

# makeplain™

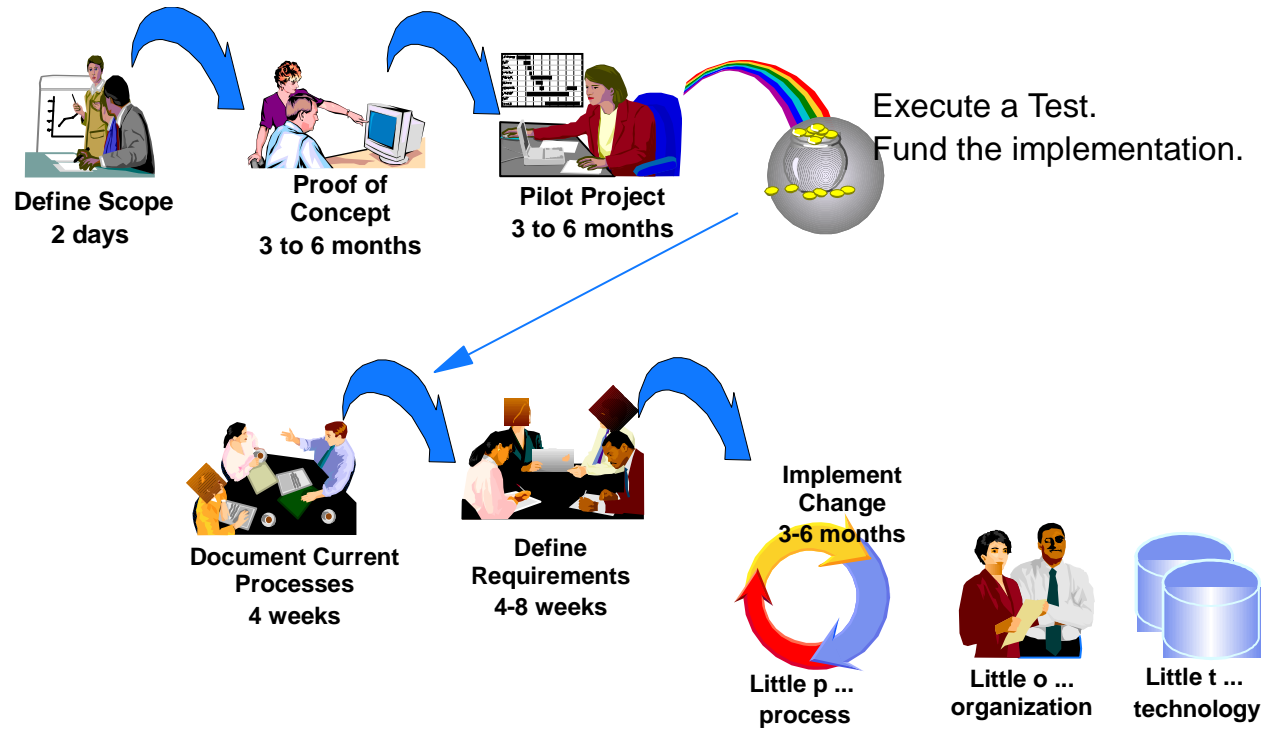
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An approach to build a  
business case for  
Merchandise Optimization

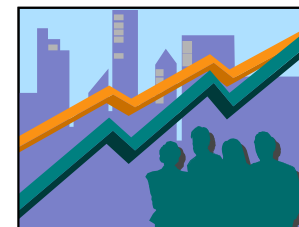
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return on intelligence™

# makeplain<sup>TM</sup> Roadmap to implement merchandise optimization



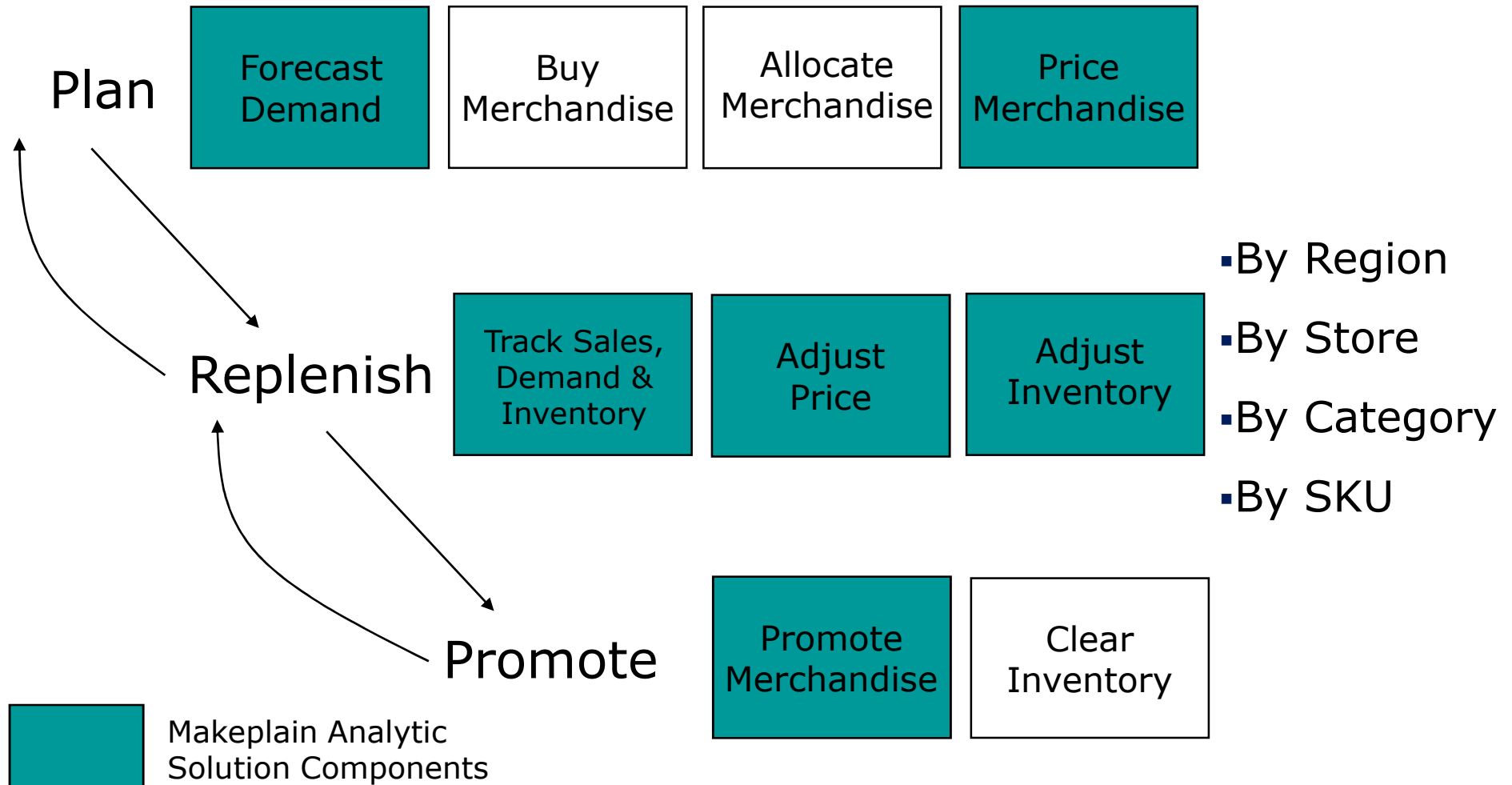
Within 12 to 18 months... increase shareholdervalue

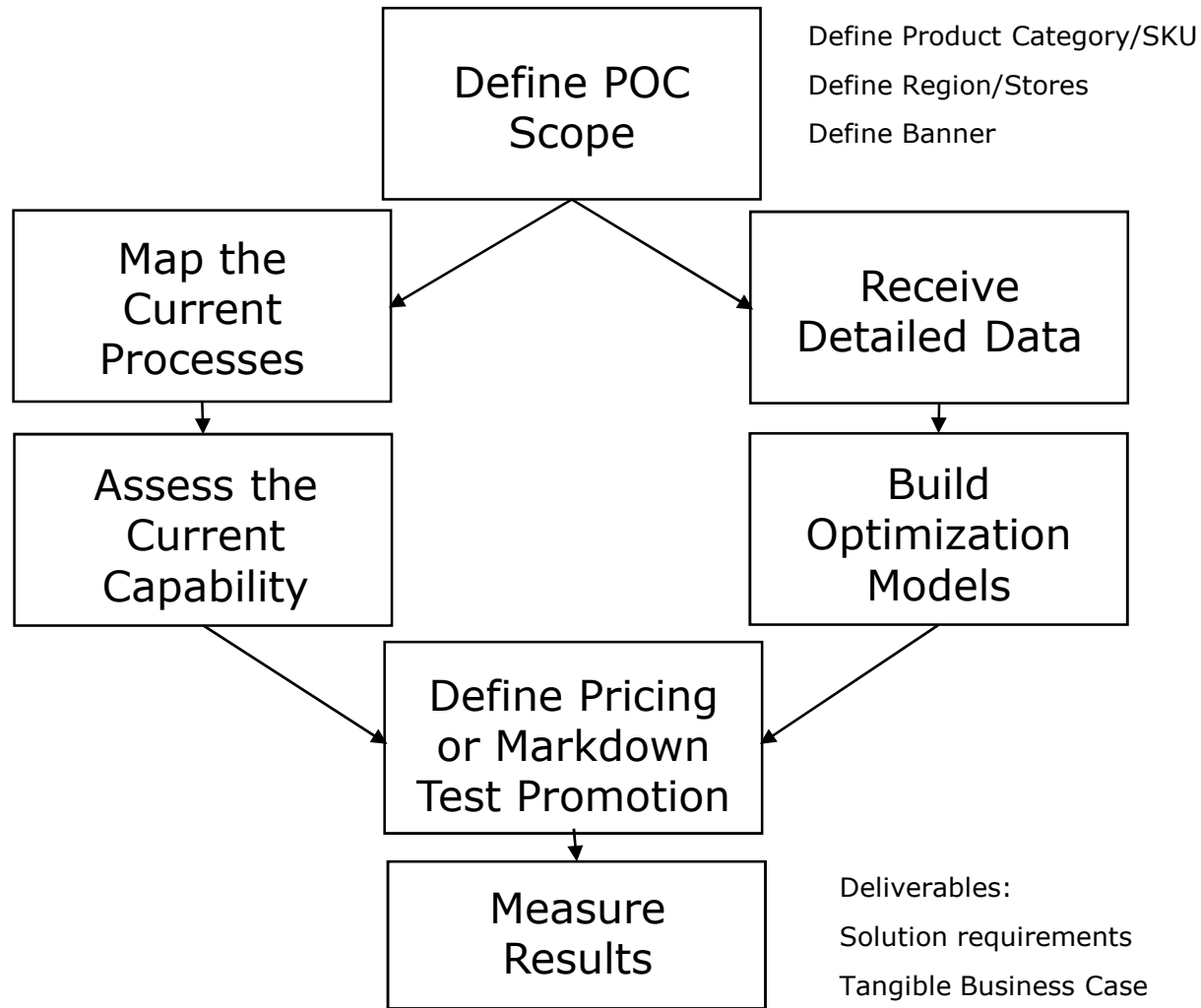


- To validate that merchandise optimization will generate measurable results without investing in the operational solution first
- To generate operational solution requirements
  - Process, Organization and Technology
  - Size of investment required to generate returns

- Technology
  - Use your transaction data to build required merchandise optimization analytics
- Business Process
  - To understand how you currently execute your merchandising processes
    - What are the processes?
    - How the processes interact with technology and information?
    - How performance is currently measured?
    - Who is responsible for the different processes?

- Merchandise Optimization Recommendations
  - Based on the analytic results we will recommend some inventory or pricing actions
  - We will deliver recommendations that you are able to action because we understand your current internal workflow
- Tangible Business Case
  - We will assist you to set up a test to measure the performance of our recommended actions
  - We will assist you to measure, interpret and explain results
- Operational Solution Requirements
  - We will generate a requirements document, both business and technical, that you can use to design/select an operational merchandising application solution





- Two Classes of Products
  - Stable products with long-term and predictable sales and demand history
    - Predictive Modeling to forecast demand with update based on early sales
  - Short-life cycle products with unknown demand
    - Probabilistic approach to forecast demand with update based on early sales

- Two Pricing Methodologies
  - EDLP (every day low price)
  - HLP (high-low price)