Advanced Returns Management

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Agenda

- Simplification and Customer Satisfaction
- Advanced Returns Management - Motivation
- Advanced Returns Management - Solution
- Planned Innovations
Learning Points

- Learn how you can easily create and track Complaints and Returns
- Learn about the close integration between SAP CRM and SAP ERP
- See how SAP ERP Advanced Returns Management is supporting the complete Returns process in an automated way
Initial Situation

**Source**
Procurement is error-prone, slow and costly. Decision making lacks strategic consolidated view.

**Analyze**
Minimal visibility and business insight impairs strategy execution and decision making.

**Store**
Process inefficiencies lead to higher operating expenses resulting in lower margins.

**Recover**
Vendor cost recovery is complex, expensive and slow. Lots of money usually left on the table.

**Sell**
Delays, returns, inaccurate information leads to decreasing customer satisfaction.

**Plan**
Poor forecasting and planning leads to suboptimal product mix, slow turns and poor service.
Simplification and Customer Satisfaction

- WebDynpro Applications, Personalized Powerlists (POWL), NetWeaver Business Client for HTML, Simplified Price Maintenance, Enhanced Material Search, TREX search for customers, …
Simplification and Customer Satisfaction

After-sales Services belong to each Sales Scenario

or

Each sales scenario is incomplete when neglecting after-sales services for complaints

"Being on par in terms of price and quality only gets you into the game. Service wins the game."
Tony Alessandra, Sales Mgmt Author

"If you make customers unhappy in the physical world, they might each tell 6 friends. If you make customers unhappy on the Internet, they can each tell 6,000 friends."
Jeff Bezos, Amazon
Agenda

- Simplification and Customer Satisfaction
- Advanced Returns Management - Motivation
  - Pain Points
  - Use Cases
  - Customer Expectations
  - History
- Advanced Returns Management – Solution
- Planned Innovations
Advanced Returns Management – Pain Points

- Customer returns are expensive - for every company
- (End-)Customers are annoyed about products being defective, about the installed process … and of waiting on the refund!
- The business process comprises a lot of variants which makes it difficult to install the process in a system
- Missing solution for return at the counter or “unplanned” returns from customers
- Missing adequate determination of refund
- High number of stakeholders involved in the process such as customers, distributors or vendors …
- …
Advanced Returns Management – Use Cases

**Logistical Follow-Up Activities**
- Material Remains in first Location
- Scrapping
- Forward to Other Location or DC
- Cross-Company-Code Store Return
- Forward to Vendor
- Forward to Vendor via DC
- Back to Customer
- In-House / External Repair

**Customer Returns Initiation**
- Return at Sales Counter
- Planned Return with Advanced Notice
- Unplanned Returns with Direct Shipping
- Direct Shipment to Vendor

**Compensation from Supplier**
- Credit Memo by Vendor
- Replacement Material from Vendor
- Intercompany Billing in case of Cross-Company-Code Store Returns

**Material Inspection Variants**
- Inspection at Receiving Sales Location
- Inspection at DC
- Inspection at Supplier
- Inspection at Customer Site

**Customer Refund**
- Credit Memo or
- Subsequent Delivery Free of Charge
- Different Points in Time
  - Immediately
  - Subsequently after Inspection
  - After Compensation by Supplier
  - At any Point in Time in the Process
Customers **simply expect returns as a service** in the sales cycle; they do not buy if they cannot return.

Today, **only high quality** and immaculate products **are accepted**.

In many industries ordering more than required followed by a **return** is or has become **common practice** (building industry, mail order business etc.).

Customer expect an **efficient handling of returns** together with an immediate or soon refund.

Customer expect a **clear and transparent policy** of what can be returned and what will be refunded.
Advanced Returns Management - History

Step 1
- Advanced Returns Management
  - Material Inspection
  - Logistical Follow-Up Planning
  - Automatic Document Creation
  - Refund Determination App
  - End-to-End Process Monitoring

First Roll-In

Step 2
- Holistic Complaints, Returns & Repair Processing
  - Completion of Advanced Returns Management
  - Integration of Advanced Returns Mgmt. with CRM Complaints
  - Integration with EWM
  - Integration with Repair Proc.

Ramp up Feedback & Second Roll-In

ERP6.0 EHP4
- 2006/2007
- 2008
- 2009

BS7i2011
- 2010

General Availability since May 2009

SCDP = Strategic Custom Development Project, solution designated for later retrofit to standard

Real Experience. Real Advantage.
Advanced Returns Management – *before* SAP ERP EhP4

- So far customer/vendor returns could be processed in SAP ERP. All relevant documents & applications for the user-interaction are available in *SAP ERP*.

- However, from a usability standpoint the solution is insufficient – each sub-process needs to be triggered *via separate transactions*. Besides this, a comprehensive overview is missing.

- Also: the integration of vendor returns in conjunction with customer returns was missing – e.g. regarding the traceability of documents.

- Inefficient process monitoring.
Advanced Returns Management – with SAP ERP EhP4

- Integrated data entry
- Automatic creation of logistical follow-up documents
- Work lists to trigger further processing steps
- Increasing transparency by system wide business process tracking
- All returns scenarios supported
- Quick customer refund thru efficient processes
- Enabling clear returns policy
- Improved transparency e.g. for customer refund requests
Agenda

- Simplification and Customer Satisfaction
- Advanced Returns Management – Motivation
- Advanced Returns Management – Solution
  - Examples
- Planned Innovations
Advanced Returns Management – Features

Returns Overview

- Returns Order – Triggers the customer returns process in SAP ERP
- Returns Delivery – Transport materials from customer to a company’s location
- Material Inspection – Find out the status of the returned materials as the basis for further logistical steps and the financial settlement with the customer
- Logistical Follow-Up – Move the returned materials to the final destination
- Customer Refund – Determine the refund amount that the customer is to receive for returned materials
- Billing – Payout the refund to the customer using credit memos
- Returns Overview – Monitor the customer returns process
Advanced Returns Management – Features

- **Returns Order** – Triggers the customer returns process in SAP ERP
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  - **Billing** – Payout the refund to the customer using credit memos
  - **Returns Overview** – Monitor the customer returns process
Advanced Returns Management - Features

- Returns Order & Returns Delivery
  - Initial starting point and basis for a customer returns
  - Is usually be created with reference to a Sales Order or Invoice
  - Triggers returns delivery document automatically
  - Triggers the returns process in terms of the subsequent logistical and financial processing of the return

- Important: based on customizing and settings the returns orders triggers the automatic creation of follow-up documents (e.g. returns delivery, goods receipt, etc.)
Advanced Returns Management - Features

- **Returns Order - Main input fields to fix specific customer return case:**
  - Return Reason
  - Follow-Up Activity
  - Refund Control
  - Refund Code
  - Inspection at Customer
  - Material Received
  - …

- The combination of setting determines the follow-up document creation
Advanced Returns Management - Features

Create Advanced Returns: Overview

Returns Control:
- Item: 40
- Material: WSD103
- Order quantity: 5
- Return Reason: Product damaged
- Follow-Up Act: Receive into Plant, Material Received
- Refund Control: R By Credit Memo Request

Additional Data:
- Inspection Code: 0005 Unclear Material
- Comment: To be inspected by expert
- Next Plant
- Vendor
- Vendor RMA
- Approval
- Customer RMA

All items:

<table>
<thead>
<tr>
<th>Item</th>
<th>Material</th>
<th>Order quantity</th>
<th>Description</th>
<th>Return Reason</th>
<th>Follow-Up Act</th>
<th>M</th>
<th>Refund Control</th>
<th>Refund Co</th>
<th>Inspe</th>
<th>Inspe at Cust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 WSD100</td>
<td>2 PC</td>
<td>Wood Screw 6x40 (100)</td>
<td>001 Customer</td>
<td>0002 Immediate</td>
<td>✓</td>
<td>Immediate</td>
<td>R00 00 %</td>
<td>0001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 WSD101</td>
<td>4 PC</td>
<td>Wood wool 50x100cm</td>
<td>003 Product damaged</td>
<td>0003 Immediate</td>
<td>✓</td>
<td>R By Credit</td>
<td>R00 00 %</td>
<td>0002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 WSD102</td>
<td>1 PC</td>
<td>Jigsaw model 1000</td>
<td>004 Product damaged</td>
<td>0005 Ship</td>
<td>✓</td>
<td>A After Return</td>
<td>R00 00 %</td>
<td>0005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 WSD103</td>
<td>5 PC</td>
<td>Chipboard 1x2m</td>
<td>001 Receive</td>
<td>0001</td>
<td>✓</td>
<td>R By Credit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Returns Overview

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Advanced Returns Management - Features

- **Material Inspection**
  - ... is a *new transaction* to improve inspection and hence refund determination ...
  - ... is usually the *subsequent process* step after goods receipt ...
  - ... can be performed at *any* company location, at a vendor or at the customer site ...
  - ... status of the returned materials as the *basis for further logistical steps and financial customer settlement* ...
  - ... option to split delivery items to enter different inspection results ...
  - ... option to upload documents for inspection details ...
### Advanced Returns Management - Features

#### Overview with Item Split

**Change: Article Inspection in Warehouse for Delivery 84000009**

<table>
<thead>
<tr>
<th>Delivery Item</th>
<th>Insp. Item</th>
<th>Handling Unit</th>
<th>Toggle Split</th>
<th>Article</th>
<th>Description</th>
<th>Original Qty</th>
<th>Inspected Qty</th>
<th>Insp. Status</th>
<th>Inspection Code</th>
<th>Comment</th>
<th>Follow-Up Activity</th>
<th>Refund Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>0001</td>
<td></td>
<td></td>
<td>450200</td>
<td>Wood Screw 6x40 (1.8)</td>
<td>0</td>
<td>5</td>
<td>CCC</td>
<td>0003</td>
<td>Material can still be used</td>
<td>0021</td>
<td>R03</td>
</tr>
<tr>
<td>10</td>
<td>0002</td>
<td></td>
<td></td>
<td>450200</td>
<td>Wood Screw 6x40 (1.8)</td>
<td>0</td>
<td>3</td>
<td>CCC</td>
<td>0002</td>
<td>Return To Vendor</td>
<td>0008</td>
<td>R10</td>
</tr>
</tbody>
</table>

#### Inspection Results per Item

<table>
<thead>
<tr>
<th>Basic Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article</td>
</tr>
<tr>
<td>Return Reason</td>
</tr>
</tbody>
</table>

#### Derived actions:
- Follow-Up Activity
- Refunding info
Advanced Returns Management - Features

- **Logistical Follow-Up documents**
  - Determines the *next step* in the logistical process
  - Example: „Move to free Unrestricted Use Stock“, „Transfer to Scrap“ or „Ship to Vendor“
  - *Input possible either*
    - **directly** in Returns Order (e.g. use case: „Returns at counter“)
    - or
    - in *Material Inspection* (after arriving in warehouse)
  - *Tracking of customer returns status possible at any time*
Advanced Returns Management - Features

- **Automatic creation of follow-up documents**

![Returns Overview](image)

![Returns Order](image)
Advanced Returns Management – Features

- **Returns Order** – Triggers the customer returns process in SAP ERP
- **Returns Delivery** – Transport materials from customer to a company’s location
- **Material Inspection** – Find out the status of the returned materials as the basis for further logistical steps and the financial settlement with the customer
- **Logistical Follow-Up** – Move the returned materials to the final destination
- **Customer Refund & Billing** – Determine the refund amount that the customer is to receive for returned materials
- **Billing** – Payout the refund to the customer using credit memos
- **Returns Overview** – Monitor the customer returns process
Customer Refund determination can be executed in different ways:

1. First time already in **Returns Order** (e.g. physical hand over at the counter)
   - maintained by sales rep
   - transfer to warehouse inspection as default value

2. or … primary in transaction “**Warehouse Inspection**”
   - no maintenance in returns order due to business uncertainty of material shape
   - Refund Code is transferred to new transaction **Customer Refund Determination**

3. or … finally in transaction **Customer Refund Determination**
Advanced Returns Management - Features

Based on the use case the refund can be determined either in:

1. **Returns Order** (automatic transfer to Warehouse Inspection & Refund Determination)
2. in **Warehouse Inspection** (automatic transfer to Refund Determination)
3. in **Refund Determination** directly (automatic transfer to CMR)
4. or finally in **Credit Memo Request** („Foreground Processing“) if delivered refund codes does not match individual business process
Advanced Returns Management – Features

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Advanced Returns Management - Features

- **New transaction** „Returns Overview for Customer Returns“
- Possibility to monitor returns process **at all times**
- Display of different process status
- „Returns Overview“ can be called by users either
  - via new transaction „Returns Overview for Customer Returns“
  - or also out of **dedicated processing transactions** such as:
    - Returns Order
    - Warehouse Inspection
    - Customer Refund Determination
    - Returns Purchase Order
## Advanced Returns Management - Features

### Returns Overview for Customer Returns

<table>
<thead>
<tr>
<th>Selection Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Header Selection Criteria</td>
</tr>
<tr>
<td>Sales document</td>
</tr>
<tr>
<td>Created On</td>
</tr>
<tr>
<td>Created by</td>
</tr>
<tr>
<td>Customer</td>
</tr>
<tr>
<td>Sales document type</td>
</tr>
<tr>
<td>Sales Organization</td>
</tr>
<tr>
<td>Distribution Channel</td>
</tr>
<tr>
<td>Division</td>
</tr>
<tr>
<td>Sales group</td>
</tr>
<tr>
<td>Sales office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
</tr>
<tr>
<td>Plant</td>
</tr>
<tr>
<td>Sales Document Item</td>
</tr>
<tr>
<td>Customer RMA Number</td>
</tr>
<tr>
<td>Reference Document</td>
</tr>
<tr>
<td>Reference Item</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Follow-Up Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery</td>
</tr>
<tr>
<td>Credit Memo Request</td>
</tr>
<tr>
<td>Credit Memo</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Returns Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Status</td>
</tr>
<tr>
<td>Logistical Status</td>
</tr>
<tr>
<td>Refunding Status</td>
</tr>
</tbody>
</table>
Advanced Returns Management - Features

Returns Overview for Customer Returns

Menu
Advanced Returns Management - Features

Returns Overview for Customer Returns

Header Area

Item Area
Advanced Returns Management - Features

Header Area

Status Overview on header & item level regarding:
• Processing Status
• Logistical Follow-Up
• Refunding

Item Area
## Advanced Returns Management - Features

### Returns Overview for Customer Returns

**Header Selection Criteria**
- Sales document
- Created On: 06.18.2008
- Customer: R3000
- Sales document type
- Sales Organization
- Distribution Channel
- Division
- Sales group
- Sales office

**Item Selection Criteria**
- Material
- Plant
- Sales Document Item
- Customer RMH Number
- Reference Document
- Reference Item

**Follow-Up Documents**
- Delivery
- Credit Memo Request
- Credit Memo

**Returns Status**
- Processing Status
- Logistical Status
- Refunding Status

### Returns Order 006001026

<table>
<thead>
<tr>
<th>Item</th>
<th>Material</th>
<th>Quantity</th>
<th>Proc Stat</th>
<th>Log Follow-Up</th>
<th>Refunding Status</th>
<th>Plant</th>
<th>Document Number</th>
<th>Item</th>
<th>Created On</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>WSD0100</td>
<td>2</td>
<td>Complete</td>
<td>Open</td>
<td>R310</td>
<td>R310</td>
<td>60001026</td>
<td>0</td>
<td>06.10.2008</td>
</tr>
<tr>
<td>20</td>
<td>WSD0101</td>
<td>4</td>
<td>Complete</td>
<td>Open</td>
<td>R310</td>
<td>R310</td>
<td>60001026</td>
<td>1</td>
<td>06.10.2008</td>
</tr>
<tr>
<td>30</td>
<td>WSD0102</td>
<td>1</td>
<td>Complete</td>
<td>Open</td>
<td>R310</td>
<td>R310</td>
<td>60001026</td>
<td>2</td>
<td>06.10.2008</td>
</tr>
<tr>
<td>40</td>
<td>WSD0103</td>
<td>5</td>
<td>Complete</td>
<td>Open</td>
<td>R310</td>
<td>R310</td>
<td>60001026</td>
<td>3</td>
<td>06.10.2008</td>
</tr>
</tbody>
</table>

**Detail Tree per Item**

- Customer return with shipment to plant
- Returns Order
- Credit Memo
- Returns Delivery
- Goods Receipt
- Inspection
- Logistical Follow-Up
- Credit Memo Request
- Ship to vendor
- Returns Purchase Order
- Outbound Delivery
- Goods Issue
- Invoice Verification

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**Real Experience. Real Advantage.**
Advanced Returns Management – Features

Summary

✓ The After Sales-Service Process has been improved in terms of additional fields for information, automated value transfer to other subsequent process steps and additional new transactions such as the Warehouse Inspection or Customer Refund Determination

✓ Hence, a much more precise determination of logistical and financial process steps can happen

✓ The user is enabled to monitor the returns process at all stages in order to respond immediately and efficient during a customer interaction
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- Advanced Returns Management – Motivation
- Advanced Returns Management – Solution
  - Examples
- Planned Innovations
Advanced Returns Management – Use Cases

Customer Returns Initiation
- Return at Sales Counter
- Planned Return with Advanced Notice
- Unplanned Returns with Direct Shipping
- Direct Shipment to Vendor

Logistical Follow-Up Activities
- Material Remains in first Location
- Scrapping
- Forward to Other Location or DC
- Cross-Company-Code Store Return
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- Inspection at Supplier
- Inspection at Customer Site

Compensation from Supplier
- Credit Memo by Vendor
- Replacement Material from Vendor
- Intercompany Billing in case of Cross-Company-Code Store Returns

Customer Refund
- Credit Memo or
- Subsequent Delivery Free of Charge
- Different Points in Time
  - Immediately
  - Subsequently after Inspection
  - After Compensation by Supplier
  - At any Point in Time in the Process
Advanced Returns Management – “Simple” Use Cases

Customer Returns Initiation
1. Return at Sales Counter (Customer bought too much)

Logistical Follow-Up Activities
2. Material Remains in first Location (Move to unrestricted Use Stock)

Customer Refund
3. Credit Memo (Material still is originally packaged > 100% refund)
## Advanced Returns Management – “Simple” Use Cases

<table>
<thead>
<tr>
<th>Document</th>
<th>Type</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns Order</td>
<td>Manual step</td>
<td></td>
</tr>
<tr>
<td>Returns Delivery</td>
<td>Automatically</td>
<td>Based on Returns Order</td>
</tr>
<tr>
<td>Goods Receipt</td>
<td>Automatically</td>
<td>Due to setting „Material Received“</td>
</tr>
<tr>
<td>Warehouse Inspection</td>
<td>Automatically</td>
<td>Fixed in Returns Order (Inspection Code „OK“)</td>
</tr>
<tr>
<td>Logistical Follow-Up (Posting to unrestricted-use)</td>
<td>Automatically</td>
<td>Based on Follow-Up-Activity „Immediately Move to …“</td>
</tr>
<tr>
<td>Credit Memo</td>
<td>Automatically</td>
<td>Due to setting in Refund Control „Immediately“</td>
</tr>
</tbody>
</table>
## Advanced Returns Management – “Simple” Use Cases

### Returns Order

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
<th>Return Reason</th>
<th>Follow-Up Act.</th>
</tr>
</thead>
<tbody>
<tr>
<td>450200</td>
<td>2</td>
<td>EA</td>
<td>001 Customer ordered too much</td>
<td>0002 Immediately Move to Free Availab...</td>
</tr>
</tbody>
</table>

- **Returns Order as starting point**
- **Maintenance of all returns related information**
Advanced Returns Management – “Simple” Use Cases

Returns Overview for Customer Returns

- Header Selection Criteria:
  - Sales Document: 60000004
  - Created On
  - Created by
  - Customer
  - Sales Document Type
  - Sales Organization
  - Distribution Channel
  - Division
  - Sales Group
  - Sales Office

- Item Selection Criteria:
  - Article
  - Site
  - Sales Document Item
  - Customer RMA Number
  - Reference Document
  - Reference Item

- Returns Steps
  - Customer return received into free available stock
  - Processing Status: Active
  - Document Number: 00000004
  - Document Type: 00000001826

- Additional Elements:
  - Display Items
  - Filter Items
  - Display Details

Real Experience. Real Advantage.
**Advanced Returns Management – “Complex” Use Cases**

**Customer Returns Initiation**
1. Return with Advanced Notice to warehouse

**Logistical Follow-Up Activities**
2. Returns Delivery
3. Warehouse Inspection
4. Forward material to Vendor

**Customer Refund**
7. Credit Memo (after compensation from vendor)

**Supplier**
5. Inspection at Supplier
6. Credit Memo from Vendor

**DISTRIBUTOR**

**Real Experience. Real Advantage.**
<table>
<thead>
<tr>
<th>Document</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Returns Order</td>
<td>Manual step</td>
<td></td>
</tr>
<tr>
<td>Returns Delivery</td>
<td><strong>Automatically</strong></td>
<td>Based on returns order</td>
</tr>
<tr>
<td>Posting Goods Receipt</td>
<td>Manual step</td>
<td>Creation upon material arrives in Warehouse</td>
</tr>
<tr>
<td>Warehouse Inspection</td>
<td>Manual step</td>
<td>Setting „Ship to Vendor“ triggers Returns Purchase Order</td>
</tr>
<tr>
<td>Returns Purchase Order</td>
<td><strong>Automatically</strong></td>
<td>Based on setting in warehouse inspection</td>
</tr>
<tr>
<td>Outbound Delivery to Vendor &amp;</td>
<td>Manual steps</td>
<td></td>
</tr>
<tr>
<td>Goods Issue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invoice Verification</td>
<td><strong>Automatically</strong> (or</td>
<td>via EDI or Evaluated Receipt Settlement (ERS) procedure</td>
</tr>
<tr>
<td></td>
<td>manual)</td>
<td></td>
</tr>
<tr>
<td>Credit Memo Request</td>
<td>Manual step</td>
<td>Since setting in returns order („After Receipt of Credit Memo from Vendor“)</td>
</tr>
<tr>
<td>Credit Memo</td>
<td><strong>Automatically</strong></td>
<td>Based on Credit Memo Request</td>
</tr>
</tbody>
</table>
**Advanced Returns Management – “Complex” Use Cases**

**Logistical Follow-Up Activities**
1. Returns Delivery
2. Warehouse Inspection
3. Forward material to Vendor

**Customer Returns Initiation**
1. Return with Advanced Notice to warehouse

**Supplier**
- 5. Inspection at Supplier
- 6. Credit Memo from Vendor

**DISTRIBUTOR**

**Customer**
- 1. Return with Advanced Notice to warehouse
- 2. Returns Delivery
- 3. Warehouse Inspection
- 4. Forward material to Vendor
- 5. Inspection at Supplier
- 6. Credit Memo from Vendor
- 7. Credit Memo (after compensation from vendor)
Advanced Returns Management – “Complex” Use Cases

Returns Order

Create Advanced Returns: Overview

Advanced Returns: Net value 13,98 USD
Sold-To Party: Phadebha / Phadebha
Ship-To Party: Phadebha / Phadebha
PO Number: ABC206 PO date

Returns Control

Item 10
Article 450200 Wood Screw 6x40 (100pc)
Order Quantity 2 EA
Return Reason 003 Product damaged
Follow-Up Act. 0005 Ship to Vendor
Refund Control A After Receipt of Credit Memo

Additional Data

Inspection Code
Comment Further inspection at Vendor
Next Site
Vendor RH1301 Hardlines Supplier
Vendor RMA
Approval
Customer RMA
Get Number

All items

<table>
<thead>
<tr>
<th>Item</th>
<th>Article</th>
<th>Order Quantity</th>
<th>Un</th>
<th>Return Reason</th>
<th>Follow-Up Act.</th>
<th>A...</th>
<th>Refund Control</th>
<th>Refund Code</th>
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</thead>
<tbody>
<tr>
<td>10</td>
<td>450200</td>
<td>2 EA</td>
<td></td>
<td>003 Product damaged</td>
<td>0005 Ship to Vendor</td>
<td></td>
<td>A After Receipt of Credit Memo</td>
<td></td>
</tr>
</tbody>
</table>
Advanced Returns Management – “Complex” Use Cases

Logistical Follow-Up Activities

1. Customer Returns Initiation
   1. Return with Advanced Notice to warehouse

2. Returns Delivery

3. Warehouse Inspection

4. Forward material to Vendor

5. Inspection at Supplier

6. Credit Memo by Vendor

Supplier

DISTRIBUTOR

Customer

Customer Refund

7. Credit Memo (after compensation from vendor)

Supplier

5. Inspection at Supplier

6. Credit Memo by Vendor
Advanced Returns Management – “Complex” Use Cases

- Returns Delivery is created system-wise
- Follow-up (Ship-to-Vendor) is displayed as well – so the user will know about how to proceed
Advanced Returns Management – “Complex” Use Cases

Logistical Follow-Up Activities

2. Returns Delivery
3. Warehouse Inspection
4. Forward material to Vendor

Customer Returns Initiation
1. Return with Advanced Notice to warehouse

Customer Refund
7. Credit Memo (after compensation from vendor)

Supplier
5. Inspection at Supplier
6. Credit Memo by Vendor

DISTRIBUTOR

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## Advanced Returns Management – “Complex” Use Cases

**Change: Article Inspection in Warehouse for Delivery 840000006**

<table>
<thead>
<tr>
<th>Type</th>
<th>1 Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Header</strong></td>
<td><strong>Item</strong></td>
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<tr>
<td><strong>Basic Data</strong></td>
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<tr>
<td>Ship-to party</td>
<td>2601 Philadelphia</td>
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<tr>
<td>Inspection Status</td>
<td>Inspected</td>
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<tr>
<td>Goods Receipt Date</td>
<td>27.04.2011</td>
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<tr>
<td><strong>Inspection Result</strong></td>
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</tr>
<tr>
<td>Inspection Code</td>
<td>6002 Not OK</td>
</tr>
<tr>
<td>Comment</td>
<td>Error in production</td>
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<tr>
<td>Inspection Date</td>
<td>27.04.2011</td>
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<tr>
<td>Inspector</td>
<td>ARMDEMO</td>
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<td><strong>Logistical Follow-Up</strong></td>
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<tr>
<td>Follow-Up Activity</td>
<td>0005 Ship to Vendor</td>
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<tr>
<td>Next Site</td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td>RM1301 Hardlines Supplier</td>
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<tr>
<td>Vendor RMA Number</td>
<td></td>
</tr>
<tr>
<td>Reason for Ordering</td>
<td>950 Forwarding of a Customer Return</td>
</tr>
</tbody>
</table>

- Inspection results entered in new transaction „Warehouse Inspection“
- Follow-Up activity triggers automatically next step (here: Returns Purchase Order to Vendor)
- Refunding based on Credit Memo of Vendor
# Advanced Returns Management – “Complex” Use Cases

## Returns Overview for Returns Order 0060000006 - 10

**Processing Status**: Process incomplete

**Logistical Status**: 0 Open

**Refunding Status**: 3 Waiting for Credit Memo

**Splits Exist**: No

**Follow-Up Activity**: 0005 Ship to Vendor

**Refund Control**: A After Receipt of Credit Memo

<table>
<thead>
<tr>
<th>Step</th>
<th>Processing Status</th>
<th>Document Number</th>
<th>Document Status</th>
<th>Return Reason Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer return with shipment to site</td>
<td>▲</td>
<td>600000006</td>
<td>Active</td>
<td>Product damaged</td>
</tr>
<tr>
<td>Returns Order</td>
<td>▲</td>
<td>00000001827</td>
<td>Active</td>
<td>Product damaged</td>
</tr>
<tr>
<td>Credit Memo Request</td>
<td>▲</td>
<td>84000006</td>
<td>Active</td>
<td>Forwarding of a Customer Return</td>
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<tr>
<td>Returns Delivery</td>
<td>▲</td>
<td>4900029611</td>
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<td>Active</td>
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<tr>
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<tr>
<td>Ship to vendor</td>
<td>▲</td>
<td>4500000819</td>
<td>Active</td>
<td>Forwarding of a Customer Return</td>
</tr>
</tbody>
</table>

**Sales Document**: 60000006 10

**Customer**: 2601 Philadelphia

**Return Reason**: 003 Product damaged

**Article**: 450200 Wood Screw 6
Advanced Returns Management – “Complex” Use Cases

- Returns overview after Outbound Delivery & Goods Issue

![Returns Overview for Returns Order 0060000006 - 10](image)

Here is a detailed overview of the returns process after the outbound delivery and goods issue:

- **Processing Status**: Process incomplete
- **Logistical Status**: Complete
- **Refunding Status**: Waiting for Credit Memo
- **Splits Exist**: No
- **Follow-Up Activity**: Ship to Vendor
- **Refund Control**: After Receipt of Credit Memo

### Returns Steps

<table>
<thead>
<tr>
<th>Returns Steps</th>
<th>Processing Status</th>
<th>Site</th>
<th>Receiving Site</th>
<th>Next Sites</th>
<th>Document Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer return with shipment to site</td>
<td>△</td>
<td>2502</td>
<td></td>
<td></td>
<td>60000006</td>
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<tr>
<td>Returns Order</td>
<td>▲</td>
<td>2502</td>
<td></td>
<td></td>
<td>84000006</td>
</tr>
<tr>
<td>Credit Memo Request</td>
<td>◆</td>
<td>2502</td>
<td></td>
<td></td>
<td>4900029611</td>
</tr>
<tr>
<td>Returns Delivery</td>
<td>▲</td>
<td>2502</td>
<td></td>
<td></td>
<td>00000001827</td>
</tr>
<tr>
<td>Goods Receipt</td>
<td>▲</td>
<td>2502</td>
<td></td>
<td></td>
<td>00000001827</td>
</tr>
<tr>
<td>Inspection</td>
<td>▲</td>
<td>2502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistical Follow-Up</td>
<td>▲</td>
<td>2502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ship to vendor</td>
<td>△</td>
<td>2502</td>
<td></td>
<td></td>
<td>4500000819</td>
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<td>Returns Purchase Order</td>
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<td>80000232</td>
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<td>Invoice Verification</td>
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<td>2502</td>
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<td>4900029614</td>
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</table>

This diagram provides a clear visual representation of the returns process, making it easier to understand and follow.
Advanced Returns Management – “Complex” Use Cases

Logistical Follow-Up Activities
2. Returns Delivery
3. Warehouse Inspection
4. Forward material to Vendor

Customer Returns Initiation
1. Return with Advanced Notice to warehouse

Supplier
5. Inspection at Supplier
6. Credit Memo by Vendor

Customer Refund
7. Credit Memo (after compensation from vendor)

Supplier
DISTRIBUTOR
Customer

Real Experience. Real Advantage.
Advanced Returns Management – “Complex” Use Cases

Invoice Verification
Agenda

- Simplification and Customer Satisfaction
- Advanced Returns Management - Motivation
- Advanced Returns Management – Solution
- Planned Innovations
  - Enhancements in SAP ERP
  - Integration with SAP CRM
Enhancements in SAP ERP

New fields:
- Batch number
- Next Follow-Up action
- Replacement
- Preliminary Refund Determination
- Replacement from Vendor Required
- Customer Inspection Code & Comment
Enhancements in SAP ERP

- New selection box „Refund Type“ for Credit Memo and Replacement
- Setting „Replacement“
  - in Customer Returns Processes with creation of document „Subsequent Delivery Free of Charge“
  - in Supplier Returns Processes with creation of Returns Purchase order (to vendor)
- Customizing to hide entry fields in
  - Returns Order (overview and detail screen) and
  - Material Inspection
- Description for refund control can be customized
Enhancements in Existing Scenario

- **Support of Non-Valuated Returns Stock** for all returns scenarios; i.e. all logistical documents
- Speed Up Compensation for Customer for „easy“ scenarios
  - Warehouse inspection & follow-up process steps
- Returns Order with **In-House / External Repair**
Agenda

- Simplification and Customer Satisfaction
- Advanced Returns Management - Motivation
- Advanced Returns Management – Solution
- Planned Innovations
  - Enhancements in SAP ERP
  - Integration with SAP CRM
Integration with SAP CRM

CRM Complaints Processing

Advanced Returns Management in SAP ERP

- Returns Order
- Returns Delivery
- Material Inspection
- Logistical Follow-Up
- Customer Refund
- Billing
Integration with SAP CRM

- As-Is: Existing Replication Scenario
  - Standard SAP CRM complaint scenario still remaining
  - Creation of SAP CRM Complaints leads to document duplication in SAP ERP (Sales Order of type „Complaint“)

- New: Integrated Scenario
  - Complaint processing as additional alternative
  - Tight integration to Advanced Returns Management in SAP ERP
  - No document duplication in SAP ERP
Integration with SAP CRM

Easy customer returns processing in 6 steps

1. Creation of complaint as main item
   ■ with reference to a SAP ERP Sales Order or Billing document
   ■ with reference to a SAP CRM Sales Order or Billing document
   ■ without any reference
   ■ BAdI for existence and quantity check

2. Creation of a sub-item of type “Return Request”
   ■ also other sub-items are possible on a project base

3. Maintenance of relevant returns data according to use case

4. Release and save complaint

5. Subsequent processing in SAP ERP
   ■ with integration into logistics & billing

6. Monitor document flow in SAP CRM
Integration with SAP CRM

**SAP CRM**
- Complaint Creation
  - Complaint (main item)
  - Create Return Request (sub-item)
  - Maintain Return Details
  - Status & Save

**Optional**
- Action(s)
  - (e.g. eMail to Vendor; automatic creation of “Return Request”)

**Transaction History**
- Display selected ERP documents

**Returns Overview**
- Display complete document flow

**SAP ERP**
- SAP ERP SD / FI
  - Sales Order
  - Billing document

**Follow-Up Action**
- Returns Order

**Subsequent documents**
- Returns Delivery
- Goods Receipt
- Warehouse Inspection
- Goods Movement
- Credit Memo Request
- Credit Memo
- ...

- Creation of Complaint with or w/o reference to SAP ERP documents
Integration with SAP CRM

**SAP CRM**
- Complaint Creation
  - Complaint (main item)
  - Create Return Request (sub-item)
  - Maintain Return Details
  - Status & Save
- Optional
  - Action(s) (e.g. eMail to Vendor; automatic creation of “Return Request”)
- Transaction History
  - Display selected ERP documents
- Returns Overview
  - Display complete document flow

**SAP ERP**
- SAP ERP SD / FI
  - Sales Order
  - Billing document
- Follow-Up Action
  - Returns Order
- Subsequent documents
  - Returns Delivery
  - Goods Receipt
  - Warehouse Inspection
  - Goods Movement
  - Credit Memo Request
  - Credit Memo
  - ...
Integration with SAP CRM

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  - Display selected ERP documents
- Returns Overview
  - Display complete document flow

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  - Sales Order
  - Billing document
- Follow-Up Action
  - Returns Order

**Subsequent documents**
- Returns Delivery
- Goods Receipt
- Warehouse Inspection
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- ...
Integration with SAP CRM

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- Optional
  - Action(s)
    - (e.g. eMail to Vendor; automatic creation of “Return Request”)
- Transaction History
  - Display selected ERP documents
- Returns Overview
  - Display complete document flow

**SAP ERP SD / FI**
- Sales Order
- Billing document

**Follow-Up Action**
- Returns Order

**Subsequent documents**
- Returns Delivery
- Goods Receipt
- Warehouse Inspection
- Goods Movement
- Credit Memo Request
- Credit Memo
- ... 

- Further processing of customer returns in SAP ERP Advanced Returns Management until process completion
Integration with SAP CRM

**SAP CRM**
- Complaint Creation
  - Complaint (main item)
- Create Return Request (sub-item)
- Maintain Return Details
- Status & Save

**Optional**
- Action(s) (e.g. eMail to Vendor; automatic creation of “Return Request”)

**Transaction History**
- Display selected ERP documents

**Returns Overview**
- Display complete document flow

---

**SAP ERP**
- SAP ERP SD / FI
  - Sales Order
  - Billing document

- Follow-Up Action
  - Returns Order

- Subsequent documents
  - Returns Delivery
  - Goods Receipt
  - Warehouse Inspection
  - Goods Movement
  - Credit Memo Request
  - Credit Memo
  - …

- Display of dedicated documents in SAP CRM Transaction History
### Integration with SAP CRM

<table>
<thead>
<tr>
<th>SAP CRM</th>
<th>SAP ERP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint Creation</td>
<td>SAP ERP SD / FI</td>
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<tr>
<td>Complaint (main item)</td>
<td>Sales Order</td>
</tr>
<tr>
<td>Create Return Request (sub-item)</td>
<td>Billing document</td>
</tr>
<tr>
<td>Maintain Return Details</td>
<td>Follow-Up Action</td>
</tr>
<tr>
<td>Status &amp; Save</td>
<td>Returns Order</td>
</tr>
<tr>
<td>Optional</td>
<td>Subsequent documents</td>
</tr>
<tr>
<td>Action(s)</td>
<td>Returns Delivery</td>
</tr>
<tr>
<td>(e.g. eMail to Vendor; automatic creation of “Return Request”)</td>
<td>Goods Receipt</td>
</tr>
<tr>
<td></td>
<td>Warehouse Inspection</td>
</tr>
<tr>
<td></td>
<td>Goods Movement</td>
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<tr>
<td></td>
<td>Credit Memo Request</td>
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<tr>
<td>Transaction History</td>
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<tr>
<td>Display selected ERP documents</td>
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</tr>
<tr>
<td></td>
<td>Returns Overview</td>
</tr>
<tr>
<td></td>
<td>Display complete document flow</td>
</tr>
</tbody>
</table>

- **Display of complete returns overview in SAP CRM in new assignment block „Returns Overview“**
Integration with SAP CRM

Advanced Complaint Item: 1010, Ergo Screen

General Data
- Product: HT-1030, Ergo Screen
- Quantity: 6, PC
- Status: Open
- Rejection Reason:
- Net Value: 2,520.00, USD

Advanced Returns Management
- Return Reason: Bought too much
- Follow-Up Activity: Receive into Plant
- Next Follow-Up Activity: Transfer to Free Available Stock
- Refund Type: Credit Memo
- Refund Control: By Credit Memo Request
- Refund Code: 10 % Reduction --> 90 % Refund

Change Advanced Returns 60000616: Overview
- Sold-To Party: 3272, Adcom Computers Pvt Ltd / 1030 / Seattle WA 98155
- Ship-To Party: 3272, Adcom Computers Pvt Ltd / 1030 / Seattle WA 98155
- PO Number: 3272, PO Date:

Sales > Item overview > Returns > Item detail > Ordering party > Procurement > Shipp

Item: 1010, HT-1030, Ergo Screen
- Order quantity: 6, PC
- Return Reason: 001 Bought too much
- Follow-Up Act: 0001 Receive into Plant
- Next Follow-Up: 0011 Transfer to Free Availa
- Refund Type: Credit Memo
- Refund Control: R By Credit Memo Request
- Refund Code: R01 10 % Reduction --> 90 % Refund
Integration with SAP CRM - Features

1. Advanced Complaint with or without reference to
   1.1. ERP Sales Order or ERP Billing Document
   1.2. CRM Sales Order

2. Advanced Complaint with subsequent
   2.1. Returns & Replacement
   2.2. Returns & Credit Memo

3. Handling of subsequent quantity changes

4. Handling of additional / missing product(s) during goods receipt

5. Customer returns without prior notice in SAP CRM („Unplanned Returns“)
Integration with SAP CRM - Features

6. Tracking of complete returns history
7. Cancelation (and subsequent rejection) of an Advanced Complaint (CRM > ERP & vice versa)
8. Processing out of role „Service Professional“ or „Interaction Center Agent“
Key Learnings

- Customer returns – identified as critical business step – has been simplified by
  - integration of already existing features and
  - developing new transactions and
  - by providing automated processes
- Due to automation individual process steps are carried out automatically by the system
- Process monitoring is guaranteed at all times > Customer satisfaction
- Tight integration with SAP CRM (upcoming)
Thank you for participating.

Please remember to complete and return your evaluation form following this session.

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