Oracle Retail

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WHY ORACLE RETAIL SUITE?

> **OUTDATED PROCESSES UPDATED**

> **ORACLE RETAIL'S ADVANCED ANALYTICS**

> **SYSTEM INTEGRITY**

> **SUPPLY CHAIN IMPROVEMENT**

> **PROCESS ISSUE RESOLUTION**

> **REACT TO RETAIL SHIFTS**

WHY? Optimize the Integrated Supply Chain

Begins at the factory

Suppliers

Logistics

Ends with the customer

Store/Sales

Sales Directorate

Information Technology

Marketing

Finance and Accounting

Retail Management System

- ✓ RMS is a retail system to manage suppliers and items by locations.

- ✓ Centralized System to monitor inventory and meet demands.

- ✓ An enterprise solution that integrates suppliers, buyers, and retail locations for the life cycle of the product..

RMS Brings New Organizational Changes

- **Team Structure**

- **Business Processes**

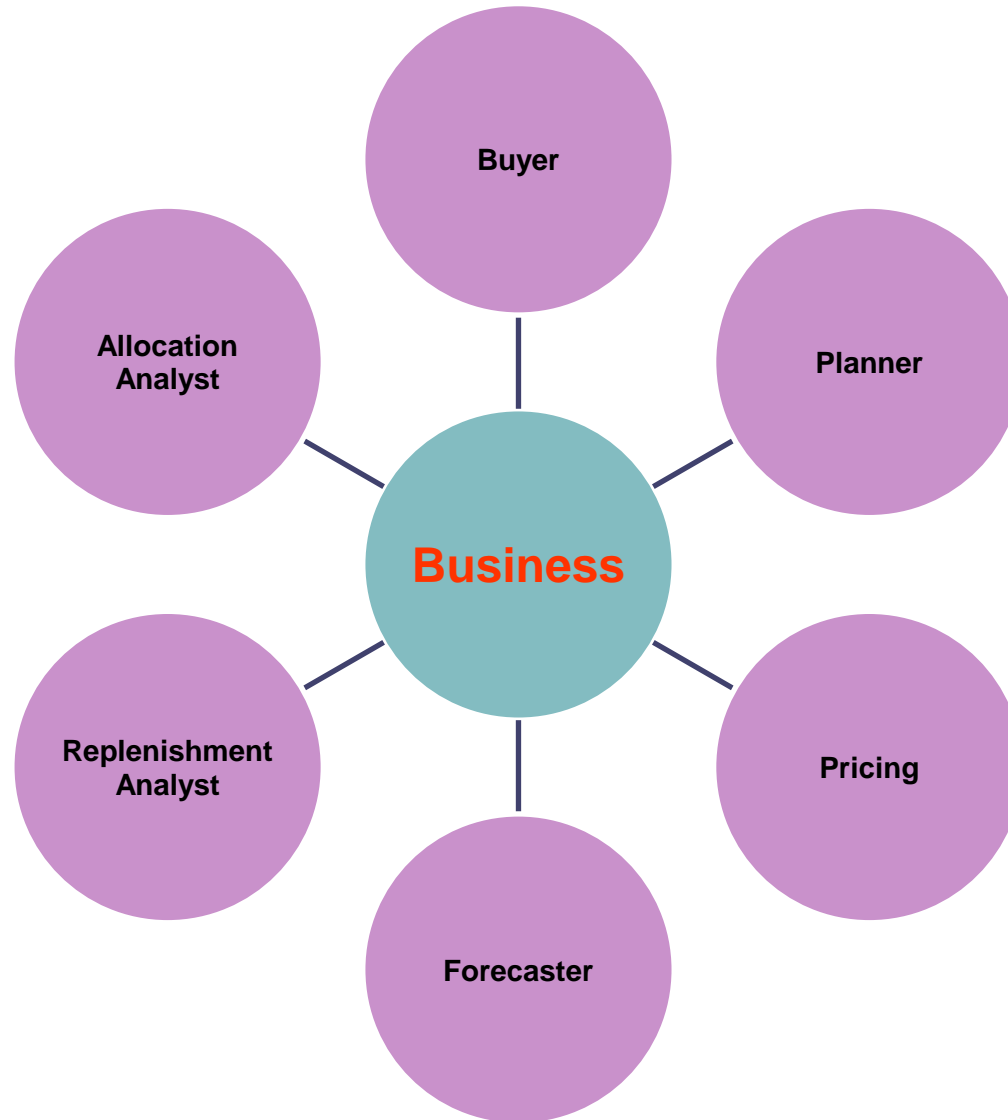- **Systems Changes**

- **Centralized Buying**

New Business Process

> Changes how we accomplish our daily work

> New Replenishment Methods

> New Item Management and Setup

Having the right product, at the right place, at the right time!

PAR Team – Focusing on the Business to Achieve Customer Satisfaction

Team Structure-Impact Teams

Buyer

Business

Planner

Buyer

- Selects & manage assortments
- Identifies products
- Analyzes trends and markets
- Secures best cost and negotiates deals
- Manages vendor relationships and contracts
- Makes product Lifecycle decisions
- Product and Price

Planner

- Builds forward looking financial plans
- Manages inventory plans and execution
- Builds item lifecycle plans
- Exception analysis and update plans
- Supports promotion, pricing & assortment fit plans
- Coordinates supply chain execution
- Place, Qty, Time

Team Structure – Impact Teams

Allocator

- Manages allocation of product to support forecast
- Adjusts model quantities and inventory parameters
- Performs basic assortment fit reviews and analysis
- Builds allocation plans
- Exception analysis and issue resolution

Planner

Business

Allocator

Replenisher

- Manages purchase orders
- Set-up and executes replenishm parameters
- Performs routine communication with vendor
- Builds purchase order plans
- Exception analysis and issue resolution

Replenisher
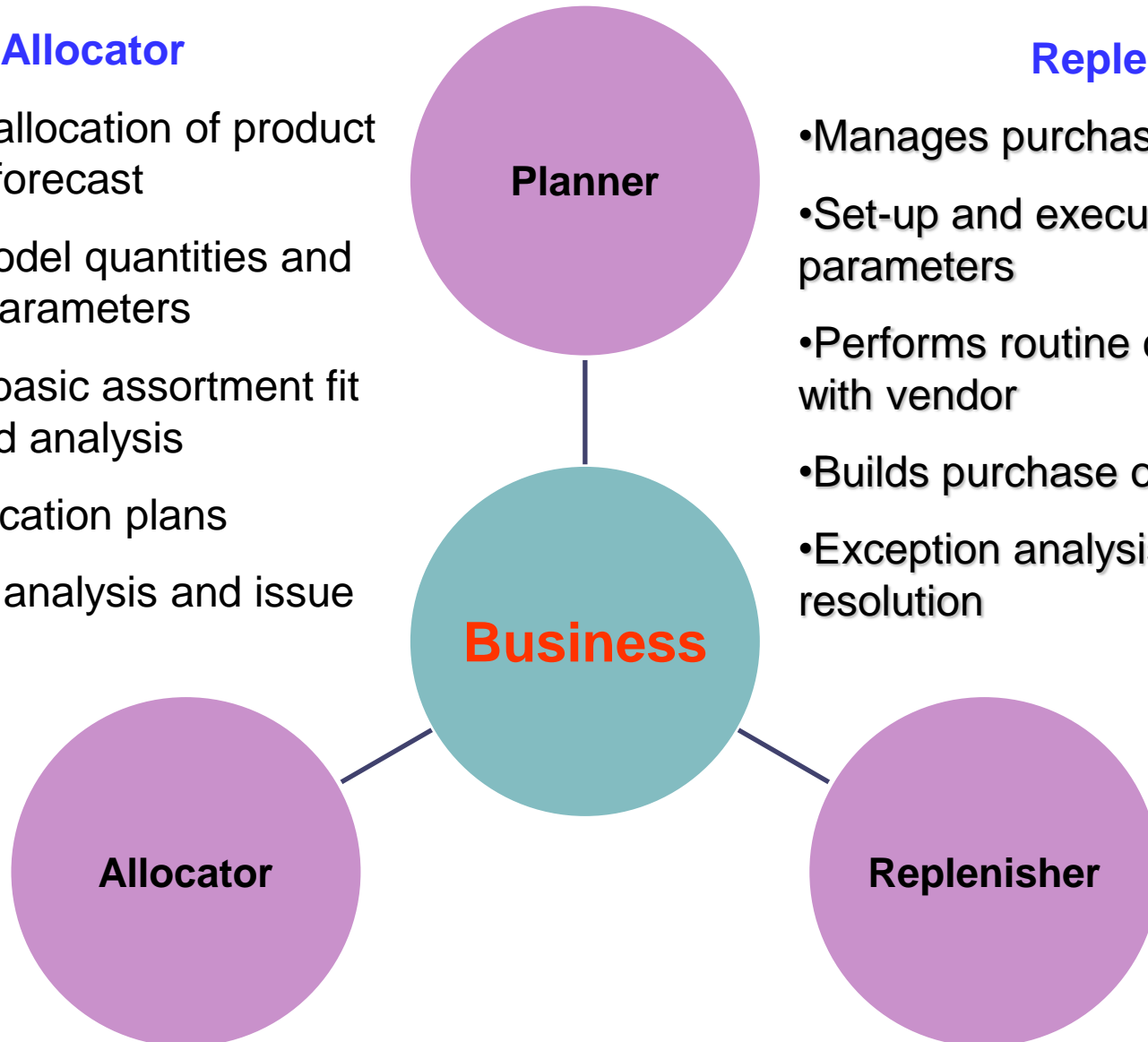
Team Structure – Support Roles

Forecaster

- Determine SKU level forecast
- Reconcile unit demand forecast to sales plan
- Resolve forecast issues
- Monitor/Report forecast accuracy
- Assigned to Commodities

Pricing

- Establishes strategic pricing models
- Systematically assigns prices
- Identifies trends and opportunities
- Leverages pricing strategies to maximize sales and gross margin
- Manages Completive Pricing Data
- Local Merchandise Price Coordinators

Buyer

Business

Forecaster

Pricing
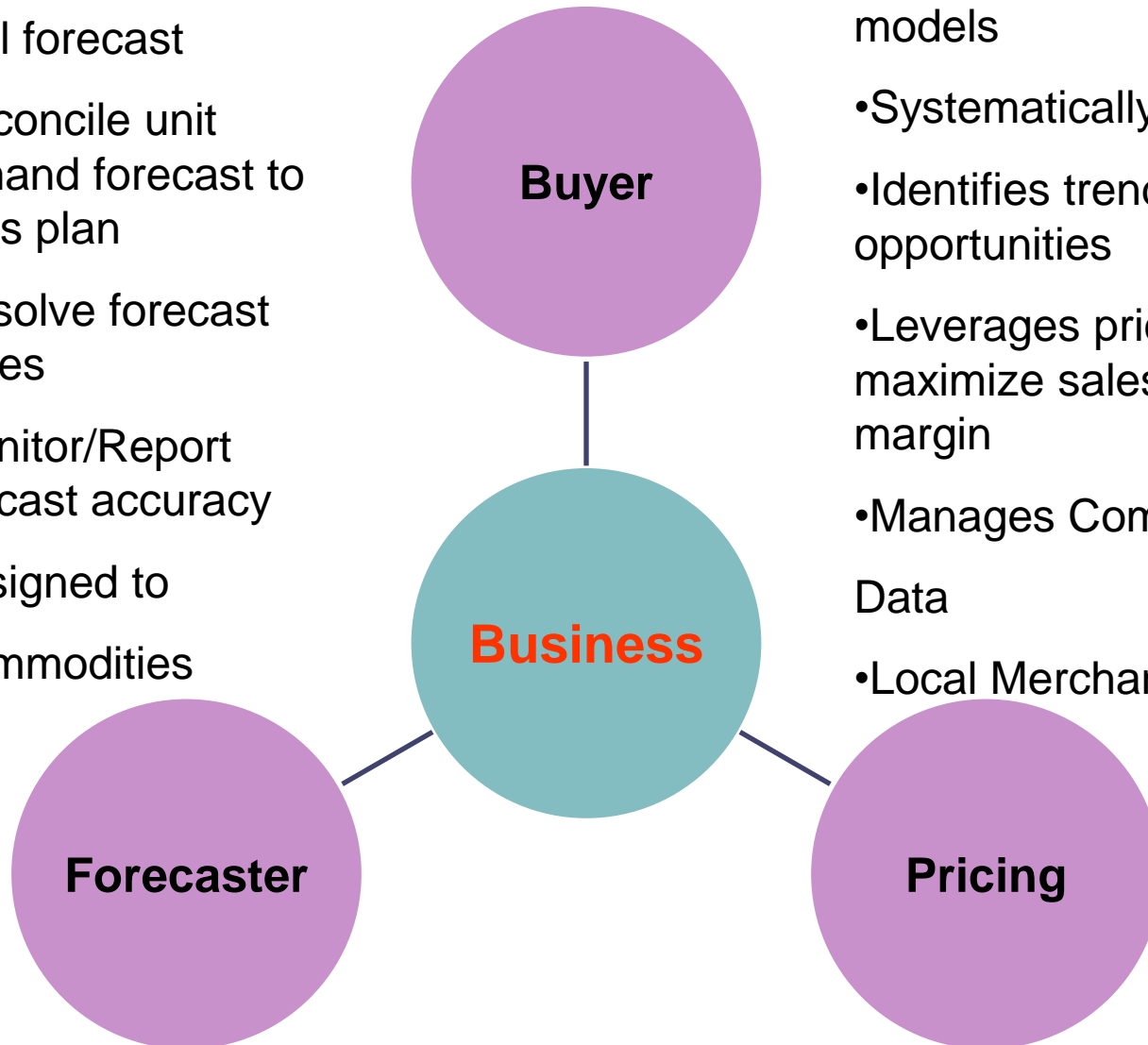
Dynamic changes to how we replenish!

- **Proactive Assortment Planning**
- **"Just in Time" Replenishment**
- **Offshore DC replenishment using DDDC and WCDC**
- **Select stores convert VDS to Crossdock**
- **Mass Allocations**
- **Lower inventory investments reduces costs**

Reducing inventory storage and handling costs, improves customer fill rates and AAFES supplies goods that customers actually want.

Replenishment

Calculates inventory needs by location and automatically generates orders to fulfill the needs.

Benefits:

- ✓ **Automates centralized replenishment for ordering**

- ✓ **Generates purchase order quantities or automatic transfer requests based on perpetual inventory**

- ✓ **Leverages Technology:**

- • **Oracle Retail Supply Chain Optimization and Oracle Retail Demand Forecasting offer a complete replenishment solution**

- • **Uses Min/Max and Presentation Stock values**

Allocation

The Allocation allocates or distribute merchandise based on current activity, trends and history.

Benefits:

- ✓ **Recommends allocation quantities (RAQs) based on a Store's needs using sales history information or plan**

- ✓ **Uses "what if" capabilities that enable cross dock and order allocations**

- ✓ **Allocates promotions, one time buys, warehouse clearance, and fashion merchandise**

- ✓ **Replaces PCPO and the FDC Fashion system**

Item Data Management

Merchandise Support Team (MST)
Global Data Synchronization (GDS)

- **New Item Induction form**

- **Item Approval Process**

- **GDS Item Induction**
  Electronic

- **Item Data Entry Experts**
  Merchandise Support Team

The new item setup process is more detail and time consuming but the time spent on proper item setup yields greater benefit to AAFES in the lifecycle of the item.

Oracle Retail Benefits AAFES

› **End-to-End Supply Chain Management**

› **Centralized Buying**

› **Solves critical business problems**

› **New IT infrastructure for AAFES**

› **Implements best retail industry practices**

› **Makes exception reporting information readily available**

› **Perpetual inventory, data integrity, supply chain visibility**

› **Continuous improvement of productivity**

› **Yields higher customer satisfaction over time**

FY 2011: Thank you for the best inventory shortage variance in our company's history!

Questions?

Thank You!