Latin America
Retail Community Interest Group

Cesar Milan Soto – Félix Rubio, SAP
Mayo 26, 2021

Industries and
Customer Advisory

THE BEST RUN **SAP**

Agenda

1. The Value of a Latin America Special Interest Group

2. Evolution and Digital Innovation in Retail

3. Round Table

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A Latin Retail Community

SAP Industries and Customer Advisory

El Valor de un Grupo de Interés en una Industria a través de América Latina

Common Challenges

Compartir experiencias, retos, y buenas practicas e innovaciones.

Access to SAP Experts

Conocer ultimas novedades, eventos, tendencias, el roadmap de las soluciones, casos de estudio, al igual que resolver dudas.

Influence Program

Proponer mejoras, votar por ideas propuestas globalmente y adoptarlas por medio del programa de Influencia de SAP

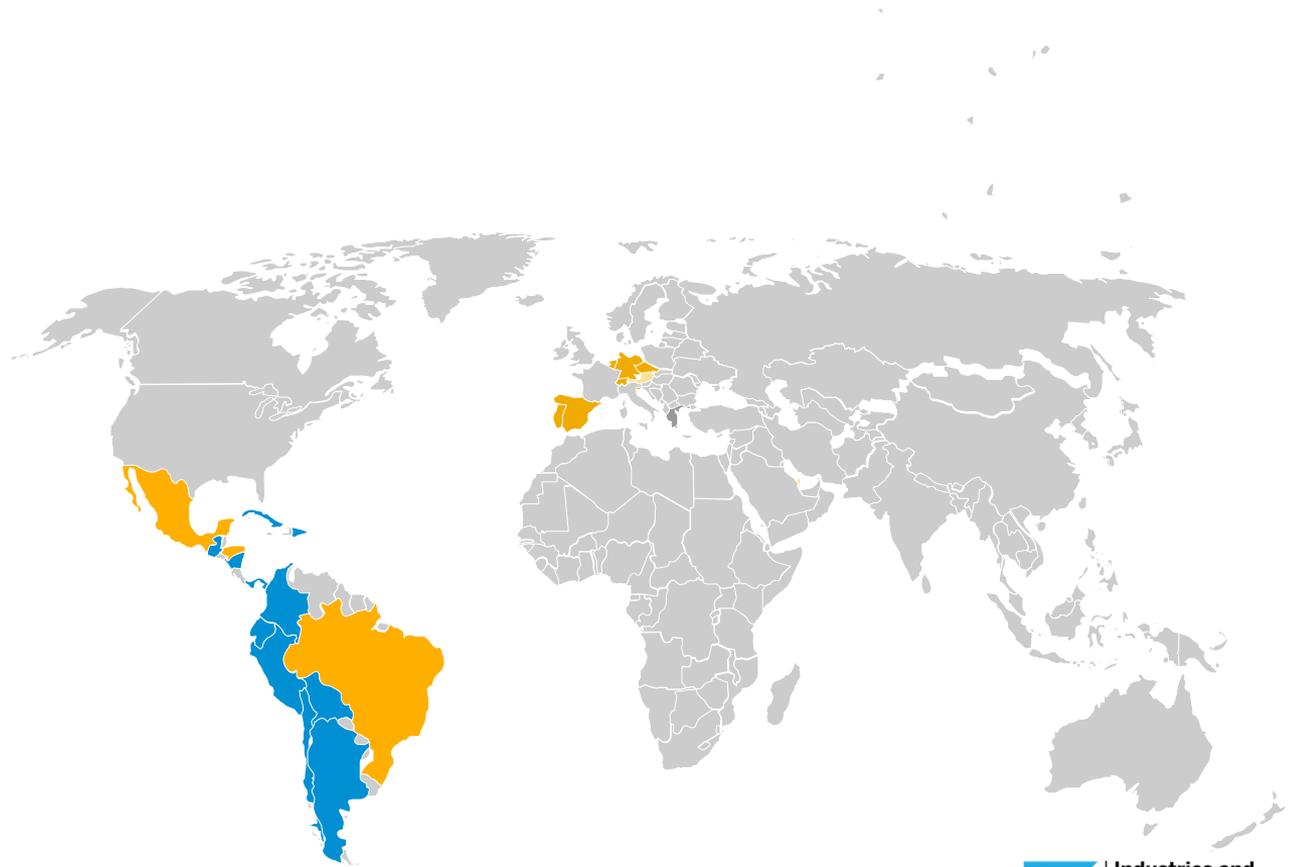## Networking

Construir redes de conocimiento y experiencias

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Alcance Sugerido

HISPANO AMERICA

- Brasil
- México
- Centro América
- Caribe
- Colombia
- Ecuador
- Perú
- Chile
- Argentina
- Uruguay
- España

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Evolution and Digital Innovation in Retail

Evolution of Retail

SAP's Intelligent Enterprise

Didi Goltz
Solution Management, Germany/ second home is LAC

SAP Retail

The Latin Facts (until 2019)

Latin America recorded the highest retail revenue growth and profitability as compared to all other regions in 2018-19 and the good results came even while the growth rate witnessed a fall of 5.3 percentage points over the previous fiscal year

Retailers in the region still have very local operations though, usually concentrating on their home country, operating in just 2.5 countries on average and generating nearly 80 percent of their revenue from their domestic markets. Only Asia Pacific — excluding China and Japan — had an albeit slightly lower level of globalization in retail operations

Still extremely complex regulations (tax)

•**82.5 %** of the population is **urban** (539,427,335 people in 2019)

•The **median age**
LAC:**31.0**
US: 40
Europe: 44!

•Young Professionals need more IT skills and expertise→ own personal view

Latin America largest retailers

Global ranking	Retailer	Country of origin	Revenue ($M)	Main operation	# countries of operation
68	Cencosud	Chile	14.402	Supermarket	5
73	FEMSA Comercio	Mexico	13.835	Convenience store	5
91	Falabella	Chile	11.545	Home improvement	7
129	Soriana	Mexico	7.979	Hypermarket	1
143	Via Varejo	Brazil	7.369	Consumer electronics	1
153	Coppel	Mexico	6.798	Department store	3
171	El Puerto de Liverpool	Mexico	6.253	Department store	1
177	Chedraui	Mexico	5.984	Hypermarket	2
211	Lojas Americanas	Brazil	4.841	Discount Department Store	1
238	Magazine Luiza	Brazil	4.250	Other Specialty	1
239	Raia Drogasil	Brazil	4.247	Drugstore	1

Source: Deloitte's Global Powers of Retailing 2020 report

Source: Deloitte, Yearly Report on Powers of Retail

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The Global Facts

Increasing customer expectations

- Build trust and customer-for-life relationships
- Personalized offers, zero-click ordering
- Increasing consumer consciousness regarding sustainability and other corporate policies

Ultra-convenience is the norm

- Personalized in-store experience
- Unified digital experiences across online and in-store
- Multitude of fulfillment options (eg Buy online, pick up in store) is considered a commodity

Supply chain: speed and efficiency

- Decentralized storage
- Flexible deliveries and returns
- Increasing interaction with consumer products and companies, for example, reconciliation of coupons, compliance of promotions, et cetera

Response to new markets

- Subscription, pay-per-use, or outcome-based models
- Agility to pivot based on conditions
- Data quality, collection, and management (strategic view of data)

New competition

- Low-cost competitors, reduction of market barriers
- Increasing market share of marketplaces, such as Amazon, Alibaba,
- Vertical integration from consumer products companies into retail

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SUCCESS STRATEGIES FOR NEW RETAIL

Customer centricity	Serving the "segment of one"	Digital supply chain	Redefined stores	New business models

Putting the customer at the center of decisions

- Tailored assortment
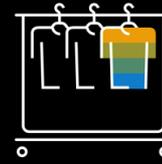- Pricing
- Promotions
- Seamless omnichannel experience

Meet unique customer needs

- Digital capabilities
- Value-added services
- Customer preferences

Connecting the supply chain from suppliers to consumers

- Faster response
- More sustainable operations
- New service offerings

Brand experience center

- Redefining the role of stores
- Turn them into an asset

New opportunities

- Leveraging deep customer insights
- Drive superior customer value

ROAD MAP AND VISION TO THE VERTICAL EDGE OF RETAILERS

Merchandise Management

- Focus on grocery with in-store production and fresh item procurement
- Public cloud offering for Retail and Fashion in ONE S/4HANA Cloud
- Retail-as-a-function

Predictive Inventory Orchestration**

- Cloud services to extend predictive scenarios across a wide variety of use cases
- New planning and optimization solutions by SAP and partners with flexible deployment option
- E2E integration with SAP's digital core

Omnichannel Planning and Fulfillment*

- Order orchestration and fulfillment process e2e
- Product availability and sourcing including last mile distribution
- Order reconciliation, returns and reverse logistics

Intelligent Store**

- Cloud-based apps and services for pick & pack, automation through RFID, clienteling, task management, analytics, smart notification
- Pre-defined APIs to integrate partner solutions and build consumer-facing apps

*roadmap

**vision

[SAP Roadmap explorer](#)

Retail ✕

1,362 Innovations ✕ 🔍

Products ⌄ | Processes ⌄ | Industries ❶ ⌄ | More Filters

Current - Latest 📅 | 💡 Highlights | 📄 Related Content | ⬇ | ⤴ | 💾 Save

Q2 2021 CURRENT 426 Innovations

SAP Analytics Cloud 1.0 +13

⌄ Accounts Receivable

Ability to consume exposed APIs for the match payments with invoices...
SAP S/4HANA Cloud 2105 ⌄

Ability to manage correspondence
SAP S/4HANA Cloud 2105 ⌄

Ability to switch to a hybrid solution when paying with a credit card
SAP S/4HANA Cloud 2105 ⌄

Simplify digital payment initiation through improved checkout...
SAP S/4HANA Cloud 2105 ⌄

⌄ Advanced Compliance Reporting

Localization for Hungary
SAP S/4HANA Cloud 2105 ⌄

Support for the "compound" type in total data validation rules
SAP S/4HANA ⌄

Swedish advanced compliance reports enabled with contract...
SAP S/4HANA Cloud ⌄

Use of standard functions as a data source
SAP S/4HANA Cloud ⌄

Q3 2021 261 Innovations

Future Release

⌄ Access Monitoring

Ability to show embedded help or online help for value lists and...
SAP Enterprise Threat Detection ⌄

Ability to show the vulnerability score of a system regarding missin...
SAP Enterprise Threat Detection ⌄

HTTP client log integration for more detailed analysis
SAP Enterprise Threat Detection ⌄

Identification of known unpatched vulnerabilities
SAP Enterprise Threat Detection ⌄

⌄ Accounts Payable

Additional features for the management of recurring supplier...
SAP S/4HANA Cloud ⌄

Support purpose code in the payment process for open-item...
SAP S/4HANA Cloud ⌄

⌄ Accounts Receivable

Ability to integrate with Boleto bancario
SAP S/4HANA Cloud ⌄

Ability to make a payment with a...

Q4 2021 347 Innovations

Future Release

⌄ Absence Management

Parallel absence handling
SAP SuccessFactors Employee Central ⌄

⌄ Accounts Payable

Registration for indirect taxation abroad (RITA)
SAP S/4HANA Cloud ⌄

⌄ Accounts Receivable

Full and comprehensive automation of bank statement and dispute-...
SAP S/4HANA ⌄

Make digital payments data available for analytics
SAP S/4HANA Cloud ⌄

⌄ Advanced Available to Promise

Ability to choose an alternative calculated through alternative...
SAP S/4HANA ⌄

Ability to perform availability checks for scheduling agreements without...
SAP S/4HANA ⌄

Activation of product allocation considering the material availabilit...
SAP S/4HANA ⌄

Q1 2022 65 Innovations

Future Release

⌄ Access Monitoring

Extension of the semantic model with customer-specific attributes
SAP Enterprise Threat Detection ⌄

Message server log integration for more detailed analysis
SAP Enterprise Threat Detection ⌄

Preconfigured integration with SAP Ariba
SAP Enterprise Threat Detection ⌄

Review and enhancement of the ABAP extractor
SAP Enterprise Threat Detection ⌄

⌄ Accounts Payable

Automatic payment checks and identify exceptional or suspicious...
SAP S/4HANA Cloud ⌄

⌄ Accounts Receivable

Automatic update of payment cards
SAP S/4HANA Cloud ⌄

Consideration of surcharges for digital payments
SAP S/4HANA Cloud ⌄

Monitor digital payments centrally

Q2 2022 69 Innovations

Future Release

⌄ Asset Prediction and Optimization

Notifications creation with custom type and priority
SAP Predictive Asset Insights ⌄

⌄ B2B Integration

Availability of Integration Advisor on AWS GovCloud (US)
Cloud Integration ⌄

Reusable customer code lists in the message implementation guideline...
Cloud Integration ⌄

⌄ Benefits

Global benefits: enhanced native mobile reimbursement experience
SAP SuccessFactors Employee Central ⌄

⌄ Cataloging

ABAP lineage object–level extraction
SAP Data Intelligence ⌄

Column level lineage
SAP Data Intelligence ⌄

⌄ Collaborative Logistics

Insights into shipment execution through manual event reporting fr...
SAP Logistics Business Network ⌄

2022 150 Innovations

Product Vision

⌄ Absence Management

CATS: consolidated reporting and improved analytics
SAP S/4HANA ⌄

Optimizations for time-management customizing
SAP S/4HANA ⌄

Overview of running employee processes for time administrators
SAP S/4HANA ⌄

⌄ Access Monitoring

Transparency about security patch state
SAP Enterprise Threat Detection ⌄

Transparency: built-in integration to SAP Concur solutions in the cloud
SAP Enterprise Threat Detection ⌄

Transparency: built-in integration to SAP SuccessFactors solutions
SAP Enterprise Threat Detection ⌄

⌄ Accounts Payable

Ability to monitor the progress of all payment plans and view the...
SAP S/4HANA Cloud ⌄

2023 43 Innovations

Product Vision

⌄ Advanced Available to Promise

Fair-Share
SAP S/4HANA

Multilevel Supply Creation–Based Confirmation (MSBC) – PAC at...
SAP S/4HANA

⌄ Assortment Planning and Optimization

Location hierarchy improvements in demand data foundation
SAP Customer Activity Repository app...

⌄ Audit Management

Audit resource management
SAP assurance and compliance software for SAP S/4HANA

⌄ Category, Trends and Performance

Location hierarchy improvements in demand data foundation
SAP Customer Activity Repository applications bundle

⌄ Compensation

Reward and recognition – wall of fame
SAP SuccessFactors Compensation

⌄ Consumer Demand Analytics

Consideration of cannibalization in...

open.hpi.de/courses

Lesezeichen-Sym... Lufthansa SAP Portal weatherchannel Google Übersetzer Google Maps Core Platform Lau... The Guardian » Other Bookmarks Reading List

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Johannes Reck, André Eggert, Christophe F....

📅 Since June 12, 2019

HPI Academy: Certification Program for Design Thinking Coaches

HPI CERTIFICATION PROGRAM for Design Thinking Coaches

Morganne Graves, Julian Fuchs, Samuel Tschepe...

📅 Since August 14, 2020

HPI Academy: Leading Digital Transformation and Innovation - Fall 2020

Welcome to LEADING DIGITAL TRANSFORMATION AND INNOVATION

Hasso Plattner Institute for Digital Engineering,...

📅 September 3, 2020 - June 30, 2021

clean-IT: Towards Sustainable Digital Technologies

clean-IT Initiative

📅 Since March 31, 2021

Helpdesk

Digital Innovation in Retail

SAP Business Technology Platform **for Retail**

Jens Mansfeld
Solution Specialist Retail Innovation GTM
Industry Business Unit Retail SAP

Technology is changing the game.

Disruptive market entrants

Purpose-driven retail

Sustainability paradigm shift

Consumers demand new levels of value

GLOBAL WORKFORCE
by generation in 2020
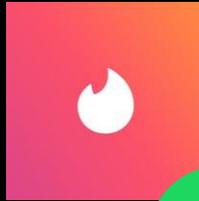
35%
Millennials

35%
Gen X

24%
Gen Z

6%
Boomers

Customer Experience

REMOVE FRICTION!

New Business Models

CREATE SEAMLESS, PERSONALIZED CUSTOMER EXPERIENCES

From AWARENESS — via CONSIDERATION to PURCHASE

Personalized

Click & Collect

Scan & Go

Allergy Alert

Delivery

ALWAYS OPEN

Omni- Channel

Secure

Shopping App

Recommendation

Eco- Friendly

Discount

Do You Need Innovation?

UPDATE OF HARDWARE

Nokia

❖ Basic calls + SMS

iPhone

❖ Big Screen
❖ Camera
❖ Internet
❖ Music
❖ Mail
❖ Keyboard

App Store

❖ More Apps
❖ Weather
❖ Shopping
❖ 4+mio Apps

XCode

❖ Built your own App
❖ Employee facing
❖ Customer facing

SAP Business Suite

❖ Standard Retail ERP processes

SAP S/4 HANA

❖ Cloud Option
❖ Reduced complexity
❖ Easy upgrades
❖ ML + AI embedded
❖ New innovative features
❖ Open for easy integration

Industry Cloud

❖ Enhancements
❖ Additional Solutions
❖ Integration packages
❖ Intelligence packages
❖ Innovation from Partners

SAP Business Technology Platform
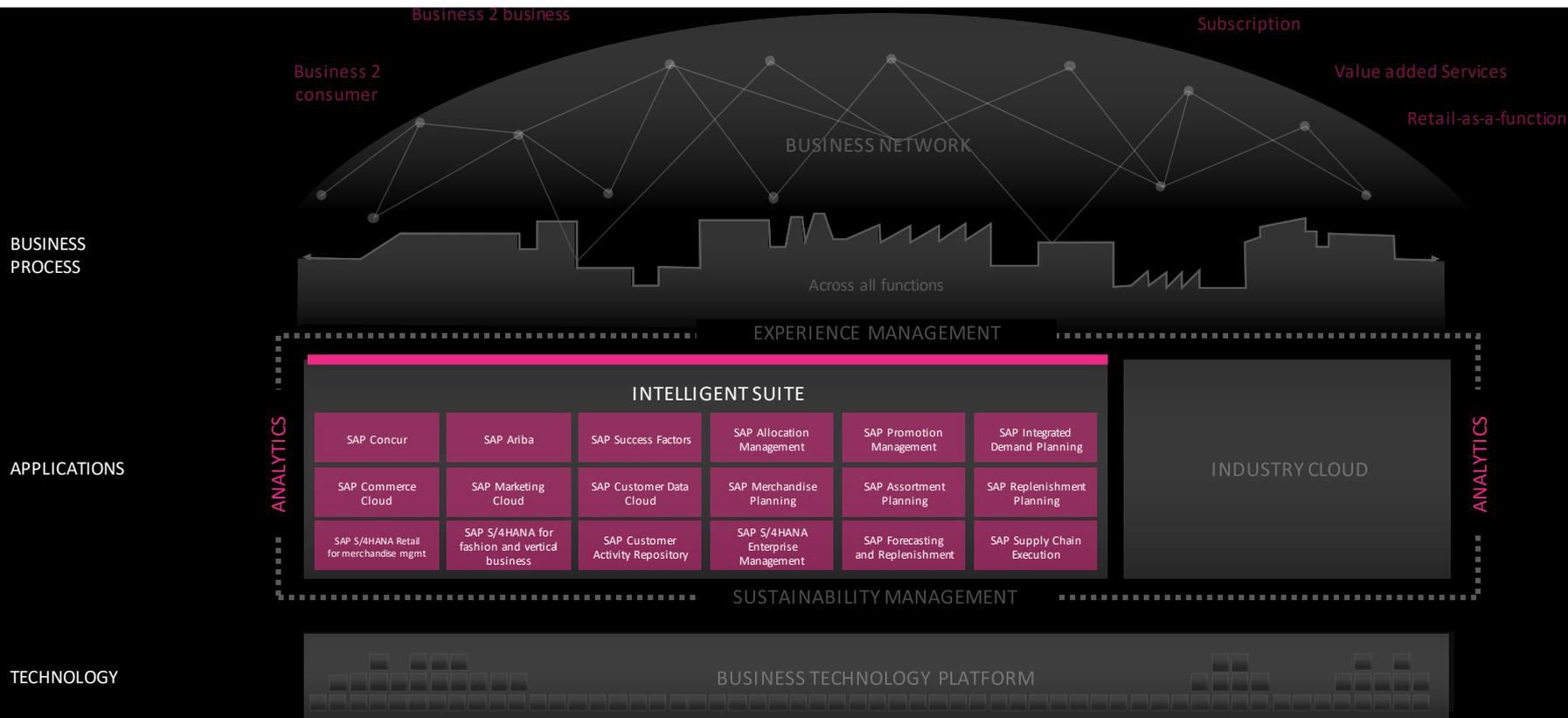
❖ Native cloud development
❖ Integration layer
❖ Database & Datamanagement
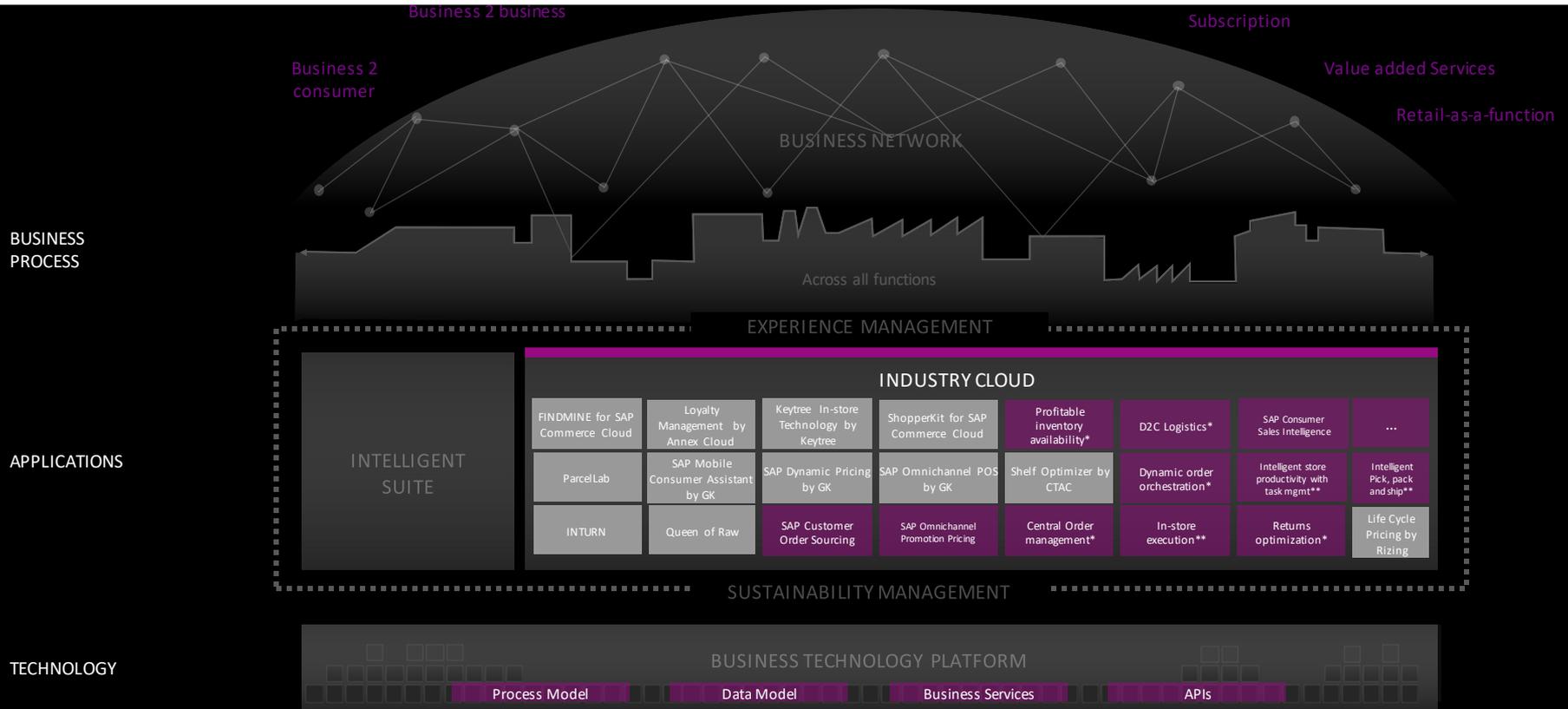❖ Analytics
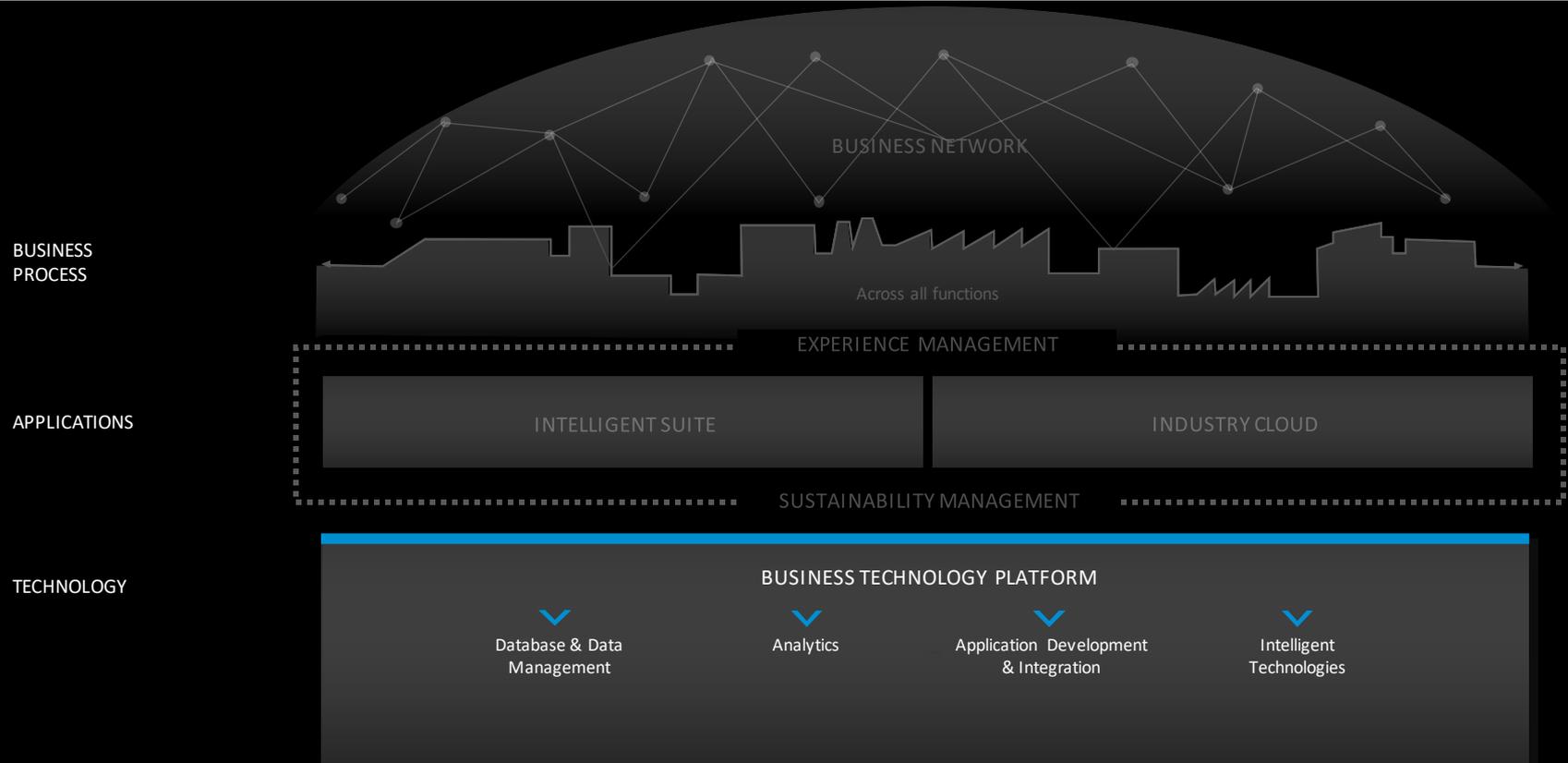❖ Intelligent Technologies

THE INTELLIGENT ENTERPRISE

BUSINESS NETWORK

BUSINESS PROCESS

ACROSS ALL FUNCTIONS

BUSINESS PROCESS INTELLIGENCE

EXPERIENCE MANAGEMENT

APPLICATIONS

INTELLIGENT SUITE	INDUSTRY CLOUD

SUSTAINABILITY MANAGEMENT

TECHNOLOGY

SAP BUSINESS TECHNOLOGY PLATFORM

INFRASTRUCTURE

SAP DATA CENTER **OR** HYPERSCALER

INTELLIGENT SUITE

Business 2 business

Subscription

Business 2 consumer

Value added Services

Retail-as-a-function

BUSINESS NETWORK

BUSINESS PROCESS

Across all functions

EXPERIENCE MANAGEMENT

ANALYTICS

APPLICATIONS

INTELLIGENT SUITE

SAP Concur	SAP Ariba	SAP Success Factors	SAP Allocation Management	SAP Promotion Management	SAP Integrated Demand Planning
SAP Commerce Cloud	SAP Marketing Cloud	SAP Customer Data Cloud	SAP Merchandise Planning	SAP Assortment Planning	SAP Replenishment Planning
SAP S/4HANA Retail for merchandise mgmt	SAP S/4HANA for fashion and vertical business	SAP Customer Activity Repository	SAP S/4HANA Enterprise Management	SAP Forecasting and Replenishment	SAP Supply Chain Execution

INDUSTRY CLOUD

ANALYTICS

SUSTAINABILITY MANAGEMENT

TECHNOLOGY

BUSINESS TECHNOLOGY PLATFORM

INDUSTRY CLOUD

Business 2 business

Subscription

Business 2 consumer

Value added Services

Retail-as-a-function

BUSINESS NETWORK

BUSINESS PROCESS

Across all functions

EXPERIENCE MANAGEMENT

INDUSTRY CLOUD

APPLICATIONS

INTELLIGENT SUITE

FINDMINE for SAP Commerce Cloud	Loyalty Management by Annex Cloud	Keytree In-store Technology by Keytree	ShopperKit for SAP Commerce Cloud	Profitable inventory availability*	D2C Logistics*	SAP Consumer Sales Intelligence	...
ParcelLab	SAP Mobile Consumer Assistant by GK	SAP Dynamic Pricing by GK	SAP Omnichannel POS by GK	Shelf Optimizer by CTAC	Dynamic order orchestration*	Intelligent store productivity with task mgmt**	Intelligent Pick, pack and ship**
INTURN	Queen of Raw	SAP Customer Order Sourcing	SAP Omnichannel Promotion Pricing	Central Order management*	In-store execution**	Returns optimization*	Life Cycle Pricing by Rizing

SUSTAINABILITY MANAGEMENT

TECHNOLOGY

BUSINESS TECHNOLOGY PLATFORM

Process Model | Data Model | Business Services | APIs

SAP BUSINESS TECHNOLOGY PLATFORM

BUSINESS PROCESS

BUSINESS NETWORK

Across all functions

EXPERIENCE MANAGEMENT

APPLICATIONS

INTELLIGENT SUITE

INDUSTRY CLOUD

SUSTAINABILITY MANAGEMENT

TECHNOLOGY

BUSINESS TECHNOLOGY PLATFORM

Database & Data Management

Analytics

Application Development & Integration

Intelligent Technologies

SAP BUSINESS TECHNOLOGIE PLATFORM

Open runtime
Open API
Open environment

Foundational
services

BUSINESS TECHNOLOGY PLATFORM

Cloud, on-premise,
hybrid, edge

Any data store
connectivity

Database & Data
Management

Analytics

Application Development
& Integration

Intelligent
Technologies

Data storage	Business Intelligence	Integration	Artificial Intelligence
Data processing	Augmented analytics	Application extensions	Machine Learning
Data integration	Predictive analytics	User experience	Intelligent Robotic Process Automation
Data orchestration	Collaborative planning	Business Process Optimization	Blockchain
Information governance	Data warehousing	Business services	
Meta data management			

STORE OF THE FUTURE: AVEC BOX

- Convenience on the go

- Cashier-free, 24x7 shopping experience, POS-less

- Innovative solution architecture based on SAP Business Technology Platform microservices

Innovation
Avec X and Avec Box with new convenience store concepts into the future

React to market trends (decline of media products)

EXPERIENCE MANAGEMENT

INTELLIGENT SUITE	INDUSTRY CLOUD

SUSTAINABILITY MANAGEMENT

BUSINESS TECHNOLOGY PLATFORM

Database & Data Management | Analytics | Application Development & Integration | Intelligent Technologies

For avec box and avec X
. Get In
. Shop
. Pay

FILL THE SHOPPING BASKET

Add Products to the basket through:

- Scanning of the NFC Tag in Electronic Shelf Labels

or

- Scanning of the barcode on a price tag
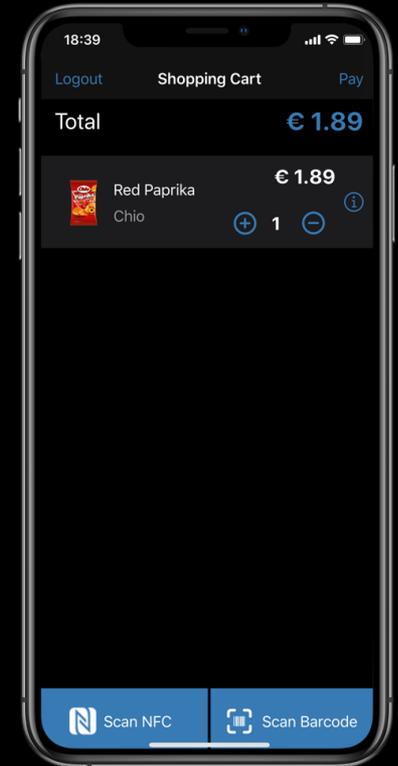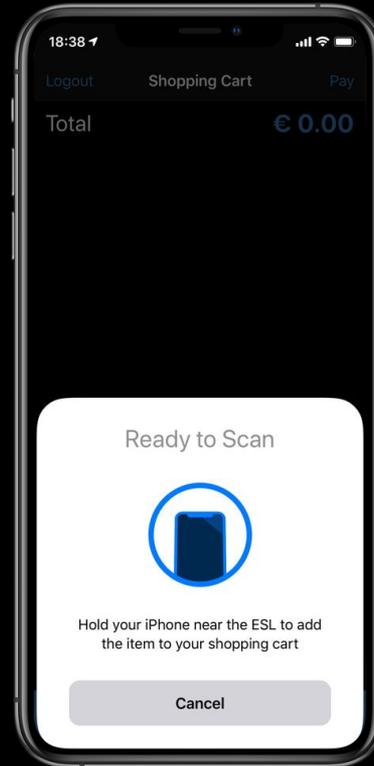
COMMERCE INFORMATION IN STORE
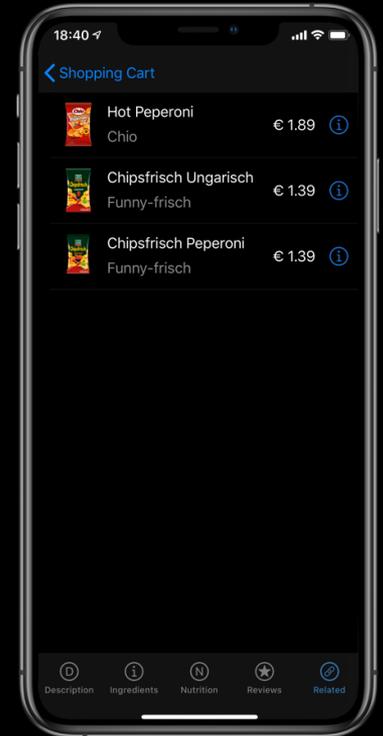
PAYMENT
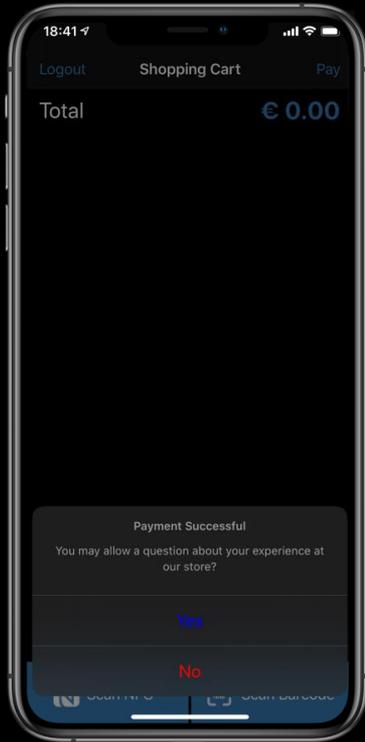
qualtrics.XM
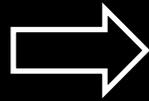
Pop-Up
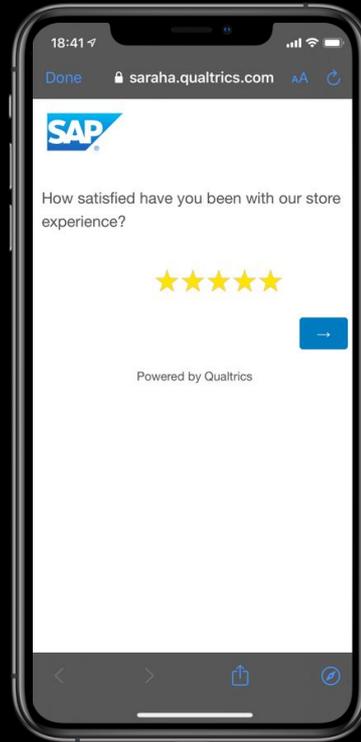
Less than

5 stars
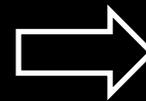
more

detailed

questions
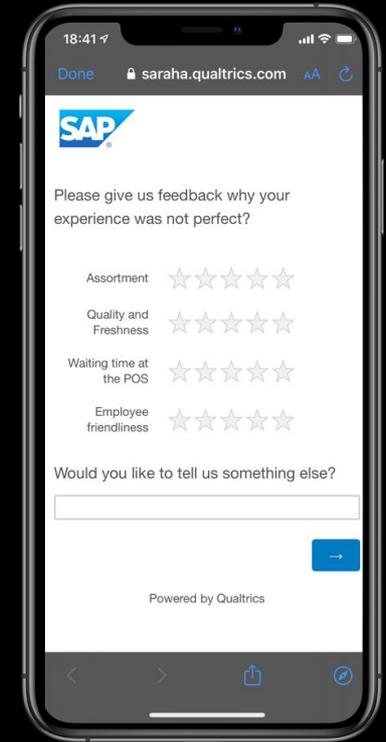
DELETE A PRODUCT FROM YOUR SHOPPING CART

Pop-Up
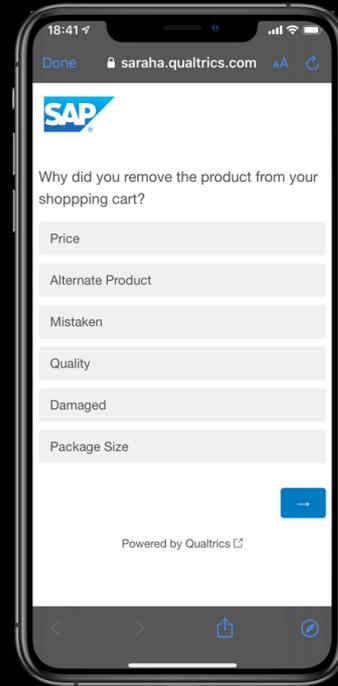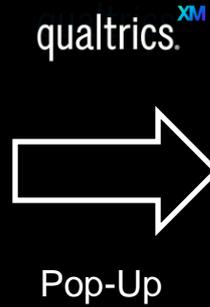
EXPERIENCE DATA COMBINED WITH OPERATIONAL DATA
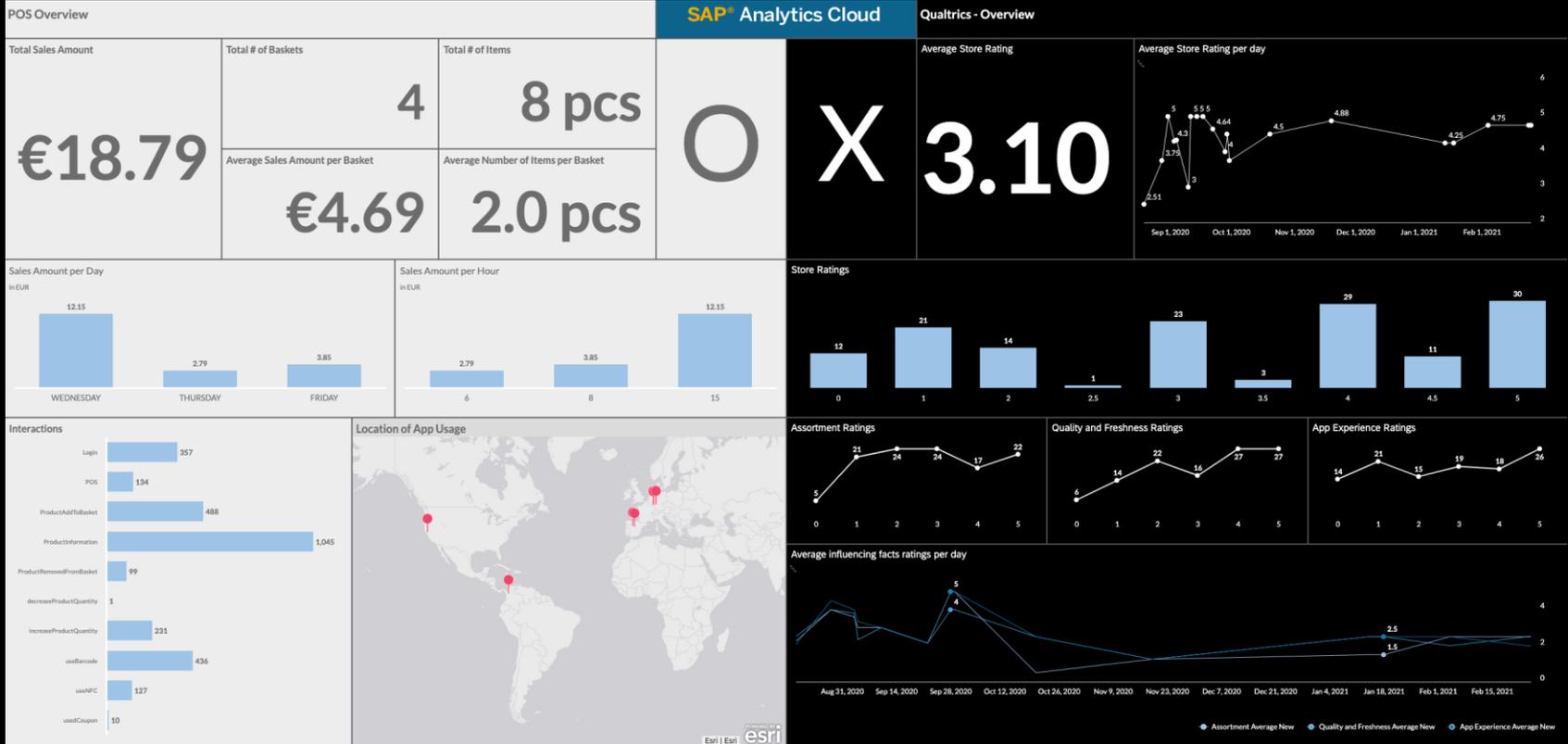
GRAB&GO - HIGH LEVEL ARCHITECTURE BENEFITS

SAP C/4HANA

SAP Commerce Cloud

SAP Customer Data Platform

Create Order

Product API

Basket API

CheckOut API

SAP BTP

Integration

Basket Microservice

5
- ✓ Sync Order to ERP
- ✓ trigger delivery
- ✓ add transaction to CAR

SAP Intelligent Suite

CustomerOrder

S/4HANA

CAR

7

Convert Basket information into POS Transaction format
- ✓ customer
- ✓ Line item
- ✓ Store

Consumer App

Android   iOS

POS

See slide notes*

SUCCESS FORMULA FOR CUSTOMER INNOVATION

STRATEGY × **TECHNOLOGY** × **APPROACH** = **CUSTOMER SUCCESS**

STRATEGY
- Intelligent Enterprise
- Experience Economy
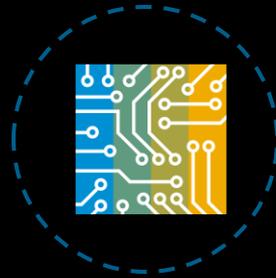
TECHNOLOGY
- Business Technology Platform

APPROACH
- Design Thinking
- SAP AppHaus

CUSTOMER SUCCESS

Success formula for customer innovation

How to innovate
Delivering clear outcomes in every phase

Explore

Discover

Design

Deliver

Run & **Scale**

Explore innovation opportunities.

Gain deep understanding of needs and opportunities with consumer, employee, and market research.

Design and create a prototype of the solution.

Develop and deliver the tailored business and technical solution for productive use.

Run the solution and optimize it continuously. Deploy across your company.

Thank you.

Scan to connect
with me on LinkedIn

Jens Mansfeld
Solution Specialist Digital Innovation

Round Table

Industries and Customer Advisory

Nos Interesa tu Valiosa Opinión

https://qtrial2019q2az1.az1.qualtrics.com/jfe/form/SV_1RH0csV2WV7PJJQ

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Timeline 2021

Today

2022

June 7-10
SAPPHIRE NOW

July 28
Omnichannel Promotion
Pricing Service

Step   Step   Step

June 6-8
NRF Chapter 2

June 22
Sustainability at SAP

TBD
Customer Round Table -
Evaluation of the
Community

SAP | **Industries and Customer Advisory**
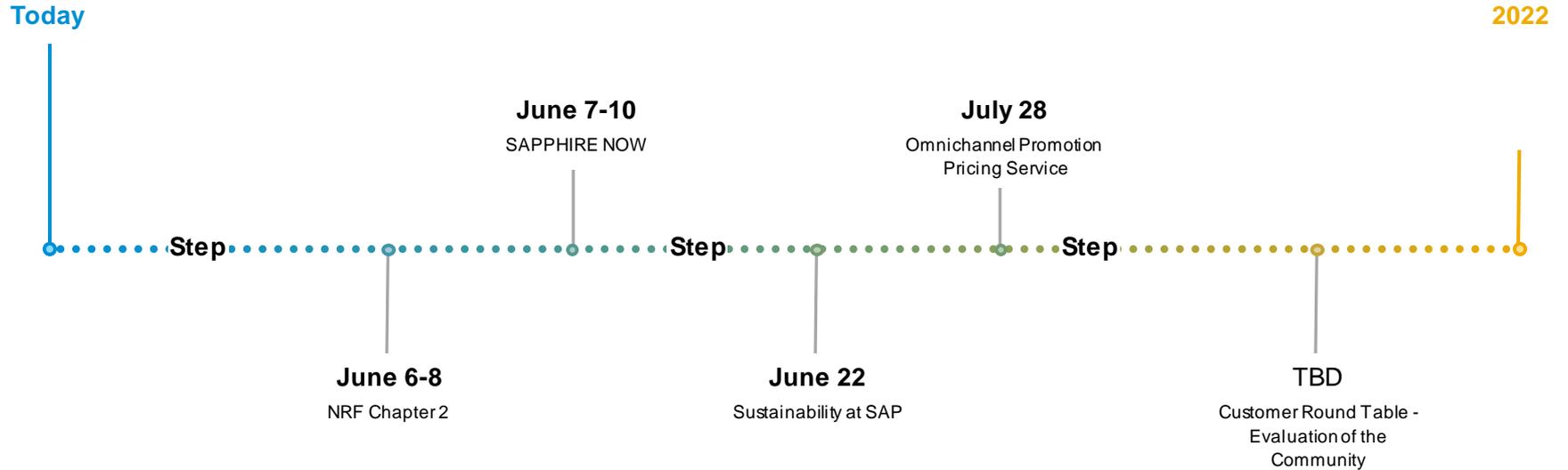
Gracias - Thank you - Danke

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