

makeplain™

Retail Analytics

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return on intelligence™

- Shrinkage
 - Are we losing product from when we order it to when we receive it?
- Stock Outs
 - Do we lose revenue because we do not have enough inventory in our supply chain and therefore run out of product on the store shelves?
- Markdowns
 - Do we lose margin because we have too much inventory in our supply chain and therefore have to sell it at a discount and sometimes at a loss to move it?

- There are two types of analytics
 - Operational or real-time reporting of facts which drive immediate action
 - E.g. How many pairs of size 9 Nike shoes do I have on the shelf right now. **Action:** Re-Stock the shelf if there is space. **Problem:** What if there are no more shoes in the supply chain. We didn't plan well. **Result:** Stockout
 - There are many positive operational reporting opportunities that drive value, but operational reporting cannot overcome planning mistakes.
 - Historical data analysis to discover trends and patterns which is used to improve inventory plans
 - E.g. The Last 2 years we ran out of Nike running shoes 3 days before Christmas in Store X. **Action:** This year ensure we have 10% more in stock than we did last year. **Result:** Less stockouts.
 - Better plans deliver better results.

- No retailer plans perfectly, resulting in stock-outs and markdown losses
- Most retailers cannot track their inventory and lose significant product before it reaches the sales floor
- Very few retailers use advanced analytics to discover trends and patterns to do better inventory planning, and to make optimal markdown decisions.
- Most analytic vendors sell operational reporting
- Operational reporting is simple and easy to understand
- Historical Analysis is complex and not easy to understand
- Developing new planning capabilities requires changes to process and organization to execute
- Most analytic vendors don't assist with change management issues

- Analytics to reduce stockouts
 - Based on historical analysis of POS, inventory, product master and orders we can recommend inventory levels for every category of product to minimize stockouts.
- Analytics to reduce markdown losses
 - Based on historical analysis of POS, inventory and product master we can recommend when to discount excess inventory and by how much to minimize margin erosion
- Analytics to reduce shrinkage
 - Based on historical analysis of POS, inventory, and orders we can find patterns associated with shrinkage and recommend corrective actions

- Visibility
- More accurate inventory levels
- Product tracking
- Improved Operational Reporting

- Loss Prevention
 - Operational: RFID data can tell you that your product disappeared it can't tell you why?
 - Analytical: Statistical pattern analysis over multiple loss events can pinpoint why product goes missing
- Stock-Outs
 - Operational: RFID data can tell you very accurately that you ran out of product. Most retailers cannot replenish fast enough to eliminate stockouts.
 - Analytical: Statistical pattern analysis and operations research methods over multiple buying seasons allows you to plan more accurately up front reducing stockouts
- Markdowns
 - Operational: RFID data can tell you that you have too much inventory but not what to do to sell it.
 - Analytical: Statistical pattern analysis and operations research methods over multiple buying seasons can tell you when to discount and by how much to

- With RFID data we get improved inventory data and product tracking
- This results in better advance analytics. More accurate data in equals more accurate results out.
- More accurate results out means better decisions which means less shrinkage, less stockouts, and less markdown losses.

- Historical analysis can be done by integrating RFID data, POS data, Inventory data, etc. and tracking history in a data warehouse built to support specific, actionable analysis that will impact the bottom line
- makeplain can rapidly develop a custom “solution in a box” which delivers all the pre-configured technology to deliver results within 90 days
- We make it simple by doing the analyses for you, assisting you to make the process changes required to act on the analyses and assisting you to act which delivers bottom-line results
- analytics + change management = bottom-line results ... this is what makeplain delivers

- Makeplain offers low cost proof of concepts to show retailers how to do the analyses, how to modify business processes to act on the analyses and to assist retailers to act on the analyses to generate real bottom-line dollars
- The proof of concept will deliver a business case with measurable bottom-line results

- If you are willing to act on our recommendations and change the way you plan inventory, plan markdown events and track product then we will share the up front risk and get paid when you see bottom-line results

- Reduce Stock-outs
 - Recommended inventory levels by SKU by store by selling season
- Reduce Markdowns
 - Recommended discount by day by SKU for markdown promotions
- Reduce Shrinkage
 - What employees, suppliers, customers are correlated to losses by store by DC by time period