Cloud

SAP Customer Data Platform for secure customer data management and loyalty



The [SAP Emarsys Customer Engagement](#) solution enables you to deliver the predictable, profitable outcomes that your business demands and the highly personalized omnichannel experiences that your customers deserve. Accelerate business outcomes with proven retail engagement strategies — crowdsourced from leading brands.

FINDMINE's technology serves apparel brands, women's wear retailers, and high-fashion leaders with its "complete-the-look" capability. [FINDMINE for SAP Commerce Cloud](#) uses predictive intelligence to show shoppers how to use each product across e-commerce, e-mail, marketing channels, and in the store.

Digital Supply Chain: Run Sustainable Consumer Supply Chains

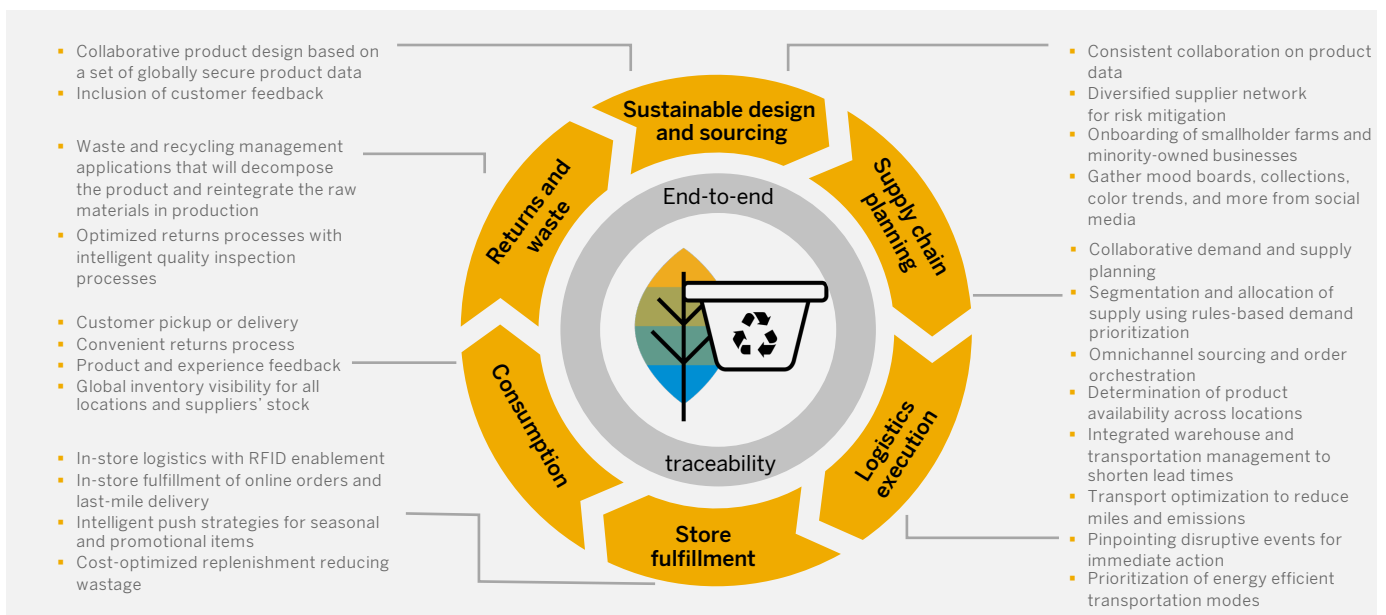
Retailers need to redesign supply chains into consumer value chains with full transparency and commitment to customer service while increasing efficiency and optimizing cost.

CURRENT PRACTICE

From operational lean logistics processes for material flows that were focused on cost-efficiency . . .

NEXT PRACTICE

. . . to a resilient supply network that quickly and efficiently delivers what customers want where and when they want it while minimizing the sustainability impact.



VERTICAL EDGE: Resilient and Connected Supply Chain

The retail supply chain of the future is a collaborative one. Business networks, technologies, and digital tools allow strong business results, greater supply chain resilience, transparency, and efficiency by connecting the entire supply chain. Logistics processes are managed sustainably by saving resources and protecting the environment.

Coop Norge: Automating Inventory Management to Optimize Forecasting and Replenishment

One of Norway's largest supermarket chains with 1,200 stores and a thriving e-commerce channel was looking to improve inventory visibility to serve both its supermarket outlets and its e-commerce channel more effectively. With SAP software, Coop Norge SA automated forecasting and replenishment of 85% of its products and drove €30 million in annual savings by improving stock availability and reducing fresh food waste, while increasing revenues and sustainability.

Read the [customer story](#).

FRoSTA: Providing Greater Transparency for Consumers from Seed to Bag

"Customers want to know everything about a product and its ingredients so they can be sure it aligns with their values. We want to give them that level of transparency, which means gathering an enormous amount of data and making it available in real time. That's what we're doing with our new platform based on SAP S/4HANA and SAP Business Technology Platform."

Ben Windhorst, DTO&IT Director, FRoSTA AG

Read the [customer story](#).

SAP Solutions: Run Sustainable Consumer Supply Chains

New business capabilities delivered by the intelligent suite and industry cloud solutions enable sustainable and circular supply chains offering responsive and flexible fulfillment options for consumers.

Procurement and production

- Supplier network for strategic sourcing and onboarding of small farms, plastic pickers, and artisanal miners
- Sustainable product design reducing packaging
- Evaluation and simulation of product cost structures

Replenishment and Logistics

- Demand and supply match, rule-based order allocation
- Cost-optimized replenishment
- Integrated supply chain execution for warehousing and transportation

Omnichannel fulfillment

- Global inventory visibility for stores, distribution centers, and suppliers' stock
- Central order management and orchestration
- Intelligent returns to support product returns for customers and employees

Customer experience

- Store fulfillment options for pickup, click and collect, ship from store, ship to store, pick and pack, and ship
- Last-mile delivery with integration to carriers, public transportation, and other networks

Circular economy

- Optimized returns processes with intelligent quality inspection processes
- Waste and recycling management
- Integration of new channels for used clothing and worn gear

The architecture for the Intelligent Enterprise in retail companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.

Intelligent, sustainable enterprise



SAP Ariba solutions for supplier onboarding

SAP Integrated Business Planning for Supply Chain solution to synchronize supply chain planning in real time

SAP Replenishment Planning application for cost-optimized ordering and waste reduction

SAP S/4HANA for embedded supply chain execution

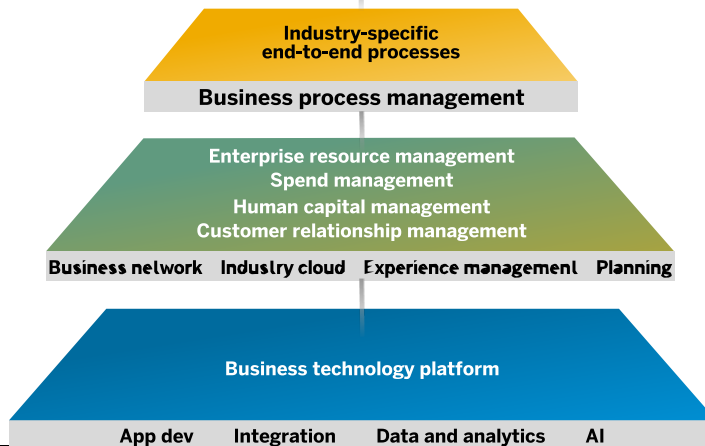
SAP Intelligent Product Design for collaborative product development

SAP Rural Sourcing Management for empowering of smallholder farms

INTURN for inventory lifecycle management

SAP Intelligent Returns Management solution for a fluid customer and employee returns experience and optimum dispositioning

parcelLab to control postpurchase communication and integration to carriers



The Operations Experience (OX) Management Platform solution by [parcelLab](#) connects online retailers with their customers to help them deliver the best possible shopping experience. With real-time monitoring of every single order, parcelLab helps identify relevant events for the customer and enables personal, individual, and emotional customer communication – supported by machine learning.

[Excess Inventory Optimization by INTURN](#) helps manage slow-moving or excess inventory. By streamlining workflows, the platform empowers brands to reduce inefficiencies and improve product margins – all while helping ensure channel protection.

Redefined Store: Brand Experience, Ultraconvenience, Omnifulfillment

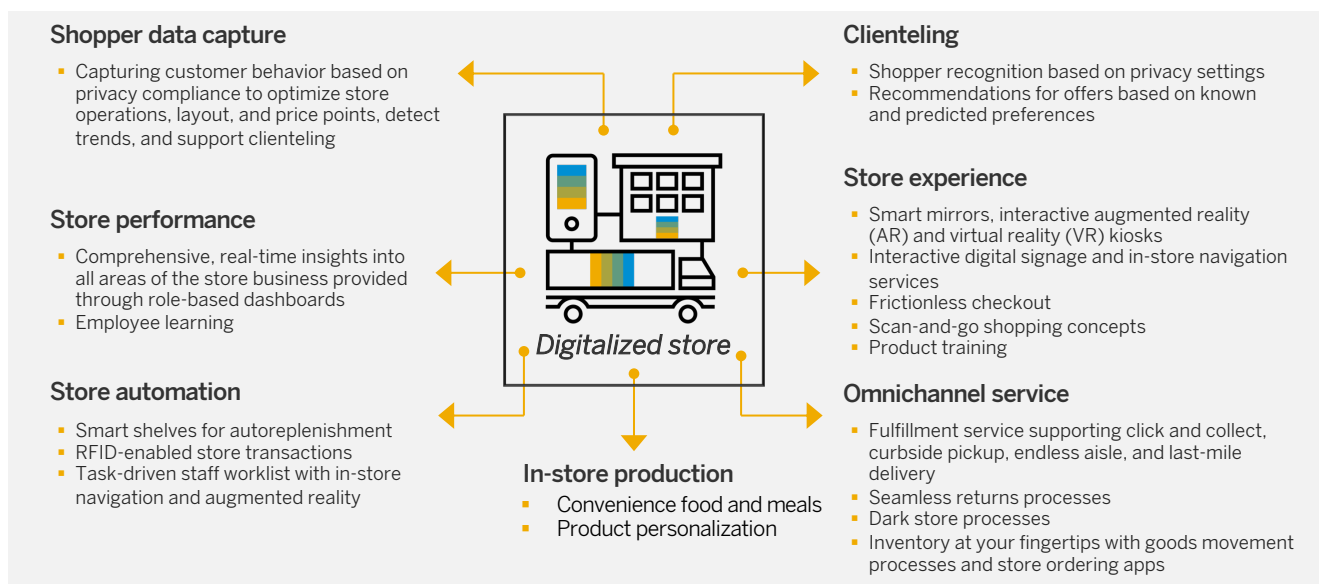
The physical store can be harnessed as a competitive differentiator to shape memorable customer experiences while optimizing differentiated omnichannel capabilities such as same-day deliveries. Digital convergence is transforming the role of the store and frontline employees at record speed. Innovative capabilities and processes are needed to leverage its full potential.

CURRENT PRACTICE

From traditional “mostly” anonymous shopping with limited personalization . . .

NEXT PRACTICE

. . . to a digitalized store and empowered associates that serve customers individually and provide additional value enabled through automation and increased efficiency.



VERTICAL EDGE: The Intelligent Store – A Data-Driven, Technology-Enabled, Omnifulfillment Center

The store of the future has bridged the gap between online and physical. It centers around innovative customer experiences and efficient workspaces for employees. In-store technology such as RFID, AR and VR, smart shelves, and sensors support a wide variety of use cases for better merchandise and inventory management, dynamic task management for associates, and one-to-one, insight-driven customer engagements.

Valora: Creating the Convenience Store of the Future

In just six months Valora enabled 24x7 shopping, payment on the go, and digital customer loyalty programs – providing the convenience of a physical store with the ease of a digital business model. Customers can shop around the clock and at their own pace and a smartphone app is key to both the store and payment method. When shoppers take a product off the shelf, after a short scan it appears in the digital shopping basket. Once customers leave, they are billed at the touch of a button. This integrated digital and store business model took Valora just six months from conception to implementation. Watch the [video](#).

Massdiscounters: Seamless Expansion in South Africa

Massdiscounters South Africa operates 170 stores in 12 Southern African countries and two online shops. To satisfy increasing customers expectation needs and drive the expansion strategy, Massdiscounters has chosen SAP store solutions by GK as part of a multilevel SAP integration project.

“GK Software has significantly improved our productivity through the checkout lanes. Our customers are extremely pleased with the new experience, the services, and the functionalities we offer at our point of sale.”
Mark Huxtable, CIO Massdiscounters
Read the [customer story](#).

SAP Solutions: Brand Experience, Ultraconvenience, Omnifulfillment

New business capabilities delivered by the intelligent suite and industry cloud solutions turn stores into data-driven, tech-enabled fulfillment centers for an ultraconvenient shopping experience.

In-store merchandise and inventory management

- Store ordering
- Goods movements such as move, count, transfer, lookup, and receive products
- RFID-enabled transactions for end-of-season stock transfer
- Physical inventory
- Label printing

Omnichannel fulfillment

- Picking of online orders
- Both single orders as well as multiple orders
- Suggestion of replacement articles
- Handover of online orders to customers
- Maintenance of picking sequences by merchandise or article hierarchies

My store

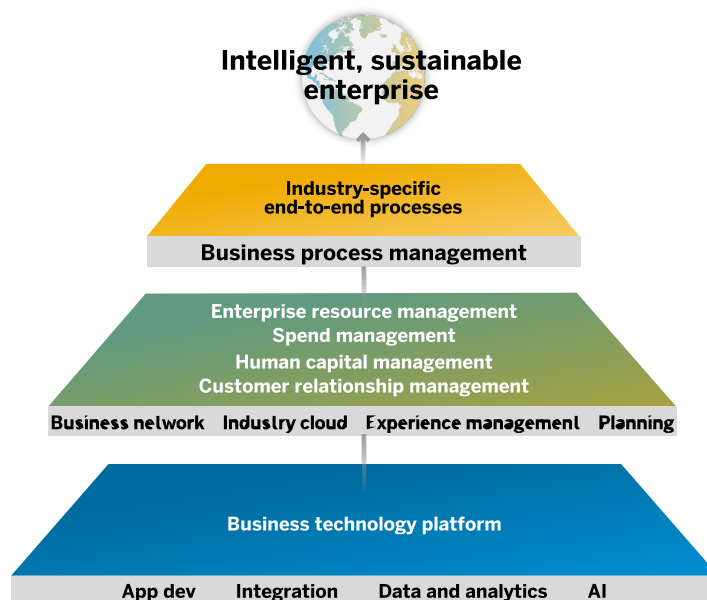
- Store manager dashboard with:
- Running promotions
 - Expected goods movements
 - Sales performance
 - Management of store employee assignment

Shopper experience

- Product lookup for better service
- Capture of customer interactions for better recommendations
- Returns management
- Scan-and-go services for frictionless shopping

The architecture for the Intelligent Enterprise in retail companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.

- SAP Customer Experience** for real-time customer profiles and commerce anywhere
- SAP S/4HANA** for in-store merchandise management and inventory applications
- SAP Customer Activity Repository –** a real-time foundation for omnichannel orchestration



- KIT – Keytree In-Store Technology** for clientelling
- Shelf optimizer for SAP Analytics** for better assortments and offers
- SAP Dynamic Pricing by GK** for optimized markdowns and real-time pricing
- SAP Order Management foundation** for omnichannel order orchestration



[SAP Dynamic Pricing by GK](#) allows retailers to streamline pricing for more intelligent, efficient, and successful pricing strategies and outcomes by enabling analysis and price-setting automation consistently across sales channels. The application provides an efficient, next-generation approach to pricing with a cloud deployment to speed up pricing processes and reduce the need for human intervention – while fostering aligned processes and improved consistency across channels and locations.

The [KIT Solution by Keytree](#) helps bridge the experience gap between digital and physical stores by empowering store associates with a mobile application that surfaces all relevant customer and product data from SAP and non-SAP back-end processes and services needed to provide a meaningful customer experience and drive sales through up-selling and cross-selling.

New Business Models: Create Value Platform for Purpose-Driven Retail

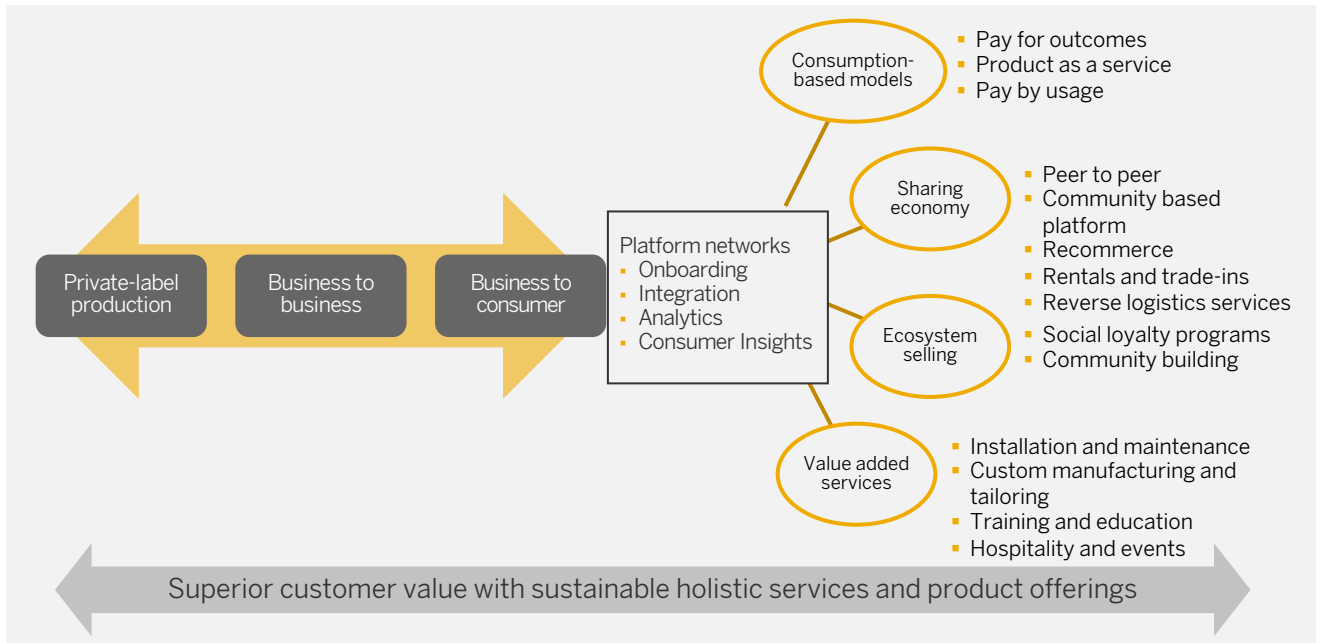
Companies today look at new business models in the context of societal and environmental ecosystems and start to address the planet's most persistent challenges with sustainability-driven networks aligned with customer consumer value systems resulting in lifelong customer relationships and creating new revenue streams for the company.

CURRENT PRACTICE

From linear business models in a single industry context focused on one-directional make take waste. . .

NEXT PRACTICE

. . . To interconnected platforms with the participation of many players creating new sources of revenue and customer value.



VERTICAL EDGE: Become a Purpose-Driven Company

Companies that adopt circular economy principles and systematically pursue sustainability goals will outcompete other actors in a world where scarce resources expose companies to high costs and unforeseeable risks.



Allbirds: Runaway Success Leaves a Small Carbon Footprint

In the highly competitive and crowded sportswear category [Allbirds Inc.](#), positioned itself as a challenger brand by identifying sustainability as the core differentiator. Allbirds adopted SAP S/4HANA as the foundational business infrastructure to help underpin its fast-growing business, track its inventory in real time, and trim waste. Read the [customer story](#).

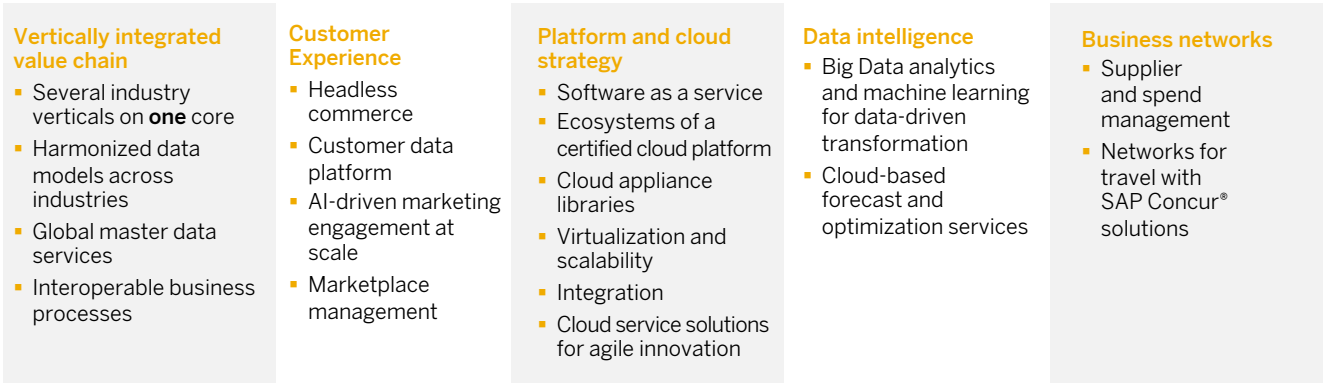


Business Processes Delivered

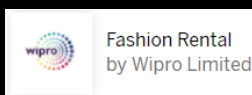
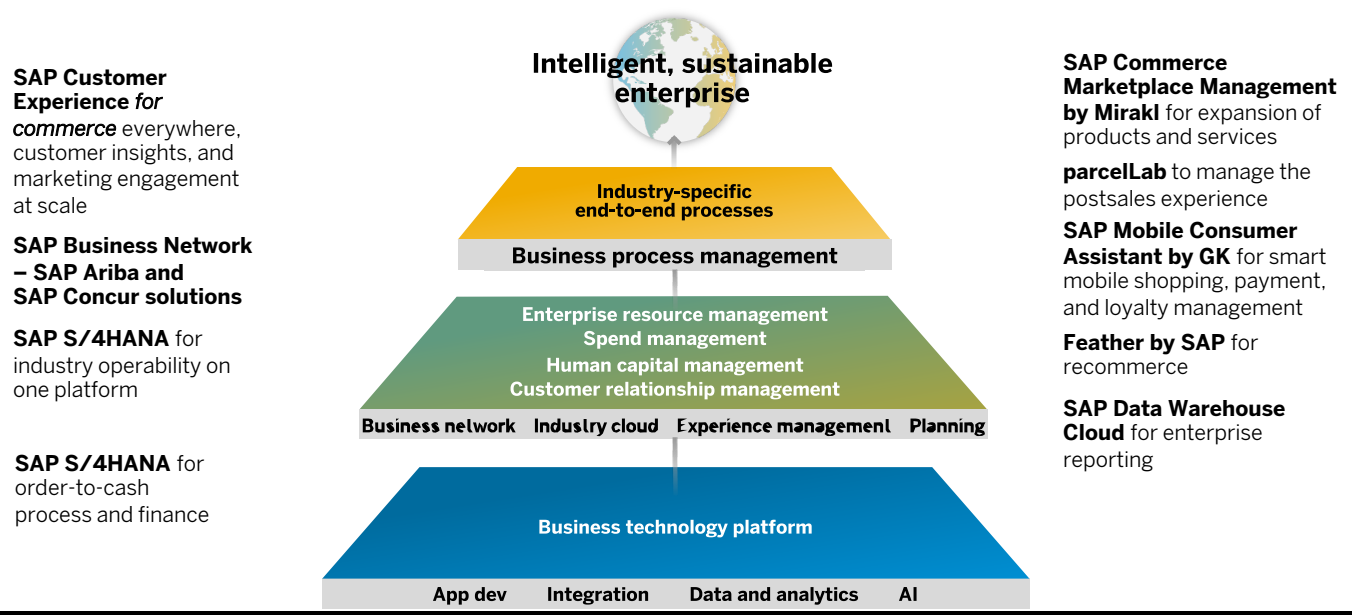
SAP's newest employee-led venture, the Feather by SAP solution, is coming to market, bringing an end-to-end recommerce solution. It will support brands and retailers that want to accelerate the shift from linear to circular business by taking ownership of their recommerce activities. It enables SAP customers to take back, manage, and resell preowned inventory as well as track key financial, customer, and sustainability performance indicators. Read the [customer story](#).

SAP Solutions: Create Value Platform for Purpose-Driven Retail

New business capabilities delivered by the intelligent suite and industry cloud solutions enable retailers to create networks based on an open and flexible architecture to deliver value-added service for consumers.



The architecture for the Intelligent Enterprise in retail companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.



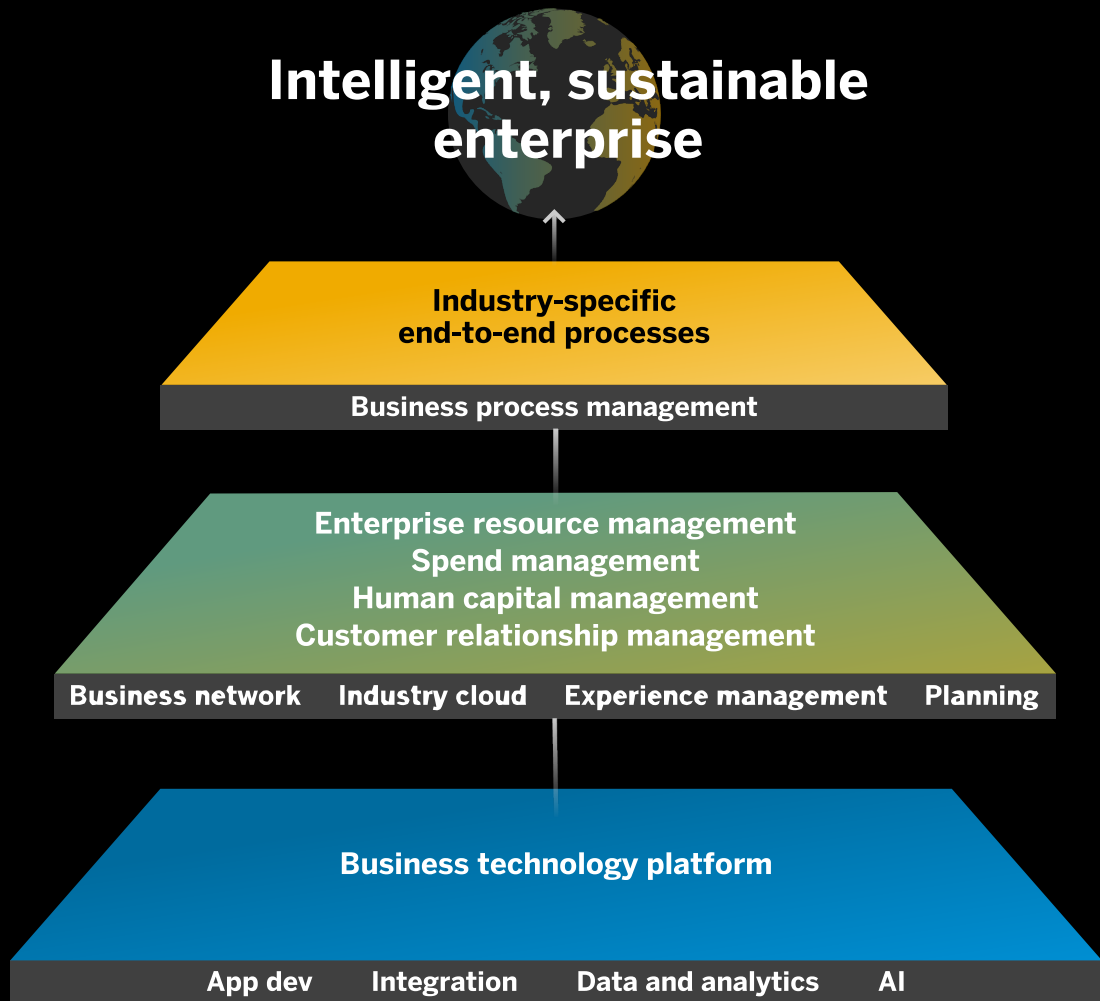
[Fashion Rental by Wipro](#) helps create new revenue streams and embrace a sustainable and circular-economy-oriented business. Enable a seamless, real-time, and consistent experience for fashion manufacturers and retailers to perform reserve-to-rent activities, addressing challenges of quality inspection of the high-fashion products, monitoring carbon footprint, and improving sustainability.

[SAP Commerce Marketplace Management application by Mirakl](#) enables organizations to build, launch, and run their own online marketplace. With the application, companies can initiate and increase their online product and services offerings with frictionless buying experiences through third-party channel partners.

SAP's Industry Cloud: A Joint Innovation Space

We enable our customers to become an intelligent, sustainable enterprise by bringing together our comprehensive portfolio of solutions and technology in service to customers' business process needs.

- It starts with our platform technology that provides the foundation of application integration, extension to a robust ecosystem of solutions, and data and AI.
- Then our industry-leading business applications work together spanning front-end and back-end systems that only SAP can provide.
- This all comes together to provide the customer the end-to-end, industry-specific business processes they need to run as an intelligent, sustainable enterprise.



Industry Innovation Spaces

Stand-alone applications struggle to deliver relevant business value. Enterprise applications always need access to essential business domains such as products, assets, factories, cost centers, employees, and customers. SAP's industry cloud provides direct access to business domains and processes in the intelligent suite through APIs. At the same time, our business and technology services provide the tools and infrastructure to create and run innovative industry cloud solutions.

Intelligent Technology at Your Fingertips

Business innovation needs digital technologies that are ready to use to solve a business problem.

SAP's industry cloud solutions, built on SAP Business Technology Platform, provide a full set of technologies ranging from user interfaces to robotic process automation to artificial intelligence and machine learning. All can be used readily in new solutions.

Open Innovation Platform and Ecosystem

Every retailer from every part of the globe has a unique business. This uniqueness sets them apart from their competition and, in turn, creates fundamental differences with everything from the way they do pricing and promotions to building brand and consumer loyalty.

SAP is joined by our extensive partner ecosystem in delivering industry cloud solutions for retailers that unlock new levels of efficiency, extend end-to-end business processes at the edge, and enable innovative business models.

SAP partners find a unique environment in our industry cloud, in which the data domains and business processes of the intelligent suite and our business networks are readily accessible through open APIs. This allows our partners to accelerate innovation by focusing on the differentiating business capabilities they want to build and deliver to our joint retail customers.

This enables a spectrum of partnership and innovation models ranging from close co-innovation over identified white spaces to completely open innovation spaces with free competition to drive customer value.

The innovation models are complemented by a set of commercialization models that are strongly correlated to the value the solutions deliver to the business of our customers.

Freedom of choice is a key value, so customers can choose any partner or hyperscaler to deploy their industry cloud solutions.

Open Ecosystems Deliver More Innovation

Open platforms, available to the wider ecosystem, have consistently delivered more innovation and choice for customers. Therefore, our industry cloud solutions can be run by the major infrastructure-as-a-service providers, giving our customers the freedom to implement their own individual platform strategy.

Fujitsu: Driving Retail Costs Down

Every day, retailers are challenged with low profit margins, inventory inconsistencies, and low store performance. This can be staff improperly trained and even fraudulent activity. Using cloud technology from SAP, SAP partner Fujitsu connects transactional data to loss-prevention analytics to monitor, detect, and prevent inconsistent or fraudulent activity in retailers' stores. [Learn more here.](#)

RISE with SAP: Driving Business Innovation Together

Every enterprise needs to develop new business models to avoid being disrupted, gain efficiencies to fund innovation, and transform mission-critical systems without business risk. RISE with SAP is the solution.

RISE with SAP is a comprehensive solution with:

- Cloud ERP for every business need
- Industry next practices and extensibility
- Analytics and business process intelligence
- Outcome-driven services from SAP and partners

Discover the value of RISE with SAP



Take the lead with industry innovation for top-line, bottom-line, and green-line growth

- ✓ Grow revenue by creating differentiating business models in your industry
- ✓ Increase margin with built-in industry-specific processes and best practices
- ✓ Unlock new efficiency with intelligent automation across mission-critical processes
- ✓ Manage sustainability with company-wide transparency and controls



Never stop improving with continuous insight to optimize business processes

- ✓ Prioritize optimization opportunities with instant analysis of processes, activities, and tasks
- ✓ Sharpen process performance based on actual system usage, best practices, and industry benchmarking
- ✓ Accelerate your progress with tailored insight on where to automate business processes with AI



Secure your business with a trusted partner for your needs, every step of the way

- ✓ Run your mission-critical operations at their best around the globe
- ✓ Reach the cloud without compromise with solutions for business and regulatory requirements
- ✓ Take charge of change using a versatile platform to speed innovation
- ✓ Own your tomorrow with a guided journey and outcome-driven practices from SAP and our partners

RISE with SAP is built to fit your needs

RISE with SAP is designed to support your business needs – for your industry, in your geography, for your regulatory requirements – with SAP responsible for the holistic service-level agreement, cloud operations, and technical support. It includes:

Cloud ERP
SAP S/4HANA Cloud

Business process intelligence
Business process intelligence starter pack

Business platform and analytics
SAP Business Technology Platform (CPEA credits)

Business networks
SAP Business Network Starter Pack

Outcome-driven services and tools
From partners

RISE with SAP is the foundation for an intelligent, sustainable enterprise in the cloud. We look forward to joining our customers on their transformation journey into the future. Find out more about [RISE with SAP](#).

SAP's Comprehensive Partner Innovation Ecosystem

SAP has been a proud solution provider for the retail industry for almost five decades – starting from humble beginnings and growing into a position of supporting the core business of our customers.

SAP's industry cloud opens the field for a new level of co-innovation with customers and partners, enabling next practices and new business models that help our customers capture the new opportunities of the future.

Our open partner strategy gives our customers the choice of whom they work with to design the business models of the future; whom they partner with to define and implement business processes for efficiency and growth; and whom they trust with running their infrastructure.

There are many journeys retail companies can take into the digital economy to become intelligent enterprises. No matter which they choose, our scalability, security, global reach, vibrant business networks, and business process knowledge across retail and adjacent industries are success factors for our customers, our ecosystem, and SAP.

Our retail-focused partner ecosystem includes, among others:



Engagement Model

SAP is a partner for the retail industry in the long run. We have established a co-innovation and collaboration model with many of our customers that is based on mutual trust and long-standing, value-based relationships.

This is the foundation to chart the journey into the new world of client experience and outcomes, to capture the opportunities and tackle the challenges in the digital economy.

