



## PROFIT OPTIMIZED OMNI REPLENISHMENT

*Analyze and achieve the most profitable inventory level*

Profit Optimized Store Replenishment applies a sophisticated economic model that analyzes demand patterns, inventory costs, margin, case pack size, lead times, and other supply chain parameters to determine the inventory level that maximizes profitability.



# 4 PROVEN STEPS TO PROFIT

Our four-step deployment process continuously validates expected benefits to make sure we deliver maximum value. Our clients have seen annual profit improvements between 1% and 3% of sales. That's ten to thirty million dollars a year for a billion dollar retailer – money that drops right to the bottom line.

## What Does "Profit Optimized" Mean?

There are lots of ways to set inventory levels for the items you carry in your omni retail environment. But if you aren't using 4R, those methods all involve some serious guesswork. Not only do traditional replenishment systems ask you to decide what the right level of inventory is, you have to do it for every single SKU-Location. That simply doesn't scale, so you end up taking shortcuts that further compromise the quality of your decisions.

With 4R's Replenishment Solution, there is no guessing. The right answer is the most profitable answer, and we know how to find it, for every item, at every location, every week.

That means that the time your team has been spending adjusting parameters can now be focused on more strategic challenges, while the business enjoys a substantial profit improvement.

## Lots of SKUs and Stores? We Can Handle It.

Our cloud-based solution is designed to scale. We mine hundreds of terabytes of data to produce hundreds of millions of reorderpoints every week, for some of the largest retailers in the world. We also generate reorderpoints for small but fast-growing retailers who need a solution that is cost-effective, easy to deploy, scales with their business, and squeezes every last dollar of profit out of their inventory.

## Promotions? No Problem.

If you have a highly promotional business, we've got you covered. We will develop price elasticity curves for your products, and do causal modeling of your non-price promotions. There's no need to order outside of the replenishment system once that's in place – we will anticipate lift in demand and adjust your inventory levels accordingly.

## BENEFITS AT A GLANCE

4R Omni Replenishment delivers to you profit-optimized reorderpoints for every SKU, at every location, every week.



### PROFIT DRIVEN APPROACH

We offer a replenishment solution that automatically determines the level of inventory that will maximize your profitability.



### LOW RISK

There are no upfront software license fees, hardware hosting costs, or staff training expenses. Profit-optimized replenishment starts accruing benefits from day one.



### SCALABILITY

We deliver hundreds of millions of reorderpoints to our clients every week, including some of the largest retailers in the world.



### SAAS+

4R's unique Software-as-a-Service "Plus" delivery model provides dedicated customer service experts as well as cloud-based software. Our team performs Quality Assurance on our deliverables and consults with you on a weekly basis. They act as an extension to your team, ensuring you are receiving maximum value.

# 4R. FOR YOU.

DEVELOPING A COLLABORATIVE RELATIONSHIP WITH YOU IS OUR PRIORITY. WE WORK HARD TO BE YOUR STRATEGIC PARTNER AND TO BE PROACTIVE IN HELPING YOU ADDRESS NEW CHALLENGES IN YOUR BUSINESS.

## Our Clients (and Their Challenges) are Diverse.

Our clients include value, convenience, department store, automotive, and big-box specialty retailers. No matter how different their businesses may be, they all have one thing in common: 4R has improved their profitability. Along the way, we have solved lots of challenges, like hub-and-spoke distribution for slow moving parts, dealing with items that sell in multiples, multi-channel demand fulfillment, short shelf life, limited shelf space, and many, many more. The solutions to all of these situations are available for your business, too.

## You Can't Improve What You Don't Measure

We know we can improve your profitability, but we don't ask you to just take our word for it. Our four-step implementation process begins with a benchmark of your business relative to

other retailers we have worked with, based on high level sales and inventory numbers that you provide; we can use that data to tell you very quickly how much profit improvement is possible.

The next step involves receiving more detailed data over a longer period of time; we use that to run simulations that allow us to compare the results of using 4R to your historical performance. We generate a detailed analysis of the simulations that shows how and where we improved profitability, even down to the SKU-Store level.

If that looks good to you, we then run a pilot in a set of test stores and compare their performance to the rest of the chain. If you are happy with those results, the final step is to move all stores into production.

# WE GUARANTEE A PROFIT IMPROVEMENT

During our evaluation process we will estimate the profit improvement that you can expect from 4R; we will guarantee that profit, and align our fees as such. That's how confident we are.





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. We guarantee your profit. It's simple. Learn more at [www.4rsystems.com/profitguarantee](http://www.4rsystems.com/profitguarantee).**

4R Systems  
801 Cassatt Road, Suite 202  
Berwyn, PA 19312 USA

+1 610-644-1234  
[info@4rsystems.com](mailto:info@4rsystems.com)



[www.4rsystems.com](http://www.4rsystems.com)

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