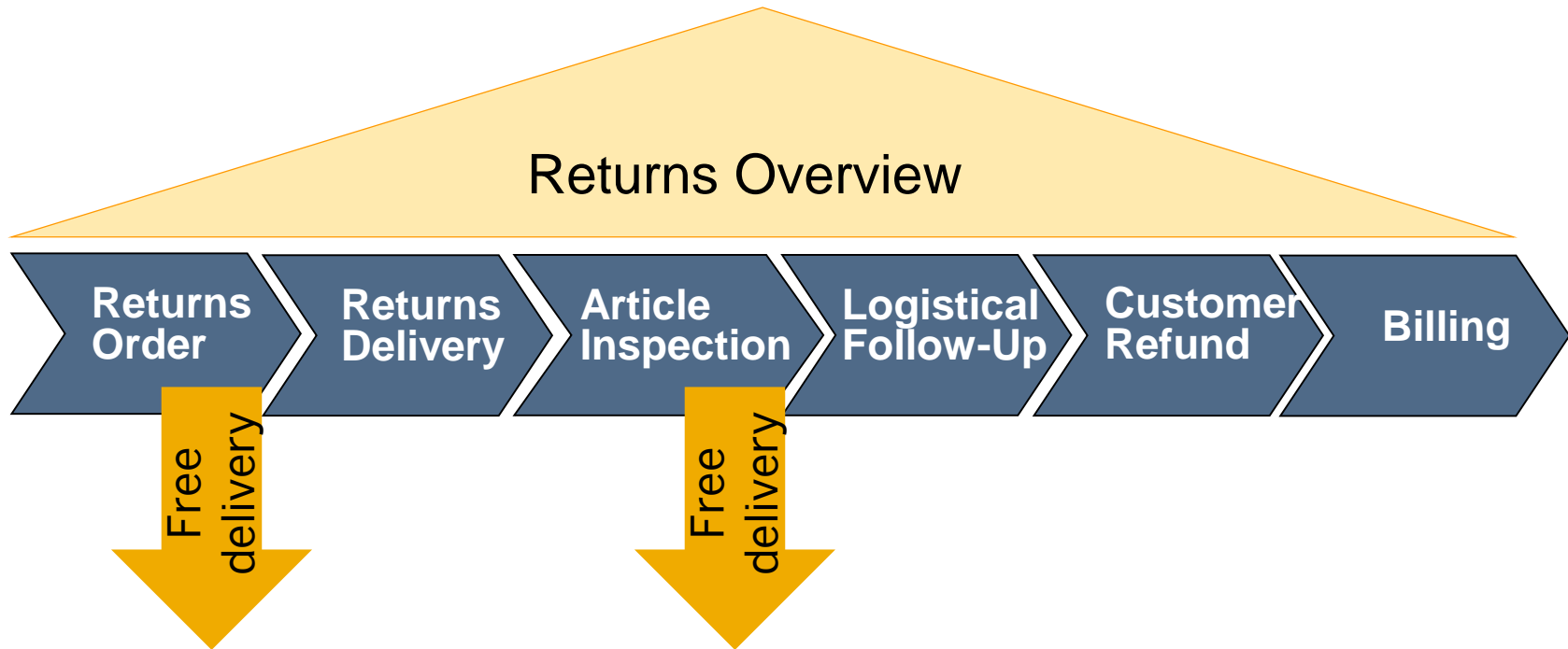


Advanced Returns Management: Customer Returns

SAP Best Practices for Retail

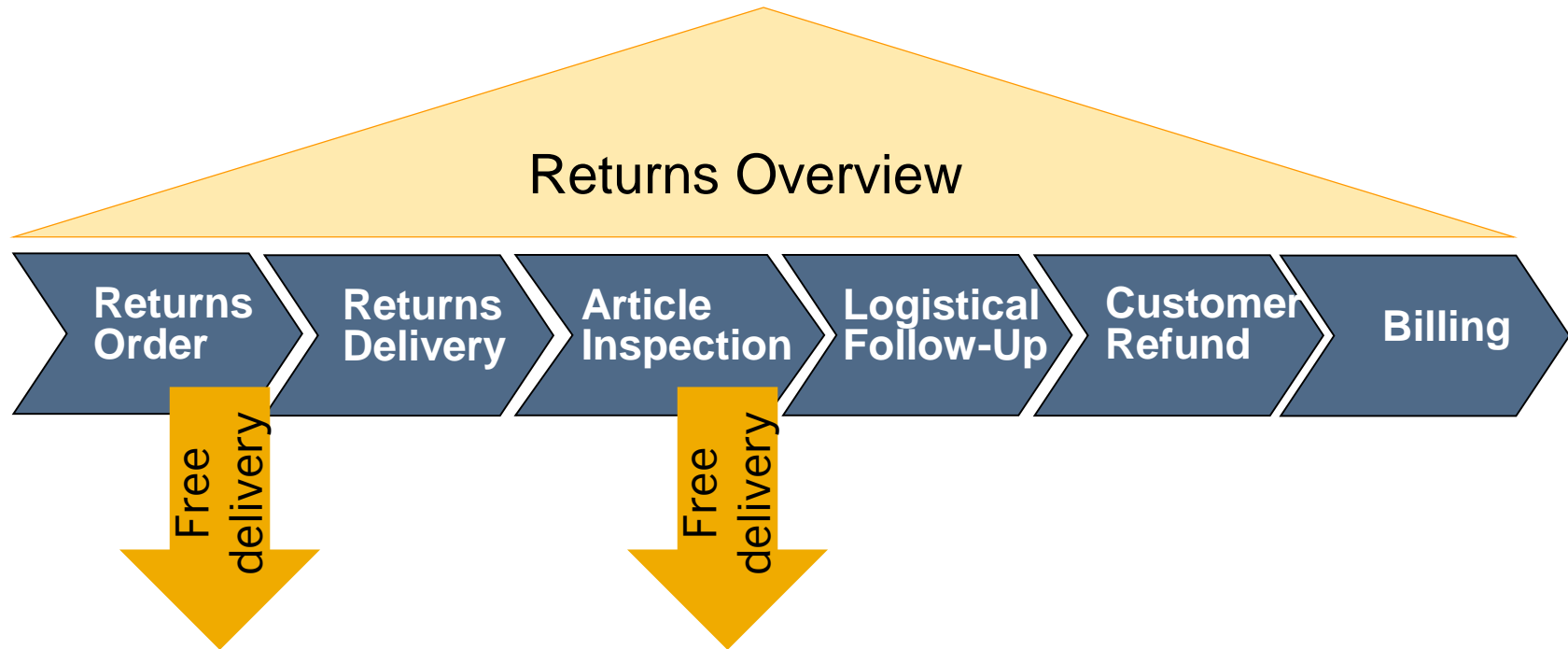


Advanced Returns Management – Rough Process Flow for Customer Returns (1)



- **Returns Order** – Trigger the customer returns process in SAP ERP
- **Returns Delivery** – Transport article from customer to a company's location
- **Article Inspection** – Find out the status of the returned articles as the basis for further logistical steps and the financial settlement with the customer
- **Logistical Follow-Up** – Move the returned articles to the final destination

Advanced Returns Management – Rough Process Flow for Customer Returns (1)



- **Customer Refund** – Determine the refund amount that the customer is to receive for returned articles
- **Billing** – Payout the refund to the customer using credit memos
- **Article Replacement** – Subsequent Delivery Free of Charge (SDF) for customer during return order creation or article inspection
- **Returns Overview** – Monitor the customer returns process

Purpose, Benefits, and Key Process Steps

Advanced Notice

Purpose

- This scope item describes advanced customer order returns processing with automatic creation of follow-up documents. The customer contacts his local branch or distribution center and informs the internal sales representative that he wants to return some goods that are still at the customer site or wants an article replacement. The sales representative creates a returns order to initiate the return of articles to one of the company's locations. The goods are shipped back and a return delivery is created. A credit memo is created from the billing run, and posted to the customer's account. For the replaced article a Subsequent Delivery Free of Charge (SDF) is generated after article inspection in warehouse.

Benefits

- Full integration of advanced returns management
- Customer returns are processed according to sales order reference (like Standard order or Mail order for example) to the original billing document
- Credit memo is created and posted to customer's account
- Advanced Returns Monitor as central tool to trigger and track processes
- Automatic Creation of follow-up documents

Key Process Steps

- Creation of returns order
- Creation of returns delivery
- Perform article inspection in the warehouse with article replacement possibility and SDF generation
- Define logistical follow-up decisions and customer refund determination
- Creation of credit memo request and credit memo
- Monitor customer returns process

Purpose, Benefits, and Key Process Steps

Customer at the Counter

Purpose

- In this scope item, you have already received the article when you create the returns order to trigger the customer returns process. The customer has returned the goods to the counter directly and gets for some articles an article replacement directly. An example of the later scope item would be when the customer gives the goods that he wants to return to your associates when they are at the customer site for a normal delivery.

Benefits

- Full integration of advanced sales order returns
- Customer returns are processed according to sales order reference to the original billing document
- Capture of inspection and follow-up decision within the returns order
- Credit memo is created and posted to customer's account
- Advanced returns Monitor as central tool to trigger and track processes
- Automatic creation of follow-up documents

Key Process Steps

- Create Returns Order with different refund type and follow up activities
- Create Subsequent Delivery Free of Charge (SDF)
- Capture inspection and follow-up decision within the returns order
- Create Returns Delivery
- Automatic creation of follow-up documents

Required SAP Applications and Company Roles

Required SAP Applications

- SAP Enhancement Package 7 for SAP ERP 6.0

Company Roles

- Sales Administrator
- Billing Administrator
- Sales Billing
- Warehouse Clerk

Detailed Process Description

Customer Returns – Advanced Notice

Customer Returns – Advanced Notice

The customer contacts his local branch or distribution center and informs the internal sales representative that he wants to return some goods that are still at the customer site.

- The scope item starts with the creation of a returns order, which references to the original billing document for the goods.
- After the articles have arrived in the company's location, a warehouse worker, who is the inspector, performs the article inspection as a basis for further logistical steps of the returned articles and the financial settlement with the customer
- The returned article is inspected. A usage decision is made and subsequently either returned to stock, scrapped, or returned to the vendor.
- During article inspection a decision can be made whether the customer is getting an article replacement or not with a Subsequent delivery Free of Charge (SDF).
- When the inspector confirms the logistical follow-up activities in this transaction, the system creates the logistical follow-up documents automatically.
- After the completion of the logistical activities, the internal sales representative or a specialist in the role of a returns manager defines the refund for the customer using the *Customer Refund Determination* transaction.

Detailed Process Description

Customer Returns – Customer at the counter

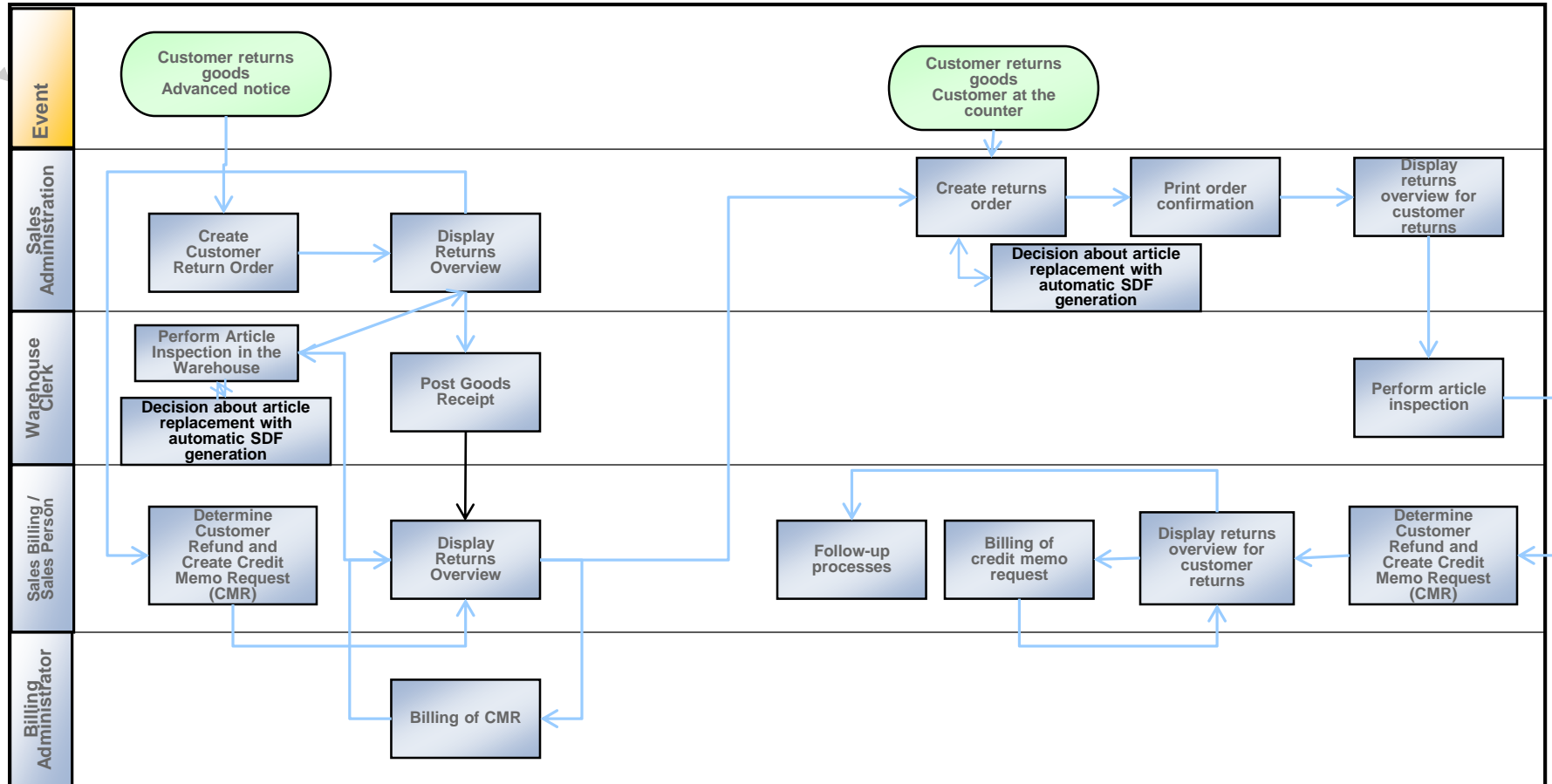
Customer Returns – Customer at the counter with article inspection

In this scope item, you have already received the articles when you create the returns order to trigger the customer returns process.









- The goods are already arrived at the DC or the customer is at the counter. The sales representative creates a returns order while the customer is at the counter and hands over the articles.
- For some articles an article replacement is done and given to the customer
- You select *Receive into Plant* as the follow-up activity, but you can also specify *Ship to Other Plant*, *Ship to Vendor* or *Ship to Vendor via Other Plant*, if you already know that the returned material will not remain at the initial location.
- You also enter results of an article inspection of the returned article as basis for further logistical steps and the financial settlement with the customer.
- The system creates the logistical follow-up documents automatically based on settings for logistical follow-up activities when you save the returns order.
- The credit is posted to customer account.
- As optional step you can monitor the whole returns process in the different process phases by using the *Returns Overview for Customer Returns* transaction.

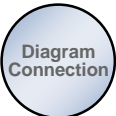






Process Flow Diagram

Advanced Returns Management – Customer Returns



Legend

Symbol	Description	Usage Comments
	<p>Band: Identifies a user role, such as Accounts Payable Clerk or Sales Representative. This band can also identify an organization unit or group, rather than a specific role.</p> <p>The other process flow symbols in this table go into these rows. You have as many rows as required to cover all of the roles in the scope item.</p>	Role band contains tasks common to that role.
	External Events: Contains events that start or end the scope item, or influence the course of events in the scope item.	
	<p>Flow line (solid): Line indicates the normal sequence of steps and direction of flow in the scope item.</p> <p>Flow line (dashed): Line indicates flow to infrequently-used or conditional tasks in a scope item. Line can also lead to documents involved in the process flow.</p>	Connects two tasks in a scope item process or a non-step event
	Business Activity / Event: Identifies an action that either leads into or out of the scope item, or an outside Process that happens during the scope item	Does not correspond to a task step in the document
	Unit Process: Identifies a task that is covered in a step-by-step manner in the scope item	Corresponds to a task step in the document
	Process Reference: If the scope item references another scope item in total, put the scope item number and name here.	Corresponds to a task step in the document
	Sub-Process Reference: If the scope item references another scope item in part, put the scope item number, name, and the step numbers from that scope item here	Corresponds to a task step in the document
	Process Decision: Identifies a decision / branching point, signifying a choice to be made by the end user. Lines represent different choices emerging from different parts of the diamond.	Does not usually correspond to a task step in the document; Reflects a choice to be made after step execution

Symbol	Description	Usage Comments
	To next / From last Diagram: Leads to the next / previous page of the Diagram	Flow chart continues on the next / previous page
	Hardcopy / Document: Identifies a printed document, report, or form	Does not correspond to a task step in a document; instead, it is used to reflect a document generated by a task step; this shape does not have any outgoing flow lines
	Financial Actuals: Indicates a financial posting document	Does not correspond to a task step in a document; instead, it is used to reflect a document generated by a task step; this shape does not have any outgoing flow lines
	Budget Planning: Indicates a budget planning document	Does not correspond to a task step in a document; instead, it is used to reflect a document generated by a task step; this shape does not have any outgoing flow lines
	Manual Process: Covers a task that is manually done	Does not generally correspond to a task step in a document; instead, it is used to reflect a task that is manually performed, such as unloading a truck in the warehouse, which affects the process flow.
	Existing Version / Data: This block covers data that feeds in from an external process	Does not generally correspond to a task step in a document; instead, this shape reflects data coming from an external source; this step does not have any incoming flow lines
	System Pass / Fail Decision: This block covers an automatic decision made by the software	Does not generally correspond to a task step in the document; instead it is used to reflect an automatic decision by the system that is made after a step has been executed.

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