

CIO Review

The Navigator for Enterprise Solutions

RETAIL SPECIAL

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20 Most Promising Retail Solution Providers 2015

The aisles in retail have transitioned intelligently—enabling the consumer to quickly zero-in on his favorite item and get it delivered at his place of request. The retail trajectory is bent on converging customer touch points to epitomize consumer experience. The future technology upheaval in retail is dependent on the effective utilization of the current innovations and sciences enveloping the dynamic retail space.

In retail's evolution spree, the CIOs have their fair share of challenges and opportunities rendered along the technology value-chain. With global e-commerce surging on as a trillion dollar industry, the pace of omni-channel retailing is gathering newer dimensions. Heralding a new beginning, the confluence of commerce technologies and social media trends, influence in-store purchase decisions, ramp up the convenience factor, and increase profits in the digital marketplace.

For all those gleaming merchandise stocked shelves, numerous technologies work in tandem to enable every commerce transaction,

whether occurring in a bricks and mortar store or through online. The need to stay abreast of the rising retail tide is to invest in the right technology or the solution. The POS products and solutions, mobile payment apps, tablets with mobile POS—the creative deployment of today's technologies rope in the tactile experience for the consumer. The mobility-defined networks that showcase store associates as virtual assistants and the iBeacons that route relevant customer-centric promotions—all add to the retail experience.

In conjunction with the numerous technologies, the right implementation procedures and guidelines are definitely resourceful. The expertise of numerous consultants foretells the pitfalls, while ensuring easy and efficient adoption of relevant technologies.

In this scenario, in order to assist CIOs in identifying the right technology providers, CIO Review presents "20 Most Promising Retail Solution Providers 2015."

A Distinguished panel comprising CEOs, CIOs, VCs, analysts, and the CIO Review editorial board has selected the final 20.



Company:
4R Systems

Description:
Providing retailers' breakthrough technologies that profit optimize inventory decisions throughout an item's life

Key Person:
Kevin Stadler,
President and CEO

Website:
4rsystems.com

4R Systems An Ingenious Paradigm for Advanced Inventory and Supply Chain Services

In today's digital era, advancements in technology are bringing seismic shift in consumer purchase behaviour. Buyers access multiple channels to perform a purchase, leading to the requirement that all channels from online to brick and mortars come together for better seller and customer experiences. Although, many modern day retailers are Omnichannel, very few of them have an efficient supply chain. "The need arises for the entire supply chain to

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We specialize in the 'exit strategy' of inventory, signifying that, given a deadline or target profit, we utilize predictive analytics to match the exit of an item to its maximum profit

be optimized for increasing sales without overstocking," begins Kevin Stadler, President and CEO, 4R Systems. "Our solution helps retailers optimize every Stock Keeping Unit (SKU) in their supply chains for maximum profitability."

The company was founded by supply chain experts, Dr. Marshall Fisher of the Wharton School and Dr. Ananth Raman of Harvard Business School based on years of industry experience. Their groundbreaking research on product lifecycles with over thirty world class retailers pioneered retail supply chain analytics. Through research and advanced analytics, the duo developed a profit optimization approach. 4R uses this methodology, which is both breakthrough

thinking and predictive of future profits while improving customer experience.

"Any retailer knows that the demand location is often not the same as the fulfilment location. 4R considers the demand location for every SKU in the supply chain," says Stadler. "Our algorithm, combined with our client services team, continuously analyzes inventory and makes the beneficial decision for each SKU." 4R's Profit Optimized Inventory suite of solutions bring retailers to the next level of understanding the impact of these decisions on the ultimate KPI—profitability—and managing those decisions to maximize profits.

The company's Store Replenishment solution analyzes and identifies the most lucrative inventory level for each SKU or store combination in the chain service. Moreover, 4R's Distribution Center (DC) solution helps retailers effectively deal with their distribution centers by considering anticipated demand from stores, vendor lead times, fill rates, minimum order quantities and existing inventory positions. The integration of the supply chain nodes that connect the store back to the DC is critical in positioning inventory correctly. In many cases the distribution network is multi-echelon or complex, than just a point to point fulfilment. "The key to 4R's approach is the ability to model and hold the right amount of inventory via a complex time-based, risk-centric, profit based analytic," notes Stadler.

In addition, the company's Markdown solution (MD) measures the value versatility of items and determines optimal markdown trajectory, to amplify season sales and benefit. "We specialize in the 'exit strategy' of inventory, signifying that, given a deadline or target profit, we utilize predictive analytics to match the exit of an item to its maximum profit," says Stadler.



Kevin Stadler

In one instance, 4R's client, Pep Boys, was facing challenges with their inventory. The organization had 16 million SKU or store combinations, a number of which have moderate turns. Furthermore, some categories have demand substitutability, like oil, tires and batteries. 4R's solution addressed these challenges and provided optimal levels of each SKU. "We have empowered Pep Boys to spend more on inventory, when the cost of carrying additional product is outweighed by lost margin to be recuperated," notes Stadler.

"The 4Rs stand for: the Right product, in the Right Place at the Right time, which drives the Right profit," adds Stadler. Driven by innovation and thought leadership, 4R's SaaS model delivers excellent result without the requirement of capital investments and no compelling reason to expand staff. "We have been working on total system optimization across supply chain, as well as assortment and space, which will allow optimization across the silos and unify the key performance indicators," concludes Stadler. **CR**