



Integrating people, process and IT.

## Allocation Health Check



### Optimize the Power of Allocation

#### Challenge

##### Effectively Executing Merchandising Strategies Using Optimized Allocation

Today's retailers are implementing advanced Allocation applications in order to tailor the distribution of items, colors, sizes and pre-packs to the needs of each individual store location. The results are more strategic and precise stock level analysis within the Purchasing, Planning, Logistics, Replenishment and Operations components of the business. Effective allocation truly touches every aspect of the retail supply chain. However, developing the correct distribution metrics, forecasting store specific nuances and integrating the necessary product and location attributing can be challenging.

#### Solution

##### Conduct an Allocation Health Check

An Allocation Health Check from RPE assesses the health of the Allocation environment by identifying critical performance and configuration issues and opportunities. Assessments are executed against a best practices model utilizing a proven process developed by RPE. We listen to user feedback and pain points and make recommendations for immediate and long term solutions. By maximizing Allocation, retailers can efficiently target the optimal mix of products for each store providing a quicker, more efficient process for creating and executing allocation plans.

##### Variables and Data Collect - the core of Allocation

RPE allocation experts have years of experience developing, creating and training people on distribution metrics. Some areas of expertise include:

- Use of Multi-Level and Alternate Hierarchy Data Collects
- Initial Distribution, Regional and Seasonal distributions, Replenishment and Predictive Analytics/Lost Sales
- Location specific formulas including Plan-o-Gram eligibility, variance to capacity, lost sales and fixture fill
- Wild-carded Data Collect Levels such as Size Selling within Co-ordinate Group
- Use of UINPUT Operator parameters, Methods and Auto-Allocation

#### What's Involved

- An RPE consultant meets and interviews the allocation team to understand practices, strategies and challenges
- RPE compares the data from the assessment to best practices and industry benchmarks as well as investigates the solution to identify under-utilized features
- Upon completion, RPE will provide a comprehensive Allocation Health Check Report detailing high priority issues, overall health risks and recommendations for improvement
- An Allocation Health Check can be scaled from one week to one month to complete

#### How you will benefit from an RPE Planning Health Check:

- Improved inventory turns and reduced stock-outs
- Optimized store-specific product assortments
- Increased sales and margins
- Maximized inventories by size and color by store
- Improved customer satisfaction

An Allocation Health Check analyzes current practices and identifies opportunities critical to the success of an Allocation program addressing these common questions:

### Optimizing Peripheral Database Tables

Allocation offers “peripheral tables” such as Plan, Grade, Model and Locations that are accessible via the formulas. Often allocators utilize a vast array of “off-line” information. RPE Allocation experts are adept at the configuration, interface requirements and creative potential for each table in order to tailor each Location’s optimal inventory position. Examples of these tables and uses include:

- Locations Table for Store specific information such as Transit Time, Climate, Fast/Slow turning and Focus
- Model Stock for Size Scales, Traditional Models and predetermined Store lists
- Grade Table for volume tiers and initial distributions (validated dynamically within the tool)
- Plan Table for capacities, Assortment Eligibility, Open-to-Ship and Weighted Weeks/Seasonality

### Utilizing Functionality

RPE Allocation practice leads have experience tackling real world issues retailers face every day and know the right questions to ask during the discovery process. RPE will review functional and technical processes to formulate an understanding of the unique needs and compile and document all distinguishing user requirements, desired features and functional gaps.

- User comfort level and experience with application navigation
- Beneficial peripheral functions seldom used such as Prior Results, Templates, Min/Max
- Use of and opportunities for Peripheral Tables such as Grades, Model, Plan
- Current variables and client “wish list” for enhanced variables
- Use of and opportunities for Alternate Hierarchy Data Collects
- New functionality such as Multi Level Data Collect and UINPUT operators

### The Importance of Training

Even the best software application requires training so users thoroughly understand how it functions. This entails the rapid acquisition and dissemination of functional, application and operational-related knowledge. RPE will identify the necessary training to provide the foundational knowledge and skills needed

to allocate merchandise effectively.

- Retraining and refresher training for end users
- New user training
- Industry best practices training
- One-on-one training for specific issues
- Non-traditional or analytic use of system for Assortments, Grades, Model Stock and/or Size Scales
- Administrator-specific tasks:
  - Use and setup of Auto Allocation
  - General System Maintenance which includes an in-depth look at current variables, methods, store selections and templates and recommendations for improvement
  - Database Setup Utility – a thorough validation and suggested opportunities, including training and documentation

### Improving Performance

Often there are missed opportunities in the way the application was initially set up. RPE will evaluate efficiency and productivity to increase the scope of the allocation process to ensure confidence that the right products are being sent to the right stores.

- Overall Performance Metrics – generally measured by Data Collect response, Worklist load times
- Interface Performance – are various Worklist types available and accurate when needed
- Evaluation of the Interfaces
- Potential Upgrade Path
- Database Setup Validation and Opportunities
- External utilities to automate data loads into JDA Allocation (e.g. Grade, Plan, Model)
- Potential Data integrity issues – missing Worklist SKUs, Historical Sales & Inventory feeds, Inaccurate Location updates, List Source/Master Data inaccuracies, duplicated SKUs in the historical loads, reclass issues, to name a few

### Allocation Upgrade

RPE helps retailers assess the impact and benefits of upgrading to a newer Allocation version, as well as recommend and implement the proper course of action. The Allocation Health Check includes reviewing allocation strategies, identifying functional and technical gaps and prioritizing future requirements. Upon completion, RPE will recommend:

- Keeping existing version as is
- Modifying existing version
- Upgrading to a newer version



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