

## **VENDOR ORDER OPTIMIZATION**

## Simply Powerful. Simply Profitable.

Whether you sell fashion apparel or seasonal hard goods, determining how much of a seasonal item to buy is one of retail's oldest and most challenging problems.

Now, 4R's Initial Buy Optimization solution can turn that hit-or-miss exercise into a consistently profitable, and measurable, process.



# DESIGN MATTERS

#### A POWERFUL USER INTERFACE ISN'T JUST VISUALLY APPEALING, IT DRIVES PRODUCTIVITY HIGHER.

Our Web UI is designed to reduce the time your team has to spend on the ordering process. How? It automates the majority of the tasks and organizing your workflow around exception management.

The Buyer Dashboard summarizes alerts and action items that need to be addressed, and provides metrics on fill rates, open-to-buy tracking, rebates, and top vendors. A series of screens help you manage daily orders, including summary, order overview, order detail, container rounding, and order review pages.

## 4R's Vendor Order Optimization solution produces vendor orders ready for processing by a purchase order system.

Key Features:

- A Feature Rich Web Interface enables complete management of your order generation process, including a buyer dashboard and controls for SKU quantity adjustments, order dividing and grouping, and container rounding and splitting
- The Order Optimization Engine considers your unique business rules in producing daily orders and automatically accepting orders that fall within configured parameters
- Buyer Controls support Order Adjustments, including planned buys, forward buys, and vendor order minimums and allows for Dividing or Grouping of Orders to take advantage of supply chain characteristics
- The Flexible Container Management logic lets you control the rules by which orders are adjusted to meet vendor container shipping requirements, and how goods are allocated among multiple containers to streamline your logistics
- The Order Generator supports Optimized Calculation of Orders for Imported Items, combining them across distribution centers in order to enable just-in-time splitting of subsequent receipts.
- 4R's unique Software-as-a-Service "Plus" delivery model provides dedicated customer service experts as well as cloud-based software. There are no upfront software license fees, hardware hosting costs, or staff training expenses. Our team consults with you on a frequent basis, ensuring you are getting the most out of our solution.

#### BENEFITS AT A GLANCE

- Automates buying tasks
- Organizes workflow
- Summarizes alerts and action items
- Provides metrics for business insight
- Manages daily orders
- Accounts for order rounding



# SIMPLY PROFITABLE

#### **RETAIL BUYING ISN'T ROCKET SCIENCE... OR IS IT?**

Buyers have been a key part of the retail supply chain since modern retail began. Without smart buyers, retailers risk profitability, or even greater—survival.

There is no lack of customer data today. It's just the opposite. There is so much data, retailers struggle to sift through it efficiently to reveal what is helpful for more profitable buying.

Vendor Order Optimization uses science and technology to pinpoint the most profitable buying for each SKU in a retailer's omni retail supply chain. It isn't rocket science, but it is retail science that leads to greater profit.

#### Multi-echelon Profit Optimization

When used with 4R's Store and DC Replenishment services, Vendor Order Optimization seamlessly accommodates inventory requirements at all levels of your supply chain. By leveraging profit-optimal store reorder points and DC fill rates, 4R's solution results in true multi-echelon profit optimization.

#### Dealing with Vendors Large and Small

4R's solution enables you to manage "sub vendors" to deal efficiently with large vendors with multiple product lines, often with very different supply chain characteristics.

On the flip side, you can group orders for small vendors (called a "container group") into a single set of containers to minimize shipping costs; you can also set up container rounding and splitting rules to apply against that container group. This feature lets your business dictate decisions rather than being confined to limited options.

#### Flexible and Powerful Container Management

4R's solution includes a flexible rules engine that supports complex combinations of container requirements based on monetary value, weight, cubic volume, casepack, pallets, rounding up/down thresholds, minimum quantities, and more. Rules are powerful enough to handle changing conditions automatically and alert you if thresholds are exceeded so that you don't have to manually apply different rules for different situations.

You can also control the allocation of items across a multicontainer order, specifying basic, duplicate, or economic fill options.

#### **Optimizing Import Orders**

For retailers that use a consolidation point for import orders with long lead times, 4R's solution will combine requirements across domestic distribution centers and produce a single order that can be split on receipt for just-in-time allocation.





4R's inventory as an investment approach is designed to maximize the profit opportunity of your number one asset: inventory!

#### Meet Your 4R Team

There is a whole team of people backing our solution. We perform Quality Assurance on our solution every week prior to delivery, and handle all maintenance and calibration functions. Your client delivery representative and analyst will have a call with you weekly to review our deliverables, provide observations about your business, and find out about upcoming changes or initiatives that might impact your business. At periodic face-to-face meetings we review our performance and discuss topics of strategic interest. If you are facing a new challenge related to inventory management and need guidance, our Analytics team is available to help you sort it out. We put a premium on developing a collaborative relationship and work hard to be a strategic partner.

We are a true partner. Learn more at www.4rsystems.com.

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