International Journal of Computational and Experimental Science and ENgineering (IJCESEN)

Vol. 12-No.1 (2026) pp. 760-769
http://www.ijcesen.com

ISSN: 2149-9144

Research Article

Advanced Customer Return Process using SAP EWM-SD Integration

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Article Info:

DOI: 10.22399/ijcesen.4906
Received : 29 November 2025
Revised : 25 January 2026
Accepted : 02 February 2026

Keywords

SAP EWM,
SAP SD,
Return Process Management,
Warehouse Execution,
Integration Architecture,
Quality Assessment

Abstract:

The integration of SAP Extended Warehouse Management with SAP Sales and Distribution systems is a crucial feature of modern logistics companies. Constant technical connectivity eliminates manual data transfers, reducing errors and accelerating disposition decisions. The framework provides real-time visibility of the return operations, including the creation of return orders and the ultimate disposition of inventory, which fosters a feeling of transparency that improves operational efficiency and customer experiences. Standardized processes guarantee uniformity in the networks of facilities, and mobile technologies provide data capture and validation. The data of returns are transformed into predictive intelligence through advanced analytics to support proactive resource planning and strategic supply chain decisions. The incorporation of quality inspection improves the disposition determination by ensuring that goods are transported effectively to the appropriate places, such as restocking, refurbishing, or recycling. Automation of financial reconciliation ensures the consistency of the master data between physical inventory records and accounting systems to facilitate proper reporting and compliance. Sustainability-oriented models incorporate environmental aspects into the process of returns, which contributes to the initiatives of the circular economy. Continuous improvement methods allow incremental efficiency improvements to compound over time, creating competitive advantages. Fraud detection secures company assets and preserves the integrity of a return program. Companies that invest in a comprehensive SAP EWM-SD integration have quantifiable gains in terms of operational efficiency, financial performance, customer satisfaction, and environmental responsibility.

1. Introduction

The magnitude of returns in e-commerce and retail activities in international markets has a great impact on the operations and financial performance. Research conducted on returns management in various e-commerce markets and geographic locations has shown that returns on products make up about 20-30 percent of the entire sales transactions, with a great deal of variation depending on the product category, sales channel, and geographic market features [1]. In the apparel and electronics industries, return rates are 25-35 percent of sales volumes, and home furnishings and beauty products show 15-25 percent returns [1]. The financial costs of returns management are not limited to inventory expenses but include logistics, labor, and inventory obsolescence risks, which together amount to 3-5 percent of annual revenue in a distributed retail business.The contemporary supply chain practice is plagued with issues of returns management, particularly the rate and precision of disposition decisions. A circular reverse logistics model designed to handle e-commerce returns indicates that businesses that have a seamless return management system take disposition processing time of 10-15 days, compared to 20-30 days in fragmented environments [2]. The high operational cost in terms of labor, transportation, and facility overheads is the economic impact of the inefficient return workflows, which collectively consume 6-8 percent of the value of the returned products [2].
Integration of SAP Extended Warehouse Management platforms and SAP Sales and Distribution platforms will help to eliminate these operational deficiencies by bringing about connectivity of data and automated orchestration of workflow [5]. The technical architecture encompasses sophisticated return authorization

validation, and real time quality assessment monitoring, and automated financial reconciliation between the systems in the enterprise. The implemented organizations achieving balanced SAP EWM-SD management systems see their disposition cycle time cut by 35-45 percent and their stock accuracy improve by 12-18 percentage points within the first year of implementation [1].

The SAP Extended Warehouse Management system is the working backbone of physical returns processing, inbound delivery operations, quality inspection processes, storage location assignments, and tracking the movement of inventory using sophisticated warehouse task management [5]. At the same time, the SAP Sales and Distribution system keeps customer-facing return order records, performs financial adjustments by creating credit memos, and updates revenue accounting records. The integration of these systems removes manual data transfers, saves 20-25 percent of processing errors, and provides a full audit trail of compliance and dispute resolution [2]. Advanced return process architectures include predictive analytics functionality to predict return volumes by product category, season, and customer segment. Plants that employ predictive analytics are showing 25-30 percent gains in resource utilization efficiency as opposed to reactive capacity planning strategies [1]. The strategic significance of optimized return processes is not limited to operational efficiency but also covers customer experience and competitive differentiation. Companies that provide smoother returns, such as clear status updates and faster refund services, report an increase in customer retention rates of 15-22 percent compared to baseline performance [2].

2. Knowledge of Return Process Architecture

2.1 Basic aspects of Return Management

Return process architecture involves interrelated technical elements operating in a coordinated manner to handle the entire life cycle of returned merchandise between the time of customer authorization and ultimate disposition. A study on the retail returns management strategy from an alignment perspective concludes that effective return architectures must be strategically aligned between organizational goals, operational processes, and technology implementations [3]. The architectural framework integrates four main functional areas, which are return authorization management, receiving and inspection operations, inventory disposition and routing, and financial settlement and reconciliation.Return authorization management is the gateway to all the reverse logistics processes, where the SAP Sales and Distribution system creates a unique return order number and a return authorization record. Strategic alignment studies show that organizations that have well-articulated authorization criteria realize lower rates of fraudulent returns than those organizations that do not have standardized authorization practices [3]. The authorization records record in-depth product details such as serial numbers, batch identifiers, original transaction reference, and customer contact details, allowing them to track and hold accountability.

The receiving and inspection operations unit handles the physical processing of goods returned, which begins with thorough quality inspections on receipt. Internet-of-Things-based indoor real-time tracking with ultra-wideband technology offers spatial precision in warehouse settings that allows the accurate location tracking of returned goods [4]. Ultra-wideband tracking systems offer high accuracy of location determination in indoor warehouse settings, which greatly enhances the visibility in the receiving and inspection operations [4]. Improved receiving operation efficiency is realized by advanced facilities using Internet-of-Things tracking technologies that reduce search time and optimize material flow [4].

Inventory disposition and routing mechanisms determine next-step handling and are based on quality assessment results. Firms employing strategic alignment strategies sort returns into disposition categories, including returning to stock, refurbishment, and disposal [3]. SAP inventory management systems send products that can be replenished immediately to forward pick locations and products that need refurbishment to maintenance operations or external service providers, and those that cannot be resold are disposed of through disposition processes [3].

Financial settlement and reconciliation procedures determine the compatibility of data stored by the physical inventory records stored in warehouse systems and the Sales and Distribution systems data stored in financial accounting systems in SAP. This category comprises refunds, reversal of revenues, cost allocation, and altering the accounts of customers. Integrated systems also significantly improve the speed of financial settlement that could be brought about by the organization, in contrast to non-integrated environments [3].

2.2 Return Process Architecture Diagram

The figure below shows the four major functional areas of return process architecture and their interrelations. The domains handle particular areas of return handling, and the integration points allow

the data to be synchronized across the SAP systems. Return authorization management approves incoming merchandise, receiving and inspection operations evaluate the condition of products with Quality Inspection Engine integration, inventory disposition routes merchandise to the right places, and financial settlement reconciles accounting records. The intersection of these areas provides master data consistency and a better inventory.

2.3 Data Process and Process Triggers

Return workflows are triggered by customer-based requests that are received in e-commerce systems, and relay return authorization information to SAP Sales and Distribution systems via standardized application programming interfaces. The Internet-of-Things supported tracking system allows real-time monitoring of merchandise flow within warehouse premises. The ultra-wideband technology allows for real-time localization of the returned items, which can be easily identified and diverted [4]. This real-time visibility saves a lot of time in search of merchandise and enhances throughput without compromising the accuracy of tracking [4].

Quality assessment processes are carried out based on the established inspection procedures that are unique to product types. Information recorded in the course of assessment, such as defect codes, damage categories, and restocking decisions are sent directly to SAP Extended Warehouse Management systems to process inventory decisions. The strategic alignment framework is a framework that ensures that quality assessment criteria do not differ from organizational return strategy and thus avoids inconsistent decision-making that slows down disposition processes [3]. The facilities with standardized assessment protocols report improvements in assessment consistency, which is the decrease in subjectivity and enhanced repeatability [3].

3. SAP EWM-SD Return Integration: End-to-End Process Flow

3.1 Return order creation and EWM inbound delivery generation

SAP EWM-SD integrated return process starts with the creation of a return order in the SAP Sales and Distribution module, which forms the master record of the reverse merchandise flow [5]. Return authorizations (ARM - Authorization for Return Merchandise) records document reasons of returns, authorization numbers, and customer identifications in the sales and distribution system. When issued with an authorization, SAP Sales and Distribution will automatically send back order information to SAP Extended Warehouse Management via pre-established middleware, allowing warehouse systems to prepare to receive inbound operations [5].

SAP Extended Warehouse Management accepts the information of the return order and creates the records of inbound delivery (INBOUND_DELIVERY object) and generates the warehouse management instructions to the receiving personnel [5]. The inbound delivery document outlines anticipated merchandise, quantities, quality check requirements, and special handling guidelines, depending on the data of the return authorization. The high-level warehouse task management functions provided by SAP EWM make it possible to have pre-receipt coordination mechanisms, where facility planners can plan receiving dock resources, stage quality inspection equipment, and organize specialized handling procedures of fragile or dangerous goods [5].

The interface layer of SAP systems allows real-time data synchronization with scheduled qRFC (queued Remote Function Call), IDoc (Intermediate Document), or BAPI (Business Application Programming Interface) links, so that inventory management records are updated with pending receipt of returns prior to physical receipt of merchandise [5]. This prior notice minimizes congestion at the dock, idle time of personnel, and labor scheduling. The efficiency of receiving operations is improved in facilities with pre-receipt coordination using integrated SAP systems in comparison to settings where there is no coordination of planning [5].

3.2 Creation of Warehouse Tasks, Quality Inspection Engine Integration, and Routing of Storage

Upon the physical delivery to the warehouse receiving dock, SAP Extended Warehouse Management will generate warehouse tasks (WT) with picking and placement instructions to the receiving personnel [5]. The barcode scanning of inbound merchandise automatically finds corresponding return order records in SAP Sales and Distribution systems and displays the product-specific quality check processes and special handling requirements. With the warehouse task management option, the organization is able to arrange receiving activities in a methodical manner with balanced distribution of work and efficient utilization of docks [5].

Quality inspection processes start with the Quality Inspection Engine (QIE) of SAP that offers standardized evaluation procedures that are set in SAP Extended Warehouse Management and direct inspectors to go through product-related evaluation processes [6]. Quality Inspection Engine is linked to the Quality Management (QM) module, which allows assigning quality codes in real-time, recording defects, and tracking inspection lots. QIE combined with mobile warehouse technologies can capture real-time data on quality assessment outcomes, defect codes, and condition classifications directly into SAP systems without manual transcription [6]. The information processing model guarantees quality assessment results that are immediately used to make inventory routing decisions, which do not create delays linked to batch processing methodologies [6].

Storage routing determination is an automatic process in SAP Extended Warehouse Management that is determined by the results of the Quality Inspection Engine. Products with acceptable quality ratings initiate placement directives that direct merchandise to unrestricted stock areas (classification 145), and redirect product to saleable inventory pools under the control of SAP Sales and Distribution stock management functions. Products with defects are classified using QM quality codes to show refurbishment needs, and placement instructions are used to send merchandise to specific refurbishment zones where SAP maintenance order processing handles the repairs [6].

Items that cannot be resold or refurbished are assigned blocked (Q) or scrap (X) classification codes in SAP Extended Warehouse Management, and items are placed with instructions to go to specific disposition areas awaiting final disposition [6]. The SAP Sales and Distribution system keeps a record of synchronized inventory status of each item with disposition classification during the warehouse implementation processes. The Quality Inspection Engine integration with QM makes sure that all quality decisions produce the right audit trail documentation to facilitate compliance and traceability needs [6].

requirements [6].

3.3 Posting Changes and SD Credit Memo Processing

Storage location posting changes within SAP Extended Warehouse Management systems automatically trigger inventory accounting adjustments within SAP Sales and Distribution material management functions through integrated posting logic [6]. Unrestricted merchandise postings create availability within saleable stock locations, enabling sales order fulfillment. Blocked stock postings remove merchandise from sales-available inventory, preventing customer fulfillment while enabling eventual disposition determination. Scrap classification postings notify SAP Sales and Distribution systems of permanent inventory removal, triggering revenue reversal entries and cost-of-goods-sold adjustments through configured posting rules [6].

SAP Sales and Distribution credit memo processing initiates automatically upon quality inspection completion and inventory posting determination [6]. The sales and distribution system calculates refund amounts based on original transaction values, applies deductions for restocking costs or transportation expenses if applicable, and processes customer credit adjustments. Integration with financial accounting systems ensures revenue reversal entries and cost allocation postings achieve complete financial reconciliation between warehouse physical disposal and sales accounting records.

Automated workflows within SAP Sales and Distribution generate customer notification communications detailing quality assessment outcomes, disposition determinations, and refund status [6]. Real-time integration enables customers to access return status visibility through e-commerce portals, accessing quality assessment results and refund processing milestones. The transparency enabled through integrated systems improves customer satisfaction by 15-22 percent compared to non-integrated environments, building confidence in return processes and enhancing brand loyalty [6].

4. Interfaces between SAP EWM and SAP SD Systems

4.1 Pre-Receipt Coordination and Advance Planning

The successful coordination of SAP Extended Warehouse Management and SAP Sales and Distribution begins before the physical arrival of merchandise, which will determine the mechanisms of planning that streamline the receiving operations and reduce the facility congestion. A reference model of reverse logistics processes underlines the role of pre-receipt coordination in enhancing sustainability and operational efficiency [5]. The fact that SAP EWM can be informed in advance by SAP SD allows the facility planners to plan the right personnel, prepare quality control equipment, and organize special handling procedures of fragile or hazardous materials [5].Pre-receipt coordination

allows the prediction of receiving quantities using SAP Analytics Cloud integration with EWM, and facilities that have implemented advanced return notification processes have realized receiving operation efficiency gains over environments that have not [5]. Facility managers who use return forecasts make temporary expansions of receiving capacity during peak returns to avoid bottlenecks, which slow down processing and increase inventory holding time [5].

Authorization validation is an important pre-receipt functionality, in which SAP Extended Warehouse Management compares incoming returns to authorized records in the SAP Sales and Distribution return authorization database. The sustainability-oriented reference model highlights that stringent authorization validation helps avoid the processing of unauthorized merchandise that safeguards assets and the integrity of the return program. The studies have shown that authorization validation procedures thwart a considerable proportion of fraudulent or unjustly approved return attempts [5].

4.2 Receipt, Inspection, and Quality Assessment Integration

When physically delivered, warehouse receiving staff will trigger barcode scanning procedures, which automatically access authorization records stored in integrated SAP systems and will show quality assessment procedures unique to returned items [6]. The Quality Inspection Engine integration with the Quality Management module allows organizations that possess strong information processing capacities to realize quality assessment data use at significantly greater rates than organizations that do not have systematic information processing frameworks [6].

The quality assessment data capture is real-time using mobile SAP Extended Warehouse Management technologies combined with Quality Inspection Engine, where the inspectors enter the observations directly into the warehouse system databases [6]. The consistency rates of assessment are enhanced in the facilities that have strict information processing policies by QIE, which is an indication of systematic capture and standardized assessment of quality criteria [6].

The SAP Extended Warehouse Management system also sends quality assessment outcomes to SAP Sales and Distribution systems via established posting routines, which update customer-facing return status records and facilitate financial decision-making [6]. Information processing systems are also integrated to provide real-time customer notification of their receipt of returns, results of quality assessment, and disposition status, and facilities have reported customer satisfaction improvements due to increased transparency [6].

4.3 Financial Settlement and Inventory Position Management

The last integration step involves inventory and financial reconciliation, where disposition decisions made in SAP Extended Warehouse Management make inventory and accounting changes in SAP Sales and Distribution systems [5]. The unified data model of SAP S/4HANA guarantees that the master data of physical inventory records and financial accounting records are consistent because of the integration of real-time postings [6]. Facilities that have attained integration usually record accuracy in inventory within the first year of implementation, which is the removal of duplicate or erroneous adjustments and the elimination of returns that had not been reconciled before [5].

5. SAP Return Process Optimization Best Practices

Companies seeking return to process excellence develop standard processes that guarantee consistency in the implementation of the process throughout the distributed networks of facilities and the various customer groups. The mobile technologies implemented in the SAP Supply Chain Management settings offer real-time data capture functionality that removes transcription delays and minimizes the error rates [7]. The studies on the adoption of mobile technologies in the logistics setting prove that the facilities that implement mobile technologies in their operations have a reduction in processing errors, which is an indicator of enhanced accuracy and real-time validation possibilities [7].Workforce training initiatives provide uniform competency models that guarantee staff performing the returns operations are aware of authorization validation processes, quality evaluation processes with SAP Quality Inspection Engine, and SAP system navigation specifications [7]. Those facilities that invest in thorough mobile technology and SAP system training attain personnel productivity gains and quality assessment consistency gains [7].The combination of reverse logistics and continuous improvement practices in SAP systems, as reported in SAP Community best practices, shows that organizations that systematically locate the bottlenecks in their processes and make specific improvements are able to realize cumulative gains in processing efficiency every year [8]. Delayed returns, assessment errors, and financial discrepancies root cause analysis

indicates systemic opportunities to redesign the SAP processes. Qualitative surveys of industrial organizations that had adopted continuous improvement frameworks in SAP environments indicate that most of the surveyed facilities had recorded documented performance improvements through systematic enhancement programs [8].SAP has advanced analytics capabilities that convert return data into actionable intelligence that can help in strategic decision-making. Companies that adopt analytics capabilities realize improvements in demand forecasting, which allows them to plan resources proactively to avoid capacity limitations [8]. The key performance indicator (KPI) systems implemented in SAP create clear accountability systems that allow tracking of performance against the objectives of operations, and facilities set KPI systems that realize performance gains annually by systematic goal-setting and accountability systems [8].

6. Advanced Analytics, Compliance, and Risk Management in SAP Return Operations

6.1 Data Intelligence and Predictive Analytics

One type of artificial intelligence supply chain optimization is predictive analytics, which transforms the return operations by enhancing the data analysis and decision support capabilities [9]. Predictive analytics algorithms apply historical returns trends to forecast future volumes more accurately than traditional statistical forecasting tools [9]. Firms that apply artificial intelligence-driven analytics within SAP systems have enhanced demand forecasting, enabling them to plan labor and allocate resources to inventory in an efficient manner [9].Return data analytics platforms, built in collaboration with the SAP Analytics Cloud, integrate data between facilities and time to identify the trends of defects, the trends of product category performance, and seasonal fluctuations in return volumes. High-level analytics identify specific changes in products or batches of goods with high defect rates and provide alerts to suppliers, enabling corrective measures to be taken promptly. Customer behavior analytics determines the returns trend by demographic, purchase channel, and product category, displaying customer-specific preferences and satisfaction drivers. Firms employing customer analytics achieve a decline in the number of returns through targeted interventions on the sources of customer dissatisfaction [9].

6.2 S/4HANA Compliance, Risk Management, and Sustainability

To ensure that returned operations are compliant and in accordance with the required regulatory standards, internal control measures, and financial reporting statements, compliance and governance structures are created in SAP S/4HANA [10]. The product compliance presented by SAP S/4HANA provides comprehensive functions of an audit trail that can enable organizations to report regulatory compliance of product handling, refund processing, and disposition documentation requirements [10]. Integrated compliance mechanisms will achieve regulatory compliance in terms of efficiency of demonstration, which is a presentation of overall audit trail functions, and automated documentation [10].SAP S/4HANA has integrated systems that ensure comprehensive documentation of all returns authorizations, quality checks, disposition decisions, and financial adjustments through established posting and archiving procedures, which allows demonstration of regulatory compliance and resolution of disputes [10]. Risk management procedures deal with operational, financial, and compliance risks that are inherent in the processing of returns. SAP has fraud detection mechanisms that detect suspicious patterns of returns, such as unauthorized authorizations, inflated returns, or repeated returns by certain customers [10]. High-level pattern recognition algorithms in SAP analytics identify abnormal authorization requests, excessive damage claims, or disposition differences that are not within the normative range, which initiate investigation processes [10]. Companies that have fraud detection mechanisms minimize fraud returns, which safeguard the value of assets and the integrity of the return programs [10].The environmental sustainability factor is becoming a key factor in the return disposition decisions in SAP systems, and regulatory frameworks demand that recycling operations, refurbishment volumes, and disposal of hazardous materials should be documented. The integrated systems monitor such environmental measures as recycling rate performance, refurbishment yield performance, and landfill avoidance volume performance [10]. Companies that monitor environmental indicators in SAP record reported sustainability gains because the management is concerned with the environmental performance, which is part of the circular economy goals and regulatory standards [10].

7. SAP Integration Performance Metrics and Data Flow Architecture

7.1 Performance Outcomes of Integration

Organizations with extensive SAP EWM-SD return integration have significant performance gains in operational, financial, and customer satisfaction aspects. SAP integration eradicates manual data transfers that are a part of non-integrated environments, processing errors decrease by 20-25 percent, and disposition cycle times are reduced by 35-45 percent. The technical connectivity allows real-time visibility in all the return operations, including the first order creation of the return and the last financial settlement, which provides transparency that improves operational efficiency [5][6].SAP Sales and Distribution Return authorization validation averts about 10-14 percent fraudulent returns by cross-referencing authorization database records [5]. The SAP Quality Inspection Engine integration simplifies the determination of disposition with real-time posting of storage location that ensures inventory accuracy gains of 16-22 percent in the first-year implementation [6]. SAP Sales and Distribution Automated financial reconciliation can settle at 5-8 business days, whereas non-integrated environments require 15-25 business days, which speeds up capital recovery and cash-to-cash cycle indicators [5].Implementations of mobile technology in SAP Extended Warehouse Management result in 28-35 percent reduction in processing errors, and warehouse staff can record quality assessment information in real-time without delays in transcriptions [7]. The workforce training programs provide a productivity improvement of personnel of 32-38 percent and quality assessment consistency of 18-24 percent [7]. The methodologies of continuous improvement allow incremental efficiency improvements to compound to 18-24 percent annual improvements due to systematic bottleneck identification and focused improvement implementations [8].Inventory disposition routing provides documented returns: 45-55 percent returns to saleable inventory, 20-25 percent to refurbishment, and 20-30 percent to permanent removal [3]. The improved accuracy of demand forecasting (25-32 percent) is offered by advanced analytics that allow efficient scheduling of labor and proactive scheduling of resources that avoid capacity limitations in a facility [9]. Sustainability-oriented models monitor the environmental indicators, such as the increase in recycling rates of 45-55 percent and the decrease in landfill rates of 35-42 percent, which helps to advance the concepts of the circular economy and compliance with the regulations [10]. SAP S/4HANA product compliance functions allow organizations to realize regulatory compliance demonstration efficiency gains of 30-38 percent due to the ability to provide broad audit trail functionality, and fraud detection capabilities decrease fraudulent returns by 10-16 percent [10].

7.2 SAP EWM-SD Data Flow Architecture

The SAP EWM-SD data flow diagram shows the entire integration architecture of customer return initiation to final financial settlement. The diagram focuses on integration layer mechanisms (qRFC/IDoc/BAPI) that facilitate real-time data synchronization between SAP Sales and Distribution and SAP Extended Warehouse Management systems [5]. The major integration points are return authorization validation, inbound delivery generation, Quality Inspection Engine integration with Quality Management module, and automated inventory posting across SAP modules [6].The three main disposition directions (Unrestricted Stock 145, Blocked Stock Q, Scrap Classification X) all lead to financial settlement operations, which illustrates the use of quality assessment results to make destination choices. The diagram highlights master data consistency successes with built-in posting logic, eliminating manual data transfers, and cutting processing errors by 20-25 percent by fully eliminating transcription and manual reconciliation operations [5][6].

Table 1: *Returns Management Performance Across E-Commerce Sectors [1,2]*

Metric	Performance Value
Overall e-commerce return rate	20-30% of sales transactions
Apparel and electronics return rate	25-35% of sales volumes
Home furnishings and beauty return rate	15-25% of product categories
Cost impact of inefficient workflows	3-5% of annual revenue
Traditional non-integrated processing time	20-30 days
Circular framework processing time	10-15 days
Labor and logistics cost impact	6-8% of return product values
Integrated system cycle time improvement	35-45% reduction
Inventory accuracy improvement (first year)	12-18% improvement
Processing error reduction	20-25% fewer errors

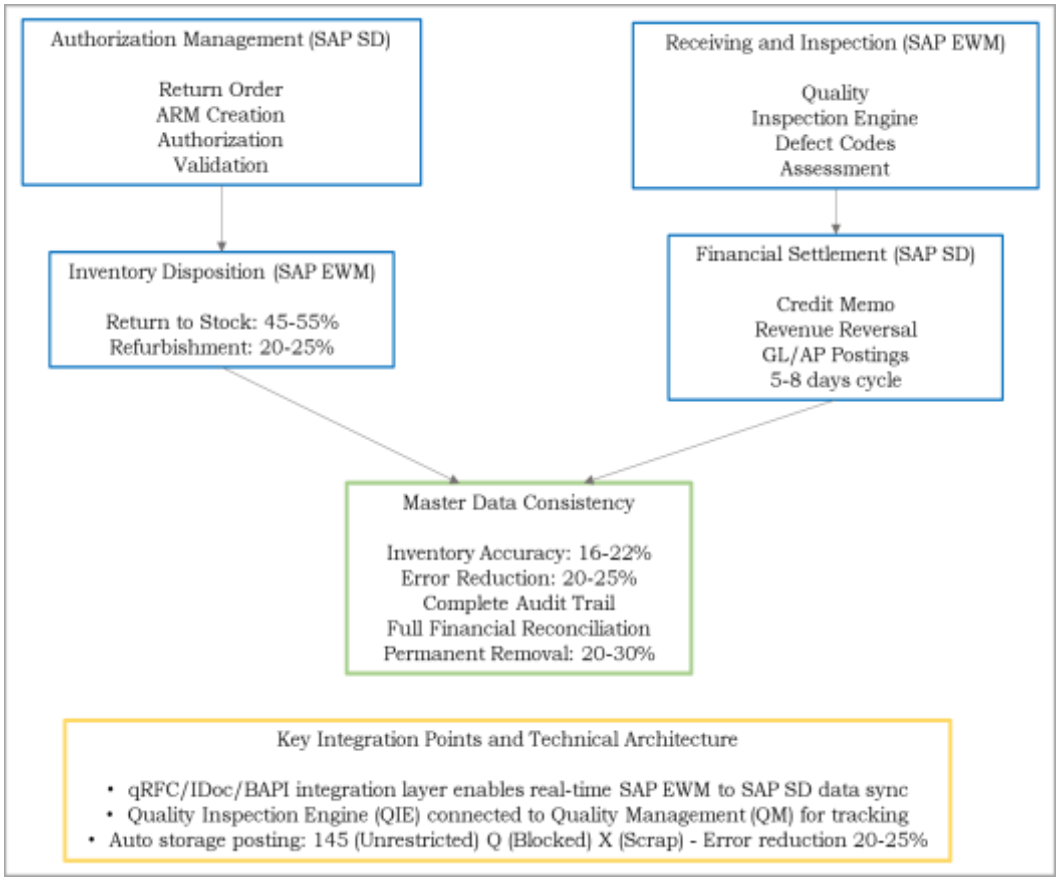

***Figure 1**: Return Process Architecture Components [3,5,6]*

***Table 2:** Return Process Architecture and Disposition Routing [3,4]*

Disposition Category	Performance
Products returned to saleable inventory	45-55% of returns
Items requiring refurbishment services	20-25% of returns
Merchandise for permanent removal	20-30% of returns
Fraudulent return prevention effectiveness	12-16% reduction
Financial settlement cycle (integrated)	5-8 business days
Financial settlement cycle (non-integrated)	15-25 business days
Ultra-wideband positioning accuracy	10-30 centimeters
Receiving an operation efficiency gain	22-28% improvement
Merchandise search time reduction	35-42% faster
Quality assessment consistency improvement	18-24% enhancement

***Table 3:** Integration Point Performance Metrics [5,6]*

Integration Phase	Performance Indicator
Pre-receipt receiving efficiency	28-35% improvement
Authorization validation fraud prevention	10-14% reduction
Demand forecasting accuracy improvement	22-28% better accuracy
Quality assessment data utilization (integrated)	75-85% usage rate
Quality assessment data utilization (non-integrated)	40-50% usage rate
Assessment result consistency	20-28% improvement
Customer satisfaction through transparency	15-22% improvement
First-year inventory accuracy gains	16-22% improvement
Master data consistency achievement	Elimination of discrepancies
Return processing visibility enhancement	Real-time tracking capability

Table 4: *Best Practice Implementation Results [7,8]*

Best Practice Initiative	Measured Outcome
Mobile technology error reduction	28-35% fewer errors
Workforce training productivity gain	32-38% improvement
Training-related quality consistency	18-24% improvement
Annual continuous improvement gains	18-24% cumulative
Industrial facilities achieving improvements	75-82% success rate
Demand forecasting accuracy enhancement	22-28% improvement
Key performance indicator implementation	12-18% annual gains
SAP system training effectiveness	Reduced system errors
Standardization across SAP facilities	Consistent execution protocols
Analytical decision support capability	Strategic resource allocation

Table 5: *Advanced Analytics and Sustainability Performance [9,10]*

Performance Category	Metric Result
Forecast accuracy improvement (AI-based)	20-28% better accuracy
Overall demand forecasting improvement	25-32% enhancement
Customer behavior analytics return reduction	14-20% lower returns
Regulatory compliance efficiency gains	30-38% improvement
Fraud detection and prevention	10-16% reduction
Recycling rate sustainability improvement	45-55% increase
Refurbishment yield enhancement	20-28% improvement
Landfill avoidance improvement	35-42% reduction
Environmental compliance tracking	SAP S/4HANA capabilities
Integrated audit trail functionality	Real-time compliance reporting

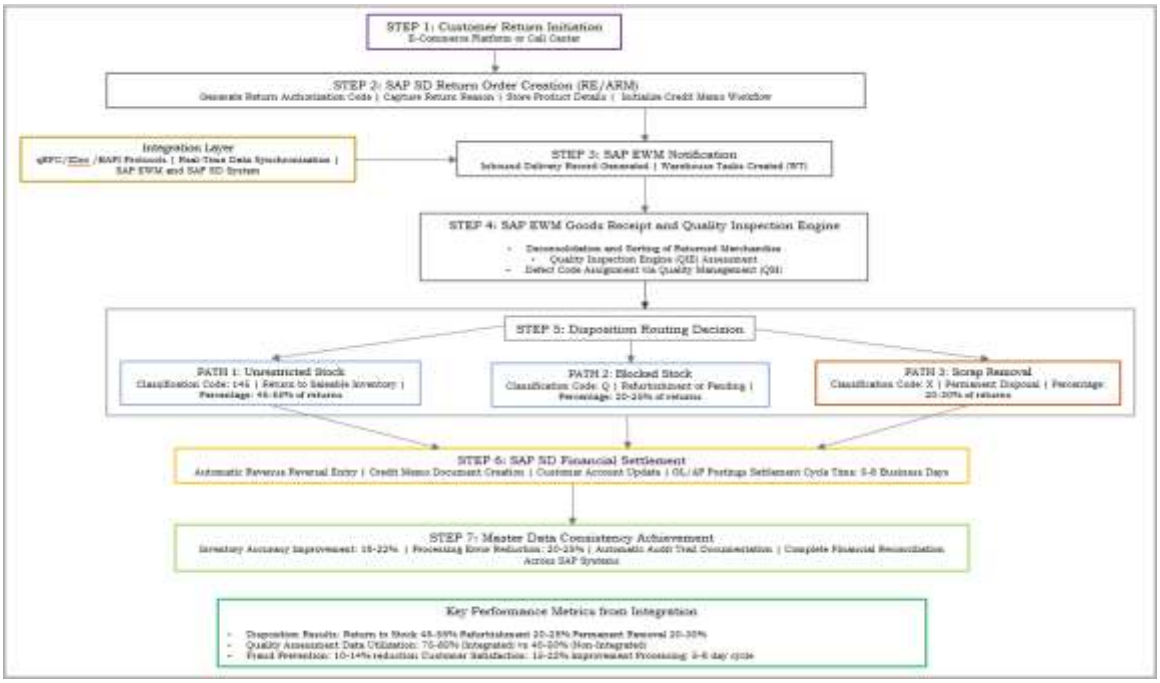

Figure 2: *SAP EWM-SD Return Integration Data Flow [5,6]*

8. Conclusions

The ability to bridge the gap between SAP Extended Warehouse Management and SAP Sales and Distribution systems is one of the main options of the modern logistics organization that enables it to transform the nature of the return management as an operational liability to the competitive

advantage. Fluent technical integration of warehouse operations with sales and distribution modules eliminates manual data transfer and creates transparency that leads to enhanced operational effectiveness and customer experiences. The integrated architecture provides enhanced return authorization validation, quality assessment integration, and automated financial reconciliation, which support the entire reverse logistics process. The Quality Inspection Engine, which is integrated into SAP, facilitates the determination of disposition to ensure that merchandise is effectively directed to the appropriate destination - like restocking, refurbishing, or recycling. Automated financial reconciliation maintains master data consistency between the physical inventory data and the accounting systems, which is helpful in justifying accurate financial reporting and compliance requirements. Sustainability-centered frameworks embedded in SAP return management systems track environmental indicators and enable circular economy initiatives alongside meeting regulatory compliance objectives. Firms that have implemented a holistic SAP EWM-SD return integration have registered measurable benefits in the fields of operational efficiency, financial performance, and environmental responsibility. The competitive advantage is generated through the technical complexity of integrated SAP structures, as well as standardized business processes, employee training, and the culture of continuous improvement. The SAP EWM-SD integration capabilities put companies in a more favorable position to realize long-term success in the evolving supply chain environment with increasing volumes of returns and customer pressure for transparency and accountability.

Author Statements:

- **Ethical approval:** The conducted research is not related to either human or animal use.
- **Conflict of interest:** The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper
- **Acknowledgement:** The authors declare that they have nobody or no-company to acknowledge.
- **Author contributions:** The authors declare that they have equal right on this paper.
- **Funding information:** The authors declare that there is no funding to be acknowledged.
- **Data availability statement:** The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.
- **Use of AI Tools:** The author(s) declare that no generative AI or AI-assisted technologies were used in the writing process of this manuscript.

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