

#### **Business Context**

Grocery is becoming an increasingly difficult business. Shoppers are visiting stores less often and buying larger baskets, reversing trends of recent years. Online is booming. Fresh food has become one of the most important battlegrounds, with customers increasingly look to freshness to drive their basket. From a supply side, there is a complex mix of inventory, all with different lead times and replenishment cycles, and a mix of packed and random weight products. As global supply chains are increasingly seen as strategic assets, investing in a future proof transformation becomes imperative.

The market itself is changing at a breakneck speed with homeworking, stay-cations, quarantines changing What, When and How people shop. New entrants emerge in old markets, and retailers experiment with new models.

Planners have turned to big data to improve accuracy but it often hinders rather than helps as the sheer volume of processing is beyond people.

Siloed thinking prevails. Changes in assortment or pricing are not always made with supply chain in mind.

All of which means that grocery retailers are continually reacting rather than acting strategically.

## Key Features

**Uses patented AI to identify uncertainty** at the most granular level while managing replenishment across the network.

Recommends inventory movements that align volatile customer demand to strategic goals like availability or waste management.

Automatically allocates store orders based on commercial tradeoffs where stock is high or low, ensuring consistency between exception management and category strategy.

# Automatically smooths orders across time to ensure that capacity constraints are factored into each inventory movement, and costly surges are prevented.



#### Luminate Retail Replenishment

Luminate Retail Replenishment is a SaaS solution that transforms the grocery supply chain. It accurately aligns demand with the appropriate inventory levels in-store, online and at the DC, delivering what customers expect from their favorite retailer.

At a time when many grocery retailers are looking to add speed, agility and resilience to their supply chains, Luminate Retail Replenishment does things differently. By intent.

Its powerful AI algorithms drive highly automated and precise replenishment processes aligned to category strategy, building meaningful human-machine interactions into its operations.

Luminate Retail Replenishment optimizes the end-toend supply chain, intuitively delivering the best outcome across multiple parameters, balancing inventory versus waste and aligning these to customer demand and strategic objectives, such as waste reduction, higher availability, freshness and reduced cost to serve.

The outcome is highly automated replenishment processes ready for execution, freeing planners and store managers from manual tasks and re-directing them to high value tasks focused on delighting the customer.

### Capability Offerings

#### **Automation**

Orders are generated ready to execute. The role of people within the supply chain changes from executors to strategic directors.

#### Self-orchestration

Considers the constraints at each node, such as DC capacity of the DC or the network ability to service demand, in the end-to-end decision, allowing the whole to be optimized. adapts as constraints change.

#### Acceleration

Customer demand is continuously measured and used to generate orders that are designed to transform uncertainty into decisions. The supply chain moves faster in alignment with strategic goals, freeing people up from manual intervention.

#### Modern UX

Blue Yonder's Glassbox UI exposes the thinking behind the AI, leading to meaningful human-machine interaction. Users set strategies to balance competing goals such as availability and waste, and are directed to exceptions via targeted alerts.

# Key Benefits

- · Improved and predictable inventory flow
- Increased availability
- · Reduced waste
- · Improved planner productivity
- · Increased inventory turns

# Digital transformation is at your fingertips

To learn more, visit <a href="https://blueyonder.com/solutions/allocation-and-replenishment">https://blueyonder.com/solutions/allocation-and-replenishment</a>

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