

# ORACLE RETAIL ADVANCED INVENTORY PLANNING



## FEATURES

- Time-phased replenishment
- Multiple replenishment options
- Exception-based management
- Internal and external collaboration
- Market-leading retail science
- Integrated with Oracle Retail Replenishment Optimization, Oracle Retail Demand Forecasting, and Oracle Retail Merchandising

## BUSINESS BENEFITS

- Improves GMROI
- Increases customer service levels
- Minimizes inventory carrying costs
- Improves supplier collaboration

## BENEFITS

- Complete visibility to inventory across all nodes of the supply chain
- Minimizes inventory carrying costs
- Creates optimal buy plans based on known supplier and retailer constraints
- Uses a single forecast to ensure accuracy

*Maximizing shareholder value continues to be top of mind for Retail CEOs. Key metrics retailers watch closely include inventory turns, return on invested capital, gross margin percentage, and overall cash flow from operations. Retailers face the constant challenge of making strides to significantly improve on these metrics. However, as the industry continues to innovate and improve how to merchandise and how to better connect with customers, one strategic area many retailers can make marked improvements on is maximizing their inventory investments.*

## Overview

One of the challenges in retail is managing inventory while improving service levels with customers and increasing sales in every channel. Inventory is one of the highest cost areas of the business, and one of the most difficult areas to manage. In most cases, many retailers have to manage both slow and fast moving items , bringing in additional complexity to managing their supply chain. In an industry where many decisions are based on trend data and on consumer likes and dislikes, implementing a scientific approach to managing inventory sounds a bit “un-retail”. But, it has proven to make a valuable difference and is now a requirement for the most successful retailers.

## Introducing Oracle Advanced Inventory Planning

Oracle Advanced Inventory Planning is a market-leading enterprise solution, designed for retailers who have constant replenishment inventories to manage. This intuitive and collaborative solution ensures synchronization with suppliers and consumer demand to increase stock availability and boost sales. With Oracle’s solution, retailers will see a reduction in inventory holding while increasing overall service levels, and while improving on the metric of GMROI.

## Unique Features of Oracle Retail Advanced Inventory Planning

**Time-Phased, Multi-Tiered Replenishment.** Its design allows for inventory to be managed between stores and warehouses across multiple user-defined time horizons, delivering a synchronized inventory plan across the supply chain and enterprise. A major component of the plan includes an accurate and scalable demand forecast. This capability looks at SKU-store level forecast, enabling improvements in localizing store assortments and increased customer service levels. Oracle Retail’s Advanced Inventory Planning supports a complete set of inventory management strategies, giving improved *flexibility* to merchants. And with user-defined exception management and alerting capabilities, business operators can develop key

performance indicators appropriate for each strategy and proactively resolve potential over or out-of-stock situations.

### **Supply Chains Built on Information, Not Inventory**

More than ever, suppliers and retailers are working together to ensure the supply chain is optimized at every point in an effort to get the right products to the shelf when the customer is ready to buy. The idea is simple, but the operations behind understanding consumer trend data, planning the buys, finding the right suppliers, and creating the perfect purchase order is not all that simple. However, when done right, the results can drive significant value. Moving from static demand planning to demand sensing and shaping can lead a retailer from too much inventory holding to having just the right quantity, in the right mix at the right time. The ability to capture demand signals more frequently and closer to the point of sale will inevitably yield better information. By sharing this real-time inventory with suppliers, the overall collaborative process is improved, in addition to decisions on inventory plans and buys. With the organization focused on more productive use of inventory, less time, effort, and resources will be spent on managing excess inventory and expediting last minute shipments. This enhanced approach to a more profitable model adds consumer focus to all demand and supply chain decisions.

### **Infusing Retail Science in Business Intelligence**

Algorithms don't transform retail. But, business intelligence about product trends, inventory investment, inventory availability, and the right decisions on supplier choices does. Oracle Retail's Advanced Inventory Planning enables merchants to make better decisions with the use of multiple strategic replenishment choices. Having flexibility to manage distributions and allocations by store and color/sku enables the merchant to truly localize the assortment as necessary based upon known market trends. Customizable alerts from key performance indicators give users the ability to sense and respond to potential supply chain issues early on.

### **Maximizing GMROI**

Gross Margin Return on Inventory Investment (GMROI) is simply a measurement of the return on investment of the retailers' inventory based on the cost of merchandise required to generate profit. But, striking the right balance between sales and inventory has been a strategic goal for centuries. The difference between now and then is that technology is available today, and can help retailers to maximize their GMROI with the use of sophisticated applications. With a comprehensive view and control of inventory, from stores to the DC, and supply base – retailers can begin to better manage replenishment orders, inventory, allocations, and distributions.

### **An Enterprise Solution For Inventory Planning**

Succeeding in today's retail environment has placed even more demands on merchants and operations. Increased consumer expectations around selection, price, and service demand even larger assortments and better in-stock positions. At the same time financial expectations have risen, and the cost to operate continues to

**RELATED PRODUCTS**

- Oracle Retail Replenishment Optimization
- Oracle Retail Demand Forecasting
- Oracle Retail Merchandise Operations Management

climb. Given these challenges, the innovative retailer must transform existing inventory planning processes to improve in-stock positions at the store level, while reducing overall inventory costs. For many retailers, successful transformation of these processes may be the difference between success and failure. Fortunately, there are new solutions available to enable this transformation, with Oracle Retail Advanced Inventory Planning.

**About Oracle Retail**

Oracle is the number one provider of innovative and comprehensive industry software solutions for retailers - enabling organizations to serve their customers better by applying insight into daily business decisions for more profitable results. With software that provides supply chain, operations, merchandising, store systems, optimization as well as enterprise applications and infrastructure software, Oracle partners with the world's leading retail companies, including 20 of the top 20 retailers worldwide, to transform the economics of their businesses.

**Contact Us**

For more information about Oracle Retail Advanced Inventory Planning, please visit [oracle.com/retail](http://oracle.com/retail), email [oneretailvoice\\_ww@oracle.com](mailto:oneretailvoice_ww@oracle.com), or call +1.800.ORACLE1 to speak to an Oracle representative.



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