

Inventory Transfers & Assortment Balancing

SUMMARY

Retalon’s predictive analytics engine analyzes every single influencing factor of a retail supply chain, and recommends the optimal inter-store transfer schedule to move merchandise from stores that have an abundance or a low chance to sell the product to stores where the same product is out-of-stock and in high demand. **proactively.**

RETAIL CHALLENGE:

Inventory Distortion causes retailers to experience lost sales on hot selling items in one location while the same products are in abundance in other slow-selling locations. This is especially true after seasonal events, promotions, and new product launches. Unbalanced inventory and broken assortment causes overstocks, carrying costs, lost sales, unnecessary markdowns, and needless new purchases.

RETALON SOLUTION:

If a company has 100 locations with only 1,000 SKU's calculating & analyzing possible inter-store transfers means manually looking through over 10,000,000 possible combinations. This process often drains resources and rarely produces tangible results.

Retalon’s Inventory & Assortment Balancing is a powerfully versatile solution that intelligently recommends inventory transfers to satisfy multiple scenarios. It automatically & proactively identifies the most profitable transfers in seconds. The solution is built on a Predictive Analytic platform that determines the “Net Benefit” of multiple factors including a highly accurate demand forecast as well as aging, transfer and transportation costs, store proximity and size.

This enables retailers to quickly pinpoint the most profitable transfers in their business and act on it proactively to avoid lost sales and costly markdowns.



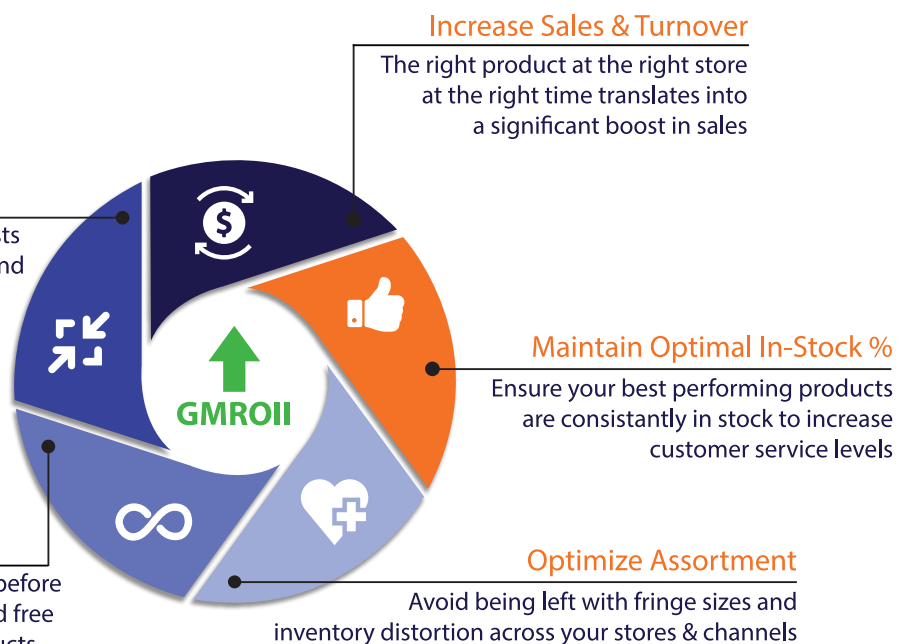
Fig. 1 - Several examples of benefits & results retailer can expect from Retalon’s Inventory Transfers & Assortment Balancing Solution

Reduce Overstock

Reduce overstocks, carrying costs without needless markdowns and costly promotions

Free up Open-to-Buy

Get rid of seasonal inventory before end-of-season as full price and free up your shelves for new products



SCENARIO EXAMPLES: (Use Cases)

Avoiding Out-of-Stocks & Overstocks: One of the most common uses for this module is to ensure that you maintain a high In-Stock % on top performing products/locations while simultaneously reducing overstock by moving the inventory to where it will be sold faster and at full price

Re-Building Assortment: Whether it's the core sizes that are missing in a fashion store, or an electronics retailer out of the top-selling DSLR cameras, a broken assortment leads to lost sales, and significant reduction in customer service level. Retalon automatically re-builds your assortment in each store or channel to ensure that you're offering an optimal assortment depth vs diversity and maintaining a high In-Stock % on top performing products.

New Store Openings: The system will intelligently build the merchandise/assortment of a new store from overstocked inventory you already own in other locations of DC. The new store is able to carry inventory that had a very low chance of being sold at full price elsewhere, and avoids needless/costly new purchases.

Smart Fulfillment: Consumer expectations have changed, today's customers expect a consistent shopping experience through all channels (Stores, Web, and Mobile) with speedy and convenient fulfillment. This is why Retalon's solutions are designed for Omni-Channel retailers. If you are fulfilling online orders from stores, the system will automatically account for online orders and proactively bring merchandise to the right location to fulfill online order proactively without breaking your store assortment.

About Retalon:

Retalon is an award winning provider of Retail Predictive Analytics solutions for planning, inventory management, merchandising, pricing, and marketing operations.

With customers in North America, Europe, and the Caribbean, we're optimizing over +20 Billion store/SKU combinations daily. Retalon solutions seamlessly integrate into any ERP system, and are available as Cloud SaaS.

TO ACCURATELY IDENTIFY THE MOST PROFITABLE TRANSFERS:

100 × **1,000** = **10 Million**
STORES UNIQUE SKU'S TRANSFER COMBINATIONS

PLUS, YOU NEED TO ACCOUNT FOR DOZENS OF FACTORS:

- + Transfer Cost (Picking & Transfer Costs, Store Proximity & Capacities)
- + Current Inventory (In-Transit, Orders, Open Orders)
- + Cannibalization between products
- + Assortment Depth vs Diversity
- + Cannibalization between products

RETALON DOES THIS AUTOMATICALLY FOR OVER 25 BILLION COMBINATIONS EVERY SINGLE DAY.

INTEGRATED PREDICTIVE ANALYTIC PLATFORM:

All Retalon solutions are built on one common predictive analytics platform that generates a highly accurate demand forecast. The ability to automatically account for a wide range of variables, business rules and a coordinate multiple functions of a retail business enables Retalon users to make important decisions early with a high degree of confidence.



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