

 Supply Chain Planning

# Replenishment for Grocery

Advanced inventory planning that drives profitability in the face of uncertainty

## Business context

Grocery is a more challenging environment today than ever before. Increased competition for the food dollar, the need to service omni-channel customers and the potential for high levels of food waste has put pressure on already thin margins. Every year brings more pressure to work with suppliers to get product to market quickly by collaborating up the supply chain to have that product available against ever changing shopper demand.

Profitably balancing supply and demand makes it increasingly important to optimize orders across the supply chain, given different needs – from digital orders to store orders – and customer types, such as wholesale customers. Customer segmentation – the ability to identify which demand signals are likely be the most profitable or most important to the business – continues to grow in importance.

## The Blue Yonder Solution

Blue Yonder's Fulfillment solution helps you orchestrate the optimal amount of inventory at the right time, at the right place across your network – from central distribution centers, to regional warehouses, to stores. Using end customer demand to guide purchasing and inventory placement, Blue Yonder's Fulfillment solution allows you to navigate unexpected demand spikes and automate promotional stock builds through safety stock strategies and presentation stock levels in your retail stores. In fact, its comprehensive capabilities will allow you to easily meet any inventory management challenge that arise.

But improved availability is only one part of the challenge. Blue Yonder's Fulfillment solution helps minimize stock-outs while maximizing inventory turns in your supply chain. With Blue Yonder's Fulfillment solution, you can gain a stronger return on your investment, minimize inventory, and intelligently redistribute inventory in your supply chain, all while ensuring that your targeted customer service levels are met.

Blue Yonder's Fulfillment solution supports advanced vendor-managed replenishment with cutting-edge order optimization logic. This then triggers customer orders based on an optimal economic order frequency and safety stock policy, enabling your business to create optimal orders across your network on an equal time-supply basis. This minimizes the need to create expedited orders for a small number of items between the standard order cycle, helping maximize profitable order planning and execution.

## Real results

6%

reduction in  
out-of-stocks

29%

decrease in  
overstocks

4%

increase in  
revenue for  
fresh foods

# Capability offerings

## Maximize inventory profitability

Inventory is one of the largest investments retailers make, so it's critical to invest wisely. Blue Yonder's Fulfillment solution auto-generates inventory plans, providing insights that allow users to identify and react quickly to changes as they occur.

## Simplify diverse product assortments

Balance vendor-level and transportation constraints with purchase order optimization, using advanced safety stock models that incorporate presentation and display requirements. This also addresses the unique requirements of date-sensitive items via advanced planning.

## Optimize inventory replenishment

Build out optimized replenishment plans based on supply chain constraints that balance vendor capacity, minimum order quantities, price break quantities, lead times, truck cubing, and other limitations against on-hand inventory and store needs. This results in more cost-effective and efficient buying strategies.



## Key features

- **Multi-tier, time-phased** orders, shipments and receipts.
- **Consolidated view** of inventory data and constraints across the supply chain.
- **Enables improved** inventory management and combined transportation plans to optimize efficiency.
- **Intelligent algorithms generate** inventory plans that cater for any scenario and empower planners to make informed decisions about exceptions such as out-of-stocks, overstocks, and late deliveries.
- **Scalable infrastructure purpose-built** for food retailers that execute a high volume of daily transfers and purchase orders and maintain SKU counts in the millions or more.

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## Demonstrable Path to Digital Transformation

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