ORACLE RETAIL MERCHANDISING SYSTEM

Underlying every well-run retailer are the business processes and infrastructure necessary to make sure customers get the product they want, at a price they can afford, when and where they want it. Orchestrating an item from initial creation through to its final clearance means managing tremendous amounts of information such as costs, deals, prices, orders, returns and more. In many cases, this information is stored or scattered across multiple systems, making end-to-end visibility and efficient execution challenging. An integrated, centralized repository for all merchandising transaction data provides retailers with the information they need to make better-informed decisions based on a single version of the truth.

Overview

One of the key challenges in retail is to centralize, consolidate and maximize the value of the vast amount of information available. With the explosion of social media, cross-channel shopping and the pressure to expand into new formats and countries, this has never been more important. Retailers need to make the connections between items, locations and suppliers, track purchase orders, monitor deal income, manage replenishment settings, execute pricing decisions, and aggregate transaction information into stock ledger reporting levels. As the central source of all information, merchandising solutions provide organizations with an accurate view of perpetual inventory and financial performance across their entire retail organization.

Introducing Oracle Retail Merchandising System

Oracle Retail Merchandising is the market leading integrated merchandising solution for retailers. The solution enables retailers to better manage, control and perform crucial day-to-day merchandising activities from new product introduction to automated replenishment to financial inventory valuation. Oracle’s solution facilitates the ability to expand into new channels and provides the foundation for cross channel management. Embedded best practices make this the most comprehensive and integrated solution for global retailing.

Unique Features of Oracle Retail Merchandising System

Foundation Data Management. Oracle Retail Merchandising provides users with a complete application to manage the fundamental elements of their business such as organization and product hierarchies, locations and suppliers. Items are classified within the Merchandise Hierarchy, which facilitates operational processing and reporting. Grocery, fashion and hardline item types are all supported in one agile solution and can either be created manually or inducted from an external source. Retail locations, including virtual locations like web stores, represent the various channels, formats, brands and legal entities across multiple countries all within a single instance. Locations, along with their specific attributes, are organized for reporting and efficiency purposes into the Organizational Hierarchy. Suppliers are typically sourced from the financial system and supplemented with additional information related to EDI, returns, inventory management and supply chain.
In addition to the standard attributes and retailer-defined traits, the merchandising system provides custom flex fields as a way to add unique data elements without making costly custom code changes. These flex fields are customer defined, work with code upgrades and support integration to other systems.

**Commerce Anywhere Inventory.** The Oracle Retail Merchandising system is well placed to handle the requirements of the fast-paced multi-channel environment. New channels can be added as needed and the organizational hierarchy can be adjusted easily. Oracle Retail Merchandising provides real time inventory visibility, the option to segregate inventory by channel and the ability to monitor all transactions, including sales, by channel. Each physical warehouse can have one or many “virtual” warehouses, which allows the retailer to order and fulfill differently by channel. However, even though inventory is segregated, the retailer never loses their ability to leverage consolidated purchase order buys, or shift inventory as needed to ensure a superior customer journey.

**Master Data Management.** Oracle Retail’s Merchandising System is unique in that depending on the retailer’s requirements; it can act as either the master or recipient for particular information. Orders can be created within the Merchandising System itself, or they can be sent from an external system via standards-based web services. Items can received from a PIM solution or they can be initiated within the Merchandising System.

**Comprehensive Cost Tracking.** Oracle Retail Merchandising manages supplier unit costs, bracket costs and estimated landed costs. The solution automates the defaulting and calculation of estimated landed cost, which gives retailers a more objective basis for supplier cost evaluation and ensures more accurate inventory valuation in the purchasing cycle. Landed cost components can be percentage-based or specific amounts per unit of measure and can also be based on the value of other expenses, which provides great flexibility in cost tracking.

**Robust Supplier Deal Management.** Retailers need a solution to manage the end-to-end trade funds process effectively. Oracle Retail Merchandising supports all types of off-invoice deals, bill backs, and rebates. Deal income is tracked based on purchases, receipts or sales, and the revenue automatically requested from the supplier or partner. A seamless process from negotiation to collection enables retailers to recognize the full value of their negotiations and achieve their margin targets.

**Multiple Replenishment Methods and Mass Maintenance.** Replenishment of merchandise from either suppliers or warehouses can be achieved using simple stock level methods of replenishment or multiple forecast driven methods like Time Supply or Dynamic. Items can be placed on replenishment using various mass maintenance options including leveraging size profiles to populate stock values for fashion items. Changes to replenishment parameters can be forward dated with the option to easily revert back to a master template, increasing efficiency and usability. For Grocery retailers in particular, replenished quantities can be automatically divided between multiple suppliers and scaled to full truckloads. Store orders for high volume fresh or seasonal items can be accepted multiple times a day in order to successfully meet customer demand.

**Centralized Inventory Management.** All inventory transactions whether in or out of the organization come back to the Oracle Retail Merchandising System. This provides ultimate visibility and accurate perpetual inventory from which to drive decisions on replenishment, allocation and pricing in a cross-channel environment.

**Retail Stock Ledger.** All transactions, including sales, purchases, stock counts, price changes, merchandise transfers, wholesale transactions and more, are held within the merchandising system thus enabling cross-chain and cross-channel visibility to all retail and wholesale financial transactions impacting inventory valuation and gross margin. Aggregated
stock ledger information is sent to Financials for posting and analytical purposes.

**Globalization.** The Oracle Retail Merchandising System supports multi-currency, multiple legal entities and multi-language in a single instance. The solution is multi-byte enabled and available in 18 languages as standard. New languages can easily be added as translations are externalized from the base application code. In addition, the Merchandising System provides support for retailers who operate in multiple countries with multiple sets of financial books.

**Alternative Business Models** Oracle recognizes that in today’s changing market, retailers need the flexibility to support alternative business models. The Merchandising System supports retailers with franchise and secondary wholesale operations as well as those that run consignment or concession operations.

**Documented Business Processes and Implementation Tools.** Oracle Retail understands that the key to unlocking the value of a merchandising system lies in a successful implementation. In order to help retailers and partners implement the solution as efficiently as possible in accordance with best practices, Oracle has developed a robust set of implementation tools. These include the Oracle Retail Reference Model, which documents hundreds of retail processes, the Retail Reference Architecture, which provides both logical and physical architecture models, application dependencies and integration flows and the Retail Semantic Glossary which helps ensure consistent terminology and KPI definition. Retailers also find significant benefits from implementation best practice guides, conversion tools, configuration guides, upgrade scripts, upgrade guides and more.

**Complete, Seamless Integration.** Retailers need much more than world-class functionality; they need the ability to seamlessly interact across all areas of the organization. Oracle Retail Merchandising provides the platform for executing end-to-end retail processes. Not only are the merchandising solutions of Price Management, Trade Management, Sales Audit, Invoice Matching and Allocations tightly coupled, but the merchandising system is also integrated with Oracle and PeopleSoft Financials, Store Inventory Management, Point of Service, Commerce, Warehouse Management, Demand Forecasting, Advanced Inventory Planning, Assortment Planning, and more. Retailers need world class merchandising functionality that facilitates end-to-end process execution -- and Oracle Retail Merchandising delivers.

**About Oracle Retail**

Oracle provides retailers with a complete, open and integrated suite of business applications, server and storage solutions that are engineered to work together to optimize every aspect of their business. 20 of the top 20 retailers worldwide - including fashion, hardlines, grocery and specialty retailers - use Oracle solutions to drive performance, deliver critical insights and fuel growth across traditional, mobile and commerce channels.

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**Contact Us**

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