

Intelligent Inventory Optimization

REAL-TIME SUPPLY CHAIN VISIBILITY FOR **RETAILERS**

**Do you still rely on store associates
to track inventory and orders to
keep shelves stocked?**

There's a much better way!

Drive Your Business to Meet Ever-Changing Needs

According to Gartner, 94% of leaders say they need to understand the latest technology innovations that will enable them to bring better data and predictive capabilities to the business. It is no wonder the industry is rapidly going through a digital transformation.

The increasing consumer demand for digital shopping experiences has driven the retail industry's digital transformation.

Retailers that adapted to provide online shopping experiences quickly realized that these technologies produce a massive amount of data. As a result, their internal systems and processes for managing inventory and the supply chain became increasingly ineffective.

Traditional systems that keep track of inventory were designed for merchandise management and accounting, not forecasting and planning.

Strategic placement of inventory and the ability to adjust to unplanned events or changes to consumer preferences are near impossible without the external data from customer-facing selling technologies. For this reason, many digital transformation laggards struggle with supply chain issues and poor inventory efficiency.

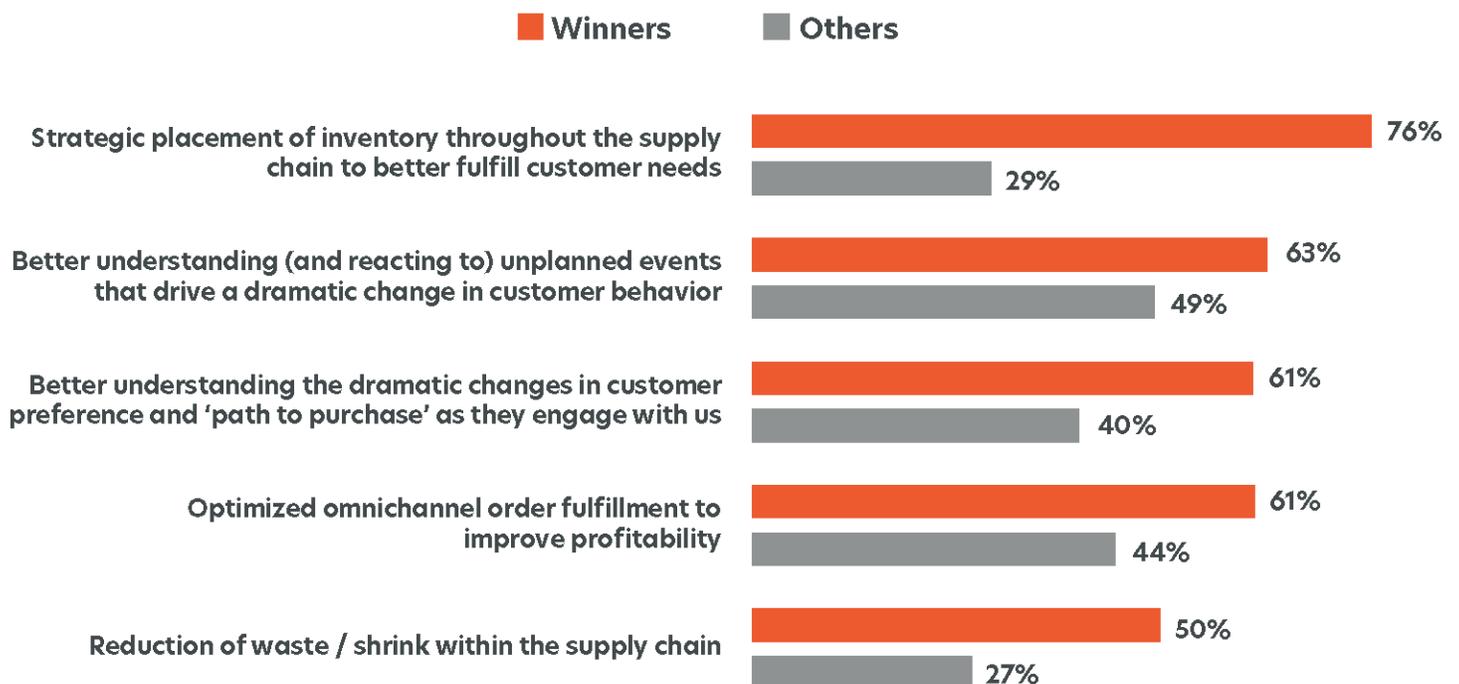
94% of CEOs want to maintain or accelerate the already intense pace of digital transformation programs.

~ Gartner

Address Challenges in a Highly Competitive Market

There is an opportunity for these laggards to increase their agility to respond to trends and make better decisions to maximize their inventory investments. The table below, from the 2021 RSR Benchmark Report illustrates the big opportunities successful retailers (high sales performance year over year) view as methods to address the challenges associated with highly competitive retail environments.

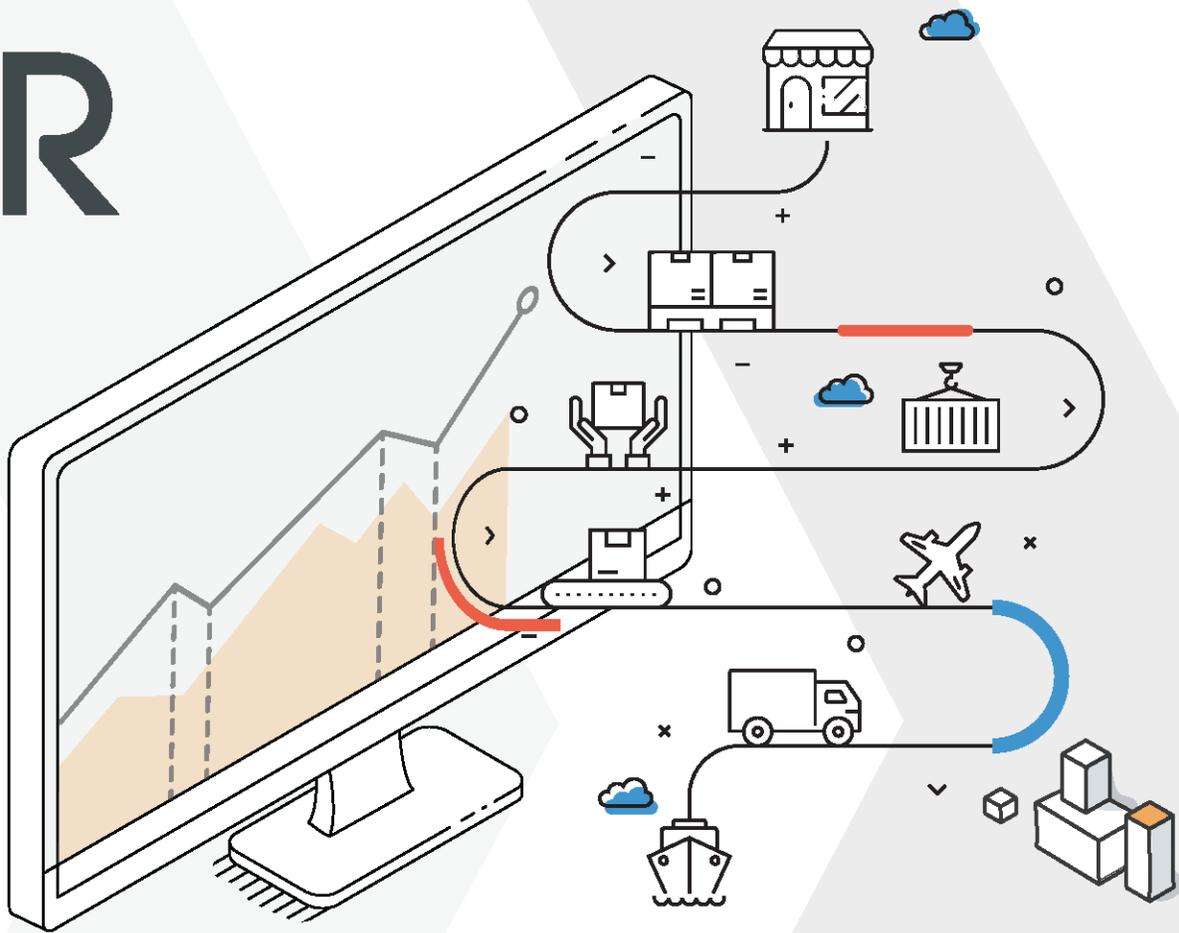
'Big Opportunity' To Address These Challenges



The next phase of the retail digital transformation: AI/ML powered tools.

Seventy-seven percent of these retail winners cite "being able to produce highly accurate and granular forecasts" as the highest value thing they can do. Today's next-generation, AI/ML-based tools help retailers predict demand at the most localized and granular levels, giving them the ability to accurately align supply throughout the supply chain and optimize inventory at every location.

4R



Innovate Your Supply Chain

Manage Inventory as an Investment

Inventory is the greatest investment in retail. Managing inventory as an investment requires AI and advanced analytics to:

- Identify true demand and predict shopping trends to drive forecasts across all channels by leveraging existing POS and supply chain data
- Proactively identify excess inventory builds and loss sales at each product/location before it happens
- Plan and order the optimal assortment and allocation of products to each product/store consumer profile
- Automate the replenishment process for stores and distribution centers through optimized vendor orders
- Calculate optimal markdown of end-of-season or end-of-life items to preserve profitability
- Connect store operations with corporate strategies to resolve issues like phantom inventory

One Predictive

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.



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 allocation 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 optimal timing 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.



Intelligent Inventory Optimization

Why Choose 4R?

SUCCEED WITH US

The 4R Advantages

- ✓ Integrates with and compliments your Execution Systems, providing a strategic path off of existing spreadsheets and basic planning systems
- ✓ Unifies 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 need 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.**

Are you achieving these type of benefits* for your business?



**INCREASE SALES
BY
12-18%**



**INCREASE PROFIT
BY
6-10%**



**REDUCE INVENTORY
CARRYING COSTS
BY
2-8%**



**REDUCE
STOCK-OUTS BY
14-25%**



**REDUCE
MARKDOWN LOSS
BY
12-20%**

***4R benchmarking results from 40 clients**

Supply Chain Planning as a Service

Let 4R harness the power of AI/ML planning for you

Shore up your team with experienced and certified inventory and supply chain talent to strengthen your supply chain.

The initial impacts of the pandemic revealed the importance of supply chain planning to the world. Even as companies scramble to implement leading practices, proper processes and technologies to get back to normal, let alone optimized, only a fraction of companies have sufficient internal talent who can manage all aspects of their supply chains. Companies are engaged in a raging war over a very small population of experienced supply chain planning talent.

Disengage from the War for Talent and let the team at 4R help you build a strong and resilient supply chain.

PaaS Best Practice

4R Planning as a Service (PaaS) brings planning best practices and focuses on the things that matter to your business like, forecasting and monitoring plans, acting on service level exceptions to optimize inventory and replenishment cycles, and mitigating risks of overstock and lost sales.conversion cycle.

The 4R tools help retailers reclaim time to spend doing the things they enjoy most about being a retailer.

Does your Supply Chain team...

- Proactively analyze future product-store/channel demand for loss sales and excess inventory?
- Give you insights and recommendations to adapt your order and push-pull strategy for seasonal and one-time buys?
- Optimize your cash-to-cash order and inventory allocation process focused to maximize your profit?
- Focus on improving your business performance as a top priority?

Get that and more with the 4R collaborative planning team.

Why 4R PaaS?

- ✓ 4R has provided and optimized this service in collaboration with our solutions since the company was founded...it is in our DNA!
- ✓ Certified analytical expert planners guide you towards a fast ramp-up, quick results, and continuous improvement and optimization.
- ✓ Alerts to supply chain issues and real-time adjustments free up clients to focus on more important strategic decisions and activities.
- ✓ The in-house employee management cost and burden are removed from your business.



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