

GAINS Retail

Demand, Inventory & Supply Chain Management for Retailers

The ability to manage inventory effectively can be the difference between success and failure for retailers. With inventories often representing 30%-60% of current assets, retailers must turn inventories as quickly as possible whilst making a suitable margin. If a retailer doesn't have the right product in the right place at the right time for the right price, everything else becomes irrelevant. On the other hand, optimally balanced inventories can be a powerful competitive advantage by delivering huge cost savings, sales growth and sustainable performance improvements. Bearing this in mind, the need to successfully plan and optimise inventories is critical.

The **Rocket Science Retailing** concept is easy to grasp but difficult to achieve given the unique complexities of retail inventory management.

"Offering the right product in the right place at the right time for the right price is retailing's formula for perfection".

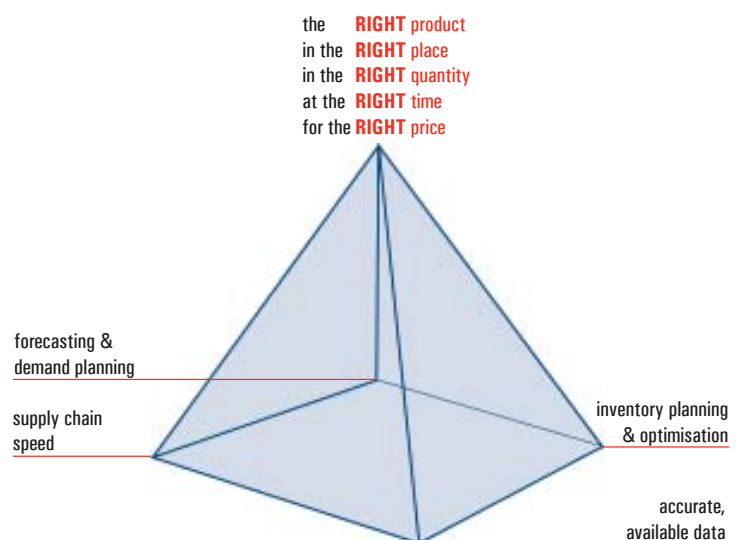
"Rocket Science Retailing is Almost Here – Are You Ready?"
Harvard Business Review

Unfortunately, the retail market is littered with high profile stories of failed planning system implementations. Why? One of the key reasons stems from the mismatch between system capabilities and business requirements. The retail space is not well catered for by most planning systems, and what works well for a process manufacturer may not work well for a retailer – it's a matter of fit.

Enter GAINS Retail. GAINS Retail is a proven demand planning, inventory optimisation and supply chain planning system that has benefited from an unparalleled 30+ years of real world development and experience. GAINS Retail has been tailored to meet the needs of retailers ranging from Fast Moving Consumer Goods (FMCG) to Hardware to Automotive to Clothing.

Retail inventory management challenges:

- store-level Presentation Stock and Plan-o-gram requirements
- a large number of products and stocking locations
- frequent and varying product life cycle changes
- the need to synchronise supply and demand
- variable demand patterns ranging from cyclical to trending to sporadic/slow moving
- demand volatility created by promotional activity
- the need to respond quickly to short term changes as well as plan demand and supply over the longer term
- the need to optimise inventories based on risk, costs, constraints and customer service level goals
- the need to constantly achieve the right mix and balance of inventories – at the right time
- supply variability and risk
- large data volumes



"GAINS is unique in the functionality provided to support Inventory Management (IM). In addition to functionality typically supported by IM specialists... GAINS approaches the IM problem in a precise, sophisticated fashion that focuses on profit optimization."

Examples of GAINS Retail features which address retailers' challenges

- ◆ GAINS Retail is a dynamic planning system that automatically re-optimises inventories as the environment changes
- ◆ unsurpassed demand planning methodology – GAINS Retail has a proven battery of forecasting algorithms that cater for the vast range of demand patterns that retailers experience. From fast movers to cyclical/trending to the slow movers in the 'tail', GAINS' dynamic, adaptable and rigorous demand planning process automatically selects the best forecast model for every item in every location – every time.
- ◆ ability to forecast by item, location, customer, channel, category, unit of measure, colour, size, style, type etc.
- ◆ facility to add and assess market intelligence at various levels
- ◆ enables supplier and customer collaboration
- ◆ delivers an exception-based process – highlights and prioritises recommended actions
- ◆ enables process automation
- ◆ proactively manages service level targets
- ◆ detects life cycle and trend changes
- ◆ ability to profit-maximise the inventory mix
- ◆ embodies product substitution and supersession management functionality
- ◆ proactive lot management and stock ageing capabilities
- ◆ optimises inventories based on risk, costs, constraints and customer service level targets
- ◆ synchronises demand and supply
- ◆ provides forward vendor schedules and supply plans
- ◆ has comprehensive distribution requirements planning (DRP) capabilities
- ◆ proactively prioritises and allocates stock by item by location
- ◆ incorporates and plans for stock presentation requirements
- ◆ powerful promotions planning and "what if" simulation capabilities
- ◆ proactively balances and repositions inventory to demand across the distribution network
- ◆ can take demand directly from point of sale (POS) data
- ◆ enables vendor managed inventory (VMI)
- ◆ provides inventory margin analysis
- ◆ measures and proactively manages supply variability risk
- ◆ provides an interactive performance measurement dashboard

In regards to planning inventories based on maximizing corporate profits; "To date, only GAINSystems' inventory management application takes this approach in a systematic way."

**Report on Supply Chain Management
– AMR Research, Inc.**

"Rocket science retailing involves a marriage of left-brain (scientific) and right-brain (intuitive) thought and work processes. For some retailers, that means developing a data-focused planning organization to complement their traditionally creative buying and merchandising operations."

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Are You Ready?" Harvard Business Review**

Typical benefits within 6-12 months:

- ✓ results guaranteed with success-based implementation
- ✓ rapid, sustainable cash generation
- ✓ average 20:1 return in first 12 months
- ✓ 20-40% inventory reduction
- ✓ sustainable, controllable service levels improvements
- ✓ enhanced return on equity (ROE)
- ✓ improved return on assets (ROA)
- ✓ significant working capital improvement
- ✓ improved operating efficiencies
- ✓ improved relationships with suppliers and customers
- ✓ integration of business goals and operational practices
- = **INCREASED ROI**

REAL PEOPLE • REAL WORLD • REAL RESULTS

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Experts in Demand, Inventory & Supply Chain Optimisation