



Optimizing the Customer Experience RedPrairie for Retail



Optimizing the Customer Experience

RedPrairie has been helping retailers to be more efficient and profitable for over 35 years. Our unique suite of “supplier to store-shelf” retail technology and services enables retailers to consistently provide superior shopping experiences for their customers – driving down costs, improving online and on-shelf product availability, and providing the knowledgeable service consumers have grown to expect.

RedPrairie’s customer-centric solutions support demand-driven cross-channel retail operations in stores, online, at headquarters and field locations, and across extended supply networks. With an integrated approach to managing inventory, transportation and the workforce, RedPrairie is your single source retail platform to delight your customers and your CFO.

With retail competition more intense than ever, those retailers who can consistently provide the best cross-channel shopping experience for their customers will garner the largest share of consumer spending in their markets. Those who accomplish this most efficiently will create the greatest shareholder value.

RedPrairie enables a superior cross-channel customer experience by providing complete visibility to inventory, orders and shipments across your selling / distribution / supplier network, with the tools to convert shoppers into buyers and to deliver merchandise into shoppers’ hands. In stores this means ensuring you have the right merchandise on the shelves at each store, the right associates with mobile knowledge tools scheduled to convert shoppers into buyers, and timely strategy execution to maximize uplift from your merchandising programs. Online this means giving shoppers “available to promise” views of merchandise anywhere in your extended store / distribution network. These tools are integrated with a superior suite of cross-channel fulfillment and replenishment applications to provide the seamless “Buy Anywhere – Pick-up Anywhere – Return Anywhere” customer experience critical to success in today’s consumer-centric retail world.



RedPrairie’s retail platform streamlines, synchronizes and optimizes retail operations from the point of customer contact all the way back through your supply network, with performance management capabilities to understand trends, uncover and analyze problems, and display real-time performance metrics. RedPrairie’s unique approach, combining visibility, fulfillment and analytics across all channels, provides the toolset you need to optimize the cross-channel customer experience.

Creating a Superior Customer Experience

Retail operations today are much more complicated than they were just a few years ago. It used to be if you had store shelves stocked and staff scheduled to serve customers, you had a good chance of success. That world doesn't exist any longer. Today your first contact with a customer is often not in the store, but online. The customer accesses your storefront using a laptop, iPhone, Droid or other mobile device to see if you have the particular product they want, what your price is, and either where they can pick it up or how fast you can deliver it to their door. The rise in importance of private label merchandise has added yet another dimension. These new realities require a different supply – merchandizing – operations strategy than the previous store-centric model, and corresponding new technology.

It Starts With a Single, Accurate Forecast >

Ensuring the desired merchandise is always available online and on store shelves to meet customer demand requires immediate visibility into what products are selling through each channel and store. Unfortunately, traditional demand planning systems don't have visibility to actual demand at this level. They use shipments out of distribution centers as proxies for this information, ignoring overstocks, understocks and demand variations by store or cluster, thus introducing forecast errors from the start. The problem gets worse as separate forecasts are generated for online sales, at supplier DCs and for manufacturing. This causes a bullwhip effect that results in higher than necessary network inventory levels and expense while never solving the store out-of-stock problem.

Similarly, a lack of visibility to store-level demand and capacity causes promotions and other merchandising programs to be "one size fits all" rather than tailored to local footprints, staffing and consumer demand variations. This limits program success.

RedPrairie solves these problems with a single store-level forecast based on POS and store inventory data, augmented with promotion uplift projections, seasonal trends, and new product introductions. The forecast is adjusted daily based on actual sales results and pick-ups or deliveries of online orders. Demand at successive layers of the supply network is calculated from this single, accurate forecast, greatly reducing the forecast errors and bullwhip effect of traditional demand planning. With everyone working from a single set of numbers, safety stock and times can be significantly reduced, while inventory turns and on-shelf availability are improved.



A Single Plan of Action > Another challenge facing retailers is that demand planning systems forecast inventory requirements starting at the DC level while labor planning is done in the stores, often with little to no automated help. Store managers are forced to use traffic counters, spreadsheets and last week's schedule to create their staffing plans. As a result, inventory and labor plans are out of sync, frequently with too much or too little staff for real needs. This raises costs and lowers conversion rates, respectively.

What retailers need is a single store-level forecast that can drive both inventory and staffing plans at each store, and the support systems to execute on those plans. That is what RedPrairie's retail platform provides. Our single, accurate store-level forecast is used to calculate both inventory needs and staffing requirements, ensuring two key elements of revenue generation are in sync and tuned to consumer demand.

But there is one more important element of revenue generation that must be addressed – the execution of corporate merchandising strategies, such as promotions. For many retailers, the gap between promotion strategy and execution is a wide one, causing revenue uplift targets to be missed. Just as promotion plans must augment demand-based inventory projections, workforce schedules must be created to execute the special display set-up, stocking, pricing and other tasks required to prepare and maintain promotions. RedPrairie's Execution Management application ensures the right staff is assigned in each store to get all promotion tasks completed correctly and on time, as well as perform other non-sales based tasks.

With RedPrairie's retail platform, a single forecast, augmented with corporate program projections, drives a coordinated action plan for inventory, labor and task execution. This creates a superior customer experience by ensuring the products they want are properly stocked and priced on shelves and displays, and there is sufficient skilled staff available to assist them. This converts shoppers into buyers to maximize revenue potential and reduce costs.

Empowering Your Team > Having sophisticated forecasting, scheduling, task management and replenishment technology are important factors in cross-channel retailing success. But if they don't empower your managers and associates to better serve your customers, you're missing a major opportunity.

For example, it is not uncommon for a shopper standing in your store to have more information about your products at his or her fingertips than your associates have. The shopper may be looking at an empty shelf while viewing your product on her iPhone, along with the fact your competitor down the street also carries it. Rather than wait for your associate to go rummage through the back room to see if there is any more available, she is likely to simply walk down the street to buy from your competitor.

Now imagine this alternate scenario. After your associate does a quick review of the information on her smart phone, she leads the shopper to other fixtures or endcaps that may also have the product, or tells the shopper when another shipment of the product will arrive, or which other local stores have it in stock, or whether it can be shipped from the DC to her door, or what on-hand product may be a good substitute.

If your associate does find the product on another fixture, she then looks at her smart phone to determine what accessories or companion products she should suggest, and to see if the labeled price is correct, or if there is a current valid promotion. The customer was never left alone while someone "went back to check," and even if the initial shelf was out of stock, you didn't lose the sale. That builds revenue and customer loyalty.

RedPrairie mobile apps empower your associates to quickly and efficiently serve your customers by combining the same type of mobile technology your customers have at their fingertips with powerful inventory management capabilities that help get your products into customers' hands, thus enhancing both ends of the customer experience.

Keep it Simple > There is another important element of empowering your team – simplifying their jobs so they can spend more time helping customers. How can software systems do this? By tailoring and simplifying the interactions between systems and users.

As retail systems have grown more complex and powerful, they have also become more difficult and time-consuming to use – keeping managers locked in the back office and associates either struggling to navigate applications or ignoring them all together. RedPrairie solves these problems through Persona-based development and resulting applications like Site Manager.

Persona development looks at each role within retail operations and designs a simple, yet powerful user interface that delivers the exact capabilities each user needs in an intuitive format. It defines the tasks the user must perform, the possible actions they could take, and the information they need to make decisions, and displays the information and options on a single screen or mobile display.

Site Manager is an example of the power of Persona development. It puts the daily tasks and actions of store managers on a single screen or mobile display so the store manager can quickly see what needs his or her attention next, and allows them to quickly complete each task, even when walking around the store. Store managers at an early-adopter customer stated Site Manager reduced administrative time 50 percent or more – time they could better spend on improving their customers' shopping experience.

A Platform for Cross-Channel Success

Executing an exceptional customer experience requires sophisticated technology behind the scenes to ensure the right inventory is in the right place when customers want to buy, the right associates are scheduled to move the inventory through the supply chain onto store shelves, and to convert shoppers into buyers, and that transportation assets are used expeditiously to carry your products along the many steps from suppliers to your customers' hands. RedPrairie's suite of inventory, workforce and transportation systems for retail can provide that all-important technology platform for your cross-channel success.

Inventory

Inventory is an essential, but expensive, asset that must be effectively managed across the production – distribution – store replenishment continuum. But today's global supply chains and multi-channel operations, often with multiple store formats and brands, make managing inventory much more difficult than ever before. With the use of DSD depots, mixing centers, cross-dock and flow-through facilities, and drop-ship sites, visibility to inventory and its status is more critical than ever. In fact, visibility is an absolute requirement for effective distributed order management – a foundational element of cross-channel success.

RedPrairie's suite of inventory management applications define appropriate stock levels at each site, direct the efficient production and movement of inventory through the supply network, and provide complete visibility across the process – giving you the tools you need to consistently meet customer expectations while controlling costs.

Specific RedPrairie inventory management applications include:

Replenishment Forecasting > POS-based item-level forecast projects inventory needs per store down to 15-minute intervals for functions such as fresh-item control and preparation for food service. It takes into account seasonal trends, promotions and special events, as well as ordering and delivery constraints. The forecast calculates replenishment requirements up through the supply network, reducing forecast error and safety stock.



Store Inventory Management > Provides perpetual inventory management to support order, receive, transfer and adjustment functions at each site, along with auto-replenishment, recipe management and production planning. Integrated with cycle counting and replenishment forecasting to provide a true picture of inventory status and needs per site.

Fresh Item Management > Food preparation places a whole other level of complexity to retail inventory management, with huge potential for spoilage and waste that strain margins. RedPrairie's Fresh Item Management forecasts ingredient needs to 15 minute intervals, allows for prep time by item, and schedules preparation around traffic patterns. This reduces spoilage and waste while improving product availability and customer service.

Distributed Order Management > Critical to cross-channel success, distributed order management defines the most economical location from which to source each order, taking into account inventory availability, delivery windows and transportation costs. It considers expected receipts from production and in-transit shipments, as well as availability from supplier drop-ship sites to match future inventory to customer delivery commitments.

Multiple Distribution Formats > Direct store delivery (DSD) depots, cross-docking and flow-through facilities, mixing centers, temporary storage facilities. There are so many different strategies and formats for storing and moving inventory through the supply network to store shelves or online fulfillment centers. Your distribution technology must not only support, but optimize your entire distribution network to avoid bottlenecks, blind spots and missed handoffs in meeting customer expectations. RedPrairie's inventory management capabilities are designed to optimize all distribution formats and sizes to remove these stumbling blocks while improving service.

Inventory Management > Accurate, real-time tracking of inventory at suppliers, en route, and within your distribution network and storerooms is critical to timely, efficient replenishment. RedPrairie's industry-leading inventory management solution tracks inventory from suppliers to the store shelf to reduce cycle times and logistics costs while increasing on-shelf availability. Inventory accuracy is near 100% and manual cycle counts are virtually eliminated.



Warehouse Management > RedPrairie has the most mature, functionally-rich warehouse management system on the market – proven in hundreds of implementations over decades of use. It's sophisticated retail functionality such as put-to-store, item substitution, available-to-promise, store-ready pallets and value-added services provide the capabilities you need to better serve your customers while reducing costs.

Slotting > In distribution centers, picking is usually the most time-consuming, error-prone and costly operation. RedPrairie's Slotting application makes picking faster, more accurate and less costly by calculating the optimal positioning of each item within the forward pickface based on sales velocity and ergonomics. It automatically evaluates the ROI of each slotting plan to ensure only profitable plans are implemented. And since it is integrated with RedPrairie's Warehouse Management, implementing a new slotting plan is a natural part of on-going operations.

Appointment Scheduling > Dock door receiving and shipment appointments, as well as store delivery times, can be set up online through a web-based portal. Equipment types and workload requirements are considered. Appointments are visible to, and can be scheduled by, suppliers, carriers and users.

Dock and Yard Management > The high volumes of receiving and shipping common to retail distribution, as well as increasing use of cross-docking and flow-through, are putting a premium on efficient dock and yard operations. RedPrairie's dock and yard management capabilities make both receiving and shipping operations more efficient. From gate check in/out to directed yard movements and trailer / contents tracking, dock and yard operations are faster, more secure, and provide better visibility.

Parcel > With e-commerce / m-commerce an increasingly important component of retail success, the number of parcel shipments, and hence parcel shipment costs, have mushroomed. This requires parcel shipment processes, rating and labeling to be integrated with distribution operations to ensure lowest cost shipments while meeting customer delivery expectations. RedPrairie's Parcel application is integrated with warehouse management and transportation processing to provide the most efficient shipments possible.



Returns processing > Returns processing is a huge headache and cost for retailers, especially for online purchases. RedPrairie's returns processing capabilities direct returns authorization, shipment, receiving, processing and disposition to streamline and standardize operations while reducing processing effort and costs.

Private Label Manufacturing > For those retailers who have crossed the boundary into manufacturing by producing their own private label goods, RedPrairie

offers Build-to-Order (BTO) capabilities to synchronize raw materials, components and subassemblies with production lines, including managing recipes and tracking waste.

Track & Trace, Recall Management > In many ways retailers are at the mercy of their suppliers when it comes to the quality of the products they sell, yet are often the ones most affected if problems arise. Therefore, they need the ability to track and trace products back through their supply networks to limit exposure and protect their brands in the event of problems. RedPrairie offers complete traceability through your supply network back to raw materials.

RedPrairie provides demand-driven inventory management that drives efficiency, control and visibility from raw materials to the store shelf. It helps you provide a superior customer experience by ensuring the right products are available online and on store shelves when customers want to buy, while keeping costs, and thus prices, low.

Workforce

The cost of labor in stores and distribution centers is second only to the cost of merchandise as the largest expense for most retail operations. Plus, penalties can be significant if labor laws are violated. Yet, many retailers provide managers with little more than time and attendance systems with which to schedule and manage their workforce. When you consider that service is so integral to the customer experience, and the majority of retail executives list improving the customer experience as a key strategy, it only makes sense that managers have access to the best tools available in order to optimize the use of your workforce across the enterprise.

RedPrairie offers the only workforce management solution for retail operations that optimizes the use of labor across the enterprise, including in stores, distribution centers, manufacturing facilities, and transportation. Workforce planning and scheduling is based on the same store-level forecasts that drive inventory management, so inventory and workforce plans are always in sync. However, service

labor is only part of the equation – RedPrairie goes beyond customer traffic and transaction planning to incorporate the ability to manage corporate tasks and processes which are administered centrally.

RedPrairie's comprehensive Workforce Management solution for retail includes:

Preferred Methods and Labor Standards > Maximizing workforce productivity requires job design and measurement that ensures all associates are performing their tasks in the most efficient manner. RedPrairie engineers can help you design optimal job methods and set fair and accurate labor standards so you can objectively measure workforce performance.

Demand Planning > Consumption-driven, traffic-based workforce planning with "what if" modeling and simulation capabilities ensures the right number of associates with the right skills are available when needed to meet customer demand patterns.

Schedule Optimization > Computes labor requirements by task based on labor forecasts and engineered standards. Matches labor supply and constraints with skill sets, preferences, labor law constraints and work rules to schedule just the right people with the right skills at the right times to optimize workforce utilization while aiding compliance and maximizing customer service.

Time & Attendance > Enables consistent application of wage, hour and leave regulations, as well as legal entitlements and union rules. The system provides preventative alerts on associates reaching predetermined constraints such as maximum hours per day or week, no shows, overtime, etc. This reduces labor costs, and helps control attendance, track benefit accruals, administer training, and perform job costing. Integrated to numerous industry-standard time clocks and data collection terminals.

Task Management > Assigns and schedules tasks, and balances workloads, to ensure promotions, pricing, display, resets and other prioritized activities are completed while providing appropriate coverage for all sales-based store requirements. Provides confirmation and feedback on execution of tasks at each store.

Workload Planner > Allows workload planners and gatekeepers to optimize the return on labor for each site by calculating the actual effort required to complete each project or process. The system provides “what if” scenario analysis on project timing, content, priority, and phasing. As a result, organizations can phase and prioritize projects over time, while comparing demand for labor to capacity by site, by week.

Mobile Device Support > To be effective, managers and associates must be on the floor as much as possible, enabled with the right mobile devices to leverage information to perform their duties and assist customers. RedPrairie’s Persona-based development and support for a variety of mobile devices puts real power in your teams’ hands that enhances their ability to serve customers.

Employee Self-Service > Enables associates to use online or mobile devices to check schedules and hours worked, and submit time off requests from virtually anywhere. This improves morale and schedule compliance while reducing administrative time.



Measurement & Compliance > Measurement of performance against expectations, tracking of time and attendance, monitoring indirect time, calculating incentives, and evaluating compliance with work rules improves workforce performance. It also helps uncover barriers to productivity and identifies opportunities for coaching.

Incentive Tracking and Payment > Properly designed and tracked incentives can improve performance, morale and loyalty. RedPrairie accurately tracks incentives for individuals and teams based on user-defined rules, and calculates appropriate payments.

Enterprise Visibility & Analytics > Enterprise-level dashboards and analytics provide the ability to evaluate and compare workforce performance across stores, regions and at the corporate level through customer-specific workforce KPIs and reports.

RedPrairie’s comprehensive Workforce Management solution provides the tools you need to empower your workforce to better serve your customers. By empowering your workforce and enabling them to spend more face-to-face time with your customers, you improve the chance of converting shoppers into customers. Associates are in the best position possible to deliver better customer service and build customer loyalty.

Transportation

With global supply networks, transportation has moved to the forefront as a major component of replenishment expense, averaging 39% of total supply chain costs. Getting the season's hottest items from suppliers in China to regional DCs and into stores quickly and efficiently can mean the difference between profit and loss. To be competitive, retailers must apply the same rigueur to transportation management as they do to store operations.

RedPrairie has helped retailers of all sizes take control of and streamline transportation and fleet management for many years. While RedPrairie provides a comprehensive set of integrated transportation capabilities, the areas of most interest for many retailers are inbound planning, fleet management and parcel. These areas most directly impact retail costs and the ability to improve the customer experience.

Inbound Transportation > Too often inbound shipments are arranged by suppliers, with transportation charges buried within purchasing contracts. By taking control of inbound transportation, you can eliminate inflated shipping charges and take advantage of shipment consolidation and routing, carrier management and rate shopping efficiencies. RedPrairie's Transportation Management provides significant cost reduction through shipment consolidation and rate shopping. Retail customers have reported improved visibility to inbound shipments and freight costs, and reductions in inbound LTL of 10-40%, saving millions.

Fleet Management > Many retailers use fleets for deliveries to their stores and/or customers. RedPrairie's Fleet Management optimizes daily routing and scheduling of private and dedicated fleets. Load balancing and stop assignments ensure efficient capacity utilization, making it possible to serve more customers each day and potentially reducing the number of vehicles in operation and the carbon footprint. Optimal routes are based on operational, customer and road network constraints, reducing drive time and trip distance while meeting customer service requirements. In-transit routes and performance can be monitored by GPS and/or in-vehicle monitoring devices for the ultimate in tracking and control.

Parcel > With online orders ballooning the number of parcel shipments, leading retailers have found that integrating parcel shipments with their transportation and fleet management can significantly reduce costs. By consolidating and rating all shipments within a single optimization engine, RedPrairie enables you to take advantage of cost-saving opportunities such as LTL, pool points and zone-skipping. The system automatically selects the lowest cost mode and carrier that meets customer delivery windows.

RedPrairie's Transportation Management suite also includes procurement, outbound transportation planning and execution, freight settlement and a web-based collaboration portal that provides real-time communications, appointment scheduling and visibility for stores, customers, suppliers and carriers. It is your single source for all of your transportation needs, and is fully integrated with the Inventory and Workforce suites as well.



Financial Management

RedPrairie provides a comprehensive set of retail financial management applications to enable a single version of the truth for improved financial results.

Store Reporting > Through our store operations suite, RedPrairie provides consolidated reporting of store activity. A complete set of financial and operational reports provide key performance indicators for loss, profitability, sales, trends, speed of service, customer count, fuel, category sales – even drawer events to help manage loss prevention activity.

Cash Management > A closed-end Cash Manager tracks cash from the time it enters the store until it is deposited at the bank to quickly identify areas of potential cash shrinkage and take immediate action to minimize theft and fraud. The ability to reconcile accounts and deposits tightens the loop and brings awareness to data that affects bank statements.

Retail Pricebook Management > Provides centralized controls to manage pricing decisions across the enterprise. It marries your inventory catalog to supplier costs to help you set product mix, pricing and profit margin goals on a regional or local basis, including promotional pricing and stepped markdown strategies.

With RedPrairie Retail Financial Management, headquarters can ensure a consistent shopping experience for customers while maintaining real-time visibility and control over store operations and financial health. It is this extra layer of financial control that allows your inventory, workforce and transportation operations to concentrate on perfecting the customer experience.



Performance Management

With RedPrairie's retail suite of inventory, workforce and transportation capabilities fully integrated, automated and online, performance management becomes a natural byproduct of doing business. Since detailed data is already captured, here we focus on providing the presentation tools to analyze and interpret the data – delivering a clear view of important information in easily understood displays.

Web-based Analytics > Performance Management is an advanced web-based analytic solution that leverages the wealth of information within the retail platform and your point of sale system. It applies key performance indicators (KPIs), such as sales, labor and conversion rates, to measure results against definable thresholds. It also provides unique insights to your operations and customer trends, such as market basket analysis.

Analytic Foundation > Pre-built OLAP cubes and extract, transform and load (ETL) routines take the effort and worry out of capturing the right information from the retail platform, allowing you to focus on analyzing business results. This comprehensive, scalable foundation gives you the comfort of viewing a single version of the truth.

Performance Management provides a customizable, industry leading solution that transforms raw, disparate data into useful and valuable scorecard information and analytics. It provides unprecedented insight into your labor, sales & profitability, market basket, inventory, and loss prevention results and trends to improve programs and help you make more timely, better informed decisions.

Summary

RedPrairie has been helping retailers to be more efficient, profitable and competitive for over 35 years. RedPrairie's industry-unique, "supplier to store shelf" suite of technology and services for inventory, workforce and transportation enable retailers to consistently provide superior shopping experiences for their customers while driving down costs and improving product availability.

RedPrairie's retail platform helps you optimize the conflicting needs of retail operations – increasing product availability while reducing inventory levels, improving customer service and

promotion effectiveness while reducing workforce costs, enhancing on-time delivery while lowering transportation costs, and better protecting cash flows while helping them to increase.

RedPrairie retail customers, including many of the leading retailers in the U.S., Europe, Africa, Asia and Latin America, enjoy increased profitability, more efficient supply networks, and better synchronization between headquarters, field, online and supply chain operations. RedPrairie is your single, comprehensive platform for retail success.

For more information

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