ORACLE
Retail

Oracle Retail Inventory Optimization Cloud Service

Inventory is a retailer's most significant financial investment. It is also the most complex to manage efficiently. Consumers have instant access to product availability, and the retailer that fulfills wins the sale and their loyalty. The right strategy is a balancing act between the cost of inventory and service to customers.

However, in the real world, the execution of the best inventory strategy is susceptible to surprises, and excess inventory and reduction of service levels are inevitable. Often retailers have outdated replenishment solutions with strategies that do not take forecasting into consideration. Setting an inventory strategy without insight into forecasting is a risky proposition.

Oracle Retail Inventory Optimization Cloud Service adds intelligence to a retailer's existing solutions to drive scalable execution of inventory strategies. Define the strategies, and the system will do the work.

Retailers continue to face the fundamental need to position inventory at the right place, at the right time and in the right quantities. As the focus on the customer and the flexibility in supply chains increases, so must the emphasis on inventory strategies that can scale.

MAXIMIZING INVENTORY PRODUCTIVITY & OPTIMIZE WORKING CAPITAL

Oracle Retail Inventory Optimization Cloud Service maximizes the productivity of inventory across the entire supply chain, with a self-learning and self-tuning approach to optimizing working capital.

The solution helps retailers to optimize the daily replenishment decision, aligning the actual service level to the targets with the minimum amount of inventory. It also drives a reduction in working capital (mainly inventory), freeing up cash that could be re-invested more strategically.

Key Benefits

- *Reduces inventory - one-time inventory reduction up to 20%*
- *Reduces working capital and inventory handling cost*
- *Increases service level up to 5% and revenue up to 3%*
- *Provides results in 3-6 months*
- *Increases in-stock availability*
- *Increases end-user productivity and emphasis on strategies*

KEY FEATURES

- Continuously optimizes the replenishment parameters at the item-location level allowing retailers to achieve target service level with minimum inventory
- Leverages advanced self-learning science and automatically adapts to market changes and patterns
- Embeds an automatic forecasting algorithm
- Enables end-users to interact with strategies and recommendations
- Provides transparency to recommendations and underlying predictions
- Implements quickly with a high ROI and short payback
- Enhances the legacy replenishment solution without replacing it
- Minimizes IT and organizational disruption

VALUE DRIVERS

An average grocery retailer, with 30,000 SKUs and at least 1,000 stores, will have millions of SKU Store combinations. Determining the optimal replenishment plan without the help of industry-leading science is near impossible. Retailers will need to leverage AI to do the heavy lifting at scale, since people can't scale like AI. Oracle Retail Inventory Optimization Cloud Service enables retailers to reap the rewards of AI, at scale, without changing the existing replenishment system.

Oracle Retail Inventory Optimization Cloud Service:

- Informs replenishment strategies with service-to-inventory trade-offs
- Translates objectives into AI-driven replenishment policies down to the item-location level
- Drives increased productivity, by eliminating the need for manual updates to the replenishment policies
- Minimizes business disruption by integrating to existing (legacy) replenishment systems
- Interacts with Oracle Retail Offer Optimization to drive better outcomes through simultaneous manipulation of supply and demand

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