SAP S/4Hana Retail - SaaS strategy, application modernization and MOVE

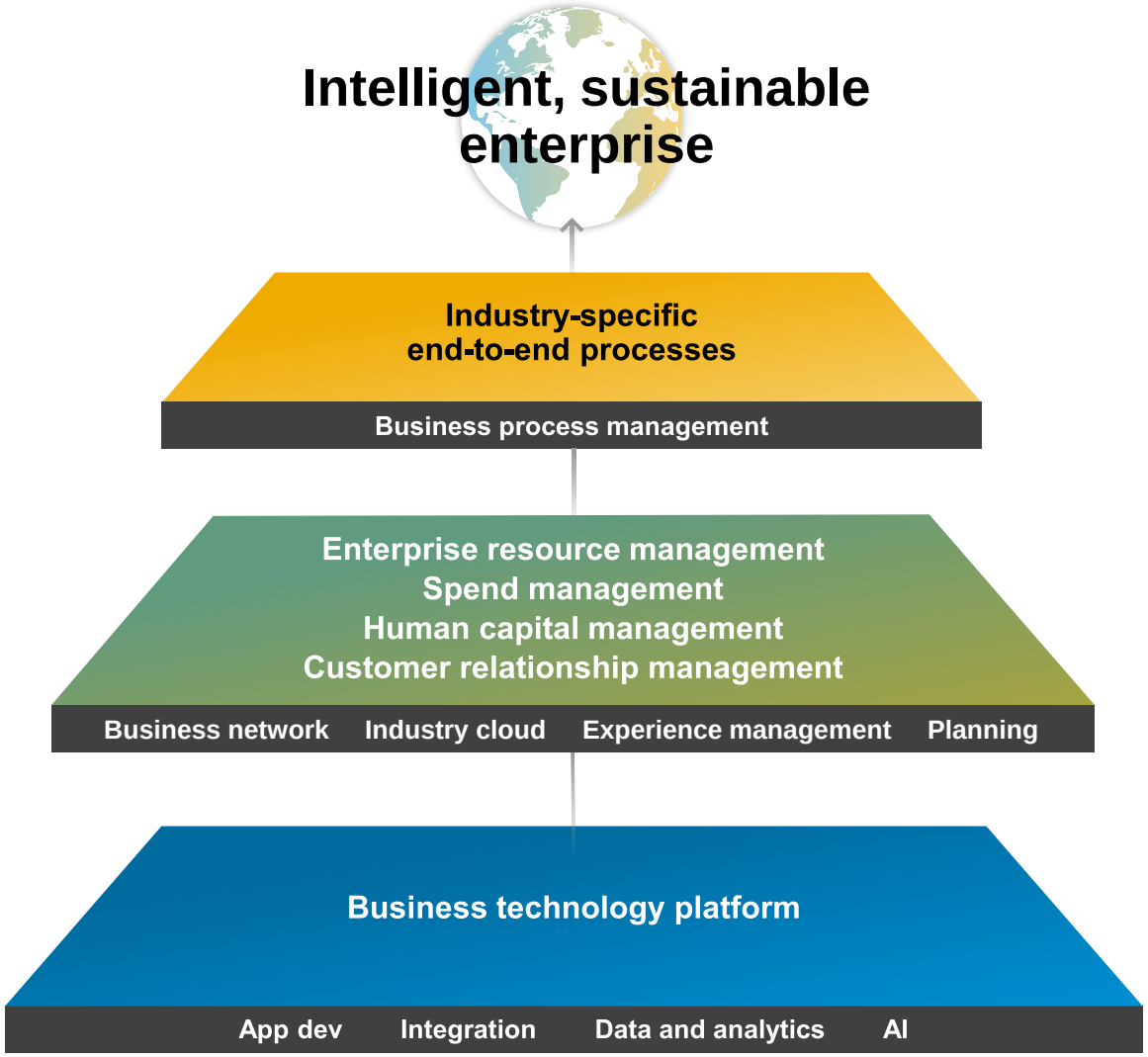
Dani Khalaf, SAP
Feb 2022

INTERNAL - SAP and Customers only

Pick n Pay

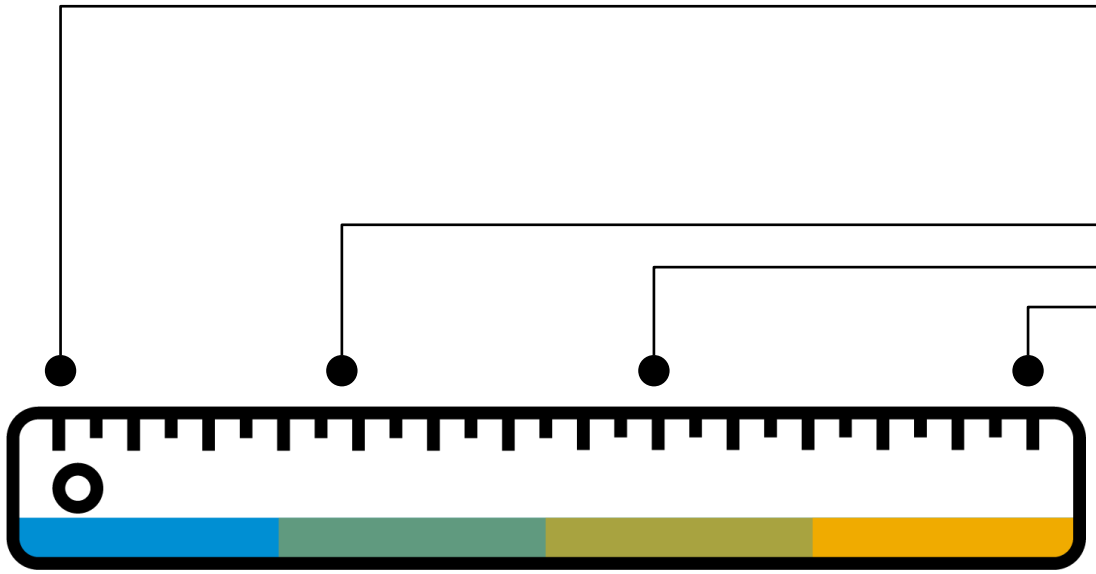
THE BEST RUN SAP

Enable every enterprise to become an intelligent, sustainable enterprise



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Every retailer has a unique starting point.



Digitally driven retail businesses that need to scale with speed

Early adopters of retail cloud solutions ready to go further

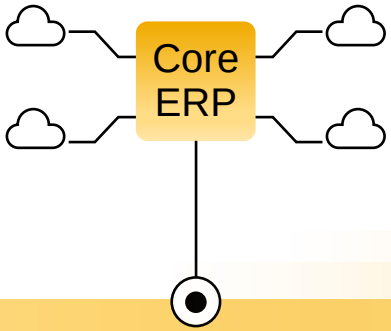
Edge innovators that need to focus on their core

Established companies facing complex, customized, on-premise systems

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Cloud for Retail - Our Vision of the Future

TODAY



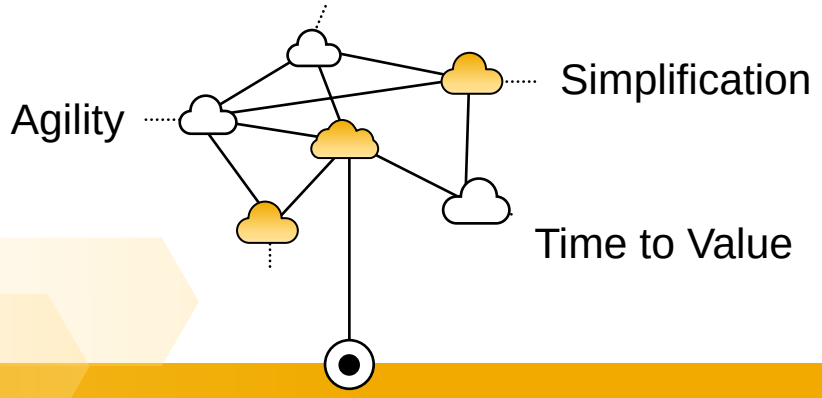
Hybrid Landscape

- Monolithic Core ERP
- Selected capabilities in the Cloud

Customer Challenges…

- Fragmented IT- landscapes
- Complexity of Business Transformation
- Integration & Extensibility
- Customer Specific Modifications
- Rapidly changing Business environment

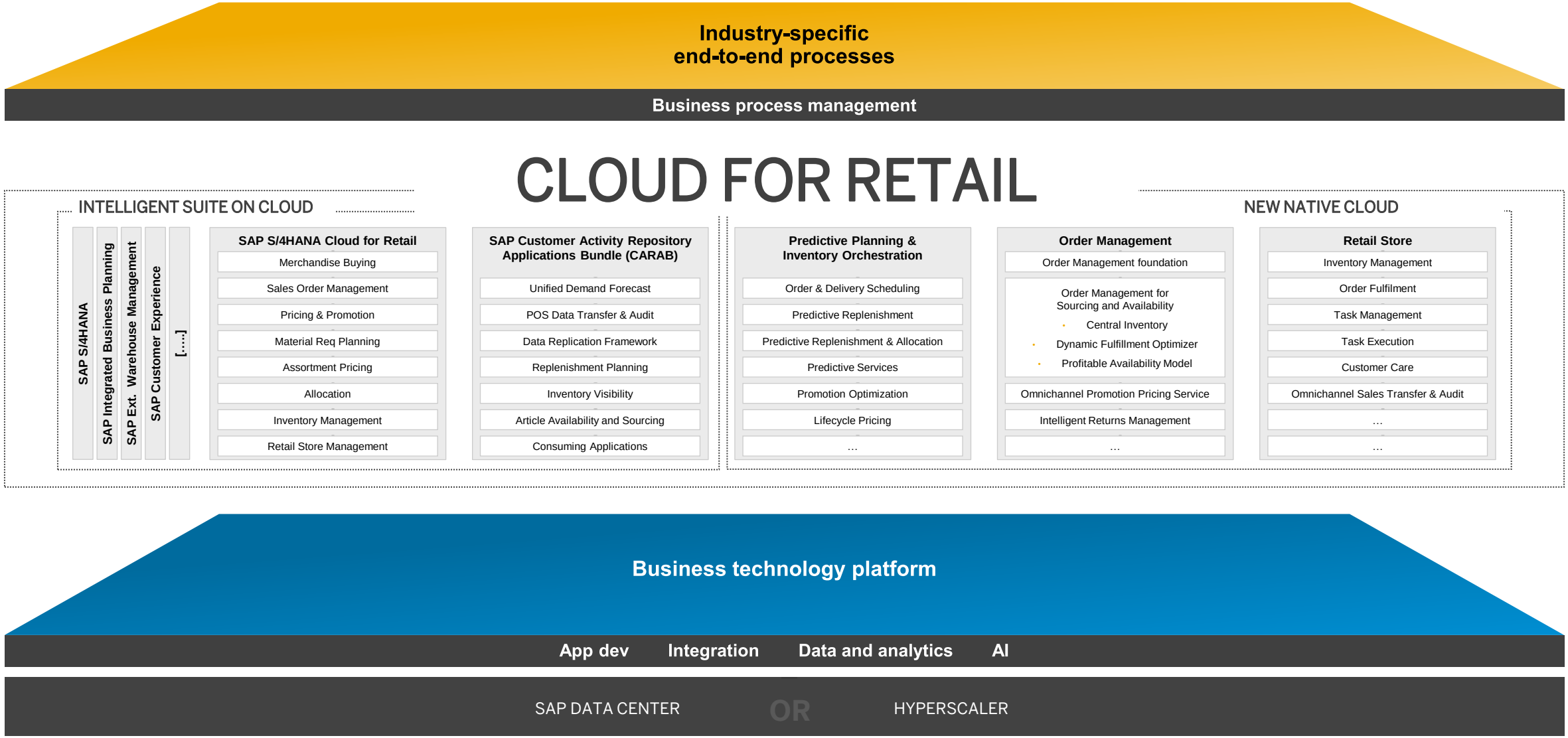
FUTURE



Modular ERP/Composable Business

- AI driven LoB Innovations
- Suite Qualities
- Commercial flexibility

The next evolution of the Intelligent Enterprise: Retail and Fashion



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

| LAB PREVIEW: Subject to change

What is The Value of an Intelligent ERP for Retail and Fashion?

For the enterprise of the twenty-first century

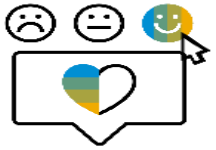
New Business Qualities

Traditional ERP		SAP S/4HANA
Primarily transactions	→	Transactions, planning, analysis, simulation, prediction
Basic business automation	→	Intelligent business automation
Latency for limited information	→	Immediate business insight at any level
Business function–based	→	Business role–based

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

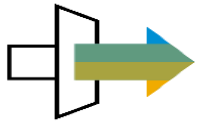
SAPs digital age user experience

Role-based



Delightful

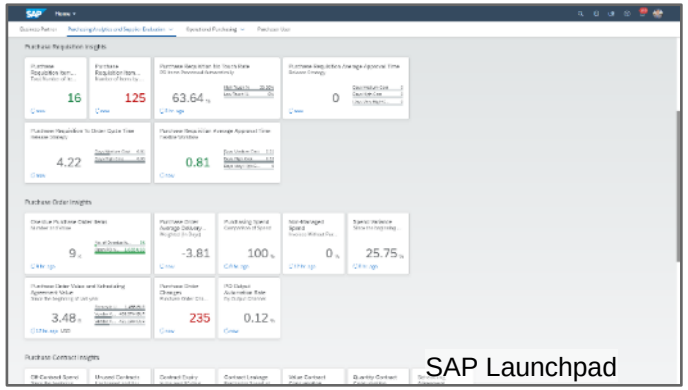
Consistent



Simple

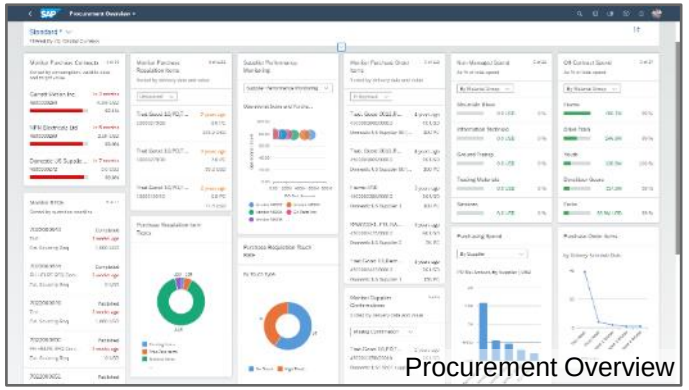
Adaptive

UX Launchpad as single point of entry



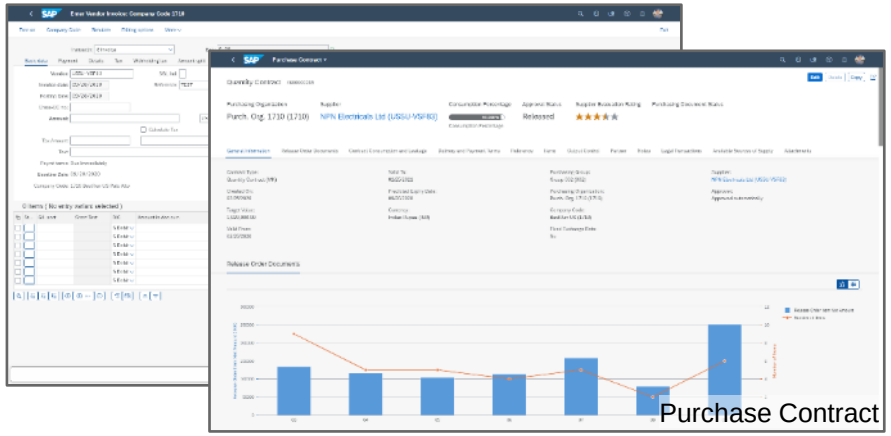
Start from an individual home page

Domain-specific information and actions



Investigate and drill-down

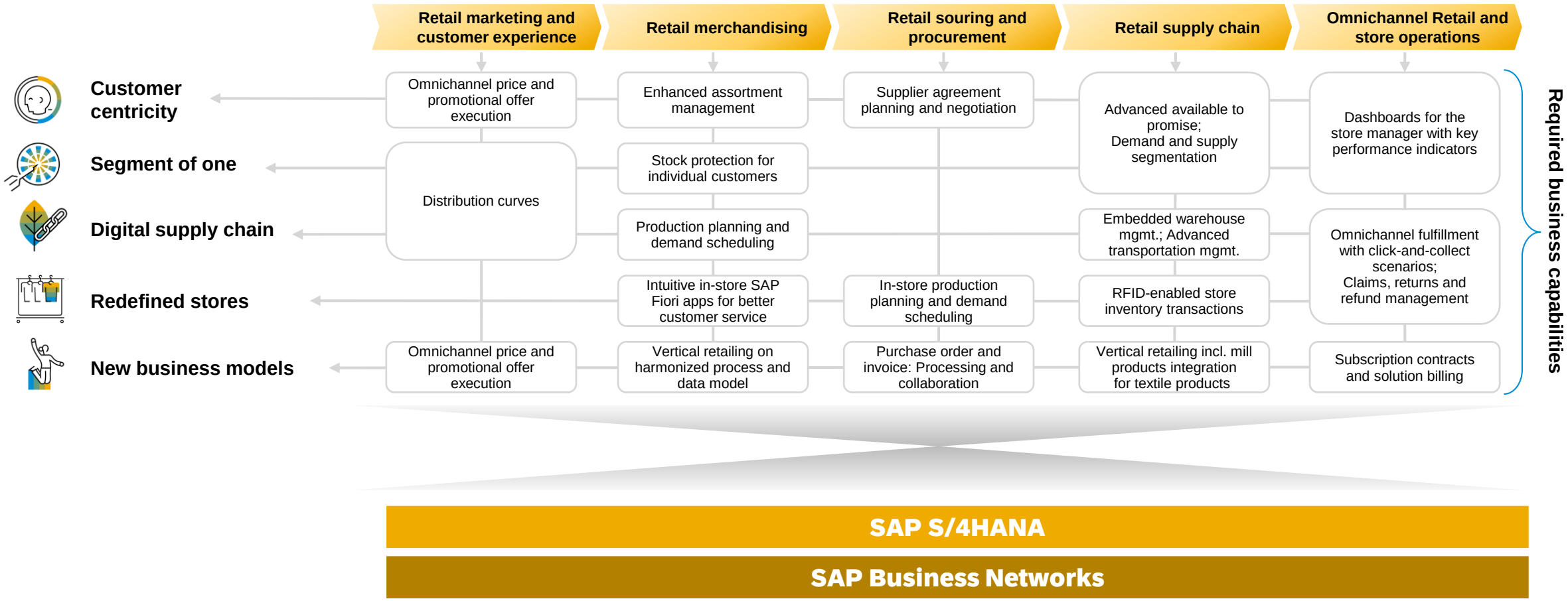
Enter details and explore in depth



Carry out transactions

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

SAP S/4HANA Retail and Fashion to support your strategic priorities



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Industry Capabilities in SAP S/4HANA Retail and Fashion

S/4HANA in Retail and fashion – innovation along the fashion value map

Contains retail specifics

generic re-use

Business Priorities	Retail Merchandising	Retail Sourcing and Procurement	Retail Supply Chain	Omnichannel Retail and Store Operations
E2E Solutions	Merchandising Intelligence	Supplier Management	Forecasting, Allocation and Replenishment	Customer Service
	Product Design and Development	Sourcing and Contract Management	Omnichannel Inventory and Order Response	Retail Store Management
	Master Data Management for Merchandising	Merchandise Buying	Warehouse Management	Omnichannel Sales Order Management
	Merchandise and Assortment Planning	Indirect Buying	Transportation Management	
	Pricing and Promotion	Invoice and Payables Management	Yard Logistics	

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights

Retail Merchandising

- Retail and Fashion Product
  - Generic article with up to three dimensions (Retail data model and structure)
  - New Fiori apps for unified product maintenance
- Characteristic Value Conversion:
  - Display characteristics of a product variant according to different scales in different countries or geographical regions
- Structured articles with full products

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

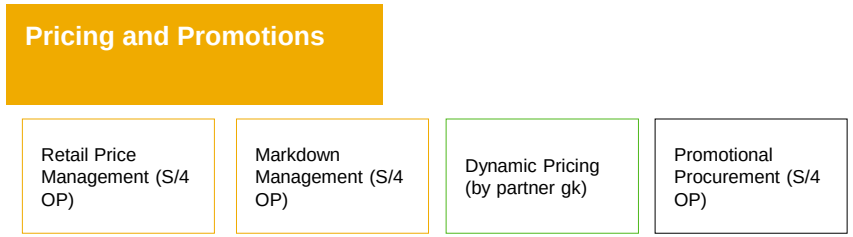
S/4HANA in Retail and fashion – functional highlights

Retail Merchandising

- Assortment module management
  - Fully automates generation of listing conditions and article master data segments
  - Equipped with a self-healing mechanism for better automation
- Integration to SAP Assortment Planning
  - Listing of products from planned product/location lists
  - Creation of planned independent requirements
  - Consideration of store fixures' capacities

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights

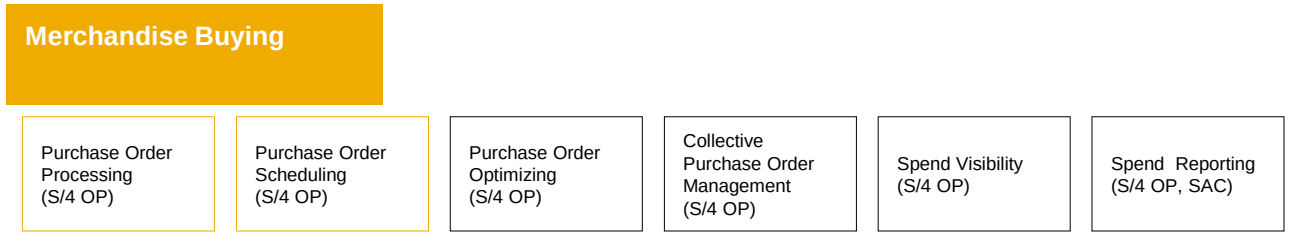


Retail Merchandising

- Maintenance of retail sales prices in an omnichannel context
  - Integration into pricing repository and calculation engine in SAP Customer Activity Repository
  - Bonus buy in sales order
- Partner solution for ML-supported sales price optimization
  - Definition of pricing strategies an rules
  - Real-time optimization based on market data, competition, historical data

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights



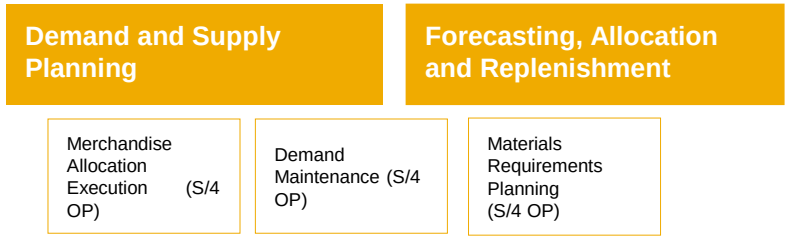
Retail Sourcing and Procurement

- Purchase Order Workbench
  - Split/change purchase order, mass change purchase order
- Flexible Purchasing Commitments
  - Enablement of fashion features, generic article concept
  - Destination postponement
  - Style/ color/ size postponement
  - Multi-level purchase contract
  - Prepack handling in purchase contracts
- Direct Ship Flexibility
  - Cancellation, quantity reduction and re-alignment scenarios
- Integration into SAP Central procurement
  - Centrally control, optimize and orchestrate procurement processes from a single-hub system
  - Cockpit supervising demands and purchasing documents from various backends which allows them to consolidate procurement for higher savings

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights

Retail Supply Chain

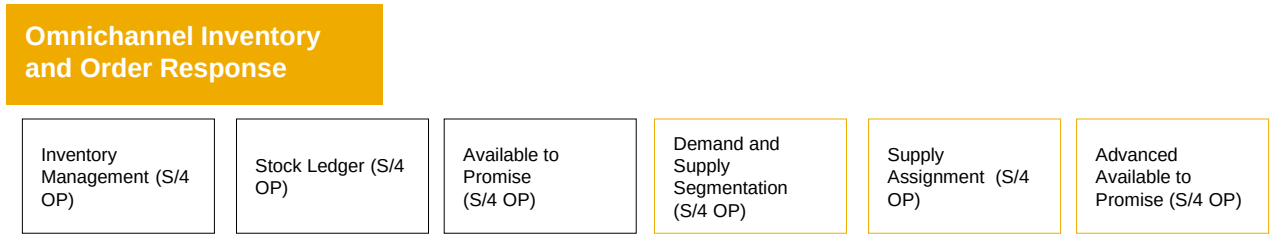


- Demand and Supply Planning
  - Enhanced Stock/ Requirement List
  - Fashion enablement for Planned Independent Requirements (generic article, segmentation)
  - Enhancements to planning strategies to support segmentation
- Allocation table
  - Execution of initial push and in-season push planning from SAP Allocation Management
  - Processing of all necessary logistics documents
  - Reverse allocation for clearance and call-backs

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights

Retail Supply Chain



- Demand and Supply Segmentation
  - Categorize demand and inventory in distribution centers based on certain criteria
  - Decide which demand should be covered by which supply
- Supply Assignment
  - Ensures optimal assignment of supply to open requirements
  - Integrated into and thus leveraging aATP backorder processing features
  - Proportional distribution as assignment strategy possible
  - Applies release process to make sure only meaningful quantities are delivered
  - Supply and Demand Cockpit (including detailed & flexible analysis and situation handling)
  - Simulation and comparison of different supply assignment runs
- Supply Protection (horizontal and vertical protection)
  - Ensures that defined quantities of supply are “kept aside” without physically separating warehouse stock or labelling incoming supply explicitly for specific use like channel
- SAP Analytics Cloud Fashion Content for demand/ supply situation visibility

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

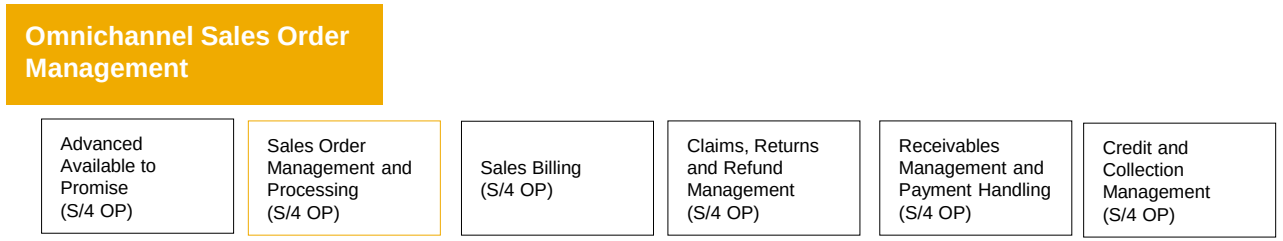
S/4HANA in Retail and fashion – functional highlights

Omnichannel Retail and Store Operations

- Store apps for store associates and store managers – online and in real-time
  - Stock adjustment
  - Counting and stock taking
  - Goods receipt
  - Transfer and stock rebalancing
  - Order proposal review
  - Look-up products
  - Label printing
  - Goods movements
  - Move products with RFID
  - Click & Collect
  - Role-based launchpad
  - Store manager dashboard

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA in Retail and fashion – functional highlights



Omnichannel Retail and Store Operations

- Sales Order Management and Processing
  - Multi Ship-to Order (MSO)
  - Pack Separately, Ship Together (PSST)
  - Sales Document Overview
  - Manage Sales Order Fashion (mass maintenance)
  - Manage Excess Requirements
- Omnichannel pricing in S/4 sales orders
  - Call of pricing calculation service in SAP Customer Activity Repository for consistent end consumer prices across channels

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

S/4HANA – roadmap for private cloud

Q1 2021

SAP S/4HANA 2020 FPS01 Retail for Merchandise Management

- Increase store operations through a Fiori app for mass stock adjustments

New Assortment Module Management:

- Manage assortment modules Fiori App
- Assign products to distribution centers App
- Assign products to assortment modules App
- Monitor assortment postprocessing errors App

SAP S/4HANA 2020 FPS01 for Fashion and Vertical Businesses

- Supply / Demand Situation within SAP Analytics Cloud
- Supporting of additional documents like subcontracting components in Supply Demand Overview App
- Fashion Enhancements for Sales Order and Purchase Order OData API
- Situation handling in Manage Excess Requirements App
- Improvements for segmentation to provide a flexible segmentation maintenance, supporting variants of a configurable article
- Production Processing enhancements
- MTO/MTS Enhancements for Fashion and Vertical Business
- ODATA API for Segmentation structure and strategy

Q4 2021

SAP S/4HANA 2021 Retail for Merchandise Management

- Increase store operations through a Fiori app for mass count stock

New Assortment Management Enhancements:

- Assign user to assort. modules Fiori App
- Enhancements of existing apps

SAP S/4HANA 2021 for Fashion and Vertical Businesses

- Provisional Sales Contract
- Progress Monitor for Sales Orders supporting special business processes
- Purchase Order Consolidation
- Integration with Product Lifecycle Costing (Pre-Order Costing)
- Integration with Digital Manufacturing Cloud for Insights
- Manage Master Production Order
- Feature enhancements in Production Control Workbench
- Enhancements for production processes (Discrete Manufacturing)

Q1 2022

SAP S/4HANA 2021 FPS01 Retail for Merchandise Management

- Assortment list with multiple languages
- POS Outbound via services – Round-offs
- Count mass stock – automatic posting of documents
- New APIs for merchandise categories, etc.

SAP S/4HANA 2021 FPS01 for Fashion and Vertical Businesses

- Manage Purchase Order – Consolidation PO enhancements[1)]
- Mass Changes for Fashion fields through Purchase Order Fiori App[1)]
- Manage Master Production Order - enhancements[1)]
- Demand and Supply Segmentation - additional flexibility[1)]

Q4 2022

SAP S/4HANA 2022 Retail for Merchandise Management

- App variant for consumer maintenance
- Promotion integration with Omnichannel Promotion Pricing Service
- Migration object for articles and assortments
- Article mass maintenance via MDG

SAP S/4HANA 2022 for Fashion and Vertical Businesses

- Manage Master Planned Order
- Capacity planning – PP/DS integration
- Rule based Feasibility Analysis
- Demand and Supply Segmentation - enhancements
- Segmentation in Process Manufacturing
- Supply selection rule flexibility in Supply Assignment

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Native Cloud
1) Planned for S/4HANA 2021 FPS01
* Joint roadmap items with other LOB

RISE with SAP
Driving business innovation together

RISE WITH SAP **Expand business innovation** in the retail industry

Rise to every new business opportunity

On top of the RISE with SAP offering, you can always extend business innovation with industry-specific solutions as new business opportunities and requirements appear.

Cloud ERP	Business process intelligence	Business platform and analytics	Business networks	Outcome-driven services and tools
SAP S/4HANA Cloud	Business process intelligence starter pack	SAP Business Technology Platform (CPEA credits)	SAP Business Network Starter Pack	From partners

\+ Cloud solutions for retailers from SAP and partners

Drive More Business Value

Leverage industry best and next practices that create new revenue streams and maximize existing ones, improve assets efficiency, enhance productivity, and allow for running sustainably

\+

Mitigate Risk, Reduce IT Cost, and Accelerate Time to Value with Cloud Delivery Capabilities

Gain capabilities that maximize transformation readiness, simplify consumption through “as-a-service experience,” help ensure operational resilience, and reduce overall TCO – from SAP and partners

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

RISE with SAP S/4HANA private cloud

SAP S/4HANA, Private Cloud Edition:

Traditional flexibility & scope + cloud value

Cloud Value

SAP S/4HANA Private Cloud

Designed to provide innovation and cloud value while allowing customers to retain their investments by converting their existing systems

Innovation

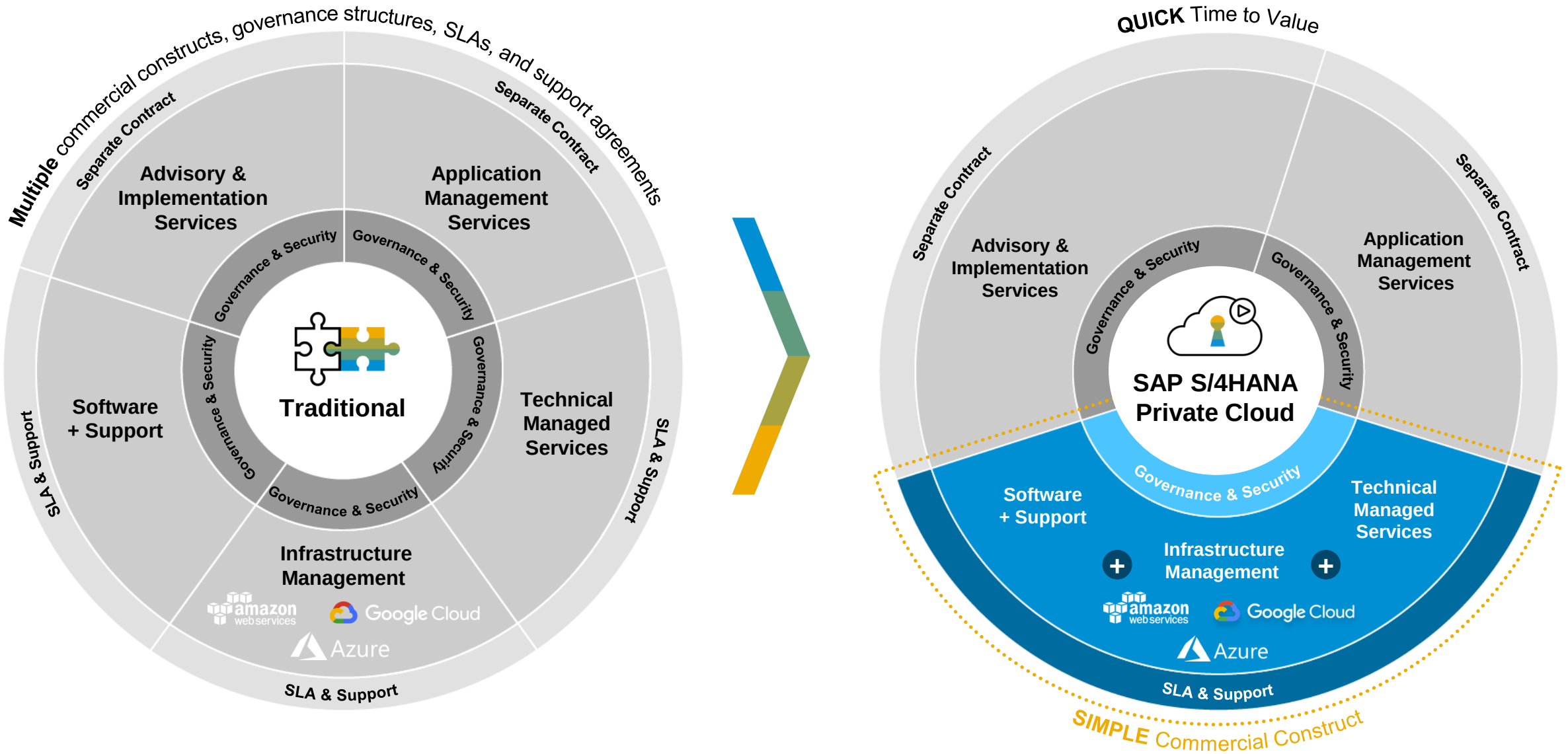
- **Full S/4HANA scope** including LOB and industry processes, supporting 25 industries
- Code enhancements & **code modifications** supported
- **Expert configuration** via full IMG access
- **Operating Expense** via subscription-based commercial model
- **IaaS Provider** infrastructure to scale up or down quickly

Simplicity

- **One SLA, One hand to shake**
- **Rapid conversion of** your existing ERP/ECC environments to a modern, cloud-based architecture
- **Prior ECC and partner solution investments safeguarded**
- **CapEX to OpEx** with a subscription-based commercial model
- **Transformation** to a pure SaaS-based landscape *at your pace*
- **Partner add-ons allowed** to enhance competitive differentiation

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

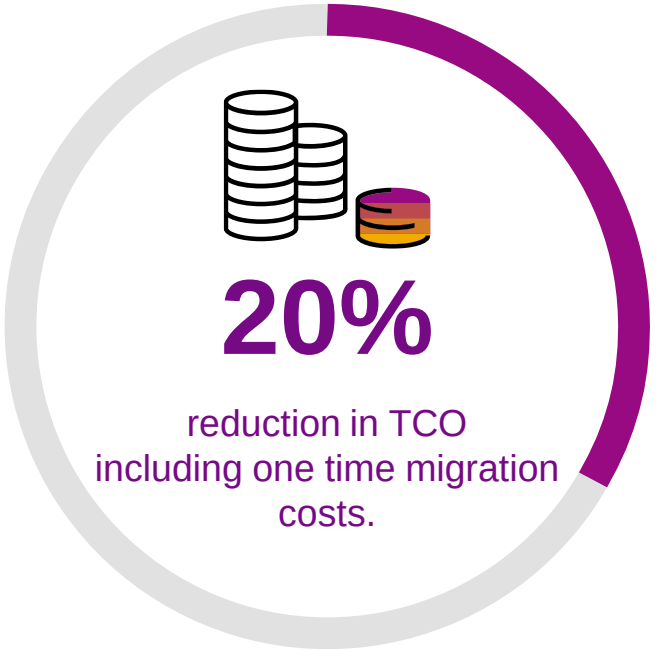
One Commercial Construct: ERP, Infrastructure, and Technical Services



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

SAP S/4HANA Private Cloud Edition delivers considerable benefits

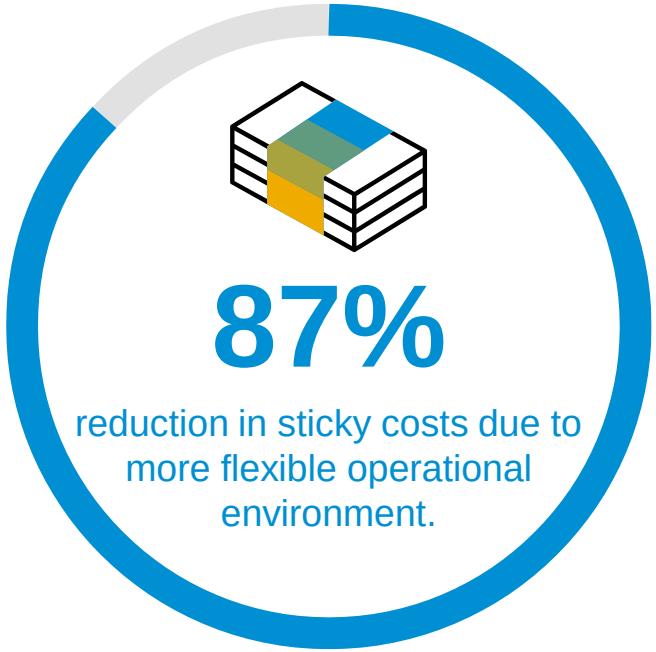
in comparison to the existing ERP Central Component (ECC) environment



20%

reduction in TCO including one time migration costs.

Lower Total Cost of Ownership



87%

reduction in sticky costs due to more flexible operational environment.

Reduced Infrastructure and Staffing

2+ Months

potential acceleration in deploy-ment speed as operational lead times fall.

Faster Deployment

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Expand business innovation in the retail industry

Rise to every new business opportunity

On top of the RISE with SAP offering, you can always extend business innovation with industry-specific solutions as new business opportunities and requirements appear.

Cloud ERP	Business process intelligence	Business platform and analytics	Business networks	Outcome-driven services and tools
SAP S/4HANA Cloud	Business process intelligence starter pack	SAP Business Technology Platform (CPEA credits)	SAP Business Network Starter Pack	From partners

\+ Cloud solutions for retailers from SAP and partners

Transformation package

RISE with SAP – Journey towards an Intelligent Retail Enterprise

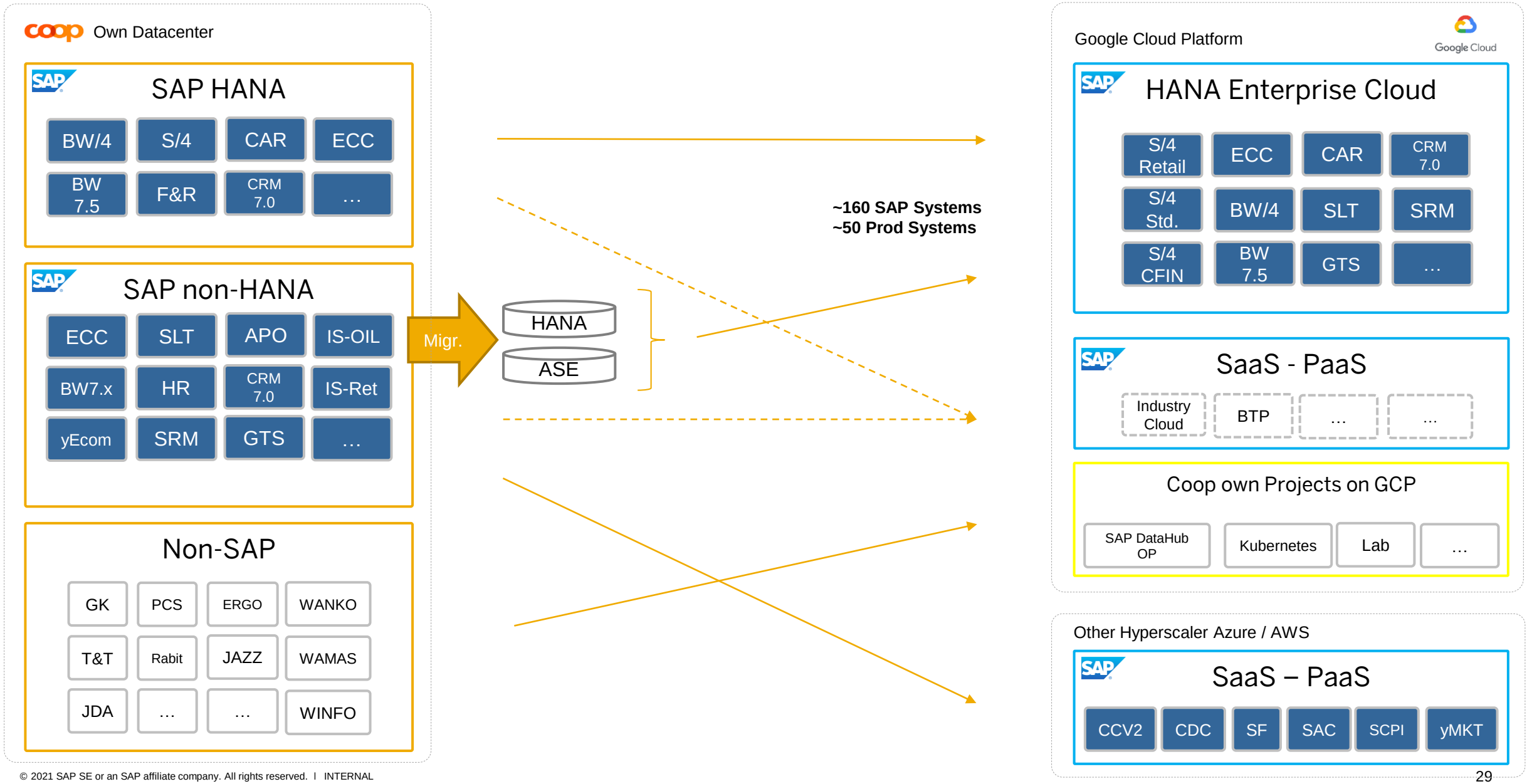
- RISE with SAP S/4HANA
- SAP S/4HANA Cloud Retail merchandise mgmt, private edition
- SAP S/4HANA Cloud for fashion and vertical business, private cloud
- SAP Customer Activity Repository Cloud, private edition
- SAP Commerce Cloud
- SAP Omnichannel POS by GK, cloud edition

- All classical retail-specific solutions are available as cloud offering

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

COOP’s journey

COOP Cloud Transformation Ansatz



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Key Factors for Success

- Customer internal connections to accelerate
- Customer insights
- Onsite Meetings with Management
- Early Executive Involvement
- Trusted Advisors (C-Level, SAP Retail Dev., Business Architect)
- Team Play

- Strategic Partnership re-established
- SAP as concierge with responsibilities for the full stack.
- Hyperscaler migrations fonds

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

“Whether in our transition to SAP S/4HANA, our implementation of the SAP S/4HANA solution for central finance, or our move to the cloud, the experts for SAP Services and Support provided in-depth knowledge of our industry, a comprehensive understanding of our requirements, and a distinctly value-driven approach. Short communication channels, networking with our partners, broad experience, and direct access to innovation drivers are the key building blocks for our joint success.”

Peter Baldauf, Head of IT Retail, Finance Processes and HR, Coop Genossenschaft

SAP Services and Support

Picture Credit: Coop Genossenschaft, Basel, Switzerland, shared with permission

80779enUS (21/12) © 2021 SAP SE or an SAP affiliate company.
sap.com/terms-of-use

Coop Genossenschaft
Basel, Switzerland
www.coop.ch (German)

Industry
Retail

Employees
90,825
(2020)

Revenue
CHF 30.2 billion
(€28.1 billion)
(2020)

Featured Solutions and Services
SAP S/4HANA®, SAP S/4HANA for central finance, and SAP® Services and Support

THE BEST RUN SAP

Scale with cloud for Retail – private and public

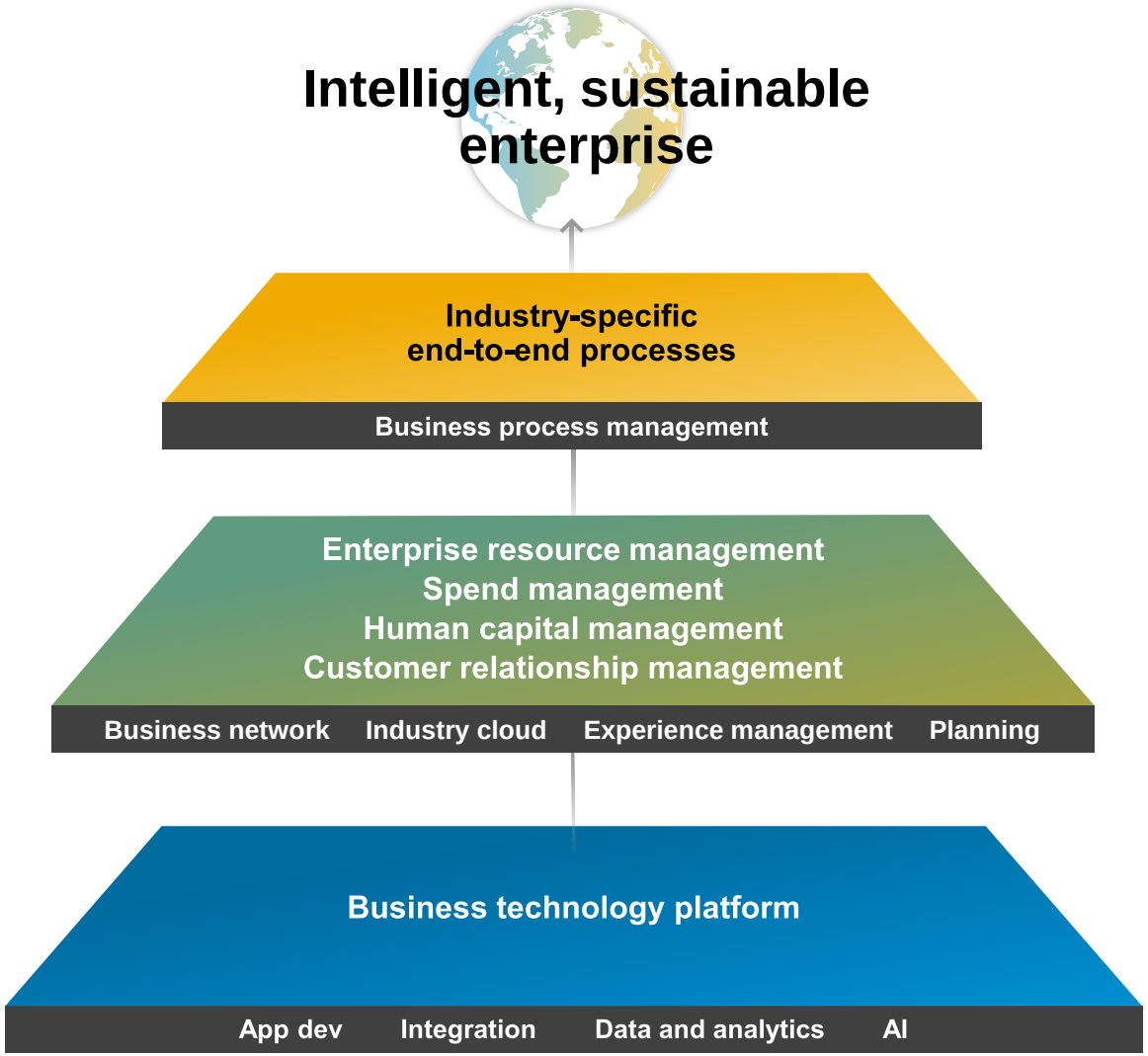
Optimize and transform: SAP's Intelligent Enterprise architecture

Optimize with Best Practices

A stable and reliable business foundation to run end-to-end processes as effectively and efficiently as possible.

Private cloud Retail Portfolio

- RISE with SAP S/4HANA
- SAP S/4HANA Retail for merchandise management
- SAP for Fashion and Vertical business
- SAP Customer Activity Repository
- SAP Merchandise Planning
- SAP Assortment Planning
- SAP Promotion Management
- SAP Allocation Management
- SAP Replenishment Planning



Transform with Next Practices

An agile and flexible platform for innovating quickly in the areas where differentiation drives competitive advantage.

New retail solution on native cloud

- SAP Order Management foundation
- SAP Intelligent Returns Management
- SAP Omnichannel Transfer and Audit
- SAP Order and Delivery Scheduling
- SAP Order Management Sourcing and Availability
- SAP Intelligent Store
- Many more to come …

SAP apps Partner apps

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

SAP S/4HANA Retail and Fashion, private cloud

Lab preview - subject to change

S/4HANA Retail for merchandise management private cloud

Q1 2021	Q4 2021	Q1 2022	Q4 2022
SAP S/4HANA 2020 FPS01 Retail for Merchandise Management • Increase store operations through a Fiori app for mass stock adjustments **New Assortment Module Management:** • Manage assortment modules Fiori App • Assign products to distribution centers App • Assign products to assortment modules App • Monitor assortment postprocessing errors App **SAP S/4HANA 2020 FPS01 for Fashion and Vertical Businesses** • Supply / Demand Situation within SAP Analytics Cloud • Supporting of additional documents like subcontracting components in Supply Demand Overview App • Fashion Enhancements for Sales Order and Purchase Order OData API • Situation handling in Manage Excess Requirements App • Improvements for segmentation to provide a flexible segmentation maintenance, supporting variants of a configurable article • Production Processing enhancements • MTO/MTS Enhancements for Fashion and Vertical Business • ODATA API for Segmentation structure and strategy	**SAP S/4HANA 2021 Retail for Merchandise Management** • Increase store operations through a Fiori app for mass count stock **New Assortment Management** Enhancements: • Assign user to assort. modules Fiori App • Enhancements of existing apps **SAP S/4HANA 2021 for Fashion and Vertical Businesses** • Provisional Sales Contract • Progress Monitor for Sales Orders supporting special business processes • Purchase Order Consolidation • Integration with Product Lifecycle Costing (Pre-Order Costing) • Integration with Digital Manufacturing Cloud for Insights • Manage Master Production Order • Feature enhancements in Production Control Workbench • Enhancements for production processes (Discrete Manufacturing)	**SAP S/4HANA 2021 FPS01 Retail for Merchandise Management** • Assortment list with multiple languages • POS Outbound via services – Round-offs • Count mass stock – automatic posting of documents • New APIs for merchandise categories, etc. **SAP S/4HANA 2021 FPS01 for Fashion and Vertical Businesses** • Manage Purchase Order – Consolidation PO enhancements[1)] • Mass Changes for Fashion fields through Purchase Order Fiori App[1)] • Manage Master Production Order - enhancements[1)] • Demand and Supply Segmentation - additional flexibility[1)]	**SAP S/4HANA 2022 Retail for Merchandise Management** • App variant for consumer maintenance • Promotion integration with Omnichannel Promotion Pricing Service • Migration object for articles and assortments • Article mass maintenance via MDG **SAP S/4HANA 2022 for Fashion and Vertical Businesses** • Manage Master Planned Order • Capacity planning – PP/DS integration • Rule based Feasibility Analysis • Demand and Supply Segmentation - enhancements • Segmentation in Process Manufacturing • Supply selection rule flexibility in Supply Assignment

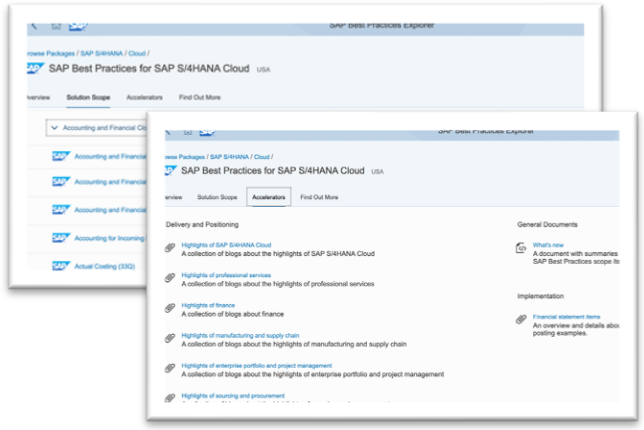
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

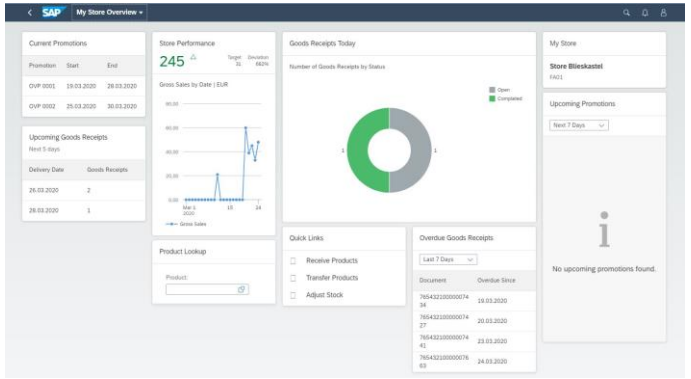
Native Cloud
1) Planned for S/4HANA 2021 FPS01
* Joint roadmap items with other LOB

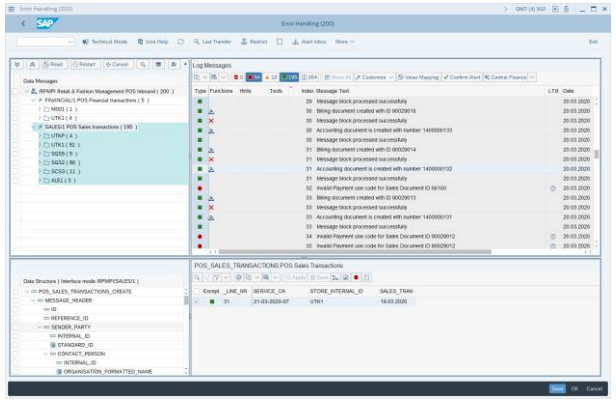
SAP S/4HANA Retail and Fashion, public cloud

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

Vision: Retail as part of **S/4HANA Cloud** shall offer customers deployment flexibility for core retail and fashion merchandise management processes based on Retail best practices with fastest time-to value and lowest TCO







Retail Best Practices with pre-configuration on top of generic Best Practices are leveraging business process experience from many customer projects.

- Pre-configured and ready-to-run Best Practice Business Processes
- Pre-configured integrations
- Demo master data
- Managed Content Lifecycle

Innovations can immediately be used, e.g. Store Manager Overview cockpit or new user friendly Assortment Module Management

- Agile with rapid innovation cycles
- The latest capabilities & best practices
- Keep up with regulatory changes

Cloud qualities at the center ensure safe, consistent, scalable and simplified cloud operations

- Complete data security & protection
- Standard APIs and integration scenarios
- Self Service Configuration UIs
- Dynamic extensibility
- Reduced need of IT admin tasks
- On demand resources

- Rapid implementation projects and go-live
- Fastest Time to Value
- Pay as you go

- Fast Time to Innovation
-

- Lowest TCO
- Easy to configure, use, operate and extend
- No infrastructure investment

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

Lab preview - subject to change

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

2022
(First Release 2208)

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*
- Return 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 Distribution Center*
- Sales Price Valuation*

Warehouse Management
- Inbound processing Distribution Center*
- Outbound processing Distribution Center*
- Return from store*
- Intercompany stock transfers

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)
- Customer consignment

Cross processes and capabilities
- Data migration and data integration*
- CAR integration
- Endorsed generic scope items for Retail

Fashion Retail Foundation
- Season
- Value Added Services

2023
(Releases 2302, 2308 and Continuous Improvements)

Retail Merchandise Management
- Merchandise distribution
- Collective Purchase Order Management
- Empties management and processing
- Article hierarchy management
- Customer order management in store (extended)
- Vendor consignment, Retail consignment
- Support of two-tier scenarios with master data integration
- Manage Third party Orders
- Sales Performance Management

Fashion Wholesale
- Supply Assignment
- Advanced management of sales orders
- Sales contract management
- Multi Ship-to-order
- Management Excess Requirements
- Third Party and Purchase-to Order Diversion
- Alignment of Purchase Requisitions with Purchase Orders
- Segmentation Management
- Subcontracting
- PIR Management and Material requirement planning
- Characteristic value conversion

2024
(Releases 2402, 2408 and Continuous Improvements)

Retail Merchandise Management
- Enhancements for out-of-the box integrations, self-service configuration, extensibility, automation and migration
- Layout listing
- Order and delivery schedule integration

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
- Segmentation in production processes

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I INTERNAL

* Already available as α version for external testing in SAP sandbox system upon request for customers / partners

Thank you.

Contact information:

F name L name
Title
Address
Phone number

Partner logo

THE BEST RUN SAP