4R

Intelligent Inventory Optimization

HOME
FURNISHINGS

Leverage AI and your existing systems to improve your agility to respond to LOCALIZED demand and your ability to monetize INVENTORY investment.

Forecast, Synchronize, Optimize, Stay Competitive

US consumer demand trends for home furnishings and furniture are shifting due in part to low unemployment, increasing wages, and hot home sales in suburbs.

Consumers are shopping online, but still want the in-store experience to see products and product sets, and to customize or configure products to their needs and preferences. Furthermore, they want their orders delivered together, quickly.

To stay competitive, retailers must meet consumer needs and provide positive buying experiences both online and in stores. Success hinges on their ability to forecast, synchronize and optimize both sides of the retail business model BUY (supply) and SELL (demand). Successful retailers fulfill consumer needs by strategically placing inventory throughout the supply chain.

Meet LOCAL Consumer Demand and Expectations

To compete (or survive) in these turbulent times, retailers must optimize inventory to meet LOCAL consumer demand and expectations:

Customizable – Quality – Price – Selection – Quick delivery of orders, all at once.

According to a recent Retail Systems Research report, "Offering local flavor in stores provides a point of differentiation for forward-thinking retailers... Smart localization involves supporting local variety via centralized processes and systems."

Top 5 Retailer Challenges in the Next 12-18 Months:

- Need to improve inventory productivity

- Need to monitor supply chain, DC/warehouse, and picking capability

- Need to increase profitability of online order fulfillment

- Need to improve on-shelf availability

- Need to better secure access to supply from sources

Source: RSR (Retail Systems Research) Benchmark Study Feb 2021

One Predictive Engine

Take the weight off staff to predict (or go by their gut feeling) what is needed at every store location, warehouse or distribution center.

4R One Predictive Engine (OPE) leverages AI and Machine-learning to create a single source for demand forecasts. 4R OPE guides inventory planning processes to deliver a profit-optimal improvements across supply chain and merchandising decisions.

PLANNING AS A SERVICE

KPI PERFORMANCE METRICS AND REPORTING

Assortment Optimization

Markdown Optimization

DEMAND

ONE PREDICTIVE ENGINE

Replenishment Planning

PLANNING

Vendor Order Optimization

Allocation Planning

Profit-optimized Inventory Planning Processes

Demand Planning
Identify true demand, utilizing AI and machine-learning. and generate more accurate forecasts, driving more accurate upstream and downstream processes that maximize profitability.

Vendor Order Optimization
Enable buyers to make informed decisions on buying requirements when executing demand, replenishment and albcation plans.

Replenishment Planning
Enable multi-echelon inventory management that is guaranteed to maximize profit across all channels, reduce inventory carrying cost and deliver superior customer service.

Markdown Optimization
Maximize revenue and achieve merchandising goals each season by recommending the optimaltiming and depth of end-of-season and end-of-life markdowns.

Allocation Planning
Allocate the right amount of inventory to the most profitable locations at the right time, minimize stranded end-of-season inventory and reduce the need for future markdowns.

Assortment Optimization
Optimize product offerings at each store to meet customer preferences and drive revenue growth through data-driven insights, resulting in improved customer satisfaction.

4R Solutions for Home Furnishings

Demand Planning and Assortment Optimization

Key Features:

› Granular level forecasting and use of internal and external data factors (i.e., demographics data, social media/influencers, etc.)

› Market driven store level assortments and offerings

› Inventory allocation and supplier order coordination and visibility to ensure your products are in the right place at the right time to meet consumer demand

Retail Systems Research (RSR) Benchmark Study Recommendations:

- Resist the temptation to think of 2020 as an anomaly

- Double your efforts on inventory visibility/availability

- Embrace the role of AI

- Stop blaming legacy technologies, replace them

- Abandon any notion that things will soon return to normal

Source: RSR (Retail Systems Research) Benchmark Study Feb 2021

Drive Smart Localization and Profits

The 4R solutions and services for retailers do the heavy lifting of inventory tracking and order management, honing on what is needed to drive smart localization and profits. The 4R tools help retailers reclaim time to spend doing the things they enjoy most about being home furnishing and furniture retailers- working with customers on choosing the right furnishings for their indoor and outdoor living spaces.

AI-Powered Agility

PLANNING AS A SERVICE

KPI PERFORMANCE METRICS AND REPORTING

Assortment Optimization

Markdown Optimization

DEMAND

ONE PREDICTIVE ENGINE

Replenishment Planning

PLANNING

Vendor Order Optimization

Allocation Planning

The 4R Advantages

√ Integrates with and compliments your Execution Systems, providing a strategic path off of existing spreadsheets and basic planning systems

√ Unifies the data into "One 'Predictive Engine' for supply chain analysis across planning processes

√ Delivers Best in Class Planning Process Modules

√ Provides outsourced options, which eliminate the for large capital outlay, shifting costs to Pay-As-You-Go operating expenses.

√ Provides services tailored for continuous improvement and customer success

4R platform and services have proven to help retailers meet customer expectations, improve profitability, reduce inventory, and empower employees **- some clients realizing $6 million to $265 million in incremental profit.**

Inventory and Supply Chain Planning as a Service (PaaS)

4R's team has your supply chain and business covered...360 degrees!

The in-house 4R expert team dominates AI/ML science and technology. They are seasoned demand, replenishment and inventory experts that bring a human touch to the planning process. 4R performs planning activities on behalf the client in seamless collaboration with your management and leadership.

"It is really the benefit of the surgical analysis, which was impossible for us to do ourselves. 4R really helped us. The results were across the board. When you talk about lost sales and inventory carrying costs, the gains we realized were huge and exactly what 4R predicted."

~ Eric Kang, VP of Supply Chain
Sur La Table

PO Box 888 | Southeastern PA 19399-9002 | +1 610-644-1234 | optimize@4r.ai | www.4r.ai