ORACLE

Oracle Retail Replenishment Optimization

Today the cost of being out-of-stock has increased, and <u>47% of consumers say out-of-stock inventory is a deal-breaker</u> for them. Consumers are simply less tolerant of an empty shelf when they have virtually instant access to pricing and product availability from an increasing number of competitors who deliver service and product in multiple ways. To successfully meet financial goals, retailers must strategically balance the constraints and costs of inventory carried at every point in the supply chain.

OVERVIEW

Supply chain complexity puts pressure on the retailer to make sure the replenishment process remains smooth and efficient. The challenge for retailers is to consistently satisfy customers who want to find the quantity of merchandise they want, where they want and when they want. Problems related to replenishment have the potential to affect profitability and overall business success. Complexities at any level of the supply chain include:

- **Sourcing.** Managing a wide range of products, availability, pack configurations, ordering terms and costs across hundreds of suppliers can be daunting for many retailers.
- **Lead time and transportation.** Coordination of source availability, shipping schedules, travel time, and costs.
- **Local market complexities.** Demand patterns and influences of seasonality and promotional effectiveness.
- **Financial and physical constraints.** Budgets, storage limitations, and desired turns.
- **Fulfillment locations inventory pressure.** Financial impact of overstocks and markdowns, pressure to maintain high customer service level, and availability to prevent lost sales and harm to customer loyalty.

ORACLE RETAIL REPLENISHMENT OPTIMIZATION

Oracle Retail Replenishment Optimization balances inventory throughout the supply chain to efficiently achieve desired service to customers by providing optimized replenishment management recommendations. The solution operates as a module that can connect to **Oracle Retail Merchandise Operations Management**, **Oracle Retail Advanced Inventory Planning**, or any other replenishment application in the market.

Key Benefits

- *Reduces inventory*
- *Improves merchandise sell-through*
- *Increases in-stock availability and/or customer service levels*
- *Decreases markdowns, obsolescence, and waste*
- *Increases replenishment system users' efficiency*

Oracle Retail Replenishment Optimization provides a wide variety of advanced predictive and simulation techniques to help retailers carry out replenishment with a high degree of efficiency. The solution:

- Identifies profitable inventory deployment opportunities by simulating the business impact of different demand conditions and inventory investments.
- Identifies overstock conditions at selling locations to reduce excess inventory to meet service level goals.
- Ensures optimal replenishment methods by continuously analyzing replenishment settings.
- Examines alternatives and recommends revised system settings.
- Uses exception-based management to focus the user on key performance measures by prioritizing and tracking alerts based on the severity of problems and the impact on the business.
- Provides automated workflow approval of settings that meet the retailer's business criteria.
- Leverages what-if scenario analysis to gauge the outcome of alternate choices.

ORACLE SUPPLY CHAIN STAKEHOLDER BENEFITS

Oracle Retail Replenishment Optimization delivers value to a retailer via its planning and optimization capabilities:

- Reduces inventory by allocating the minimal inventory necessary to achieve the desired sales and service levels.
- Improves inventory turns necessary to achieve sales and financial goals.
- Improves merchandise sell-through by optimizing replenishment settings and monitoring for stock outs and overstocks.
- Increases in-stock availability by optimally positioning inventory to avoid costly out-of-stocks without excess carrying costs.
- Decreases markdowns, obsolescence, and waste throughout the product lifecycle.
- Increases replenishment system users' efficiency by eliminating the need for management of SKU by location level data maintenance.

Learn more or request a 1:1 demo.

CONNECT WITH US

Call +1.800.ORACLE1, visit oracle.com/retail or email oneretailvoice_ww@oracle.com.

Outside North America, find your local office at oracle.com/contact.

 blogs.oracle.com/retail/   facebook.com/oracleretail   twitter.com/oracleretail