4R Systems Expands Analytics Reach To Optimize Replenishment in Brazil

Igor Paparoto
CEO, PMVarejo, São Paulo

A leader in replenishment optimization across North America, 4R Systems is taking its powerful solutions suite and expertise to Brazil to tackle logistics issues and grow retail profitability.

Profit Optimizing Retail

4R

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It is precisely these types of obstacles that 4R Systems' ability to optimize inventory replenishment and fulfillment processes can overcome, to significant degree, and significantly reduce expenses and drive profitability.

"Retailers are telling us they need more data, more information and more solutions to optimize business processes. We are entering the Brazilian retailing environment at just the right time," said Igor Paparoto, 4R Systems' Brazil Development Partner and CEO, PMVarejo, São Paulo.

"All the challenges and cultural aspects here create the perception that doing business in Brazil is difficult. We need better management, better practices and better planning. But the scenario is changing," Paparoto said.

What 4R, specifically, brings to the Brazilian market are solutions built on analytics, artificial intelligence and machine learning. These methodologies and tools are new to but a few retailers in Brazil.

Equally or even more important, 4R's hands-on service model and commitment to ensuring that its solutions deliver the expected paybacks to retailers solves a significant need for Brazilian retailers.

"Many times big retailers buy large ERP software packages but even they do not have the processes or people to make it work. They get frustrated because the results fail to appear. 4R, in contrast, doesn't simply sell software and walk away. They sell intelligence as a service and have the team to implement the solution and help retailers understand what to do with the information," he said.

The logistics and cultural issues in Brazil present challenges that cannot be changed overnight. But optimizing inventory replenishment and streamlining supply chain processes enables retailers to substantially reduce expenses and bolster net profitability.

4R's Store and Distribution Center Replenishment solutions, for example, cut the number of truckload and product deliveries required, especially in the many regions with particularly high transportation expenses, insurance costs, complex taxation policies and low productivity issues.

The costs for retailers add up rapidly and eat into profit margins. They also dampen expansion plans.
But the benefits from optimizing inventory replenishment provide even greater exponential results on the up side.

"4R provides the power of data scientists, data teams, at the steps of the retailer and shows the path to becoming more profitable. If the roads are bad or there are transportation issues, 4R cannot solve those infrastructure issues," Paparoto said.

"But if you have inventory replenishment precision and accurate merchandising requirements for each store and location, the cost savings are very large. There is a lot of money on the table, and 4R grabs a good portion of that and drops it right to the bottom line," he added.

Paparoto points to three factors in particular that are especially critical for bringing value to Brazil's retailing market.

First are the company's academic roots and scientific rigor, from 4R's founding to present, in demanding continuous improvement in accuracy and innovation in its product deliverables.

Second are the core mission and unwavering commitment to tying product results to financial goals. Every solution provider talks about paybacks. 4R means it and collaborates with clients to determine net profit targets and meet or exceed goals.

Third is the company 's culture of working with retailers, educating retailers and associates, and making sure they understand not merely how to use the solution tolls – but how to make money.

"We bring the knowledge of our data scientists and solutions team together with the retailers to translate how the process works and what the information so they can apply it to their business. Is a very new model for Brazil. We are showing them the path to be more profitable," Paparoto said.
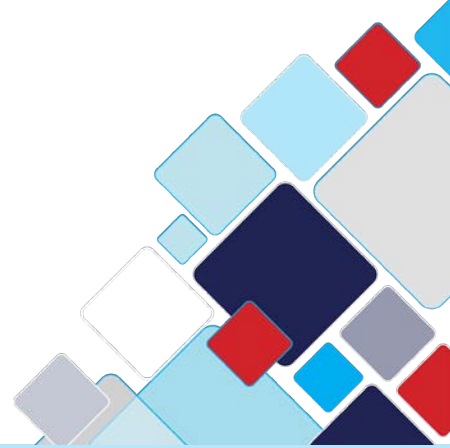
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