



PRESENTING THE FUTURE OF UNIFIED RETAIL PLANNING

Lauri Loikkanen

19.04.2018

WE NOW LIVE IN A WORLD WHERE
COMPUTING POWER IS CHEAP

#weaponsofmathdisruption

WE ARE LIVING IN A DIFFERENT ERA

Uneducated
workforce

Not that long ago

Educated
workforce

A while back

Computers +
educated workforce

Today



SINCE 2000, 52 % OF THE FORTUNE 500 COMPANIES HAVE DISAPPEARED

1955

Avg. life expectancy 45 years

1990

Avg. life expectancy 20 years

Today

Avg. life expectancy 15 years

All Tesla cars being produced now have full self-driving hardware

Cars are updated while you sleep!

A black smart speaker with a glowing blue light ring at the top sits on a white marble kitchen countertop. The background shows a modern kitchen with a sink, a blue teapot, and a potted plant. In the foreground, there are blue and white dishes, a bowl of yogurt with blueberries, and a container of blueberries.

Amazon says it sold 'millions of Alexa devices' over Christmas holiday, sales of Echo up 9x from last year

Four meerkats are standing upright on a mound of reddish-brown earth. They are arranged in a horizontal line, each facing a different direction: left, back-left, back-right, and right. The background is a soft-focus landscape of green grass and a pale blue sky. The text 'WHAT IS THE TREND?' is centered over the meerkats in a white, sans-serif font.

WHAT IS THE TREND?

TASKS THAT CAN BE AUTOMATED MUST BE AUTOMATED



Shelf space



Replenishment



Availability



Workforce



Floor planning

Assortment, space and replenishment planned in separate silos



Assortment decisions are made separately.



Space planner tries to fit the given assortment into shelves → lot's of compromising.



Replenishment gets given assortment and given space to fill with units.

Usually process fails to achieve:

- Optimal inventories
- Optimal deliveries
- Optimal visualization
- Best availability
- Good compliance

And creates:

- Extra work and costs in
 - Head office → more difficult to plan or replenish
 - Store → products doesn't fit onto a shelf
 - More deliveries
- Customer dissatisfaction



UNIFIED SPACE AND SUPPLY CHAIN PLANNING

Leverage any data available to optimize the whole supply chain from your shelf space to your deliveries

#cloudiscool

Old world: Excel or traditional system

Product-level forecasting

Person-dependent

Averages

Limited promotion insight

Low visibility to store data

Switching between systems

Overloaded IT-department

Repetitive tasks

New world: Leverage modern technology

Automatic replenishment and exception handling

Automation

Optimization

In-memory analytics

Promotion forecasting

Weather effects

Local assortments

Full supply chain visibility

Capacity planning

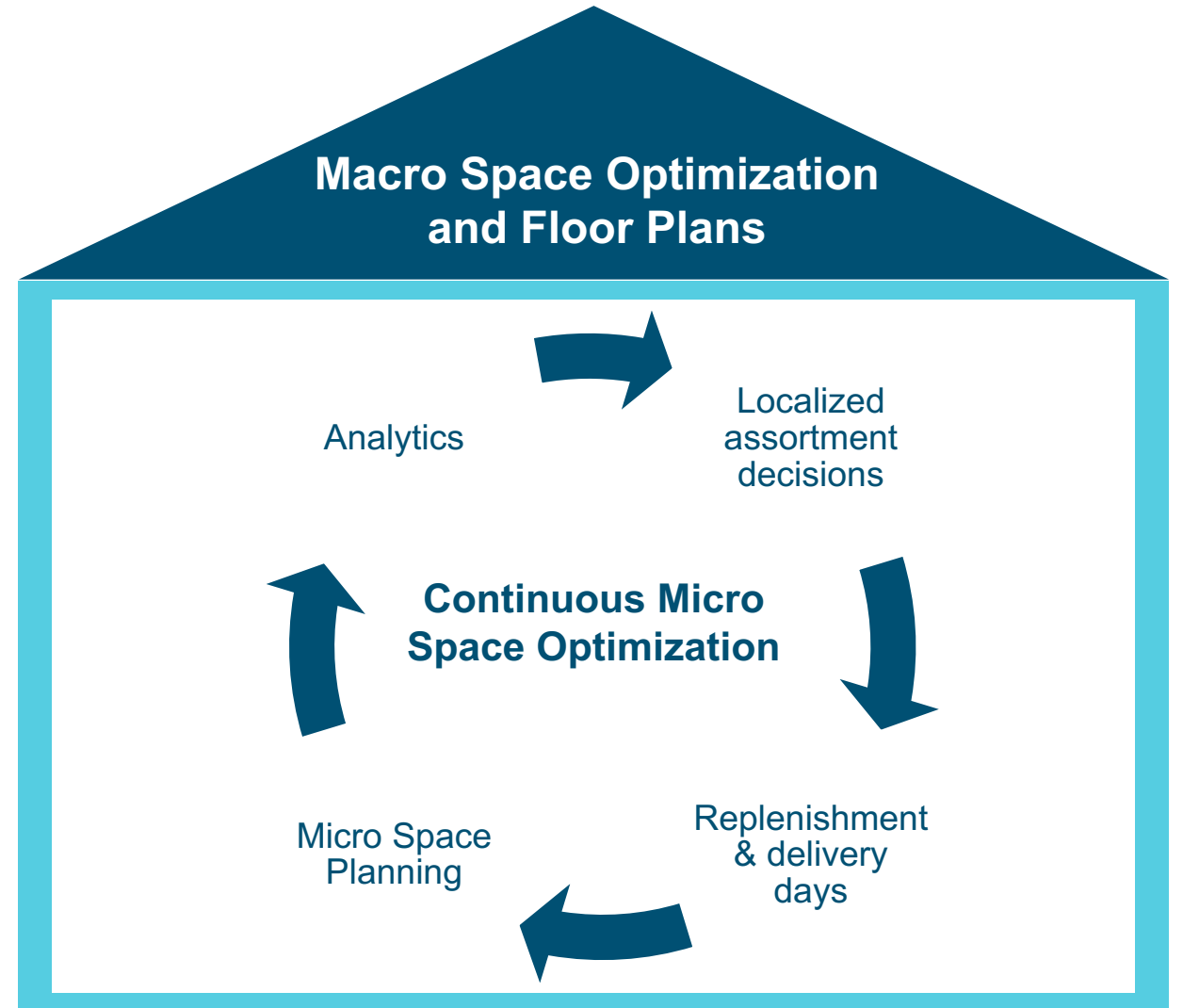
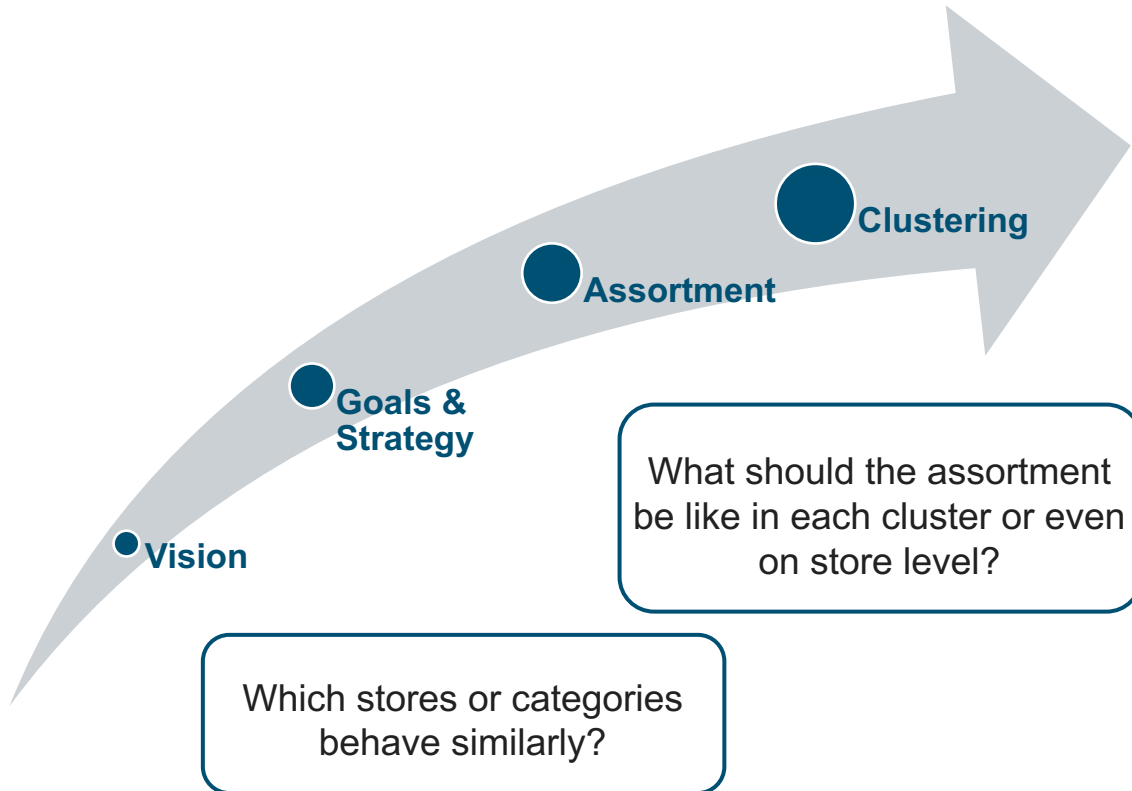
Price elasticity

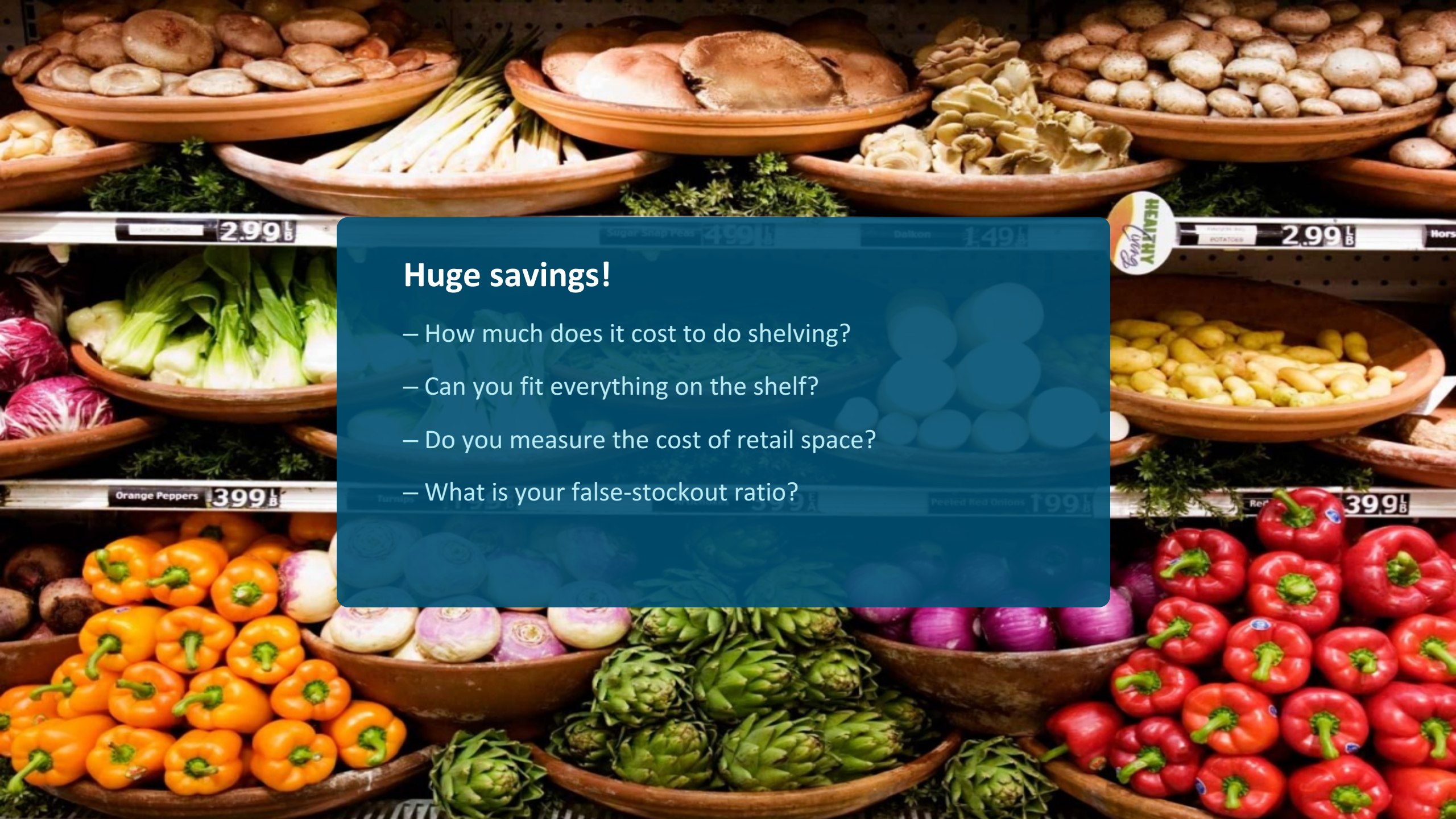
Cloud-based application

Store specific planograms

Doing right things

Retail Planning





Huge savings!

- How much does it cost to do shelving?
- Can you fit everything on the shelf?
- Do you measure the cost of retail space?
- What is your false-stockout ratio?



Why everybody doesn't do it?

Daily delivery information

High planogram compliance

Product-location level forecasts

Billions of calculations

Every store is treated differently

No averages



WHAT NEXT?