

Returns Management



Applies to:

Background on Returns Management and Advanced Returns Management solution of SAP ERP 6.0 EhP4.

Summary

This article describes background on Returns Management, types of return processes and process variants with customer returns and supplier returns. An over view of the advanced returns management solution of SAP ERP 6.0 EhP4

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Table of Contents

Abstract.....	3
Returns Business Processes.....	3
Customer Returns – Business Process and Process Variants	4
Customer Returns - High level Process Flow	4
Effective Customer Returns Management.....	4
Supplier Returns – Business Process and Process Variants.....	5
Returns to an External Vendor - High level Process Flow	5
Store Return within a Company - High level Process Flow	6
Cross-Company Return - High level Process Flow	6
Advanced returns management solution of SAP ERP 6.0 EhP4	6
Overview of Advance Return Management feature	7
Related Content.....	10
Disclaimer and Liability Notice.....	12

Abstract

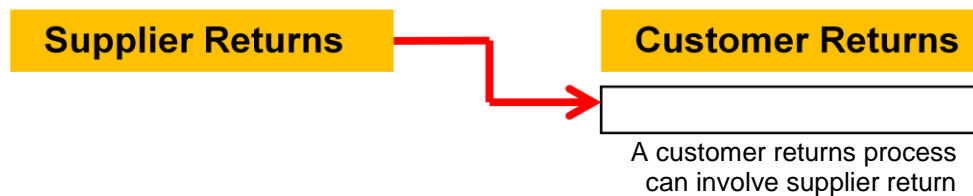
An effective returns management has become more important as requirements and as a consequences hereof, business volume increased. Customers simply expect returns as a service in the sales life cycle; they do not buy if they cannot return. Today only high quality and immaculate products are accepted. In many industries ordering more than required followed by a return is or has become a common practice (building industry etc).

Customer expects an efficient handling of returns together with an immediate or soon refund. And expects clear and transparent policy of what can be returned and what will be refunded

The correct implementation of return process enables management not only to manage the reverse product flow efficiently, but to identify opportunities to reduce unwanted returns and to control reusable assets such as containers.

The paper is organized as follows, back ground on returns process and types of return processes and process variants with customer returns and supplier returns. The advanced returns management solution of SAP ERP 6.0 EhP4.

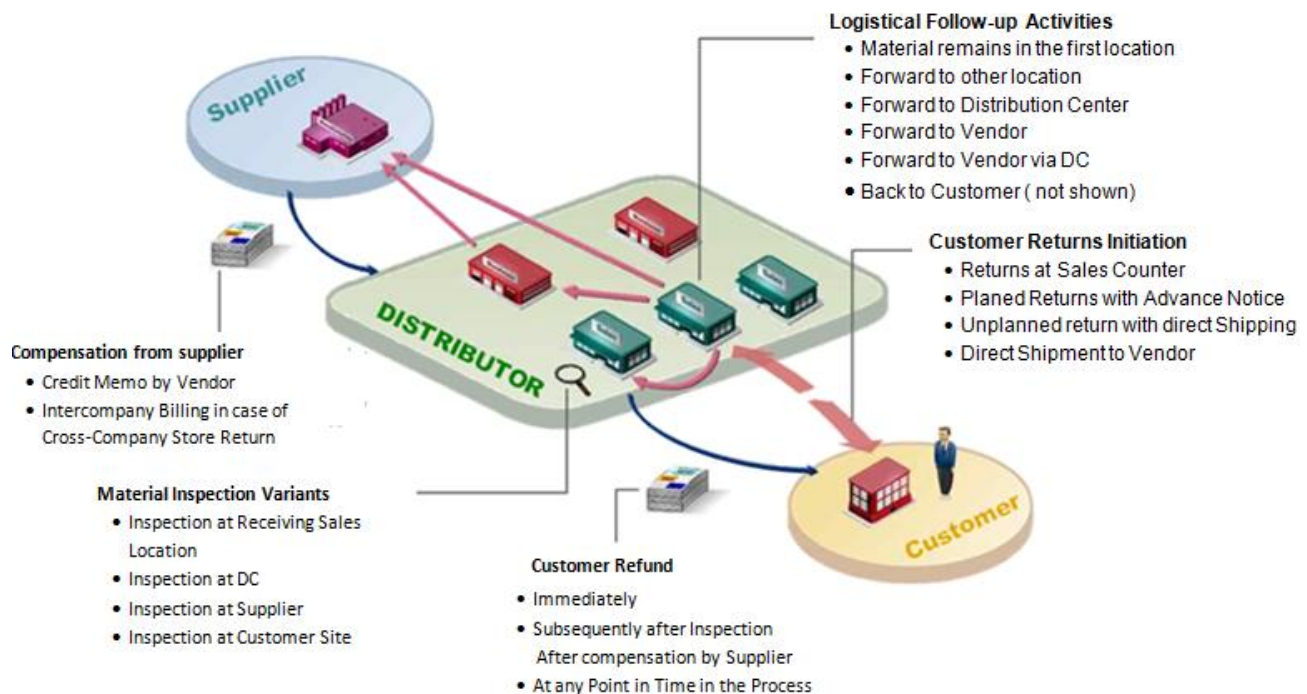
Returns Business Processes



Returns management mainly comprises of two business processes, i.e. Customers returns process and Suppliers return process.

Some cases customer return process can also involve supplier returns process as sub process for example in case of third party sales, customer returns followed by stock transfer to other location.

Customer Returns – Business Process and Process Variants



Customer Returns - High level Process Flow



- **Returns Order** – Trigger the customer return process
- **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 financial settlement with the customer
- **Logistics follow-up** – Move the returned material to the final destination Customer Refund - Determine the refund amount that the customer is to receive for returned material
- **Billing** - Pay out the refund to the customer using credit memos

Effective Customer Returns Management

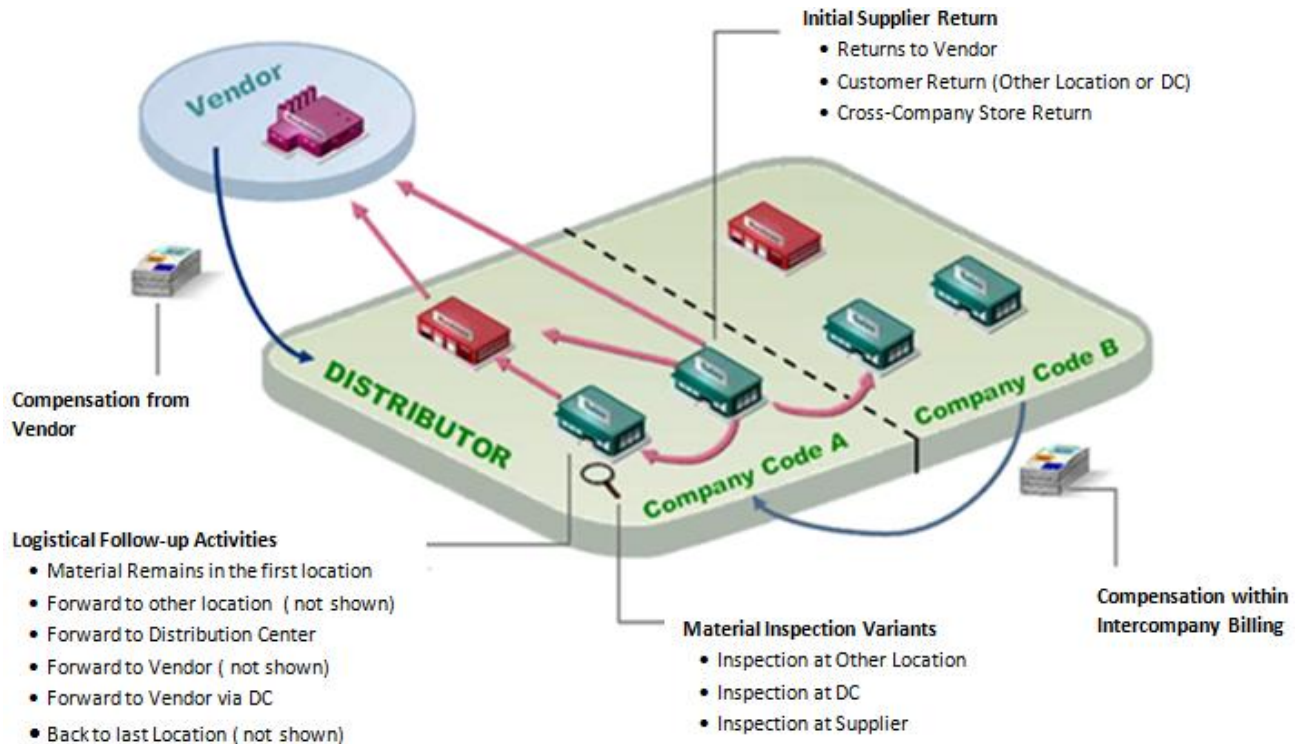
An effective returns management solution should support overall returns management strategy without leading to actions that cause to lose customers.

Following are some of the principles that should be integrated in to the design of a returns management to providing a faster and better returns experience, including seamless returns increases customer loyalty.

- Align return policy with your brand promise, including service objectives and merchandise assortment, to ensure customer satisfaction.
- Clearly communicate to customers your return policy and their return compliance status to prevent surprises.
- Empower employees to better serve customers and prevent conflict.
- Speed the returns process to keep good customers.

- Proactively prevent fraud at the point-of-return.
- Enable cross-channel returns to retain most profitable customers.
- Periodic review of returns policy to ensure the right balance between fraud reduction and customer service.

Supplier Returns – Business Process and Process Variants



Returns to an External Vendor - High level Process Flow



- **Returns Purchase Order** – Triggers the return to vendor process
- **Outbound Delivery** – Triggers the transport of material from your company location to the vendor, in particular it handles the goods issue sub process
- **Material Inspection by Vendor**- In this optional process you can enter results of material inspection performed by vendor
- **Invoice Verification** – You enter the credit memos from the vendor in the invoice verification application

Store Return within a Company - High level Process Flow



- **Returns Purchase Order** – Triggers the intra-company-code store return to process
- **Outbound Delivery** – Triggers the transport of material from one company location to the another, in particular it handles the goods issue sub process
- **Inbound Delivery**- Handles the goods receipt process in the receiving location
- **Material Inspection by Vendor- In Warehouse** – Find out the status of returned material in the receiving location as the basis for further logistical steps
- **Logistical Follow-Up** – Move the returned material to final destination

Cross-Company Return - High level Process Flow



- **Returns Purchase Order** – Triggers the cross-company-code return
- **Outbound Delivery** – Triggers the transport of material from one company location to the another, in particular it handles the goods issue sub process
- **Inbound Delivery**- Handles the goods receipt process in the receiving location
- **Material Inspection by Vendor**- Find out the status of returned material in the receiving location as the basis for further logistical steps and intercompany billing
- **Logistical Follow-Up** – Move the returned material to final destination
- **Inter Company Billing** – Condensate the material issuing company code

Advanced returns management solution of SAP ERP 6.0 EhP4

Returns have become a vital part of long-term sales relationships. Managed well, they translate in to sales opportunities and increases customer loyalty. The advanced returns management solution of SAP ERP 6.0 EhP4 Business Function OPS_ADVRETURNS_1 application provides the process efficiency and transparency needed to meet today's expectations.

Supported Business Process and Software functions:

Support for all returns methods – Handles return made at the counter, returns involving a shipment to the warehouse, subsequent reverse logistics, and direct shipments from customer to vendor.

Overview of Advance Return Management feature

Sales order for advance return management.

Transaction code: VA01, Document type: RE2

Purchase order for returns.

Transaction code: ME21N, Document type: NB2

Returns over view with automatically created documents.

Transaction code: MSR_TRC_C

Report Edit Goto System Help

SHARING

Returns Overview for Customer Returns

Show Selection Criteria Show Header List Hide Item List Hide Detail Tree Restart Document Creation

Filter Items Display Details

Sales Doc.	Item	Proc.Stat.	Completed	Log. Follow-Up	Refunding	Doc.Status	Splits	Plant	Material	Quantity	Unit	Follow-Up Activity Description	RefDoc	Ref. Iter
60001252	10		X	Complete	Complete	Active		R310	WSD100	2	PC	Immediately Move to Free Available Stock	10953	11
60001252	20		X	Complete	Complete	Active		R310	WSD101	3	PC	Immediately Move to Scrap	10953	21
60001252	30			Open	Open	Active		R310	WSD102	1	PC	Ship to Vendor	10953	61
60001252	40		X	Complete	Complete	Active		R310	WSD103	5	PC	Receive into Plant	10953	71

Returns Order 0060001252
Item 30

Returns Steps

Returns Steps	Processing Status	Plant	Receiving Plant	Next Plants	Document Number	Item	Document Status	Appro...
Customer return received directly		R310						
Returns Order		R310			60001252	30	Active	Not Rele
Inspection		R310			000000001700	1	Active	Not Rele
Logistical Follow-Up		R310			000000001700	1	Active	Not Rele
Returns Delivery		R310			84001017	10	Active	Not Rele
Goods Receipt		R310			4900036161	1	Active	Not Rele
Credit Memo Request		R310			60001253	10	Active	Not Rele
Credit Memo		R310			90035676	10	Active	Not Rele
Ship to vendor		R310						
Returns Purchase Order		R310			4500033522	10	Active	Not Rele
Invoice Verification		R310						
Outbound Delivery		R310						

New Transaction for refund determination

Transaction code: MSR_CRD

Customer Refund Determination

Show Worklist Tree Display Session Log

Returns Order 60001252 Sales Doc. Type RE2 Advanced Returns
Created On Created By MUETHER I
Sales Office R300 Customer R3000 Meyers Inc. , LOS ANGELES
Preliminary Steps Complete Returns Overview

Credit Memo Request
Order Type CR2 Ad
 Foreground Processing

Unprocessed Items Processed Items

Move to Processed Items Create Split Manually Create Credit Memo Request

Item	Copy to CMR	Inspection	Invoice Document	Split Items	Material	Description	Refund Code	Refund Description	RejectionReason	Rejection Reason Descripti
30	<input checked="" type="checkbox"/>				WSD102	Jigsaw model 1000	R00	00 % Reduction		
40	<input checked="" type="checkbox"/>				WSD103	Chipboard 1x2m				

New Transaction for Return material inspection in Warehouse

Transaction code: MSR_INSPWH

Display: Material Inspection in Warehouse

Hide Worklist Returns Overview Save and Confirm

Type: Delivery

Deliv Item	Insp. Item	Handling Unit	Toggle Split	Material	Description	Batch	Serial Numbers	Original Qty	Total Insp. Qty	Base Unit	Insp

Delivery Item / Inspection Item

Basic Data

Material Batch Serial Numbers
 Return Reason Handling Unit

Inspection Result

Inspection Code Inspected Quantity 0,000
 Comment Inspected Qty. BUoM 0,000
 Inspection Date Conversion 0 <-> 0
 Inspector Inspected Qty SUoM 0,000

Logistical Follow-Up

Follow-Up Activity Follow-Up Block
 Next Plant Tr. Plant Refund Code
 Vendor RMA Required Refunding After Receipt of Credit Memo
 Vendor RMA Number Reason for Ordering Responsible

New transaction to enter material inspection by vendor for return material.

Transaction code: MSR_INSP

Display: Material Inspection by Vendor

Hide Worklist Returns Overview Save and Confirm

Type: 1 Delivery

Delivery Item	Handling Unit	Split Icon	Toggle Split	Material	Description	Serial Numbers	Batch	Original Qty	Total Insp. Qty	Base

Delivery Item / Insp Item

Basic Data

Material Batch Serial Numbers
 Return Reason Handling Unit

Inspection Result

Inspection Code Inspected Quantity 0,000
 Comment Inspected Qty. BUoM 0,000
 Inspection Date Conversion 0 <-> 0
 Inspector Inspected Qty SUoM 0,000

Related Content

[Advanced Returns Management for Supplier Returns](#)

[Advanced Returns Management for Customer Returns](#)

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