

4R Benefits to Hardware Retailers

1 REDUCE INVENTORY

Decrease working capital by increasing inventory turns at the item/category level

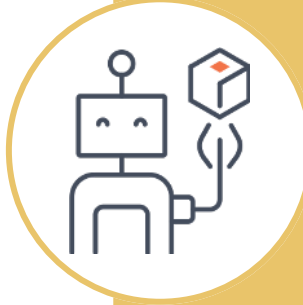


- On average hardware retailers are running between 1-2 inventory turns/year at the item/category level
- NHPA top performers are running 2.7 turns/year
- 4R hardware clients achieve over 5 turns/year at item/category

- Typical staff spends 20% of their time away from the sales floor on inventory & purchase order tasks.
- 4R automates many of these tasks and applies analytics to define optimal inventories and purchase orders.
- No more guessing or gut feelings,
- 4R analytics drive your business to increase revenue and profit
- Automated POs for review each morning afford more time on the floor with customers and analyzing business for revenue opportunities

2 INCREASE EFFICIENCY & SAVE TIME

Automate “busy work” to enable staff to focus on value added tasks (customer service and selling)



3 IMPROVE PROFIT MARGINS

Optimize inventory placement, pricing and promotion strategies



- 4R inventory optimization analyses cost-to-order and profit margin to achieve customer service
- Most inventory planning systems build excess stock chasing customer service
- 4R markdown optimization strategies increase margin by moving excess and slow-moving inventory
- 4R seasonal and promotion planning optimization increases promotion sell through to minimize residual inventory

- Typical hardware retailer is at 10-20% lost sales due to stockouts at the store/category level
- 4R solutions & services apply a rigorous weekly process & AI analytics at the item/store level to align purchase orders to maintain inventory goals
- 4R clients maintain optimal inventory levels and reduce lost sales from 10-20% to 3-5%

4 DECREASE LOST SALES

Recapture revenue by keeping products on shelves and pegs replenished and stocked



AUBUCHON
HARDWARE

Imagine identifying and “burning off” \$5 million in excess inventory, realizing \$2 million in “missed” sales, and improving net profits by 50%, all in little more than a year.

