

ORACLE RETAIL REPLENISHMENT OPTIMIZATION



PROVEN

- 15% reduction in inventory
- 15-20% improvement in inventory turnover rates
- 10-20% improvement in sell-through
- Decreases markdowns and increases sales and profits
- Leverages the proven Oracle methodology that delivers results quickly and consistently

SPEED TO VALUE

- Part of an end-to-end planning solution or can stand alone
- Modular

FLEXIBLE AND EFFICIENT

- Designed for major retailers
- Works with Oracle Retail Merchandising System or any legacy system
- Highly configurable
- Analytically robust and scalable

Until recently, retailers have had very few tools to effectively align inventory budgets and targets with costs and service levels in an effort to “right size” their inventory. In many cases, retailers still rely on manually intensive, spreadsheet-based replenishment techniques, yet inventory is the most important asset they own.

Managing the Supply Chain To Balance Inventory, To Increase Service Levels, To Maximize Sales and To Minimize Inventory Costs

Retailers today have thousands of items in hundreds of stores, provided by countless suppliers, and distributed through dozens of warehouses via thousands of purchase orders. Each item has its own unique demand pattern for each location, cost, vendor lead-time, pack configuration, transportation cost, and more.

It is important to accurately manage these numerous variables to achieve inventory balance. Oracle Retail Replenishment Optimization balances all variables and constraints to create the optimum inventory balance to achieve service level goals while optimally managing inventory. The system examines all of the possible tradeoffs involved in managing inventory replenishment and the impact these tradeoffs have on the business, and then makes the best recommendation.

Oracle Retail Replenishment Optimization Creates a Smart and Dynamic Supply Chain

Oracle Retail Replenishment Optimization is a new evolution of scientifically based, mathematical processes, that applies advanced predictive and simulation techniques to balance store/item level demand and supply constraints, while determining optimal replacement methods to improve in-stock conditions, to reduce inventory costs, and to deliver superior service levels.

Oracle Retail Replenishment Optimization provides an automated, exception-driven approach to achieving optimized inventory, removing the overwhelming requirement to manually set and monitor inventory targets and customer service levels by store and SKU. Instead, it focuses the user on key performance measures and automatically monitors SKU/location demand and supply chain variables to determine and continue to fine-tune optimal inventory for greatest return on this capital investment. In addition, SKUs can be grouped logically in order to manage the process even more efficiently. It recommends replenishment settings, either automatically approving the changes based upon business impact or raising alerts; for example, to higher impact items. The new optimal replenishment settings may be used to update replenishment parameters in the current replenishment application, turbo-charging its effectiveness and boosting the value of the existing replenishment solution.

The resulting optimization more effectively aligns supply chain settings to a retailer's business and financial strategy.

Benefits of Oracle Retail Replenishment Optimization

15% Inventory Reduction. Allocates the minimal inventory necessary to achieve desired sales and service levels.

15-20% Improvement in Inventory Turns. Achieves sales goals with the minimal inventory necessary to speed turns.

10-20% Improvement in Sell-Through. Ensures higher inventory sell-through.

Increased In-Stock Rates. Increases service levels and ensures the right balance of inventory is available to avoid costly out-of-stocks without excess carrying costs.

Decrease Markdowns. Ensures the right balance of inventory throughout the product life cycle to avoid costly markdowns that erode profit margins.

Improved Efficiency. Eliminates manual set-up of replenishment parameters at the SKU/location level.

Speed to Value. 18 weeks from "data to dollars".

Key Features of Oracle Retail Replenishment Optimization

Identifies Profitable Opportunities. Simulates the business impact of different demand conditions to optimize settings.

Exception-Based Management. Focuses the user on key performance measures versus insignificant details. Prioritizes and tracks alerts based upon the severity of their impact on the business.

Identifies Overstock Conditions. Identifies overstock conditions at the SKU/location level to reduce excess inventory and unnecessary markdowns.

Ensures Optimal Replenishment Methods. Continuously analyzes replenishment settings based upon business impact and proactively alerts the business when replenishment methods need to be modified.

Sophisticated & Automated Workflow Approval. Recommends, approves, and updates new replenishment settings that meet a retailer's unique business criteria.

"What-if" Analyses. Users can perform powerful "what-if" analyses and immediately see the business impact of their decisions.

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.

RELATED PRODUCTS

- Oracle Retail Advanced Inventory Planning
- Oracle Retail Demand Forecasting
- Oracle Retail Merchandise Operations Management

Contact Us

For more information about Oracle Retail Replenishment Optimization, please visit oracle.com/retail, email oneretailvoice_ww@oracle.com, or call +1.800.ORACLE1 to speak to an Oracle representative.



| Oracle is committed to developing practices and products that help protect the environment

Copyright © 2009, Oracle and/or its affiliates. All rights reserved.

This document is provided for information purposes only and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners. 0109