Future-Proofing Your Retail Strategy

With Blue Yonder, you're in control over your results no matter what happens next.

BlueYonder
Fulfill your potential™

Explore the Future of Retail

Even prior to the COVID-19 pandemic, a number of significant trends were already reshaping retail.

Competition was increasing, as alternative channels opened offering dynamic pricing and rapid delivery promises. Almost every retailer was forced to slash margins and ramp up service to satisfy consumers who were demanding broader assortments, as well as personalized offers.

Retailers have been challenged to deliver the speed, accuracy and localization of mega retailers like Amazon but are weighed down with outdated solutions and manual processes. The result? Overstocks and stockouts, markdowns, broken promises and eroded shopper loyalty.

The path ahead is clear. Retailers need to double down on digital capabilities, present innovative omni-channel offers to customers, transform stores into experience centers, reimagine physical networks, and embrace agile and adaptive operating models, with high levels of automation. While always putting the customer first.

The good news is that Blue Yonder can help retailers future-proof their strategies. Luminate Commerce is built to simplify the complexity of today's omni-channel environment, encouraging retailers to focus on:

- Effective availability
- Customer value
- Efficient operations

By leveraging Blue Yonder's best-in-class AI engine, re-imagined user interface, real-time visibility and templatized workflows, retailers can regain control over their results and deliver on their promises, no matter what the future holds.

In this eBook, we'll discuss seven critical business capabilities

No matter what happens next, Blue Yonder can help retailers achieve more predictable results in each of these functional areas:

1 Strategic Planning & Demand Management

2 Assortment & Space Management

3 Lifecycle Pricing

4 Inventory Planning & Management

5 Omni-Channel Engagement

6 Omni-Channel Execution

7 Real-Time Visibility & Orchestration

Retailers need to respond with parallel strategic initiatives

MERCHANDISE MANAGEMENT

INVENTORY MANAGEMENT

DIGITAL CHANNEL OPERATIONS

STORE CHANNEL OPERATIONS

SUPPLY CHAIN EXECUTION

Blue Yonder's Customer Centric Supply Chain

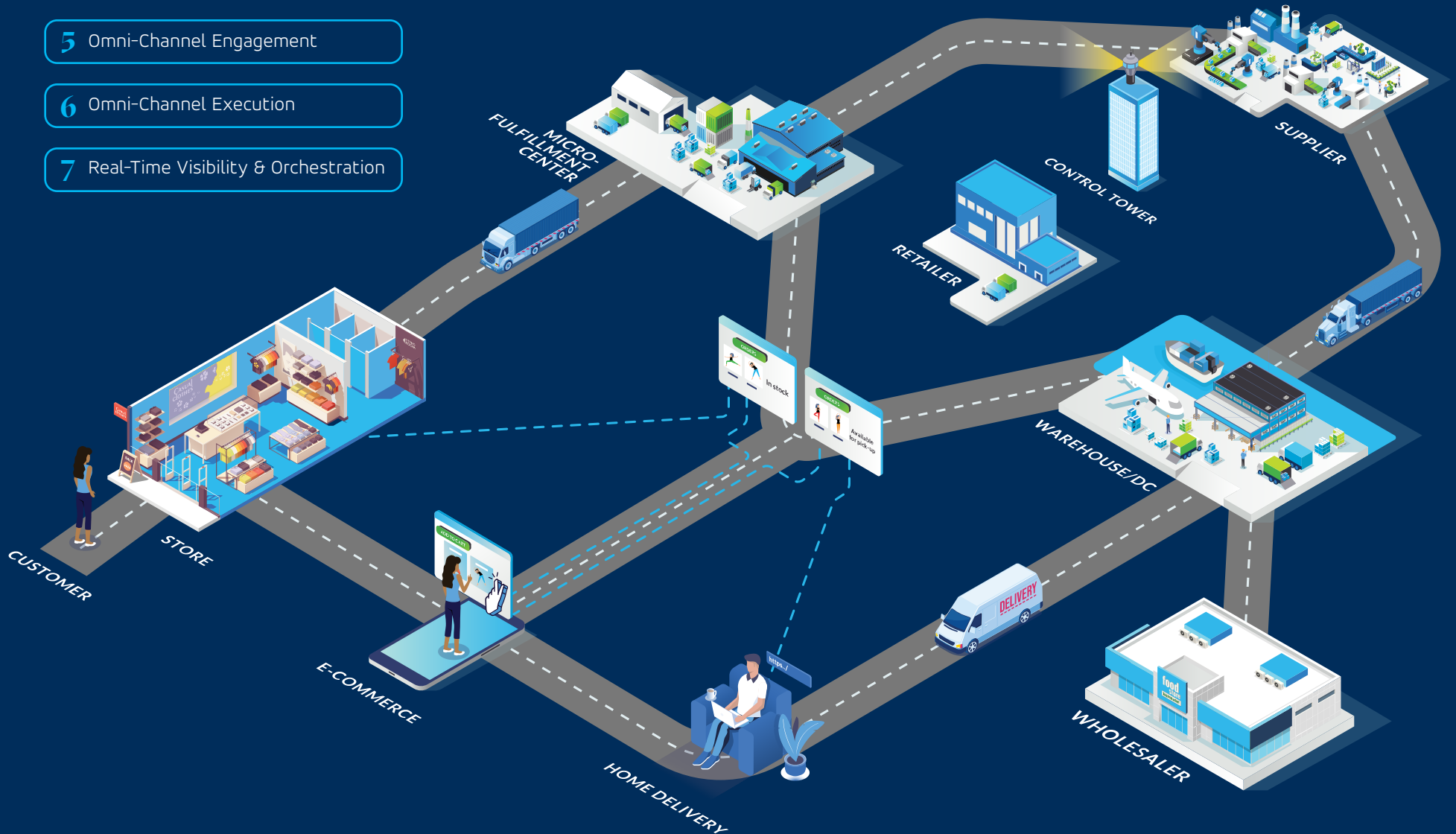1 Strategic Planning & Demand Mgmt.

2 Assortment & Space Mgmt.

3 Lifecycle Pricing

4 Inventory Planning & Mgmt.

5 Omni-Channel Engagement

6 Omni-Channel Execution

7 Real-Time Visibility & Orchestration

CUSTOMER

STORE

E-COMMERCE

MICRO-FULFILLMENT CENTER

RETAILER

CONTROL TOWER

SUPPLIER

WAREHOUSE/DC

HOME DELIVERY

WHOLESALER

In stock

Available for pick-up

1 Strategic Planning & Demand Management

Leverage accurate demand predictions and effective merchandising strategies to achieve customer-centric retailing

Today's incredible level of demand volatility highlights the urgent need to apply AI and automation to forecasting and merchandise financial management.

In a world where demand can change dramatically on a day-to-day basis, human planners simply can't keep up. Advanced cognition is needed to process huge volumes of data, apply the correct algorithms and prescriptive analytics, and deliver the right products to the right place at the right time without human intervention.

Blue Yonder's demand forecasting capabilities are the industry standard for gathering and applying real-time data from across the extended digital marketplace, in order to make fact-based decisions immediately as conditions change. Supported by AI, Blue Yonder's forecasting solution considers local sales patterns, multiple selling channels, product seasonality, planned promotions and new items. It also analyzes third-party data including customer and retail industry feeds; news, events and weather; product ratings; and competitive activity.

A machine-leaning foundation means that precision grows over time, reducing overhead via low-touch administration of forecasting and merchandise financial management. Whatever future demand looks like, Blue Yonder increases retailers' ability to serve it profitably.
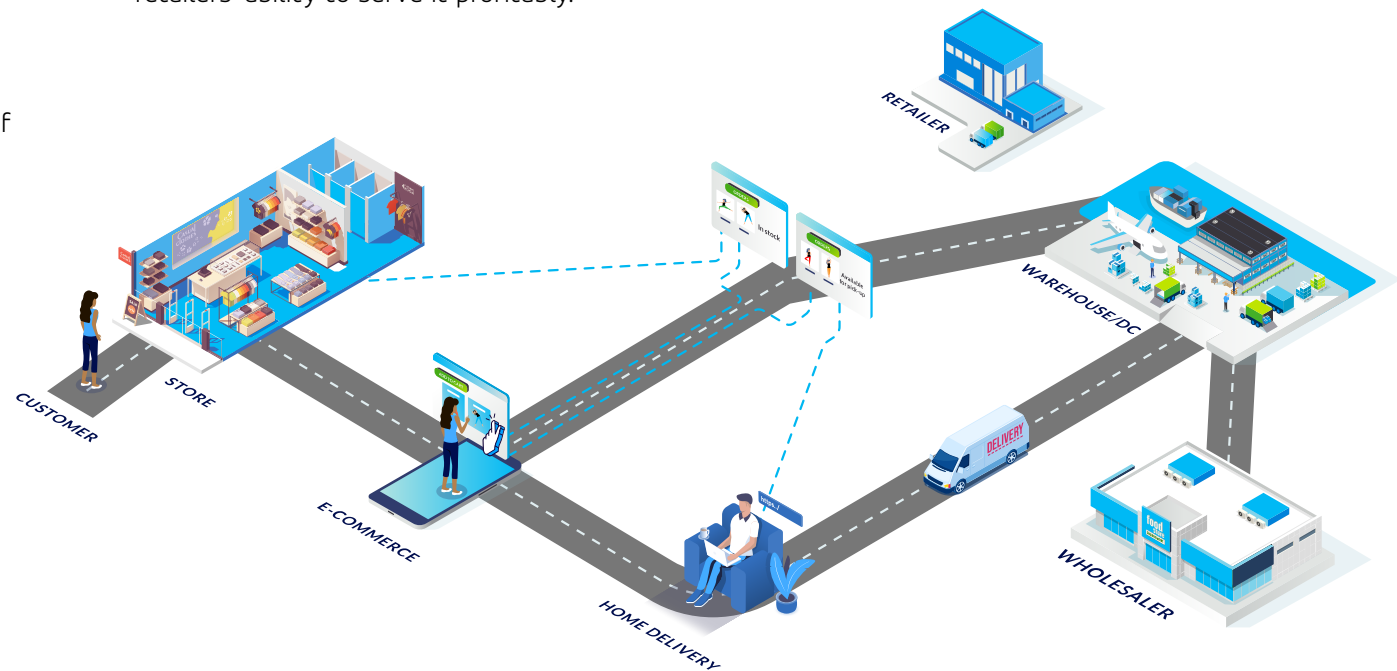
1 Strategic Planning & Demand Management

Key Benefits

- **Leverage probabilistic outcomes** to make optimal decisions that balance lost sales versus inventory overages.

- **Recognize demand shifts** as early as possible, to maximize responsiveness.

- **Increase stakeholder confidence and buy-in** via a single, transparent forecast that everyone trusts.

- **Improve the results of product launches and promotions** by creating a factual basis for forecasting and analysis.

- **Generate a unified omni-channel demand plan** that allows each channel to be forecast independently, while still allowing aggregate planning.

- **Enhance planner productivity** by automating the majority of forecasting and analysis tasks.

Capabilities

- Demand Planning

- Enterprise Planning

- Merchandise Financial Planning

Real Results

PVH

Greater inventory control

Better compliance to plan

Efficient decision-making

Learn more about:

Demand Planning

Merchandise Financial management

2 Assortment & Space Management

Realize your merchandise assortment vision by optimizing store space, presentation capacity and inventory availability

Assortment and space management represents a unique combination of art and science. Retailers need to master the art of determining the right assortment for their brands and shoppers, then tailoring those assortments to local consumer and trading area demographics. They also need to master the science of matching highly specific assortments to the physical capacity constraints of each store. With its E2E omni-channel capabilities, Blue Yonder supports this entire journey, enabling customized, demand-driven plan generation at massive scale.

By considering point-of-sale, market and consumer demographic data, this solution produces cluster- and channel-level assortments with real-time space awareness. Retailers can meet consumer needs for personalized product assortments, while also realizing their own objectives for volume and revenue growth.

No technology provider has more expertise in space planning than Blue Yonder. Featuring the industry's definitive planogram generator, implemented by hundreds of the world's leading retailers, Blue Yonder's space management capabilities are unmatched. With Blue Yonder, retailers can quickly and automatically generate, manage, analyze, optimize and distribute detailed plans that precisely meet local consumer demand across thousands of unique store layouts.
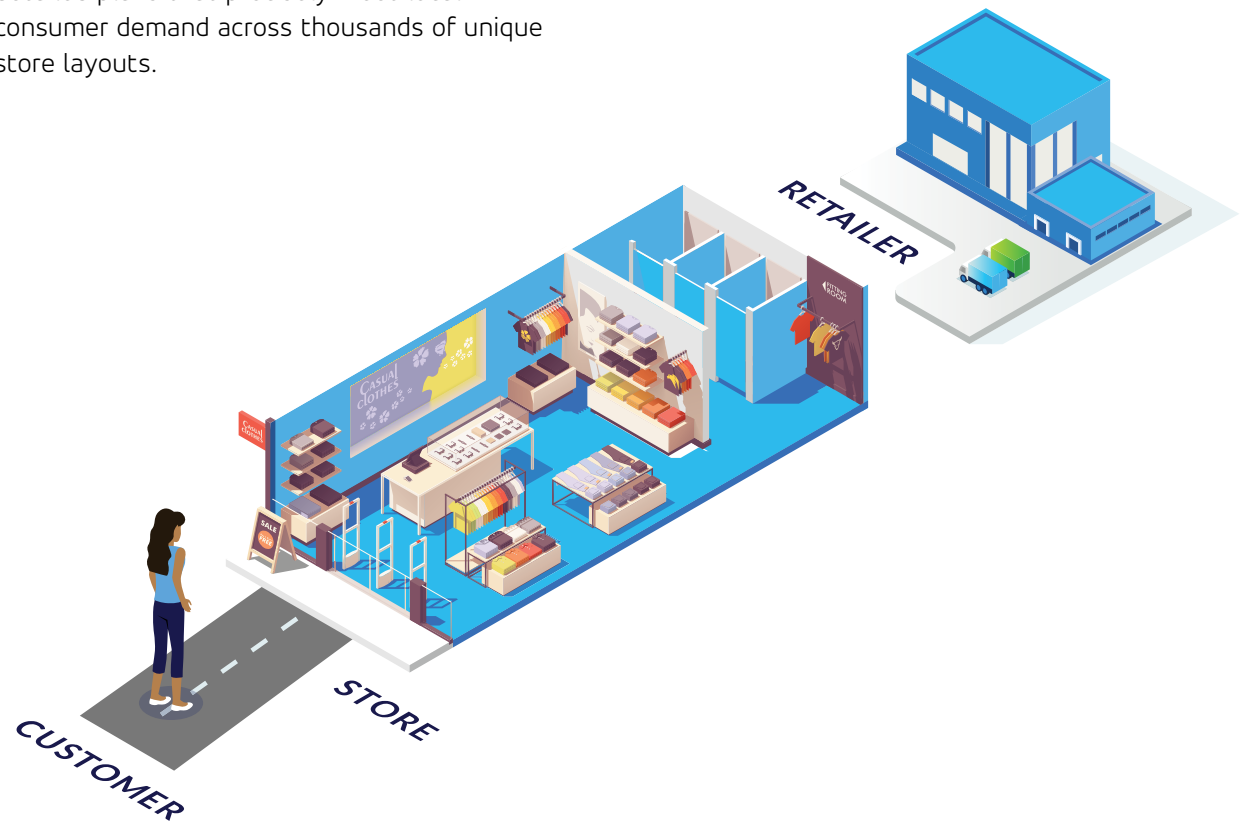
2 Assortment & Space Management

Key Benefits

- **Lift revenues and increase margins** by offering localized assortments that meet real-world shopper needs in every store.

- **Reduce stockouts and markdowns** with highly targeted, accurate space plans and assortments.

- **Dramatically increase the output** of space and assortment planners via automation.

- **Decrease overall inventory costs** by up to 30%.

- **Increase shopper loyalty** by delivering the products consumers are looking for, across hundreds or thousands of stores.

Capabilities

- Luminate Commerce

- Space & Floor Planning

- Assortment Optimization

- Category Management

Real Results

PETSMART

Real-time visibility to customer demand

Effective and localized merchandise plans and shelf displays

Learn more about:

Assortment Management

Space and Floor Planning

3 Lifecycle Pricing

Make smart pricing decisions across the product lifecycle and optimize product margins, newness and inventory aging

Older statistical models, complex and inflexible rules, and human cognition are insufficient to manage the complexity of today's retail pricing process. To balance profit margins and customer service objectives, retailers need pricing solutions that are analytical, data-driven and supported by AI. Pricing must be continuously optimized, in real-time, across multiple dimensions that include store location, product attributes and consistency across channels.

Enter lifecycle pricing capabilities from Blue Yonder. Backed by the industry's most advanced algorithms and based on sophisticated local price elasticity calculations, this Blue Yonder solution considers real-time demand levels, consumer buying behaviors, internal sales data and external data feeds such as weather and news events.

As conditions change across the E2E retail shopping journey, Blue Yonder optimization engines simultaneously consider the potential impacts of new prices on revenues, profits and shopper retention. By fully automating pricing decisions across the entire product lifecycle – from launch to clearance – Blue Yonder's AI-enabled capabilities replace error-prone, tedious manual processes that inhibit speed, agility and responsiveness.
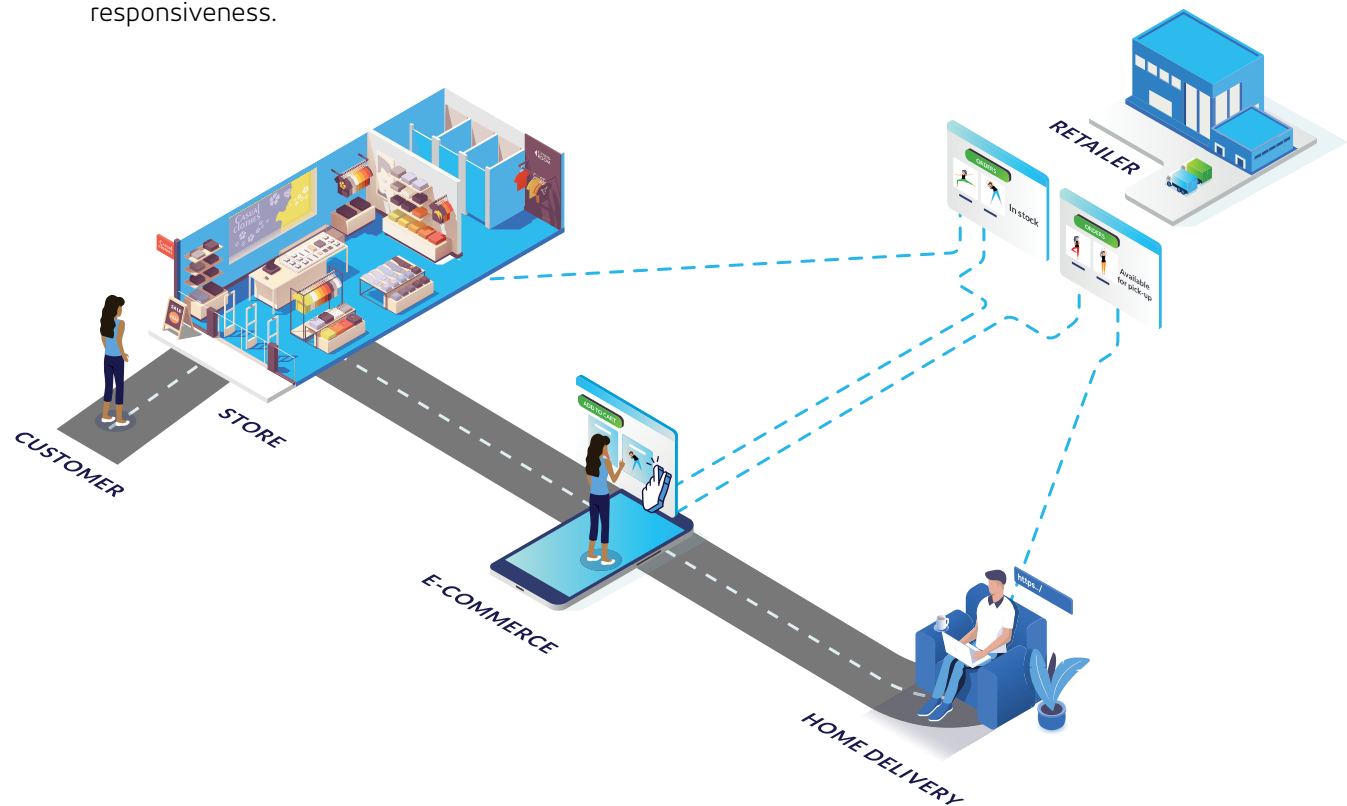
3 Lifecycle Pricing

Key Benefits

- **Deliver the customer's expectation of perceived value** with effective pricing along the product lifecycle

- **Maximize each product's financial contribution** by automatically defining revenue and profit-maximizing prices at every stage in the product's lifecycle.

- **Decrease the time and labor** involved in repricing and promotional events.

Capabilities

- Lifecycle Pricing
- Competitive Pricing
- Clearance Pricing
- Fresh Food Clearance Pricing

Real Results

orsay

10%
improvement on ORSAY stock per discount percentage

Learn more about:

Lifecycle Pricing

4 Inventory Planning & Management

Improve in-stock levels and exceed expectations, while maximizing inventory turns and availability across all channels

It's easy for retailers to balance their supply of products against market demand when there's an exact match. But that's rarely the case. When demand exceeds available inventory, retailers need to send products to those locations and channels where they will sell at the highest margin. When supply exceeds demand, as is more routine, planners must assign inventory strategically and profitably across the entire distribution network.

Inventory planning and management capabilities from Blue Yonder enable retailers to sense, process, plan and respond to real-time changes in supply or demand. Distribution decisions are made autonomously, with little to no human intervention, as conditions change across the production network and consumer marketplace.

Powered by AI, Blue Yonder's optimization engines consider data from Internet of Things (IoT) sensors along the E2E retail shopping journey, as well as point-of-sale and local market insights. Social media, news, events and weather data are also considered. Equipped with Blue Yonder capabilities, retailers can dynamically update their distribution plans in real-time, supporting the extreme level of responsiveness that's required today.

4 Inventory Planning & Management

Key Benefits

- **Grow revenues and margins** by positioning inventory to capture the greatest demand opportunities across stores and channels.

- **Drive higher levels of loyalty** by maximizing availability and minimizing out-of-stocks.

- **Ensure a more consistent product supply** by identifying inventory shortfalls at the earliest possible moment.

- **Increase the accuracy and productivity of planning** by replacing manual analysis with the speed and accuracy of automation.

- **Improve sustainability** by minimizing product waste across the distribution network.

Capabilities

- Supply Planning & Replenishment

- Inventory Availability & Order Orchestration

- Inventory Optimization

- Store Replenishment

- Warehouse Replenishment

Real Results

Morrisons
Since 1899

Globus

2.6%
same-store
sales growth

20%
reduced
out-of-stock rate

30%
improvement in
on-shelf availability

15%
improved promotion
presentation rate

Learn more about:

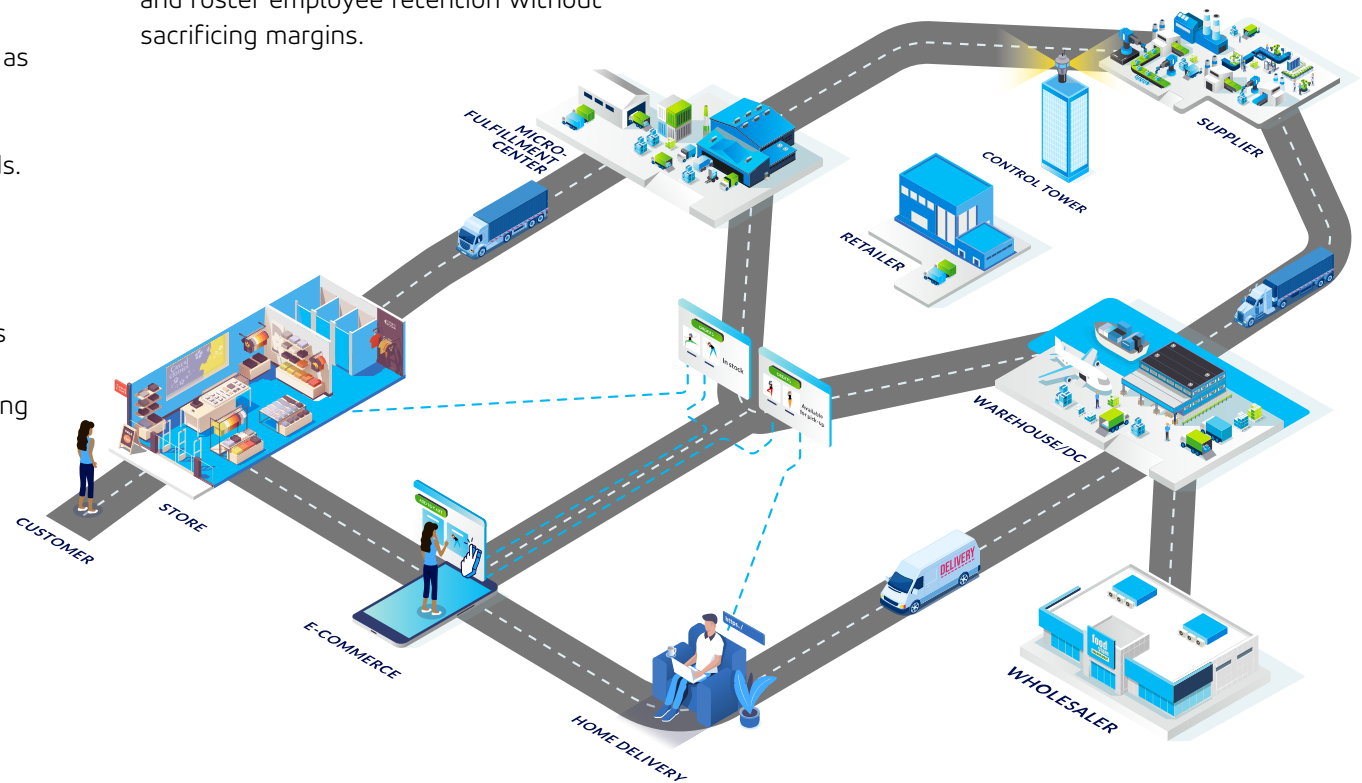Inventory Optimization

Allocation and Replenishment

5 Omni-Channel Engagement

Deliver a flexible, streamlined and consistent shopping experience by understanding real-time demand for products and services

Today's in-store and online environments are more challenging than ever, as retailers strive to maximize product availability, shopper assistance and margins in an unpredictable landscape – while also offering personalized services such as pick-up, delivery and convenient returns. Many retailers also face the difficult problem of accurately forecasting fresh and prepared foods.

Along the E2E retail shopping journey, Blue Yonder helps retailers manage day-to-day challenges such as employee scheduling and food preparation, as well as longer-term issues like effective inventory management, sustainability and profitable pricing. By achieving visibility into shopper demand and inventory lifecycles, retailers can create accurate forecasts, product orders, replenishment plans and workforce schedules that balance cost with service.

Enabled by AI, Blue Yonder's omni-channel engagement solutions make many decisions autonomously, increasing the speed, efficiency and accuracy of both short- and long-term planning. To maximize human efficiency, mobile capabilities and an intuitive user interface enable store associates to focus on strategically important tasks, shifting their priorities as the store environment changes in real-time. With Blue Yonder, retailers can build shopper loyalty and foster employee retention without sacrificing margins.

5 Omni-Channel Engagement

Key Benefits

- **Optimize inventory** for fewer lost sales and markdowns, higher profit margins, reduced waste and greater shopper satisfaction.

- **Leverage AI-enabled forecasts** to automate ordering, replenishment and shelf restocking processes on a store-by-store, product-by-product and day-by-day basis.

- **Maximize employee satisfaction, productivity and customer service** via mobility and task prioritization.

- **Optimize pricing and promotions**, from implementing local policies to printing shelf labels from a mobile device.

Capabilities

- Omni-channel Commerce

- Store Execution

- Workforce Management

Real Results

Harris Teeter
Neighborhood Food & Pharmacy

Increased revenue through enhanced labor forecasting and scheduling

Reduced costs

Increased associate engagement and satisfaction

Learn more about:

Store Execution

Workforce Management

Omni-Channel Execution

Intelligently fulfill customer demand from any node, regardless of shopping channel, at the lowest cost-to-serve

Consumer expectations are only increasing, placing pressure on retailers to consistently have the right product available in the right location, across channels, at the right time. But even that's not enough.

Retailers also need to deliver products to consumers in a variety of ways – including ship-to-home, ship-to-store, ship-from-store and curbside pickup. They must deliver products both quickly and profitably, no matter where the order originates and no matter where the desired products are physically located.

Powered by AI and advanced analytics, Blue Yonder solutions simplify the complex task of omni-channel retail fulfillment, helping retailers achieve these critical competencies:

- **Real-time, end-to end inventory visibility.** Retailers can make accurate, profitable sourcing and order-promising decisions with a single, clear view of inventory across the distribution network.

- **Personalized consumer service.** No matter what location/price/size/delivery option shoppers are looking for, Blue Yonder solutions help retailers deliver that combination in an optimal way.

- **Flexible last-mile fulfillment.** Retailers can rely on Blue Yonder's optimization engines to explore multiple delivery options – considering not only distance and freight charges, but complex issues such as cannibalization and the likelihood of markdowns.
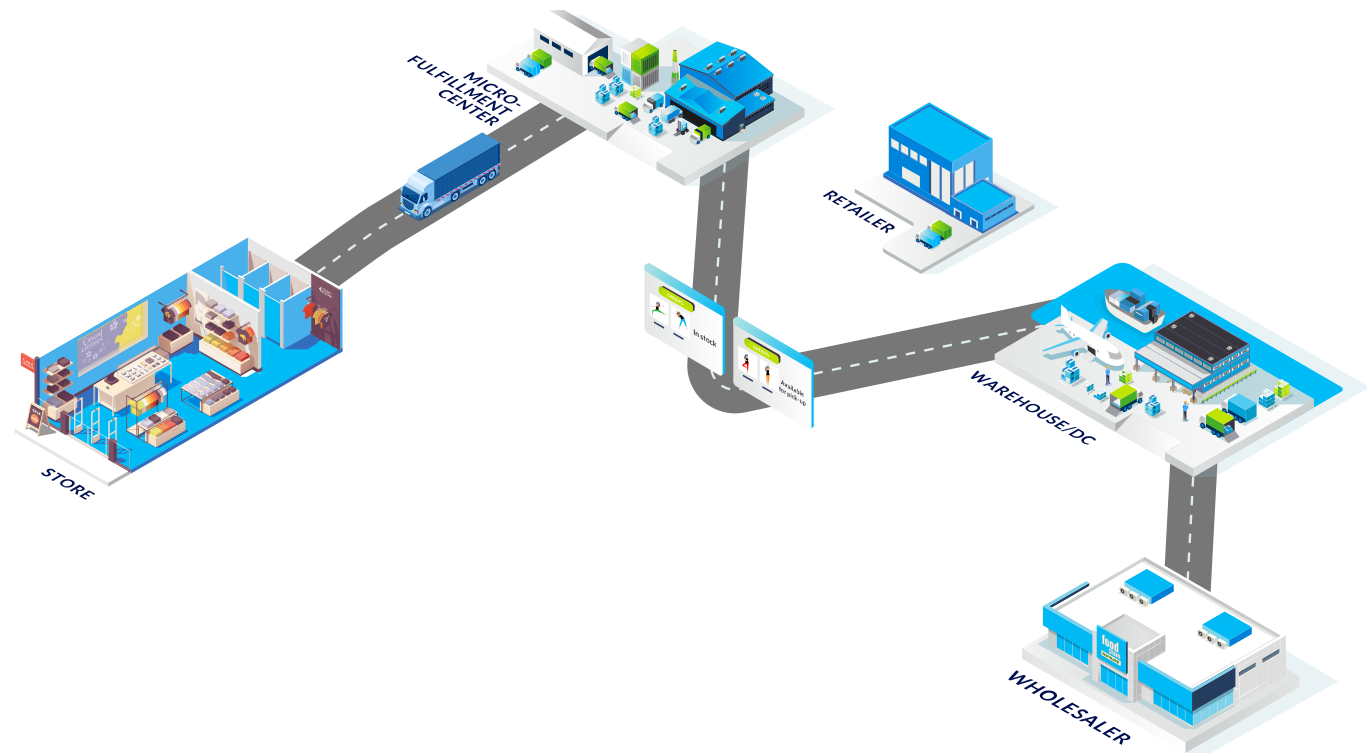
6 Omni-Channel Execution

Key Benefits

- **Increase revenues** via higher conversion rates, reduced shopping cart abandonment and repeat purchases.

- **Improve long-term loyalty** by making reliable promises and delivering personalized fulfillment experiences.

- **Grow profit margins** by optimizing fulfillment costs, taking into account obvious expenses such as freight charges, but also hidden costs.

- **Maximize the return on inventory** by selling products at the highest possible margin across multiple channels and fulfillment schemes.

- **Enhance collaboration** across siloed functions such as transportation and warehousing.

Capabilities

- Warehouse Management

- Labor Management

- Warehouse Tasking

- Transportation Management

Real Results

petco

>5%

gains in ecommerce revenues and new customers

4 months

from inception to deployment across 1,500 stores

Learn more about:

Warehouse Management

Transportation Management

Inventory & Order Management

Warehousing Tasking

Robotics Hub

7 Real-Time Visibility & Orchestration

Leverage supply chain visibility and collaboration to ensure on-time and cost-effective shipments

Most retailers have defined planning processes that help them forecast and meet expected market demand across all their sales channels. However, problems arise when reality fails to match the plan. Perhaps a weather event disrupts a critical supplier delivery. Maybe consumer demand shifts suddenly and without warning, or the forecast fails to consider local variability. As the COVID-19 pandemic has demonstrated, retailers need to be prepared for extreme levels of uncertainty and unpredictability.

But how can retailers see and respond to every unexpected event across the E2E retail shopping journey, including their extended partner network – in real-time?

Blue Yonder's Luminate Control Tower provides an answer. This next-gen solution, powered by AI, identifies strategic insights gathered from the entire digital ecosystem, including suppliers, consumers, and third-party data sources such as social media, news and weather.

Luminate Control Tower not only reveals these insights, but defines potential responses and their expected impacts – then makes prescriptive recommendations that mitigate risks and capitalize on opportunities. Luminate Control Tower also creates an environment of continuous improvement, as the supply chain self-learns and self-corrects over time.

7 Real-Time Visibility & Orchestration

Key Benefits

- **Increase the accuracy and productivity** of planning and re-planning activities.

- **Improve the shopper experience** with higher availability and more consistent on-time delivery.

- **Identify growth opportunities** represented by specific products, channels and categories.

- **Maximize resource utilization,** including inventory and shelf space, by strategically prioritizing issues and actions.

- **Reduce expediting costs** by an estimated 30% via more accurate execution.

Capabilities

- Network-wide visibility

- Collaboration and Orchestration

- Industry-leading artificial intelligence (AI) and machine learning (ML)

Real Results

A multi-national alcohol beverage company with well-known brands sold in 180 countries

20%

decrease in expediting

25%

increase in ETA accuracy for components

15%

increase in efficiency

Learn more about:

Control Tower

Retail today is increasingly a digital commerce experience, fueled by supply chain excellence. Blue Yonder can help you master this challenge.

In today's retail world, there's no telling what will happen next. From pandemics and natural disasters to geopolitical events, the many vulnerabilities of today's global supply chains have been revealed recently.

But no matter what the future holds, Blue Yonder can help retailers leverage the power of digital commerce to achieve greater control over their financial results and more predictable supply chain performance by:

Anticipating the next pivot and creating an optimal response, via improved internal and external collaboration	Reinventing user experiences to fulfill customer expectations like never before	Increasing supply chain resilience as retailers restart and rescale their operations	Integrating, orchestrating and executing actions across each node of the value chain, via a core cloud-based digital platform

This eBook illustrates a number of essential, connected capabilities provided by Blue Yonder's Luminate platform that can help retailers capitalize on the characteristics of a rapidly changing digital world. Blue Yonder enables a homogeneous planning and execution environment, unified by an intuitive user experience and driven by self-learning systems that are outcome-oriented and designed to thrive on complexity. The platform is designed to exceed an automation level of 98% on executable decisions — which means retail teams can focus on higher-value work tied to strategic goals.

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