RELEX

Adding Science to the Art of Retail

Some retailers will drive change in market and thrive,
others will perish

Retail is changing

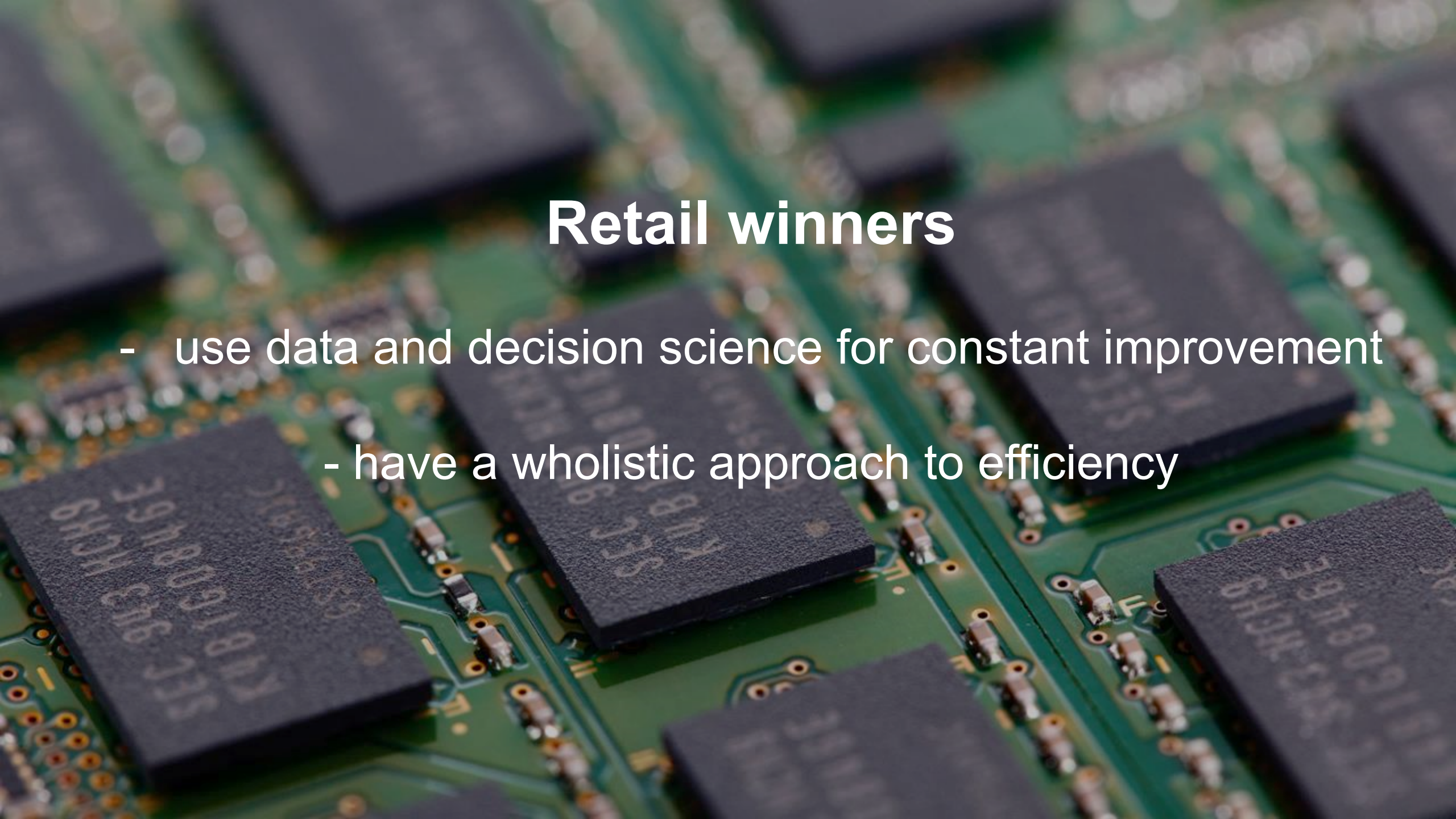
Top retailers in 2006

1. Wal-Mart
2. Carrefour
3. Tesco
4. ~~Seven & I Holdings~~
5. ~~Kroger Corp~~
6. ~~Target Corp~~
7. ~~The Home Depot~~
8. ~~Walgreen~~
9. Aldi
10. Royal Ahold

Top retailers in 2018

1. Wal-Mart
2. **Amazon**
3. **Schwarz Group**
4. Carrefour
5. Ahold Delhaize
6. **Costco**
7. **Alibaba**
8. Aldi
9. **Auchan**
10. Tesco

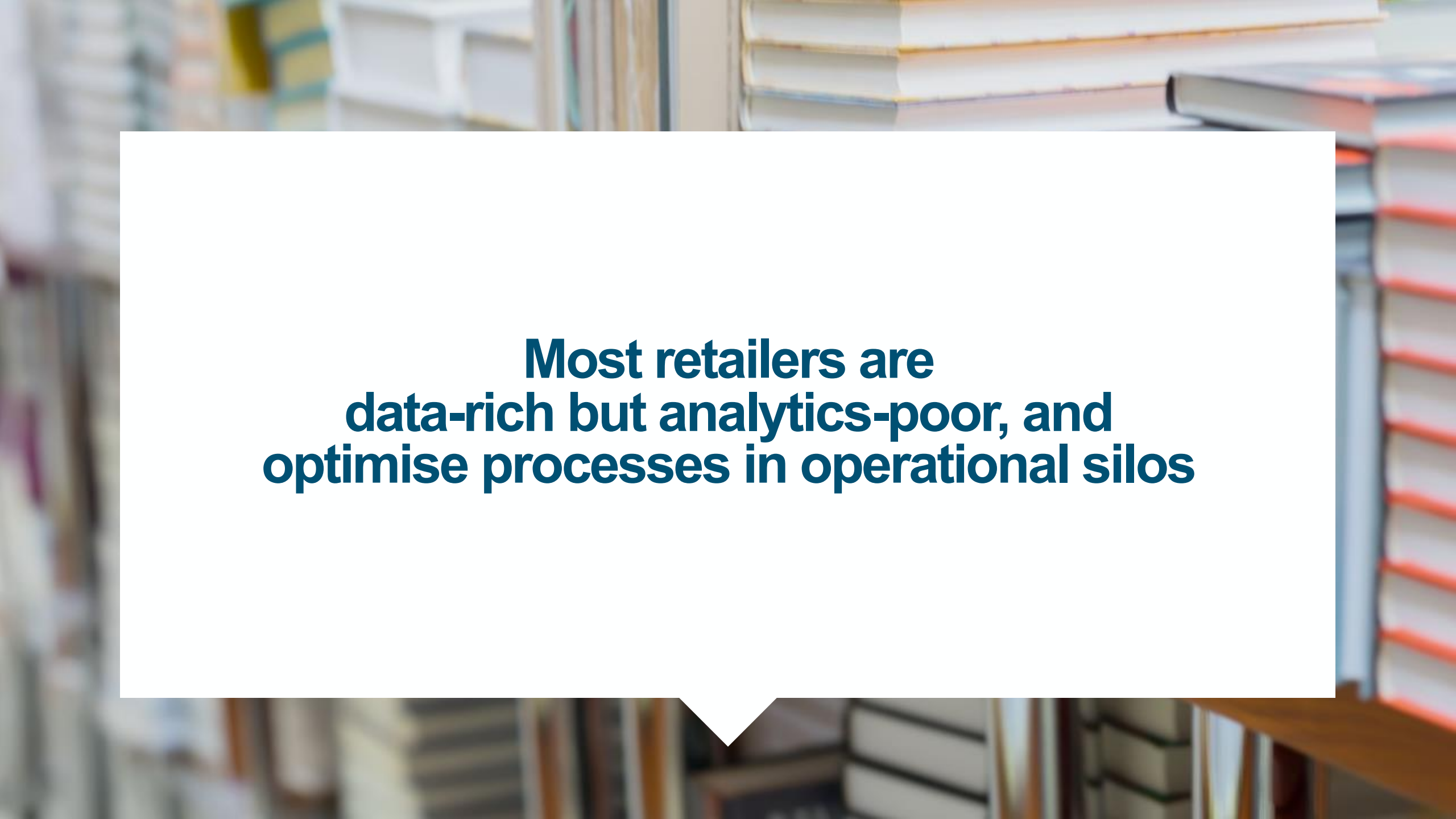
Sources:
https://stores.org/2019/03/01/top-50-global-retailers/
https://blog.euromonitor.com/top-10-global-retailers-in-2006/



Retail winners

- use data and decision science for constant improvement

- have a wholistic approach to efficiency



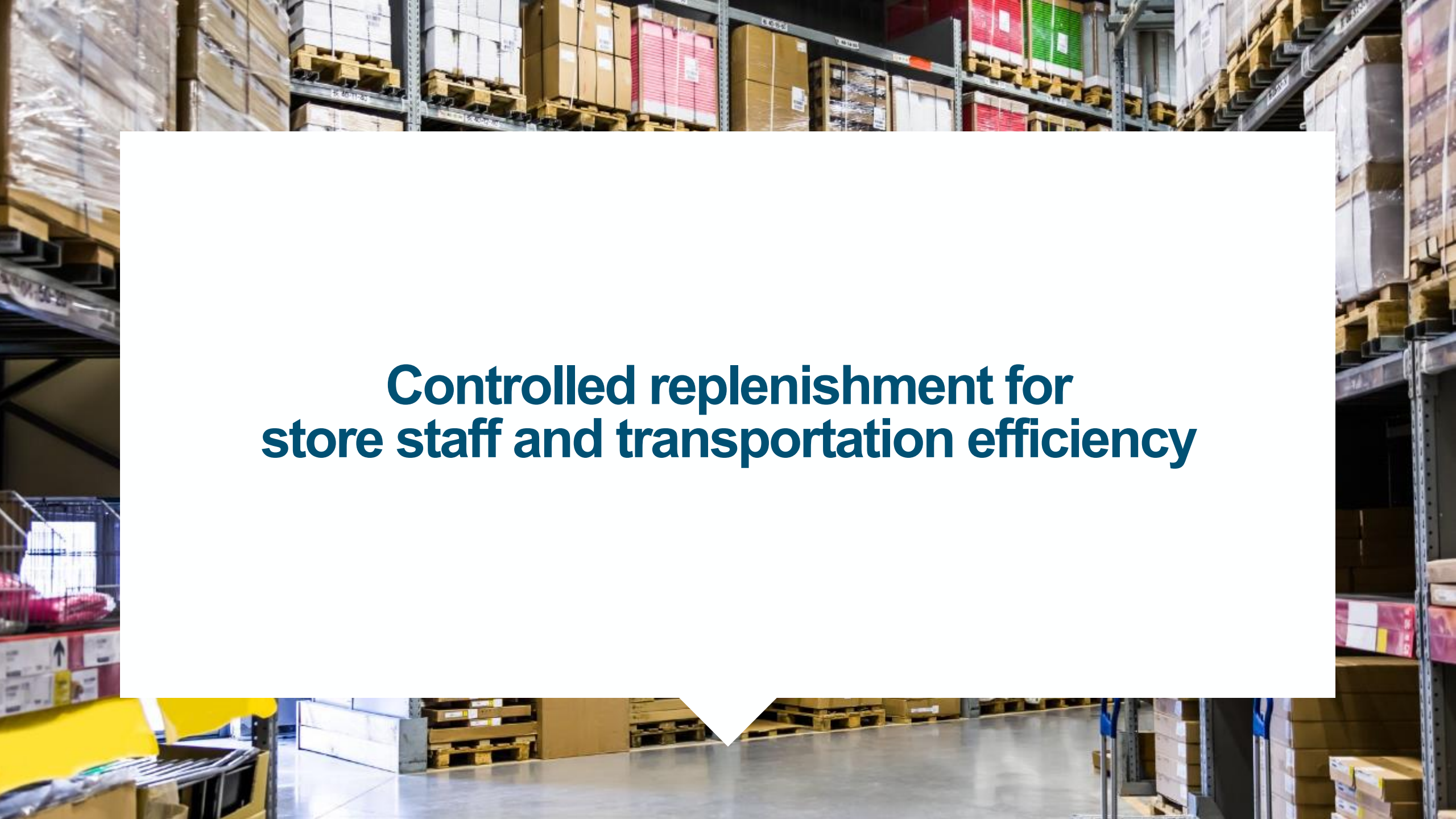
Most retailers are data-rich but analytics-poor, and optimise processes in operational silos

Decision science has the power to improve all of retail's core processes, but

true transformation requires a cross-functional approach and understanding of the whole process

Breaking out of retail's functional silos

- Sub-optimization within each function can cause total cost to increase
- Aligned development makes it possible to multiply the impact of development efforts



Controlled replenishment for store staff and transportation efficiency

Case Bünting

Accurate forecasting and replenishment

- 24 % reduction in food waste
- 7 % reduction in out-of-stocks

Replenishment planning for transportation and store operation efficiency

- 27 % reduction in transportation cost and CO2
- Removed need for several hundreds of hours of labor per store per month due to better organized material flow

Bünting AG owns several retail brands and operates approximately 200 stores and 4 warehouses.

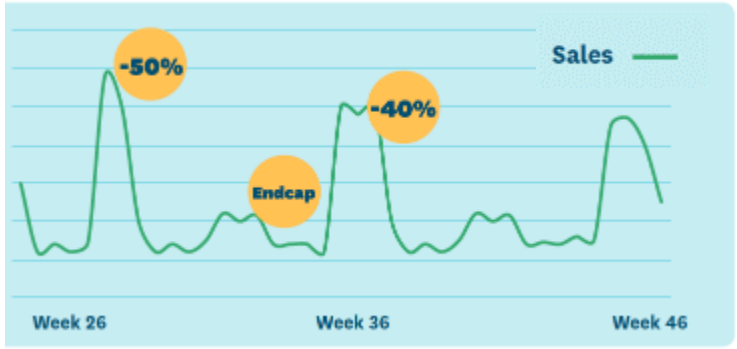
Clearance price optimization for effective inventory management with optimal sales margin contribution

Effective inventory clearance

Access to sales forecasts, price elasticities and inventory data allow for highly automated and accurate markdowns

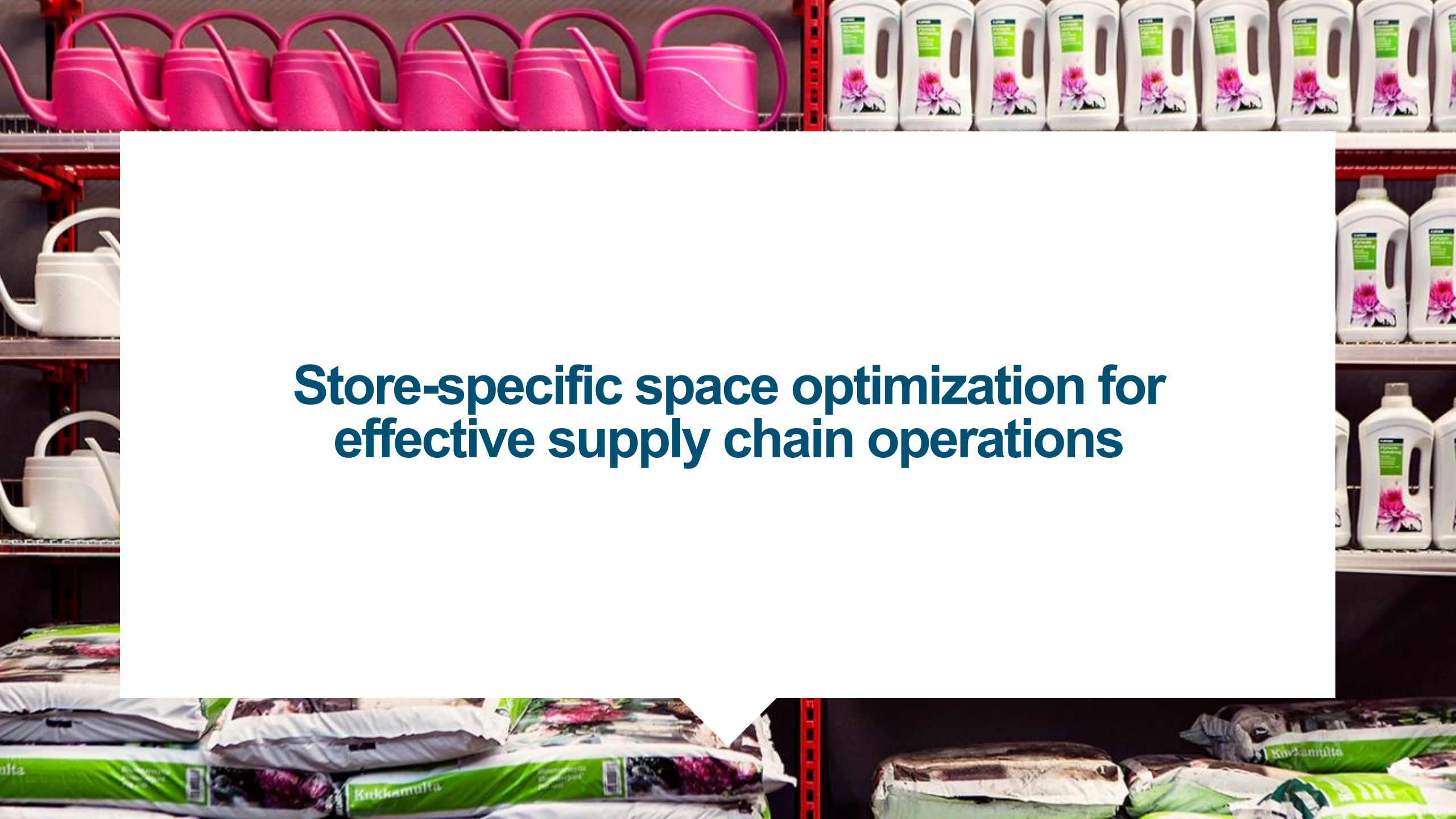
1. Find items for markdown

2. Automatically optimize clearance, allocate stock and execute price changes



Results

- Increased sales margin: 3 – 10 %
- Lowered end stock: 15 – 20 %
- Reduced spoilage: 50 %
- Savings in store labor



Store-specific space optimization for effective supply chain operations

Case Jula

Optimisation of store planograms to solve DC picking capacity challenge

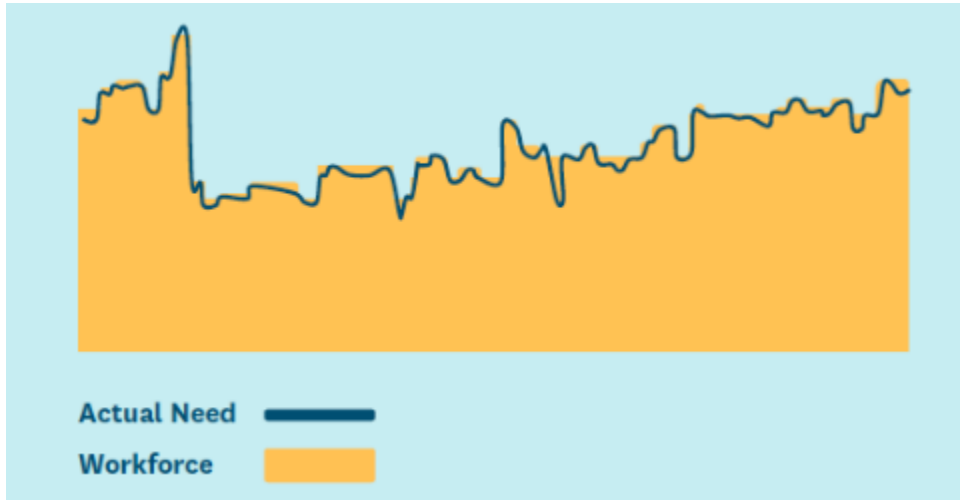
- 30 % decrease in order store order lines in pilot
- 25 % reduction in deliveries not fitting on store shelves
- Significant savings in order picking and in-store work
- Total impact after roll-out estimated to be several millions annually

Jula offers its customers a wide range of DIY and recreational products. It has almost 100 big box stores in Sweden, Norway and Poland.

Forecast-driven workforce optimization for balanced, predictable work shifts

Optimized work shifts

Optimize shifts automatically based on footfall and delivery forecasts to match the forecasted workload while ensuring legitimacy of the shifts.



Always right capacity

Results

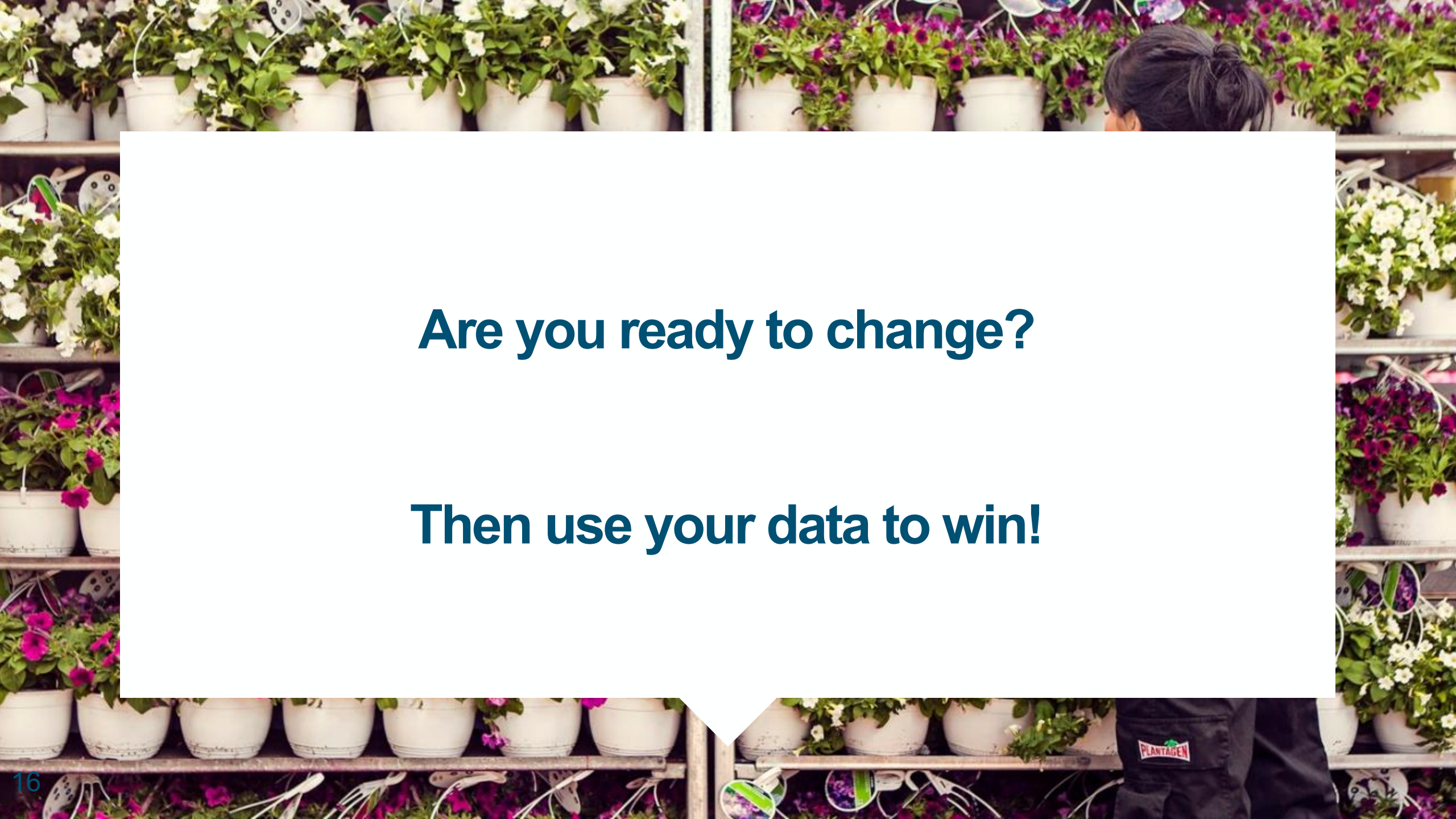
- Reduced personnel costs: 6 – 10 %
- Improved customer service
- More evenly balanced workload and more predictable work shifts improving employee wellbeing

Case Coop Värmland

SCM data used for workforce optimization in stores

- Forecasts and supply chain projections used as input for workforce optimization
- 6-10% reduction in personnel costs in pilot stores, while maintaining established work shift practices
- Better service with less cost: work shifts that better match the workload and increased work shift predictability for employees
- Opportunity to optimize replenishment for even more efficient store operations in the future

Coop Värmland is a Swedish regional co-operative grocery retailer with around 1000 employees.



Are you ready to change?

Then use your data to win!