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How to Adjust Processes & Parameters in Oracle **Retail Merchandising Replenishment** and Oracle **Retail Allocation** in a Time of Crisis

PURPOSE STATEMENT

This document provides guidelines on processes and parameters that need to be reviewed and adjusted in Oracle Retail Merchandising Replenishment or Oracle Retail Allocation to help manage your inventory during severe supply chain disruptions.

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ADJUSTING ORACLE RETAIL REPLENISHMENT OR ORACLE RETAIL ALLOCATION PROCESSES AND PARAMETERS TO MANAGE THE SUPPLY CHAIN THROUGH A CRISIS

We understand many Oracle Retail Merchandising customers are experiencing challenges managing their supply chain during this unprecedented era in Retail. Depending on the impact on your business, the Oracle Retail team recommends users review, assess, and adjust parameters that affect the functionality of replenishment "pull" processes or allocation "push" processes to manage the flow of inventory as needed during and after the health crisis period.

ORDER CYCLES

Changes that are driven by Distribution Centers and Supplier Constraints (for, e.g., supplier review is every two weeks, but inventory circumstance dictates the need to replenish more often).

- Review Cycles – The frequency at which RMS Replenishment considers inventory for re-ordering opportunities or allocation considers warehouse stock for scheduled allocation creation. Consider adjusting the review cycle to align with the circumstances:
    - Everyday
    - One day per week
    - Multiple days per week

SUPPLIER CONSTRAINED STOCK

In case the supplier fixes the available quantity for a given order

- Exempt from Replenishment Scaling – Consider exempting items on replenishment from existing scaling constraints.
- Use of Allocation – Consider the use of a What-If allocation in the short term, using supplier constrained stock to determine the stores that need the inventory most and create an RMS PO/store allocation.

SIMPLIFY ORDERING ON A SHORT-TERM BASIS

In case there is a need to change from a forecasting method of allocation or replenishment to a non-forecast method, consider the following:

- Allocation methods:
  - For constrained supplier inventory - Non-forecast/planning/history-based "manual" allocations to supplement replenishment inventory for spikes in demand, utilizing Quantity Limits of Min, Max, and Threshold.
  - For unconstrained supplier inventory - Consider using the What-If process to create an RMS PO with the proper stores being allocated to using a bottoms-up need calculation, also utilizing the Quantity Limits listed above.
- Replenishment methods:
  - Move to more straightforward replenishment methods
  - Non-forecast-based replenishment – Consider methods that do not use inaccurate forecasts in the short-term
  - Min/Max
    - A user defines the maximum and minimum stock
    - The order triggered when available inventory is less than the minimum and fills to the maximum
    - Does not consider demand trends, future forecasts, seasonality

ADJUSTING PARAMETERS ATYPICALLY

- Safety Stock – Adjusting the safety stock parameter to artificially inflate or deflate orders to get the required stock
- Presentation Stock – Adjusting the presentation stock to artificially inflate or deflate orders with the goal of getting the required display stock
  - Minimum stock level required in a location for shelf display
  - Replenishment with base calculations on maintaining at least this level of stock

REVIEW OTHER KEY PARAMETERS:

- Replenishment Lead Times - Considering that the transportation frequency will be changing to move stock quickly, lead time parameters may need to be changed as well.
- Replenishment Supplier Minimum – with supplier constrained inventory; supplier defined minimums may be re-evaluated with the supplier and changed in RMS.
- Replenishment Substitute Items – consider adding substitute items for warehouse stock constrained items.
  - For warehouse stocked merchandise, requisition transfers will be created for the substitute items if the main item has limited stock in the warehouse.

MAINTAINING REPLENISHMENT ATTRIBUTES

If there is a need to temporarily change a few item/location replenishment attributes, RMS provides multiple ways to make these updates in a more effective manner. As maintaining attributes at the item/location level is not always the most efficient way to make updates, RMS provides the ability to update the attributes at multiple levels of the item hierarchy, including:

- Item parent and item parent/diff
- Using item lists

The system also allows for maintenance using the different location groupings:

- Location lists
- Location traits
- Regions
- Districts

The replenishment update batch processes the new data.

As the supply chain circumstances return to the normal, the above process can be used to revert to the original replenishment attributes.

The Oracle Retail team is here to help and is standing by its customers and solutions during these difficult and challenging times. If you have any questions regarding this or the Oracle Retail platform, please feel free to email us at retail-central-consulting_ww@oracle.com, and one of our specialists will be in contact with you.

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