

Assortment Execution



Help your assortment strategy reach its peak financial potential. It's one thing to set the perfect merchandising strategy, but executing it perfectly is something else entirely. Too often that strategy, set by the organization's top executives and merchants, falls short of expected financial objectives. Why? Because in the execution of the strategy are hundreds of complex tactical questions that, if not answered correctly, threaten to bleed gross margin dollars.

Benefits of Assortment of Execution

Financial:

- 9 to 16 percent improvement in gross margin dollars

Merchandising:

- Store assortments that reflect the visions of the assortment strategy

Process:

- Consistent decisions focused on key merchandising goals.

Assortment Execution provides a demand-driven approach for localizing assortments, allowing you to treat every store as if it were your only one.

These questions include the following:

- How should I tailor the assortment for each store group?
- What is the best way to flow inventory for initial allocations and throughout the season by week?
- What are the optimal buy quantities, size runs, and packs for each item?
- How does performance compare to plan? What can be done in-season to improve performance?

Oracle Retail Assortment Execution answers these questions by optimally matching inventory investment and flow to demand by store over time. This helps merchants tailor assortments to local demand, better flow and allocate their merchandise to stores, and better manage the lifecycle of merchandise in line with the financial plan and merchandising objectives.

Tailoring Assortments to Local Market Demand

Most planners would welcome the opportunity to customize their assortments to local needs. However, most have no choice but to rely heavily on averages and key item plans, because they don't have the tools or systems in place to take local market needs into consideration for every item. Generalized store assortments and imprecise buy quantities result in stock outs and lost sales for some items and overstocks and deep markdowns for others. Even small errors in store-level quantities can lead to large declines in sales and gross margins.

Oracle Retail Assortment Execution allows planners to optimize assortments by location along three primary dimensions—product mix, product quantities, and product flow—enabling retailers to match consumer demand at the store level as that demand materializes through the course of the season.

Flowing Merchandise to the Stores

The challenge to flow planning is predicting how demand by market will unfold over the season and then creating an inventory flow that both satisfies demand and stays within the bounds of operational constraints. Oracle Retail Assortment Execution solves this problem in two ways. First, it assesses the true demand of all merchandise over time, going beyond the traditional crutch of key item planning. Second, by showing how demand will materialize by store by time, Oracle Retail Assortment Execution enables retailers to stagger receipts—from suppliers to warehouses, and warehouses to stores—in pace with customer demand. It understands the impact of seasonality, price, low inventory, and promotion effects on demand at the local market level and bases recommendations on real-world constraints such as presentation and shipment minimums, transit times, and safety stocks. This eliminates the need to take full receipt at the start of the season, reducing inventory carrying costs and improving your ability to allocate in-season to actual store performance. The result? A receipt plan executed in a timely way that effectively manages cash flow, improves return on inventory investments, and drives increased turns.

Providing Continuity Between Preseason and In-Season

The key to effective execution is allocation based on the assortment's intent with an updated picture of how demand by store may have changed since the purchase order was cut. Additionally, selling seasons, like life, rarely go exactly as planned and even the best assortment plans need adjustment in the face of unforeseen circumstances. Oracle Retail Assortment Execution provides merchants with

- Integrated assortment planning and allocation
- Continual comparisons of actual performance against plan
- Allocation recommendations that best match supply to future demand
- Early visibility into opportunities (such as rebuys) and risks (such as potential overstocks)

This lets merchants manage inventory proactively and steer assortments to highest financial performance.

Extending Beyond Traditional Systems

Oracle Retail Assortment Execution applies an integrated approach, using detailed visibility into future customer demand to support merchandising decisions from preseason through in-season. As a result, Oracle Retail Assortment Execution helps merchants track their merchandise throughout the entire lifecycle and execute strategies that gain the most from their inventory investment.

About Oracle Retail

Oracle simplifies your technology environment, by providing a uniquely integrated platform for the retail industry. More than 1,900 companies rely on Oracle Retail solutions to create insight-driven enterprises that stay competitive by basing their decisions on accurate, timely customer-demand information. Our solutions help you improve information integrity, manage your back-office operations, and orchestrate all functions of your retail enterprise—from merchandising through the supply chain to your stores. Whether you implement one module at a time or an entire solution suite, Oracle can help you run a smarter, more profitable retail business.

CONTACT US

To find out how to put the power of Oracle Retail solutions to work for your business, visit oracle.com/industries/retail or call +1.800.Oracle1 to speak to an Oracle representative.