



Typical ERP System

4R Planning

EXECUTION PLANNING

OPERATIONAL PLANNING

TACTICAL PLANNING

Horizon

This Week

Week 1 - Week 4
(depends on supplier lead-times)

Weeks 5 - 52

Objective

Based on last week's POS, what items need to be replenished this week?

Inventory optimization predicted from 52 to 104 weeks of historical POS including seasonal and promoted items

Vendor Collaboration: Based on 52 to 104 weeks of historical POS, what do you plan to purchase from each vendor?

Capabilities and Business Focus Difference

- Assumes static marketplace: Next week will be the same as last week; does not see trends
- Does not forecast from base POS sales, includes seasonal or promoted POS history
- Manual adjustments to adjust by item@store for trend, season, and promoted items
- Based on manually defined min/max targets

- Adjusts to POS sales trends from recent periods to represent current market trends
- Predicts increases or decreases in sales within order cycles
- Dynamically adjusts ROP per cycle to changing demand patterns and trends
- Adjusts for seasonal, price, and promoted POS sales
- Supports special buy analysis to determine quantity to buy to avoid excess stock
- Advanced AI slow-mover forecasting logic
- Open-to-buy budget constraints
- Track weekly seasonal and promotional sell-through

- Predicts future buys to support collaboration with vendors by sharing vendor forecasts
- Space management equals item@store planogram rationalization

Benefits

PO placement via EDI transactions

- Minimizes:
 - Inventory investment to achieve weekly revenue and margin targets
 - Lost sales due to stock outs
 - Excess inventory at end of seasons and promotions
 - Slow-movers inventory
- Reduces excess inventory that can result from special buys-- buy only what is projected to sell through

- Forecast collaboration with suppliers improves order fill rates to reduce store out of stocks
- Improved price negotiations based on projected buy volumes
- De-assorts low productivity items@store



4R Inventory Management Technology Differentiators

Optimization and Automation for Hardware Retailers

DEMAND

- 1 AI analyses multiple algorithms to create the best possible forecast
- 2 AI analyzes item@store each week
- 3 Custom built 52 weeks forecast
- 4 Item@store recent sales trends
- 5 Store portfolio performance analysis
- 6 Lost sales analysis
- 7 Promotion and seasonal item plan and sell through trending
- 8 Forecast accuracy management
- 9 Forecasting of repeatable base-line history, excluding non-repeatable seasonal, price changes, and promoted history



REPLENISHMENT & INVENTORY

- 1 Weekly optimized inventory plan
- 2 Centralized inventory control
- 3 Inventory plan optimized for profit
- 4 Inventory exception for phantom and out-of-stock
- 5 Time phased planning for seasonality
- 6 Dynamic reorder points change with demand each week
- 7 Organized delivery planning
- 8 Excess inventory exceptions
- 9 Slow-mover order point management
- 10 Vendor forecast collaboration with suppliers



PURCHASE ORDERS

- 1 Automated PO creation by 4R
- 2 Integrated to ERP or POS for release
- 3 Analyze sales trends to fill-out and optimize orders beyond min/max horizon
- 4 Order/item consolidation for savings
- 5 Track Inventory status (OH, on-order, in-transit...)
- 6 Vendor performance management
- 7 Special buy analysis to determine quantity to buy to avoid excess stock

