



Tyres & Auto Service Centre Retailing

OMNI RETAIL INVENTORY SOLUTIONS FOR TYRES & AUTO SERVICE CENTRES

*"4R gave us significant profit uplift in the first six months
and their profit projection accuracy was spot-on."*

—VP Merchandising Operations



www.4rsystems.com

TYRE AND AUTO SERVICE CENTRE RETAILERS FACE VERY UNIQUE INVENTORY MANAGEMENT CHALLENGES

These retailers must provide a comprehensive range of tyres and automotive parts at competitive prices, whilst offering the highest quality of fast-fit service at autocentres across the country.

The autocentre retailing industry needs to span bulky and highly substitutable items such as tyres, as well as very slow moving items, such as parts, while at the same time managing fast moving items, such as oil and car accessories, to provide optimal availability often within restrictive space constraints.

Here the need to grow margins whilst meeting always-available customer demand presents major difficulties.

OPTIMISING STOCK FOR MAXIMUM AVAILABILITY AND PROFITABILITY

4R's Profit Optimised Inventory solutions enable the retailer to achieve optimal merchandise availability across the store and service centre network, building customer satisfaction whilst maximising profitability – with some clients realising £5m-£200m in incremental profit.

SOLUTION CAPABILITIES

Profit Optimisation

Addressing unique tyre and automotive criteria, our solution uses highly predictive analytical algorithms that seek the best profit optimal inventory levels across all item types.

Multiple Sale Requirements (MSR)

MSRs and customer buying multiples, such as a set of four tyres, are incorporated into inventory calculations to establish effective stock levels and reorder points.

Tiered Lost Sales

Ongoing predictive analysis of sales and customer buying patterns, along with buying multiples, are built into minimum order quantities to avoid left-overs, minimise lost sales and increase overall profitability.

Line of Business Pricing

Our solution has the ability to automatically handle multiple pricing options depending on the line of business; e.g. store off the shelf, service bays, eCommerce, commercial B2B pricing, special promotions...

Substitution

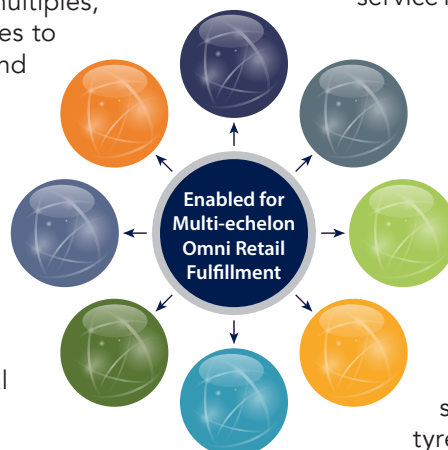
Whilst stocking leading brands, substitution of tyres, oil and batteries of same size, cost and quality is commonplace. 4R provides a highly configurable substitution matrix that factors most popular like-for-like substitutions to ensure right mix of products within the range assortment by store whilst encompassing floor space availability.

Service Revenue

Service revenue is an integral part of the autocentre and influences stock availability. 4R incorporates the service revenue into the core modelling, optimises replenishment stocks and reflects the influence of service revenue on the increased profit margins.

Hub & Spoke Store Model

The ability to service a spoke store from a hub store with a broad range of parts is paramount to overall customer service. 4R provides a fully synchronised, multi-echelon inventory approach. It accurately predicts multi-node requirements, thus avoids over-stocking, at the same time incorporating both retail stores with service bays and service plus tyre centre formats.



**"EVEN INCLUDING OUR SLOW TURNS, WE HAVE EXPERIENCED
A 15% IMPROVEMENT IN OUR OVERALL ANNUAL TURNS."**

—DIRECTOR OF REPLENISHMENT & ASSORTMENT PLANNING



Avoiding Major Capital Investment with Software-as-a-Service (SaaS)

With the constant emergence of new consumer demands and competing businesses, organisations need the agility to react to market changes.

Gone are the days of locking in huge capital resources in license investments that take years to implement. Companies need fast return on investment to meet market pressures.

4R's SaaS model ensures that results can be realised in weeks/months and as new challenges arise they can be incorporated into the workflow. And, with the monthly services fee related to percentage profit reclaimed, 4R's confidence to deliver speaks for itself.

4R's SaaS is not just an automated output from a Platform-as-a-Service, it incorporates manpower, consultancy, weekly reports and reorder points to ensure you get the best from your inventory performance.

This additional resource gives your team the extra bandwidth to focus on pressing issues such as streamlining the supply chain and shortening delivery timescales.

Delivering Core Benefits to Facilitate Growth

From highly accurate demand forecasting down to item-level replenishment, 4R's sole focus is on driving profit that optimises inventory availability and increases sales revenues. With seamless extraction of data from any ERP system or data warehouse, 4R helps companies build business success.

Proven Results

- Increased revenue and profit
- Higher in-stocks
- More effective product mix
- Increased customer satisfaction
- Released working capital
- Reduced buffer stocks
- Increased inventory turns
- Streamlined supply chain efficiency

AVOIDING WIDE FLUCTUATIONS OF INVENTORY ACROSS THE OMNI RETAIL NETWORK

4R provides stability and avoids wide fluctuations of inventory across the omni retail network. At the same time, it delivers predictive analytics that incorporate significantly agile read and react capabilities that quickly adjust to reflect ever changing customer demands.

Cloud-Based

Hub & Spoke
Models

Multi-Echelon
Planning

Seasonal
Allocation &
Buying

Full Omni
Retail
Capability

Forecast &
Demand
Planning

Replenishment

Assortment

Stores & DC

Wholesale
& Stores

Allocation

Markdown

eCommerce &
Catalogue

Promotions

Profit Optimised
Inventory

Value-Add
Analytics

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

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