



# Accelerated Markdown Optimization Service Offering

Oracle Retail Consulting is offering a service to assist in accelerated markdowns, using proven retail science, to address challenges managing distressed inventory.

## OVERVIEW AND PROCESS

Using your data, Oracle Retail Consulting (ORC) will analyze and provide a set of markdown recommendations using the [Oracle Retail Science Platform \(RSP\)](#). These markdowns will be based on your business objectives for the inventory and business rules. ORC will continue to provide markdowns built on your required cadence as determined in the engagement.

To start, ORC will conduct several sessions (remotely) with your teams to cover technical, data, and functional business requirements.

Your team will then begin preparing the data. While the data is being gathered, ORC will configure an environment based on your requirements to support your individual markdown needs.

After your team has provided the data, we will load and validate the data and begin a test run to ensure we deliver quality results. ORC will review the results of the test run with your teams to confirm the quality. Then ORC will generate the production-ready markdown recommendations for your business.

Subsequent runs will be completed as updated data is received and loaded into the environment based on the cadence you require for markdowns.

## BENEFITS OF SCIENCE-BASED APPROACH:

- Targeting markdowns in areas with excessive inventory drives deeper markdowns for some items while allowing higher demand items to remain at a higher price to preserve margin.
- Targeting stores as they are re-opened will likely not follow your existing price structures (price zones or clusters), and you may need to send different pricing to specific stores within a zone.

## RECOMMENDATIONS AND REPORTS

During each phase of this service, ORC will provide the following:

- **Kick-off** – Summary of the sessions; Data file requirements spreadsheet and a decision summary document
- **Simulate and Analyze** – Data validation report, test run markdown recommendations – report and samples, and a test output file of the recommendations
  - The summary report is an Excel file, including the number of markdowns, the cost of the markdowns, and margin impacts.
  - The output file is the standard output file in .csv format and includes the item, location, price, and effective date to be applied to your host pricing system.
- **Results** – Production markdown recommendations output file and summary report

## YOUR COMMITMENT AND REQUIREMENTS

Your team's participation is needed for the requirements sessions, providing the data, reviewing the data validation report, and the test run outputs. Additionally, there will be a post-run review to determine any adjustments prior to subsequent runs. It is important to consider the data requirements for this service.

### Data points that will be needed:

- A minimum of 6 "good" quarters of sales and inventory data for the items at the week level
  - The data will need to be at the location level you will require markdowns for, so if you need store-level markdowns, then the data needs to be provided for the stores.
- Merchandise and location hierarchies
- Current retail and cost
- On-order inventory

A detailed file layout spreadsheet is available for your review prior to kick-off. ORC will provide further guidance on the data requirements in the first meeting session. Business objectives and rules for the markdown recommendations is another critical consideration. These will be addressed in the functional session with ORC.

**If you have any questions regarding the Oracle Retail Science Platform, please email us at [retail-central-consulting\\_ww@oracle.com](mailto:retail-central-consulting_ww@oracle.com) or set up a [meeting today here](#) and our specialists will be in contact with you.**

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