Microsoft Dynamics for Retail

Product Overview

Delivering the Future of Retail … TODAY

*Empowering Dynamic Retailers to deliver
the 'complete shopping experience'*

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EXECUTIVE SUMMARY

Today's retail landscape offers unprecedented opportunities alongside some daunting challenges. Economic factors, the increasing choice in products and shopping formats and unparalleled access to information are fuelling today's empowered shoppers, who expect more from their retail experience.

It is also clear that the focus of the retail experience has expanded well beyond the walls of the physical store, and now includes everything from the retailer's website and call center to marketplaces and social networks. In other words, multi-channel retail simply IS retail today.

Market data highlights this multi-faceted customer engagement, with more and more consumers making an on-line purchase at least once a month; an increasing number of consumers looking to Facebook for information on their favorite retailer before making a purchase; and retail organizations who are looking to expand and re-define their physical store locations to drive a more direct and personalized brand experience.

With this explosion in ways to engage the customer, however, comes one of today's most significant challenges – consumers expect each point of engagement with a retailer to be connected, transparent, and consistent. In fact, this is only one aspect of today's underlying consumer ask – 'Provide me with a *Complete Shopping Experience*.'

How would today's consumer describe this experience?

Personal "The retailer knows who I am and deals with me as a person. Their product offering is exactly what I'm looking for and I get individual attention and special personalized offers. They help me get the most out of my time and budget."

Seamless "I can connect with the retailer wherever and whenever I want, on whatever device I prefer. Whether in-store or on-line, I get the same great experience from a retailer who knows me. The promotion from my favorite social site travels with me on my mobile device and I can easily redeem later."

Differentiated "The retailer makes it easy for me to get what I want at a good price. Their people are helpful and efficient—they provide excellent customer service. They consistently do a better job than other stores where I shop. I have the best overall experience here."

One thing is clear: a new retail reality has emerged.

THE DYNAMIC RETAILER

Thriving in this new retail reality means retailers need to be more connected, more empowered and more proactive than ever before. In a word, they need to be dynamic. And that means being:

- *Connected,* to customers across all channels to listen, learn, and respond with consistent, convenient experiences - offering customers what they want, where and when they want to shop.
- *Empowered,* to increase productivity and customer service across a changing global workforce - helping their most valuable asset - people - reach their full potential.
- *Proactive*, to execute with insight by accessing critical information in real-time - optimizing performance, anticipating trends, and capitalizing on opportunities. All of which requires a genuine 360-degree view of the business.

Finally, the Dynamic Retailer wants to take advantage of new market opportunities fast. And that means having the ability to flex, grow or evolve their business without constraint – introducing new business models with ease or creating and executing workflows on the fly.

FROM VISION TO REALITY

Microsoft has a rich history of providing platform software solutions to retailers around the world. But our focus and expertise in the retail industry has accelerated considerably, thanks to our strong consumer-focused brands; significant investment in business applications; and as a retailer in our own right with the opening of our [Microsoft Stores](#).

With R&D investment of $9B annually, there is significant technology innovation to be shared and leveraged across the entire Microsoft portfolio for retailers:

- Applications – Microsoft Dynamics (POS, Merchandising, Multi-Channel & Store management, Order & Supply Chain Management, Financials, CRM); Microsoft SharePoint; Microsoft Office; Microsoft Windows; Microsoft SQL Server; Microsoft Tag;
- Devices – Windows Mobile; Surface; Kinect, Windows computers and tablets
- Deployment – Microsoft Services

Clearly, when it comes to retail Microsoft is "all in".

Nowhere is this more evident than in Microsoft Dynamics where – in addition to powerful CRM capabilities – we've designed Microsoft Dynamics AX 2012 to address the critical scenarios that drive retailing today, while making it possible to realize the innovative scenarios of tomorrow.

Unlike retail software built to solve the problems of the past, Microsoft Dynamics AX 2012 for Retail is a modern, unified technology offering that reduces complexity for retailers. Allowing them to focus on what matters most – connecting to customers, empowering their people, and delivering on the brand promise through excellence in execution.

In short, Microsoft Dynamics AX 2012 is all about helping retailers become dynamic.

With Microsoft Dynamics AX 2012 for Retail you can:

Connect to Customers – cross channel and multichannel capabilities deliver 'personalized' convenience and transparency across all channels. So customers can buy, pick up, return or replace on their terms. And support for social and mobile commerce means you can offer promotions, discounts or coupons targeted to devices or social networks and create new opportunities for customer engagement.

Empower Employees – create and manage orders at the POS, giving sales associates all the information they need to make the most of face-to-face time with customers. Arm your employees with relevant information through Role Centers - dashboards that deliver a succinct set of information relevant to each individual user - so they can make accurate, timely and relevant decisions.

Execute with insight – integrated multi-channel management delivers the complete insight retailers need when it comes to being proactive in anticipating trends. Meanwhile, powerful merchandising functionality puts control into the retailer's hands; unlimited categories and hierarchies make it possible to undertake assortment and replenishment to best meet customer demand accurately and efficiently.

Microsoft Dynamics AX 2012 for Retail equips the Dynamic Retailer with technology and features that allow you to drive your retail vision across channels, locally or globally. Bringing together POS, multi-channel management, store operations, merchandising, supply chain and more in an end-to-end solution that delivers full visibility across your entire business operation while putting real control into the hands of your users.

MICROSOFT DYNAMICS AX 2012 FOR RETAIL HIGHLIGHTS

Multi-Channel Management | Store Operations | Merchandising	
Multi-Channel Management	• Cross-channel scenarios such as "buy online/pick up in store" enhance customer convenience. • Retail channel integration with online marketplaces and stores creates new opportunities for sales, customer interaction and feedback. • Sites enable product/service quotations, recruiting, ad promotion and more in the cloud. • Integrate assortment and category management with online channels.
Centralized Store Management	• Centralized POS terminal management includes visual and functional profiles, user interface layouts, and employee permissions. • Consistent store/ERP data model and business rules facilitate accurate, timely data. • Powerful data replication helps ensure critical updates across the organization: configurable, flexible inventory and financial updates, sales order payments, gift card usage, and issuance/use of loyalty points. • Manage staff at the store, regional, and global levels with flexible tools.
Flexible POS	• Purpose-built POS components are natively integrated into Microsoft Dynamics AX 2012 with fault tolerance to capture transactions when store connectivity is lost. • "Drag-and-drop"" designer allows POS UI customization by role to enhance customer service. • Powerful capabilities include on-account, global voucher, returns management, info codes, returns/voids/markdowns, inventory receipt/lookup/counts, real-time customer record and loyalty program updates, blind close, and floating till.
Powerful Merchandising	• Optimize for profitability with pricing flexibility: flexible discounts, coupons, group/item/customer discounts, mix-and-match, and buy-one-get-one scenarios. • Take advantage of powerful assortment management including creation, scheduling, tracking, leveraging n-level deep item hierarchies and category management.
Order Management | Replenishment	
Order Management	• Create orders and quotations without leaving the customer's side using POS-based order support capabilities. • Accept, fulfill, and track standard and special orders with a 360-degree business view. • Manage and apply required tax schemas. • Perform price and inventory checks and manage inventory reservations.
Replenishment	• Manage inventory transfers and intercompany flows with an end-to-end view of the business. • Comprehensively manage purchasing, requisition, and replenishment processes. • Optimize purchasing and replenishment: purchase quantities based on size, color, and style; use replenishment processes, including cross-docking, to suggest item distribution between stores, with immediate transfer journal updates.

MICROSOFT DYNAMICS AX 2012 FOR RETAIL HIGHLIGHTS continued

Designed for the Enterprise	
Global Reach and Scalability	• Adapt quickly to changing business requirements with POS add-ins and extensible HQ software. • Scale your solution as business grows; add stores and distribution centers locally and internationally. Add users and sites with three-tier architecture and integration with other Microsoft products. • Easily operate across geographies and locations with flexible deployment options and built-in support for 38 countries and 40 languages. • Capitalize on new opportunities with a Web services framework that simple and affordable to add build and expand profitable partner relationships.
Hardware and Payment Compliance	• Support retail industry standards, including OPOS, to maximize POS hardware and peripheral choice. • Manage PCI data security standards compliance and ongoing support.
Investment Optimization	• Realize productivity and data integrity gains through interoperability with Microsoft Office and other Microsoft products. • Take advantage of our unified natural model, three-tier architecture, and the Visual Studio 2010 integrated development environment to efficiently build business process enhancements and manage end-to-end processes.

What's more, the flexible architecture of Microsoft Dynamics AX 2012 makes it possible to connect yesterday's stand-alone systems into an integrated solution that drives growth and fosters those all-important customer relationships.

And that's because at Microsoft we believe that modern business solutions should connect people inside and outside the organization, giving them the context and insights that drive better decisions and boost productivity.

It's why our mission is to enable the Dynamic Retailer to be connected to the right people, in the right place, at the right time, and across multiple channels.

WE'RE MORE CONNECTED

Microsoft Dynamics AX 2012 for Retail gives you seamless interoperability across the broad array of core Microsoft technologies, so you can realize even greater value and business impact. Even better, we make it possible to integrate just about anything to your retail platform. In essence, we won't constrain your business.

Our passion for delivering end-to-end integration gives you impressive new dynamic capabilities right now. Whether that's connecting your warehousing, stores, online business, POS and head office to achieve real-time operational excellence, or managing multiple channels seamlessly to achieve unprecedented customer centricity to create new and compelling customer engagement scenarios.

Let's take a look at just some of the built-in connectivity Microsoft Dynamics AX 2012 delivers:

- **Interoperable** – leverage the power of Microsoft Office for productivity, unified communications and more; tap into the power of Visual Studio as a fully integrated option for development that gives unprecedented versatility to your IT department; and unleash the power of SharePoint 2010 Business Connectivity Services for enterprise search to reduce complexity, boost performance, and enable your business to respond more effectively, confident that the applications your people work with daily will be familiar and easy to use.
- **Connected** – now your POS, multichannel management, store operations, merchandising and ERP all share a single data model and business rules. That's a 'unique first' in the marketplace and it gives you unparalleled control over store operations:
  - o Store Connect allows key data flows to happen – you simply define how and when
  - o Transaction Services allows real-time updates of customer and loyalty transactions – and gives you immediate visibility of inventory positions across the organization
  - o Complete Channel Management and Cross Channel Flows means that customer data, orders, sales, returns, and more happen with transparency and consistency, regardless of channel.
- **Composable** – leverage the model-driven layered architecture to extend your capabilities or scale up for growth, while taking advantage of the unified natural model to create new organizational scenarios, or deploy solutions in a way that makes sense for your business. In other words, do whatever you want, whenever you want.

No other solution in the market offers this style of 'connected experience' that makes it possible to map your entire business ecosystem, achieve a 360-degree view of your business, and link every aspect of store management to merchandising, the supply chain, and financials and achieve exceptional real-time insights.

WE OFFER THE POWER OF CHOICE

Microsoft Dynamics offers POS, Merchandising, Multi-Channel Management, Order & Supply Chain Management, Financials, CRM and more. But the good news is we don't force retailers to deploy everything at once.

And regardless of whether you take advantage of the full suite of capabilities or opt for modular options to build on as the business evolves, you can be secure in the knowledge that everything will 'simply just work' thanks to the seamless composition of our technology.

START DEPLOYMENT WHERE IT MAKES SENSE FOR YOUR BUSINESS

Customer/ Consumer

Multi-Channel Management Store Operations & Merchandising

- Integrate multichannel administration/management to enable marketplace commerce, cross-channel flows, insight and analytics.
- Enable superior store systems to control user roles, interfaces, and hardware to customer order management at the POS.
- Take advantage of powerful merchandising capabilities including global and local management of products and custom attributes; unlimited categories for enhanced category and assortment management; and innovation to manage matrix and other inventory types.

Customer Care & Social Commerce

- Implement promotions, discounts, coupons and more via social sites; enable recall and/or redemption through other channels.
- Identify trends and provide personalized service with access to real-time, actionable data.
- Use shared document repositories to maintain a comprehensive history of the customer, from initial contact through subsequent interactions, and make it available throughout the organization.

Order Management Replenishment Logistics

- Optimize purchasing and replenishment: base purchase quantities on size, color, and style; use replenishment processes, including cross-docking, to suggest item distribution between stores, with immediate transfer journal updates.
- Manage inventory transfers and intercompany flows with an end-to-end view of the business.
- Comprehensively manage purchasing, requisition, and replenishment processes.

Financial Management (GL/AP/AR)

- Quickly create unlimited, form-based financial dimensions that can be shared across legal entities for a complete business view, audit trail transparency, and detailed analyses.
- Transform budget information into precise, workflow-driven management tools with multiple, variable, and hierarchical budgetary controls that allow you to define how you want to manage expenditures and gain greater control of procurement.
- Set up, view, and manage encumbrances, including purchase order commitments, in the general ledger. Manage workflow items with respect to year-end processing and encumbrances.

Back Office

DELIVERING THE FUTURE OF RETAIL … TODAY

Technology aside, what does this mean for today's retailers? Quite simply, we make it possible for Dynamic Retailers to make their future vision a reality – today.

Because with Microsoft Dynamics AX 2012 for Retail, retailers can cut through the cost and complexity of making compelling things happen.

- Want to change the look of your POS. Instantly? Well now you can make those changes centrally with a POS editor that's as simple as 'drag and drop', giving you the optimal POS look, feel, and function.
  - o About to launch a new product and need to refresh every POS to display the item with images and messaging? Simply prepare the new UI (user interface), schedule the change in advance, and watch as the change appears seamlessly on every device on your 'go live' day.
  - o Want to optimize your mobile POS devices for user productivity, and speed of service? Now you can configure your POS for left hand/right hand; language; security and more – settings will take effect by role or individual log-in
  - o Want to create quotes and orders without leaving the customer's side, using fully integrated POS-based order workloads? Well, now you can.
- Want to discover more about in-store performance and deliver intuitive merchandising in-store? Well now you can.
  - o Role-Centers and targeted metrics/KPI's offer real-time insights. Have one hierarchy for assortments and a separate hierarchy for replenishment, giving you maximum flexibility for seasons, store formats, and more – while minimizing the cost of inventory.
- Want to take advantage of new channel opportunities – reaching customers where they spend their time with targeted promotions that stimulate and extend the shopping experience? Well now you can.
  - o Leverage Sites Service capabilities to post promotions, coupons, or discount offers to websites, marketplaces, or social networks – redeemable in-store to help increase average transaction size.
  - o Offer the convenience of buy, ship, return and more scenarios across any channel.
- Need to restructure your organization instantly? Well now you can.
  - o Perhaps you have a new store opening, or you need to integrate new store acquisitions, or perhaps you're adding new distribution centers into the mix. Use powerful visual modeling capabilities to see your entire business ecosystem, link new entities and locations and have powerful metadata and architecture apply those changes immediately – without coding or complexity.

- Need to take advantage of the Cloud in the way that makes most sense for your business?
  - Deploy on premise or via private cloud using subscription-based pricing models.
  - Leverage cloud-based services for commerce, vendor quotes, warranty date capture and more – deployable with ease.

As we look ahead, there's even more exciting innovation on the horizon when it comes to the user experience, including Microsoft Windows 8, gesture recognition with Kinect, the cloud via Microsoft Azure - and more. And thanks to their investment in Microsoft Dynamics, retailers will be able to seamlessly harness all the power of that innovation for their business - instantly.

Like we said, as a company we are all-in when it comes to retail, and nowhere is that more evident than in Microsoft Dynamics.

Microsoft