

Allocation and Replenishment for Hardline Retailers

Integrated inventory planning that drives profitability

Business context

Customers today have high expectations. They expect goods to be available and in-stock whenever and wherever they choose to shop. Coupled with today's unpredictable demand swings, the rate of new item introductions and increasingly complex supply chains, retailers are under tremendous pressure to create and maintain the perfect inventory balance.

Getting inventory right requires actionable insights about forecasted demand to make sure the right inventory is sent to the right locations. When stores are used as fulfillment centers and DCs also used to ship direct-to-consumer, demand planning becomes more complex. Hardline retailers, distributors and manufacturers must have the flexibility to quickly change between pull and push allocation strategies to prevent out-of-stocks or overstocks on seasonal products. Traditionally, planners maintained separate allocation and replenishment systems, creating a complicated, inefficient and error-prone process that led to lost sales and overstocks.

It's essential that inventory allocations are considered as part of a broader, integrated inventory planning strategy. Every aspect of the supply chain must be considered, from vendor availability to warehouse storage capacity and labor resources down to available space at every store. Building out plans that aren't aligned with known constraints is a waste of time and only leads to failure in execution, which ultimately costs money and leads to lost customers.

Solution

Blue Yonder's Allocation and Replenishment is an integrated tool that helps retailers dynamically react to changes in demand to better serve customers. System workbenches empower planners with a consolidated view of on-hand, deployed and projected inventory across the enterprise for faster and

Key features

- **Interactive workbenches** allow users to assess the projected impact of allocations and deployments across the estate before releasing shipping instructions to the warehouse.
- **Consolidated view** of inventory data and constraints across the supply chain and enables improved inventory management and combined transportation plans to optimize efficiency.
- **Intelligent algorithms** generate inventory plans and empower planners to make informed decisions about exceptions such as out-of-stocks, overstocks and late deliveries.
- **Scalable infrastructure** purpose-built for large manufacturers, distributors and retailers that execute a high volume of daily transfers and POs and maintain SKU counts that in the millions or more.

more informed decisions. Algorithms auto-generate inventory plans based on key metrics such as sales history, on-hand inventory, safety stock requirements, customer orders and more — and account for when different channel demands flow through a single location, such as buy online pickup in-store (BOPIS) or curbside. The entire process is more efficient because users focus on exceptions such as potential stock-outs instead of manually generating orders.

The system makes it easier to manage item lifecycles, even for seasonal and promotional products. New products can be introduced to the shelves faster with less chance of too much or too little inventory by aggregating history and forecast data from similar products or categories to build out a baseline allocation. With end-of-life products, planners can analyze demand patterns to easily identify the right time and locations to minimize markdowns and obsolete inventory. Users can also easily create inventory allocation plans that combine push and pull allocations in a single load for greater efficiency.

Integrated with a comprehensive suite of inventory planning solutions, Blue Yonder's Allocation and Replenishment delivers a holistic solution that helps retailers and manufacturers alike be more agile and profitable with the ability to keep ahead of customer demand.

Capability offerings

Maximize inventory profitability

Inventory is one of the largest investments' retailers make, so it's critical to invest wisely. Blue Yonder gives planners a holistic view of demand and then auto-generates inventory plans accordingly. Advanced insights allow users to identify and react quickly to changes as they occur, enabling a more responsive inventory replenishment cycle to optimize inventory ROI.

Simplify product seasonality

Seasonal items can generate a profitable sales lift initially, but if not sold through, can lead to excessive markdowns that hurt margins. With tools to predict demand over time, Blue Yonder helps planners more precisely deploy seasonal products so there's enough to hit peak demand without having too much in stock as the season ends.

Optimize inventory replenishment

Blue Yonder helps users build out the best inventory replenishment plans based on supply chain constraints. Advanced algorithms consider vendor capacity, minimum order quantities, price break quantities, lead times, truck cubing and other limitations along with on-hand balance and store inventory needs for the most cost-effective and efficient buying strategies.

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Key benefits

- **Reduced out-of-stocks:** with the right allocations and efficient replenishment execution, there's less risk of customer demand exceeding on-hand inventory balance and turning away customers.
- **Faster inventory turns:** advanced analytics help planners identify poor performing SKUs to ensure inventory investments are focused on the best-selling items that align with demand.
- **More efficient planning:** integrations between demand forecasting, ordering, allocations and replenishment deliver a cohesive inventory strategy that accounts for optimizing inventory productivity at every site while reacting to constraints or changes to the supply chain.

Digital transformation is at your fingertips

To learn more, visit blueyonder.com

