

## Solution Data Sheet

**Background:**

Enterprises are constantly trying to rationalize their product portfolio to determine which products perform well and which don't, in order to define the best mix of products to carry. This problem manifests itself in different ways in different industries, while having some common elements across industries. In the case of Retail, this problem often manifests itself in the form of Category or Assortment Management. While these principles are being implemented in some measure at many retailers, invariably there are gaps in the implementation of these programs. Several steps are involved in such programs –

- Determination of Category Definitions, Roles and Strategies
- Establishment of the program scope – geography, locations, branded vs private label etc
- Procedures for day-to-day management of the program
- Identification and factoring of supply, inventory, location and transportation constraints
- Determination and correlation with financial performance measures
- Effective engagement of the supplier community
- Management of the program by an agency/outsourcee in the case of an outsourced operation

**Problem Description:**

The systems that deal with the Analytics, Planning and Execution aspects of such programs

- Have gaps in functionality and invariably are not integrated
- Often need to be tailored to specific situations
- Tend to be complex to use with unfriendly user interfaces

**Solution Description:**

Our solution set to this problem, Product Portfolio Management, consists of

- Upfront analysis of requirements that enables the configuration of our toolset for specific situations and roles such as the Category Manager, Buyer or an Agent to enable them to make quick operational decisions
- Licensable toolset built on readily available technologies
- Deployment, maintenance and management services for the toolset for ongoing operations

The input for performing promotion planning would be the current selling prices, costs, demand forecast, supply picture, and the price elasticity (can range from simple to complex rules). The software would be run in simulation mode to evaluate the impact of changing prices and the different scenarios reported, highlighting the best prices.

**Functionality Highlights:**

- Demand Forecasting: Statistical forecasting (moving averages, exponential smoothing).
- Inventory Planning: Target inventory calculations based on desired service levels, supplier lead times, transportation lead times.
- Replenishment Planning: Replenishment calculations (across supply network, from stores/regions to distribution centers to manufacturer).
- Constraint Visibility: Highlighting of common constraints e.g., inventory shortfall, inventory excess, supplier capacity shortfall.
- Promotions Planning: Optimal pricing policies using the Cost-Volume-Profit (CVP) method for the supply network used in Replenishment Planning; to determine impact of changing sales volumes on profitability
- Ready visibility to financial metrics being measured such as Margin Contribution by Category by period
- Generation of Replenishment Order Data
- Analytics support to pick and prioritize categories

**Technology Highlights:**

- Architecture allows for easy customization and deployment.
- Java planning engine allows for modeling of supply network and quick computations.
- Excel UI allows for rich reporting and easy user acceptance and extension

**Value Proposition:**

- Speed of execution in the definition and implementation of programs
- Complements and extends an internal team of Industry, Process and Technology Architects and toolsets

**Methodology:**

- Opportunity assessment and Engagement definition
- Requirements formulation and determination of systems gaps and priorities
- Modelling, configuration and customization of the toolset
- Definition, development and monitoring of a pilot initiative
- Deployment and operations

**Qualifications:**

- Seasoned team of Industry, Process and Technology specialists with years of experience in strategic planning, supply chain management and operations at firms such as Anheuser Busch, Energizer, Wal-Mart, HP, Dell, Ernst & Young and i2 Technologies and advanced degrees in Engineering, Operations Research and Statistics