Microsoft Dynamics for Retail
Solution Overview

Delivering the future of retail ... TODAY

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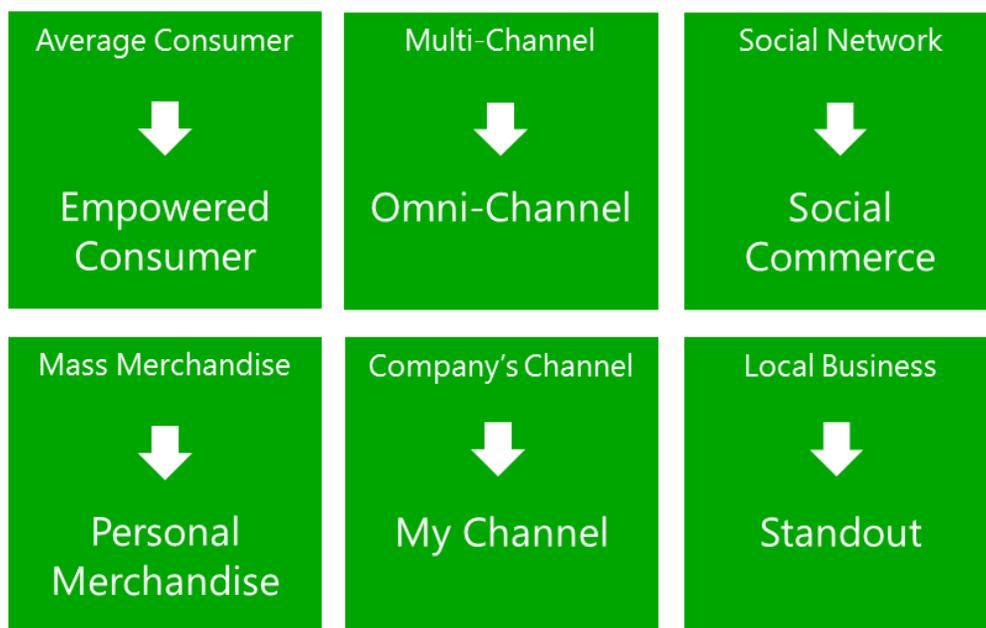the "complete shopping experience"*

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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—connected seamlessly as one experience. In other words, omni-channel retail simply is retail today.

Market data highlights this multifaceted customer engagement, with more and more consumers making an online 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 wanting to expand and redefine their physical store locations to drive a more direct and personalized brand experience.

Average Consumer ⬇ Empowered Consumer	Multi-Channel ⬇ Omni-Channel	Social Network ⬇ Social Commerce
Mass Merchandise ⬇ Personal Merchandise	Company's Channel ⬇ My Channel	Local Business ⬇ Standout

Graphic 1: The Evolution of Retail

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 to "Provide me with a *complete shopping experience*."

How would today's consumer describe this experience?

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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."

Graphic 2: The Complete Shopping Experience

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

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Connected	Agile & Opportunistic	Personally Relevant
...What they want – how, when, and where they choose	... When reacting stops and strategic planning starts	... Instant insight, relevant retailing

Finally, the Dynamic Retailer wants to take advantage of new market opportunities fast. And that means having the ability to flex, increase, 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 have matured considerably, thanks to our strong consumer-focused brands and 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 US$10 billion 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; 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 for Retail 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 for Retail is a modern, unified technology offering that reduces complexity for retailers. Allowing them to focus on what matters most—connecting with customers, empowering their employees, and delivering on the brand promise through excellence in execution.

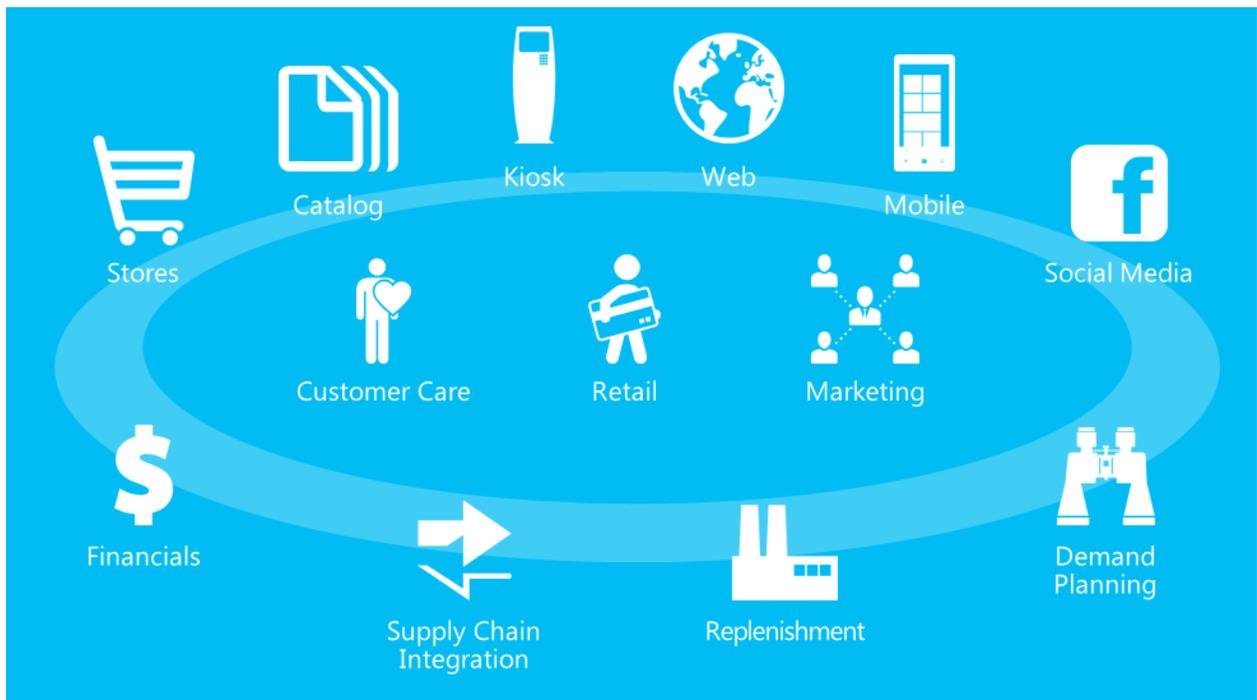In short, Microsoft Dynamics for Retail is all about helping retailers become dynamic.

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With Microsoft Dynamics for Retail you will be able to:

Connect to customers. Omni-channel capabilities are delivered out of the box—including fully integrated on-line, storefront, and mobile POS—to deliver personalized convenience and transparency across any channel or device. Now customers can buy, pick up, return, or exchange on their own 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. Provide rich product details and display custom content, while creating and managing orders at the POS, giving sales associates all the information they need to make the most of face-to-face time with customers. Give your employees relevant information through Role Centers—dashboards that deliver a succinct set of information pertinent to each individual user—so they can make accurate, timely, and relevant decisions.

Execute with insight. A single omni-channel management engine for all channels reduces complexity and 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, and unlimited categories and hierarchies make it possible to undertake assortment and replenishment to best meet customer demand accurately and efficiently.

Microsoft Dynamics for Retail equips the Dynamic Retailer with technology and features that you ca use to drive your retail vision across channels, locally or globally. Bringing together POS, omni-channel management, store operations, merchandising, supply chain, and more in an end-to-end solution delivers full visibility across your entire business operation while empowering your users.

Graphic 4: The end-to-end view of the retail business

MICROSOFT DYNAMICS FOR RETAIL HIGHLIGHTS

Omni-Channel Management | Store Operations | Merchandising	
Omni-Channel Management	• A single commerce run-time engine gives full visibility and management control across your channels: brick and mortar stores, eCommerce sites, mobile, social commerce, and more. • Cross-channel scenarios—"buy online/pick up in store"—enhance customer convenience. • Retail channel integration with online marketplaces and stores creates new opportunities for customer interaction and feedback. • Sites enable product/service quotes, recruiting, ad promotion and more in the cloud. • Integrate assortment and category management with online channels.
Flexible POS	• Item detail pages provide rich product details from multiple channels/sources, while custom content from any source can be inserted directly into the POS interface to drive powerful customer experiences. • 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 and help reduce training time for new employees. • 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, timeclock, and floating till.
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.
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.

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eCommerce	
On-line Storefront and Content Management	• Fully integrated on-line storefront with content management via industry standard tools. • Unique search-based technology builds on-line experience from managed content, authored content, catalogs, and more to deliver the most accurate, timely and consistent experience. • Historical click pattern and device recognition ensure that content is personal and relevant.
Centralized eCommerce Management	• All aspects of storefront management—hierarchies, categories, refiners, payments, shopping cart, order fulfillment, shipping, and more—managed by Microsoft Dynamics at retail headquarters, fully integrated out of the box. • Complete catalog management in Microsoft Dynamics significantly reduces complexity, coding. • Eliminate middleware, non-standard integration, and challenges with order fidelity.
Customer Care and Social Commerce	
Customer Care	• Identify trends and offer 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.
Social Commerce	• Implement promotions, discounts, coupons, and more via social sites; enable recall and/or redemption through other channels. • Track relevant demographic detail from redeemed promotions via marketplaces and social networks for customer data mining and analytics.
Omni-Channel Order Management | Replenishment	
Order Management	• Create orders and quotations—pulling inventory from any channel or location—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	• Replenish seamlessly across any channel based on strategy or need. • Manage inventory transfers and intercompany flows with an end-to-end view. • 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.

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Designed for the Enterprise	
Global Reach and Scalability	• Adapt quickly to changing business requirements with the commerce run-time engine and extensible HQ software. • Model and manage your complex organization easily without compromising flexibility. • Scale your solution as business grows; add stores and distribution centers locally and internationally; add users and sites with three-tier architecture and interoperability with other Microsoft products. • Easily operate across geographies and locations with flexible deployment options and built-in support for 38 countries and 40 languages. • Proactively monitor activities that could potentially damage the company's reputation by using workflow, policy, and audit rules capabilities. • Capitalize on new opportunities with a web services framework that is 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 for Retail makes it possible to integrate yesterday's stand-alone systems into a single 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 any channel.

WE'RE MORE CONNECTED

Microsoft Dynamics 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 in 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 and insights, or managing multiple channels

seamlessly to achieve unprecedented customer centricity to create new and compelling customer engagement scenarios.

Let's take a look at three of the built-in connectivity features. Microsoft Dynamics for Retail delivers:

- **Interoperability**. 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 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.

- **Connectivity.** Now your POS, omni-channel management engine, eCommerce, store operations, merchandising and ERP all share a single data model and business rules. That's a powerful differentiator in the marketplace, and it gives you unparalleled control over store operations:

  o Commerce Data Exchange scheduler allows key data flows to happen. You simply define how and when.

  o Commerce Data Exchange Real-Time allows real-time updates of customer and loyalty transactions and gives you immediate visibility of inventory positions across the organization.

  o Complete Omni-Channel Management and Cross-Channel Flows via the Commerce Run-Time engine mean that customer data, orders, sales, returns, and more happen with transparency and consistency, regardless of channel.

- **Composability**. 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 so you can achieve exceptional real-time insights.

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WE OFFER THE POWER OF CHOICE

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

These capabilities can be implemented as a comprehensive end-to-end solution or as "workloads" to complement existing technologies—allowing retailers to select the option that makes the most sense for them.

The specific workloads and associated products include:

- **Omni-Channel Management | Store Operations | Merchandising**
  - Microsoft Dynamics AX
  - Microsoft Dynamics AX POS—Include when customers require transaction processing, loyalty capture, customer detail capture, and more at the point of sale

- **eCommerce**
  - Microsoft SharePoint
  - Microsoft Dynamics AX

- **Cross-Channel Customer Care | Social Commerce**
  - Microsoft Dynamics CRM for Cross-Channel Customer Care
  - Microsoft Dynamics AX and Microsoft Dynamics Sites Services for Social Commerce

- **Order Management | Replenishment**
  - Microsoft Dynamics AX

- **Financial Management**
  - Microsoft Dynamics AX

The Microsoft platform plays an important role in Microsoft Dynamics for Retail and adds significant value such as:

- Windows Mobile for phone or handheld POS

- Microsoft SharePoint for browser-based, customizable portal access

- Interoperability with Microsoft Word and Excel

- Microsoft Visual Studio development environment

- Microsoft SQL for reporting services and database.

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.

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START DEPLOYMENT WHERE IT MAKES SENSE FOR YOUR BUSINESS

Omni-Channel Management, Store Operations, and Merchandising

- True Omni-Channel management from Microsoft Dynamics for Retail provides a singlecommerce engine to run all channels of the retailers business (store, website, marketplace, or other) with cross-channel flows, insight, and analytics.

- Enable superior store systems to control user roles, interfaces, and hardware for 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.

eCommerce

- Fully integrated, enterprise-class online storefront – Fully integrated out of box with the Microsoft Dynamics for Retail end-to-end, unified platform, including a revolutionary commerce runtime engine to singularly manage all channels..

- SharePoint **search-based** paradigm—while other solutions allow the building of web pages through coding followed by search from those pages (eCommerce "with" search), the SharePoint technology for building webpages is eCommerce built "by" search.

- Complete solution integration out of box and management at headquarters, including catalog, orders, shipping, payments, shopping cart, refiners, and more.

Customer Care and 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.

Omni-Channel Order Management, Replenishment, and 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.

- Monitor supplier performance to help minimize risk of supply chain disruption.

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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—for instance, by store profitability.
• 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 thereby gain greater control of procurement.
• Provide timely information to stakeholders so they can close books faster by capturing and validating data at the point of entry and by using standardized processes and, shared services.
• 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.

DELIVERING THE FUTURE OF RETAIL ... TODAY

With Microsoft Dynamics 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. Here are just a few of your options:

  - 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, schedule the change in advance, and watch as the change appears seamlessly on every device on your "go live" day.

  - Want to put your associates on a level playing field by providing them with customer history, product details, product reviews, recommended accessories, and service plans? Simply configure the item detail and/or custom content panes, and that rich data is available instantly.

  - 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 login.

  - 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 omni-channel merchandising? Well, now you can.

  - A single commerce run-time engine controls all of your channels. Create a promotion, discount, or any other strategic initiative just once and see it light up across all of your channels. The redundancy and complexity created by the multiple engines and disjointed architectures of other solutions are gone.

  - Role Centers and targeted metrics/KPIs 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.

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- Want to take advantage of new channel opportunities such as reaching customers with targeted promotions that stimulate and extend the shopping experience? Well, now you can.

    o Get the most out of Dynamic Web, a fully integrated online storefront based on unique search technology and managed from the same powerful solution that can drive your POS, merchandising, order management, and more.

    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?

    o Deploy on-premises or via private cloud using subscription-based pricing models.

    o Leverage cloud-based services for commerce, vendor quotes, warranty date capture, and more—deployable with ease.

WORLD-CLASS DELIVERY

Tap the power of Microsoft Consulting Services

Microsoft Consulting Services (MCS) is the consulting and enterprise support division of Microsoft. Microsoft consultants help businesses around the world maximize return on their investment in Microsoft products and technologies. This means helping with deploying and optimizing IT, as well as helping businesses move forward with IT initiatives that deliver the most business value. Microsoft Dynamics solutions for retail are a specific area of focus for MCS, who can offer a number of options to organizations interested in Microsoft project management, Microsoft solution deployment, or supplemental support of a Microsoft Dynamics partner.

For more detail on how Microsoft Services can help drive your retail implementation, visit

www.microsoft.com/services

SUMMARY

It's an exciting time to be a part of retail at Microsoft. In the past two years, Microsoft has become a retailer with Microsoft Stores and has continued to drive a thriving consumer business with amazing products like Surface, Kinect, and Windows Phone. We have launched Microsoft Dynamics for Retail, which is taking the industry by storm with customers in more than 38 countries. And we continue to be the leading provider of store systems infrastructure with

solutions like Windows 8, Windows Embedded POSReady (Point of Sale), SQL Server, System Center, and Windows Server.

As we look ahead, there's even more exciting innovation on the horizon when it comes to the user experience, including virtual shopping and 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.

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