

CLIENT SHOWCASE: FAMILY DOLLAR



4R Helped Drive Top and Bottom Line Performance

Business Challenge

As an inventory intensive retailer Family Dollar was challenged to find creative ways to improve the overall margin mix as well as top and bottom line performance. The mandate from Family Dollar was not only to do better, but to do it faster and cheaper as well.

Services delivered:

- IPMax SR – Store Replenishment
- IPMax DC – DC Replenishment

Business Benefits

Family Dollar Stores, Inc. fully implemented on 4R Systems' Profit Optimized Store and DC Inventory Service after rigorous evaluation and testing. The results:

- Better, faster, cheaper
- Better store in-stocks
- Better customer service

Company Background

Company: Value Convenience Retailer

Headquarters: Charlotte, NC, USA

Description: Beginning with one store in Charlotte, North Carolina, in 1959, the Company currently operates more than 7,500 stores in 45 states. Family Dollar Stores, Inc., a Fortune 300 company, is based in Matthews, North Carolina, just outside of Charlotte and is a publicly held company with common stock traded on the New York Stock Exchange under the symbol FDO. For more information, please visit www.familydollar.com.



"...better, faster, cheaper."

Josh Jewett,
Chief Information Officer
at Family Dollar



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Becoming a compelling place to shop

Family Dollar was founded over 50 years ago in Charlotte, North Carolina, and has evolved into a leader in the value/convenience segment of retail. Even though Family Dollar was the #1 performing stock in the S&P 500 in 2008, the company saw some of the same economic challenges that faced the entire retail industry.

In order to meet those challenges, Family Dollar nimbly emphasized basic consumables, and to ensure that margin was maximized, deployed 4R Systems' Profit Optimized Store Inventory Service (IPMax SR) across all of its replenishment items in the entire chain (over 7,500 stores).

To address the challenge of serving a large scale national retailer, 4R executed its *evaluate, prove and implement* process across the entire chain and met every deadline.

More importantly, the company accurately projected the improvement to inventory efficiency and delivered to those projections.

4R's Software-as-a-Service (SaaS) model was augmented by its business consultants who worked closely with Family Dollar's team. This ensured 4R's service was tailored to the client's unique business needs and constraints. This model helped drive profit improvements when optimizing key decisions for store and DC inventories, replenishment items and more.

Family Dollar implemented 4R Systems' Profit Optimization Service in 2009. Since the implementation, Family Dollar has opened an additional 1000 stores, proving the scalability of the service. Family Dollar continues to drive substantial improvements as a result of profit optimizing their inventory.

"Being a compelling place to shop means having the right mix of product in the stores at the right time for our customers," according to Bryan Causey, Senior Vice President – Planning, Allocation and Replenishment at Family Dollar Stores.

"4R's profit optimized store inventory service has improved our ability to maintain inventory levels that satisfy customer needs better and more profitably."

Bryan Causey
Senior Vice President
– Planning
Allocation and
Replenishment



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ABOUT 4R

4R Systems is a leading provider of advanced inventory and supply chain services, which help retailers gain significantly increased profits by optimizing their inventory and related supply chain decisions.

Founded by supply chain experts from The Wharton School and Harvard Business School, 4R provides capabilities that profit optimize the matching of supply and demand.

From initial launch through replenishment to end-of-life for products—ranging from short lived fashion items to long term staples—4R provides retailers with services that fit their business. Clients using 4R have seen increases in profitability of 1-2 % of sales as a result of higher sales levels on lowered inventory.

