

Oracle® Retail Category Management

User Guide for the RPAS Classic Client

Release 13.3

January 2012

Copyright © 2012, Oracle and/or its affiliates. All rights reserved.

Primary Author: Barrett Gaines

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish, or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

If this software or related documentation is delivered to the U.S. Government or anyone licensing it on behalf of the U.S. Government, the following notice is applicable:

U.S. GOVERNMENT RIGHTS Programs, software, databases, and related documentation and technical data delivered to U.S. Government customers are "commercial computer software" or "commercial technical data" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, the use, duplication, disclosure, modification, and adaptation shall be subject to the restrictions and license terms set forth in the applicable Government contract, and, to the extent applicable by the terms of the Government contract, the additional rights set forth in FAR 52.227-19, Commercial Computer Software License (December 2007). Oracle USA, Inc., 500 Oracle Parkway, Redwood City, CA 94065.

This software is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications which may create a risk of personal injury. If you use this software in dangerous applications, then you shall be responsible to take all appropriate fail-safe, backup, redundancy, and other measures to ensure the safe use of this software. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software in dangerous applications.

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.

This software and documentation may provide access to or information on content, products, and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third-party content, products, and services. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third-party content, products, or services.

Licensing Note: This media pack includes a Restricted Use license for Oracle Retail Predictive Application Server (RPAS) - Enterprise Engine to support Oracle® Retail Category Management only.

Value-Added Reseller (VAR) Language

Oracle Retail VAR Applications

The following restrictions and provisions only apply to the programs referred to in this section and licensed to you. You acknowledge that the programs may contain third party software (VAR applications) licensed to Oracle. Depending upon your product and its version number, the VAR applications may include:

(i) the **MicroStrategy** Components developed and licensed by MicroStrategy Services Corporation (MicroStrategy) of McLean, Virginia to Oracle and imbedded in the MicroStrategy for Oracle Retail Data Warehouse and MicroStrategy for Oracle Retail Planning & Optimization applications.

(ii) the **Wavelink** component developed and licensed by Wavelink Corporation (Wavelink) of Kirkland, Washington, to Oracle and imbedded in Oracle Retail Mobile Store Inventory Management.

(iii) the software component known as **Access Via**™ licensed by Access Via of Seattle, Washington, and imbedded in Oracle Retail Signs and Oracle Retail Labels and Tags.

(iv) the software component known as **Adobe Flex**™ licensed by Adobe Systems Incorporated of San Jose, California, and imbedded in Oracle Retail Promotion Planning & Optimization application.

You acknowledge and confirm that Oracle grants you use of only the object code of the VAR Applications. Oracle will not deliver source code to the VAR Applications to you. Notwithstanding any other term or condition of the agreement and this ordering document, you shall not cause or permit alteration of any VAR Applications. For purposes of this section, "alteration" refers to all alterations, translations, upgrades, enhancements, customizations or modifications of all or any portion of the VAR Applications including all reconfigurations, reassembly or reverse assembly, re-engineering or reverse engineering and recompilations or reverse compilations of the VAR Applications or any derivatives of the VAR Applications. You acknowledge that it shall be a breach of the agreement to utilize the relationship, and/or confidential information of the VAR Applications for purposes of competitive discovery.

The VAR Applications contain trade secrets of Oracle and Oracle's licensors and Customer shall not attempt, cause, or permit the alteration, decompilation, reverse engineering, disassembly or other reduction of the VAR Applications to a human perceivable form. Oracle reserves the right to replace, with functional equivalent software, any of the VAR Applications in future releases of the applicable program.

Contents

Send Us Your Comments	xi
Preface	xiii
Audience.....	xiii
Documentation Accessibility	xiii
Related Documents	xiv
Customer Support.....	xiv
Review Patch Documentation	xiv
Oracle Retail Documentation on the Oracle Technology Network	xiv
Conventions	xv
1 Introduction	
Category Management Business Process	1-2
Macro Rationalization	1-2
Macro Space Optimization	1-3
Assortment Rationalization	1-4
Assortment Optimization	1-5
About Measures	1-6
Roles	1-6
Versions	1-6
Metrics	1-6
Units of Measure	1-7
2 Macro Rationalization	
Create Macro Rationalization Workbook	2-1
Macro Rationalization Workflow Tabs	2-7
Consumer Analysis.....	2-8
Review Consumer Data	2-8
Competitive Intelligence	2-9
Review Competitive Data.....	2-9
Category Analysis	2-10
Review Category Performance	2-10
Net Margin Analysis.....	2-12
Review Net Margin Components.....	2-12

Vendor Analysis	2-13
Review Vendor Performance	2-13
Vendor Net Margin Analysis	2-14
Review Net Margin Components by Vendor	2-14
Category Scorecard	2-15
Assign Role / Type	2-15
Next Steps	2-16

3 Macro Space Optimization

Create Macro Space Optimization Workbook	3-2
Macro Space Optimization Workflow Tabs	3-5
Determine Optimal Space / Profit.....	3-6
Optimization Constraints	3-6
Optimize Space and Profit.....	3-7
Review Store Results	3-9
Optimize.....	3-9
Review Store Results	3-10
Next Steps	3-11

4 Assortment Rationalization

Create Assortment Rationalization Workbook.....	4-1
Assortment Rationalization Workflow Tabs.....	4-6
Identify Placeholders	4-7
Describe Placeholders.....	4-7
Brand Analysis	4-8
Review / Rank Brand Performance	4-8
Brand Rank (Brand).....	4-9
Brand Rank (SKU).....	4-10
Feature Analysis.....	4-10
Feature Weight	4-11
Feature Rank.....	4-12
Review / Rank Item Features (Optional).....	4-13
Performance Analysis.....	4-14
Review / Rank Item Performance	4-14
Net Margin Analysis.....	4-15
Review Net Margin Components by Item	4-15
Item Scorecard	4-16
Overall Rank.....	4-16
Assign Item Role and Type	4-17
Next Steps	4-18

5 Assortment Optimization

Create Assortment Optimization Workbook	5-1
Menu Options	5-6
Assortment Optimization Workflow Tabs	5-6
Identify Placeholders	5-7

Describe Placeholders.....	5-7
Determine Optimal Space / Profit.....	5-8
Define Unit of Measure	5-8
Optimization Constraints	5-9
Optimize Inputs	5-10
Optimize Space and Profit.....	5-11
Review Store Results	5-13
Optimize.....	5-13
Review Inputs.....	5-14
Review Store Results	5-15
Sending and Receiving Data from Assortment Optimization to Visual Space Planning Tools.....	5-17
Next Steps	5-17

6 Administration

Building the Hierarchy Maintenance Workbook.....	6-2
Define Phases.....	6-5
Create Administration Workbook.....	6-6
Define Phases.....	6-7
Macro Space Rationalization	6-8
Define Competitors.....	6-8
Market Share Information.....	6-9
Macro and Assortment Optimization	6-9
Store Optimization Parameters.....	6-10
Store Operating Hours	6-11
Planogram Properties (Ex).....	6-12
Planogram Properties.....	6-13
Item Planogram Association	6-14
Demand by Planogram	6-15
Assortment Rationalization	6-16
Threshold Definition	6-16
Define Feature Criteria.....	6-17
Next Steps	6-17

7 Like Store

Create Like Store Workbook	7-1
Like Store Workflow Tabs	7-3
Define Like Stores	7-3

8 Like Item

Create Like Item Workbook	8-1
Like Item Workflow Tab	8-3
Define Like Items	8-3
Define Like Items	8-3

List of Tables

1-1	Macro Rationalization	1-2
1-2	Macro Space Optimization	1-3
1-3	Assortment Rationalization.....	1-4
1-4	Assortment Optimization	1-5
1-5	Units of Measure	1-7
2-1	Macro Rationalization Workflow Tabs.....	2-7
2-2	Review Consumer Data Worksheet Measures	2-8
2-3	Review Competitive Data Worksheet Measures.....	2-9
2-4	Review Category Performance Worksheet	2-11
2-5	Review Net Margin Performance Worksheet Measures	2-12
2-6	Review Vendor Performance Worksheet Measures	2-13
2-7	Review Net Margin Components by Vendor Worksheet Measures	2-14
2-8	Apply Role/Type Worksheet Measures.....	2-16
3-1	Macro Space Optimization Workflow	3-5
3-2	Optimization Constraints Worksheet Measures	3-6
3-3	Optimize Space and Profit Worksheet Measures.....	3-8
3-4	Optimize Worksheet Measures.....	3-9
3-5	Review Store Results Worksheet Measures	3-11
4-1	Assortment Rationalization Workflow Tabs	4-6
4-2	Describe Placeholders Worksheet Measures	4-7
4-3	Review/Rank Brand Performance Worksheet Measures	4-8
4-4	Brand Rank (Brand) Worksheet Measure.....	4-9
4-5	Brand Rank (SKU) Worksheet Measures.....	4-10
4-6	Feature Weight Worksheet Measures	4-11
4-7	Feature Rank Worksheet Measures.....	4-12
4-8	Review/Rank Item Features Worksheet Measures	4-13
4-9	Review/Rank Item Performance Worksheet Measures.....	4-14
4-10	Review Net Margin Components by Item Worksheet Measures	4-16
4-11	Overall Rank Worksheet Measures	4-17
4-12	Assign Item Role and Type Worksheet Measures	4-17
5-1	Menu Options.....	5-6
5-2	Assortment Optimization Workflow Tabs.....	5-6
5-3	Describe Placeholders Worksheet Measures	5-7
5-4	Define Unit of Measures Worksheet Measures	5-8
5-5	Define Unit of Measures Worksheet Measures	5-9
5-6	Optimization Inputs Worksheet Measures	5-10
5-7	Optimize Space and Profit Worksheet Measures.....	5-12
5-8	Optimize Worksheet Measures.....	5-14
5-9	Review Inputs Worksheet Measures.....	5-14
5-10	Review Store Results Worksheet Measures	5-16
6-1	Week-Phase Worksheet Measures.....	6-5
6-2	Define Competitors Worksheet Measures	6-8
6-3	Market Share Information Worksheet Measure	6-9
6-4	Store Optimization Parameters Worksheet Measures.....	6-10
6-5	Store Operating Hours Worksheet Measures	6-11
6-6	Store Operating Hours Worksheet Measures	6-12
6-7	Planogram Properties Worksheet Measures.....	6-13
6-8	Item Planogram Association Worksheet Measure.....	6-14
6-9	Store Planogram Size Worksheet Measures.....	6-15
6-10	Threshold Definitions Worksheet Measures.....	6-16
7-1	Like Store Workflow Tabs	7-3
7-2	Define Like Stores Worksheet Measures	7-3
8-1	Like Item Workflow Tab.....	8-3

8-2 Define Like Items Worksheet Measures 8-3

Send Us Your Comments

Oracle Retail Category Management User Guide for the RPAS Classic Client, 13.3

Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document.

Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
- Does the structure of the information help you with your tasks?
- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the Online Documentation available on the Oracle Technology Network Web site. It contains the most current Documentation Library plus all documents revised or released recently.

Send your comments to us using the electronic mail address: retail-doc_us@oracle.com

Please give your name, address, electronic mail address, and telephone number (optional).

If you need assistance with Oracle software, then please contact your support representative or Oracle Support Services.

If you require training or instruction in using Oracle software, then please contact your Oracle local office and inquire about our Oracle University offerings. A list of Oracle offices is available on our Web site at <http://www.oracle.com>.

Preface

This guide describes the Category Management user interface. It provides step-by-step instructions to complete most tasks that can be performed through the user interface.

Audience

This User Guide is for users and administrators of Oracle Retail Product. This includes merchandisers, buyers, business analysts, and administrative personnel.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible to all users, including users that are disabled. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by the disabled community. Accessibility standards will continue to evolve over time, and Oracle is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For more information, visit the Oracle Accessibility Program Web site at <http://www.oracle.com/accessibility/>.

Accessibility of Code Examples in Documentation

Screen readers may not always correctly read the code examples in this document. The conventions for writing code require that closing braces should appear on an otherwise empty line; however, some screen readers may not always read a line of text that consists solely of a bracket or brace.

Accessibility of Links to External Web Sites in Documentation

This documentation may contain links to Web sites of other companies or organizations that Oracle does not own or control. Oracle neither evaluates nor makes any representations regarding the accessibility of these Web sites.

Access to Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/support/contact.html> or visit <http://www.oracle.com/accessibility/support.html> if you are hearing impaired.

Related Documents

For more information, see the following documents in the Oracle Retail Category Management 13.3 documentation set:

- *Oracle Retail Category Management Release Notes*
- *Oracle Retail Category Management Installation Guide*
- *Oracle Retail Category Management Configuration Guide*
- *Oracle Retail Category Management User Guide for the RPAS Fusion Client*
- Oracle Retail Predictive Application Server documentation set

Customer Support

To contact Oracle Customer Support, access My Oracle Support at the following URL:

<https://support.oracle.com>

When contacting Customer Support, please provide the following:

- Product version and program/module name
- Functional and technical description of the problem (include business impact)
- Detailed step-by-step instructions to re-create
- Exact error message received
- Screen shots of each step you take

Review Patch Documentation

When you install the application for the first time, you install either a base release (for example, 13.3) or a later patch release (for example, 13.3.1). If you are installing the base release, additional patch, and bundled hot fix releases, read the documentation for all releases that have occurred since the base release before you begin installation. Documentation for patch and bundled hot fix releases can contain critical information related to the base release, as well as information about code changes since the base release.

Oracle Retail Documentation on the Oracle Technology Network

Documentation is packaged with each Oracle Retail product release. Oracle Retail product documentation is also available on the following Web site:

http://www.oracle.com/technology/documentation/oracle_retail.html

(Data Model documents are not available through Oracle Technology Network. These documents are packaged with released code, or you can obtain them through My Oracle Support.)

Documentation should be available on this Web site within a month after a product release.

Conventions

The following text conventions are used in this document:

Convention	Meaning
boldface	Boldface type indicates graphical user interface elements associated with an action, or terms defined in text or the glossary.
<i>italic</i>	Italic type indicates book titles, emphasis, or placeholder variables for which you supply particular values.
monospace	Monospace type indicates commands within a paragraph, URLs, code in examples, text that appears on the screen, or text that you enter.

Introduction

Effective merchandising is the cornerstone of a successful retail business because it determines the variety and presentation of merchandise, which defines the customer's in-store experience. It is one of the most important aspects of a retailer's brand image. In recent years, retailers have experienced increased difficulty in achieving desired levels of same store sales growth, gross margin, and inventory productivity. This is due, in part, to smaller buying staffs, shorter product life cycles, increasingly savvy and demanding customers, and cutthroat competition.

In light of these issues, retailers are looking to service their customers, drive profitable growth, and further differentiate themselves from the competition by tailoring their product offerings to the needs of their local customers. In the past, micro-merchandising or local market assortments were extremely complex, labor intensive, and yielded marginal results. The Category Management solution is manageable and has a positive impact on business.

Note: There are two Category Management user guides: one for the Oracle Retail Predictive Application Server (RPAS) Fusion Client and one for the RPAS Classic Client. This guide describes Category Management on the RPAS Classic Client.

For information about Category Management on the RPAS Fusion Client, see the *Category Management User Guide for the RPAS Fusion Client*.

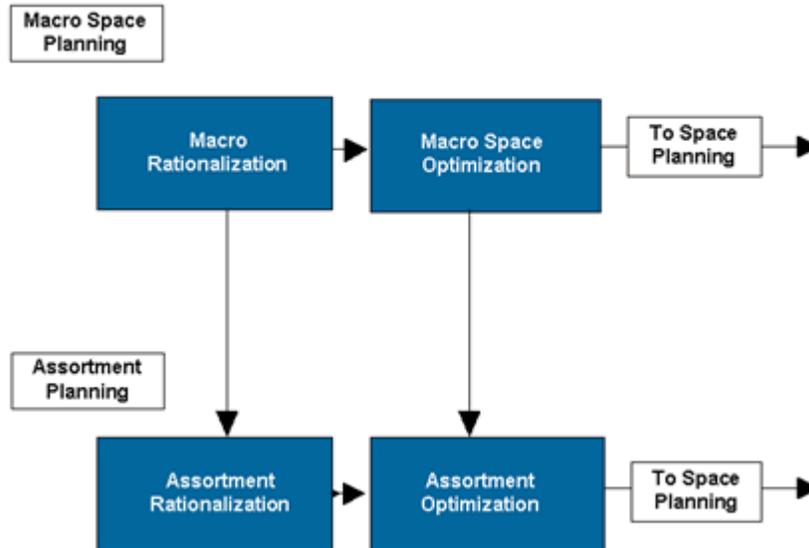
Category Management functionality was developed to address the crucial process of determining four primary merchandising dimensions:

- Categories of merchandise carried within a store
- Space allocated to each category of merchandise
- Assortment of items carried in each category
- Space allocated to each item in each category

Category Management Business Process

The diagram below illustrates the process flow used for Category Management.

Figure 1–1 Category Management Business Process



The following sections contain the tasks that are accomplished in each step of the business processes, as well as the associated workflow tabs and worksheets.

Macro Rationalization

The following table contains the workflow tab, worksheets, and tasks for macro rationalization.

Table 1–1 Macro Rationalization

Workflow Tab	Worksheet	Task
Consumer Analysis	Review Consumer Data	<ul style="list-style-type: none"> ■ Review category performance using key performance indicator measures. ■ Review customer segment data. ■ Enter consumer segment notes.
Competitive Intelligence	Review Competitive Data	<ul style="list-style-type: none"> ■ Review market share information by key competitor. ■ Enter competitor notes.
Category Analysis	Review Category Performance	<ul style="list-style-type: none"> ■ Review future demand by category. ■ Enter category performance notes.
Net Margin Analysis	Review Net Margin Components	<ul style="list-style-type: none"> ■ Review net margin components. ■ Review category net margin performance. ■ Enter category net margin notes.
Vendor Analysis	Review Vendor Performance	<ul style="list-style-type: none"> ■ Review category performance by vendor. ■ Enter vendor performance notes.

Table 1–1 (Cont.) Macro Rationalization

Workflow Tab	Worksheet	Task
Vendor Net Margin Analysis	Review Net Margin Components By Vendor"	<ul style="list-style-type: none"> ■ Review category net margin performance by vendor. ■ Enter vendor new margin notes.
Category Scorecard	Assign Role / Type	<ul style="list-style-type: none"> ■ Assign category strategic role. ■ Indicate de-listed categories. ■ Indicate category mandatory status. ■ Enter scorecard notes.

Macro Space Optimization

The following table contains the workflow tab, worksheets, and tasks for macro space optimization.

Table 1–2 Macro Space Optimization

Workflow Tab	Worksheet	Task
Determine Optimal Space / Profit	Optimize Space and Profit"	<ul style="list-style-type: none"> ■ View category role from Macro Rationalization step. ■ Check for de-listed recommendations from Macro Rationalization step. ■ Check mandatory status from Macro Rationalization step. ■ Indicate include status of category. ■ Review space data supplied by the space planning process. ■ Enter minimum and maximum space tolerance. ■ Review cluster level optimization results. ■ Enable data send to space planning. ■ Review space planning recommendations. ■ Re-optimize as necessary.
	Optimization Constraints	<ul style="list-style-type: none"> ■ Enter constraint type. ■ Enter in maximum floor space. ■ Enable optimize measure to run optimization routine
Review Store Results	Review Store Results	<ul style="list-style-type: none"> ■ Review by store space recommendations from space planning process. ■ If re-optimization is desired, enter store level minimum / maximum space tolerance. ■ Enable send data now measure to send store level data to space planning.
	Optimize	<ul style="list-style-type: none"> ■ Enable optimize measure to re-optimize.

Assortment Rationalization

The following table contains the workflow tab, worksheets, and tasks for assortment rationalization.

Table 1–3 Assortment Rationalization

Workflow Tab	Worksheet	Task
Identify Placeholders	Describe Placeholders	<ul style="list-style-type: none"> ■ Describe placeholder items.
Brand Analysis	Review / Rank Brand Performance	<ul style="list-style-type: none"> ■ Assess item brand performance. ■ Review financial planning targets.
	Brand Rank (Brand)	<ul style="list-style-type: none"> ■ Assign ordering rank to brands.
	Brand Rank (SKU)	<ul style="list-style-type: none"> ■ Review calculated brand rank. ■ Enter brand rank notes.
Feature Analysis	Feature Weight	<ul style="list-style-type: none"> ■ Assign weighted rank to features.
	Review / Rank Item Features	<ul style="list-style-type: none"> ■ Review performance by feature.
	Feature Rank	<ul style="list-style-type: none"> ■ Review calculated feature ranking. ■ Enter feature notes.
Performance Analysis	Review / Rank Item Performance	<ul style="list-style-type: none"> ■ Review item performance. ■ Enter performance notes.
Net Margin Analysis	Review Net Margin Components by Item	<ul style="list-style-type: none"> ■ Review net margin components. ■ Review item net margin performance. ■ Enter net margin performance notes.
Item Scorecard	Overall Rank	<ul style="list-style-type: none"> ■ Assign weighted ranking to each assessment category.
	Assign Item Role and Type	<ul style="list-style-type: none"> ■ Review item overall ranking. ■ Assign item role. ■ Indicate de-listed items. ■ Indicate item mandatory status. ■ Enter scorecard notes.

Assortment Optimization

The following table contains the workflow tab, worksheets, and tasks for macro optimization.

Table 1–4 Assortment Optimization

Workflow Tab	Worksheet	Task
Identify Placeholders	Describe Placeholders	<ul style="list-style-type: none"> Describe placeholder items.
Determine Optimal Space / Profit	Define Unit Of Measure	<ul style="list-style-type: none"> Select item unit of measure, planogram unit of measure, step size unit of measure, and category tolerance unit of measure from drop down list.
	Collection Constraints	<ul style="list-style-type: none"> Indicate mandatory status of collection items. Indicate include status of collection items.
	Optimization Constraints	<ul style="list-style-type: none"> Select planogram options from drop down list provided. Enter number of shelves, constraint type, sub-category tolerance, step size tolerance, category tolerance. Enable optimize measure to run optimization routine.
	Optimize Space and Profit	<ul style="list-style-type: none"> View item role and de-listed items. Check mandatory status. Indicate include status of item. Review item demand. Review and adjust item retail. Select item presentation standard. Enter minimum and maximum number of facings, lead time, minimum presence, and safety stock multiplier. Review cluster level optimization results. Enable data send to space planning. Review space planning recommendations. Re-optimize as necessary.
Review Store Results	Review Store Results	<ul style="list-style-type: none"> Review by store space recommendations from item planning process. Enter store level data if re-optimization is required. Enable send data now measure to send store level data to space planning.
	Optimize	<ul style="list-style-type: none"> Enable optimize measure to re-optimize.

About Measures

There are four components used in constructing measures. When concatenated together, all four classifications become known as a single measure. It is optional whether all of the components are visible in the measure label. The four components (in order of measure label sequence) for a measure are as follows:

- Role
- Version
- Metric
- Units of Measure

Roles

Roles are typically defined by your role as a user of the Category Management solution. These roles typically align with the organizational structure.

- Executive (AEx)
- Manager (AMg)
- Planner (APl)
- KeyPlan Planner (KPl)
- TopPlan Planner (TPl)

Versions

Versions are used to provide separate views to measures, which mean the same, but may have separate sources or timeframes. An example of a version is last year (Ly). Sales for this year (Wp) and last year (Ly) are intended to be compared as the same measure, but they need to be distinguished from one another. In order to do so, Sales for this year are labeled as Wp Sales, while sales for last year are labeled as Ly Sales.

The versions found in Category Management are:

- Wp (Working plan, also known as this year)
- Ly (Last year)
- Fcst (Forecast)
- Opt (Optimal)
- Adm (Administrative)

Metrics

Metrics are used to describe what is being viewed or calculated. There are several metrics used in Category Management. They are identified throughout this user guide. Some of the key metrics found in Category Management are:

- Sales
- Average inventory
- Gross margin
- Net margin
- GMROI

Units of Measure

Units of measure serve to further define a metric. Examples of Category Management units of measure and their meaning are found in the table below.

Table 1–5 Units of Measure

Unit of Measure Labels	Unit of Measure Description
Ac	Average unit cost
Ar	Average unit retail
B	Boolean (True / False)
C	Cost value
Cp	Cost percent
R	Retail value
Rp	Retail percent
Sl	Select
Tx	Text
U	Units
U	Unit percent
X	No units
Xp	No units percent

Using the information above, here are a couple of examples of measure labels:

API Wp Sales U = Assort Planner working plan unit sales

API Ly Sales C = Assort Planner last year sales at cost

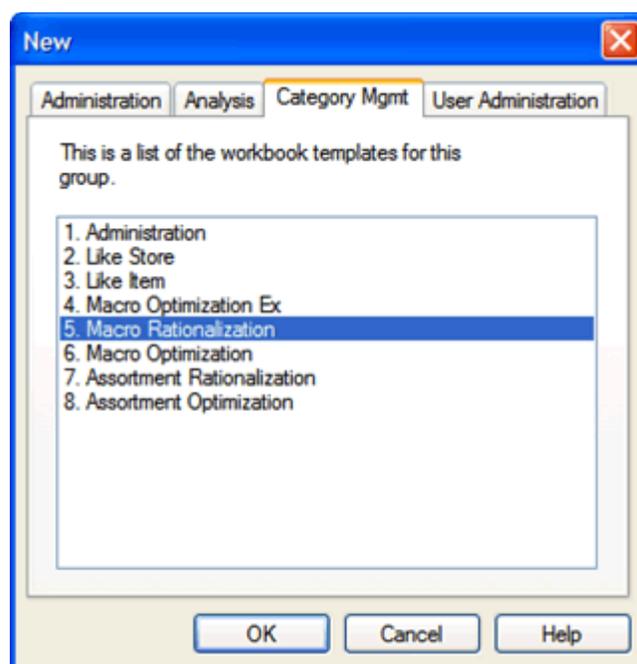
Macro Rationalization

The assessment of sub-category and above performance takes place inside the Macro Rationalization process step. To begin, workbooks must be built using wizard steps to establish the content of the workbook. Product, competitor, location, timeframe, and consumer segment boundaries are defined in the workbook build using wizards.

Create Macro Rationalization Workbook

1. On the Category Management menu bar, select **New** in the File menu or click **New** on the toolbar. The New window is displayed.

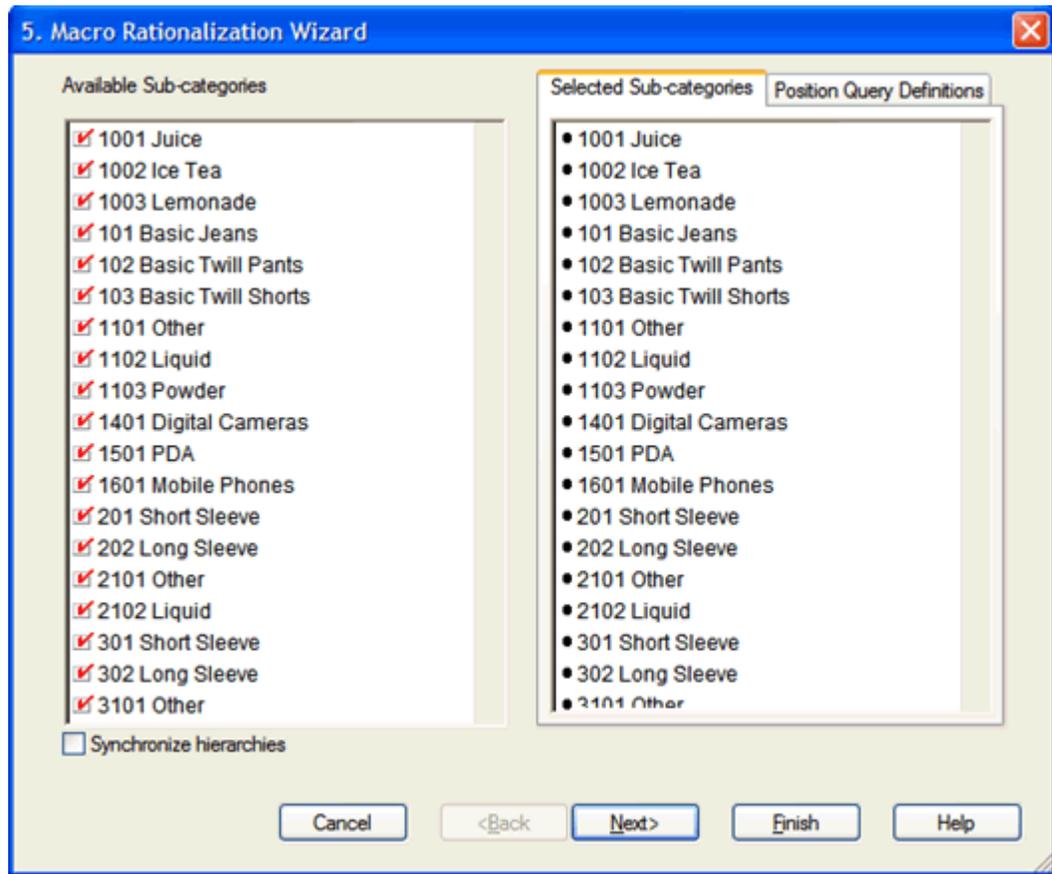
Figure 2-1 New Dialog Box



2. On the Category Management tab, select **Macro Rationalization** and click **OK**. The Macro Rationalization Wizard opens. Using this wizard, you define several important plan parameters.

3. Define products to be assessed.

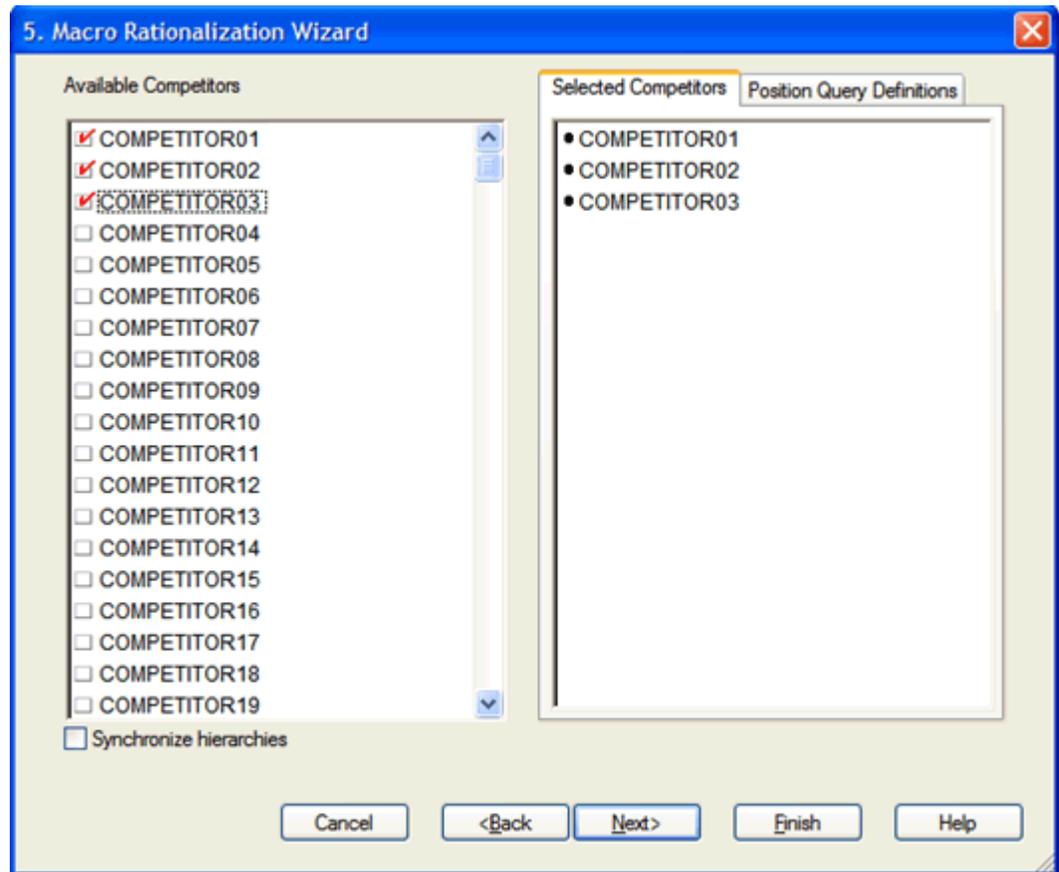
Figure 2–2 Macro Rationalization Wizard - First Page



- a. Select the products to be assessed.
- b. Click **Next**. The define competitors page is displayed.

4. Define competitors to be assessed.

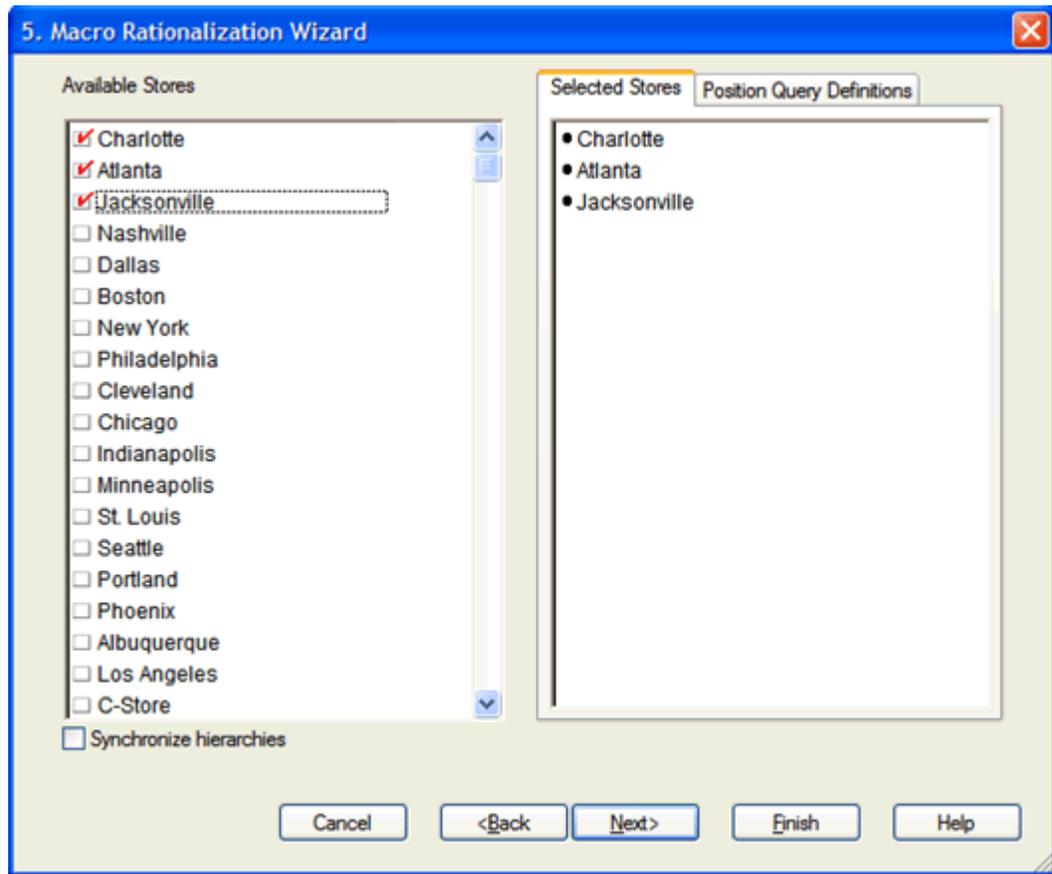
Figure 2–3 Macro Rationalization Wizard - Second Page



- a. Select the appropriate competitors to be assessed.
- b. Click **Next**. The define location page is displayed.

5. Define locations to be assessed.

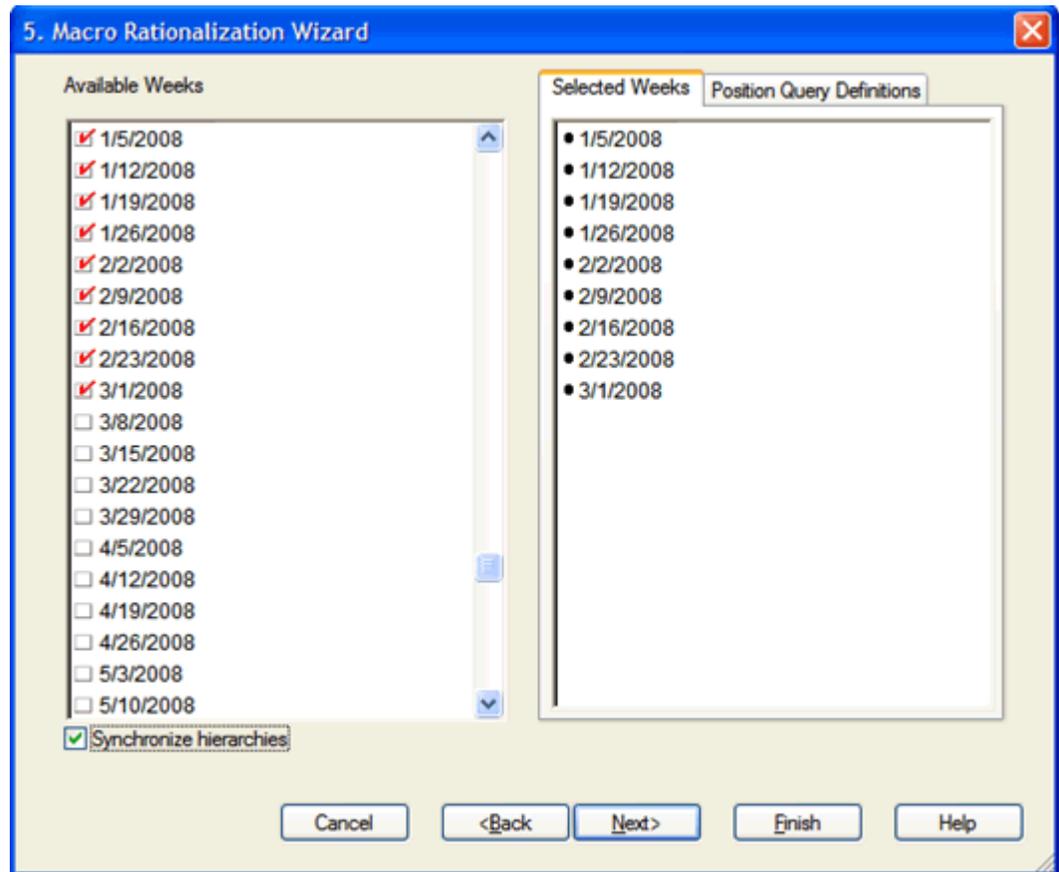
Figure 2–4 Macro Rationalization Wizard - Third Page



- a. Select the appropriate locations to be assessed.
- b. Click **Next**. The define time frame page is displayed.

6. Define time frame to be assessed.

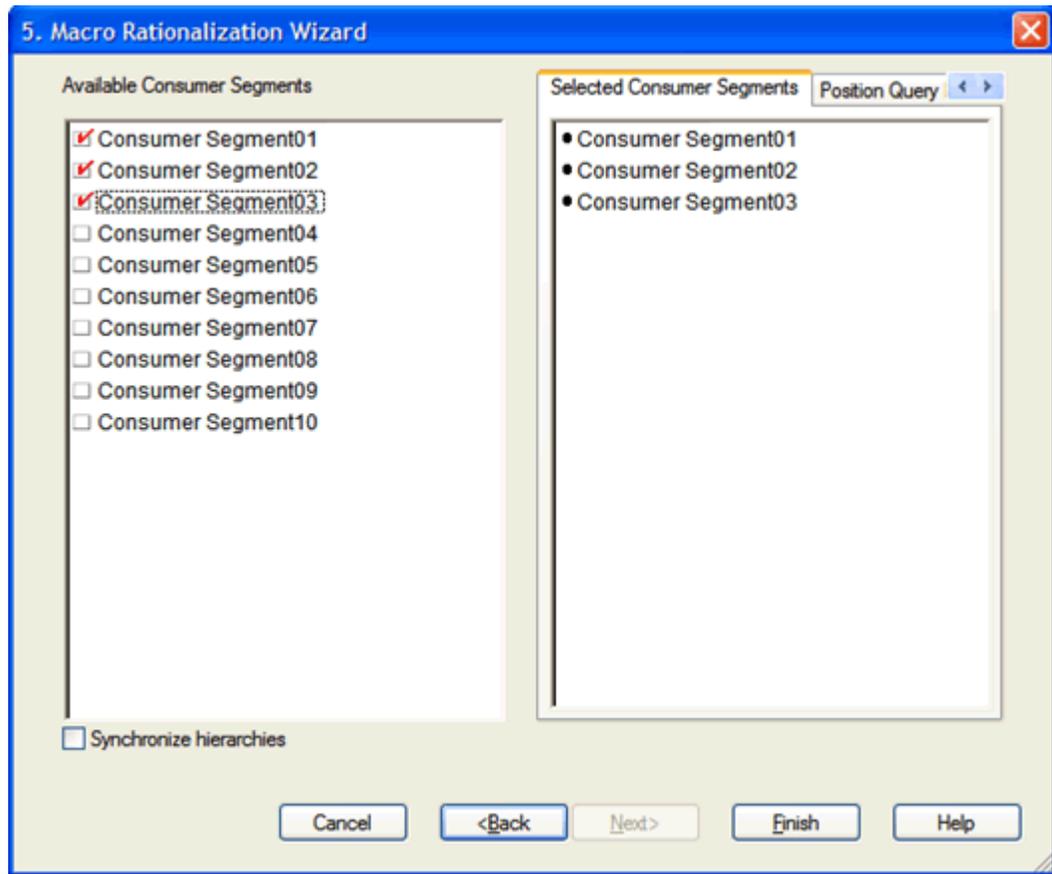
Figure 2–5 Macro Rationalization Wizard - Third Fourth



- a. Select the time frame to be assessed.
- b. Click **Next**. The consumer segment page is displayed.

7. Define consumer segments to be assessed.

Figure 2–6 Macro Rationalization Wizard - Final Page



- a. Select the consumer segments to be assessed.
- b. Click **Finish**. The workbook build begins. This process may take several minutes.

Macro Rationalization Workflow Tabs

The workflow tabs for macro rationalization are as follows:

Table 2–1 Macro Rationalization Workflow Tabs

Process Step	Tab Descriptions
Consumer Analysis	The Consumer Analysis tab provides a view to data on the purchasing habits of consumer segments. The consumer segments available for assessment are those defined in the workbook build wizard steps. A text field is provided for entering diary notes regarding your assessment.
Competitive Intelligence	The Competitive Intelligence tab provides a view to market share data. The competitors available for comparison are those defined in the workbook build wizard steps. A text field is provided for you to enter diary notes regarding your market share assessment.
Category Analysis	The Category Analysis tab provides a worksheet summarizing the performance of categories through key performance measures. The products and the time frame assessed are defined in the workbook build wizard steps. A text field is provided for entering diary notes on your category assessment.
Net Margin Analysis	The Net Margin Analysis tab provides a view to the measures used in deriving the net margin of a category. A text field is provided for entering diary notes on your category net margin assessment.
Vendor Analysis	The Vendor Analysis tab provides a worksheet summarizing the performance through key performance measures of vendors within categories. A text field is provided for entering diary notes.
Vendor Net Margin Analysis	The Vendor Net Margin Analysis tab provides a view to the measures used in deriving, through vendor contribution, the net margin of a category. A text field is provided for entering diary notes regarding your vendor net margin contribution assessment.
Category Scorecard	The Category Scorecard tab provides the location for assigning roles to categories, keeping or de-listing categories, and noting whether the categories are mandatory or not in the space optimization process to follow. A text field is provided for entering diary notes.

Consumer Analysis

In the Review Consumer Data worksheet, you review key data points that provide information about consumer spending.

Review Consumer Data

1. Click the Consumer Analysis workflow tab. The Review Consumer Data worksheet is displayed.

Note: Some of the measure fields are colored differently. This indicates the read-only fields from those that are editable.

Figure 2–7 Review Consumer Data Worksheet

The screenshot shows a software window titled "Review Consumer Data". At the top, there are fields for "Product" (1001 Juice) and "Calendar" (1/5/2008). Below these are navigation arrows. The main area is a table with columns for "Customer Segment01", "Customer Segment02", and "Customer Segment03". The rows list various measures, with some cells containing the value "0.00".

	Customer Segment01	Customer Segment02	Customer Segment03
AMg Wp Avg GM R	0.00	0.00	0.00
AMg Wp Avg GM Rp	0.00	0.00	0.00
AMg Wp Avg Spend R	0.00	0.00	0.00
AMg Wp Avg Store Visit	0.00	0.00	0.00
AMg Wp Consumer Notes			
AMg Wp Customer Seg Name			
AMg Wp Spend R	0.00	0.00	0.00
AMg Wp Store Visits / Yr	0.00	0.00	0.00

2. Review Consumer data.
3. Enter diary notes into Consumer Notes field.
4. Click **Calculate**. This applies the text information.
5. Save the workbook.

Table 2–2 Review Consumer Data Worksheet Measures

Measure	Description
Consumer Seg. Name	Descriptive label attached to the consumer segment name.
Store Visits / Yr	Total number of store visits per year for the consumer segment.
Avg. Store Visit	Average number of visits per year for each customer within the consumer segment.
Avg. Spend	Average spend per visit.
Spend	Total spend (revenue) of the consumer segment .
Ave. GM	Gross margin.
Consumer Notes	Text field for entering consumer analysis observations.

Competitive Intelligence

The Review Competitive Data worksheet provides market share information by competitor for comparison to your market share.

Review Competitive Data

1. Click the Competitive Intelligence workflow tab. The Review Competitive Data worksheet is displayed.

Figure 2–8 Review Competitive Data Worksheet

Product	Calendar	Measure
1001 Juice	1/5/2008	
	AMg Ly Brand Count	AMg Ly MS Avg Inv
	AMg Ly MS Avg Inv C	
COMPETITOR01	0.00	0.00
COMPETITOR02	0.00	0.00
COMPETITOR03	0.00	0.00

2. Review competitive data.
3. Enter diary notes into the Competitor Notes text field.

Note: Italics indicate that a calculation or acceptance of the new entry is pending. This is true in all planning steps.

4. Click **Calculate**. This applies the text information.

Table 2–3 Review Competitive Data Worksheet Measures

Measure	Description
Brand Count	Number of brands carried by each competitor.
Competitor Notes	Text field for entering competitive analysis observations.
GM	Gross margin.
Industry Trend	Percentage of industry market share captured by each competitor.
MS Avg Inv	Market share average inventory.
MS GM	Market share gross margin.
MS GMROI	Market share gross margin return on investment.
MS NM	Market share net margin.
MS Sales	market share sales.
MS Sales per item	Market share average sales per item.
MS Sales R var LY	Market share retail sales expressed as a variance to last year's market share retail sales.
MS Sales U var Ly	Market share unit sales expressed as a variance to last year's market share unit sales.

Table 2–3 (Cont.) Review Competitive Data Worksheet Measures

Measure	Description
MS Sales c Prd	Market share sales expressed as a percent contribution to positions of the product hierarchy.
MS SKU Count	Market share SKU count for each competitor.
MS TO	Market share inventory turnover.

Category Analysis

The Review Category Performance worksheet provides a view to category performance. Performance assessment is accomplished through the use of key performance indicator measures.

Review Category Performance

1. Click the Category Analysis workflow tab. The Review Category Performance worksheet is displayed.
2. Select **Save** on the toolbar to save the information.

Figure 2–9 Review Competitive Performance Worksheet

The screenshot shows a software window titled "Review Category Performance". It features a toolbar with navigation icons and a table of performance data. The table has columns for "Location", "Calendar", and "Product". The "Location" is set to "Atlanta" and the "Calendar" is "1/5/2008". The "Product" column lists three categories: "Arm & Hammer_1101 Oth", "Arm & Hammer_1102 Liqu", and "Arm & Hammer_2101 Oth". The table rows include various performance indicators, all of which are currently showing a value of 0.00.

Measure	Arm & Hammer_1101 Oth	Arm & Hammer_1102 Liqu	Arm & Hammer_2101 Oth
AMg Fcst Demand	0.00	0.00	0.00
AMg Ly Avg Inv	0.00	0.00	0.00
AMg Ly Avg Inv C	0.00	0.00	0.00
AMg Ly Avg Inv R	0.00	0.00	0.00
AMg Ly GM R	0.00	0.00	0.00
AMg Ly GM Rp	0.00	0.00	0.00
AMg Ly GMROI	0.00	0.00	0.00

3. Review forecasted unit demand.
4. Review key financial and space performance indicator measures.

Note: Performance may be assessed using different positions of the location and time hierarchies. To take advantage of these many views, right-click while focused on the time or location hierarchy positions on the worksheet. Choose **Select roll-up** and the desired view.

To assess this year's performance against last year's performance, compare the Wp (working plan) version measures against the Ly (last year) version measures.

5. Enter diary notes into the performance notes text field.

Note: To conduct what-if scenarios, enter values in the Sales R and Space measures to view adjusted Return on Space.

6. Click **Calculate**. This initiates any calculations and applies the text information.
7. Select **Save** on the toolbar to retain all information.

Table 2–4 Review Category Performance Worksheet

Measure	Description
Avg Inv	Average inventory.
Current Space	Current space for each category at the assessment.
Current Space c Prd	Each product categories percentage contribution to the total space.
Demand	Forecasted unit demand.
GM	Gross margin.
GMROI	Gross margin return on investment.
NM	Net margin.
Performance Notes	Text field for entering category performance observations.
Retn. on Curr. Space	Return on current space.
Retn. on Space	Return on planned (working plan) space.
Sales	Sales.
Sales c. Prd	Each product categories percentage contribution to sales.
Space	Planned (working plan) space.
Space c. Prd	Each product categories percentage contribution to planned space.
TO	Inventory turn over.

Net Margin Analysis

The Review Net Margin Performance worksheet provides a view to category net margin performance. Performance assessment is accomplished through the use of key net margin contributing performance indicator measures.

Review Net Margin Components

1. Click the Net Margin Analysis workflow tab. The Review Net Margin Components worksheet is displayed.

Figure 2–10 Review Net Margin Components Worksheet

Location	Calendar	Product
Atlanta	1/5/2008	Arm & Hammer_1101 Oth
		Arm & Hammer_1102 Liqu
		Arm & Hammer_2101 Oth
AMg Ly Carrying Cost C		0.00
AMg Ly Cost of Funds C		0.00
AMg Ly Freight C		0.00
AMg Ly GM R		0.00
AMg Ly GM Rp		0.00
AMg Ly Markdown Allowance C		0.00

2. Review net margin components and resulting net margin.
3. Edit components for what-if scenarios.
4. Enter diary notes in the NM notes text field.
5. Click **Calculate**. This applies and initiates any calculations, and it applies the text information.
6. Select **Save** on the toolbar to retain all information.

Table 2–5 Review Net Margin Performance Worksheet Measures

Measure	Description
Vndr Rev Allow	Vendor revenue allowance.
Sales	Sales.
Promo Sales	Promotional sales (temporary price reductions).
Payment Terms	Payment terms on invoices.
NM Notes	Net margin notes.
NM	Net margin.
Markdown Allowance	Markdown allowances.
Markdown	Markdown.
GM	Gross margin.
Freight	Freight costs.
Cost of Funds	Cost of funds.
Carrying Costs	Carrying costs.

Vendor Analysis

The Review Vendor Performance worksheet provides a view to vendor performance by category. Performance assessment is accomplished through the use of key performance indicator measures. This view is essentially the same as the Review Category Performance worksheet.

Review Vendor Performance

1. Click the Vendor Analysis workflow tab. The Review Net Margin Performance worksheet is displayed.

Note: To view performance by vendor, make sure that the product tile is placed in the upper right hand corner with the Vendor position selected.

Figure 2–11 Review Vendor Performance Worksheet

Measure	Arm & Hammer_1101 Oth	Arm & Hammer_1102 Liqu	Arm & Hammer_2101 Oth
AMg Ly Avg Inv	0.00	0.00	0.00
AMg Ly Avg Inv C	0.00	0.00	0.00
AMg Ly Avg Inv R	0.00	0.00	0.00
AMg Ly GM R	0.00	0.00	0.00
AMg Ly GM Rp	0.00	0.00	0.00
AMg Ly GMROI	0.00	0.00	0.00

2. Review forecasted unit demand by vendor.
3. Review key financial and space performance indicator measures.
4. Enter diary notes into the Performance Notes text field.
5. Click **Calculate**. This applies the text information.
6. Select **Save** on the toolbar to save all information.

Table 2–6 Review Vendor Performance Worksheet Measures

Measure	Description
Avg Inv	Average inventory.
Current Space	Current space for each category at the assessment.
Current Space c Prd	Each product categories percentage contribution to the total space.
Demand	Forecasted unit demand.
GM	Gross margin.
GMROI	Gross margin return on investment.
NM	Net margin.
Performance Notes	Text field for entering category performance observations.

Table 2–6 (Cont.) Review Vendor Performance Worksheet Measures

Measure	Description
Retn. on Curr. Space	Return on current space.
Retn. on Space	Return on planned (working plan) space.
Sales	Sales.
Sales c. Prd	Each product categories percentage contribution to sales.
Space	Planned (working plan) space.
Space c. Prd	Each product categories percentage contribution to planned space.
TO	Inventory turn over.

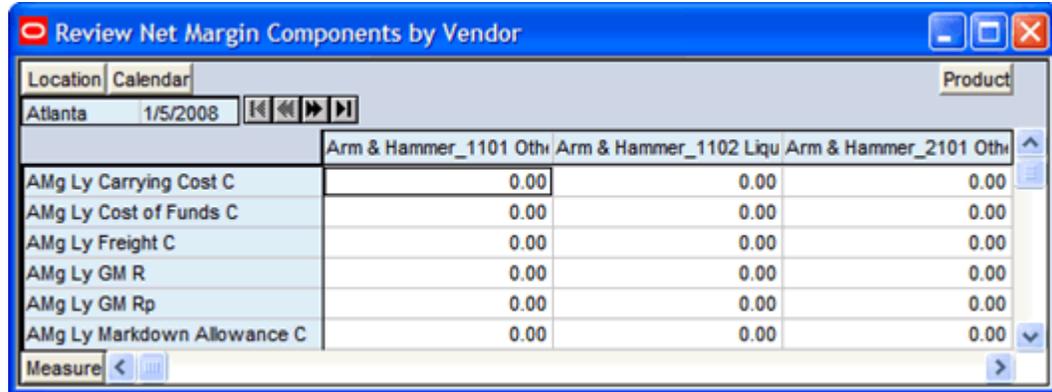
Vendor Net Margin Analysis

The Review Net Margin Components by Vendor worksheet provides a view to vendor category net margin performance. Performance assessment is accomplished through the use of key net margin contributing performance indicator measures. This view is essentially the same as the Review Net Margin Components by category worksheet.

Review Net Margin Components by Vendor

1. Click the Net Margin Analysis workflow tab. The Review Net Margin Performance worksheet is displayed.

Figure 2–12 Review Net Margin Components Worksheet



2. Review net margin components by vendor and resulting net margin.
3. Edit the Wp version components for what-if scenarios.
4. Enter diary notes in the Vndr NM Notes text field.
5. Click **Calculate**. This initiates any what-if calculations and applies the text information.
6. Select **Save** on the toolbar to retain all information.

Table 2–7 Review Net Margin Components by Vendor Worksheet Measures

Measure	Description
Vndr Rev Allow	Vendor revenue allowance.

Table 2–7 (Cont.) Review Net Margin Components by Vendor Worksheet Measures

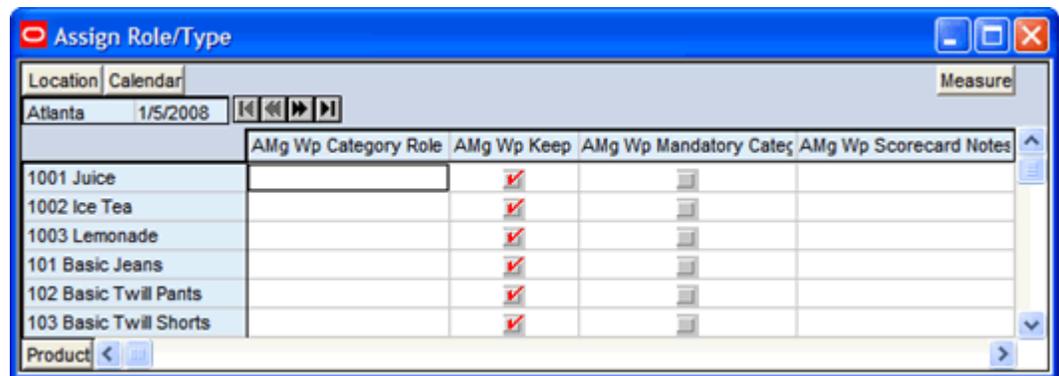
Measure	Description
Vndr NM Notes	Vendor net margin notes.
Sales	Sales.
Promo Sales	Promotional sales (temporary price reduction).
Payment Terms	Payment terms.
NM	Net margin.
Markdown Allowance	Markdown allowance.
Markdown	Markdown.
GM	Gross margin.
Freight	Freight costs.
Cost of Funds	Cost of funds.
Carrying Costs	Carrying costs.

Category Scorecard

The Assign Role / Type worksheet provides the view for assigning roles to categories, keeping or de-listing categories, and noting whether the categories are mandatory or not in the space optimization process to follow. All of the assessments conducted on prior tabs provide the decision support used in assigning roles and types to categories.

Assign Role / Type

1. Click the Category Scorecard workflow tab. The Assign Role / Type worksheet is displayed.

Figure 2–13 Assign Role/Type Worksheet

2. Assign category roles by using the drop down pick list of pre-determined options.
3. Deselect Wp Keep measure check mark to indicate the de-listing of the category. The category is not used in optimization process.
4. Enable the Wp Mandatory Category check box if it is mandatory for the category to be considered in the optimization process.
5. Enter diary notes in the Wp Scorecard Notes text field.
6. Click **Calculate** to apply all decisions and text information.

7. Commit and save the workbook.

Table 2–8 Apply Role/Type Worksheet Measures

Measure	Description
Scorecard Notes	Text field for diary entries regarding score carding process.
Mandatory Category	Check box for indicating if it is mandatory that a category should be included in the optimization process.
Category Role	Drop down list of item role options.
Keep	Check box indicating the keep or de-list status of a category.

Next Steps

All of the entries are complete for the Macro Rationalization step in the Category Management process. Proceed to the [Macro Space Optimization](#) workbook, described in the next chapter.

Macro Space Optimization

Macro Space Optimization occurs on two levels of the organizational hierarchy. The first level is typically at the department level and above. The second is sub-category to department level. Each level is distinguished from the other through the assignment of roles (Executive at the highest level and Manager at the level below) and through separate workbooks. The processes and metrics in each workbook are the same. The measures are distinguished by role with AEx (Assort Executive) in the Macro Space Optimization EX workbook and AMg (Assort Manager) in the Macro Space Optimization workbook.

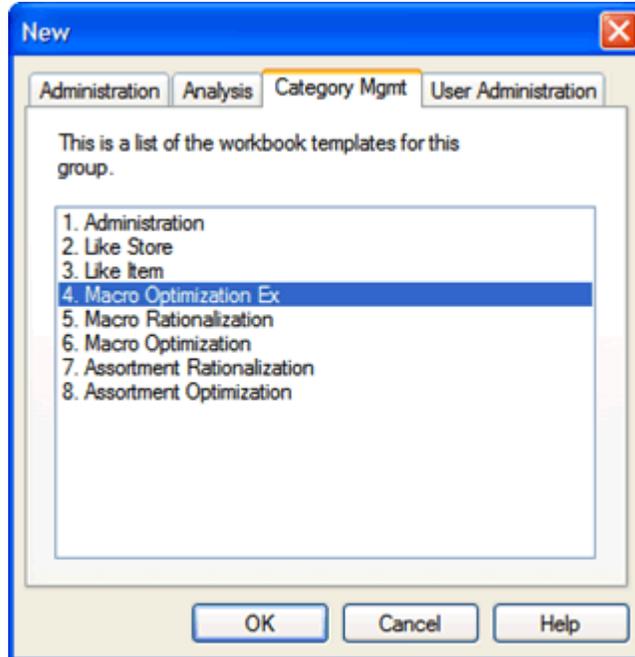
Note: The Executive User is thought to be most interested in the allocation of square footage. The Manager role is typically concerned with the base linear footage derived in collaboration with space planning organization. For the purposes of optimization, there is no understanding of square or base linear footage. The space measure used in the optimization routine recognizes the number numeric value entered, not its intent.

For the purposes of this documentation, both the Macro Space Optimization EX workbook and Macro Space Optimization workbook are detailed in this chapter.

Create Macro Space Optimization Workbook

1. On the Category Management menu bar, select **New** in the File menu or click **New** on the toolbar. The New window is displayed.

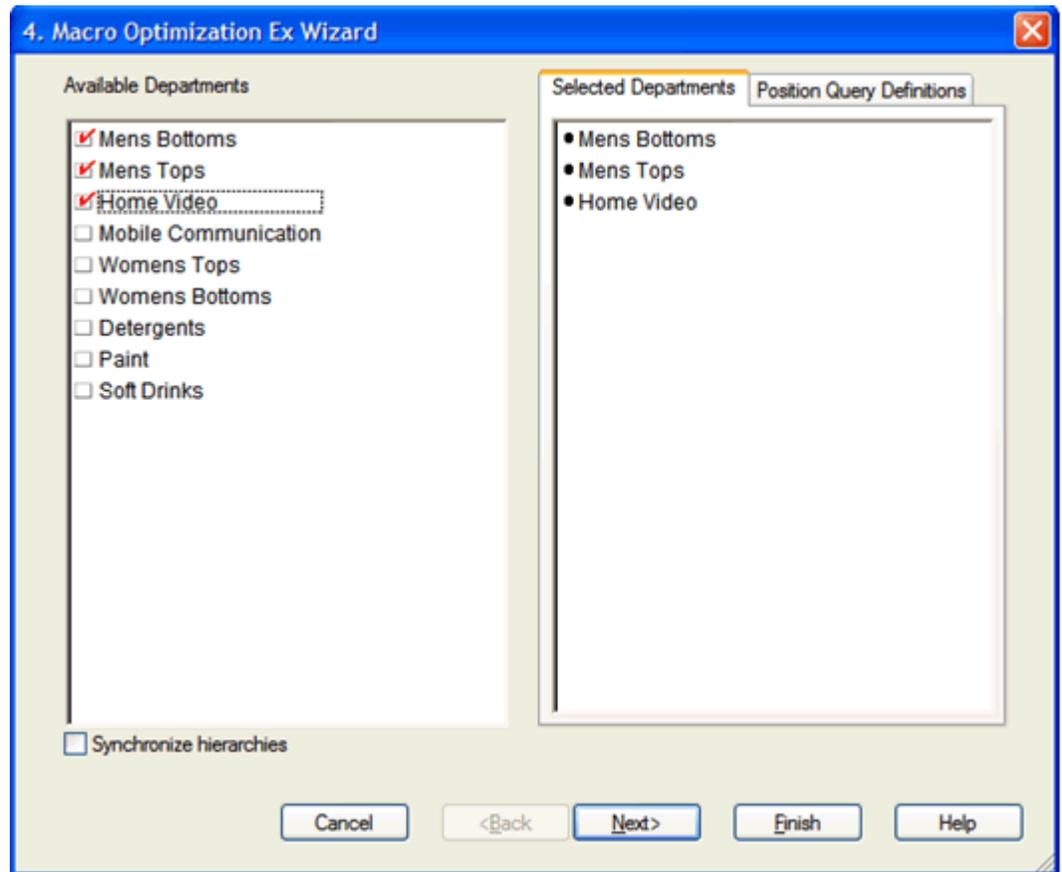
Figure 3–1 New Dialog Box



2. On the Category Management tab, select Macro Space Optimization and click **OK**. The Macro Space Optimization Wizard opens. Using this wizard, you define several important plan parameters.

3. Define products to be optimized.

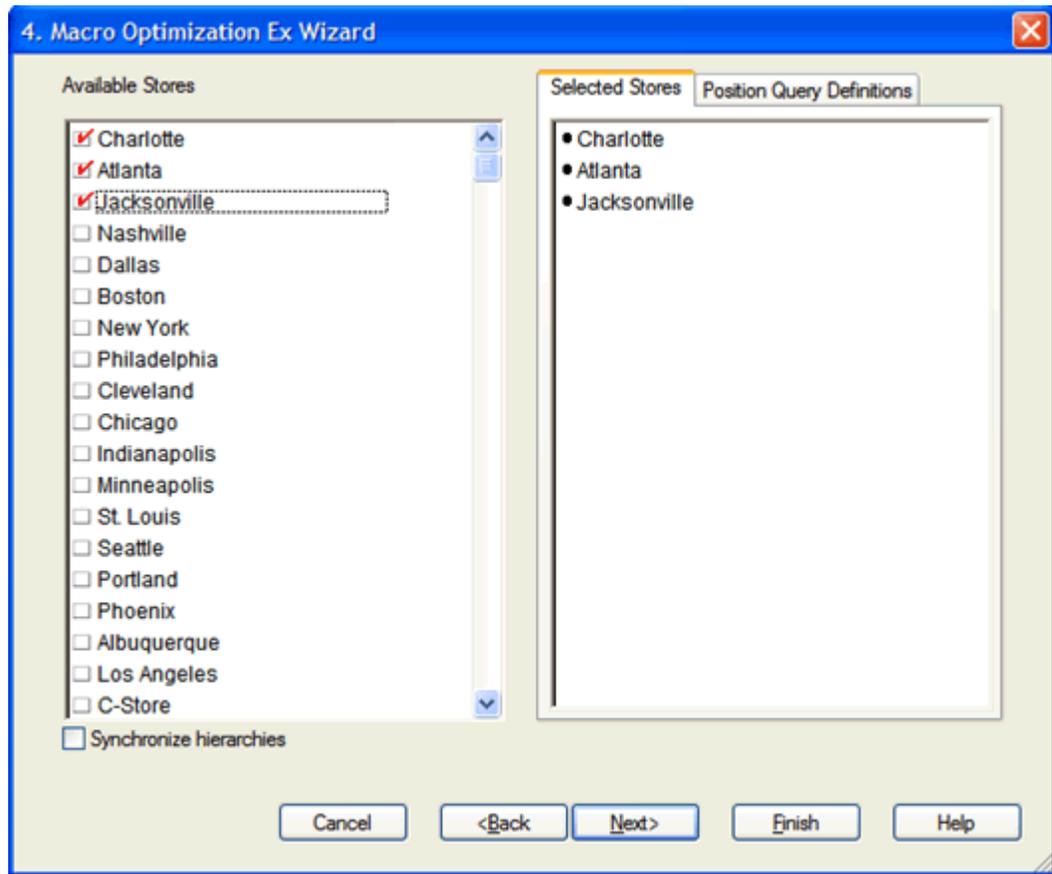
Figure 3–2 Macro Optimization Ex Wizard - First Page



- a. Select the products to be optimized.
- b. Click **Next**. The define location page is displayed.

4. Define the locations to be optimized.

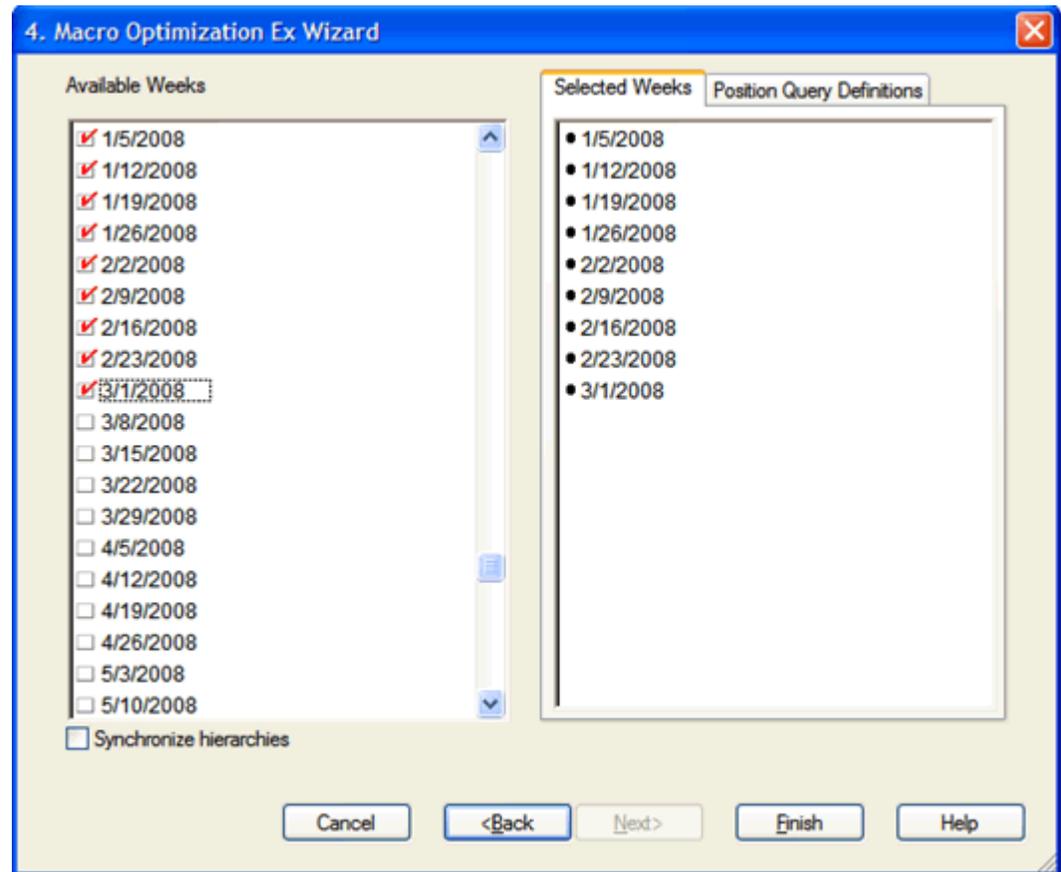
Figure 3–3 Macro Optimization Ex Wizard - Second Page



- a. Select the appropriate locations to be optimized.
- b. Click **Next**. The define timeframe page is displayed.

5. Define time frame to be optimized.

Figure 3–4 Macro Optimization Ex Wizard - Final Page



- a. Select the time frame to be assessed.
- b. Click **Finish**. The workbook build begins. This process may take several minutes. Once completed, the workbook opens to the first window in the first process step. The workflow tabs are used in order from left to right as you go through the macro space optimization steps.

Macro Space Optimization Workflow Tabs

The workflow tabs for macro rationalization are as follows:

Table 3–1 Macro Space Optimization Workflow

Process Step	Tab Description
Determine Optimal Space / Profit	The Determine Optimal Space / Profit tab provides the ability to manipulate optimization constraints, view, and assess the results of the optimization routine. The results of this process step are viewed at aggregated levels, such as store cluster and phase.
Review Store Results	The Review Store Results tab provides a store level view of the optimization routine, which is produced in the first step of the process. If desired, individual stores may be re-optimized in this view.

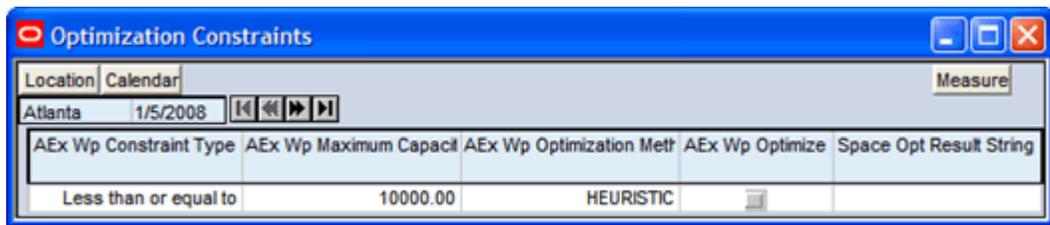
Determine Optimal Space / Profit

Identification of constraints and macro space optimization takes place on the worksheets that are found under the Determine Optimal Space / Profit workflow tab. An additional worksheet is provided that supplies a visual representation of the space to profit relationship data points. The worksheet procedures are described below.

Optimization Constraints

1. On the Macro Space Optimization workflow tabs, select Determine Space / Profit. Select the Optimization Constraints worksheet.

Figure 3–5 Optimization Constraints Worksheet



2. Select the constraint type from the drop down list provided.
3. Enter the maximum space available for optimization.
4. Select **Calculate** to apply data entered.
5. Select **Save** to retain the data.

Note: The Optimize check box measure is not used until all optimization information is provided in the step below.

Table 3–2 Optimization Constraints Worksheet Measures

Measure	Description
Constraint Type	Constraint type is a single select drop down list that consists of two options: <ul style="list-style-type: none"> ▪ Choosing less than or equal to produces the highest profit recommendation, which is based on using less space than or equal to the space constraint. ▪ Choosing exactly equal to forces the optimization routine to choose the highest profit using the exact amount of space provided by the constraint.
Maximum Capacity	The maximum space available to be allocated.
Optimize	Check box measure that must be initialized to produce optimization results.

Optimize Space and Profit

1. Move to the window option on the toolbar and select the Optimize Space and Profit worksheet.

Figure 3–6 Optimize Space and Profit Worksheet

	Home Video	Mens Bottoms	Mens Tops
AEx Opt Expected Profit R	0	0	0
AEx Opt Recommended Space	0.00	0.00	0.00
AEx RVSP Space	0.00	0.00	0.00
AEx Wp Current Space	0.00	0.00	0.00
AEx Wp Current GM R	0.00	0.00	0.00
AEx Wp Department Role			
AEx Wp Include Department	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AEx Wp Keep	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AEx Wp Mandatory Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AEx Wp Max. Space	10000.00	10000.00	10000.00
AEx Wp Min. Space	0.00	0.00	0.00
AEx Wp Send Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AEx Wp Space Chg.	0.00	0.00	0.00

- a. Review Category Role as designated in the Macro Rationalization workbook.
 - b. Enable **Include** check box measure if the category should be included in the optimization routine.
 - c. Review the Keep measure as designated in the Macro Rationalization workbook.
 - d. Review the Mandatory Category check box measure as designated in the Macro Rationalization workbook.
 - e. Review Current Space measure.
 - f. Review Current GM R measure.
 - g. Review Space recommendation from visual store planning application.
 - h. Enter a numeric value into the Min. Space measure.
 - i. Enter a numeric value into the Max. Space measure.
2. Select **Calculate** to apply inputs.
 3. Return to the Optimization Constraints Worksheet. Enable the Optimize check box and select **Calculate** to apply.
 4. Click **History Mapping Menu** in the toolbar, and select **Optimize** from the drop down options to begin the optimization routine.
 5. Return to the Optimal Space and Profit worksheet.
 - a. Review optimized results Expected Profit R measure.
 - b. Review optimized results Recommended Space measure.
 - c. Review Space Chg. Measure.

- d. Compare the Expected Profit R measure to the GM R target from the financial planning process.
 - e. Review / adjust optimization inputs as needed.
 - f. Select **Calculate** to apply changes.
6. Return to the Optimization Constraints worksheet. Enable the Optimize check box, and select **Calculate** to apply.
 7. Click the **Macro Optimization Menu** and select **Optimize** from the drop down options to re-initialize the optimization routine.
 - a. Review the adjusted space recommendations in the RVSP Space measure.
 - b. Enter the space planning recommendation into the Min. Space and the Max. Space measures to accept the space planning recommendation.
 - c. Repeat the optimization steps outlined above.
 8. Select **Save** to retain the information.

Table 3–3 Optimize Space and Profit Worksheet Measures

Measure	Description
Category Role	Strategic role assigned to categories in the Macro Rationalization process.
Include	Check box measure that indicates whether the category should be included in the optimization routine .
Keep	Check box measure from Macro Rationalization process step that indicates the keep or de-list status of a category.
Mandatory Category	Check box measure that indicates if it is mandatory that space is recommended for the category.
Current Space	Current space that the category occupies at the time of the optimization activity.
Current GM	Current gross margin of the category resulting from the current space.
Min. Space	Minimum amount of space allowed to be recommended.
Max. Space	Maximum amount of space allowed to be recommended.
Expected Profit	Expected profit resulting from the optimization routine.
Recommended Space	Recommended space resulting from the optimization routine.
Space Chg.	Difference between Current Space and the Recommended Space.
Send Data	Check box used to initiate the passing of data between Category Management and the space planning application.
GM	Target gross margin from financial planning
Space	Space recommendation from the space planning application.

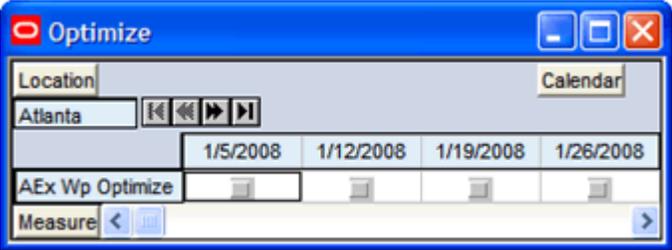
Review Store Results

Reviewing store level optimization results takes place in the worksheets found under the Review Store Results workflow tab. Once the space planning application processes the initial optimal space recommendations and execution of floor layouts begins, there may be a need to communicate back to Category Management exceptions to the initial optimal recommendations. After review, you may need to re-optimize in Category Management. This is based on those space planning, individual store constraints.

Optimize

1. Click the Review Store Results workflow tab.
2. Move to the window option on the toolbar and select the Optimize worksheet.

Figure 3-7 Optimize Worksheet



Note: You return to this worksheet after completing the pre-optimization steps on the next worksheet.

Table 3-4 Optimize Worksheet Measures

Measure	Description
Optimize	Check box measures that must be initiated prior to the running of the optimization routine.

Review Store Results

1. Move to the window option on the toolbar and select the Review Store Results worksheet.

Figure 3–8 Review Store Results Worksheet

Location	Calendar	Product		
Atlanta	1/5/2008	Home Video	Mens Bottoms	Mens Tops
AEx Opt Expected Profit R		0	0	0
AEx Opt Recommended Space		0.00	0.00	0.00
AEx RVSP Space		0.00	0.00	0.00
AEx Wp Current Space		0.00	0.00	0.00
AEx Wp Current GM R		0.00	0.00	0.00
AEx Wp Department Role				
AEx Wp Include Department		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AEx Wp Keep		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
AEx Wp Mandatory Department		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AEx Wp Max. Space		10000.00	10000.00	10000.00
AEx Wp Min. Space		0.00	0.00	0.00
AEx Wp Send Data		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AEx Wp Space Chg.		0.00	0.00	0.00

- a. Review Space measure recommendation from the visual space planning application.

Note: To view individual store category optimization results focus on the location portion of the slice and, using the arrow buttons, page through the stores.

- b. Review optimized Recommended Space quantity.
 - c. Review optimized Expected Profit R value.
 - d. Review Current Space measure.
 - e. Review Current GM R measure.
 - f. Enter Space measure numeric value into the Min. Space measure to accept the space planning recommendation.
 - g. Enter Space measure numeric value into the Max. Space measure to accept the space planning recommendation.
2. Select **Calculate** to apply inputs.
 3. Enable Include check box measure if the category should be included in the individual store optimization routine.
 4. Review Keep measure as designated in the Macro Rationalization workbook.
 5. Enable the Mandatory Category check box measure if it is mandatory that the category is allocated space in the optimization routine.
 6. Select **Calculate** to apply inputs.

7. Return to the Optimize worksheet. Enable the Optimize check box. Select **Calculate** to apply.
8. Click Macro Optimization Menu Option and select Optimize from the drop down options to begin the optimization routine.
 - a. Review optimized Recommended Space quantity.
 - b. Review optimized Expected Profit R value.
9. Commit and save the workbook.

Table 3–5 Review Store Results Worksheet Measures

Measures	Description
Category Role	Strategic role assigned to categories in the Macro Rationalization process.
Include	Check box measure that indicates whether the category should be included in the optimization routine.
Keep	Check box measure from Macro Rationalization process step that indicates the keep or de-list status of a category.
Mandatory Category	Check box measure that indicates if it is mandatory that space be recommended for the category.
Current Space	Current space that the category occupies at the time of the optimization activity.
Current GM	Current gross margin of the category resulting from the current space.
Min. Space	Minimum amount of space allowed to be recommended.
Max. Space	Maximum amount of space allowed to be recommended.
Expected Profit	Expected profit resulting from the optimization routine.
Recommended Space	Recommended space resulting from the optimization routine.
Space Chg.	Difference between the Current Space and the Recommended Space.
Send Data	Check box used to initiate the passing of data between Category Management and the space planning application.
GM	Target gross margin from financial planning.
Space	Space recommendation from the space planning application.

Next Steps

All of the entries are complete for the Macro Space Optimization step of the Category Management process. Proceed to Step 3, [Assortment Rationalization](#), described in the next chapter.

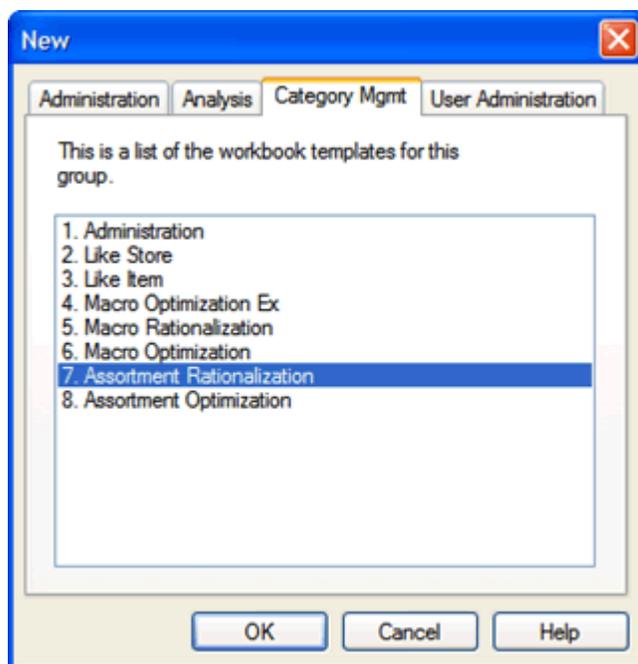
Assortment Rationalization

The assessment of item performance and item relevance within the product mix takes place inside the assortment rationalization process step. As in the prior steps, workbooks must be built using wizard steps to establish the content of the workbook. Product, feature, location, and time hierarchies are defined in the workbook build using wizards.

Create Assortment Rationalization Workbook

1. On the Category Management menu bar, select **New** from the File menu or click **New** on the toolbar. The New window is displayed.

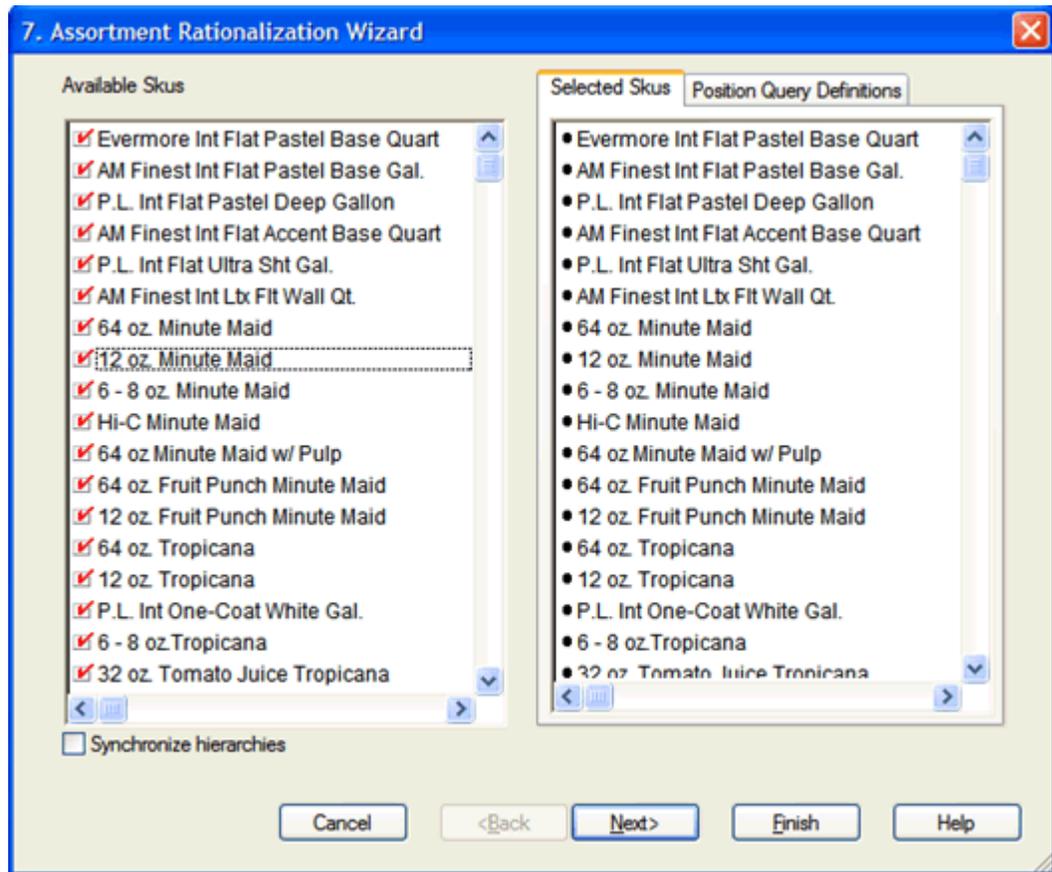
Figure 4-1 New Dialog Box



2. On the Category Management tab, select **Assortment Rationalization** and click **OK**. The Assortment Rationalization wizard opens.

3. Define products to be assessed.

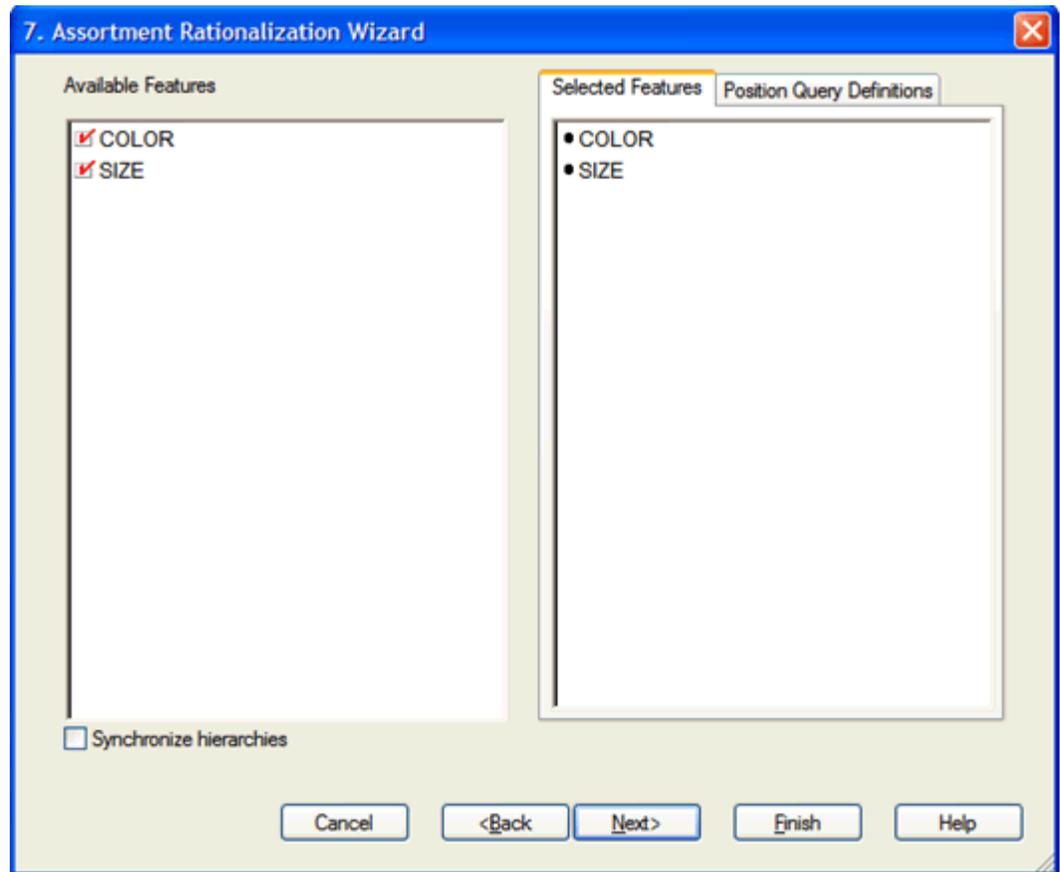
Figure 4–2 Assortment Rationalization Wizard - First Page



- a. Select the products to be assessed.
- b. Click **Next**. The define item features page is displayed.

4. Define item features to be assessed.

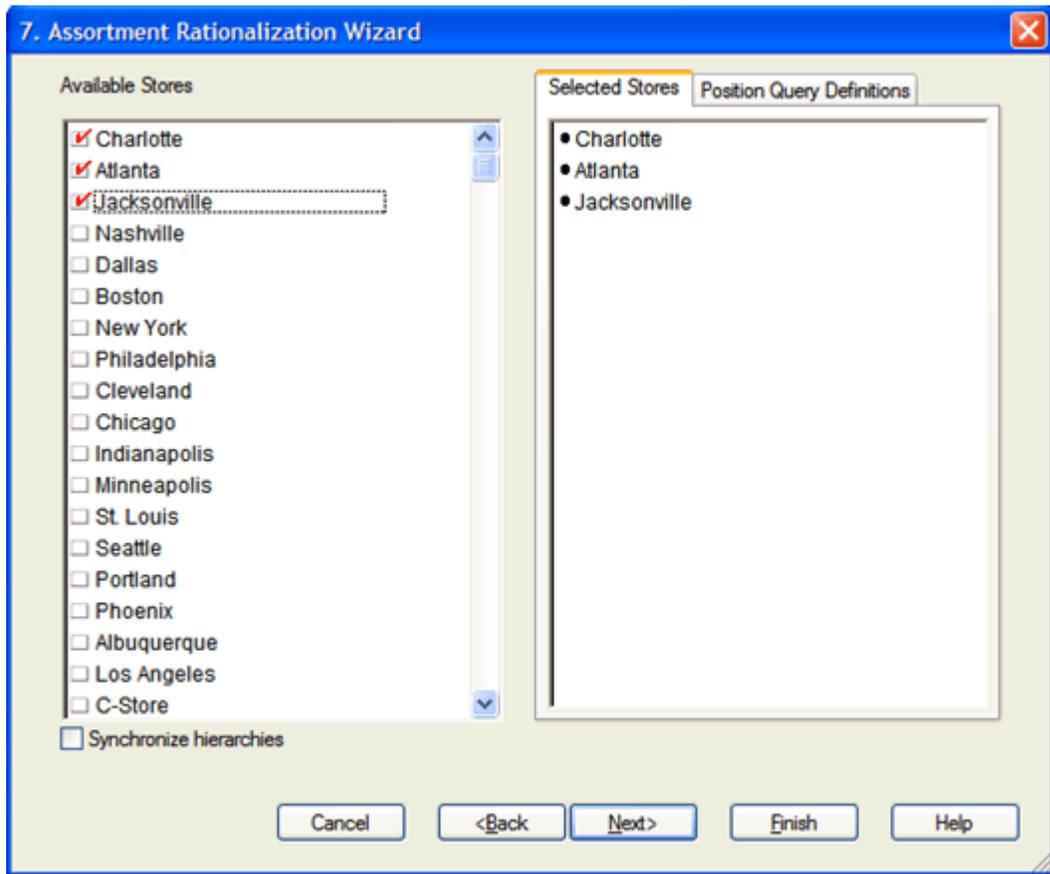
Figure 4–3 Assortment Rationalization Wizard - Second Page



- a. Select the appropriate item features to be assessed.
- b. Click **Next**. The define location page is displayed.

5. Define locations to be assessed.

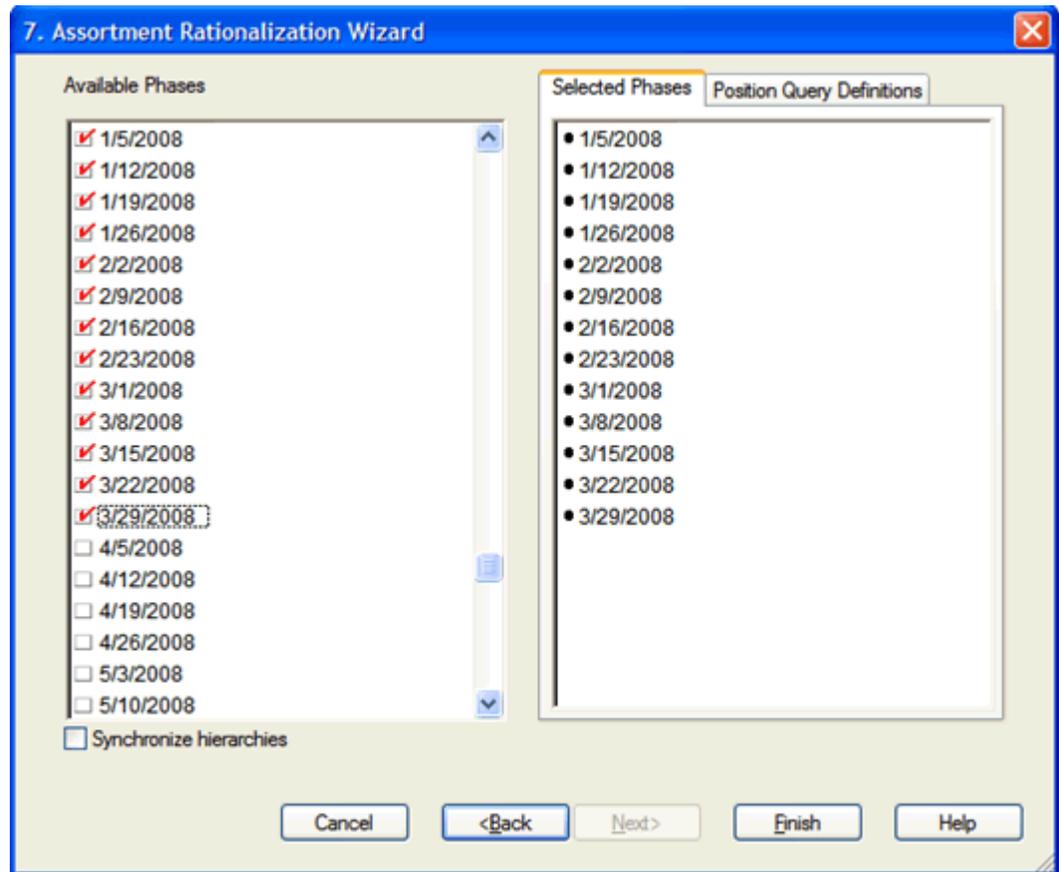
Figure 4–4 Assortment Rationalization Wizard - Third Page



- a. Select the appropriate locations to be assessed.
- b. Click **Next**. The define timeframe page is displayed.

6. Define time frame to be assessed.

Figure 4–5 Assortment Rationalization Wizard - Final Page



- a. Select the time frame to be assessed.
- b. Click **Finish**. The workbook build begins. This process may take several minutes. Once completed, the workbook opens to the first window in the first process step. The workflow tabs are used in order from left to right as you go through the assortment rationalization steps.

Assortment Rationalization Workflow Tabs

The assortment rationalization workflow tabs are located below the Category Management toolbar and are used to move between sets of windows displaying the process steps used in assortment rationalization. You can either click the workflow tabs or use **Next** and **Previous** on the toolbar to move between them. The workflow tabs for assortment rationalization are as follows:

Table 4–1 Assortment Rationalization Workflow Tabs

Process Step	Tab Descriptions
Identify Placeholders	When placeholder items are added to the assortment mix, they are described (labeled) using the worksheet provided on the Identify Placeholders tab.
Brand Analysis	The Brand Analysis tab provides: <ul style="list-style-type: none"> ■ A view to item performance by brand. ■ The ability for you to assign an importance ranking to each brand. ■ A calculated brand ranking .
Feature Analysis	The Feature Analysis tab provides the ability to weight importance of pre-defined features in order to calculate a feature ranking.
Performance Analysis	The Performance Analysis tab provides a view facilitating financial performance analysis. Financial and item planning targets are provided.
Net Margin Analysis	The Net Margin Analysis tab provides an assessment view to the net margin components for each item.
Item Scorecard	Items are ranked and roles are assigned using worksheets on the Item Scorecard tab.

Identify Placeholders

Identification of placeholder items while in the assortment rationalization process takes place on the Describe Placeholders worksheet found by accessing the Identify Placeholders tab in the workflow process.

Note: If placeholder functionality is not required, this step may be skipped. If skipped, begin the workflow at the Brand Analysis tab.

Describe Placeholders

1. On the Assortment Rationalization workflow tabs, select Identify Placeholders. The Describe Placeholders worksheet appears.

Figure 4–6 Describe Placeholders Worksheet

Product	API Wp	Item Description	Measure
12 oz. Cranberry Ocean Spray	OS	cranberry	
12 oz. Diet Snapple Ice Tea		Diet iced tea	
12 oz. Diet Snapple Lemonade		Diet lemonade	
12 oz. Fruit Punch Minute Maid	MM	fruit punch	
12 oz. Fruit Punch Ocean Spray	OS	fruit punch	
12 oz. Fruit Punch Snapple	SN	fruit punch	

2. Enter Placeholder description into the Item Description measure.
3. Select **Calculate** to apply descriptions.
4. Select **Save** to save the data.

Table 4–2 Describe Placeholders Worksheet Measures

Measure	Description
Item Description	User provided label used to describe a placeholder item.

Brand Analysis

Analysis of item performance on the Brand Analysis workflow tab is supported by three worksheets. Overall SKU by brand performance is viewed on the Review / Rank Brand Performance worksheet. The Brand Rank (Brand) worksheet is used for assigning ranks to brands found within the assortment mix. The Brand Rank (SKU) worksheet where the brand rank by SKU is calculated and text notes are added.

Review / Rank Brand Performance

1. Move to the window option on the toolbar and select the Review / Rank Brand Performance worksheet.

Figure 4–7 Review/Rank Brand Performance Worksheet

Location	Calendar	Product		
Atlanta	1/5/2008	12 oz. Cranberry Ocean	12 oz. Diet Snapple Ice Te	12 oz. Diet Snapple Lemon
API Fcst Demand		0.00	0.00	0.00
API Ly % Cont. Sales Cp		0.00	0.00	0.00
API Ly % Cont. Sales Rp		0.00	0.00	0.00
API Ly % Cont. Sales Up		0.00	0.00	0.00
API Ly Avg Inv		0.00	0.00	0.00
API Ly Avg Inv C		0.00	0.00	0.00

2. Review item by brand forecasted item demand.
3. Review item by brand performance assessment measures; such as sales, gross margin, net margin, GMROI, and average inventory.
4. Compare current item by brand performance with last year's performance using assessment measures; such as sales, gross margin, net margin, GMROI, and average inventory.
5. Compare item performance by brand against key item targets (if available).
6. Review aggregated item performance against financial targets (if available).

Table 4–3 Review/Rank Brand Performance Worksheet Measures

Measure	Description
TO	Inventory turn over.
Sales var Ly	Sales variance to last year expressed as a percentage.
Sales	Sales.
NM	Net margin.
GMROI	Gross margin return on investment.
GM	Gross margin.
Demand	Forecasted unit demand.
Avg Inv	Average inventory.
% Cont. Sales	Child sales contribution to parent sales expressed as a percentage.

Brand Rank (Brand)

1. Move to the window option on the toolbar and select the Brand Rank (Brand) worksheet.

Figure 4–8 Brand Rank (Brand) Worksheet



2. Enter 1 to 3 ranking for each brand with 1 being assigned to the best performing brands and 3 the least in performance.

Note: The rankings assigned to brands are used in calculating the overall item rank used in the keep / de-list decision making the end of the assortment rationalization process.

3. Select **Calculate** to apply the rankings.
4. Select **Save** to retain the information.

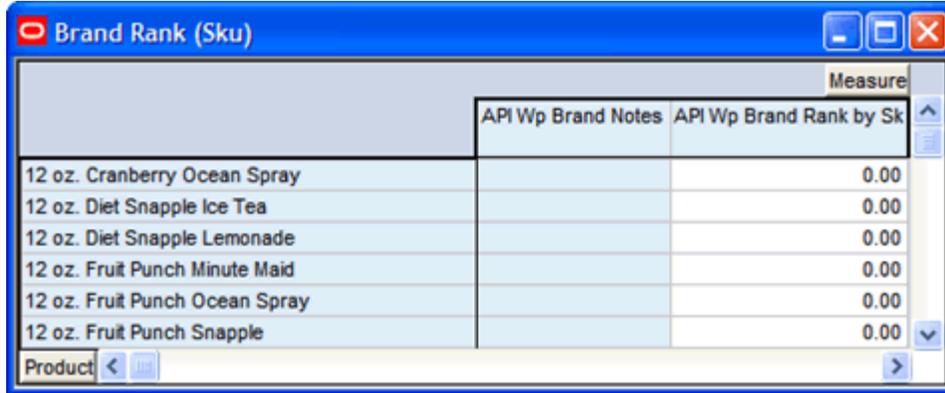
Table 4–4 Brand Rank (Brand) Worksheet Measure

Measure	Description
Brand Rank By Brand	Ranking from 1 to 3 of brand performance.

Brand Rank (SKU)

1. Move to the window option on the toolbar, and select the Brand rank (Brand) worksheet.

Figure 4–9 Brand Rank (Sku) Worksheet



2. Sort SKUs by brand ranking. SKUs with the highest ranking are ranked with a 1.
3. Enter comments into Brand Notes text measure provided.
4. Select **Calculate** to apply the text information.
5. Select **Save** to retain the information.

Table 4–5 Brand Rank (SKU) Worksheet Measures

Measure	Description
Brand Rank by SKU	Item by brand ranking assignment reflecting previously assigned brand rank.
Brand Notes	Text field for entering item by brand rank observations.

Feature Analysis

The analysis of item by feature performance on the Feature Analysis workflow tab is supported by three worksheets.

- **Feature Weight** - This worksheet used in the feature rank calculation, is determined on the Feature Weight worksheet.
- **Feature Rank** - This worksheet contains the final feature ranking and the Notes field to enter comments.
- **Review / Rank Item Features (Optional)** - This worksheet provides the item performance measures for review.

Feature Weight

1. Move to the window option on the toolbar, and select the Feature Weight worksheet.

Figure 4–10 Feature Weight Worksheet

	COLOR	SIZE
API Wp Feature Weight	0.00	0.00
label		
label		
label		

2. Review feature categories and criteria listed as important in the categories.

Note: Categories are updated by way of scheduled batch routines that update the feature hierarchy. The feature criteria are managed administratively. See Administration section.

3. Enter the desired weight of each feature. This weight is used in the final item by feature ranking.

Note: The sum of all the categories weights must equal 1.

4. Select **Calculate** to apply the category weight assignments.

Table 4–6 Feature Weight Worksheet Measures

Measure	Description
Feature Criteria	Category attributes that are recognized as being important in evaluating items by feature.
Feature Weight	Weight assigned to each feature category.

Feature Rank

1. Move to the window option on the toolbar, and select the Feature Rank worksheet.

Figure 4–11 Feature Rank Worksheet

	API Wp Feature Notes	API Wp Feature Rank
12 oz. Cranberry Ocean Spray		3.00
12 oz. Diet Snapple Ice Tea		3.00
12 oz. Diet Snapple Lemonade		3.00
12 oz. Fruit Punch Minute Maid		3.00
12 oz. Fruit Punch Ocean Spray		3.00
12 oz. Fruit Punch Snapple		3.00

2. Sort the product hierarchy by using the Feature Rank measure.

Note: For sorting instructions, refer to the Brand Analysis process step section, Brand Rank (SKU) worksheet.

3. Review item by feature ranking.
4. Enter observations in the Features Notes text field.
5. Click **Save** to apply entered information.

Table 4–7 Feature Rank Worksheet Measures

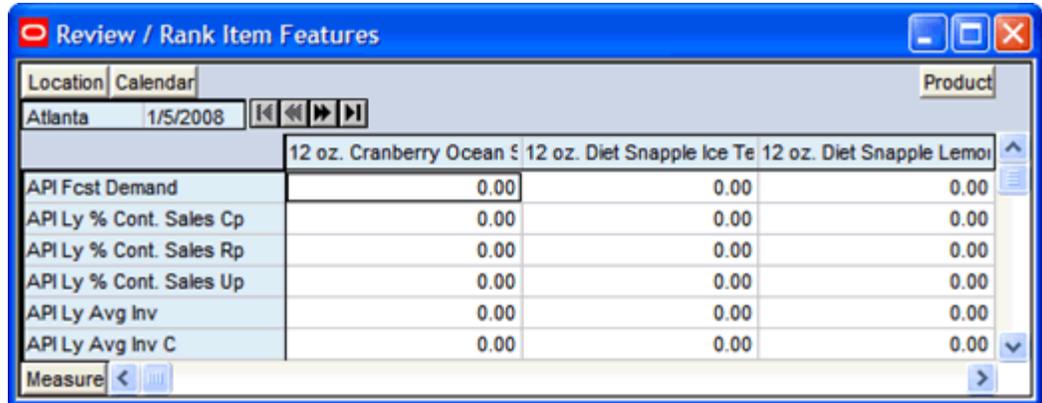
Measure	Description
Feature Rank	Item by feature calculated ranking assignment using assigned feature weight and Administratively assigned feature thresholds.
Feature Notes	Text field for entering item by brand rank observations.

Review / Rank Item Features (Optional)

Note: The Review / Rank Item Features worksheet is optional: it is a duplicate view of the Performance Analysis and Net Margin Analysis workflow tabs.

1. Move to the window option on the toolbar and select the Review / Rank Item Features worksheet.

Figure 4–12 Review/Rank Item Features Worksheet



2. Review item forecasted item demand.
3. Review item performance assessment measures; such as sales, gross margin, net margin, GMROI, and average inventory.
4. Compare current item performance with last year's performance using assessment measures; such as sales, gross margin, net margin, GMROI and average inventory.
5. Compare item performance against key item targets (if available).
6. Review aggregated item performance against financial targets (if available).

Table 4–8 Review/Rank Item Features Worksheet Measures

Measures	Description
TO	Inventory turn over.
Sales var Ly	Sales variance to last year expressed as a percentage.
Sales	Sales.
NM	Net margin.
GMROI	Gross margin return on investment.
GM	Gross margin.
Demand	Forecasted unit demand.
Ave Inv	Average inventory.
% Cont.	SalesChild sales contribution to parent sales expressed as a percentage.

Performance Analysis

The analysis of item gross margin performance on the Performance Analysis workflow tab is supported by the Review / Rank Item Performance worksheet. The purpose of the Review / Rank Item Performance worksheet is to provide a view to all of the measures that are needed to accurately assess the gross margin performance of an item. The role that the item plays within the product mix towards achieving the financial goals of the total category is also assessed. The role of the category as determined in the Macro Rationalization process is visible. Targets from item planning and financial planning are also support available to support this process step.

Review / Rank Item Performance

1. On the Assortment Rationalization workflow tabs, select Performance Analysis. The Review / Rank Item Performance worksheet appears.

Figure 4–13 Review/Rank Item Performance Worksheet

Location	Calendar	Product		
Atlanta	1/5/2008	12 oz. Cranberry Ocean	12 oz. Diet Snapple Ice Te	12 oz. Diet Snapple Lemoi
API Fcst Demand		0.00	0.00	0.00
API Ly % Cont. Sales Cp		0.00	0.00	0.00
API Ly % Cont. Sales Rp		0.00	0.00	0.00
API Ly % Cont. Sales Up		0.00	0.00	0.00
API Ly Avg Inv		0.00	0.00	0.00
API Ly Avg Inv C		0.00	0.00	0.00

2. Review Category Role measure from Macro Rationalization.
3. Review Mandatory Category measure for category status.
4. Review Demand measure for the forecasted demand.
5. Review key assessment measures; such as sales, average inventory, inventory turn over and gross margin.
6. Sort products using the GM Rp measure to view items in order of gross margin % contribution.
7. Compare performance against last year's financial and key item targets.
8. Enter observations into the Performance Notes text measure.
9. Select **Calculate** to apply the information.
10. Select **Save** to retain the information.

Table 4–9 Review/Rank Item Performance Worksheet Measures

Measure	Description
TO	Inventory turn over.
Sales var Ly	Sales variance to last year expressed as a percentage.
Sales	Sales.

Table 4–9 (Cont.) Review/Rank Item Performance Worksheet Measures

Measure	Description
NM	Net margin.
GMROI	Gross margin return on investment.
GM	Gross margin.
Demand	Forecasted unit demand.
Ave Inv	Average inventory.
% Cont. Sales	Child sales contribution to parent sales expressed as a percentage.
Performance Rank	Calculated performance rank.
Performance Notes	Text field for entering item performance observations.

Net Margin Analysis

The analysis of the net margin components by item on the Net Margin Analysis workflow tab is supported by the Review Net Margin Components by Item worksheet. The purpose of the Review Net Margin Components by Item worksheet is to provide a vehicle for reviewing the individual net margin components at the item level. The net margin percent provides the metric used in calculating the item performance ranking used in the score carding process step.

Review Net Margin Components by Item

1. On the Assortment Rationalization workflow tabs, select Net Margin Analysis. The Review Net Margin Components by Item worksheet appears.

Figure 4–14 Review Net Margin Components by Item Worksheet

Measure	12 oz. Cranberry Ocean	12 oz. Diet Snapple Ice Te	12 oz. Diet Snapple Lemon
API Fcst Demand	0.00	0.00	0.00
API Ly % Cont. Sales Up	0.00	0.00	0.00
API Ly Carrying Cost C	0.00	0.00	0.00
API Ly Cost of Funds C	0.00	0.00	0.00
API Ly Freight C	0.00	0.00	0.00
API Ly GM R	0.00	0.00	0.00

2. Review the GM R value measure.
3. Review the individual net margin components measures.
4. Compare the net margin components against last year's item planning targets and financial aggregate targets.
5. Review net margin measures.
6. Review the calculated item performance ranking.
7. Sort items using the Performance Rank measure.

8. Enter observations into the Performance Notes text measure.
9. Select **Calculate** to apply the information.
10. Select **Save** to retain the information.

Table 4–10 Review Net Margin Components by Item Worksheet Measures

Measure	Description
Vndr Rev Allow	Vendor revenue allowance.
Sales	Sales.
Promo Sales	Promotional sales (temporary price reductions).
Payment Terms	Payment terms on invoices.
NM Notes	Net margin notes.
NM	Net margin.
Markdown Allowance	Markdown allowances.
Markdown	Markdowns.
GM	Gross margin.
Freight	Freight costs.
Cost of Funds	Cost of funds.
Carrying Costs	Carrying costs.

Item Scorecard

Assortment rationalization is complete once items are assigned roles and types. This activity is accomplished on the Item Scorecard workflow tab. There are two worksheets supporting the final task. The first is the Overall Rank worksheet where the relative importance of brand, feature, and performance is weighted. The second is the Assign Item Role and Type worksheet. Here the overall calculated item rank is reviewed, each item is assigned a role, and the decision to keep or de-list an item is made. In addition, an item's mandatory status and scorecard notes are added.

Overall Rank

1. On the Assortment Rationalization workflow tabs, select Item Scorecard. Move to the window option on the toolbar and select the Overall Rank worksheet.

Figure 4–15 Overall Rank Worksheet



2. Assign a relative to importance weight to the brand, feature, and performance analysis steps. This weight is used in calculating the final rank of an item. The weight must sum to 1.

3. Select **Calculate** to apply the data just entered.

Table 4–11 Overall Rank Worksheet Measures

Measures	Description
Brand Overall Weight	Weight expressed as a percentage and assigned to represent the importance of brand in evaluating an item.
Feature Overall Weight	Weight expressed as a percentage and assigned to represent the importance of features in evaluating an item.
Performance Overall Weight	Weight expressed as a percentage and assigned to represent the importance of performance in evaluating an item.

Assign Item Role and Type

1. Move to the window option on the toolbar and select the Assign Item Role and Type worksheet.

Figure 4–16 Assign Item Role and Type Worksheet

Location	Calendar	Product		
Atlanta	1/5/2008	12 oz. Cranberry Ocean	12 oz. Diet Snapple Ice Te	12 oz. Diet Snapple Lemon
API Wp Item Role				
API Wp Keep		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
API Wp Mandatory Item		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
API Wp Overall Rank		0.00	0.00	0.00
API Wp Overall Weight		0.00	0.00	0.00
API Wp Performance Rank		3.00	3.00	3.00
API Wp Scorecard Notes				

2. Review calculated overall rank measure.
3. Review calculated overall weight measure.
4. Assign Item Role using the drop down list of available options.
5. Assign list, de-list status of the item using the Keep check box measure.
6. Assign item type for assortment optimization status using the Mandatory Item check box measure.
7. Enter Scorecard Notes in the text field provided.
8. Select **Calculate** to apply the data entered.
9. Save and commit the workbook.

Table 4–12 Assign Item Role and Type Worksheet Measures

Measure	Description
Overall Weight	Calculated overall weight combining brand, feature, and performance thresholds and weights.
Overall Rank	Calculated ranking using inputs from prior steps.

Table 4–12 (Cont.) Assign Item Role and Type Worksheet Measures

Measure	Description
Item Role	Measure consisting of a drop down list of item roles.
Keep	Check box measure that indicates the item is to be kept or de-listed.
Mandatory Item	Check box measure that indicates if an item is to be considered mandatory as the assortment is optimized.
Scorecard Notes	Text field for entering observations and action points as a result of the score carding process.

Next Steps

All of the entries are complete for the Assortment Rationalization step of the Category Management process. Proceed to Step 3, [Assortment Optimization](#), described in the next chapter.

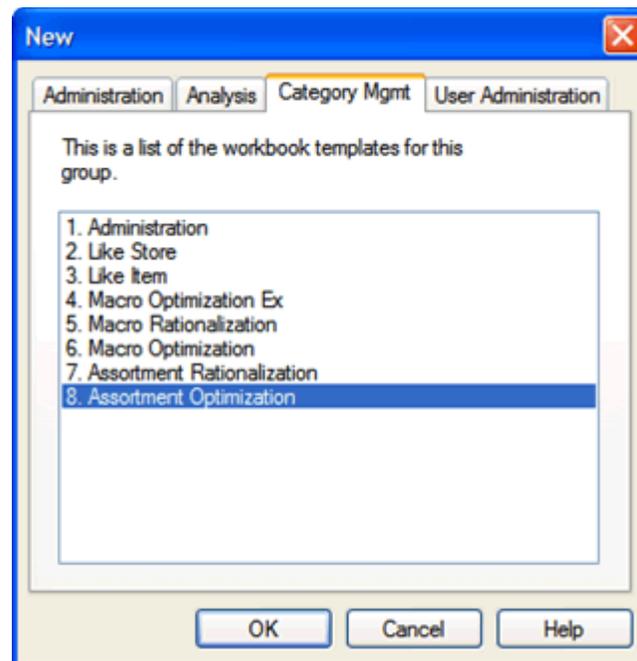
Assortment Optimization

In this step of the Category Management process, category mix is optimized within the context of available space and profit potential. As in the prior steps, workbooks must be built using wizard steps to establish the content of the workbook. Product, location, and time hierarchies are defined in the workbook build using wizards.

Create Assortment Optimization Workbook

1. On the Category Management menu bar, select **New** in the File menu or click **New** on the toolbar. The New window opens.

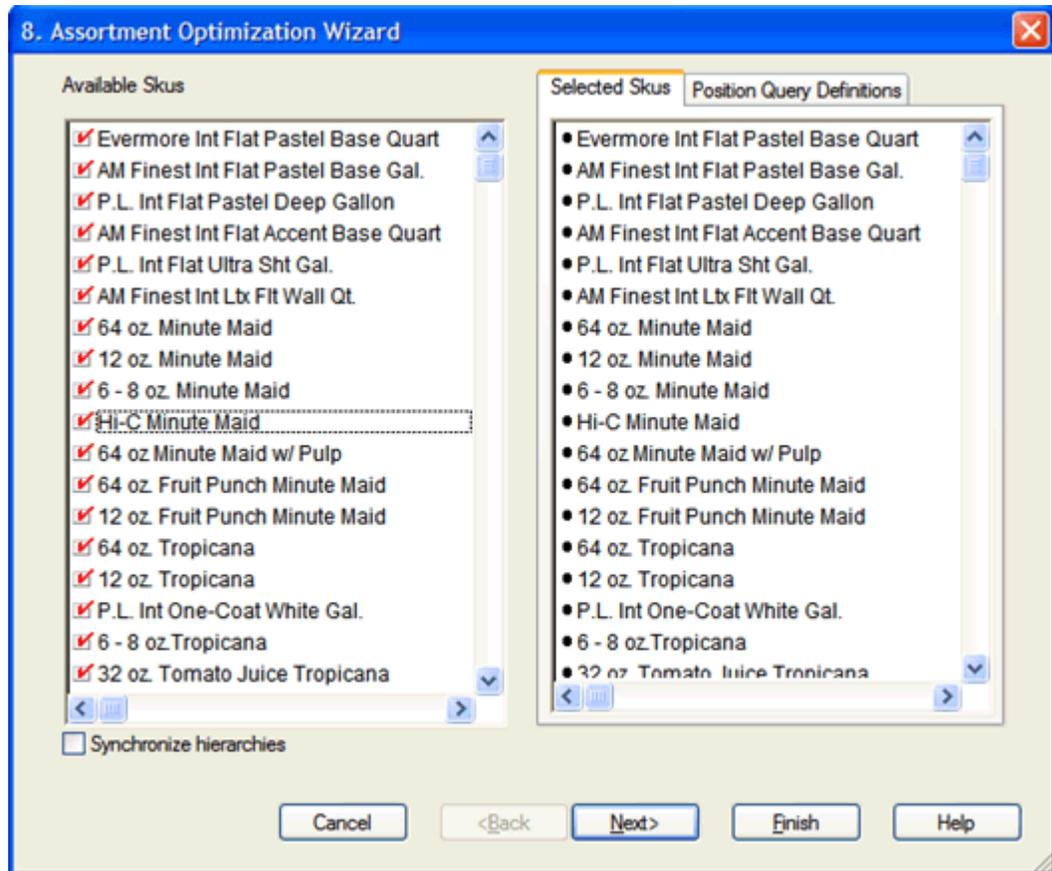
Figure 5-1 New Dialog Box



2. On the Category Management tab, select Assortment Optimization and click **OK**. The Assortment Optimization Wizards are displayed. Using these wizards, you define several important plan parameters.

3. Define the products to be optimized. Only a product with an assigned planogram is displayed for selection.

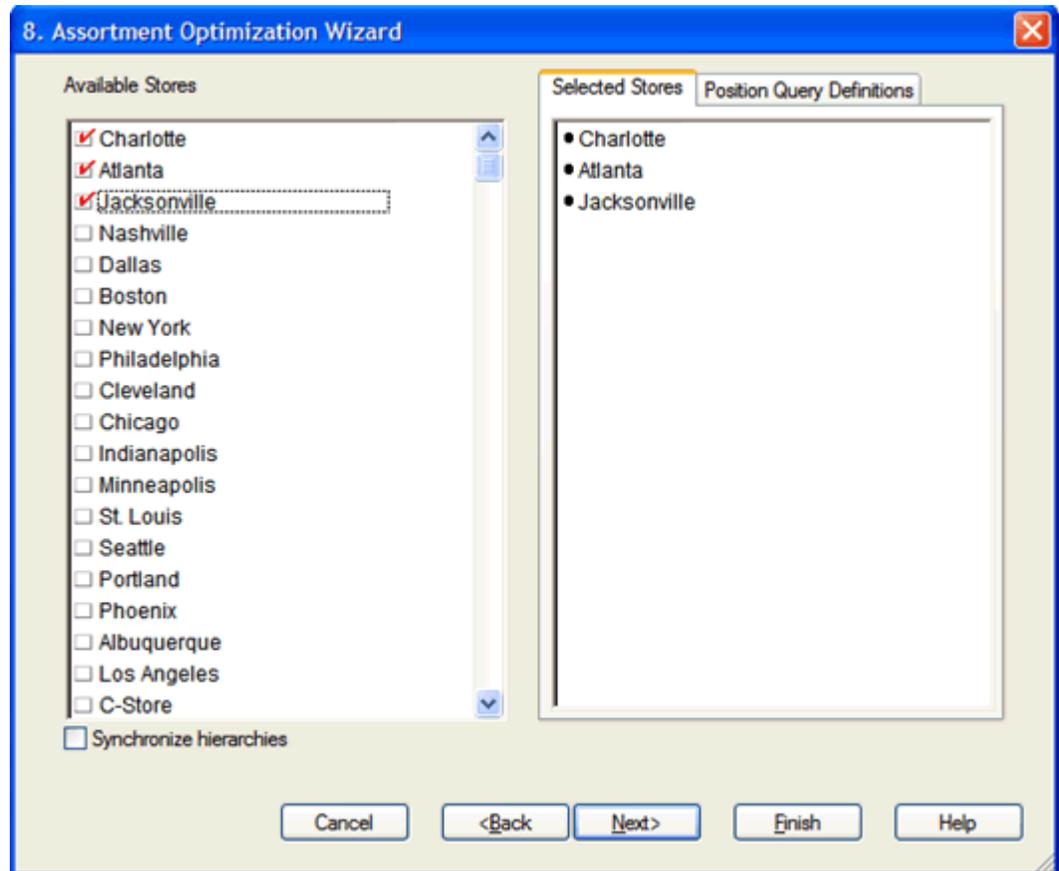
Figure 5–2 Assortment Optimization Wizard - First Page



- a. Select the products to be optimized.
- b. Click Next. The define location page is displayed.

4. Define the locations to be optimized. Only the locations that carry the selected product are displayed for selection

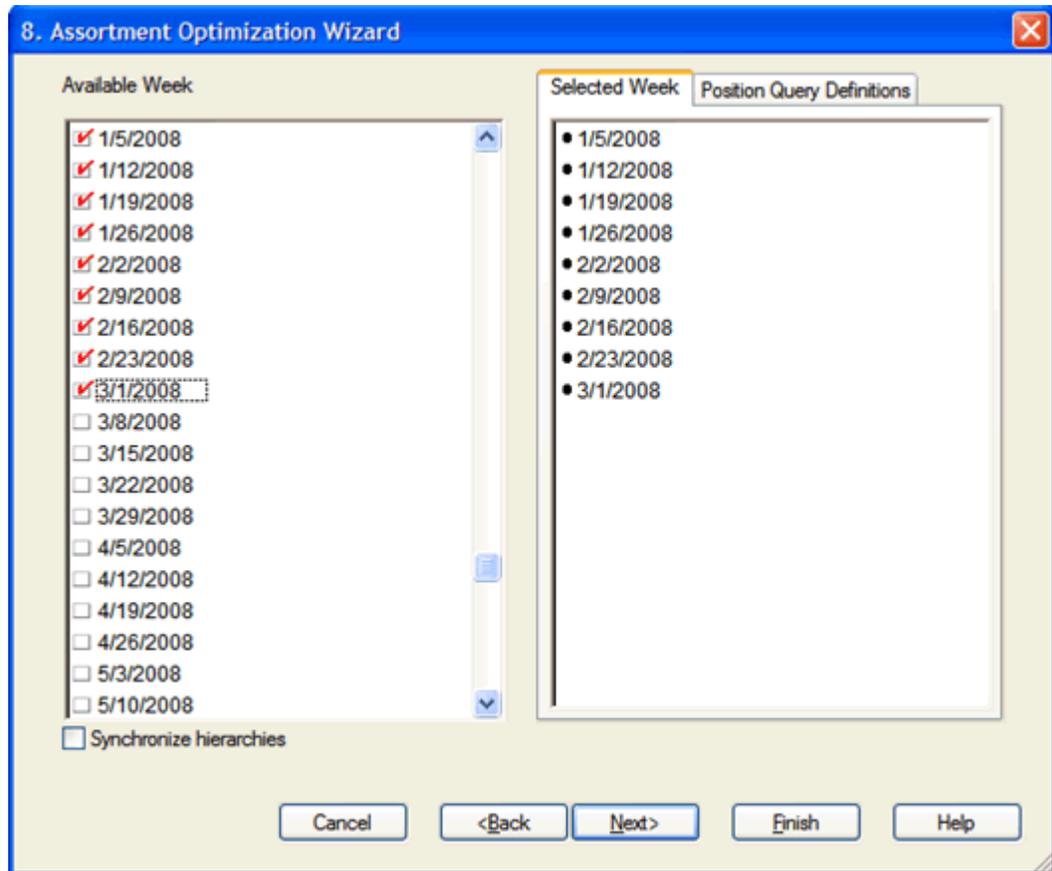
Figure 5–3 Assortment Optimization Wizard - Second Page



- a. Select the appropriate locations to be optimized.
- b. Click **Next**. The define timeframe page is displayed.

5. Define the time frame to be optimized. Only the time frames that carry the selected product at the selected stores are displayed for selection.

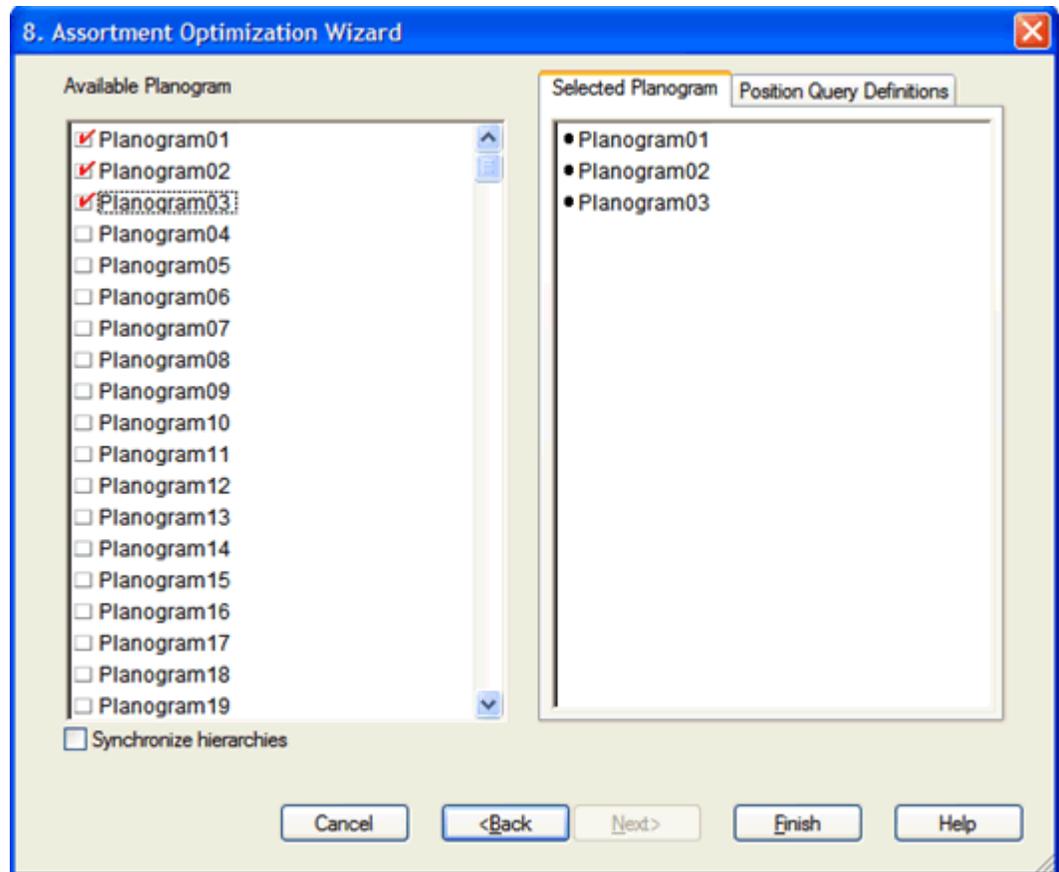
Figure 5–4 Assortment Optimization Wizard - Third Page



- a. Select the time frame to be assessed.
- b. Click **Next**. The define planogram page is displayed.

6. Define the planogram to be optimized. Only planograms that have the selected product at the selected stores during the selected time frame are displayed for selection.

Figure 5–5 Assortment Optimization Wizard - Final Page



- a. Select the planogram to be optimized.
- b. Click **Finish** to begin the workbook build. This process may take several minutes. Once completed, the workbook opens to the first window in the first process step. The workflow tabs are used in order from left to right as you go through the assortment optimization steps.

Menu Options

The custom menu component of the tool bar is labeled. Assortment Optimization produces a drop down list of user-initiated actions that take place inside of the Assortment Optimization workbook. They are detailed in the table below.

Note: The main menu options are described in detail in the online help (accessible from the Help menu when running Assort) and in the *RPAS User Guide for the Classic Client*.

Table 5–1 Menu Options

Action	Action Description
Optimize	Initiates the running of the optimization routine.

Assortment Optimization Workflow Tabs

The following table describes the workflow tabs for assortment optimization.

Table 5–2 Assortment Optimization Workflow Tabs

Process Step	Tab Description
Identify Placeholders	When placeholder items are added to the assortment mix during assortment optimization, they are described (labeled) using the worksheet that is provided on the Identify Placeholders tab.
Determine Optimal Space / Profit	The Determine Optimal Space / Profit tab provides the ability to manipulate optimization constraints, view, and assess the results of the optimization routine. The results of this process step are viewed at aggregated levels, such as store cluster and phase.
Review Store Results	The Review Store Results tab provides a store level view of the optimization routine produced in the first step of the process. If desired, individual stores may be re-optimized in this view.

Identify Placeholders

Identification of placeholder items while in the assortment optimization process takes place on the Describe Placeholders worksheet, found by accessing the Identify Placeholders tab in the workflow process.

Note: If placeholder functionality is not required, this step may be skipped. If skipped, the workflow starts at the Determine Optimal Space / Profit tab. This placeholder identification process is the same as that described in Assortment Rationalization and Like Item. Placeholders identified in Assortment Rationalization or Like Item appear here as already defined.

Describe Placeholders

1. On the Assortment Optimization workflow tabs, select Identify Placeholders. The Describe Placeholders worksheet appears.

Figure 5–6 Describe Placeholders Worksheet

Product	Measure
12 oz. Cranberry Ocean Spray	OS cranberry
12 oz. Diet Snapple Ice Tea	SN diet tea
12 oz. Diet Snapple Lemonade	SN diet lemonade
12 oz. Fruit Punch Minute Maid	MM fruit punch
12 oz. Fruit Punch Ocean Spray	OS fruit punch
12 oz. Fruit Punch Snapple	SN fruit punch

2. Enter a Placeholder description into the Item Description measure.
3. Select **Calculate** to apply descriptions.
4. Select **Save** to save the data.

Table 5–3 Describe Placeholders Worksheet Measures

Measure	Description
Item Description	User provided label used to describe a placeholder item.

Determine Optimal Space / Profit

Identification of optimization constraints and assortment optimization take place on worksheets found under the Determine Optimal Space / Profit workflow tab.

Worksheets are provided to:

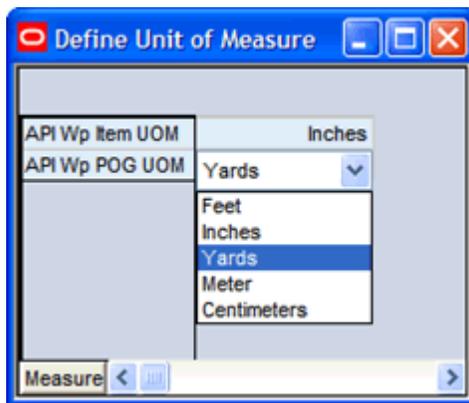
- Define units of measure.
- Enter constraints.
- Provide a visual representation of the space-to-profit relationship data points.

An optional step of the process allows for optimization at the collection level. This option is used when the decision to carry items depends on the performance of several related items.

Define Unit of Measure

1. On the Assortment Optimization workflow tabs, select Determine Optimal Space/Profit. Select the Define Unit of Measure worksheet from the window drop down list on the Assort toolbar.

Figure 5–7 Define Unit of Measure Worksheet



2. From the drop down list, select an item unit of measure by using the item UOM measure.
3. From the drop down list, select a planogram shelf size unit of measure by using the POG UOM measure.
4. Select **Calculate** to apply the entries.

Table 5–4 Define Unit of Measures Worksheet Measures

Measure	Description
Item UOM	Drop down list of unit of measure options (inches, centimeters, feet) for each item .
POG UOM	Drop down list of unit of measure options (inches, centimeters, feet, yards) for each planogram.

Optimization Constraints

1. Select the Optimization Constraints worksheet from the window drop down list.

Figure 5–8 Optimization Constraints Worksheet

	1/5/2008	1/12/2008	1/19/2008	1/26/2008
API Wp Constraint Type	Less than o	Less than o	Less than o	Less than o
API Wp Number of Shelves	0.00	0.00	0.00	0.00
API Wp Optimize	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
API Wp POG Shelf Size	01	01	01	01
PI Opt Result String				
PI Wp Objective Function Mode	profit	profit	profit	profit
PI Wp Optimization Method	Heuristic	Heuristic	Heuristic	Heuristic

2. Select the desired Constraint Type.
3. Enter the number of shelves per planogram if not already specified in the Administration workbook.
4. Enter the shelf size per planogram if not already specified in the Administration workbook.
5. Select the desired optimization objective function metric.
6. Select the desired optimization method.

Note: Heuristic does not support "Exactly equal to".

The Optimize measure is used after completing the remaining worksheets in the steps that follow.

7. Select **Calculate** to apply the data.

Table 5–5 Define Unit of Measures Worksheet Measures

Measure	Description
POG Shelf Size	Single select measure with a list of appropriate shelf lengths for the item to be optimized.
Objective Function Mode	The optimization metric. The available options are: profit, revenue return on space, unit return on space, gross margin return on space.
Optimization Method	The optimization algorithm. The available options are Optimal and Heuristic.
Number Of Shelves	Number of shelves on the planogram to be optimized.
Opt Result String	The String containing optimization validation information.
Constraint Type	Single select measure that specifies the constrain type. The available options are "less than or equal to" and "exactly equal to".

Table 5–5 (Cont.) Define Unit of Measures Worksheet Measures

Measure	Description
Optimize	When enabled, this check box measure initiates the optimization routine.

Optimize Inputs

1. Select the Optimize Inputs worksheet from the window drop down list.

Figure 5–9 Optimization Inputs Worksheet

Location	Calendar	Product		
Atlanta	1/5/2008	12 oz. Cranberry Ocean	12 oz. Diet Snapple Ice Te	12 oz. Diet Snapple Lemon
API Wp Item Cost C		0.00	0.00	0.00
API Wp Item Retail R		0.00	0.00	0.00
API Wp Item Role				
API Wp Lead Time		0.00	0.00	0.00
API Wp Safety Stock Multiplier		0.10	0.10	0.10
PI Wp Weight				

- a. Review Item Role as designated in the Assortment Rationalization workbook.
 - b. Review and adjust item cost using the Item Cost measure.
 - c. Review and adjust item retail using the Item Retail measure.
 - d. Enter the number of weeks between reorders in the Lead Time measure.
 - e. Enter the weight per item. The specified weight is used to weight the item accordingly in the calculation of the objective function in the optimization routine.
2. Select **Calculate** to apply the optimization information.

Table 5–6 Optimization Inputs Worksheet Measures

Measure	Description
Item Role	Strategic role assigned to items in the Assortment Rationalization process.
Item Cost	Amount paid to the Vendor for the item.
Item Retail	Full retail value of the item.
Lead Time	Number of weeks between reorders.
Weight	Multiplying factor for optimization metrics.

Optimize Space and Profit

1. Select the Optimize Space and Profit worksheet from the window drop down list.

Figure 5–10 Optimize Space and Profit Worksheet

	Evermore Int Flat Pastel B	Evermore Int Flat Pure Wh	Evermore Int Lxt Fit Black
API Fcst Demand	0.00	0.00	0.00
API Opt GM R	0	0	0
API Opt Item Facings	0.00	0.00	0.00
API Opt Item Solution Cost	0.00	0.00	0.00
API Opt Sales	0.00	0.00	0.00
API Opt Sales C	0.00	0.00	0.00
API Opt Sales R	0.00	0.00	0.00
API Wp Facing Capacity	10.00	10.00	10.00
API Wp GM R	0.00	0.00	0.00
API Wp GM Rp	0.00	0.00	0.00
API Wp Item Depth	0.00	0.00	0.00
API Wp Item Height	0.00	0.00	0.00
API Wp Item Presentation Standard			
API Wp Item Width	0.00	0.00	0.00
API Wp Keep	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
API Wp Mandatory Item	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
API Wp Max. Facings	100.00	100.00	100.00
API Wp Min. Facings	0.00	0.00	0.00
API Wp Min. Presence	0.00	0.00	0.00
API Wp Sales Ar	0.00	0.00	0.00
API Wp Send Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- a. Enable the Included Items check box measure if the item should be included in the optimization routine.
- b. Review Keep measure as designated in the Assortment Rationalization workbook.
- c. Enable the Mandatory Category check box measure if it is mandatory that the category is allocated space in the optimization routine.
- d. Enter anticipated average selling price in the Sales Ar measures.
- e. Review forecasted item demand in the Demand measure.
- f. Review default item presentation standard. Change the item presentation standard by selecting from the drop down list of options provided in the Item Presentation Standard measure.
- g. Review resulting new Item Depth, Item Height, Item Width, and Facing Capacity measurements that changed with the new item presentation.
- h. Using the Min. Presence measure, enter the number of items on a shelf that would trigger the need to restock that shelf.
- i. Review the current Gross Margin value and Gross Margin percentage measures.

- j. Enter the minimum number of facings for this item on this planogram (see Optimization Constraints worksheet described earlier in this section) in the Min. Facings measure.
 - k. Enter the maximum number of facings for this item on this planogram in the Max. Facings measure.
2. Select **Calculate** to apply the optimization information.
 3. Return to the Optimize worksheet, and enable the Optimize check box. Select **Calculate** to apply.
 4. Click the Assortment Optimization custom menu on the toolbar and select **Optimize** from the drop down options to begin the optimization routine.
 5. Return to the Optimal Space and Profit worksheet.
 - a. Review the optimized number of facings in the Item Facings measure.
 - b. Review optimized sales information in the Sales, Sales C, and Sales R measures.
 - c. Review the anticipated gross margin value resulting from the optimization routine.
 - d. Revise optimization inputs as necessary.
 6. Select **Calculate** to apply changes.
 7. Return to the Optimize worksheet, and enable the Optimize check box. Select **Calculate** to apply.
 8. Click the Assortment Optimization label on the toolbar and select Optimize from the drop down options to re-initialize the optimization routine.
 9. Click the Send Data check box on the Optimize Space / Profit worksheet box to initiate the passing of data from Assort to the space planning application.

Note: You may choose to send data for selected items by checking the Send Data check box at the item level.

10. Select **Calculate** to apply the Send Data command.
11. Select **Save** to retain the information.

Table 5–7 Optimize Space and Profit Worksheet Measures

Measure	Description
Include	Check box measure that indicates whether the item should be included in the optimization routine.
Keep	Check box measure from Assortment Rationalization process step that indicates the keep or de-list status of an item.
Mandatory Item	Check box measure that indicates if it is mandatory that space be recommended for the item.
Sales Ar	Average selling price for the item.
Demand	Embedded unconstrained forecasted consumer demand for the item.

Table 5-7 (Cont.) Optimize Space and Profit Worksheet Measures

Measure	Description
Item Presentation Standard	Single select drop down list of presentation options for each item. Each item is seeded with a default presentation style such as front or side.
Item Depth	Depth of the item given the presentation standard chosen.
Item Height	Height of the item given the presentation standard chosen.
Item Width	Width of the item given the presentation standard chosen.
Facing Capacity	Number of items behind each facing given the presentation standard chosen.
Min. Presence	Shelf quantity that triggers the restocking of that shelf.
GM	Gross margin.
Min. Facings	Minimum number of facings to be considered in the optimization routine.
Max. Facings	Maximum number of facings to be considered in the optimization routine.
Item Facings	The number of item facings returned by the optimization routine between the minimum and maximum boundaries.
Sales	Sales.
Send Data	Check box measure that indicates which optimized items may be sent to the visual space planning solution.

Review Store Results

Reviewing store level optimization results takes place in the worksheets found under the Review Store Results workflow tab. Once the space planning application processes the initial optimal space recommendations, and execution of item on fixture layouts begins, there may be a need to communicate back to Category Management exceptions driven by factual space constraints to the initial optimal recommendations. After review, there may be a need to re-optimize in Category Management based on those space planning, individual store constraints.

Optimize

1. Click the Review Store Results workflow tab.
2. Move to the window option on the toolbar, and select the Optimize worksheet.

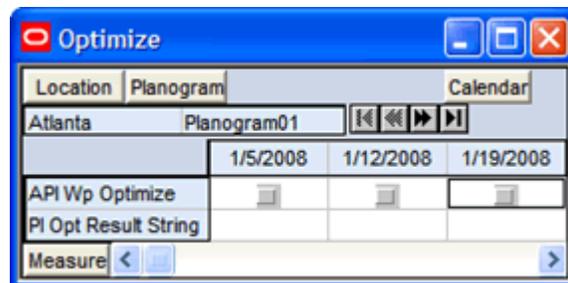
Figure 5-11 Optimize Worksheet

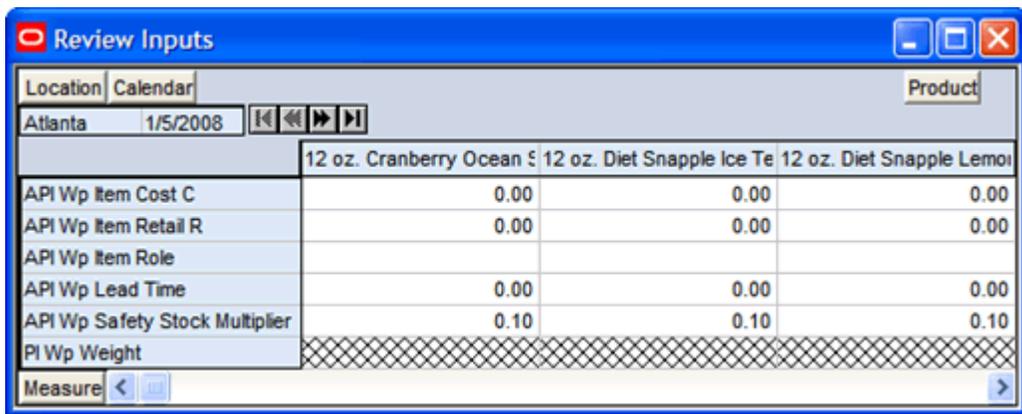
Table 5–8 Optimize Worksheet Measures

Measure	Description
Optimize	Check box measures that must be initiated prior to the running of the optimization routine.
Opt Result String	String output measure containing optimization validation message.

Review Inputs

1. Move to the window option on the toolbar, and select the Review Inputs worksheet.

Figure 5–12 Review Inputs Worksheet



- a. Review item roles, cost, retail, lead time, and safety stock multiplier.
 - b. Roll the worksheet up to all calendar and review weight information.
2. Select **Calculate** to apply inputs.

Table 5–9 Review Inputs Worksheet Measures

Measure	Description
Item Role	Strategic role assigned to items in the Assortment Rationalization process.
Item Cost	Amount paid to the Vendor for the item.
Item Retail	Full retail value of the item.
Lead Time	Number of weeks between reorders.
Weight	Multiplying factor for optimization metrics.

Review Store Results

1. Move to the window option on the toolbar, and select the Review Store Results worksheet.

Figure 5–13 Review Store Results Worksheet

	Evermore Int Flat Pastel B	Evermore Int Flat Pure Wh	Evermore Int Lxt Fit Black
API Fcst Demand	0.00	0.00	0.00
API Opt GM R	0	0	0
API Opt Item Facings	0.00	0.00	0.00
API Opt Item Solution Cost	0.00	0.00	0.00
API Opt Sales	0.00	0.00	0.00
API Opt Sales C	0.00	0.00	0.00
API Opt Sales R	0.00	0.00	0.00
API RVSP Number of Facings	0.00	0.00	0.00
API Wp Facing Capacity	10.00	10.00	10.00
API Wp GM R	0.00	0.00	0.00
API Wp GM Rp	0.00	0.00	0.00
API Wp Item Depth	0.00	0.00	0.00
API Wp Item Height	0.00	0.00	0.00
API Wp Item Presentation Standard			
API Wp Item Width	0.00	0.00	0.00
API Wp Keep	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
API Wp Mandatory Item	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
API Wp Max. Facings	100.00	100.00	100.00
API Wp Min. Facings	0.00	0.00	0.00
API Wp Min. Presence	0.00	0.00	0.00
API Wp Sales Ar	0.00	0.00	0.00
API Wp Send Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- a. Review Number of Facings measure recommendation from the visual space planning application.

Note: To view individual store item optimization results, focus on the location portion of the slice. Use the arrow buttons to page through the stores.

- b. Review optimized Sales, Sales R, and Sales C quantities.
- c. Review optimized number of facings.
- d. Review optimized gross margin value.
- e. To accept visual planning recommendations, enter Number of Facings quantity into the Min. and Max. Facings measures.
- f. Enable the Include check box measure if the item is to be included in the individual store optimization routine.
- g. Review Keep measure as designated in the Assortment Rationalization workbook.

- h. Review the Mandatory Item check box measure as designated in the Assortment Rationalization workbook.
2. Select **Calculate** to apply inputs.
3. Return to the Optimize worksheet, and enable the Optimize check box. Select **Calculate** to apply.
4. Click Assortment Optimization label on the toolbar and select Optimize from the drop down options to begin the optimization routine.
 - a. Review optimized Item Facings measure quantity.
 - b. Review optimized Sales, Sales R, Sales C, and GM quantities.
5. Commit and save the workbook.

Table 5–10 Review Store Results Worksheet Measures

Measure	Description
Include	Check box measure that indicates whether the item should be included in the optimization routine.
Keep	Check box measure from Assortment Rationalization process step that indicates the keep or de-list status of an item.
Mandatory Item	Check box measure that indicates if it is mandatory that space be recommended for the item.
Sales Ar	Average selling price for the item.
Demand	Embedded unconstrained forecasted consumer demand for the item.
Item Presentation Standard	Single select drop down list of presentation options for each item Each item is seeded with a default presentation style such as front or side.
Item Depth	Depth of the item given the presentation standard chosen.
Item Height	Height of the item given the presentation standard chosen.
Item Width	Width of the item given the presentation standard chosen.
Facing Capacity	Number of items behind each facing given the presentation standard chosen.
Min. Presence	Shelf quantity that triggers the restocking of that shelf.
GM	Gross margin.
Min. Facings	Minimum number of facings to be considered in the optimization routine.
Max. Facings	Maximum number of facings to be considered in the optimization routine.
Item Facings	The number of item facings returned by the optimization routine between the minimum and maximum boundaries.
Sales	Sales.
Send Data	Check box measure that indicates which optimized items may be sent to the visual space planning solution.

Sending and Receiving Data from Assortment Optimization to Visual Space Planning Tools

Users can commit results from the Assortment Optimization runs and export necessary measures into flat files in order to send them to external Visual Space planning tools.

It is possible to initialize the export of this information from within the Assortment Optimization workbook by configuring a custom menu to commit changes to, and export data from, the database. However, it is not recommended to export information in this manner as the possibility of multiple users performing Assortment Optimization may result in contention issues.

Note: It is possible to refresh the workbook with results from external systems while within the workbook by using the Refresh Visual Planning Data custom menu.

Next Steps

All of the entries are complete for the Assortment Optimization step. A number of facing recommendations are sent to the space planning organization for execution into item presentations in the stores. This can be done through a batch extraction script. There are several functions that support Category Management, which are found in the next sections.

6

Administration

An Administrative workbook is provided for defining the corporate guidelines and data required in the assessment and optimization process steps. The workbook consists of workflow tabs and worksheets that mirror the Category Management workflow. Each worksheet requires the entry of corporate level data. As such, an Administrator or Power User would manage and maintain this workbook.

As with the other workbooks described in this document, the Administrator workbook must be created.

Phase definition is done from the Hierarchy Maintenance workbook under the Administration Tab. Phase is available as a User Defined dimension.

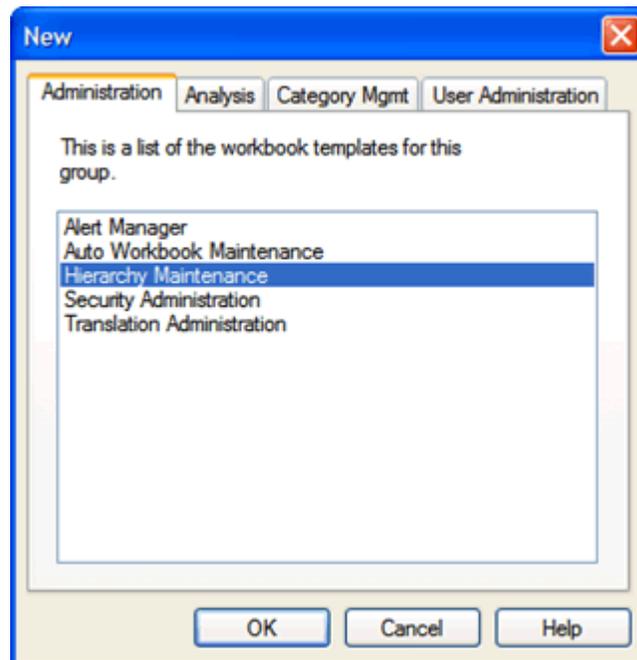
All other administrative parameters are set from the Administration workbook under the Category Management tab.

Building the Hierarchy Maintenance Workbook

Corporate phases are defined in the hierarchy maintenance workbook under the Administration tab.

1. On the Category Management menu bar, select **New** in the File menu or click **New** on the toolbar. The New window is displayed.

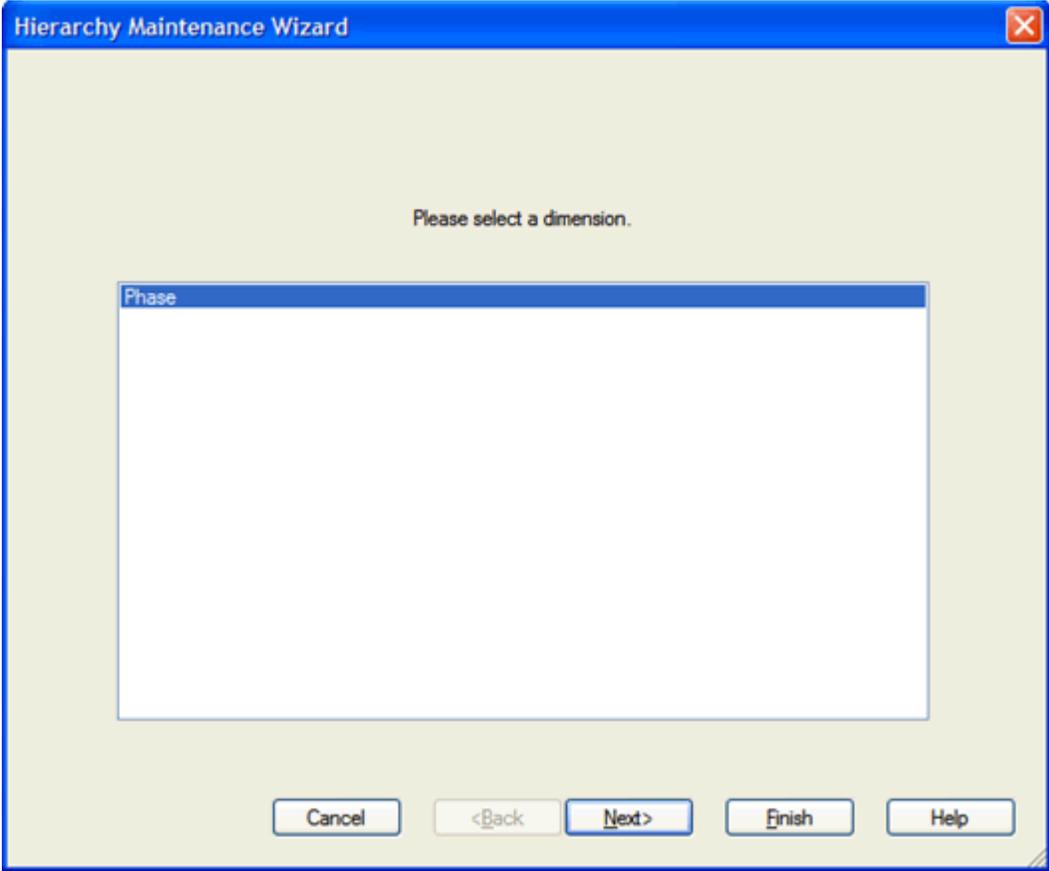
Figure 6–1 *New Dialog Box*



2. On the Administration tab, select Hierarchy Maintenance and click **OK**. The Hierarchy Maintenance Wizards are displayed.

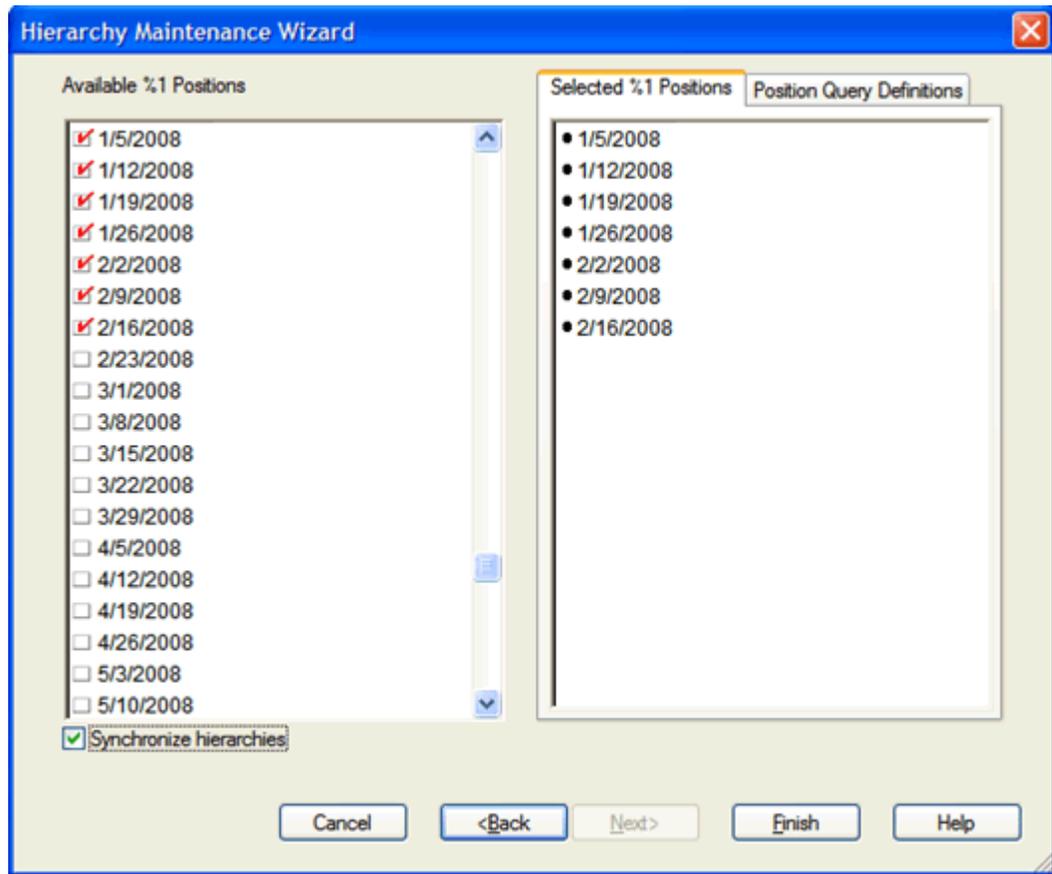
3. Select Phase dimension.

Figure 6-2 Hierarchy Maintenance Wizard - First Page



4. Define time frame for naming phases.

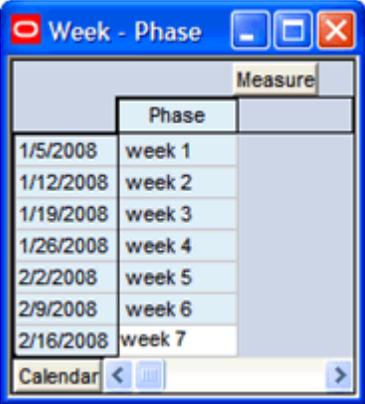
Figure 6–3 Hierarchy Maintenance Wizard - Final Page



5. Click **Finish**. The workbook build begins.

Define Phases

Figure 6-4 Week-Phase Worksheet



- 1. Enter phase description in the Phase Description text measure.

Note: Only one phase may be assigned to a week.

- 2. Select **Calculate** to apply the phase information.
- 3. Select **Commit Now** from the File menu to retain the data. Note that you are given the opportunity to save the workbook before committing. When finished, a success message appears, confirming the commit.

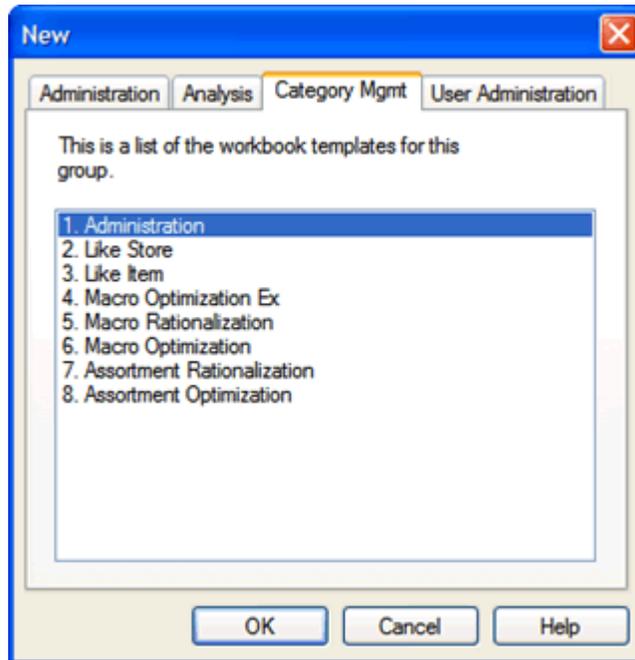
Table 6-1 Week-Phase Worksheet Measures

Measure	Description
Phase Description	Text field used for defining phases by week.

Create Administration Workbook

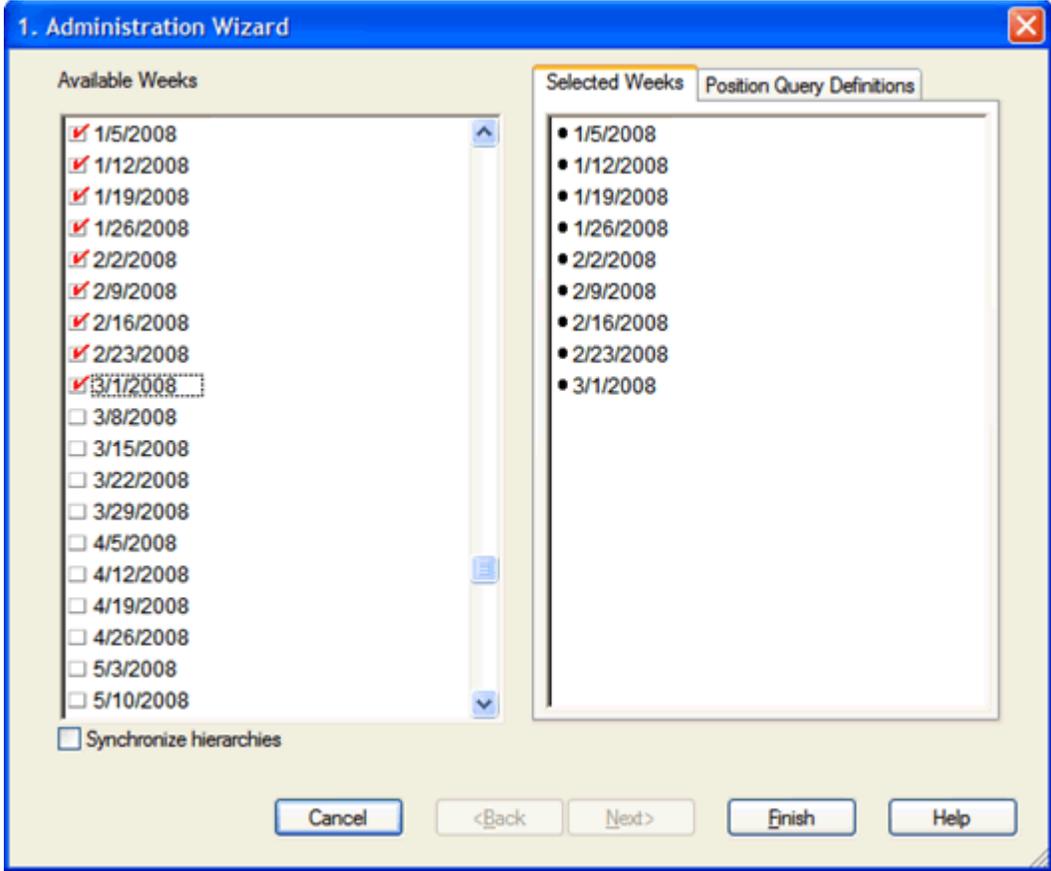
1. On the Category Management menu bar, select **New** in the File menu or click **New** on the toolbar. The New window is displayed. Under the Category Management tab, select **Administration**.

Figure 6–5 New Dialog Box



- 2. Select weeks for which you want to view phases.

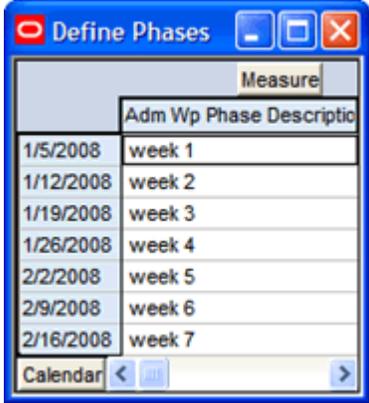
Figure 6-6 Administration Wizard - First and Final Page



Define Phases

This worksheet displays phases defined from the Hierarchy Maintenance workbook, described previously. This is a read-only measure.

Figure 6-7 Define Phases Worksheet



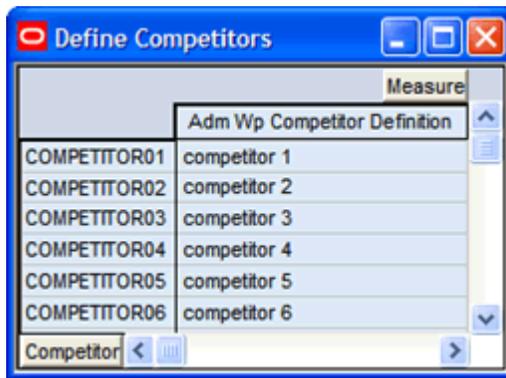
Macro Space Rationalization

The worksheets found under the Macro Rationalization workflow tab support the Competitive Analysis assessment functionality in the Macro Rationalization process step. The first worksheet, Define Competitors, supports the definition of corporate competitors. Once they are defined, these competitors appear in the Define Competitors wizard, and they are chosen for assessment in the workbook build process. The second worksheet, Market Share Information, provides the vehicle by which market share information by category appears in the workbooks.

Define Competitors

1. Click the Macro Rationalization workflow tab.

Figure 6–8 Define Competitors Worksheet



2. Move to the window option on the toolbar, and select the Define Competitors worksheet.
3. Enter Competitor names using the Competitor Definition text measure.
4. Select **Calculate** to apply the information.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–2 Define Competitors Worksheet Measures

Measure	Description
Competitor Definition	Text field used for defining competitors.

Market Share Information

1. Click the Macro Rationalization workflow tab.

Figure 6–9 Market Share Information Worksheet

Product	Calendar	Competitor		
1001 Juice	1/5/2008	COMPETITOR01	COMPETITOR02	COMPETITOR03
AMg Ly Brand Count		0.00	0.00	0.00
AMg Ly MS Avg Inv		0.00	0.00	0.00
AMg Ly MS Avg Inv C		0.00	0.00	0.00
AMg Ly MS Avg Inv R		0.00	0.00	0.00
AMg Ly MS GM Rp		0.00	0.00	0.00
AMg Ly MS NM Rp		0.00	0.00	0.00

2. Move to the window option on the toolbar, and select the Market Share Information worksheet.
3. Enter category level competitive information by using the key performance measures provided.
4. Select **Calculate** to apply the data.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–3 Market Share Information Worksheet Measure

Measure	Description
Brand Count	The number of brands carried in the category
MS SKU Count	The number of SKUs carried in the category
Industry Trend	Category penetration, by competitor, expressed as a percentage
MS Sales	Market share sales
MS Ave Inv	Marker share average inventory
MS GM	Market share gross margin
MS NM	Market share net margin

Macro and Assortment Optimization

The data and constraints required for optimization are found on the Macro and Assortment Optimization workflow tab. There are several worksheets that support this information. Planogram information used in Macro Space Optimization is applied on the Planogram Properties and Planogram Properties (Ex) worksheets. Store level optimization parameters are applied on the Store Operating Hours worksheets and the Store Optimization Parameters worksheets.

Store Optimization Parameters

1. Click the Macro and Assortment Optimization workflow tab.

Figure 6–10 Store Optimization Parameters Worksheet

Location	Adm Wp Number of Trials	Adm Wp Stock Clerk Cycl	Adm Wp Stock Clerk Succ
Albuquerque	0.00	2.00	1.00
Atlanta	0.00	2.00	1.00
Boston	0.00	2.00	1.00
Charlotte	0.00	2.00	1.00
Chicago	0.00	2.00	1.00
Cleveland	0.00	2.00	1.00

2. Move to the window option on the toolbar, and select the Store Optimization Parameters worksheet.
3. Enter the average number of hours between re-stocking events in the Stock Clerk Cycle Time measure.
4. Using the Stock Clerk Success Rate measure, enter the probability rate at which the Clerk is successfully able to re-stock shelves when they are below the minimum presence.
5. Select **Calculate** to apply the data.
6. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–4 Store Optimization Parameters Worksheet Measures

Measure	Description
Stock Clerk Cycle Time	Average number of hours between re-stocking events
Stock Clerk Success Rate	Probability rate that the stock clerk successfully replenishes items when they fall below minimum presence

Store Operating Hours

1. Move to the window option on the toolbar, and select the Store Operating Hours worksheet.

Figure 6–11 Store Operating Hours Worksheet

	Calendar Measure		
	1/19/2008	1/26/2008	2/2/2008
	Adm Wp Operating Hours	Adm Wp Operating Hours	Adm Wp Operating Hours
Albuquerque	72.00	72.00	72.00
Atlanta	72.00	72.00	72.00
Boston	72.00	72.00	72.00
Charlotte	72.00	72.00	72.00
Chicago	72.00	72.00	72.00
Cleveland	72.00	72.00	72.00

2. Enter the average number of hours per week that the store is open in the Operating Hours measure.

Note: Using a smart edit is helpful, especially if all stores within a position of the location hierarchy have the same number of hours. At the parent level, enter the numeric value followed by 'r'. The value entered replicates to each store. The total number of hours appears at the parent level.

3. Select **Calculate** to apply the data.
4. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–5 Store Operating Hours Worksheet Measures

Measure	Description
Operating Hours	Average number of hours per week that a store is open for business

Planogram Properties (Ex)

1. Move to the window option on the toolbar, and select the Planogram Properties (Ex) worksheet.

Figure 6–12 Planogram Properties Ex Worksheet

Calendar		Location		Planogram	
1/5/2008		Albuquerque		Measure	
	Planogram01		Planogram02		
	Adm Wp POG Length (Dept)	Adm Wp POG Profit (Dept)	Adm Wp POG Length (Dept)	Adm Wp POG Profit (Dept)	
Detergents	3.00	208.00	3.00	209.00	
Home Video	3.00	212.00	3.00	209.00	
Mens Bottoms	3.00	200.00	3.00	210.00	
Mens Tops	3.00	223.00	3.00	213.00	
Mobile Communication	3.00	214.00	3.00	214.00	
Paint	3.00	204.00	3.00	218.00	

2. Enter the space options in the POG Length (Dept) measure.
3. Enter the expected return in values for each of the space amounts in the POG Profit (Dept) measure.
4. Select **Calculate** to apply the data.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–6 Store Operating Hours Worksheet Measures

Measure	Description
POG Length (Dept.)	Space amount options to be used in Macro Space Optimization. This measures exits at the department and above levels of the product hierarchy.
POG Profit (Dept.)	Expected return expressed in values for each space amount option in the POG length (Dept.) measure. This measures exits at the department and above levels of the product hierarchy.

Planogram Properties

1. Move to the window option on the toolbar and select the Planogram Properties worksheet.

Figure 6–13 Planogram Properties Worksheet

Calendar		Location		Planogram
1/5/2008	Albuquerque			Measure
Planogram01				
	Adm Wp POG Depth	Adm Wp POG Description	Adm Wp POG Height	
1001 Juice	3.00	juice	5.00	
1002 Ice Tea	3.00	tea	5.00	
1003 Lemonade	3.00	lemonade	5.00	
101 Basic Jeans	3.00	jeans	5.00	
102 Basic Twill Pants	3.00	pants	5.00	
103 Basic Twill Shorts	3.00	shorts	5.00	

2. Enter the space options in the POG Length measure.
3. Enter the expected return in values for each of the space amounts in the POG Profit measure.
4. Select **Calculate** to apply the data.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

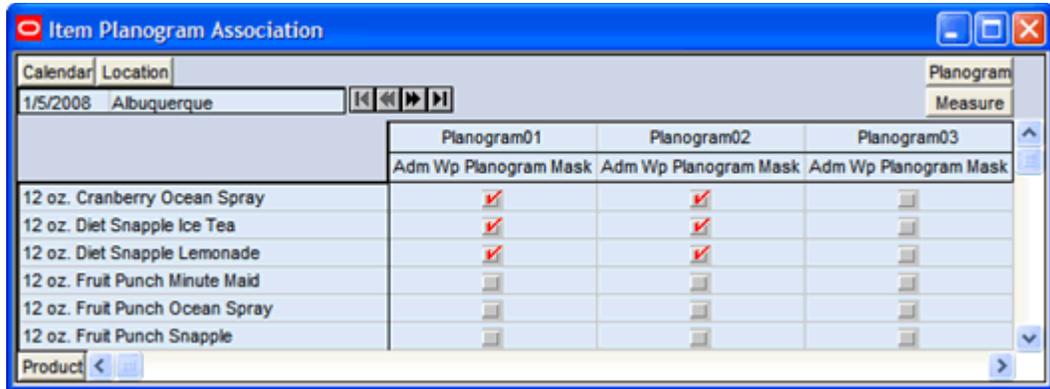
Table 6–7 Planogram Properties Worksheet Measures

Measure	Description
POG Length	Space amount options to be used in Macro Space Optimization. This measures exits at the sub-category to department levels of the product hierarchy.
POG Profit	Expected return expressed in values for each space amount option in the POG length measure. This measures exits at the sub-category to department levels of the product hierarchy.

Item Planogram Association

1. Move to the window option on the toolbar and select the Item Planogram Association worksheet.

Figure 6–14 Item Planogram Association Worksheet



2. Assign each item to its associated planogram by clicking on the AdmWp Planogram mask measure.
3. Select **Calculate** to apply the data.
4. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–8 Item Planogram Association Worksheet Measure

Measure	Description
Adm Wp Planogram Mask	Measure containing the item to planogram assignment information. For example, 12oz CranBerry Juice is assigned to both Planogram01 and Planogram02. 12oz. Diet Lemonade Tea is only assigned to Planogram01.

Demand by Planogram

If an item is assigned to more than one planogram at the time of optimization, the system expects a forecasted demand by Planogram for each item. This information can either be provided by loading this information from an external system, or by configuring a workflow such that item level demand is spread down to item/planogram level demand on a percentage basis, for example, 20% to planogram 01 and 80% to planogram 02, and so on. This is achieved by configuring a workbook or worksheet where users or administrators input these spreading percentages and RPAS rules perform the actual spreading.

1. Move to the window option on the toolbar and select the Store Planogram Size worksheet.

Figure 6–15 Store Planogram Size Worksheet

	API Wp Number of Shelve	API Wp POG Shelf Size	API Wp POG UOM
Planogram01	1.00	01	
Planogram02	2.00	01	
Planogram03	3.00	01	
Planogram04	4.00	01	
Planogram05	5.00	01	
Planogram06	6.00	01	

2. Assign a number of shelves (APL Wp Number of Shelves) and a shelf size (APL Wp POG Shelf Size) to each planogram
3. Roll up the worksheet to all calendar/all location/all planogram and assign the Planogram shelf size unit in APL Wp POG UOM.
4. Select **Calculate** to apply the data.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–9 Store Planogram Size Worksheet Measures

Measure	Description
Apl Wp Number of Shelves	Measure containing the number of shelves in each planogram
Apl Wp POG Shelf Size	Measure containing the shelf length in each planogram
Apl Wp POG UOM	Measure containing the shelf length unit for each planogram

Assortment Rationalization

Administrative activity that supports the Assortment Rationalization process step concentrates on defining thresholds that are used in deriving item rankings and defining corporately determined attributes. The Threshold Definitions worksheet facilitates the setting of feature, performance, and overall break points. Attributes are defined using the Determine Feature Criteria worksheet.

Threshold Definition

1. Click the Assortment Rationalization workflow tab.
2. Move to the window option on the toolbar, and select the Threshold Definitions worksheet.

Figure 6–16 Threshold Definitions Worksheet

	Adm Wp Feature Thresho	Adm Wp Overall Threshol	Adm Wp Performance Thri
001	0.00	0.00	0.00
002	0.00	0.00	0.00
003	0.00	0.00	0.00
004	0.00	0.00	0.00
005	0.00	0.00	0.00
006	0.00	0.00	0.00

3. Enter the lowest numerical value, within a range of 0 and 1, for breakpoints in the Feature Threshold and Performance Threshold measures.

Note: For example, if you wanted to have 3 breakpoints, using 0-.24 for low, .25-.74 for medium, and .75- 1.00 for high, 0 would be entered as the first, .25 would denote the second, and .75 would designate the third. Thresholds are used in determining the rank of an item as described in the Assortment Rationalization process.

4. Enter the break points into the Overall Threshold. These breakpoints should range from 1 (low) to 3 (high). As with the measures above, the lower of the range should be entered at each breakpoint.
5. Select **Calculate** to apply the data.
6. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Table 6–10 Threshold Definitions Worksheet Measures

Measure	Description
Feature Threshold	Breakpoints ranging between 0-1 (low to high) used in determining item rank.
Performance Threshold	Breakpoints ranging between 0-1 (low to high) used in determining item rank.

Table 6–10 (Cont.) Threshold Definitions Worksheet Measures

Measure	Description
Overall Threshold	Breakpoints ranging between 1-3 (high to low) used in determining item overall rank.

Define Feature Criteria

1. Move to the window option on the toolbar and select the Define Feature Criteria worksheet.

Figure 6–17 Define Feature Criteria Worksheet

Feature	COLOR	SIZE
Adm Wp Feature Criteria 1	blue	2
Adm Wp Feature Criteria 2	red	4
Adm Wp Feature Criteria 3	green	6

Measure < [] >

2. Review previously defined types of feature attributes.
3. Enter in the significant attribute features for each feature type.

Note: The significant attributes are for reference only. They play no role in determining item rank other than to remind you that they are important to the corporate strategy. It is the understanding that an item has none or more of the attribute types that is weighed in the ranking.

4. Select **Calculate** to apply the data.
5. Select **Commit Now** in the File menu to retain the data; note that you are given the opportunity to save the workbook before committing. When finished, a successful confirmation box appears.

Next Steps

All of the Administrative functions are now complete. The following chapters cover the ability to name and map history to placeholder stores and items.

Like Store

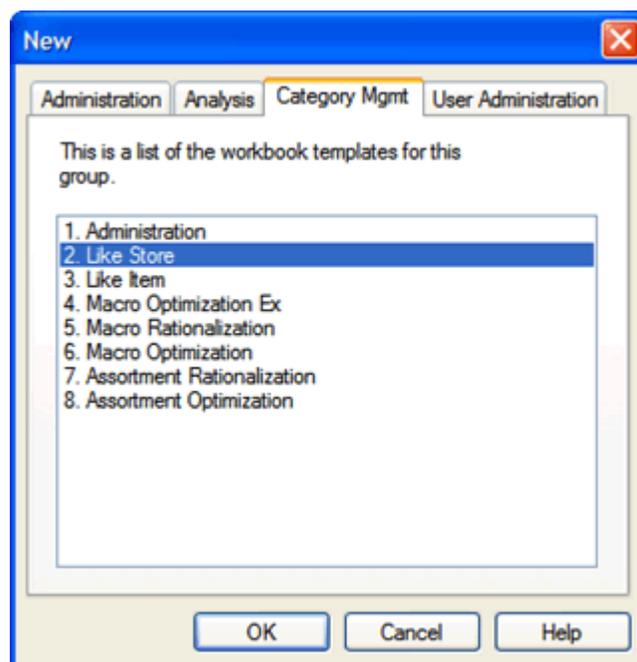
Occasionally, you may want to include new stores (not yet part of the organizational hierarchy) in the optimization routine. These placeholder stores may be identified by using the Like Store workbook template. For a forecast to be generated, the Like Store workbook template also facilitates the mapping history from one store to another. Once identified and mapped to a like store, a new store may be included in the space and assortment optimization routines.

As with the other workbooks described in this document, the Like Store workbook must be created.

Create Like Store Workbook

1. On the Category Management menu bar, select **New** from the File menu or click **New** on the toolbar. The New window is displayed.

Figure 7-1 New Dialog Box



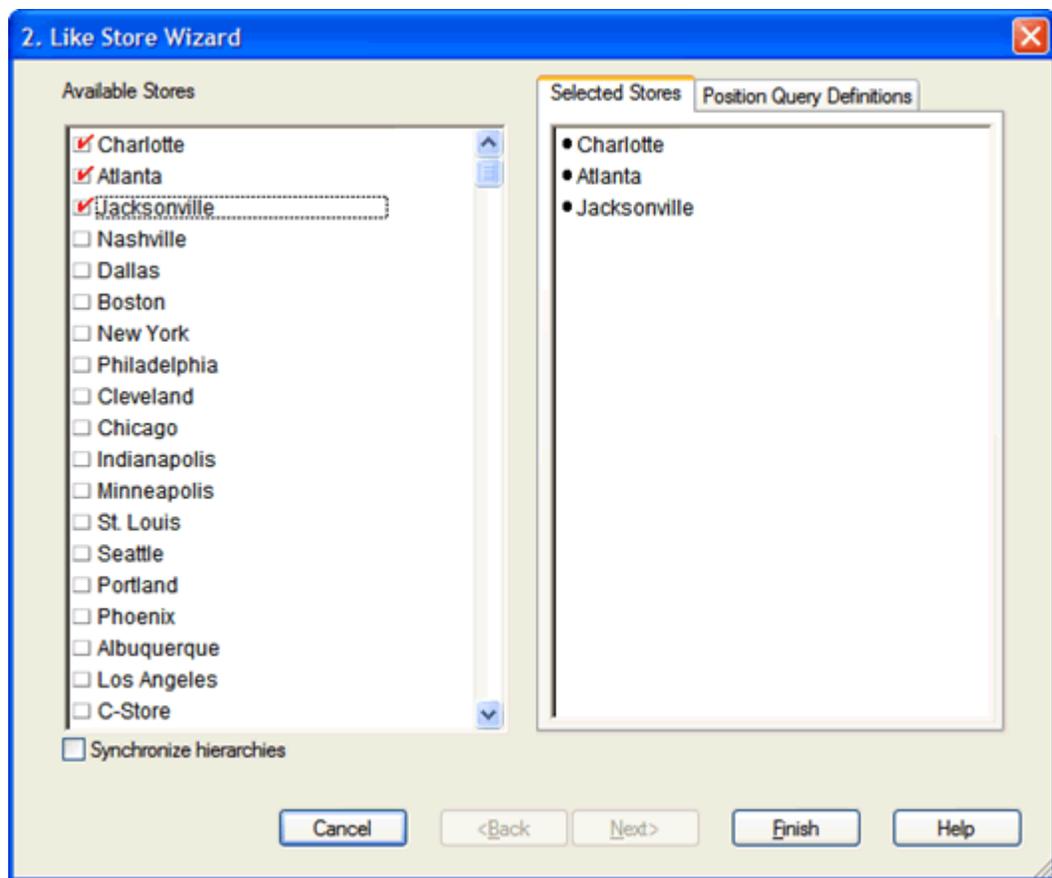
2. On the Category Management tab, select **Like Store** and click **OK**. The Like Store Wizard is displayed. Using this wizard, select the pre-created placeholder store positions to name and map history.

Note: The stores available to map history from must also be chosen in this wizard step.

3. Select the previously created placeholders and the existing stores to which they are mapped.

Note: The selected preexisting stores appear in the pick list of stores available for mapping.

Figure 7-2 Like Store Wizard - First and Final Page



4. Click **Finish**. The workbook build begins. This process may take several minutes. Once completed, the workbook opens at the Define Like Stores worksheet.

Like Store Workflow Tabs

The Like Store workflow tab is located below the Category Management toolbar and is used to access the worksheet supporting the Like Store functionality. The workflow tab for the Like Store functionality is as follows:

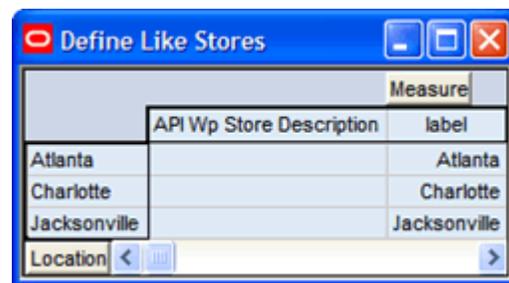
Table 7-1 Like Store Workflow Tabs

Process Step	Tab Description
Define Like Stores	Placeholder stores are named (described) and a like store is chosen for history mapping.

Define Like Stores

1. Click the Define Like Stores workflow tab. Descriptions of the worksheet fields follows this procedure.

Figure 7-3 Define Like Stores Worksheet



2. Enter a description for the placeholder store in the Store Description measure.
3. From the list of stores available in the drop pick list, select the existing stores whose history is mapped to the newly described placeholder store.
4. Select **Calculate** to apply the data.
5. Select **Save** to retain the information.
6. Select **Commit Now** in the File menu to commit all of the data in the Like Store workbook to the database.

Table 7-2 Define Like Stores Worksheet Measures

Process Step	Tab Description
Store Description	Text field used for naming the placeholder stores.
Store History map	Select list from which stores are chosen to map history.

Like Item

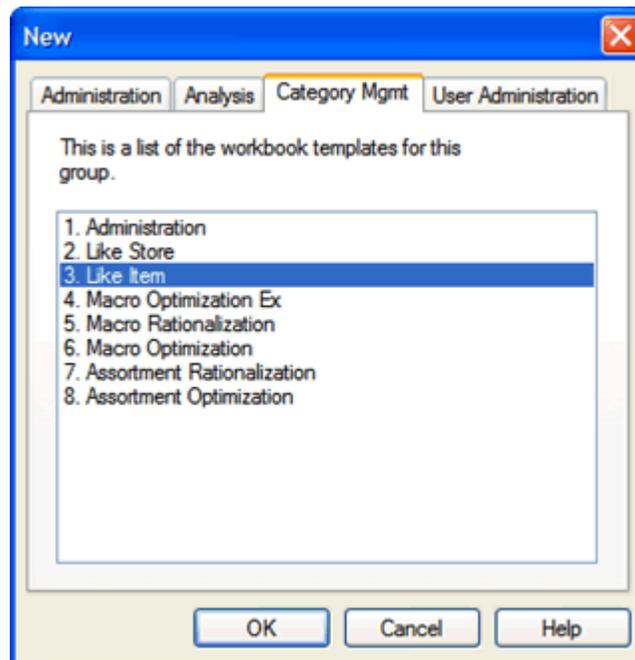
Occasionally, you may want to include new items (not yet part of the product hierarchy) in the rationalization and optimization routines. These placeholder items may be identified by using the Like Item workbook template. For a forecast to be generated, the Like Item workbook template also facilitates the mapping history from one item to another. Once identified and mapped to a like item, a new item may be included in the assortment rationalization and optimization routines.

As with the other workbooks described in this document, the Like Item workbook must be created.

Create Like Item Workbook

1. On the Category Management menu bar, select **New** from the File menu or click **New** on the toolbar. The New window is displayed.

Figure 8–1 New Dialog Box



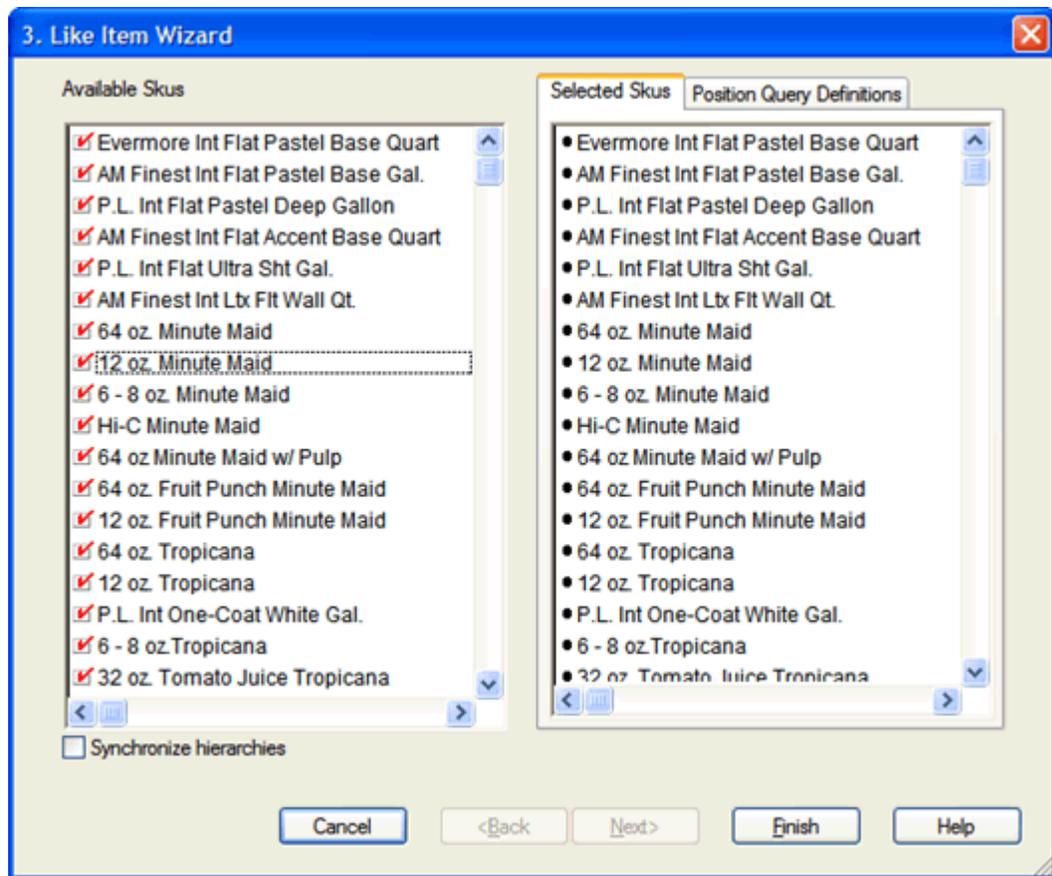
- On the Category Management tab, select **Like Item** and click **OK**. The Like Item Wizard is displayed. Using this wizard, select the pre-created placeholder item positions to name and map history.

Note: The items available to map history from must also be chosen in this wizard step.

- Select the previously created placeholders and the existing items to which they are mapped.

Note: The selected pre existing items appear in the pick list of stores available for mapping.

Figure 8–2 Like Item Wizard - First and Final Page



- Click **Finish**. The workbook build begins. This process may take several minutes. Once completed, the workbook opens at the Define Like Items worksheet.

Like Item Workflow Tab

The Like Item workflow tab is below the Category Management toolbar and is used to access the worksheet supporting the Like Item functionality. The workflow tab for the Like Item functionality is as follows:

Table 8–1 Like Item Workflow Tab

Process Step	Tab Description
Define Like Items	Placeholder items are named (described) and a like item is chosen for history mapping.

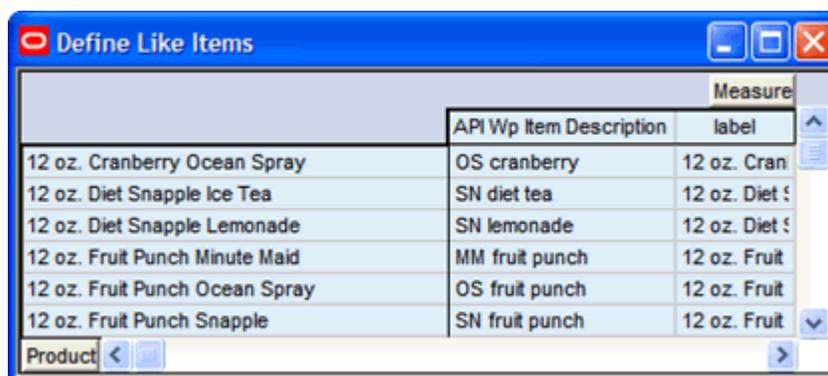
Define Like Items

The describing of placeholder items selected in the like item workbook build process takes place in the Define Like Items worksheet of the Define Like Items workflow tab. It is also on this worksheet that the selection of like items for the purpose of history mapping takes place.

Define Like Items

1. Click the Define Like Items workflow tab.

Figure 8–3 Define Like Items Worksheet



		Measure
	API Wp Item Description	label
12 oz. Cranberry Ocean Spray	OS cranberry	12 oz. Cran
12 oz. Diet Snapple Ice Tea	SN diet tea	12 oz. Diet
12 oz. Diet Snapple Lemonade	SN lemonade	12 oz. Diet
12 oz. Fruit Punch Minute Maid	MM fruit punch	12 oz. Fruit
12 oz. Fruit Punch Ocean Spray	OS fruit punch	12 oz. Fruit
12 oz. Fruit Punch Snapple	SN fruit punch	12 oz. Fruit

2. Enter a description for the placeholder item in the Item Description measure.
3. From the list of items available in the drop pick list, select the existing items whose history is mapped to the newly described placeholder item.
4. Select **Calculate** to apply the data.
5. Select **Save** to retain the information.
6. Select **Commit Now** in the File menu to commit all of the data in the Like Item workbook to the database.

Table 8–2 Define Like Items Worksheet Measures

Measure	Description
Item Description	Text measure used for naming the placeholder item.
Item History Map	Pick list of items inside of the workbook from which may be chosen to map history.

