

A synchronized, customer-centric approach for c-stores

Create smarter and more agile stores.
Delight your customers.



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Today's retail conditions demand a fast, intelligent, orchestrated response.

Extreme market volatility has starkly revealed the weaknesses of the traditional linear supply chain. While we once naively accepted a simple, straightforward movement of products from the supplier to the shelf, events such as the blocking of the Suez Canal and shortages of labor have demonstrated that the retail supply chain is bigger, more complex and faster-changing than we ever imagined.

In the face of multiple selling channels, supply and labor shortages, growing competition and the ever-increasing power of consumers, the simple act of sending products to the shelf is fraught with risk and complication. Which stores have the highest consumer demand and the greatest potential margins? What are the associated costs in terms of inventory and handling? Are you cannibalizing other stores or products? Do you have the labor assets ready to move products and serve your customers?

The good news is that advanced artificial intelligence (AI) can help convenience retailers define strategic goals, and achieve them quickly and autonomously, no matter the level of supply chain volatility or complexity. AI weighs thousands of risks, opportunities and costs to act with speed, strategy and certainty. AI engines can be finetuned to support specific goals like increased customer service or margin optimization — and they can make fluid adjustments that actually shape consumer demand as conditions change.

The bad news? Retail teams have been trained to work in functional siloes, in parallel, toward narrow functional goals — instead of contributing to a synchronized, fluid process where each decision has a well understood

impact on the entire supply chain and customer journey, and everyone is working toward shared objectives. Traditional retail teams may be “unified” under a supply chain planning umbrella, but in reality they often work at cross-purposes, supported by diverse forecasts and technology solutions. The traditional retail planning organization is not configured to leverage the full power of AI to synchronize the diverse tasks of store execution, workforce management, category management, and pricing with one another, in real-time and with full visibility.

This eBook looks at why a traditional approach might improve your current operational model but won't deliver sustainable speed, resilience and agility. Instead, it suggests an alternative: a synchronized supply chain and smart store strategy, built around AI-enabled processes that positions the entire c-store supply chain to sense changes and rapidly pivot, to optimize outcomes.



1. Optimized Execution

In the distribution network and store, employees' productivity and strategic contributions are maximized.

By automating and connecting daily decisions, task execution, and disruption handling, Blue Yonder's AI-enabled solutions make the entire retail supply chain operate faster and more efficiently, especially in the store.

In both the distribution network and store, smaller and more targeted amounts of inventory flow through the network, which translates to lower requirements for storage, transportation, replenishment, handling and labor. Daily activities like ordering, managing inventory, transporting items, and executing price changes are automated. This allows employees in store, logistics and fulfillment operations to transition from more manual, tactical work to making higher-level, more strategic contributions. Automation positions retailers to maximize the impact of the staff they have on hand, which is critical in the face of today's labor shortages.

With Blue Yonder, it's easy to keep stores running efficiently. Blue Yonder's Luminate Store Execution is a modern back-office system designed to help c-stores meet today's challenges. It's the back office of today's autonomous store journey with an API-first approach to deliver extensibility for tomorrow. The solution helps store managers gain visibility and control over the whole store, from inventory management and pricing execution to foodservice and integrated forecourt management. And it does so with a mobile-first approach that keeps associates on the floor to serve customers and help drive loyalty. Store business processes and daily tasks are automated via mobile workflows so associates can focus on exceptions and be more productive. Integrated forecourt tools help supports fuel pricing, simplify wet stock

management and oversee forecourt services such as car washes and delivery lockers.

When it comes to efficient c-store operations, quality matters. This is especially true for freshly prepared foods and grab-and-go items. Foodservice remains one of the biggest growth opportunities for convenience retailers. Without the proper systems, operators can suffer from high levels of food waste. Clipboards with printed prep sheets and inventory check-off forms are a thing of the past. It's not enough to know how much food to make, you need to know when to make it. On-the-go food, a fast-growing market segment, is very dependent on time of day and day of week. Breakfast sandwiches are a big hit in the morning as people head to



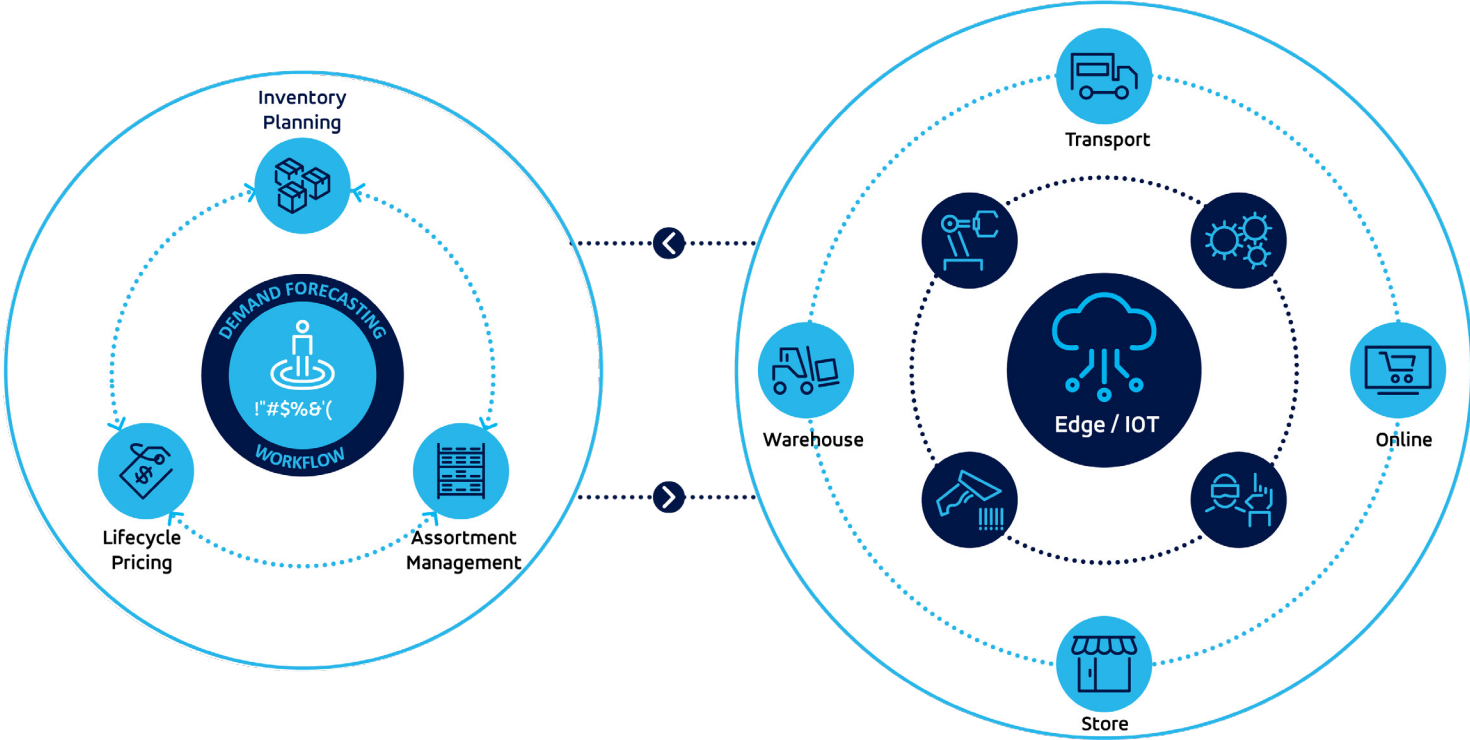
With Blue Yonder, it's easy to keep stores running efficiently.

school and work, but you better sell out of them before 11 am or they suddenly turn to waste. A synchronized, holistic view of demand is key to maximizing profitable sales, especially for make-ahead, grab-and-go foods. This means understanding demand by item and daypart, factoring in required prep times, and knowing the ingredients needed for each recipe. Only then can everything be optimized — from buying the required ingredients at the right time all the way until the meal is enjoyed. Blue Yonder's Luminare Store Execution has robust foodservice management capabilities to help ensure every order is made quickly, accurately and at the highest quality possible.

We help you make the most of limited space with robust ordering and inventory management tools. Real-time visibility of inventory balance and accurate demand forecasting helps you maintain an accurate view of inventory without excessive work.

Inventory details are captured during delivery and maintained through to the final sale. If a discrepancy is identified, the system automatically generates exception alerts for employees to investigate. AI-driven forecasting generates optimized orders for every SKU and store to ensure assortments are localized to customer preference and based on regional availability. When demand changes, the system helps you adjust quickly to prevent excess inventory or out-of-stocks.

Blue Yonder gives you the flexibility to run your business the way you want to, by integrating with all major POS and AP systems, so you can keep your existing investments. Open APIs help extend the value of Luminare Store Execution across additional capabilities, such as electronic shelf labels and other IoT devices, so the solution can grow with you as your business grows and evolves.



2. Workforce Management

Combatting today's labor challenges with flexible scheduling

Labor shortages are everywhere. Retailers especially are feeling the pressure of unfilled jobs, high turnover rates, and rising labor costs. The best way to combat labor shortages is to make the most of the workforce you have today. Happy employees who are compensated fairly, have the work/life balance they need, and are fulfilled by their work typically don't leave. The key is fully understanding what's most important to each employee, such as their definition of work/life balance, what they're passionate about, and what motivates them. From there, you can design strategic plans for your workforce that helps you retain and grow employees, and cut down turnover, which hurts your bottom line and customer service levels.

If you want to get the most out of your workforce, you must fine tune your workforce management systems and scheduling processes to align with their individual needs. It's no surprise that the people who work for you have different needs and different priorities. So, when it comes to designing work schedules that appeal to your employees, it's more complicated than looking at only job roles and availability.

You may be asking, if you give every employee exactly the schedule they want, what about shift coverage? Blue Yonder's scheduling engine always considers labor demand as a key factor when building out schedules. This means sometimes employees will work their less-preferred shifts, but only when there aren't other qualified associates available to cover. In the case of the employee now working fewer cashier hours, those shifts are assigned to other qualified and available

employees. This ensures the business always has full shift coverage every day while appealing to each individual's preferred work days, shift times, job functions and days off.

It's also important to generate schedules that appeal to your employees. Swapping shifts is a familiar concept when it comes to hourly employees. Blue Yonder WFM takes this a step further to allow employees to pick all their own shifts. Here's how it works. The scheduling engine produces a weekly schedule with all the shifts needed to meet demand. The only difference is that all the shifts are unassigned. The schedule gets published to a shift marketplace and employees can pick and choose the shifts they want. Automatic verification tools ensure that all regulations and policies are followed, and employees meet the criteria for the jobs selected. For businesses that employ temporary and 'gig' workers, blank schedules are a great way to achieve higher shift coverage. Is there anything more flexible than giving employees complete control over their schedules?



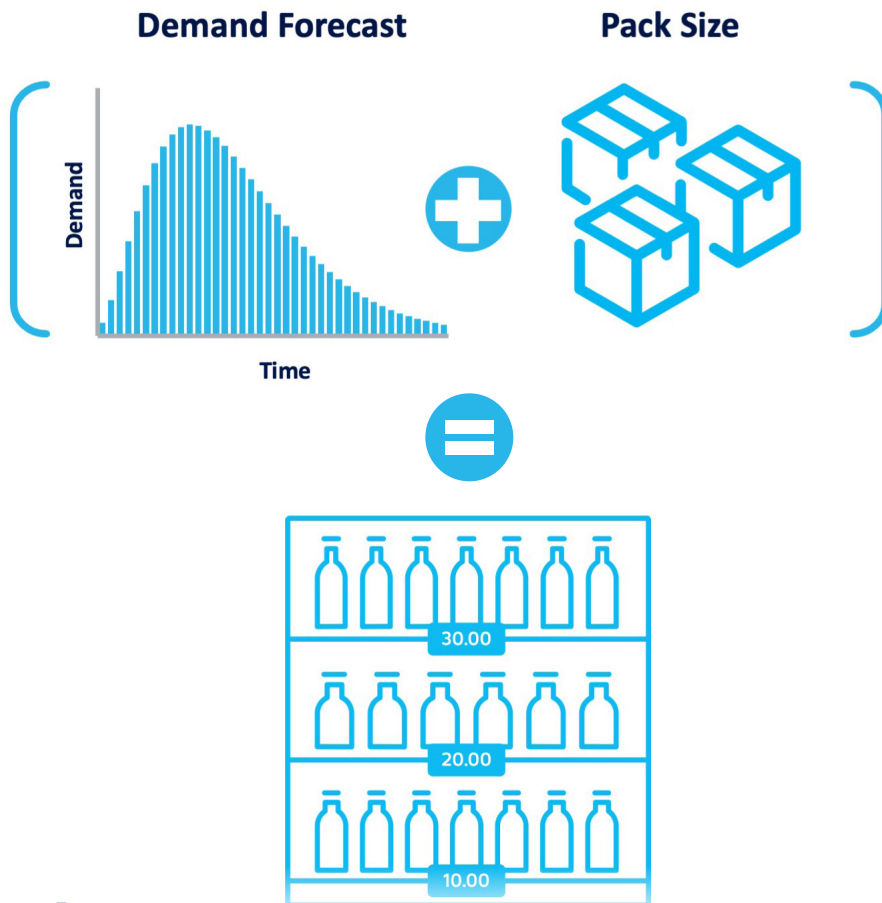
3. Smart Category Management

Perfecting assortment localization to help shape demand and maximize revenues.

In today's hyper-competitive retail climate, consumers have unprecedented power to dictate the specific products they're looking for, the channels they prefer, the way purchases are delivered and, increasingly, the price they wish to pay. Loyalty must be earned every day, with every sale. This means understanding what customers want at every store, making it easy to find what they're looking for, and making the in-store shopping experience convenient.

Blue Yonder makes the category management process more strategic and dynamic, with focused space adjustments based on demand trends to make the most of limited shelf space with minimal store-level disruption.

We help transform category management from a static, calendar-based event to a responsive and ongoing process tightly synchronized with the broader supply chain. As changes are made to planograms, these updates are automatically reflected in the entire order chain. More facings mean more stock is delivered to the store. Fewer facings mean less stock. And, because Blue Yonder solutions have a detailed view of package sizes, available space and other constraints, the plan is also built to maximize every available inch of space, at every store.



Building Optimized Assortment and Space Plans

Blue Yonder's category management considers demand, space and labor constraints — arriving at customized, implementable plans for every store.

Creating an optimized assortment plan is far more complicated than starting with a generic plan and making adjustments to fit different store formats. Instead, it requires an understanding of store-specific demand, local preference, and space constraints and labor availability, all at a granular level. With this approach, each store's space and assortment plans are inherently achievable because they automatically consider real-world conditions and constraints.

Trying to capture and account for these differences can be daunting without the right technology. Blue Yonder's category management can ingest enormous volumes of data, including forecasted demand, shopper insights, store layouts, shelf and space availability and more, to automatically generate hundreds of thousands of customized store space and assortment plans. With unmatched scalability that accommodates an unlimited number of

variations, no detail is left to chance. For example, let's assume one store has a support beam that blocks off part of a bay. The system automatically adjusts plans for this store, designing a planogram based on four and a half available bays for a category that typically spans five to maximize all available space.

Without this level of insight and automation, store associates must decide which plans to follow and which ones to ignore. Not only does this lead to a mismatch between corporate strategy and store operations, but it can also lead to incorrect assumptions in space performance, which can lead to poor decisions. There's always a balancing act that takes place between the items that are ideal for a store to carry and the available space. When these decisions are made at corporate based on data before plans go to the store, everything the associates see is perfectly tailored to store constraints, which sets store associates up for success.



Building Optimized Assortment and Space Plans

Blue Yonder excels at creating optimized assortment and space plans that are:

Demand-aware

Today, consumer demand is a fast-moving target — and retailers need to consider that stores must act to serve traditional, shoppers while operating as online fulfillment centers. Blue Yonder demand forecasting engines understand and address this complexity, ensuring that every local store has the right assortments in place, at the right time, to address local demand across all sales channels.

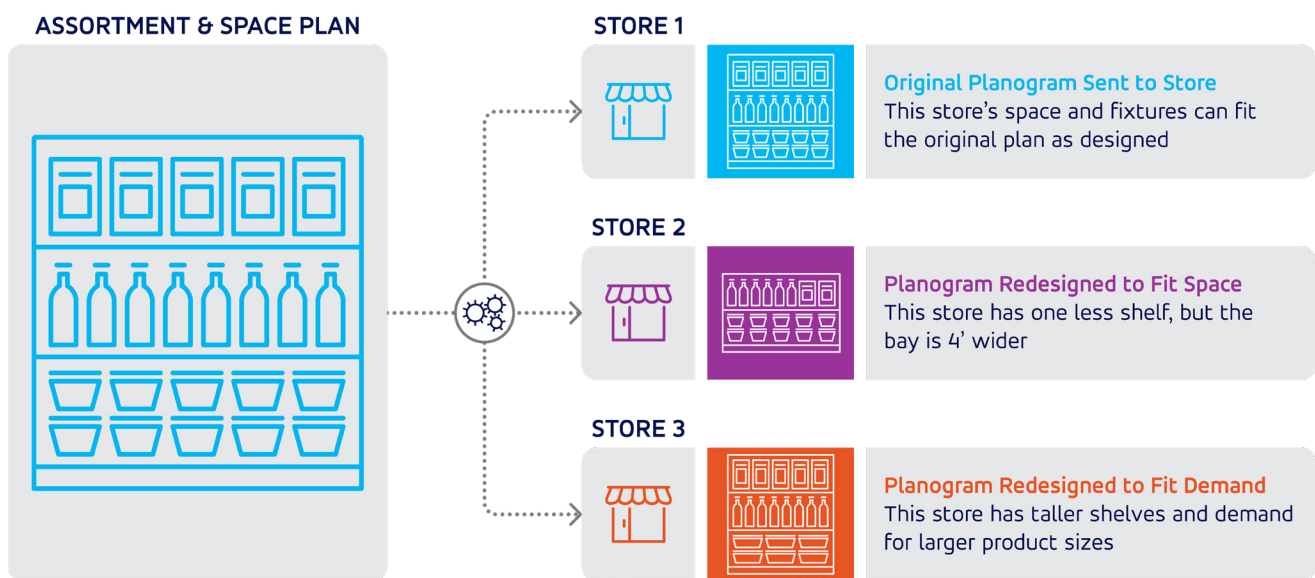
Space-aware

Store-level assortments that are localized to shopper demand is just the start. Plans must also be carefully configured to take advantage of every inch of available shelf and display space. Robust and powerful, Blue Yonder's space planning solutions automatically generate hundreds or thousands of planograms that address the unique space constraints of every single store.

Labor-aware

There's no point in creating perfect assortments and space plans if there are no employees available to execute them. Blue Yonder helps retailers recognize employees' time and skills as a critical constraint. Plan changes are sent down at a pace in line with available labor, to minimize disruption and ensure executability.

Even the best plans are ineffective if they can't be implemented at the store



Automatically refining space and assortment plans to exactly fit every space and store-level constraints makes store execution of corporate plans easier and can help with in-store picking.

4. Replenishment & Allocation

By quantifying real risks — including waste, stock-outs and lost margin — Blue Yonder masters the art of inventory placement.

Blue Yonder's synchronized supply chain isn't just an automated version of retailers' existing manual forecasting, planning and execution processes. Instead, it's a re-engineered and dynamic process, powered by AI where outcomes continuously improve. The supply chain becomes self-orchestrating and self-learning. And it all begins with the concept of a single, dynamic forecast that's easily communicated and automatically adjusted as conditions change.

Based on the dynamic forecast, Blue Yonder orchestrates replenishment and allocation in a similarly fluid fashion that's customized to each retailer's unique goals at any point in time. Replenishment managers have the opportunity to fine-tune their results, based on desired availability levels, waste minimization, and food

freshness or the optimization of scarce labor resources.

Because humans think laterally, and their ability to simultaneously consider dozens of inter-related factors is limited, they typically err on the side of caution — which generally means over-ordering to ensure a safety net. But, in today's unpredictable environment, that often leads to excess inventory and waste as customer demand changes suddenly. (See image below)

Not only can Blue Yonder solutions sense disruptions early, but they can automatically balance replenishment orders based on predefined strategic rules. Blue Yonder allows users to dial "product availability" or "waste minimization" or other cost-based metrics up or down, according to strategic priorities, as market conditions shift — and machine

learning capabilities allow this fine-tuning to continuously improve over time in generating predictable results that consistently ensure the right product is available while overall inventory levels are decreased.

Like your demand forecast – whether built with Blue Yonder or pulled in from a third-party, your replenishment and allocation orders are dynamic and based on the concept that there is inherent uncertainty. At any point in time, based on your demand forecast, Blue Yonder's decision engine is autonomously creating an optimized order based on balancing the risk of lost sales versus the risk of waste — and considering other factors that are customized by each retailer. This optimized order intelligently minimizes risk exposure and supports strategic goals, instead of representing human intuition or



5. Lifecycle Pricing

Instead of focusing on markdowns, Blue Yonder leverages pricing as a strategic tool across the product lifecycle.

Product markdowns represent every retailer's nightmare, but marking down perishables to sell through before expiration is only a small part of the story. Maximizing revenues and margins begins at the time of product placement. Blue Yonder recognizes that pricing – like assortment and space plans – is a demand-steering mechanism that has a direct effect on profitability.

Lifecycle Pricing is a delicate balance between maximizing financial results and satisfying the consumer's driving needs and motivations. It means understanding and intelligently addressing the price tolerance of thousands, or millions, of consumers shopping across multiple stores and channels — which happens to be a moving target.

Price elasticity is only one component of smarter pricing strategies. Understanding how the customer might respond to a price change is less important than how the customer might respond to a price change within the

context of season, weather, competition, holidays and events. Price elasticity without demand misses the bigger picture — and reduces value.

This incredible complexity is a natural fit for artificial intelligence. Blue Yonder's price optimization engines dynamically gather enormous volumes of data from across the marketplace, and automatically pull the right pricing levers to shape demand, fill shopping baskets and drive consumers to the checkout. Blue Yonder's pricing algorithms are unique in their ability to combine internal data with external data — including competitor pricing, news, weather — to create highly localized pricing strategies at scale. Only Blue Yonder combines granular data from your demand forecast with machine-learning based price elasticity to effectively steer demand and maximize margins.



6. Smarter Stores

Enabling the Store of the Future with edge technology.

A smarter store is one that leverages technology to elevate in-store experience for shoppers and associate alike. Technologies that reduce friction and make shopping more enjoyable for the customer and automating the everyday to improve efficiency and simplify tasks for employees. New edge technologies such as AI-powered cameras and smart sensors are helping to take labor out of daily store processes while improving operational accuracy.

Blue Yonder is partnering with Panasonic to create the first edge-aware supply chain platform. While it's important to have the right prices in place at every store, maintaining prices on the shelf can be labor intensive. Electronic shelf labels (ESLs) allow retailers to update prices immediately, across all products and all stores, without manual intervention. Blue Yonder's store execution and pricing capabilities can now push price updates to ESLs as well as the POS, so the whole store has the same, accurate price. With ESLs, employees remain free to help customers instead of hanging tags. And, with labor taken out of the equation, retailers are free to adjust prices throughout the day and more quickly respond to competitive pricing.

Blue Yonder and Panasonic are also working to integrate category management with edge technologies. When planograms are sent to stores, they must be acted upon to be effective. Without compliance, retailers can't truly measure performance. Having an employee or manager check planogram

accuracy can be an expensive proposition, so it's not uncommon that store-level compliance can go unchecked. Smart cameras can be used to identify out-of-stock items and planogram outliers. Alerts can then be sent to employees on their mobile devices with tasking instructions to resolve discrepancies or restock shelves. With integrated associate task management capabilities, management can prioritize and monitor the completion of store-level execution activities.

For the foreseeable future, retailers must do more with less, when it comes to labor resources. There's significant savings to gain with edge technologies, which can help automate many tasks that previously were manual. For example, ESLs can also facilitate picking efficiency.



Making c-stores efficient, customer-focused and autonomous

Panasonic's ESLs have the capability to light up or flash to help associates pick online orders more efficiently to reduce costs. This capability can also be integrated with customer-facing mobile apps to help guide shoppers towards the products they're seeking.

Panasonic also delivers a number of critical edge technologies that support smarter stores. Facial recognition technology can help validate employees when they clock in or out for a shift. It can also be used to identify loyal customers (who opt in) when they enter the store or at checkout, without having to punch in a number or scan a card. They have flowline analysis that tracks foot traffic in real time and analyzes hot spots or lines building at the checkout. Smart cameras can also identify license plates as customers pull up at curbside to facilitate order delivery. These are just a few of the use cases we are building together, which will help stores be smarter in order to deliver better shopping experiences in-store.

When it comes to technology investments, there's little value in buying tech today that isn't capable of meeting tomorrow's requirements. That's why Blue Yonder's supply chain platform has an API-first methodology that helps retailers increase their speed of transformation, so they are ready to connect with any third-party

systems today as well as new innovations whenever they becomes available. With the power of SaaS, retailers gain greater scalability, reliability and security than with traditional on-premise systems. SaaS also reduces the burden on your IT staff in terms of maintenance, updates and store-level deployments. Plus, it creates a simpler path towards innovation to test and deploy new technologies faster, and with less risk.



Why Blue Yonder? Because now, more than ever, retail is about the detail.

It's simple, really. Today's fast-moving, volatile retail environment far exceeds the capabilities of human planners. You need a partner with innovation in their DNA. Blue Yonder's industry-leading AI engines are built to gather hundreds of real-time data points, apply the most advanced algorithms and statistical models, and autonomously arrive at optimal decisions that balance outcomes across the supply chain all the way to the shelf edge. With Blue Yonder managing the granular details and synchronizing end-to-end actions with pre-determined goals, your employees can focus on customer service and other strategic priorities.

Our industry-leading capabilities deliver a competitive edge:



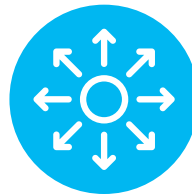
Resilience through intelligence.

Today, every software provider claims to offer AI—but Blue Yonder's industry-leading, proprietary AI is proven to deliver real results. Blue Yonder optimization engines ingest hundreds of variables, enact risk-aware decisions, continuously scan for exceptions and reset the end-to-end supply chain for maximum resilience.



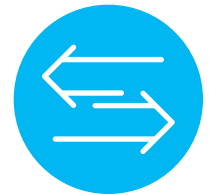
Low-touch automation.

AI and pre-determined goals mean that autonomy is more than just acceleration. Blue Yonder drives your supply chain toward results in a synchronized, orchestrated fashion, with minimal effort from employees. Instead of execution, employees can focus on strategic tasks, fine-tuning the AI and managing exceptions only when needed.



A boundaryless perspective.

Unlike human managers, AI has no functional bias. It aligns the retail supply chain to one set of organizational outcomes and synchronizes all activities on a common platform and user interface. Your organization can go to market faster, aligned by a single goal.



An open, flexible platform.

No one understands retail better than Blue Yonder. That means Blue Yonder retail solutions are configured to integrate seamlessly with upstream and downstream systems, with unmatched scalability and extensibility. Retailers can add their own unique DNA to Blue Yonder's proven platform, which features complete commerce capabilities along with boundaryless, automated planning and execution.

The retail supply chain is never going to be predictable. But Blue Yonder helps your c-stores transform uncertainty into a marketplace advantage by pivoting faster, smarter and more cohesively than the competition.





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