

 Luminate Planning

Dynamic Segmentation

Business context

As market dynamics continue to change faster than most organizations' ability to adjust segmentation strategies, understanding changing customer demands and crafting attractive value propositions to serve them is becoming increasingly critical. But traditional segmentation processes and tools require continuous monitoring leading to inefficient inventory allocation and sub-optimal service levels.

To maintain an edge, companies must dynamically segment their supply chain strategies and operations to balance cost-to-serve with the value to the business for each segment.

Blue Yonder Solution description

Blue Yonder's leading-edge Dynamic Segmentation solution strategically and automatically groups customers with similar fulfillment or procurement needs based on data changes, and then develops distinct supply chain operations to meet those specific requirements.

Built on the Luminate Platform, Dynamic Segmentation leverages our innovative machine learning to analyze your data at scale and identify key factors that drive your segmentation needs.

Capability Details

Differentiated service levels

Enables planners to provide differentiated service levels based on customer value and business parameters

Real results

Reduction in safety stock

10%

Reduction in inventory value

6%

Key features

- **Advanced segmentation**
Provide differentiated service levels based on customer values and business parameters
- **Optimized response**
Develops distinct supply chain operations to meet specific market segments
- **Best balance**
Balance cost-to-serve with the value to the business for each segment
- **The power of Machine Learning**
Uses machine learning (ML) to dynamically optimize business results

Navigating the new normal

As enterprises navigate a period of unprecedented disruption, Dynamic Segmentation helps companies adjust dynamically by making in-the-moment, data-driven decisions.

Integrated, two-pronged segmentation

Incorporates both the top down corporate objectives as well as conventional, bottom-up market criteria.

Adjust on the fly

Rapidly groups product, location and customers with similar fulfillment needs and then develops distinct supply chain operations to meet those specific requirements.

New value from existing Blue Yonder Solutions

By design, users with Blue Yonder solutions can take full advantage of the additive capabilities of Dynamic Segmentation. For example:

- Blue Yonder Inventory Optimization can leverage recommended segments and service levels from dynamic segmentation. Blue Yonder ESP can leverage recommended channel priorities and layers from dynamic segmentation
- Order promising can leverage channel hierarchy and promising policy from dynamic segmentation
- Fulfillment can leverage strategies such as Direct Ship, Vendor Managed Inventory, Less Than Truckload (LTL) and Full Truckload (FTL) and Expedite
- Blue Yonder Demand and S&OP attributes can be used to drive planner efficiency (statistical forecasting, POS based, collaboration, and more). Blue Yonder Inventory Optimization can leverage recommended Segments and Service Levels from Dynamic Segmentation

Empowers planners

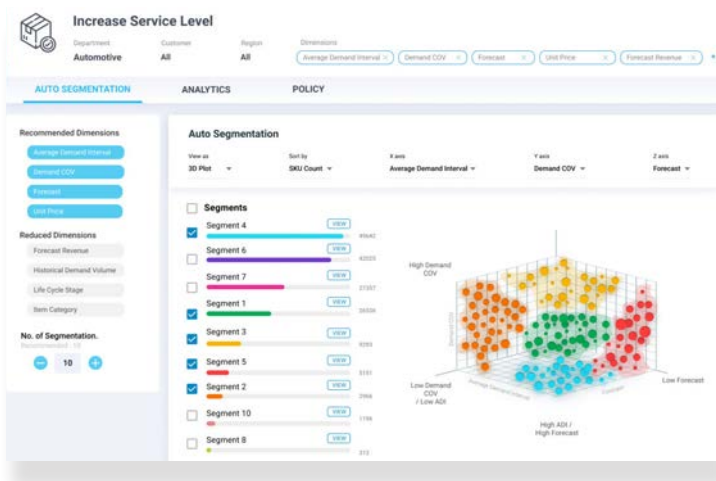
Planners will finally have an intelligent segmentation solution that understands the reasons for delays and predicts arrival times, ensuring greater consistency and more time for strategic tasks

Key benefits

- Quick adjustments for greater flexibility to rapidly changing marketing and customer situations
- Improved consistency through the power of ML-based automation
- Increased allocation efficiency for your scarce production resources
- Optimizes your operations by grouping product, location and customers with similar fulfillment needs and then developing distinct supply chain operations to meet those specific requirements.

Digital transformation is at your fingertips

To learn more, visit blueyonder.com



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