Oracle® Retail Category Management

User Guide for the RPAS Fusion Client

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Oracle Retail Category Management User Guide for the RPAS Fusion Client, Release 14.0.2

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Preface

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

Audience

This document is for users and administrators of Oracle Retail Category Management. This includes merchandisers, buyers, business analysts, and administrative personnel.

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For more information, see the following documents in the Oracle Retail Category Management Release 14.0.2 documentation set:

- *Oracle Retail Category Management Installation Guide*
- *Oracle Retail Category Management Release Notes*

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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.
italic	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.

1
Introduction

Effective category management practice 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. Category management involves managing individual product or merchandise categories as though they were independent business units, each playing a specific role in the retailer's goal to achieve their larger established business objectives.

Conceptually, Category Management practice consists of the following actions:

- Understanding the retailer's business and its assessment:
  - Market-place analysis: Market analysis involving assessment of consumer demographics and psychographics, market structure, key market forces, and so on, to gauge the business potential of individual product categories and the business as a whole.
  - Product and consumer analysis: Category level and cross-category performance analysis with consumer segment level insights at various points to understand the intricacies of the retailer's business, identify the key/target consumer segments contributing to the retailer's business, and shape the category plans and assortment plans accordingly.
  - Competitor analysis: Assessment of the retailer's standing in the market as compared to the competition.
- Defining the retailer's macro-strategy and assignment of category roles, strategies, and tactics to product categories across the retail chain.
- Creating sales and inventory plans for national brands and private labels, and determining pricing, promotion, and supplier strategies for product categories. Inventory parameters (such as turns, service levels, and so on) related decision making.
- Setting category plans representing the business targets for product categories across the retail chain.
- Assortment plan creation consisting of merchandise-mix or product-mix with their respective business targets.
- Space-allocation at the micro (item level) and macro-level (category/sub-category level).

The Oracle Retail Category Management (RCM) application/solution supports the development of category business plans and assortment plans. It broadly follows the traditional eight-step Category Management business process with the inclusion of the consumer segment perspective across different points in the process flow. Most importantly, the application provides a structured, measured set of activities designed

to produce specified output. The Category Planning task enables the retailer to perform higher-level category planning activities and Assortment Planning tasks that facilitate the creation of SKU/Item-level Assortment Plans at the cluster and store level across the retail chain.

The RCM application consists of the following tasks:

- Category Planning - Consists of several steps and used to analyze a retailer's business across categories and within a category, from a market, competition, and consumer perspective. Category Planning is used to set business targets and assign category roles, strategies, and tactics for individual product categories.
- Assortment Planning Analysis - Used to analyze an assortment's historic performance from a market, competition, and consumer perspective at an item level. It also provides an insight into the trends, market composition, and market structure from a competition and consumer segment perspective.
- Assortment Planning @ Cluster - Used to create, analyze, adjust, and finalize Assortment Plans at the cluster level utilizing one of the three methods to generate system-recommended assortments based on Item Priority Index (IPI), Market Coverage based approach, or Incremental Curve based assortment method. All three methods utilize the concept of Demand Transference to fine tune assortments based on demand shifts between SKUs as items are added or dropped from the assortment.
- Assortment Planning @ Store - Used to create, adjust, review, and approve Assortment Plans at the store level utilizing the concepts of IPI and Demand Transference.

Following are the key highlights of the solution:

- It provides a platform to analyze consumer and market insights available in the form of syndicated data, provided by third parties such as Nielsen, IRI, and so on. Consumer segment level insights for the retailer's own business can be also be sourced from the retailer's loyalty program data.
- Analysis of market structure in terms of shopping consumer segments and evaluation of business opportunity in a trading area.
- Performance analysis of individual product categories, based on various retail business parameters, as compared to the market in general and the competition in particular.
- Creation of category plans with business targets in terms of different sales, inventory parameters with category role assignments to individual product categories, and a blueprint for strategic and tactical action within a category and across categories.
- Creation of optimized item-level assortment plans at the cluster and store level in alignment with Category Plans using different methods for system-recommended assortment generation. Methods for generating system-recommended assortments are based on the concepts of IPI, Market Coverage, and Incremental Curve.
- Demand transference insights to fine tune and optimize assortment plans.
- Consumer Decision Trees (CDTs) can be used to analyze and plan the assortment. These CDTs can be scientifically generated in Oracle Retail Advanced Science Engine (ORASE) or fed in from an external source such as a supplier or third-party vendor.

- Integration with ORASE to source optimized store clusters (assortment clusters), consumer decision trees, product attributes, demand transference insights, and space optimized assortment.
- Publication of final assortment plans for execution and implementation.

The concepts of consumer segmentation and clustering of stores are utilized to tailor assortments to specific markets across geographies and channels. Visibility into category roles, strategies, tactics, and financial objectives ensure that SKU/item level assortments align back to overall category-level objectives.

A key point to note here, the above-mentioned activities, part of category management practice, are done at different levels of product/merchandise and location hierarchies. This allows customized category management planning across the retail chain.

Note: Product Category or Merchandise Category refers to Class in Oracle Retail Merchandising System (RMS) terminology. Similarly, Sub-Category refers to Sub-Class.

Category Management Activities

The following Category Management activities and tasks are described in this guide:

- Category Management Planning activity:
  - Category Planning task

    For more information, see Chapter 4.
  - Assortment Planning Analysis

    For more information see Chapter 5.
  - Assortment Planning @ Cluster task

    For more information, see Chapter 6.
  - Assortment Planning @ Store

    For more information, see Chapter 7.
- Category Management Administration activity:
  - Category Management Administration

    For more information, see Chapter 3.
  - CDT Editor task

    For more information, see Chapter 2.

Solution Task Flows

Figure 1–1 illustrates the process flow steps for the Category Planning task. The Category Planning task facilitates the creation of a category business plan at the sub-category level along with roles, strategies, and tactics assignment to product categories. It also presents various views for consumer, market, and competitor analysis. The diamond-shaped (rhombus) blocks in the process flow represent the views where a decision needs to be made on the roles, strategies, and tactics assignment.

Figure 1–1 Category Planning Task Flow

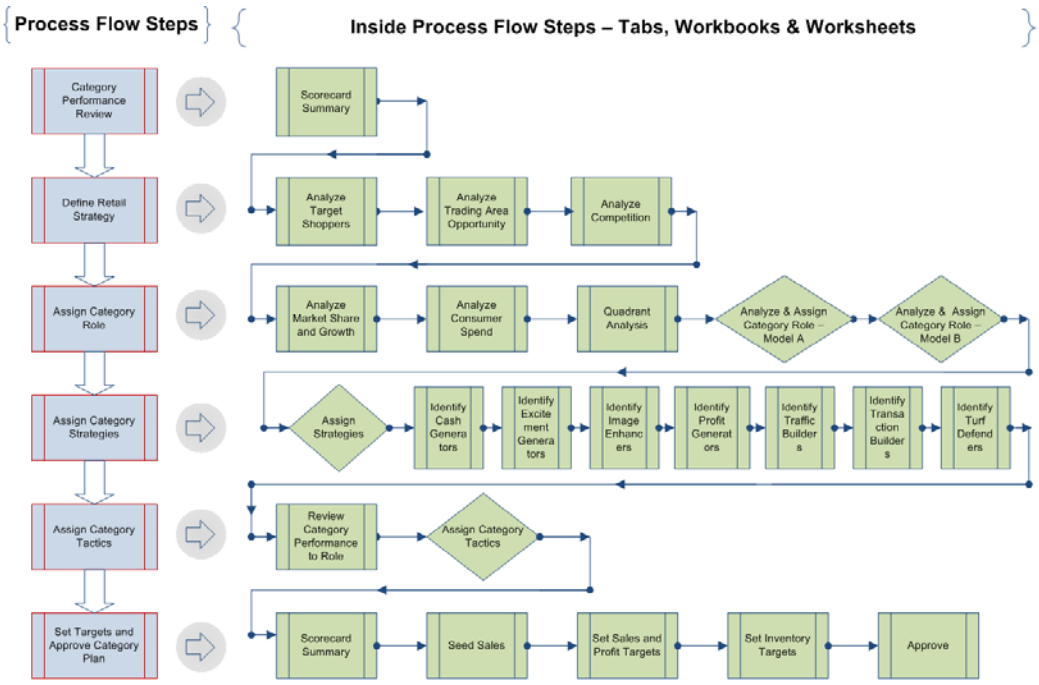


Figure 1–2 illustrates the process flow steps for the Assortment Planning Analysis task. This task presents performance, market, and consumer analysis at the item level. It also presents category plan details being received from the category planning task for the assortment planning to begin.

Figure 1–2 Assortment Planning Analysis

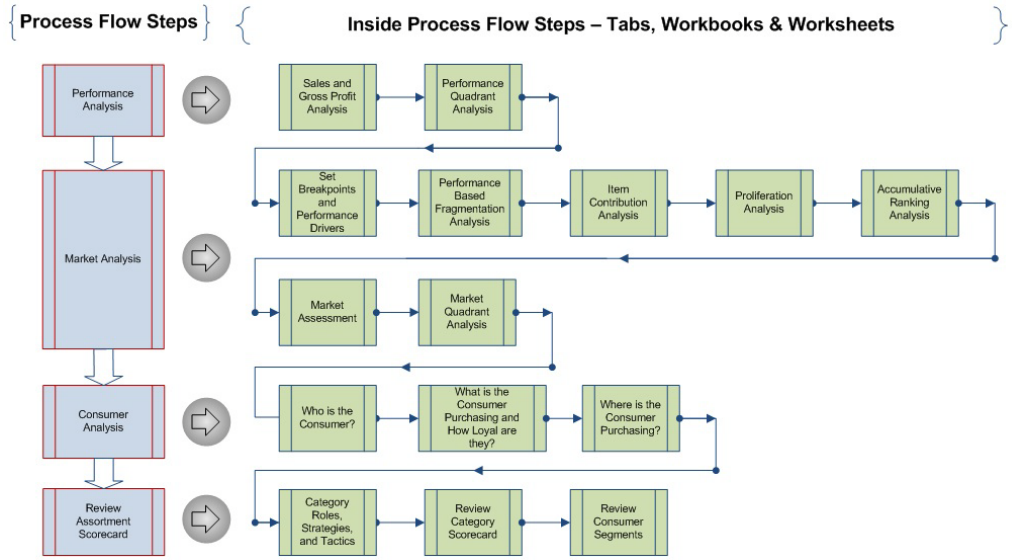


Figure 1–3 illustrates the process flow steps for the Assortment Planning @ Cluster task. This task consists of initially doing the required assortment setup for the assortment planning to begin and then creating assortment plans by choosing one of the three system-recommended assortment generation methods:

1. IPI-based assortment

2. Market Coverage-based assortment
3. Incremental Curve-based assortment

Figure 1–3 Assortment Planning@ Cluster Task Flow

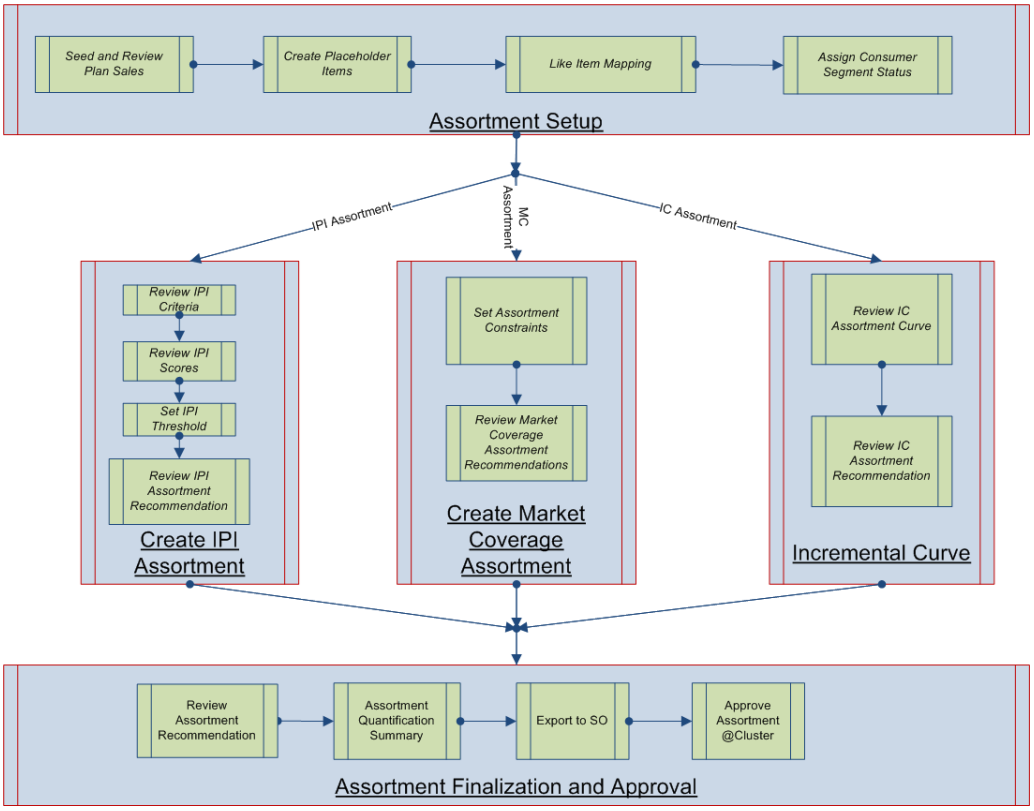
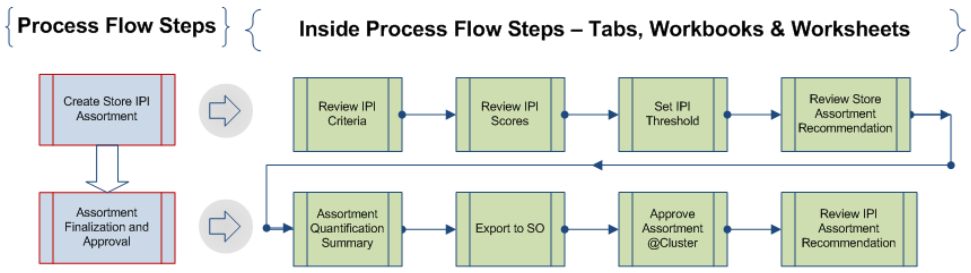


Figure 1–4 illustrates the process flow steps for the Assortment Planning @ Store task. Store level assortment plans can be created using the IPI-based assortment generation method.

Figure 1–4 Assortment Planning @ Store Task Flow



Advanced Science in Category Management

This section covers RCM's integration with Oracle Retail Advanced Science Engine (ORASE). RCM is integrated with the ORASE as part of release 14.0 and sources key information, which is used in the Category Management process flow. ORASE is also referred to Advanced Science or Science.

ORASE is the umbrella name for all the Advanced Science applications, which include the following:

- Oracle Retail Modeling Engine (ORME) suite of applications: Used to generate assortment clusters, CDTs, and DT science parameters. The Advanced Clustering solution is another application part of the ORME suite, which is used to generate assortment clusters.
- Oracle Retail Assortment Space Optimization (ORASO): Used for assortment space optimization.

Advanced Science, through its specialized set of applications, derives key insights data by deep data mining rich historic business data in a specialized set of applications referred to as ORASE. Imports from ORASE provide powerful insights about the retail business, bring efficiencies into the assortment planning process, and facilitate quick and effective decision making. In effect, RCM's integration with ORASE sets the stage for advanced science-based category management practice.

Key integration points with ORASE include the following:

- **Import of Assortment Cluster Data:** Stores are grouped into assortment clusters or store clusters to be used to create Assortment Plans at the cluster level. A prerequisite for RCM to source assortment clusters from ORASE is that both the applications must be sharing a common location hierarchy, that is, in terms of stores to trading areas mapping. ORASE provides retailers with a flexible, user-friendly clustering solution utilizing advanced clustering methodology, where clusters can be generated based on various parameters such as seasonality, consumer segment profiles, store attributes, performance attributes, product attributes, and so on, or a combination of these parameters. Other than ORASE, assortment clusters can also be sourced from the retailer's legacy system or any other external application.
- **Import and Export of Product Attributes:** Product attributes, or simply attributes, consist of attribute names and attribute values at the SKU/item level. RCM sources attributes from ORME which in turn sources this information from Oracle Retail Analytics (RA). RA extracts this information from RMS through Oracle Retail Extract, Transform, and Load (RETL) procedures. This import is a prerequisite for importing CDTs from ORASE as CDTs are based on product attributes. RCM and ORASE need to be in synch in terms of product attributes. RCM provides the facility to add and modify attribute values that map to SKUs/items. There is an export facility available to communicate the changes to the Master Data Management system, such as RMS and RA, and eventually to ORASE. This is to keep both the applications in synch in terms of product attributes.
- **Import of Consumer Decision Trees:** CDTs are used to understand the consumer buying process and identify key product attributes that influence consumer buying decisions from a consumer segment profile perspective. CDTs can be leveraged within the Assortment Planning process as an alternate product/merchandise hierarchy to analyze the assortment to ensure the presence of key items for target consumer segments in the planned assortment, reduce product attributes duplication beyond the required number of options in the assortment, and avoid dropping of unique items that can result in lost customers.

  CDTs are generated in ORASE by utilizing customer purchase history data and doing deep data mining using advanced science methods. Customer purchase history can be internally sourced from Point-of-Sale (POS) or loyalty solutions and externally from home-scan data providers. CDTs can also be fed to RCM directly

from a legacy system or application at the retailer. These CDTs could come from third-party sources such as vendors or providers of syndicated market data.

- **Import of Demand Transference (DT) Data:** Demand Transference is used within the assortment planning process to understand the shift in sales between items within an assortment with changes to the assortment. This enables the assortment planner to assess both the assortment as a whole and evaluate the effectiveness of each item within the assortment. ORASE mines historic customer purchase data and generates Demand Transference parameters that are leveraged interactively, through an Application Programming Interface (API), in the Assortment Planning and Optimization process, as the assortment is being planned.
- **Export to ORASE:** RCM exports assortment plan information and corresponding sales and margins to ORASE with a space optimization request. ORASE optimizes the assortment to the available space at the retailer and allots a suitable number of facings and linear feet, taking into consideration the planograms (POGs) used, demand transference, and supply chain factors. There are two types of exports available:
  - An export with an assortment optimization request to ORASE from a space management perspective.
  - An update to ORASE in the form of final approved assortment and category plans for eventual implementations.

  For detailed information on these exports, see the *Oracle Retail Category Management Implementation Guide*.

Data Requirements in Category Management

The Category Management application has special data requirements that factor consumer-centricity and the retailer's market standing into the Category Management practice. A lot of this data is sourced from third-party syndicated data suppliers, also referred to as external market data providers. Examples of external market data providers include AC Nielsen, Symphony IRI, Axciom, FICO, and so on.

Some of this data is also sourced internally from other applications such as Point-of-Sale (POS), Loyalty Program applications, Analytic Applications such as Retail Analytics, and so on.

All of this data is imported into Category Management as part of the implementation process or, from time to time, on an ad hoc basis. Table 1–1 describes the types of data entered and used for Category Management.

Table 1–1 Types of Data

Data	Description
Market Syndicated Data	Third-party syndicated data suppliers, or External Market Data Providers, have an agreement with most retailers (including both the retailer and their competitors) competing in the market to share their POS data with them. External Market Data Providers then combine and analyze this data to provide Market Syndicated Data with rich insights to the retailer. This data reflects most retailers as a whole and the retailer's standing in the market or a trading area.

Table 1–1 (Cont.) Types of Data

Data	Description
Household Panel Data	Also referred to Home-scan data. Third-party syndicated data suppliers, or External Market Data Providers, collect this data from customers in the market by registering them for scanning their purchases from the retailers and sharing it with them. External Market Data Providers use this data to identify key patterns for different consumer segments. This provides a sample representation of the market for different trading areas with rich consumer profile or consumer segment information.
Market Basket Data	Market Basket refers to customer purchase data at the retailer. Customer purchases refer to market basket or the customer's basket or basket in general. The concept of Market Basket deals with analyzing the product (SKU) mix, number of baskets over a period of time, value of the basket bought, and category/sub-category contribution's in a customer's basket. Market Basket is a focus area in IPI calculations used to derive an Assortment Plan. This type of information provides insight into the halo/cannibalization effect of items that are purchased, which items are typically found in high basket rings, and so on.
Customer and Market Loyalty Data	Customer loyalty data represents loyalty metrics associated with consumers within a particular trading area towards specific retailers or a particular retailer. Market loyalty data is more product-focused loyalty information. Brand loyalty is an example of market loyalty data which represents the percent of the category dollar volume that is satisfied by the brand among brand buyers within a particular trading area. Customer and market loyalty data is supplied to retailers by syndicated data suppliers, such as Nielsen, Symphony IRI, NPD, and so on.
Loyalty Card/Program Data	Data captured through loyalty programs for a particular retailer. This is the retailer's internal data from its Customer Relationship Management (CRM) applications. Retailers mine the data of their loyalty card holders for the purpose of understanding who their profitable customers are, what they buy, how often they buy, and which products and attributes they buy. Customer loyalty data is a useful component in Assortment Planning and the Category Management process, as retailers need to ensure that they are carrying products that appeal to their most profitable customers. This data is also referred to as frequent shopper data.

The data described in Table 1–1 is required to leverage the full functionality of the RCM application which includes Category Planning and Assortment Planning and Optimization. It is possible to leverage the Category Management solution without all of the data, but access to some key and relevant pieces of functionality would be unavailable in the absence of such data. For example, without Market Syndicated data, you cannot perform a market focused analysis of categories and assortments. For more information, see the *Oracle Retail Category Management Implementation Guide*.

For the list of data requirements for CDT/DT, science, and ORASO, see the *Oracle Retail Advanced Science Engine Implementation Guide*.

Required Data

This section lists all of the data that is required, along with its source, before a user can begin the category planning process.

The following data is required for category planning:

- Merchandise or Product hierarchies defined for each retail vertical such as grocery, hardliners, general merchandise, and so on
- Products fully defined for each product category
- Consumer and customer segments defined for each retail vertical
- Location hierarchy and trading areas clearly defined

Trading area is a new concept in Oracle Retail planning and optimization applications and is defined as (also commonly referred to as a market) a specific geographic area demarcated by a retail chain to conduct (view, plan, and manage) its business and compare it with the competitors' business. For the geographic area being demarcated to qualify as a trading area, it must be generating a threshold volume of business (sales) neither too large nor too small, but contributing to a significant chunk of the business in that region. The value of threshold volume of business is based on the retailer's discretion, for example, Atlanta, Jacksonville, Greater Mumbai area, and so on.

Trading areas are also defined on the basis on traditional geographical boundaries such as a city or town, census survey reports, governmental directions, common understanding among different retailers and market research companies in the industry, and the retailer's own business requirements. Trading area definition may differ from retailer to retailer competing in the same region, state, country, and so on. There can also be a common agreement in the industry on the trading areas definition and division among retailers and third-party market research companies collecting and providing syndicated data to the retailers for everyone's benefit.

For example, the US market is conventionally divided into 52 trading areas by market research largely following state-level demarcations.

The preceding data requirements are met by importing the following:

- Store clusters

  In the GA solution, store clusters or assortment clusters are imported from ORASE.
- Product hierarchies
- Location hierarchies
- CDTs
- Product attribute names and attribute values

  In the GA solution, this product attributes information is imported from ORASE.
- Market scan data
- Retailer POS data
- Space-related data
- Retailer loyalty data
- Market basket data
- Demand Transference input parameters from ORASE

Key Take Aways

A key take away is a free-form text field that enables the user to enter notes pertinent to a specific line-item in a view:

- The notes can be any important points the user wants to capture, such as additional information (quick insights such as supplier insights, competition insights, consumer insights, product insights, and so on) used in arriving at a decision highlighting the rationale or perhaps a point that led them to their final decision.
- Key take aways can be used for saving notes from findings derived from different analyses.
- Key take aways can be used by the owner of a step to provide notes to other users who have lower privileges.

User Roles

Users are typically assigned to specific roles based on organizational structure.

Note: Access to tasks is controlled by security permissions. If you do not have the permission to access a task, that task does not appear in your task list.

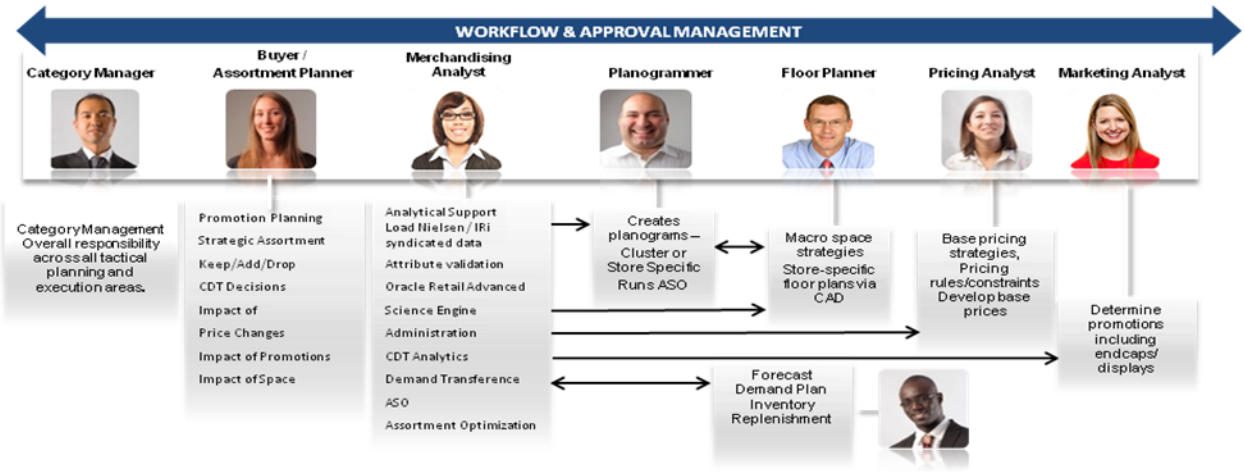
Table 1–2 shows an example list of roles and their functions and areas of responsibility:

Table 1–2 Example of Roles

Role	Application	Description
Category Manager	Category Planning	Analyzes category performance and compares with competition. Determines the Roles, Strategies, and Tactics. Responsible for meeting financial targets.
Buyer / Assortment Planner	Assortment Planning	Selects the optimal assortment for each store, taking into account sales performance, forecast, budget, and space constraints.
Merchandising Analyst	Category Planning and Assortment Planning	Analytical support for Nielsen/IRI syndicated data, product attributes validation, ORASE administration, CDT Analytics, Demand Transference, and Assortment Optimization.
Planogrammer	ORASO and POG Software	Ensures that the assortment can fit within the allocated space, and adds the art to the planogram.
Floor Planner	MSO, MSM	Uses space targets to define department sizes.
Merchandiser	MSO, MSM/ISSC	Uses category/sub-category space targets to determine what length of planograms to place.
Administrator	NA	Application installation, admin and support, data imports, and user ID creation.

Figure 1–5 presents various business roles involved in the end-to-end category management process. Note that not all the standard user roles defined in this figure are directly working on the RCM application.

Figure 1–5 Business Roles Involved in Category Management Process



Plan and Measure Roles and Versions

The measures in the RCM GA are composed of a Role, Version, Metric, and Unit of Measure. Each component is designed to carry a particular piece of information that together indicates the purpose of the measure. Table 1–3 lists a description of each component.

Table 1–3 Description of Measure Components

Component	Description
Role	The role describes an anticipated type of user that will be using the system. Workbooks are tailored to meet the needs of these different types of users, so it also generally indicates where the measure is expected to be found in RCM.
Version	The version tells at what stage in the planning process the measure's data represents. Examples of this are this year (TY) versus last year (LY), or working plan (WP) versus original plan (OP) or target (Tgt). It can also indicate that a measure is intended to be an intermediate measure.
Metric	This component describes the nature of the information in a measure. Typical examples are sales, profit, inventory turn, and so on.
Unit of Measure	The unit of measure represents the data format, integer, decimal number, date, text, and so on.

Some of the commonly used roles are listed in Table 1–4.

Table 1–4 Category Management Roles

Role	Description	Notes
AC	Assortment Planning @ Cluster	Measures with this role are almost all found in the Assortment Planning @ Cluster workbook.
AD	Administrator	Measures with this role are mostly found in the administration workbook. They are occasionally found in other workbooks, and often are loaded with an initial set of default values.
CM	Category Planning	Measures with this role are usually found in the Category Planning workbook. Some CM measures are also shown in the Assortment Planning Analysis workbook for reference.

Table 1–4 (Cont.) Category Management Roles

Role	Description	Notes
DR	Default Role	This role usually indicates that the measure is for raw, loaded data. This data is usually processed somehow before appearing in any other workbook. It also is used for utility purposes, for example, for the role for a measure whose only purpose is to provide whitespace on a worksheet.
CE	CDT Editor	This role indicates that the measure is associated with the CDT Editor workbook. There are relatively few of these.
AS	Assortment Planning @ Store	Measures with this role are found in the Assortment Planning @ Store workbook.

Some of the commonly used versions are listed in Table 1–5.

Table 1–5 Category Management Versions

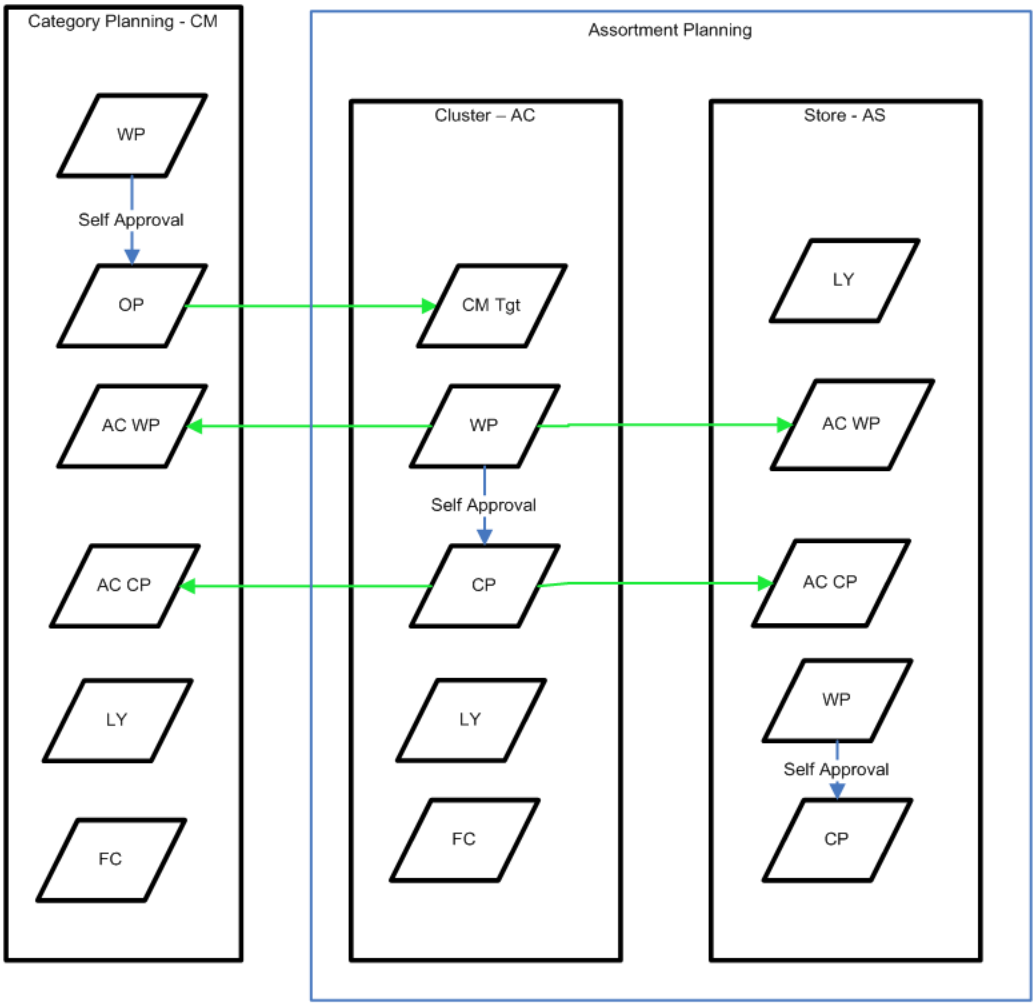
Version	Description	Notes
CP	Current Plan	These measures contain the most recently approved assortment plan values.
LP	Last Plan	These measures contain a copy of the CP measures, time-shifted into the future by one period. It is used to give users another data set against which to compare the WP information.
OP	Original Plan	This denotes information approved in the Category Planning workbook used as target information for the Assortment Planning workbooks.
WP	Working Plan	These measures contain data that users are currently working on.
LY	Last Year	Time-shifted data used to compare the current plan with last year's values for the same period.
TY	This Year	Usually applied to loaded historical data, and rarely shown in workbooks.
Fc	Forecast	Only used for measures that store the results of a forecast.
DV	Default Value	Data for which there is not yet a defined version in the system. Often used with the default role (DR) to indicate base loaded data.
DB	Database	Usually, measures that are part of an intermediate step in a calculation.
DC	Scalar	Usually, measures that store a global value, such as labels.
Hd	Hidden	Usually, measures that are part of an intermediate step in a calculation.
H1	Hidden 1	Usually, measures that are part of an intermediate step in a calculation.
H2	Hidden 2	Usually, measures that are part of an intermediate step in a calculation.
LU	Lookup	Usually, measures that are part of an intermediate step in a calculation.

Note: The version Tg (Target) is not included and will be removed in a future release. It has been replaced with OP (Original Plan).

The combined roles and versions of measures indicate how data flows through the system. This is referred to as version flow and is an important part of understanding how Category Management is structured.

Figure 1–6 shows how data flows through the RCM application.

Figure 1–6 Category Management Version Flow



The Category Planning workbook has WP (Working Plan), LY (Last Year), FC (Forecast), and OP (Original Plan) versions of measure. When a category plan is approved, the current WP measure data is copied to OP versions of the measures. This OP version is shared to Assortment Planning. This is accomplished by again copying the data from a CMOP role/version of the measure to a corresponding ACWP role/version. In Figure 1–6, the Tgt version is called OP in the application.

The Assortment Planning workbook has WP, LY, FC, and CP versions of measure. WP is approved to CP, and this CP version is shared to Category Planning and Assortment Planning @ Store. CM is architected so that Assortment Planning @ Cluster and Assortment Planning @ Store are a single workbook. This was done so that the sharing of version data between the two is real time, as opposed to the sharing of data to Category Planning, which requires building and refreshing of the workbooks between the two.

Assortment Planning @ Cluster and Assortment Planning @ Store share the same base sales metric (that is, ACWPSlsR and ACWPSlsU at Week/SKU/Store). The only replan you are doing at Assortment Planning @ Store is the assignment of override Core/Optional flags which will update the final Assort Sales metric at Store versus Cluster.

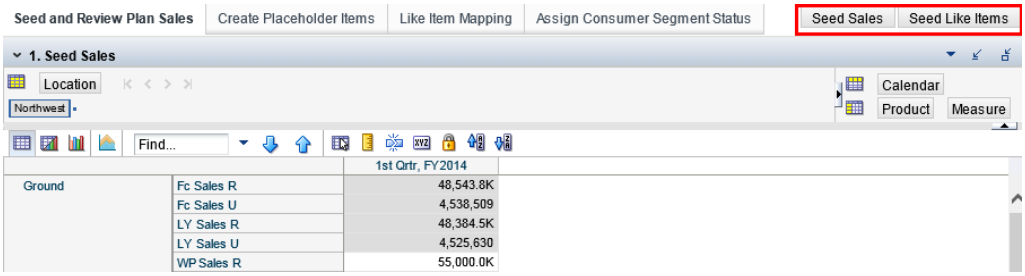
Finally, the Assortment Planning information AC WP and AC CP (Assortment Planning @ Cluster role) is also viewable in the Category Planning workbook. The reason AS WP and AS CP (Assortment Planning @ Store role) is not shown is that the cluster and store information is presented in measures called WP AS Combined Assort Sales and CP AS Combined Assort Sales. These measures combine both AC and AS values into AC WP/CP into measures shared to Category Planning. This is done in Assortment Planning as a normal calc rule group.

Custom Menu Options

Custom menu buttons are located above the top right corner of the content area for some workbooks. Custom menus are specific to the views under the steps available in different tasks. For example, the Seed Sales custom menu, shown in Figure 1–7, is applicable to the Seed Sales and Review Sales views in the Set Targets and Approve Category Plan step under the Category Planning task. The WP Seed Sales flag needs to be checked in the Seed Sales view before running the custom menu. The results of the custom menu run then appear in the Review Sales view.

Custom menus are used run a batch or a special expression in the background that performs specific calculations, imports, exports, and so on, thereby activating a specific functionality in the application. Figure 1–7 shows an example of a custom menu.

Figure 1–7 Example of Custom Menu Options



The Seed and Review Plan Sales and Like Item Mapping tabs (under the Assortment Planning @ Cluster task and Assortment Setup step) have two custom menu options available. Seed Sales and Seed Like Items are available for seeding sales to the new plan and seeding like item sales to new items respectively. The view is that of Seed Sales, which presents different versions of the plan including WP (Working Plan) along with LY (Last Year), and Fc (Forecast) plan measures.

Getting Started

Before using Category Management, be sure that you are familiar with how to access the application and use the Fusion Client user interface. If you need more information, see the *Oracle Retail Predictive Application Server User Guide for the Fusion Client*.

2

CDT Editor Task

Consumer Decision Trees (CDTs) are used to understand the consumer buying process and to identify key product attributes that influence consumer buying decisions from a consumer segment perspective. The usage of CDTs as an alternate hierarchy in Assortment Planning process ensures that key product attribute-based products are present in the assortment.

CDTs, with their dynamic hierarchical structure, help retailers gain insight into the consumer buying process, providing a visual representation (tree-like structure) of the relative importance of product attributes to a consumer segment in a product category. CDTs are used to rationalize and align assortments towards target consumer segments. RCM sources CDTs from ORME, a module in ORASE. CDTs can be sourced from external parties such as manufacturers and market research companies providing syndicated data such as IRI, Nielsen, and so on.

Two techniques are applied in tandem to derive a CDT:

- Market Structure: A method to identify the product attributes which influence a customer's buying decision. These product attributes define the competitive relationship between the products under a sub-category.
- Preference Segmentation: Identifies and divides the market into unique customer segments based on the similar buying patterns.

The CDT structure provides attribute ranking, which measures the importance of each attribute to the consumer relative to the other attributes within the category. A consumer makes a specific judgment first (such as, what flavor do I want), then proceeds to the second most important decision (such as, what size?), and then proceeds to the third decision (such as, do I want a branded SKU or retail branded SKU?). Therefore, the market structure of a category (the relationship between products) can be thought of as a road map that consumers use to find their way through the maze of products and product segments to arrive at a purchase decision.

The decision process can vary for each consumer segment for the same category. Assortment planners can use CDTs for different consumer segments to shape the assortment towards target consumer segments as per their relative importance to the retailer.

The following capabilities are supported:

- Viewing the assortment list by CDT.
- Viewing and comparing the differences between the current CDT and old CDTs.
- Editing the current CDT.

For more information on viewing and editing the CDT, see the *Oracle Retail Predictive Application Server User Guide for the Fusion Client.*

This task has the following step:

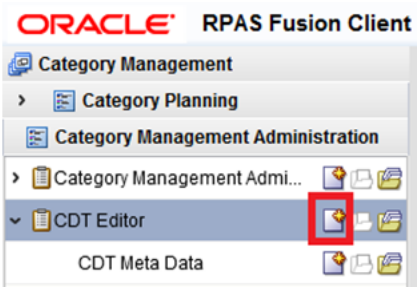
- CDT Meta Data Step

Create the CDT Editor Workbook

To create the workbook:

1. Navigate to the **Category Management Administration** Activity.
2. Select the **New Workbook** icon in the CDT Editor task.

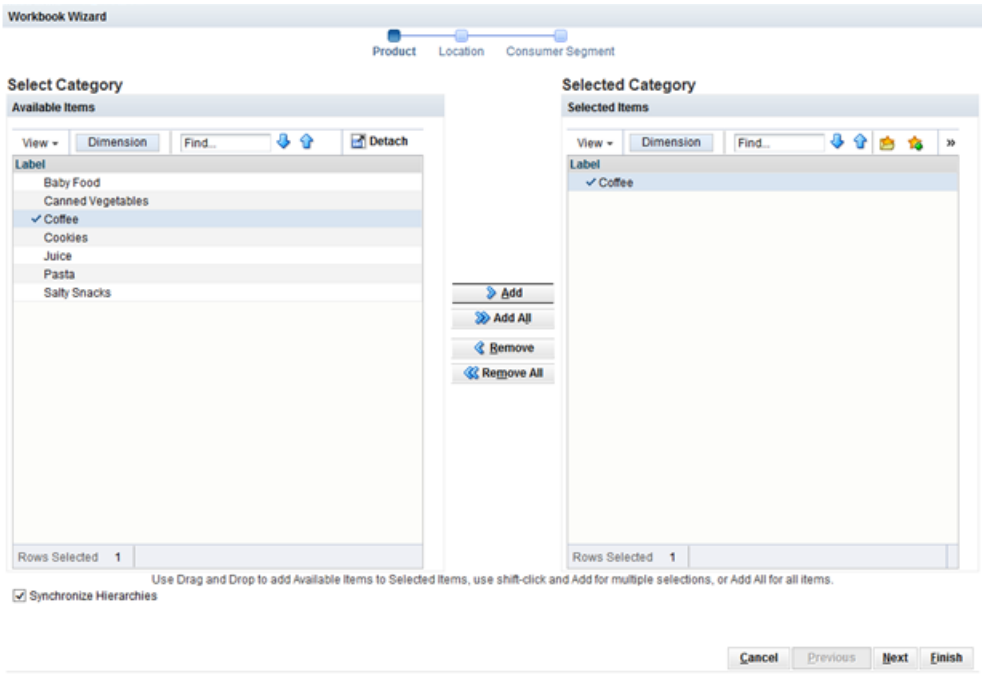
Figure 2–1 CDT Editor Task



The workbook wizard opens.

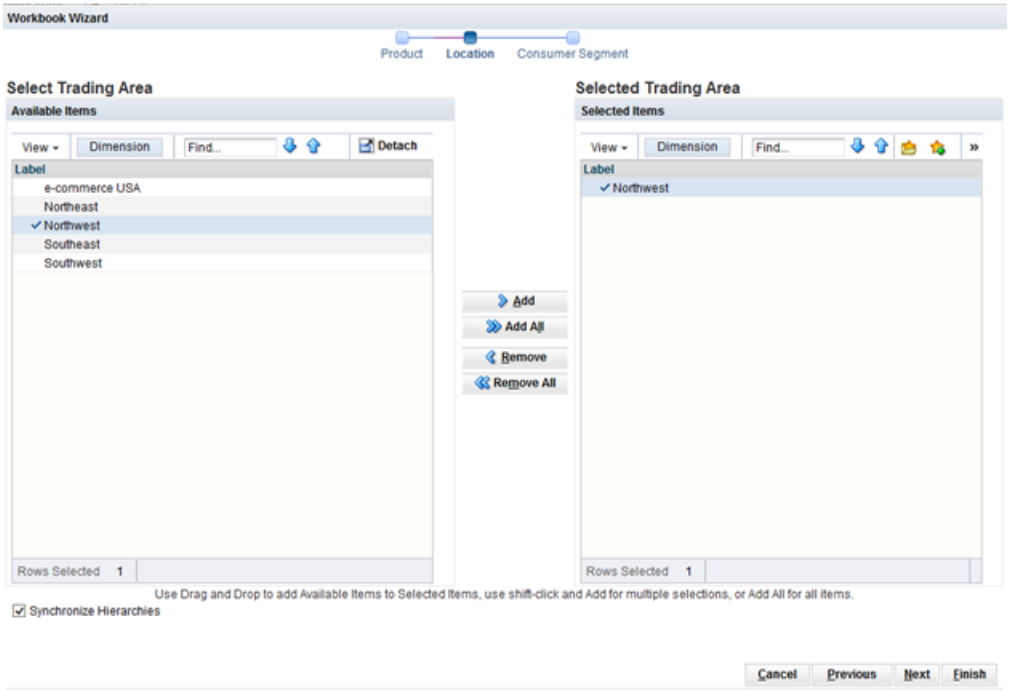
3. Select the categories and move them to the Selected Items box. Click **Next**.

Figure 2–2 Workbook Wizard Select Category Page



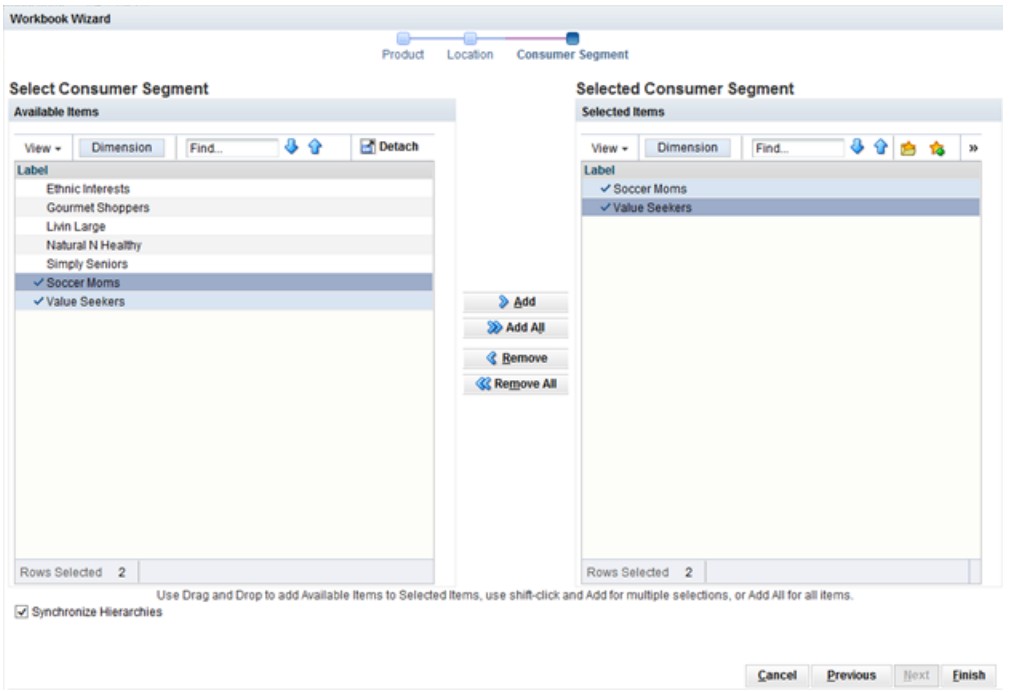
4. Select the Trading Areas and move them to the Selected Items box. **Click Next**.

Figure 2–3 Workbook Wizard Select Trading Area Page



5. Select the consumer segments and move them to the Selected Items box. Click **Finish**.

Figure 2–4 Workbook Wizard Select Consumer Segment Page

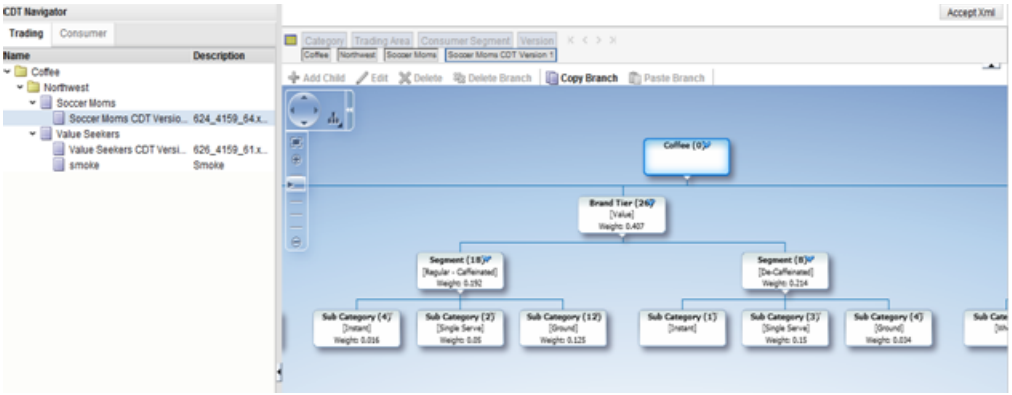


The workbook is created.

CDT Meta Data Step

This step has one view. Use this view to review and make changes to the CDT. After all CDT edits are made, commit the workbook.

Figure 2–5 CDT Meta Data View



Custom Menu

The CDT Editor workbook has a custom menu available called Accept XML. Acceptance of the XML is necessary for the changes made in the CDT Editor to be visible in the rest of the application. The custom menu processes all new and modified CDTs. This processing sets up the dynamic hierarchies that are used in the views in the Category Management Administration task.

After the Accept XML custom menu has been run, the CDT needs to be enabled in the domain. For more information, see "Select CDT Version Step" in Chapter 3.

3

Category Management Administration Task

The Category Management Administration task is used to define the corporate guidelines and data required for assessment and optimization. It has steps and views that mirror the Category Management workflow. Each view requires the entry of corporate level data. As such, an administrator would manage and maintain this workbook.

All other administrative parameters are set in this Administration activity. For more information, see the *Oracle Retail Predictive Application Server Administration Guide for the Fusion Client*.

This task has the following steps:

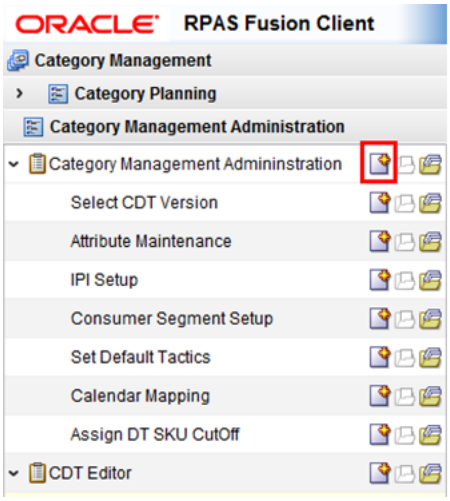
- Select CDT Version Step
- Attribute Maintenance Step
- IPI Setup Step
- Consumer Segment Step
- Set Default Tactics Step
- Calendar Mapping Step
- Assign DT SKU Cutoff Step

Create the Category Management Administration Workbook

To create the workbook:

1. Select the **New Workbook** icon in the Category Management Administration task.

Figure 3–1 Category Management Administration Task



The workbook is created.

Select CDT Version Step

This step has one view. Use this view to select the CDT versions that are available in the workbook. A CDT version must be enabled here before it can be used elsewhere in the application. This action defines the pre-range mapping of CDTs, which governs their availability at the time of Assortment Planning workbook creation.

Figure 3–2 Select CDT Version View

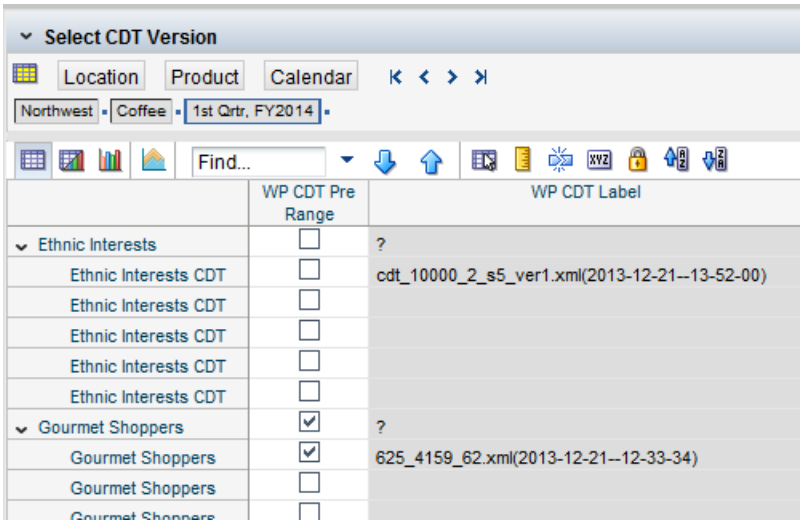


Table 3–1 lists the measures available in this view.

Table 3–1 Select CDT Version Measure

Label	Definition
WP CDT Pre Range	Administrator Working Plan CDT Pre Range Boolean.
WP CDT Label	The Consumer Decision Tree's label, or name description, being used in the working plan assortment.

Attribute Maintenance Step

This step has three views:

- Attribute Value Maintenance View
- Category Attribute Mapping View
- SKU Attribute Maintenance View

Attribute Value Maintenance View

Product Attributes in RCM are stored in the form of Attribute Names and Attribute Values. Attribute Values are a list of product attributes for a specific Attribute Name. Examples of Attribute Names are Brand, Brand Tier, Size, Flavor, and so on. The following is an example of Attribute Values:

- The Attribute Name is Flavor and the product category in consideration is Fruit Juices.
- The corresponding Attribute Values are Apple, Orange, Grape, Mixed Fruit, and so on.

Right-click on an Attribute Value position and use the Attribute Value Maintenance view to maintain product attribute values (attribute value) mapping to product attribute names (attribute name). Product Attributes, in general, refer to both Attribute Names and Attribute Values.

The ground rule here is that the name and label of the attribute value should be similar. Except for underscore (_), the Attribute Value Name cannot use any other special characters, unlike the Attribute Value Label. The user should ensure that the naming method (nomenclature) of the attribute value name and attribute value label is similar. For example, if the Attribute Name equals Brand and Attribute Value Label equals Dunkin' Donuts, the Attribute Value Name should be Dunkin_Donuts.

Figure 3–3 Attribute Value Maintenance View

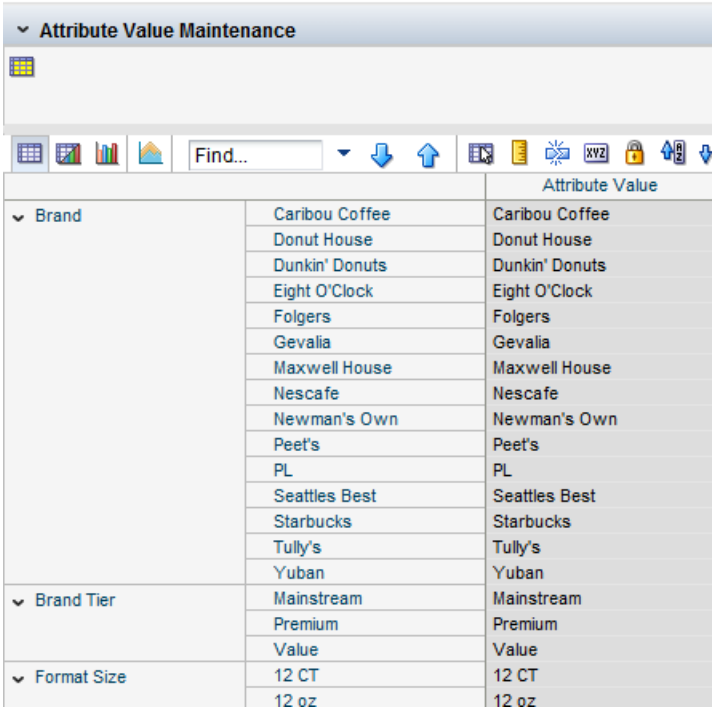


Table 3–2 lists the measure available in this view.

Table 3–2 Attribute Value Maintenance Measure

Label	Definition
Attribute Value	Indicates whether or not the attribute value applies to a class, both Boolean and text values.

Category Attribute Mapping View

Use the Category Attribute Mapping view to maintain the mapping of Attribute Names to a product category. Depending on the settings done here, different attribute names and their respective attribute values are made available to different product categories for placeholder item creation and attribute values' modification. For example, an Attribute Name equal to Flavor may apply for the Juices product category, but may not apply for the Kitchen Utensils product category.

Figure 3–4 Category Attribute Mapping View

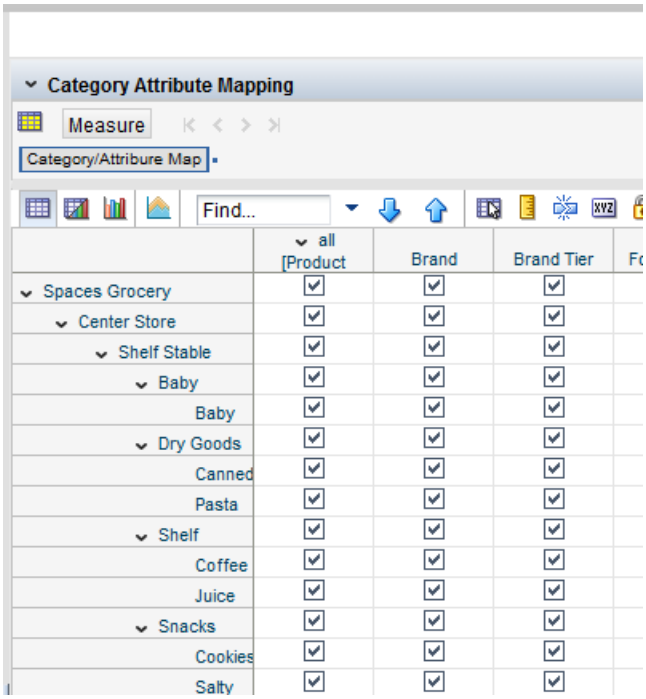


Table 3–3 lists the measure available in this view.

Table 3–3 Category Attribute Mapping Measure

Label	Definition
Category/Attribute Map	This measure stores the mapping of Attribute Names to a Category.

SKU Attribute Maintenance View

Use the SKU Attribute Maintenance view to maintain the Attribute Values mapping to a SKU or item. This view provides the facility to modify attribute value mappings for a SKU, if required. A Master Data Management (MDM) system, such as RMS, has the system of record for product/SKU attributes information. Any changes done to attribute values of a SKU here need to be communicated to RMS.

Figure 3–5 SKU Attribute Maintenance View

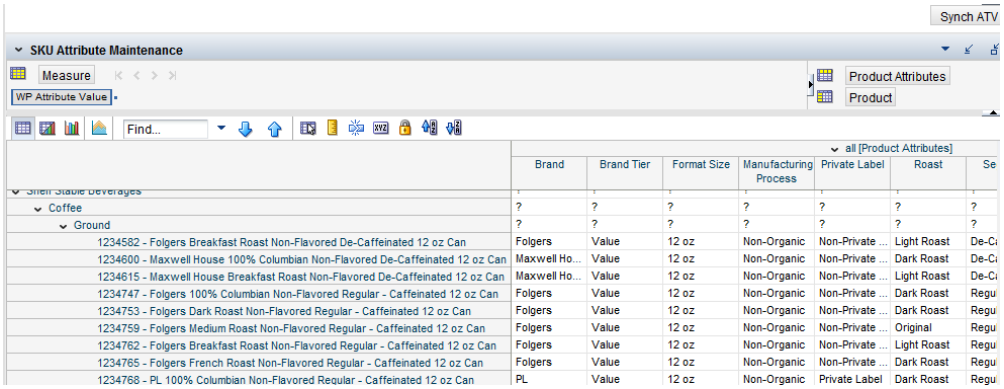


Table 3–4 lists the measure available in this view.

Table 3–4 SKU Attribute Maintenance Measure

Label	Definition
WP Attribute Value	The attribute value mapped to an attribute name defining a product feature or attribute as part of a working plan assortment. Attribute Values map to Attribute Names and Attribute Names map to the product. For example, the Attribute Name equals Brand, Flavor, Size, and so on. The Attribute Values for Flavor equal Apple, Orange, Grape, Mixed Fruit, and so on.

Committing the workbook allows the attribute changes made in this workbook to appear across different views in the rest of the application.

IPI Setup Step

The weights set in the IPI Setup step are used to pre-populate the IPI weights which are used in the Assortment Planning @ Cluster task. They can then be overridden by the Assortment Planner to achieve category-specific objectives. These weights are pre-populated to match a retailer's specific assortment requirements. Weights used in IPI calculations are directly determined by the strategy assignment to a sub-category/category. Roles, strategies, and tactics assignments in Category Planning to categories and sub-categories determine the assignment of IPI weights. Weights can be set at the consumer segment, cluster, and sub-category level in the Assortment Planning @ Cluster task to generate customized IPI assortments.

This step contains five views:

1. Assign Focus Area Weights View
2. Assign Metric Weights View
3. Assign Attribute Name Weights View
4. Assign Attribute Value Weights View
5. Assign Consumer Segment Weights View

1. Assign Focus Area Weights View

Focus areas represent the different perspectives of looking at a business to analyze, understand, evaluate, and manage it. Examples of focus areas include Attributes or

Product attributes-focused analysis, Loyalty Analysis, Market Basket Analysis, Performance Analysis, and so on. Focus areas are used as levers to generate an assortment with desired importance given to different perspectives of looking at a business. Use the Assign Focus Area Weights view to set weights for focus areas, which are used in the SKU's/Item's IPI score calculations. These weights should add up to 100% to keep the IPI scores within a narrow range of values.

Figure 3–6 1. Assign Focus Area Weights View

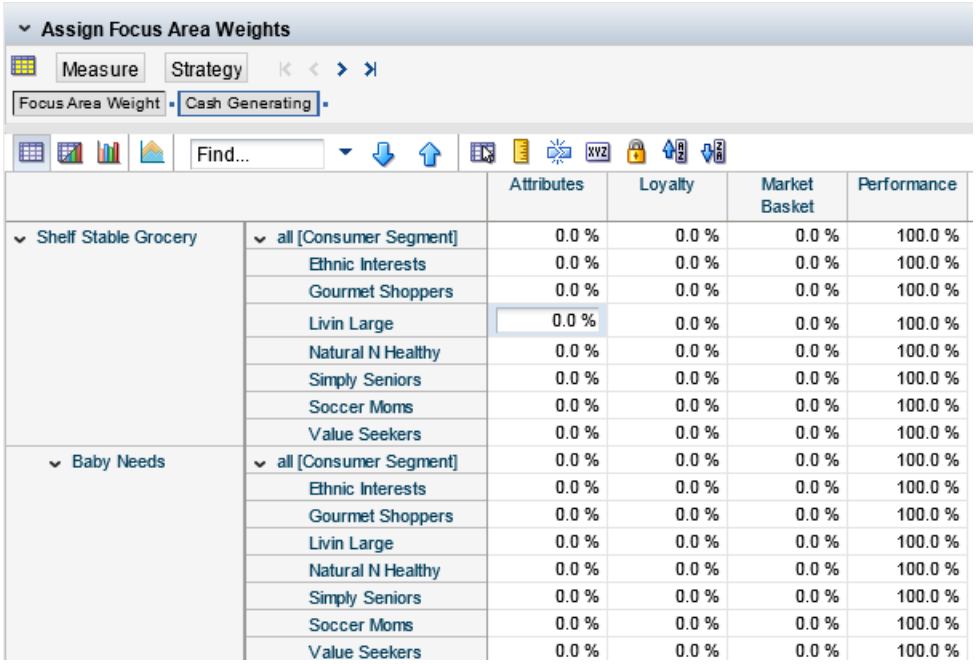


Table 3–5 lists the measure available in this view.

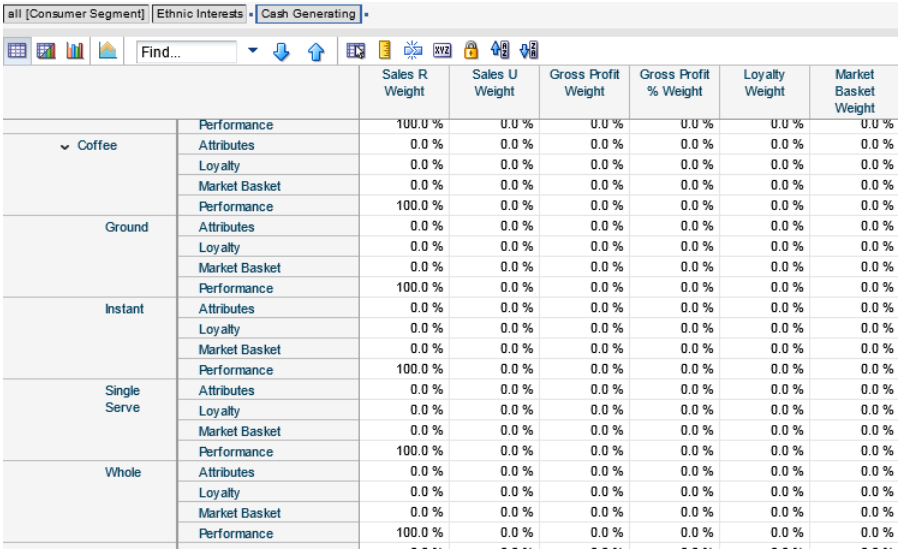
Table 3–5 1. Assign Focus Area Weights Measure

Label	Definition
Focus Area Weight	The user-defined percentage weight for the focus area used in generating a system-recommended IPI assortment.

2. Assign Metric Weights View

Metrics are used to define a focus area. Weights are assigned to different metrics according to the relative importance or emphasis that needs to be given to them. Use the Assign Metric Weights view to set the mix of weights for different retail metrics or measures to be used for a SKU's/Item's IPI score calculations. These weights should add up to 100% to keep the IPI scores within a narrow range of values.

Figure 3–7 2. Assign Metric Weights View



		Sales R Weight	Sales U Weight	Gross Profit Weight	Gross Profit % Weight	Loyalty Weight	Market Basket Weight
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Coffee	Attributes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Loyalty	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Market Basket	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Ground	Attributes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Loyalty	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Market Basket	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Instant	Attributes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Loyalty	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Market Basket	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Single Serve	Attributes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Loyalty	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Market Basket	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Whole	Attributes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Loyalty	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Market Basket	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
	Performance	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Table 3–6 lists the measures available in this view.

Table 3–6 2. Assign Metric Weights Measures

Label	Definition
Sales R Weight	The percentage of weightage given to the sales retail metric for individual focus areas in IPI calculations for any category.
Sales U Weight	The percentage of weightage given to the sales unit metric for individual focus areas in IPI calculations for any category.
Gross Profit Weight	The percentage weight assigned to the gross profit retail metric for individual focus areas in the IPI calculation for any category.
Gross Profit % Weight	The percentage of weight given to the gross profit retail metric for individual focus areas in the IPI calculation for any category.
Exclusivity Weight	Administrator Default Value Exclusivity Weight Value. The weightage assigned to individual focus areas, keeping in mind their exclusivity.
Loyalty Weight	Administrator Default Value Loyalty Weight Value. The weightage assigned to individual focus areas based on the loyalty associated with them.
Market Basket Weight	The user-defined percentage weight assigned to the Market Basket focus area in IPI calculations and IPI assortment generation. It is used to emphasize the presence of an item in the market basket, or consumer's basket, in generating a system-recommended IPI assortment.

3. Assign Attribute Name Weights View

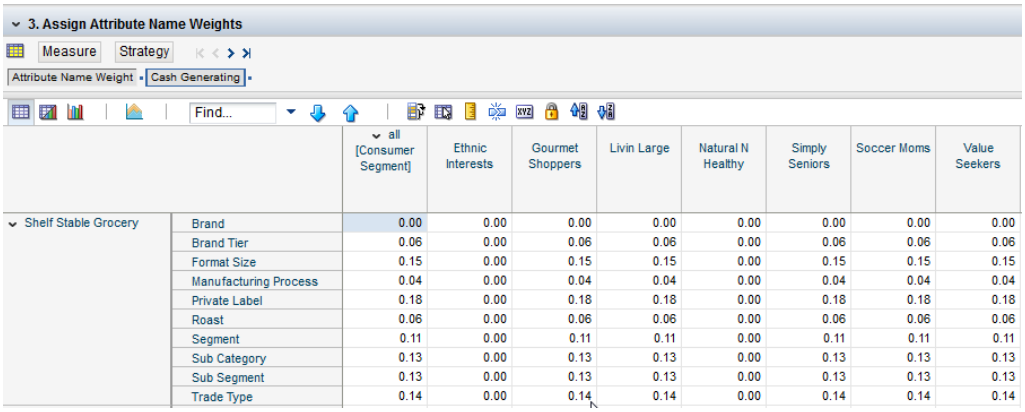
Attribute Name Weights need to be defined when the assortment needs to have a specific product attributes mix. This provides a very useful way to derive an assortment.

Use the Assign Attribute Name Weights view to set numeric weights that can be used to assign positive rational number ratios between different Attribute Names per the desired assortment-mix requirements. These weights directly influence the assortment mix on the basis of the relative weights emphasis to different attribute names. For example, if Attribute Name Weights are defined using high value rational numbers,

the IPI scores generated by the system will have high value numbers. Similarly, if the Attribute Name Weights are assigned lower rational number values, the IPI scores will have a lower range of values.

Note: Attribute Name weights, being numeric weights, can inflate the IPI scores if a high numeric value is set. The user should be cautious in assigning weights to them.

Figure 3–8 3. Assign Attribute Name Weights View



		all [Consumer Segment]	Ethnic Interests	Gourmet Shoppers	Livin Large	Natural N Healthy	Simply Seniors	Soccer Moms	Value Seekers
Shelf Stable Grocery	Brand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Brand Tier	0.06	0.00	0.06	0.06	0.00	0.06	0.06	0.06
	Format Size	0.15	0.00	0.15	0.15	0.00	0.15	0.15	0.15
	Manufacturing Process	0.04	0.00	0.04	0.04	0.00	0.04	0.04	0.04
	Private Label	0.18	0.00	0.18	0.18	0.00	0.18	0.18	0.18
	Roast	0.06	0.00	0.06	0.06	0.00	0.06	0.06	0.06
	Segment	0.11	0.00	0.11	0.11	0.00	0.11	0.11	0.11
	Sub Category	0.13	0.00	0.13	0.13	0.00	0.13	0.13	0.13
	Sub Segment	0.13	0.00	0.13	0.13	0.00	0.13	0.13	0.13
	Trade Type	0.14	0.00	0.14	0.14	0.00	0.14	0.14	0.14

Table 3–7 lists the measure available in this view.

Table 3–7 3. Assign Attribute Name Weights Measure

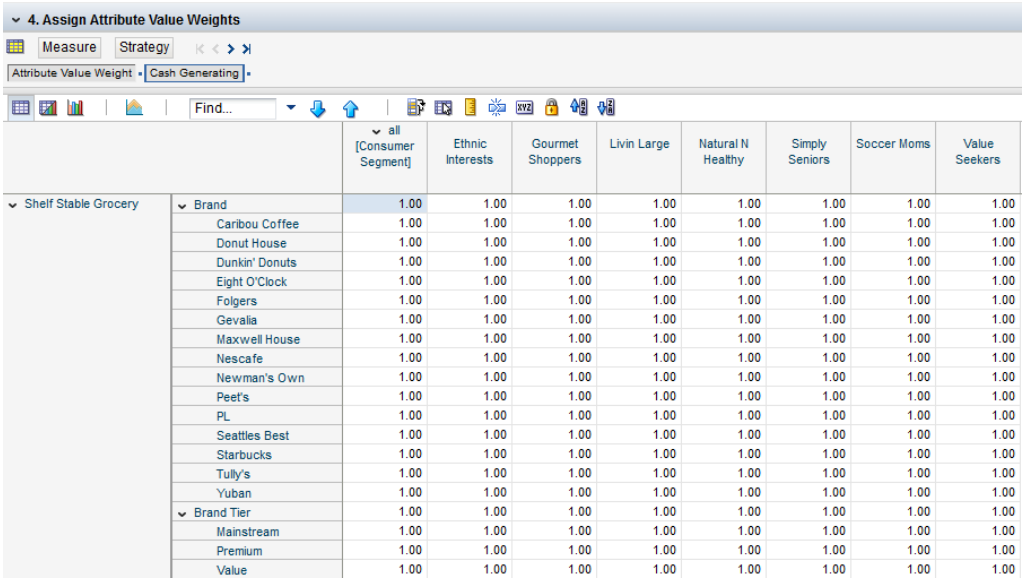
Label	Definition
Attribute Name Weight	The percentage of weightage assigned for the attribute names' IPI calculations.

4. Assign Attribute Value Weights View

Use the Assign Attribute Value Weights view to set the numeric weights for the product's attribute values to be used in a SKU's/Item's IPI score calculations. Increasing or decreasing the value for an Attribute Value Weight increases or decreases the IPI score for items with that attribute value. The average Attribute Value Weight score should equal 1.00.

Note: Attribute Value weights, being numeric weights, can inflate the IPI scores if a high numeric value is set. The user should be cautious in assigning weights to them.

Figure 3–9 4. Assign Attribute Value Weights View



		all [Consumer Segment]	Ethnic Interests	Gourmet Shoppers	Livin Large	Natural N Healthy	Simply Seniors	Soccer Moms	Value Seekers
Shelf Stable Grocery	Brand	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Caribou Coffee	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Donut House	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Dunkin' Donuts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Eight O'Clock	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Folgers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Gevalia	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Maxwell House	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Nescafe	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Newman's Own	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Peet's	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	PL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Seattles Best	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Starbucks	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tully's	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Yuban	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Brand Tier	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Mainstream	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Premium	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Value	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table 3–8 lists the measure available in this view.

Table 3–8 4. Assign Attribute Value Weight Measure

Label	Definition
Attribute Value Weight	The percentage of weightage assigned for the attribute values' IPI calculations.

5. Assign Consumer Segment Weights View

Use the Assign Consumer Segment Weights view to set weights for different consumer segments buying at the retailer in the market. These consumer segment weights are directly used in IPI score calculations and can be used to shape the assortment towards target consumer segments. These weights should add up to 100% to keep the IPI scores within a narrow range of values.

Figure 3–10 5. Assign Consumer Segment Weights View

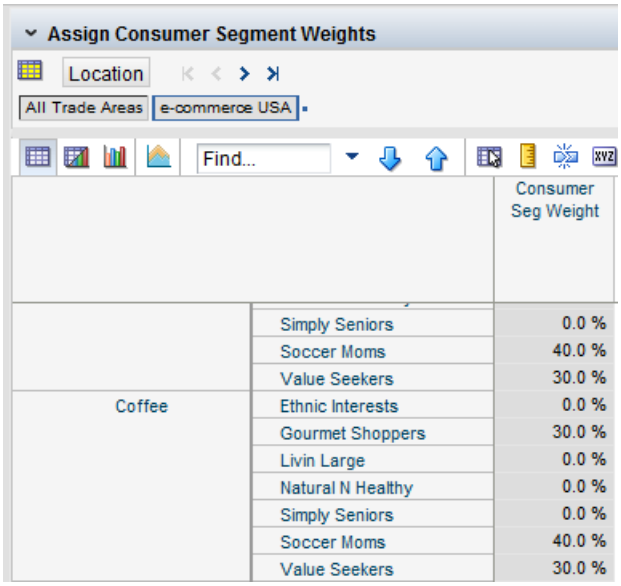


Table 3–9 lists the measure available in this view.

Table 3–9 5. Assign Consumer Segment Weights Measure

Label	Definition
Consumer Seg Weight	The Administrator default value for the Consumer Segment Weight Value.

Consumer Segment Step

This step contains two views:

- Assign Consumer Segment Distribution View
- Assign Consumer Segment Status View

Assign Consumer Segment Distribution View

Use the Assign Consumer Segment Distribution view to see the contribution of individual consumer segments to the overall sales at the retailer for different product categories in the past. It is represented in the form of a Consumer Segment Distribution.

Figure 3–11 Assign Consumer Segment Distribution View

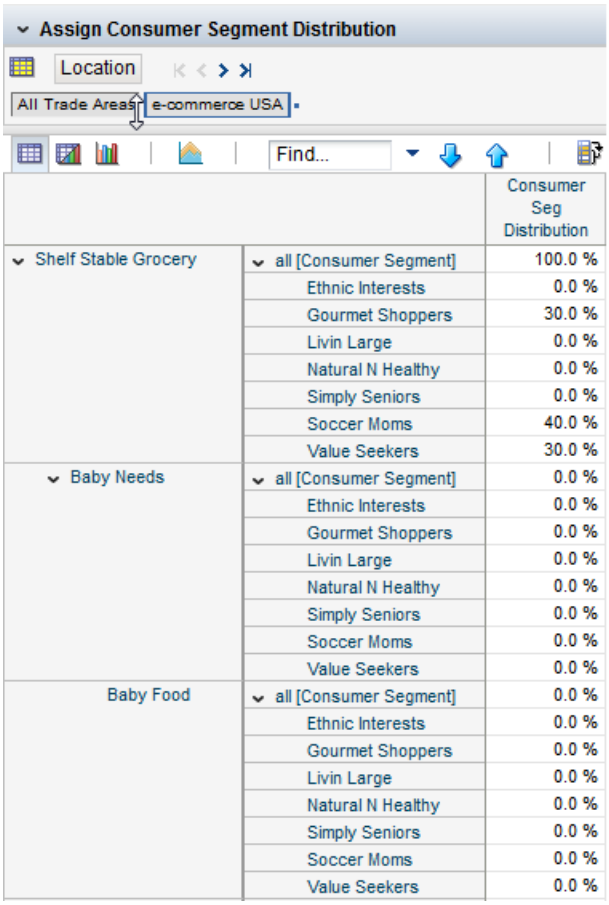


Table 3–10 lists the measure available in this view.

Table 3–10 Assign Consumer Segment Distribution Measure

Label	Definition
Consumer Seg Distribution	The presence of different consumer segments constituting a market, typically seen at the cluster or trading area level and above.

Assign Consumer Segment Status View

Use this view to assign primary consumer segments (or target consumer segments) to a category and store cluster. The Strategies exported to ORASO are identified by using the primary consumer segments defined here. Note that only a few strategies are assigned at the consumer segment level.

When store clusters are updated with new imports from ORASE, the primary consumer segments should be updated in this view.

Figure 3–12 Assign Consumer Segment Status View

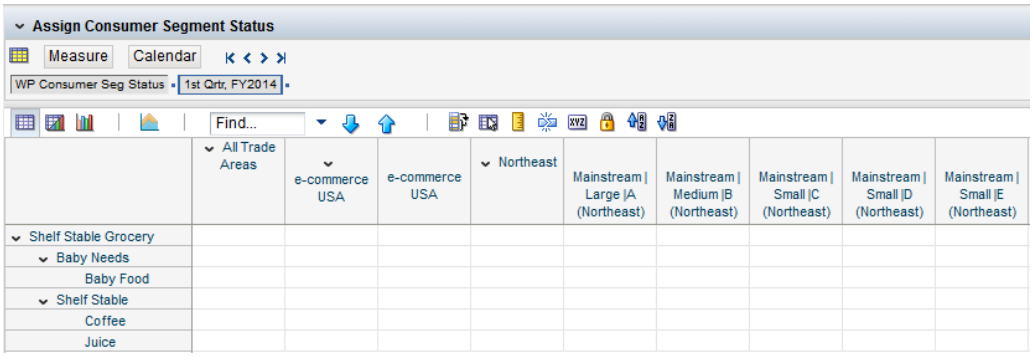


Table 3–11 lists the measure available in this view.

Table 3–11 Assign Consumer Segment Status Measure

Label	Definition
WP Consumer Seg Status	Indicates the importance of a consumer segment to the retailer. It is used to identify the target consumer segments in a working plan assortment. It can have values such as primary, secondary, and so on. **Note:** Associates the consumer segment with the store cluster for the purpose of exporting the correct assigned status to ORASO.

Set Default Tactics Step

The Set Default Tactics step has two views:

- Set Default Tactics View
- Space Related Tactics View

Use these views to assign tactics for each tactical area:

- Assortment
- Inventory
- Pricing
- Promotion
- Space

Entries made in this table are used to populate many of the drop-down lists that are used in Category Planning.

Set Default Tactics View

Use the Set Default Tactics view to maintain the superset of tactics (tactics values) for a retail business tactical area such as Assortment, Pricing, Space, and so on. Tactics are the possible approaches suggested in the category plan for a specific tactical area. For example, in the area of Assortment, tactic values could expand the assortment or increase Private Labels (PL). Tactics are assigned at the sub-category level in a category plan. This is done to maintain alignment to actions required at the sub-category level per the role and strategy assigned to achieve the business targets at the category level. Roles, strategies, and tactics are part of the category plan.

Figure 3–13 Set Default Tactics View

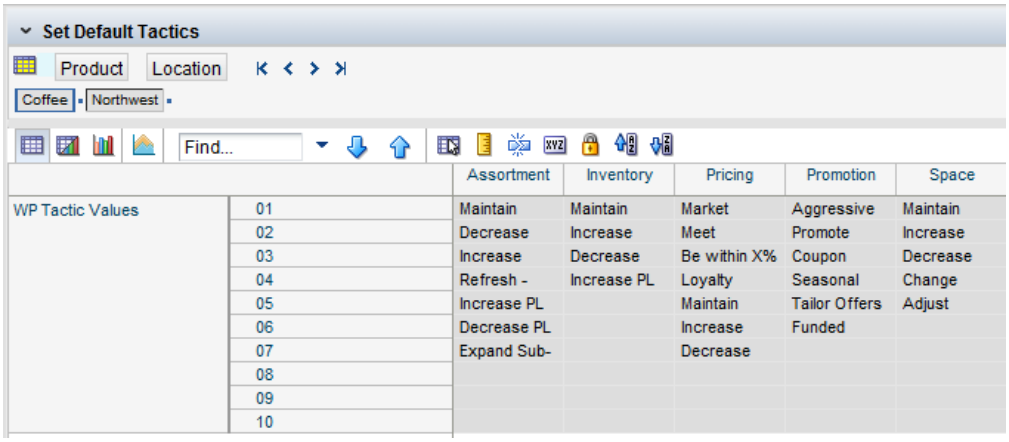


Table 3–12 lists the measure available in this view.

Table 3–12 Set Default Tactics Measure

Label	Definition
WP Tactic Values	List of tactics' values used to assign a tactic to a sub-category as part of the category plan. Tactics represent the suggested actions in a tactical area such as Assortment, Pricing, Space, and so on, in alignment with the role and strategy for a category and sub-category to meet the business targets.

Space Related Tactics View

Use the Space Related Tactics view to set the default space tactics options. These default space tactics then appear as the drop-down selection options in the Assign Tactics view.

Figure 3–14 Space Related Tactics View

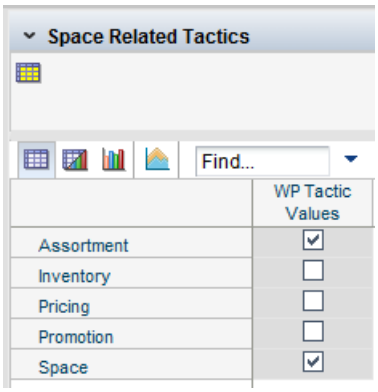


Table 3–13 lists the measure available in this view.

Table 3–13 Space Related Tactics Measure

Label	Definition
WP Tactic Values	List of tactics' values used to assign a tactic to a sub-category as part of the category plan. Tactics represent the suggested actions in a tactical area such as Assortment, Pricing, Space, and so on, in alignment with the role and strategy for a category and sub-category to meet the business targets.

Calendar Mapping Step

This step has two views:

- Quarter Mapping View
- Week Mapping View

Use these views to assign and validate the last year quarter or week mapping. By default, the loaded file maps the last year as the same quarter or week last year. The mapping for any quarter or week can be reassigned in this workbook.

Quarter Mapping View

Use this view to assign and validate the last year quarter mapping. By default, the loaded file maps the last year as the same quarter last year. The mapping for any quarter can be reassigned in this workbook.

Figure 3–15 Quarter Mapping View

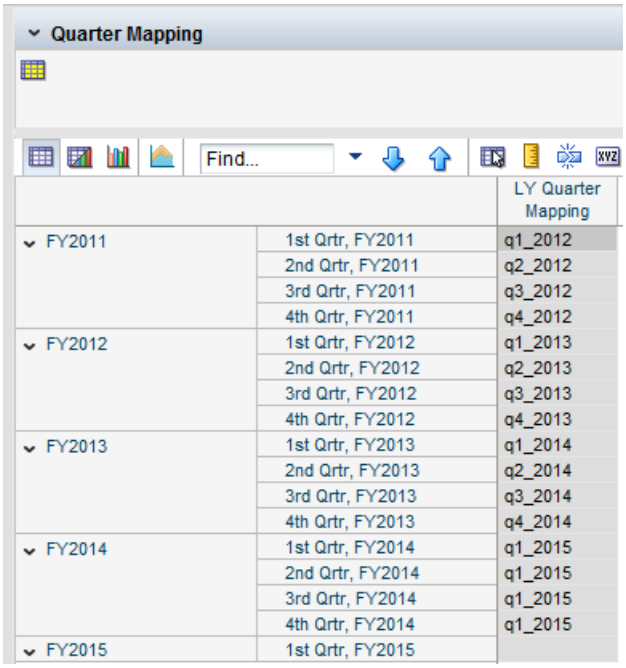


Table 3–14 lists the measure available in this view.

Table 3–14 Quarter Mapping Measure

Label	Definition
LY Quarter Mapping	Administrator Last Year Quarter Mapping Text. Identifies the quarter used for mapping as last year.

Week Mapping View

Use this view to assign and validate the last year week mapping. By default, the loaded file maps the last year as the same week last year. The mapping for any week can be reassigned in this workbook.

Figure 3–16 Week Mapping View

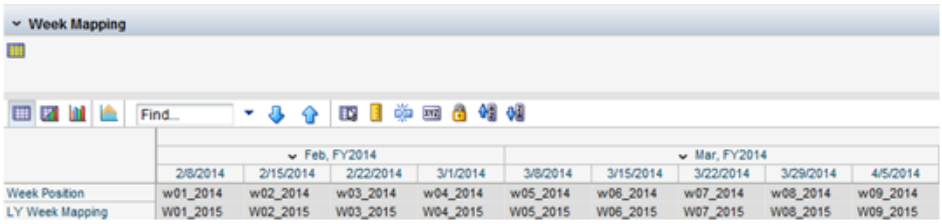


Table 3–15 lists the measures available in this view.

Table 3–15 Week Mapping Measures

Label	Definition
Week Position	Administrator Default Value Week Position Text.
LY Week Mapping	Identifies the week used for mappings as last year.

Assign DT SKU Cutoff Step

This step has one view.

Assign DT SKU CutOff View

Use this view to define DT SKU CutOff %, which is used when applying Demand Transference to an assortment to calculate the No. of Significant Substitute SKUs for the substitutable demand from a SKU to its substitute SKUs. For more details, refer to the definition of DT SKU CutOff % in Table 3–16.

Figure 3–17 Assign DT SKU Cutoff View

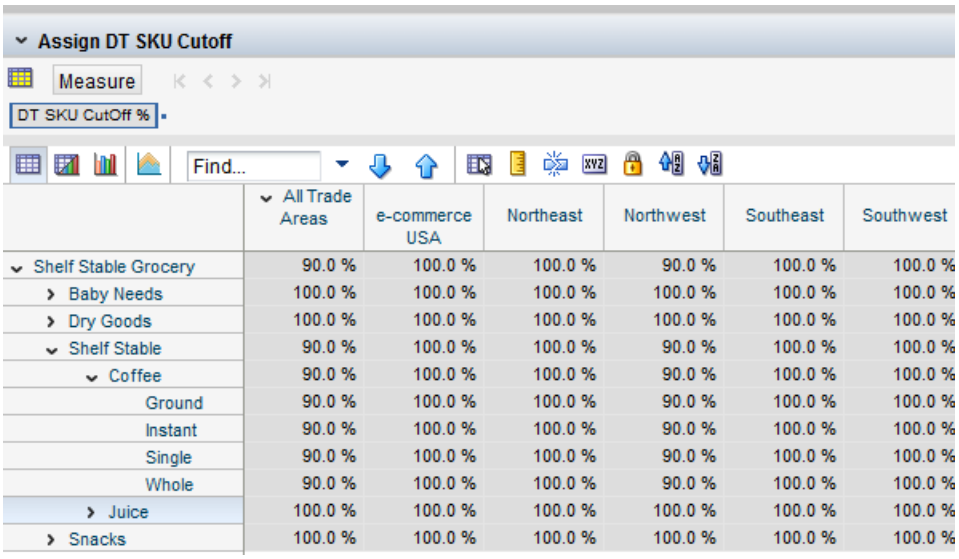


Table 3–16 lists the measure available in this view.

Table 3–16 Assign DT SKU Cutoff Measure

Label	Definition
DT SKU Cutoff %	DT SKU Cut-Off % refers to the percentage of substitutable demand of a SKU. It is used in calculating the number of significant substitute SKUs. It defines the total amount of spread of substitutable demand among the substitute SKUs, shown in the DT Details type of view. This cut-off percentage is required to avoid looking at the tapered substitutable demand or tail of the substitutable demand which is very thinly spread across the substitute SKUs. For example, 90% of the substitutable demand of a SKU spreads to 5 items but the remaining 10% spreads to another 20 items. So, in such a case, if DT Cut-Off % = 90%, then tapered substitutable demand of 10% is not considered while calculating the number of significant substitute SKUs. But in case there is no tapering effect in substitutable demand, then it is best to keep DT Cut-Off % at 100%.

Next Steps

After completing all of the Category Management Administration steps, commit the workbook. Continue to the Category Planning Activity.

4

Category Planning Task

There are six steps under the Category Planning task and each step contributes to the final category plan being derived from this task. The objective is to view and analyze information such as syndicated market data, syndicated household panel data, retailer's actuals and forecast data, loyalty program data, and so on. The analysis of this information brings in an understanding of a category's business from an internal performance, market, and consumer perspective which drives the review, creation, and approval of category plans. Category Plans consist of sub-category level targets in the form of various retail business measures such as Sales, Gross Profit, Inventory Level, Private Label specific, Promo specific, and so on, and an assignment of roles, strategies and tactics for categories and sub-categories.

Category planning is used to define the retailer's strategy and determine how to assign category roles while allocating resources to available business opportunities. The lowest level of the location hierarchy under the category planning task, at which category planning is done and various analyses are presented, is trading area.

This task has the following steps:

- Category Performance Review Step
- Define Retail Strategy Step
- Assign Category Role Step
- Assign Category Strategies Step
- Assign Category Tactics Step
- Set Targets and Approve Category Plan Step

The following data is required for this task:

- Predefined consumer segments presented as a hierarchy such as product/merchandise hierarchy, location hierarchy, and so on, loaded as part of domain setup and consumer segment distribution
- Predefined trading areas as part of the location hierarchy, which is again loaded as part of the domain setup
- Predefined tactics pick list and week/quarter mapping information from the administration workbooks
- Imported forecast from Oracle Retail Demand Forecasting (RDF)
- Imported POS data from the retailer
- Market data and results household panel data received from external sources, such as Nielsen or Symphony IRI

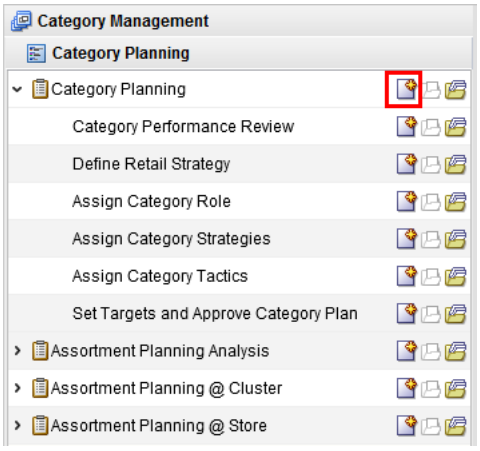
- All external data precomputed or aggregated and not required to be recomputed within Category Planning

Create the Category Planning Workbook

To create the workbook:

1. Select the New Workbook icon in the Category Planning task.

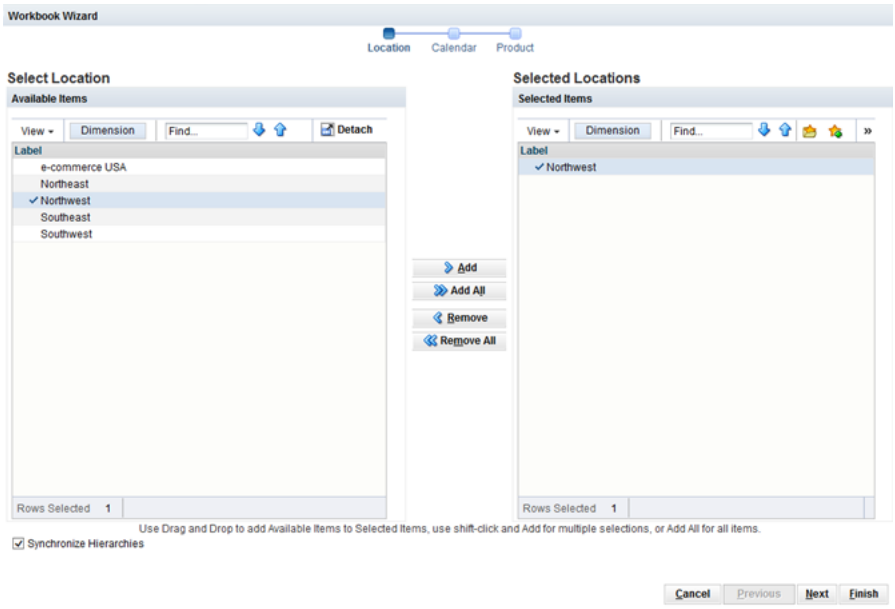
Figure 4–1 Category Planning Task



The workbook wizard opens.

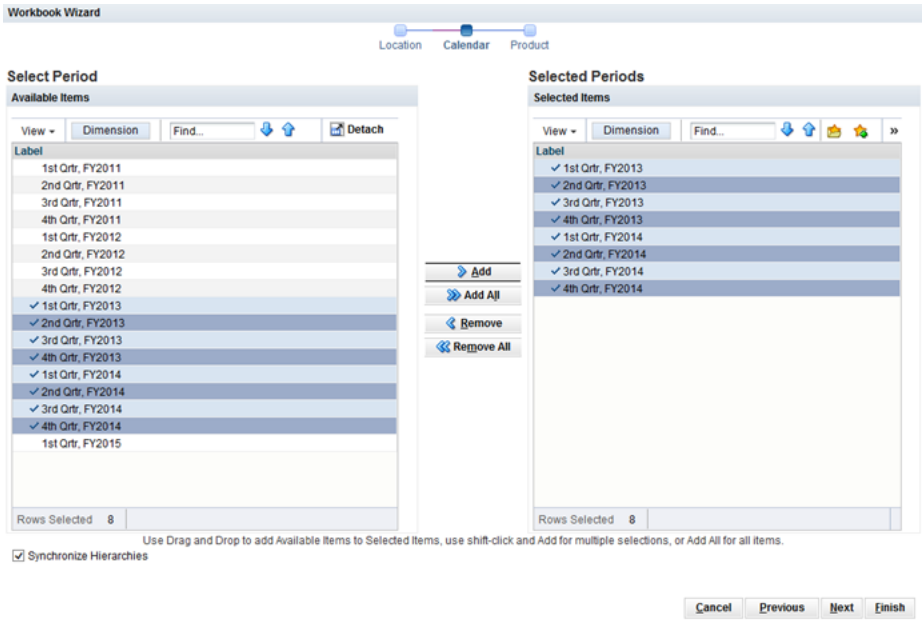
2. Select one location and move it to the Selected Items box. Click **Next**.

Figure 4–2 Workbook Wizard Select Location Page



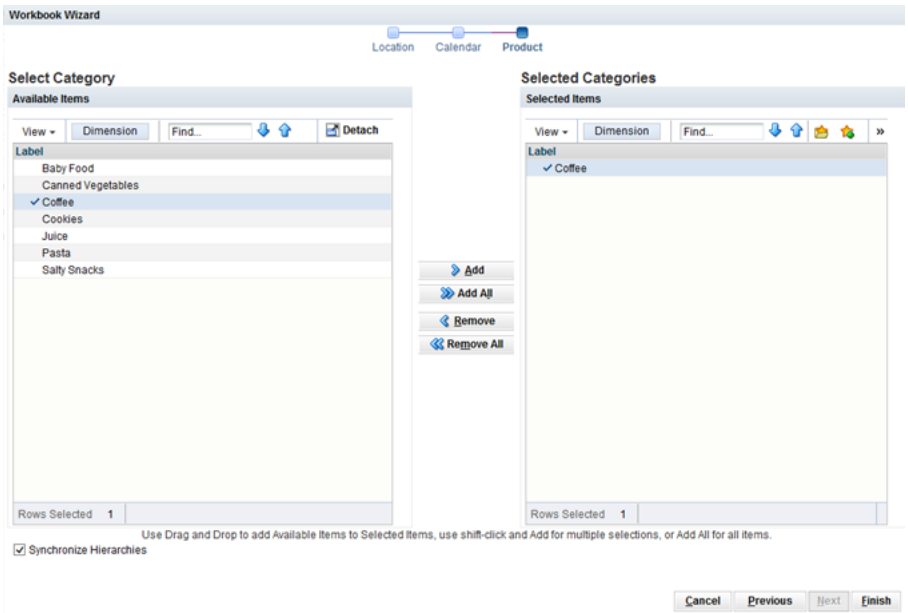
3. Select the calendar periods and move them to the Selected Items box. Click **Next.**

Figure 4–3 Workbook Wizard Select Periods Page



4. Select the categories and move them to the Selected Items box. Click Finish.

Figure 4–4 Workbook Wizard Select Category Page



The workbook is created.

Category Performance Review Step

The Category Performance Review Step is a dashboard view for the user to assess the performance of a category and sub-category against the targets set for the approved category plan. This assessment is made during the in-season to see the variance between plan and actuals and during the pre-season for past planning periods.

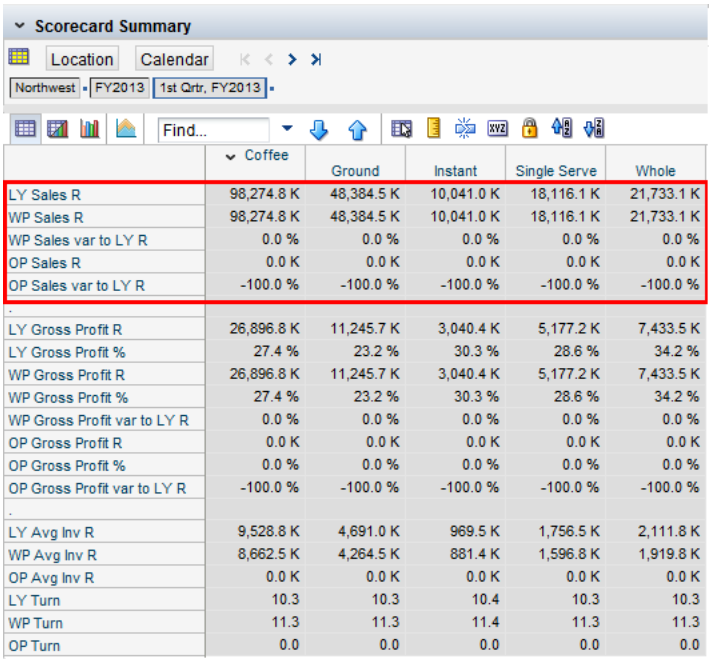
Scorecard Summary View

This step has one view, Scorecard Summary. Use this view to assess the performance categories and respective sub-categories.

The Scorecard Summary view also contains three measure profiles for basic retail parameters such as Sales, Gross Profit, and so on:

- Sales
- Promo Sales
- Private Label Sales

Figure 4–5 Scorecard Summary Sales Measure Profile View



	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.					
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
WP Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.					
LY Avg Inv R	9,528.8 K	4,691.0 K	969.5 K	1,756.5 K	2,111.8 K
WP Avg Inv R	8,662.5 K	4,264.5 K	881.4 K	1,596.8 K	1,919.8 K
OP Avg Inv R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
LY Turn	10.3	10.3	10.4	10.3	10.3
WP Turn	11.3	11.3	11.4	11.3	11.3
OP Turn	0.0	0.0	0.0	0.0	0.0

Table 4–1 lists the measures available in the Scorecard Summary Sales Measure Profile View.

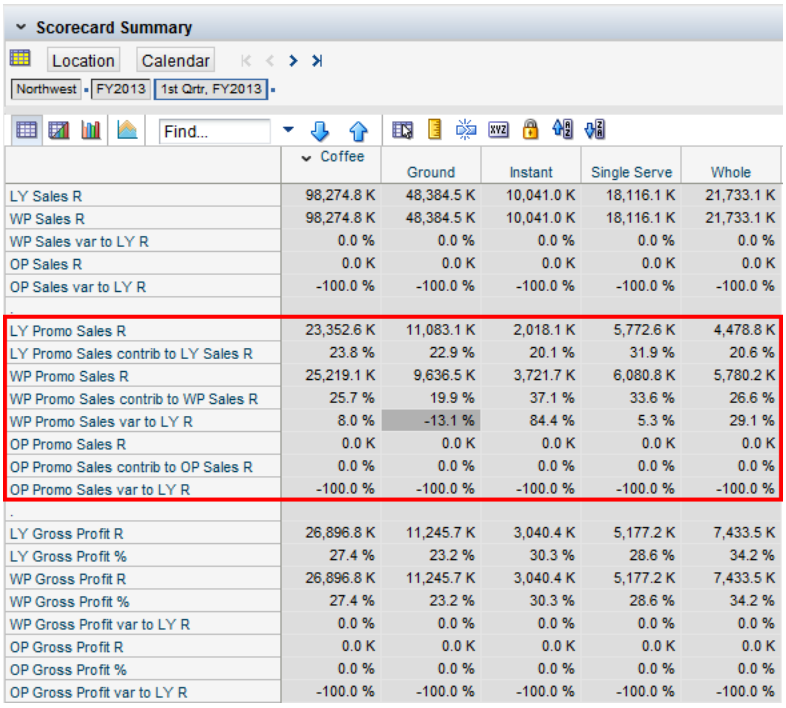
Table 4–1 Scorecard Summary Sales Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise at the category and sub-category levels.

Table 4–1 (Cont.) Scorecard Summary Sales Measure Profile Measures

Label	Definition
LY Gross Profit %	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	The gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.
LY Avg Inv R	The average inventory retail value or stock retail value carried by the category or sub-category per last year's actuals. Average inventory retail value represents an average retail value of merchandise bought, received, and carried by the retailer before it gets sold at any point in time. This average inventory retail value is generally calculated on a weekly basis or a monthly basis to get an understanding of the money invested in inventory or buying merchandise.
WP Avg Inv R	The average inventory retail value to be carried by a category or sub-category in a given planning period, per the category plan's working plan version.
OP Avg Inv R	Average inventory retail value to be carried by a category or sub-category per the approved category plan or original plan.
LY Turn	Inventory turns per last year's actuals. It reflects the number of times the average inventory carried can be sold over a specified period of time.
WP Turn	Inventory turns in the working plan version of the category plan. It reflects the number of times the average inventory carried can be sold over a specified period of time.
OP Turn	Inventory turns in the approved category plan or original plan. It reflects the number of times the average inventory carried can be sold over a specified period of time.

Figure 4–6 Scorecard Summary Promo Sales Measure Profile View



	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
LY Promo Sales R	23,352.6 K	11,083.1 K	2,018.1 K	5,772.6 K	4,478.8 K
LY Promo Sales contrib to LY Sales R	23.8 %	22.9 %	20.1 %	31.9 %	20.6 %
WP Promo Sales R	25,219.1 K	9,636.5 K	3,721.7 K	6,080.8 K	5,780.2 K
WP Promo Sales contrib to WP Sales R	25.7 %	19.9 %	37.1 %	33.6 %	26.6 %
WP Promo Sales var to LY R	8.0 %	-13.1 %	84.4 %	5.3 %	29.1 %
OP Promo Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Promo Sales contrib to OP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Promo Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
WP Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %

Table 4–2 lists the measures available in the Promo Sales Measure Profile View.

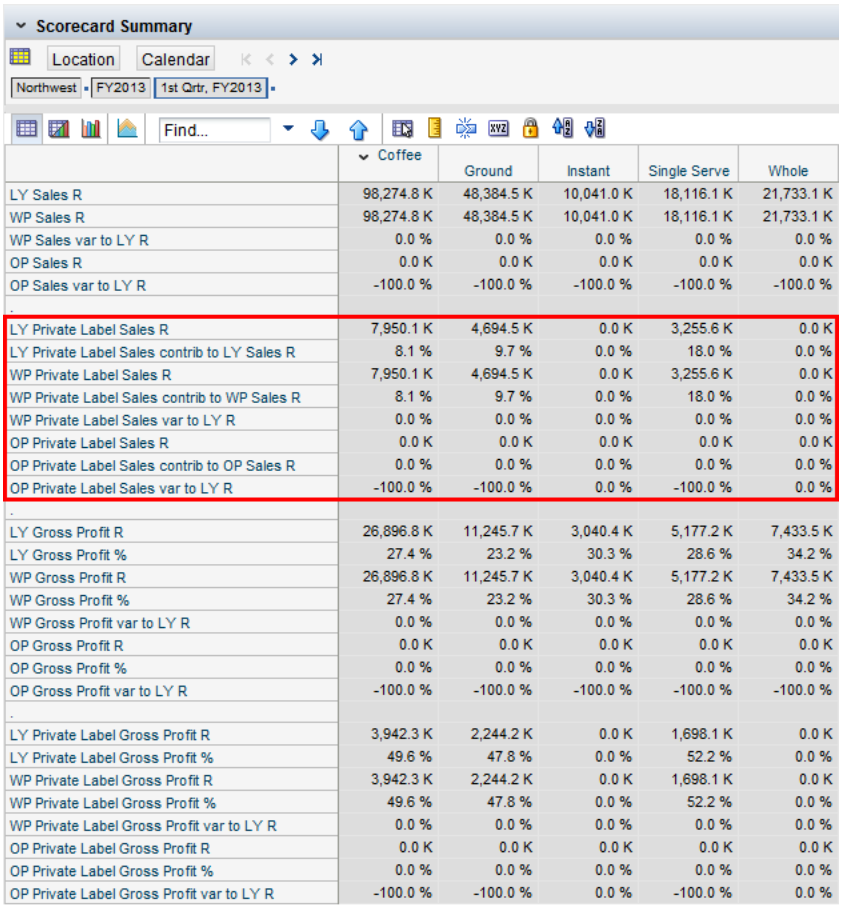
Table 4–2 Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, per the working plan version of the category plan.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Promo Sales R	Last year's promotional sales retail value actuals.
LY Promo Sales contrib to LY Sales R	Last year's promotional sales retail contribution, in percentage points, to the overall sales retail of last year's actuals.
Wp Promo Sales R	Promotional sales retail in the working plan version of the category plan.
WP Promo Sales contrib to WP Sales R	The promotional sales retail contribution, in percentage points, to the overall sales retail of the working plan version of the category plan.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year plan's actuals.
OP Promo Sales R	Promotional sales retail in the original plan assortment.

Table 4–2 (Cont.) Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
OP Promo Sales contrib to OP Sales R	The original plan's promotional sales retail value's variance to the same in last year plan's actuals.
OP Promo Sales var to LY R	The original plan's promotional sales retail value's variance to the same in last year's actuals.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	The gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY R	Gross profit retail value variance between the original plan and last year's actuals.

Figure 4–7 Scorecard Summary Private Label Measure Profile View



	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.					
LY Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K	0.0 K
LY Private Label Sales contrib to LY Sales R	8.1 %	9.7 %	0.0 %	18.0 %	0.0 %
WP Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K	0.0 K
WP Private Label Sales contrib to WP Sales R	8.1 %	9.7 %	0.0 %	18.0 %	0.0 %
WP Private Label Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Private Label Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Private Label Sales contrib to OP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Private Label Sales var to LY R	-100.0 %	-100.0 %	0.0 %	-100.0 %	0.0 %
.					
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
WP Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.					
LY Private Label Gross Profit R	3,942.3 K	2,244.2 K	0.0 K	1,698.1 K	0.0 K
LY Private Label Gross Profit %	49.6 %	47.8 %	0.0 %	52.2 %	0.0 %
WP Private Label Gross Profit R	3,942.3 K	2,244.2 K	0.0 K	1,698.1 K	0.0 K
WP Private Label Gross Profit %	49.6 %	47.8 %	0.0 %	52.2 %	0.0 %
WP Private Label Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Private Label Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Private Label Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Private Label Gross Profit var to LY R	-100.0 %	-100.0 %	0.0 %	-100.0 %	0.0 %

Table 4–3 lists the measures available in the Private Label Measure Profile View.

Table 4–3 Scorecard Summary Private Label Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, per the working plan version of the category plan.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Private Label Sales R	Sales retail value from private label merchandise, for a category or sub-category, per last year's actuals.
LY Private Label Sales contrib to LY Sales R	Last year's sales retail contribution of private label merchandise to the overall sales retail in last year's actuals expressed in percentage points.
WP Private Label Sales R	The private label items' sales retail value in a working plan version of the category plan.

Table 4–3 (Cont.) Scorecard Summary Private Label Measure Profile Measures

Label	Definition
WP Private Label Sales contrib to WP Sales R	The sales retail contribution of private label merchandise to the overall sales retail of the working plan version of the category plan expressed in percentage points.
WP Private Label Sales var to LY R	The working plan's private label merchandise's sales retail variance to the same in last year's actuals.
OP Private Label Sales R	The private label items' sales retail value in the pre-season original plan assortment.
OP Private Label Sales contrib to OP Sales R	The original plan's private label sales retail value's contribution to the overall sales retail value in the original plan.
OP Private Label Sales var to LY R	The original plan's private label items' sales retail variance to the same in last year plan's actuals.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	The gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY	Gross profit percentage from the merchandise per the original plan.
LY Private Label Gross Profit R	Gross profit retail of private label items in last year's assortment for the cluster.
LY Private Label Gross Profit %	Gross profit percentage of private label items in last year's assortment for the cluster.
WP Private Label Gross Profit R	The gross profit retail of private label items in a working plan assortment.
WP Private Label Gross Profit %	The gross profit percentage of private label items in a working plan assortment.
WP Private Label Gross Profit var to LY R	The working plan's private label items' gross profit retail's variance to the same in last year plan's actuals.
OP Private Label Gross Profit R	The original plan's private label merchandise's gross profit value. It is the original plan's sales retail value of private label merchandise sold minus the corresponding cost of goods sold (COGS).
OP Private Label Gross Profit %	The original plan's private label merchandise's gross profit value. It is the original plan's approved retail sales values minus the COGS. It is the whole divided by the retail sales value.
OP Private Label Gross Profit var to LY R	The original plan's private label merchandise's gross profit retail value's variation to last year's actuals.

Define Retail Strategy Step

Retailers need to view and analyze information from diverse sources and use that information to analyze target shoppers, trading area opportunities, and the competition. The category plans should be rooted to, or based on, the business context or business situation. This step brings in that understanding of the business situation in the market in which the retailer competes in terms of the potential business, consumer profile composition, their respective spends, and so on. This sets the foundation for the category planning process to begin. The retail strategy should answer the following questions:

- Who are the retailer's target shoppers and is the retailer reaching them?
- Who are the retailer's competitors for the target shopper?
- What opportunities exist to improve the retailer's competitive position?
- Which categories are most strategic in the market and for the retailer?
- How should the retailer assign category roles and resources while allocating resources to opportunities?

This step has the following views:

1. Analyze Target Shoppers View

2. Analyze Trading Area Opportunity View

3. Analyze Competition View

1. Analyze Target Shoppers View

Use this view to analyze target shoppers. Consumer demographic and psychographic information is presented against their relative presence, contribution, and spend in the market compared with the retailer. This analysis provides an insight into whether or not the retailer is stronger compared to the total market with respect to a particular consumer demographic group. It specifically provides insight into the following:

- Composition of the consumers shopping at the retailer as compared to the overall market.
- The percentage of the total spending in that market from a specific consumer profile.

The view exists at the following levels:

- Consumer Profile (the base level in the Consumer Profile dimension) such as household income or number of children
- Trading Area (a level in the Location dimension) such as Chicago or Atlanta
- Category (a level in the Product dimension) such as cereal or coffee

Figure 4–8 1. Analyze Target Shoppers

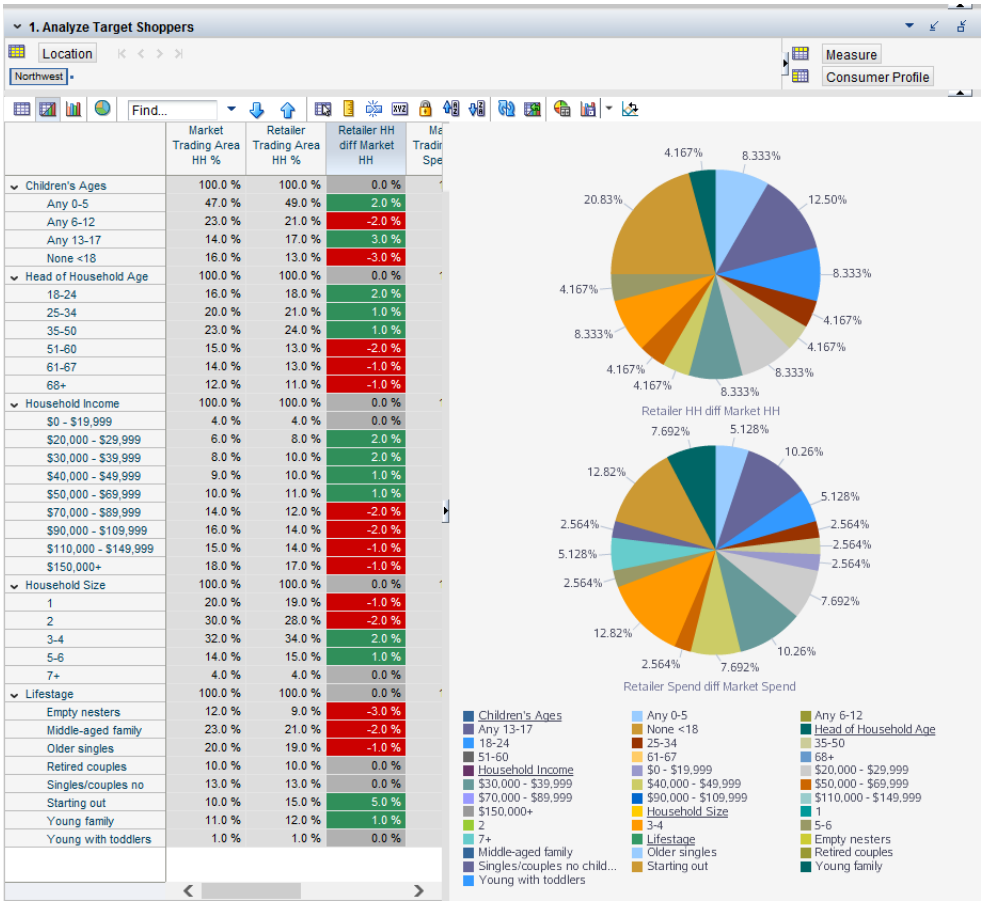


Table 4–4 lists the measures available in this view. The data is loaded from Household Panel data.

Table 4–4 1. Analyze Target Shoppers Measures

Label	Definition
Market Trading Area HH %	The percentage of market households that belong to a specific consumer segment profile based on meeting a specific demographic or psychographic parameter criteria.
Retailer Trading Area HH %	The percentage of market households that shop at the retailer and belong to a specific consumer segment profile based on meeting a specific demographic or psychographic parameter criteria.
Retailer HH diff Market HH	The difference between Market HH % and Retailer HH % that belong to a specific consumer segment profile based on meeting a specific demographic or psychographic parameter criteria.
Market Trading Area Spend %	The percentage of overall market spend produced by a specific consumer segment profile based on meeting a specific demographic or psychographic parameter criteria.
Retailer Trading Area Spend %	The percentage of overall market spend produced by a specific consumer segment profile based on meeting a specific demographic or psychographic parameter criteria while shopping at the retailer.

Table 4–4 (Cont.) 1. Analyze Target Shoppers Measures

Label	Definition
Retailer Spend Diff Market Spend	The difference in spend percentage between the market and the retailer. It is the difference between Market Spend % and Retailer Spend %.
Key Take Away	The user comments that can be saved for each task.

2. Analyze Trading Area Opportunity View

Use this view to see the analytics that identify whether or not target shoppers offer a good business opportunity by comparing selected metrics compared with the overall market averages and other consumer segments.

This view exists at the following levels:

- Consumer Segment (a level in the Location dimension), such as Soccer Mom or Empty Nester
- Trading Area (a level in the Location dimension)
- Category (a level in the Product dimension)

Figure 4–9 2. Analyze Trading Area Opportunity View

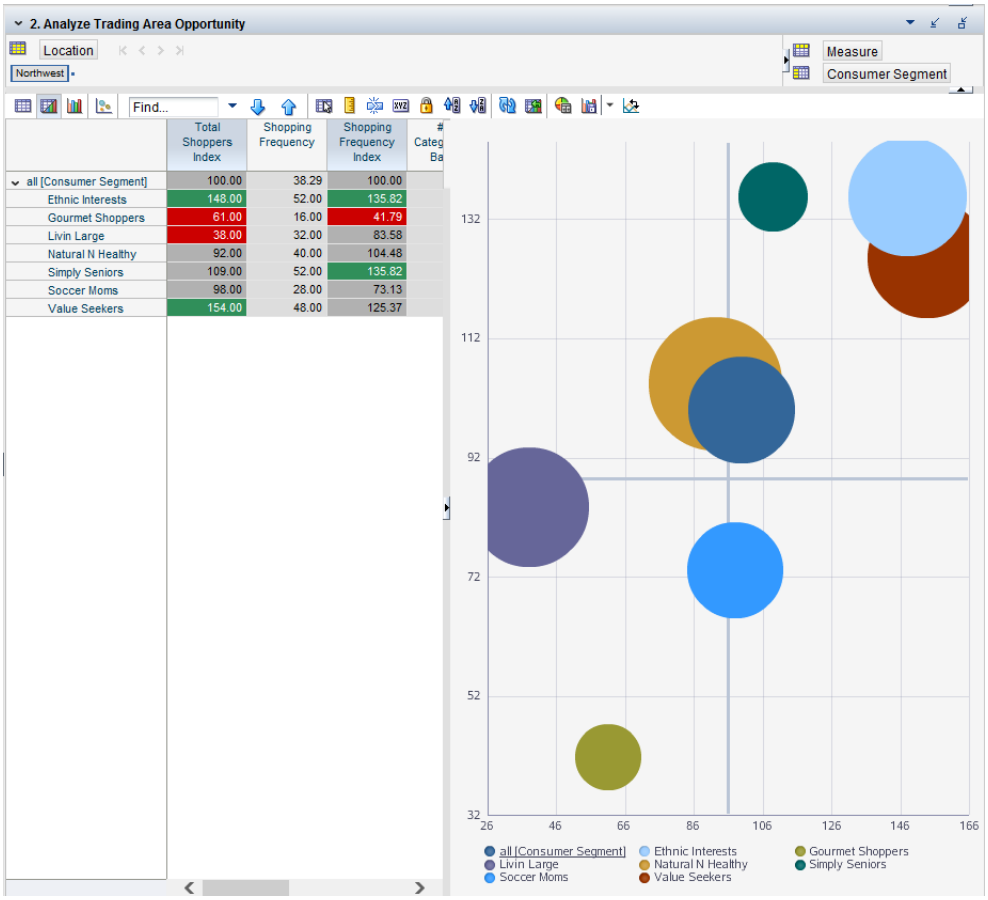


Table 4–5 lists the measures available in this view. The data is loaded from Household Panel data.

Table 4–5 2. Analyze Trading Area Opportunity Measures

Label	Definition
Total Shoppers Index	Assortment Planning @ Cluster Default Value Top Shopper Index. Represents the tier-1 of loyalty customers as determined in the retailers' loyalty solutions.
Shopping Frequency	The total number of shopping occasions for a specific consumer segment in a given time period.
Shopping Frequency Index	An index value indicating the relative shopping frequency of a consumer segment compared with other consumer segments. This index is based on the shopping frequency values of different consumer segments and calculated using the index-to-average method.
# of Categories in Basket	The number of product categories with at least one item in a basket (customer's purchases or customer's basket). This measure is available at the trading area and consumer segment level.
# of Categories in Basket Index	An index value based on the # of Categories in Basket measure calculated using the index-to-average method, that is, the # of Categories in Basket divided by the average of # of Categories in Basket.
Avg. Basket Value	The average purchase value of a consumer for a particular consumer segment. The consumer's purchase is often referred to as consumer's basket.
Avg. Basket Value Index	An index indicating the relative size of a consumer segment's basket, or purchases, based on the average basket values of a consumer segment. It is calculated using the index-to-average method.
Key Take Away	The user comments that can be saved for each task.

3. Analyze Competition View

Use this view to determine who the retailer's strongest competitors are and if opportunities exist to improve the retailer's position.

This view exists at the following levels:

- Company (a level in the Company dimension)
- Trading Area (a level in the Location dimension)
- Category (a level the Product dimension)

Figure 4–10 3. Analyze Competition View

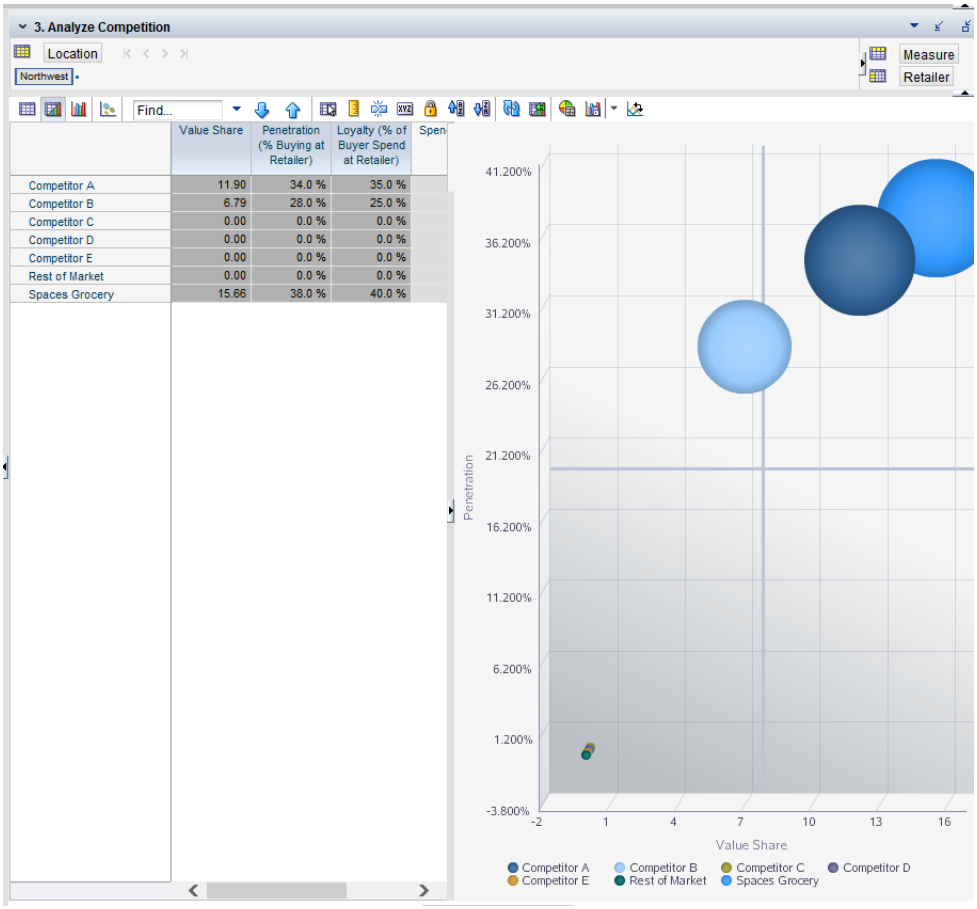


Table 4–6 lists the measures available in this view. The measures are loaded from Household Panel data.

Table 4–6 3. Analyze Competition Measures

Label	Definition
Value Share	Category Planning Default Value Share Value. The calculated measure which uses the following formula: Penetration multiplied by Loyalty Index multiplied by Spending Index.
Penetration (% Buying at Retailer)	Category Planning Default Value Penetration (% Buying at Retailer) Percent. The percentage of households buying at the retailer.
Loyalty (% of Buyer Spend at Retailer)	Category Planning Default Value Loyalty (% of Buyer Spend at Retailer) Percent. The percentage of the spending that retail buyers spend at the retailer.
Spend Index	An index value based on the spend percentage, of the consumers or market as a whole, attracted by the retailer compared to the average spend percentage at the other retailers competing in the market. It is calculated by the index-to-average method.
Key Take Away	The user comments that can be saved for each task.

Assign Category Role Step

In a gamut of product categories, which the retailer stocks and sells, it is important to fix a role to each and every product category to clearly define and align with overall macro-retail business objectives set by the top management. This brings a sense of clarity, harmony, and synchronization among different product categories that are part of the retailer's portfolio. It helps the retailer in clearly defining and meeting business targets by defining appropriate assortments meeting consumer expectations. As previously described, category management is a practice to manage individual product categories as independent business units, but there is a certain role or a guideline to which each business unit needs to adhere to, which is brought in by the role assignment to categories. Category roles represent the importance and function of a product category in the overall category plan or in the larger scheme of things.

In the analogy presented, if a product category is an individual business unit, the category role is like a vision statement for the respective business unit. Similarly, strategies and tactics, which are assigned in the later part of the category planning process flow, are mission and goals to product categories and sub-categories. So, in effect, roles, strategies, and tactics to product categories are like the vision, mission, and goals for individual business units. Strategies suggest the overall approach to achieve the desired category role. Tactics are a set of activities to attain the set strategy.

Assignment of roles, strategies, and tactics, fulfills the imminent need in a retail business, which is to orchestrate the whole business consisting of numerous product categories in a symphonic manner to maximize sales, profits, and produce optimum business results.

Roles, strategies and tactics along with the category plan are sent to the Assortment Planning task on the approval of the overall category plan. They are used as a reference or set of guidelines to make an assortment plan.

The retailer needs to view and analyze information from diverse sources, internal and external, and use that information to determine what role each category plays in the retailer's business so that the larger retail business objectives are met. Category planning provides the ability to analyze category roles by providing insight into which categories are most strategic in the market as well as which are most strategic for the retailers target shoppers. This analysis sets the foundation for understanding which categories should be assigned which roles within the retailer's portfolio. There are two industry models, Model A and Model B, used to assign roles to a category. Role assignment to a category also depends on the intent or overall game plan of the retailer to compete in the market, which is why, the user's (Category Manager's) discretion, is very important in the assignment of category roles.

This step initially presents market insights highlighting the market shares, growths, value shares, trends, and so on, cross-category consumer segment spend analysis, and internal cross-category performance analysis setting a stepping stone or background for category role assignments.

The following data is required for this step:

- Retailer's loyalty data
- Market scan data
- Household Panel data

This step contains two Measure Profiles:

- Market
- Retailer

This step also contains the following tabs and views:

- Analyze Market Share and Growth Tab:
  1. Analyze Market Share and Growth View
  2. Analyze Sales Trends View
  3. Analyze Profit Contribution View
  4. Analyze Value Share View
- Analyze Consumer Spend Tab:
  5. Analyze Cross Category Spending View
  6. Analyze Spend Versus Frequency View
  7. Analyze Consumer Purchase Behavior View
  8. Analyze Category Buyer Conversion View
  9. Analyze Consumer Segment Cross Category Spending View
- Quadrant Analysis Tab:
  Mkt Share / Growth / Category Size
  Mkt Share / Growth / Sales View
  Retailer Share / Growth / Category Size View
  Retailer Share / Growth / Sales View
- Analyze and Assign Category Role - Industry Model A Tab:
  1. Analyze Historic Performance - Industry Model A View
  2. Analyze Forecasted Performance - Industry Model A View
  3. Assign Category Roles - Industry Model A View
- Analyze and Assign Category Role - Industry Model B Tab:
  1. Analyze Historic Performance - Industry Model B View
  2. Analyze Forecasted Performance - Industry Model B View
  3. Assign Category Roles - Industry Model B View

Analyze Market Share and Growth Tab

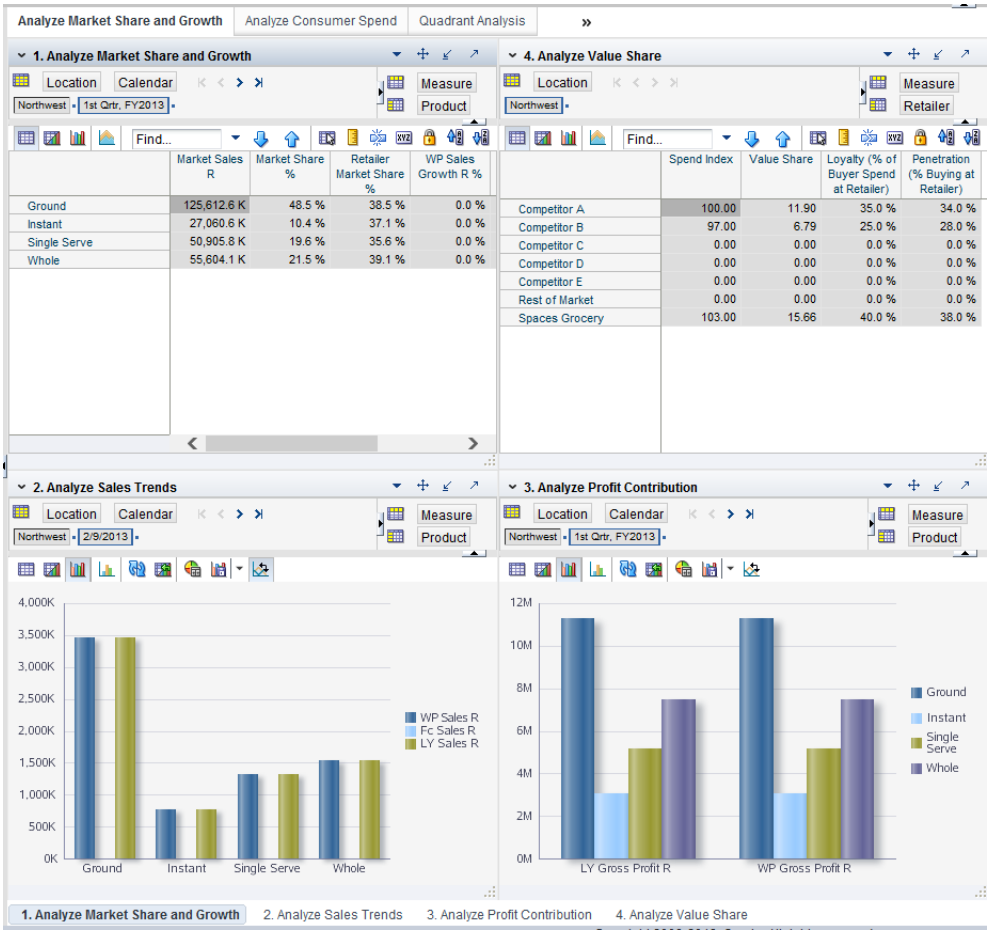
This tab presents a combined view of market insights and the retailer's standing in the market in terms of various business parameters. The analyses presented under this tab are mostly self-explanatory and elaborated upon, if required. This provides market business context information or highlights the business situation of the market for a product category. In effect, it builds the required market business background for the category manager to come out with a suitable and optimum category plan.

1. Analyze Market Share and Growth View

Use this view to analyze which categories are growing fastest in the market and which of the categories are the strongest for the retailer as compared to all competitors across all consumer segments.

The following figure shows the four views for this tab.

Figure 4–11 1. Analyze Market Share and Growth Tab Views



This view exists at the following levels:

- Category (a level in the Product dimension)
- Market or a Trading Area (a level in the Location dimension)

Figure 4–12 1. Analyze Market Share and Growth View (Market Measure Profile)

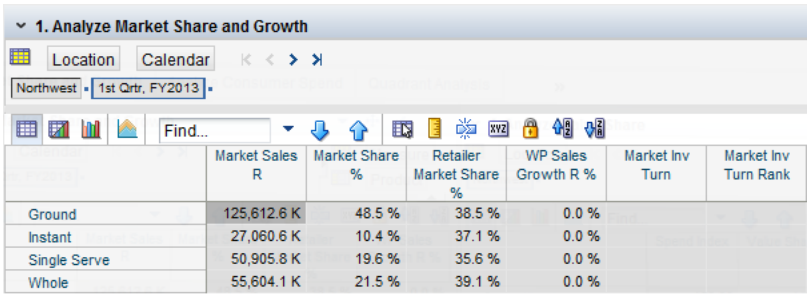


Table 4–7 lists the measures available in this view. The measures are loaded from market scan competitive data.

Table 4–7 1. Analyze Market Share and Growth Measures (Market Measure Profile)

Label	Definition
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment, such as a sub-category, towards the overall sales retail of the sub-category, category, and so on.
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or a category.
WP Sales Growth R %	The working plan's sales retail's growth rate.
Market Inv Turn	This measure reflects the market's (typically, trading area level or above) average inventory, taking into consideration all the retailers competing in the market. Inventory turns are defined as the number of times a retailer sells out its complete carried inventory at a location (for example a store, DC, a fulfillment center, and so on) in a given period of time. It represents the speed with which inventory is sold. Inventory Turns are calculated by dividing Sales by Average Inventory. If a retailer turns its inventory 22 times a year, it means that, on, average the retailer purchases and sells a product 22 times a year.
Market Inv Turn Rank	An ordinal rank assigned to product segment (sub-category, category, and so on) on the basis of the Market Inv Turn measure.

Figure 4–13 1. Analyze Market Share and Growth View (Retailer Measure Profile)

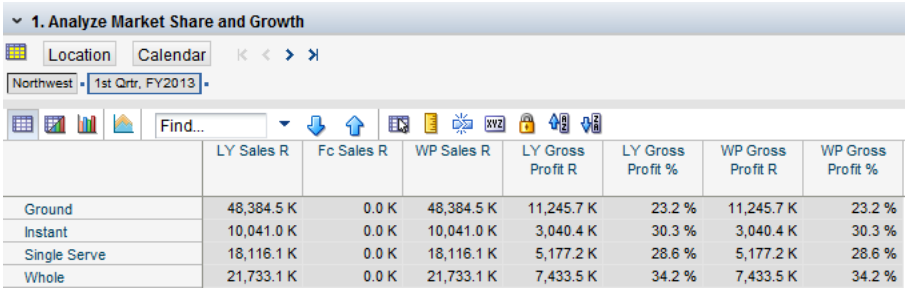


Table 4–8 lists the measures available in this view. The measures are loaded from retailer scan competitive data.

Table 4–8 1. Analyze Market Share and Growth Measures (Retailer Measure Profile)

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using Automated Exponential Smoothing (AutoES) libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.

Table 4–8 (Cont.) 1. Analyze Market Share and Growth Measures (Retailer Measure

Label	Definition
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise presented at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise presented at the category and sub-category levels.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.

2. Analyze Sales Trends View

Use this view to determine the category role between seasonal and convenience. Using the chart, you can infer which of the categories exhibit seasonal behavior. This information is best viewed as a column chart.

This view exists at the following levels:

- Week (a level in the Calendar dimension)
- Sub-Category (a level in the Product dimension)

Figure 4–14 2. Analyze Sales Trends View

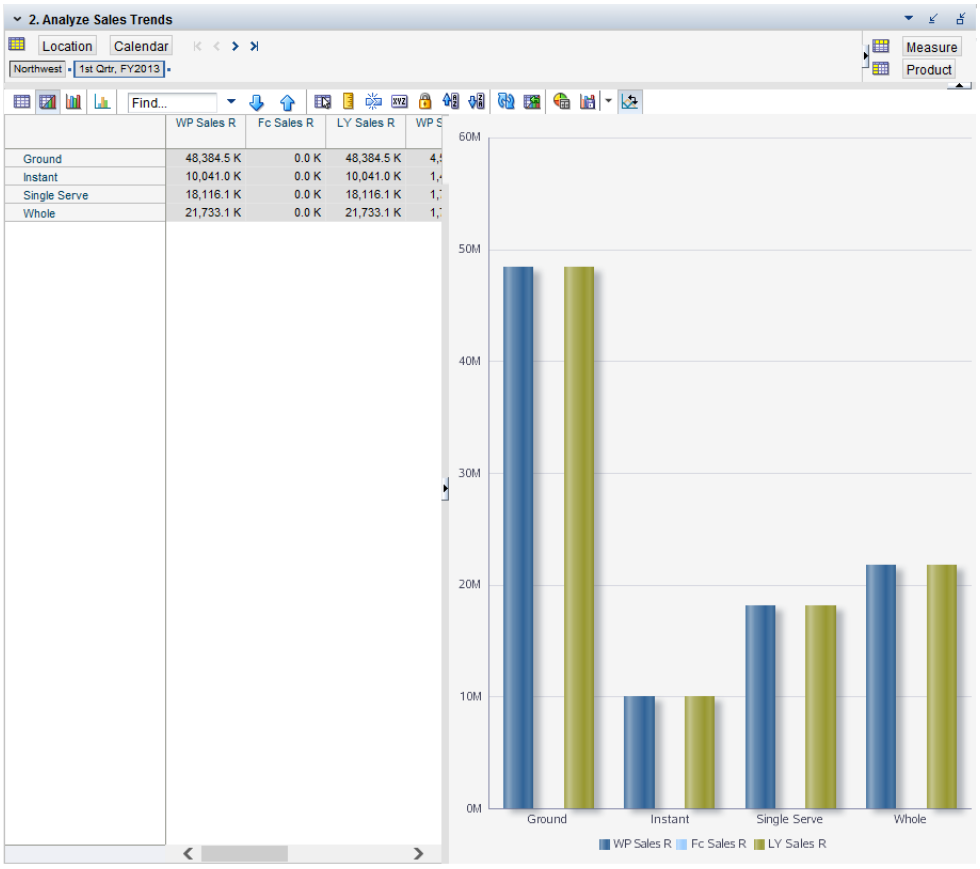


Table 4–9 lists the measures available in this view.

Table 4–9 2. Analyze Sales Trends Measures

Label	Definition
WP Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
LY Sales R	The sales units from the merchandise in the working plan version of the category plan.
WP Sales U	The working plan assortment's sales units.
Fc Sales U	Forecasted sales retail units for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
LY Sales U	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales var to Fc U	Variation of sales units in the working plan version of the category plan to the same in the forecast.
WP Sales var to LY U	Variation of sales units in the working plan version of the category plan to the same in last year's actuals.

3. Analyze Profit Contribution View

Use this view to determine how each sub-category contributes to the overall margin and profit of the category. This information is best viewed as a scatter chart.

This view exists at the following levels:

- Market or Trading Area (a level in the Location dimension)
- Sub-Category (a level in the Product dimension)

Figure 4–15 3. Analyze Profit Contribution View

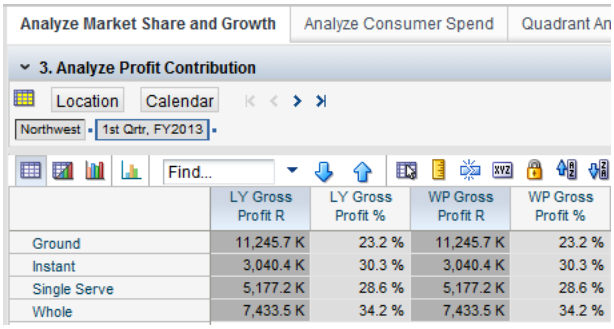


Table 4–10 lists the measures available in this view.

Table 4–10 3. Analyze Profit Contribution Measures

Label	Definition
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.

Table 4–10 (Cont.) 3. Analyze Profit Contribution Measures

Label	Definition
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.

4. Analyze Value Share View

Use this view to analyze the value share. This information is best viewed as a bubble chart.

Figure 4–16 4. Analyze Value Share View

Table 4–11 lists the measures available in this view.

Table 4–11 4. Analyze Value Share Measures

Label	Definition
Spend Index	An index value based on the spend percentage, of the consumers or market as a whole, attracted by the retailer compared to the average spend percentage at the other retailers competing in the market. It is calculated by the index-to-average method.
Value Share	Category Planning Default Value Share Value. The calculated measure which uses the following formula: Penetration multiplied by Loyalty Index multiplied by Spending Index.
Loyalty (% of Buyer Spend at Retailer)%	Category Planning Default Value Loyalty (% of Buyer Spend at Retailer) Percent. The share of annual category requirements that the consumer is able to satisfy with a single brand (size, type, flavor, and so on). For example, if a consumer makes 10 purchases annually in a given category, 3 of which are made of Brand A, Brand A would have a 30% loyalty, (3/10 = 30%). This measure enables the distributor to discriminate in favor of those items for which targeted consumers have shown a higher loyalty to purchase versus other products within the category. The discontinuation of these products could result in the target consumer leaving the store. Loyalty is converted into an index by comparing (dividing) the loyalty of Brand A by the average loyalty of all brands within the category. Loyalty and the loyalty index can be measured at all levels of data analysis (brand, size, flavor, SKU, and so on).

Table 4–11 (Cont.) 4. Analyze Value Share Measures

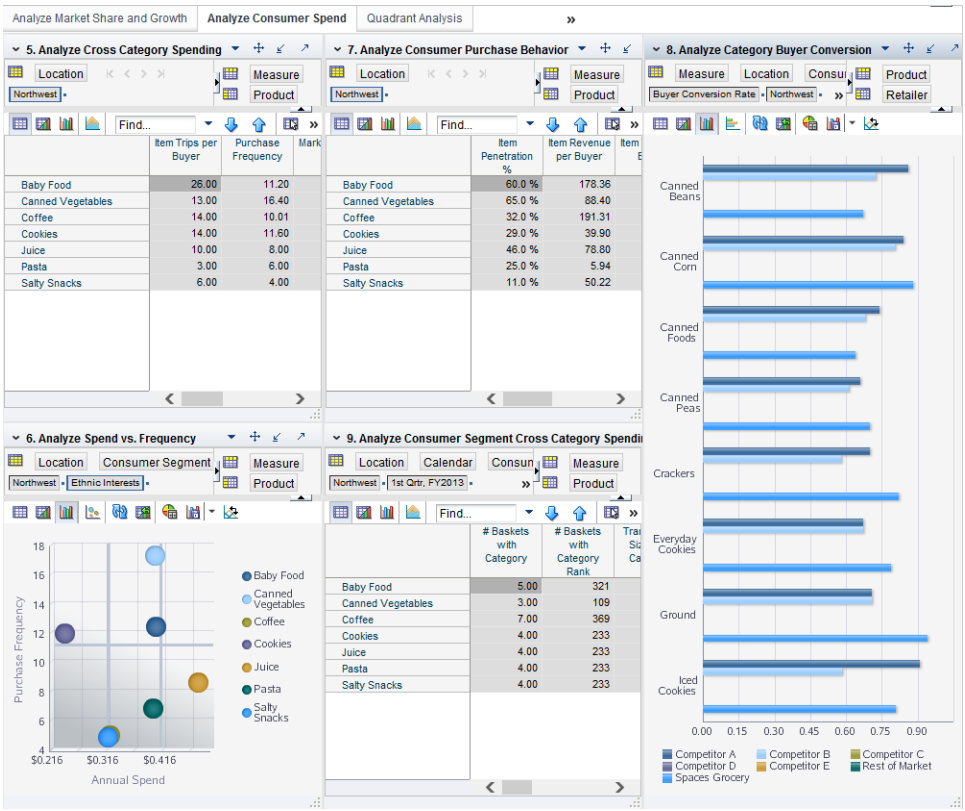
Label	Definition
Penetration (% Buying at Retailer)	The percent of households buying at the retailer.

Analyze Consumer Spend Tab

This tab presents cross-category consumer spend analysis at different levels including the overall market level, retailer level, and competitor level. Consumer spend metrics consist of parameters such as Purchase Frequency, Item Penetration, Annual Spend, and so on. It helps the retailer assessing the consumer spending patterns and identifying its target consumer segments.

The following figure shows the initial views displayed for this tab.

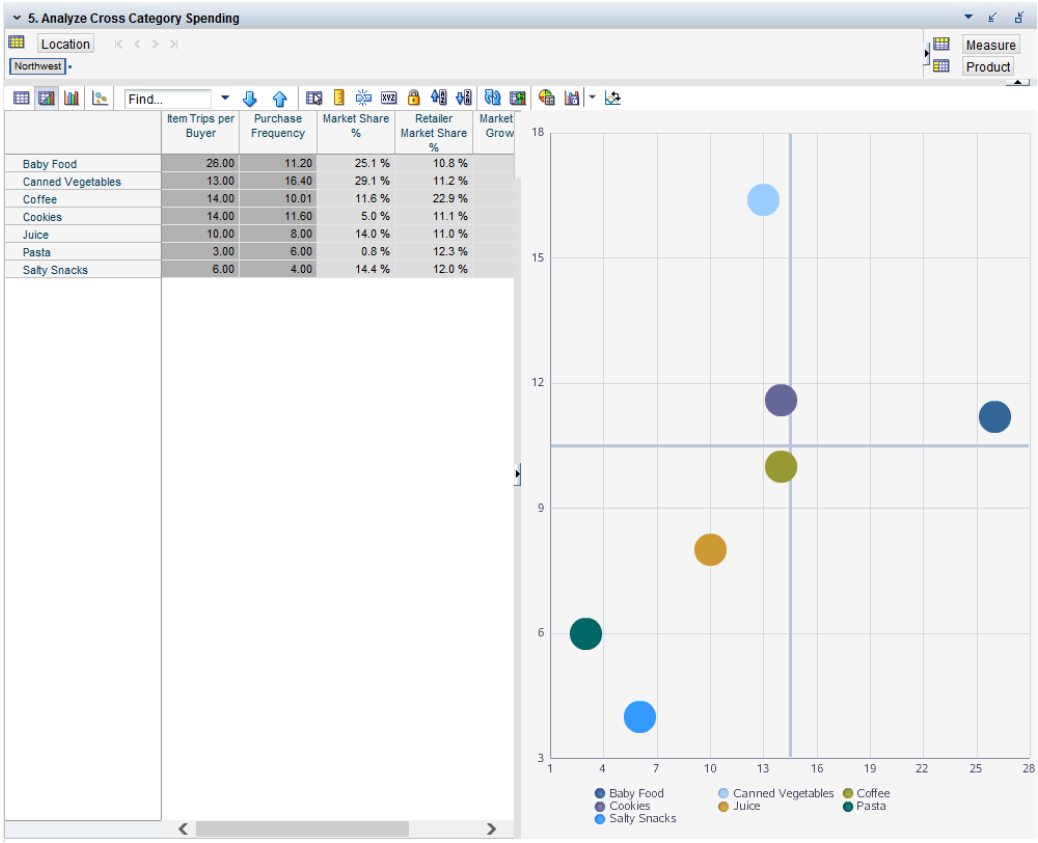
Figure 4–17 Analyze Consumer Spend Tab Views



5. Analyze Cross Category Spending View

Use this view to analyze which categories are shopped more frequently, have a higher market share, or represent higher market growth compared to other categories for the retailer. This information is best viewed as a bubble chart.

Figure 4–18 5. Analyze Cross Category Spending View



The view exists at the following levels:

- Trading Area (a level in the Location dimension)
- Category (a level in the Product dimension)

Table 4–12 lists the measures available in this view. The measures are loaded from Household Panel data.

Table 4–12 5. Analyze Cross Category Spending Measures

Label	Definition
Item Trips per Buyer	The average number of times a customer makes a shopping trip for a particular item or a set of merchandise.
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment, such as a sub-category, towards the overall sales retail of the sub-category, category, and so on.
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or category.
Market Sales Growth %	The percentage increase or decrease in sales retail volume for the entire market compared to the previous time period.
Item Revenue per Buyer	An item's average retail sales per customer, buyer, or shopper.

6. Analyze Spend Versus Frequency View

Use this view to identify which categories are important for those customers who shop at the retailer. This information is best viewed as a scatter chart.

This view exists at the following levels:

- Consumer Segment (a level in the Location dimension)
- Market (a level in the Location dimension)
- Category (a level in the Product dimension)

Figure 4–19 6. Analyze Spend vs. Frequency View

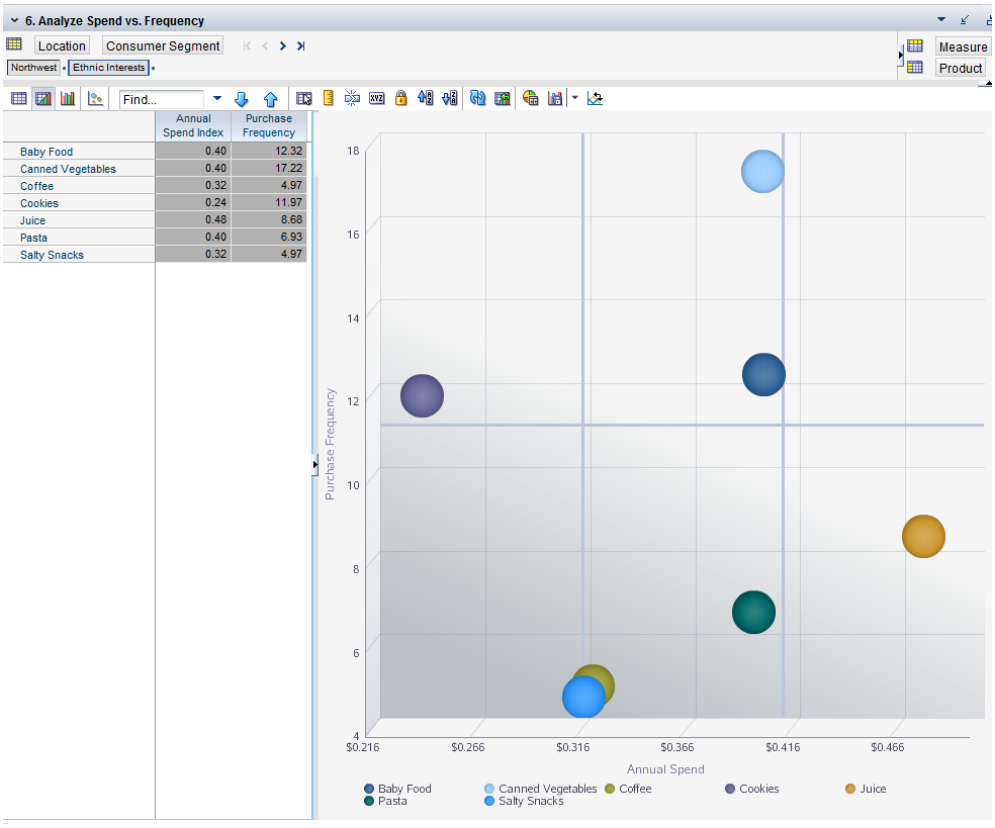


Table 4–13 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–13 6. Analyze Spend Vs. Frequency Measures

Label	Definition
Annual Spend Index	An index indicating the average annual spend on a product category relative to other product categories. It is calculated by an index-to-average method using the spends for different product categories. This measure is presented at the consumer segment level.
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.

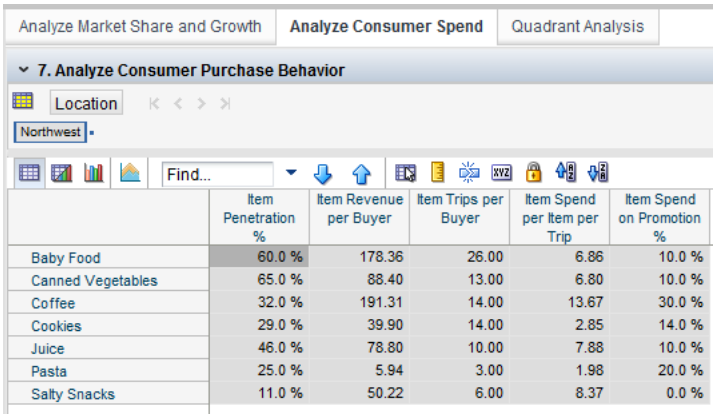
7. Analyze Consumer Purchase Behavior View

Use this view to analyze consumer purchase behavior across categories.

This view exists at the following levels:

- Category (a level in the Product dimension)
- Consumer Segment (a level in the Location dimension)

Figure 4–20 7. Analyze Consumer Purchase Behavior



	Item Penetration %	Item Revenue per Buyer	Item Trips per Buyer	Item Spend per Item per Trip	Item Spend on Promotion %
Baby Food	60.0 %	178.36	26.00	6.86	10.0 %
Canned Vegetables	65.0 %	88.40	13.00	6.80	10.0 %
Coffee	32.0 %	191.31	14.00	13.67	30.0 %
Cookies	29.0 %	39.90	14.00	2.85	14.0 %
Juice	46.0 %	78.80	10.00	7.88	10.0 %
Pasta	25.0 %	5.94	3.00	1.98	20.0 %
Salty Snacks	11.0 %	50.22	6.00	8.37	0.0 %

Table 4–14 lists the measures available in this view.

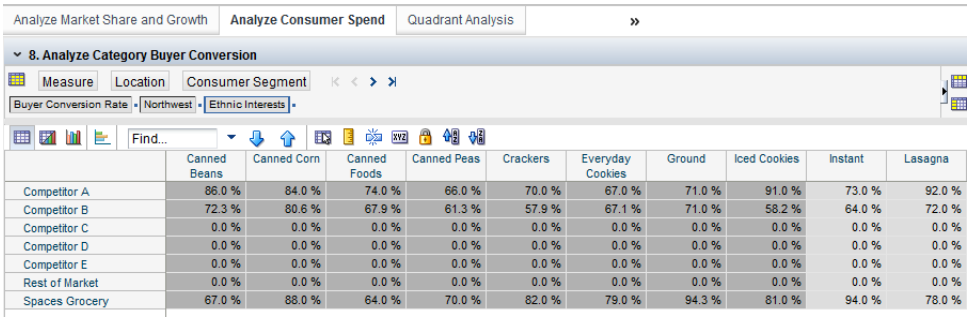
Table 4–14 7. Analyze Consumer Purchase Behavior Measures

Label	Definition
Item Penetration %	The percentage of households from a specific market/region/trading area that purchased an item or an item from a product group at least once within a given time frame.
Item Revenue per Buyer	An item's average retail sales per customer, buyer, or shopper.
Item Trips per Buyer	The average number of times a customer makes a shopping trip for a particular item or a set of merchandise.
Item Spend per Item per Trip	An item's retail sales value per customer's trip.
Item Spend on Promotion %	An item's promotional sales share of the overall retail sales.

8. Analyze Category Buyer Conversion View

Use this view to compare the percentage of buyer conversion of the retailer with that of named competitors.

Figure 4–21 8. Analyze Category Buyer Conversion View



	Canned Beans	Canned Corn	Canned Foods	Canned Peas	Crackers	Everyday Cookies	Ground	Iced Cookies	Instant	Lasagna
Competitor A	86.0 %	84.0 %	74.0 %	66.0 %	70.0 %	67.0 %	71.0 %	91.0 %	73.0 %	92.0 %
Competitor B	72.3 %	80.6 %	67.9 %	61.3 %	57.9 %	67.1 %	71.0 %	58.2 %	64.0 %	72.0 %
Competitor C	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Competitor D	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Competitor E	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Rest of Market	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Spaces Grocery	67.0 %	88.0 %	64.0 %	70.0 %	82.0 %	79.0 %	94.3 %	81.0 %	94.0 %	78.0 %

This view exists at the following levels:

- Category (a level in the Product dimension)
- Retailer (a level in the Retailer dimension)
- Consumer Segment (a level in the Location dimension)

Table 4–15 lists the measure available in this view.

Table 4–15 8. Analyze Category Buyer Conversion Measure

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy an item or specific set of merchandise (sub-category, category, and so on) out of the total shoppers who shop at the store or the retailer.

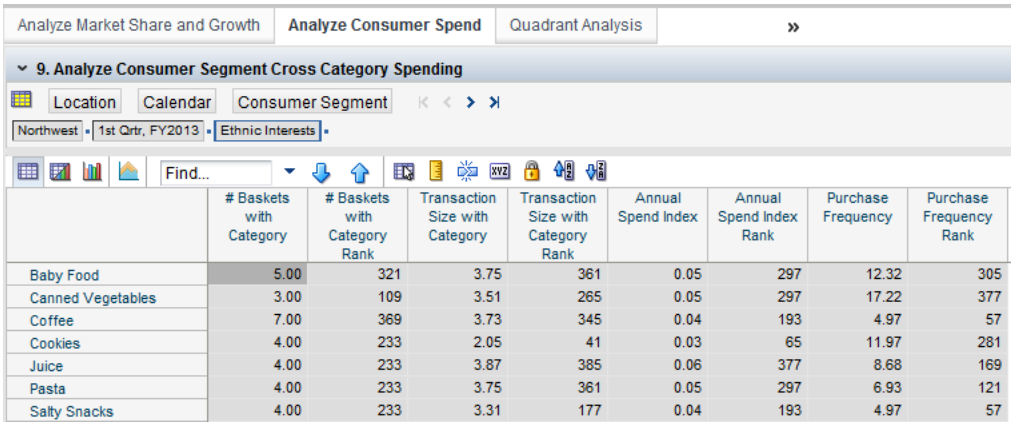
9. Analyze Consumer Segment Cross Category Spending View

Use this view to determine what is more important for spending to each of the consumer segments. This can be based on market data and retailer data.

The view exists at the following levels:

- Category (a level in the Product dimension)
- Market (a level in the Location dimension)

Figure 4–22 9. Analyze Consumer Segment Cross Category Spending View



	# Baskets with Category	# Baskets with Category Rank	Transaction Size with Category	Transaction Size with Category Rank	Annual Spend Index	Annual Spend Index Rank	Purchase Frequency	Purchase Frequency Rank
Baby Food	5.00	321	3.75	361	0.05	297	12.32	305
Canned Vegetables	3.00	109	3.51	265	0.05	297	17.22	377
Coffee	7.00	369	3.73	345	0.04	193	4.97	57
Cookies	4.00	233	2.05	41	0.03	65	11.97	281
Juice	4.00	233	3.87	385	0.06	377	8.68	169
Pasta	4.00	233	3.75	361	0.05	297	6.93	121
Salty Snacks	4.00	233	3.31	177	0.04	193	4.97	57

Table 4–16 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–16 9. Analyze Consumer Segment Cross Category Spending Measures

Label	Definition
# Baskets with Category	The number of baskets (customer purchases or customer baskets) that contain at least one item from the product category. This measure is available at the consumer segment level.
# Baskets with Category Rank	An ordinal rank (sequential rank) assigned to a product category based in the # Baskets with Category measure.
Transaction Size with Category	The average basket share value for a particular product category in a customer's basket.
Transaction Size with Category Rank	An ordinal rank based on the Transaction Size with Category for a category relative to other product categories.

Table 4–16 (Cont.) 9. Analyze Consumer Segment Cross Category Spending Measures

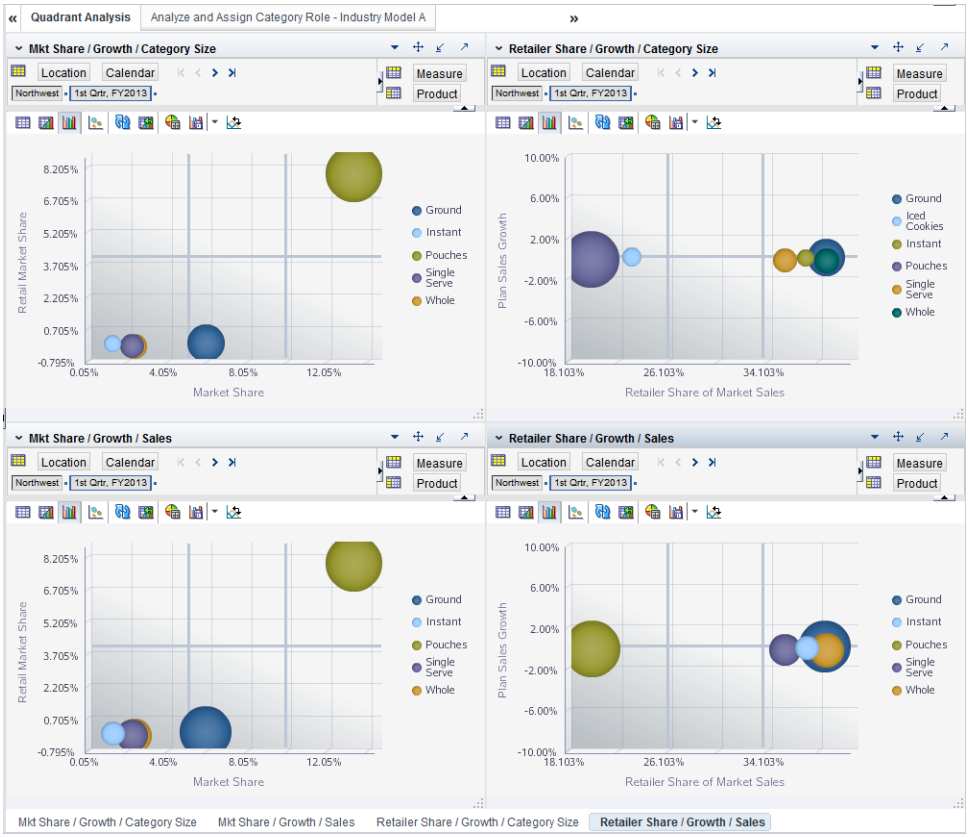
Label	Definition
Annual Spend Index	An index indicating the average annual spend on a product category relative to other product categories. It is calculated by an index-to-average method using the spends for different product categories. This measure is presented at the consumer segment level.
Annual Spend Index Rank	An ordinal rank (sequential rank) assigned to a product category based on the Annual Spend Index measure.
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
Purchase Frequency Rank	An ordinal rank based on the purchase frequency.

Quadrant Analysis Tab

Quadrant Analysis, under this step, presents cross-category quantitative performance analysis of the retailer compared the overall market. It provides quick snapshot views of the retailer's standing compared the market for a category.

This tab has four views. Figure 4–23 shows those views.

Figure 4–23 Quadrant Analysis Views



Mkt Share / Growth / Category Size

Use this view to analyze market share, growth, and category size. This information is best viewed as a bubble chart.

Figure 4–24 Market Share / Growth / Category Size View

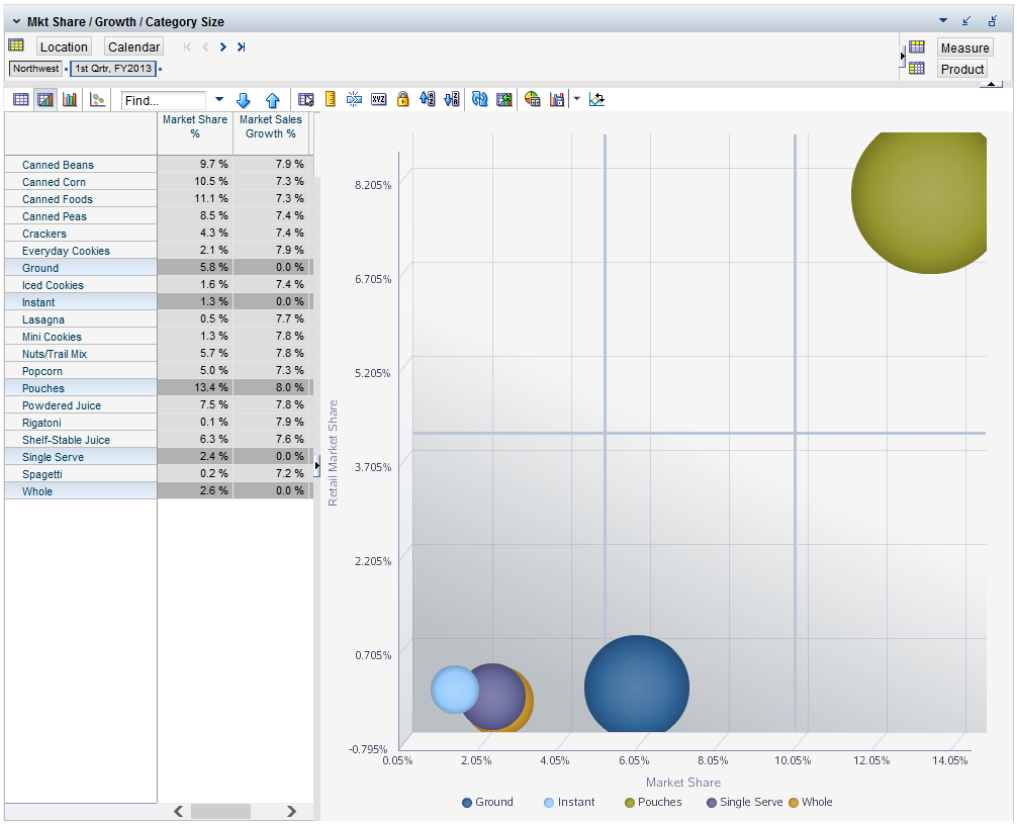


Table 4–17 lists the measure available in this view. The measure is loaded from market scan and retailer data.

Table 4–17 Mkt Share / Growth / Category Size Measures

Label	Definition
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment, such as a sub-category, towards the overall sales retail of the sub-category, category, and so on.
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or a category.
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.

Mkt Share / Growth / Sales View

Use this view to analyze market share, growth, and sales. This information is best viewed as a bubble chart.

Figure 4–25 Mkt Share / Growth / Sales View

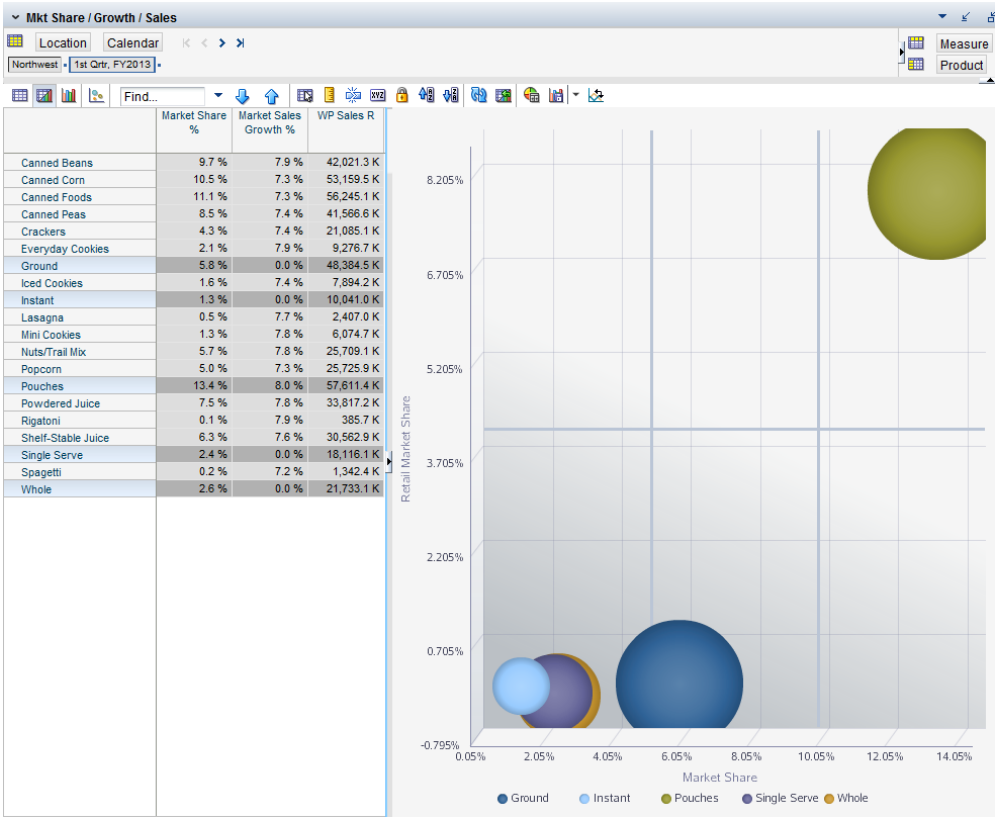


Table 4–18 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–18 Mkt Share / Growth / Sales Measures

Label	Definition
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment, such as a sub-category, towards the overall sales retail of the sub-category, category, and so on.
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or category.
WP Sales R	The working plan assortment's sales retail value.

Retailer Share / Growth / Category Size View

Use this view to analyze retailer share, growth, and category size. This information is best viewed as a bubble chart.

Figure 4–26 Retailer Share / Growth / Category Size View

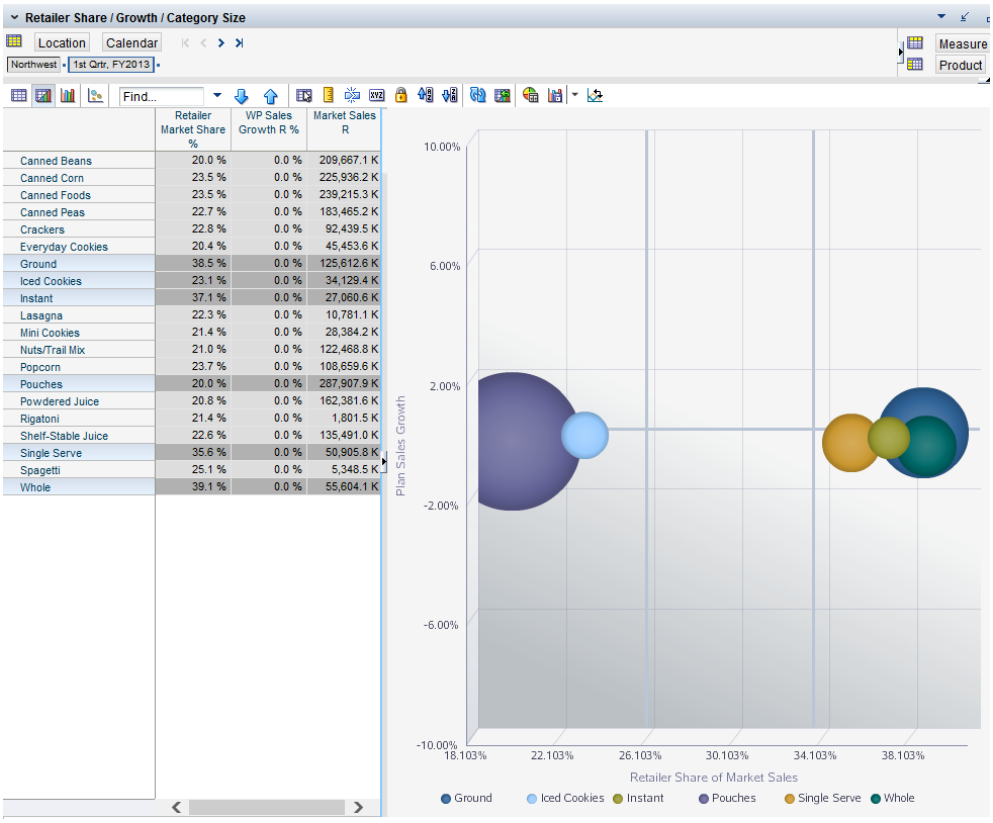


Table 4–19 lists the measures available in this view. The measures are loaded from market scan and retailer data.

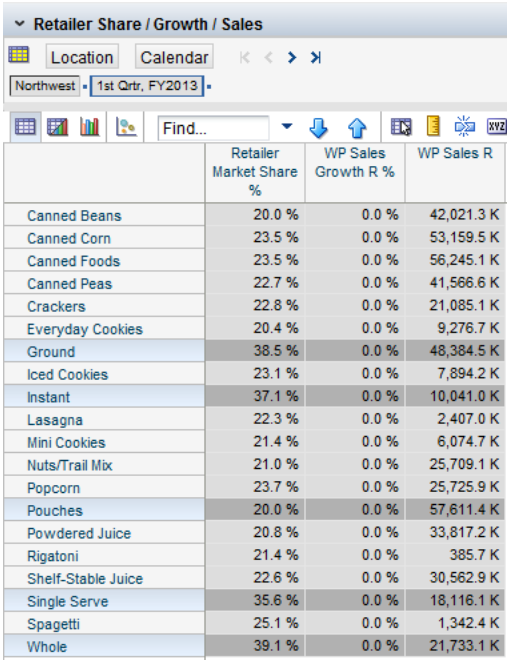
Table 4–19 Retailer Share / Growth / Category Size Measures

Label	Definition
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or category.
WP Sales Growth R%	The working plan's sales retail's growth rate.
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.

Retailer Share / Growth / Sales View

Use this view to analyze retailer share, growth, and sales. This information is best viewed as a bubble chart.

Figure 4–27 Retailer Share / Growth / Sales View



	Retailer Market Share %	WP Sales Growth R %	WP Sales R
Canned Beans	20.0 %	0.0 %	42,021.3 K
Canned Corn	23.5 %	0.0 %	53,159.5 K
Canned Foods	23.5 %	0.0 %	56,245.1 K
Canned Peas	22.7 %	0.0 %	41,566.6 K
Crackers	22.8 %	0.0 %	21,085.1 K
Everyday Cookies	20.4 %	0.0 %	9,276.7 K
Ground	38.5 %	0.0 %	48,384.5 K
Iced Cookies	23.1 %	0.0 %	7,894.2 K
Instant	37.1 %	0.0 %	10,041.0 K
Lasagna	22.3 %	0.0 %	2,407.0 K
Mini Cookies	21.4 %	0.0 %	6,074.7 K
Nuts/Trail Mix	21.0 %	0.0 %	25,709.1 K
Popcorn	23.7 %	0.0 %	25,725.9 K
Pouches	20.0 %	0.0 %	57,611.4 K
Powdered Juice	20.8 %	0.0 %	33,817.2 K
Rigatoni	21.4 %	0.0 %	385.7 K
Shelf-Stable Juice	22.6 %	0.0 %	30,562.9 K
Single Serve	35.6 %	0.0 %	18,116.1 K
Spagetti	25.1 %	0.0 %	1,342.4 K
Whole	39.1 %	0.0 %	21,733.1 K

Table 4–20 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–20 Retailer Share / Growth / Sales Measures

Label	Definition
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or category.
WP Sales Growth R%	The working plan's sales retail's growth rate.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.

Analyze and Assign Category Role - Industry Model A Tab

Roles are assigned at the category level in the product hierarchy. Category roles represent the importance and function of a product category in the overall category plan or in the larger scheme of things.

Use this tab to analyze and assign the role of each category based on different Category Management frameworks and capabilities. There are two industry models available as part of the base GA solution. These industry models draw from industry standard best practices. However, it is possible to configure or customize the framework to meet your individual currently used best practice, leveraging the configuration framework in RPAS. It is important to understand that role assignment is based on market and consumer-focused analysis combined with industry standard frameworks for automated role assignment. The expectation is that the user leverages insights from upstream analysis, retailer strategies, as well as recommendations from industry standard frameworks to override, assign, and approve category roles.

This tab presents Model A for category role assignment. Model A assigns a role to categories from a consumer perception of a category's importance in the retailer's portfolio of categories' perspective. The consumer perception being referred to does not look at individual consumer segment level perceptions, rather it looks at all the

consumer segment levels. In other words, there is no consumer segment dimension available here.

The data required for this analysis comes from the retailer's POS data and does not have details broken down by consumer segment. However, this data can be aggregated on the product hierarchy. Model A requires a plot or a bubble-chart of Item Penetration (X-Axis) versus Purchase Frequency (Y-Axis) plotted for individual categories and Sales Value (Bubble-Size). It is also used to represent the size of individual categories. Roles are defined on the basis of relative position and size of categories on the plot/chart. The data used to derive these roles can be forecast data from a forecasting application (such as RDF) or historic data (actuals) in the form of LY data.

Model A requires the following data:

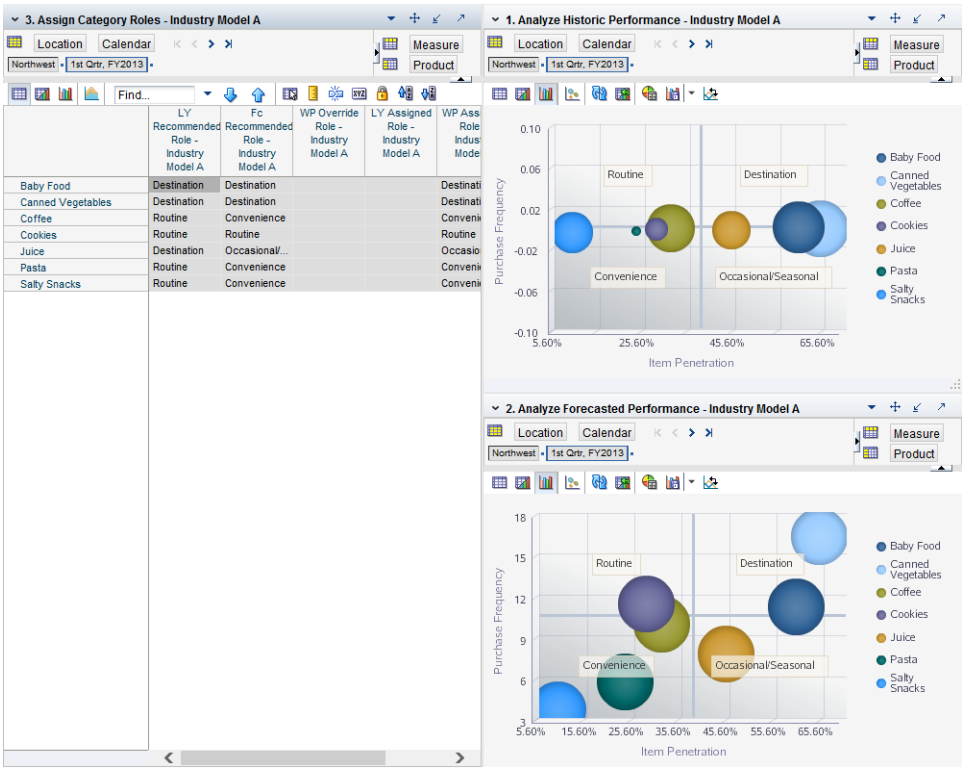
- Retailer's POS data
- Retailer's forecast data
- Household Panel data

Category roles pre-defined in Industry Model A consists of:

- Destination
- Routine
- Occasional / Seasonal
- Convenience

Figure 4–28 shows the views for this tab.

Figure 4–28 Analyze and Assign Category Roles - Industry Model A Tab Views



1. Analyze Historic Performance - Industry Model A View

Use this view to analyze historic performance for determining category roles, such as the following:

- Destination: Destination categories are identified by their high penetration and purchase frequency and large sales revenue. The objective is to be the primary category provider and help define the retailer as the store of choice by delivering consistent value, superior target consumer value.
- Routine: Routine categories have medium-high penetration and purchase frequency and medium sales revenue. The objective of routine category is to be one of the preferred category providers and help develop the retailer as the store of choice by delivering consistent, competitive target consumer value.
- Seasonal: Seasonal category's objective is to be a major category provider and help reinforce the retailer as the store of choice by delivering frequent, competitive target consumer value.
- Convenience: Convenience categories are represented by average low penetration, purchase frequency, and low sales revenue. The goal of such a category is to be a category provider and help reinforce the retailer as the full-service store of choice by delivering good target consumer value.

This information is best viewed as a bubble chart.

Figure 4–29 1. Analyze Historic Performance Role - Industry Model A View

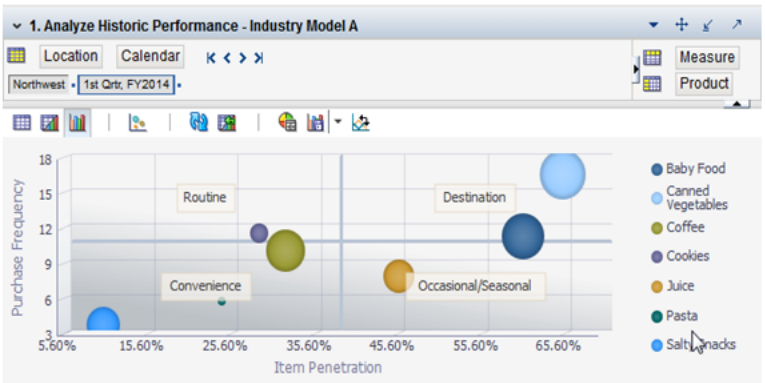


Table 4–21 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–21 1. Analyze Historic Performance - Industry Model A Measures

Label	Definition
LY Item Penetration %	The percentage of households from a specific market (typically at the trading area level or above) that purchased an item or an item from a product group at least once in last year's assortment.
LY Purchase Frequency	The total number of times an item or merchandise from a particular product group (sub-category, category, and so on) is purchased in a given time period in last year sales. It is also looked at consumer segment-wise.
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.

2. Analyze Forecasted Performance - Industry Model A View

Use this view to analyze forecasted performance for determining category roles. Similar to the Analyze Historic Performance - Industry Model A view, this view plots the charts based on forecasted values for item penetration percentage, purchase frequency, and sales retail value.

This view exists at the following levels:

- Market (a level in the Location dimension)
- Consumer Segment (a level in the Location dimension)
- Category (a level in the Product dimension)

Figure 4–30 2. Analyze Forecasted Performance - Industry Model A View

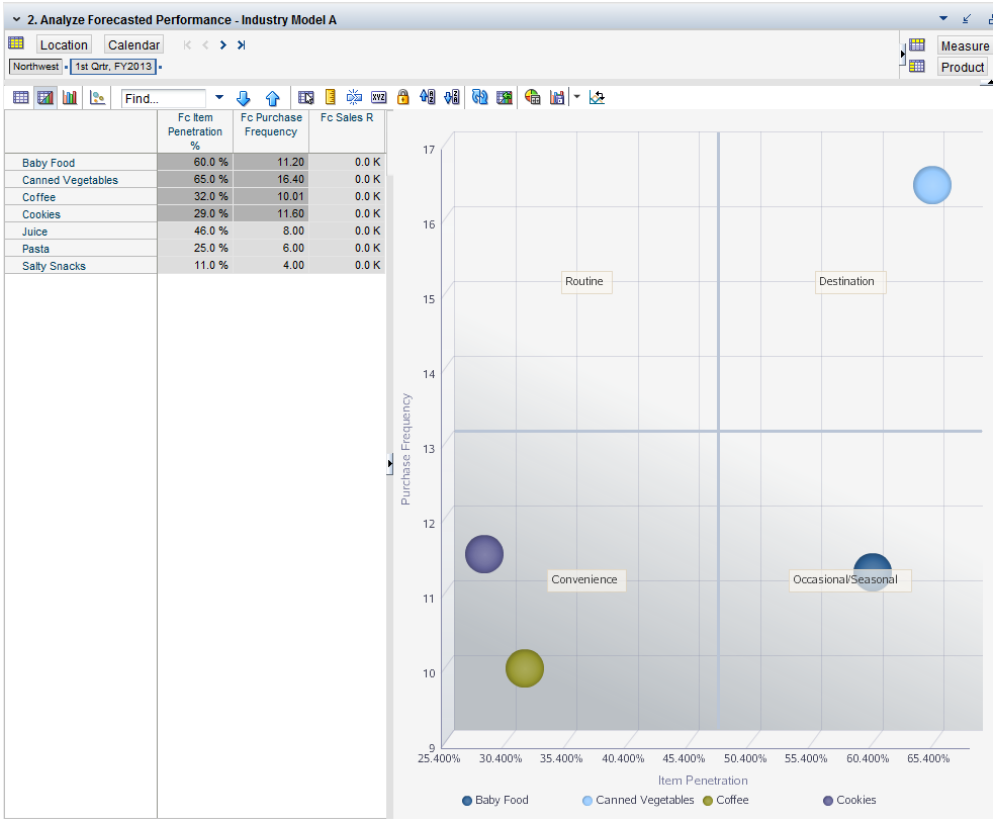


Table 4–22 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–22 2. Analyze Forecasted Performance - Industry Model A Measures

Label	Definition
Fc Item Penetration %	The percentage of households from a specific market/region/trading area that purchased an item or an item from a product group at least once per the forecast. This measure is sourced from a third party, such as Nielsen, or some external system and loaded into RCM.

Table 4–22 (Cont.) 2. Analyze Forecasted Performance - Industry Model A Measures

Label	Definition
Fc Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period per the forecast. It is also looked at consumer segment-wise. This measure is sourced from a third party, such as Nielsen, or some external system and loaded into RCM.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.

3. Assign Category Roles - Industry Model A View

Use this view to assign category roles based on historic and forecasted performance. You are able to override the role recommended by the system. These roles drive the preset weights, which are specified in the Category Management Administration task, to help drive the assortment recommendations which best align with the role.

This view exists at the following level:

- Category (a level in the Product dimension)

Figure 4–31 3. Assign Category Roles - Industry Model A View

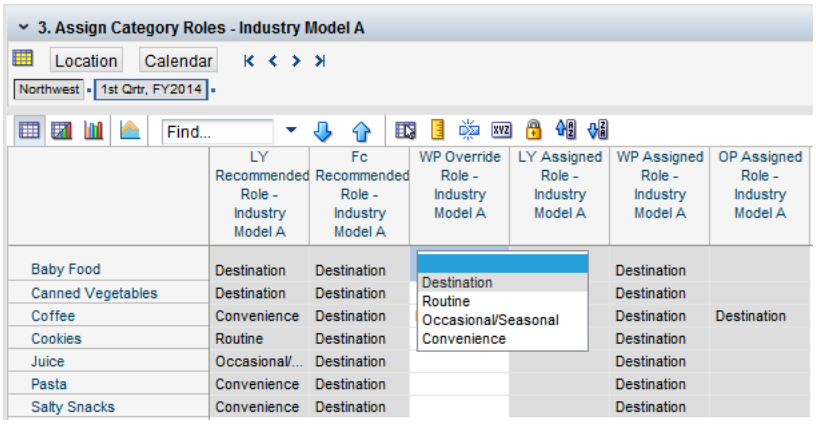


Table 4–23 lists the measures available in this view.

Table 4–23 3. Assign Category Roles - Industry Model A Measures

Label	Definition
LY Recommended Role - Industry Model A	The role recommended to a category per Industry Model A using last year's actuals for the respective measures. The assignment happens on the basis of the definition of roles previously described.
Fc Recommended Role - Industry Model A	The role recommended to a category per Industry Model A based on the forecasted data for the respective measures. The assignment happens on the basis of definition of roles described previously described.
WP Override Role - Industry Model A	This measure provides a facility to override the system-recommended role per Industry Model A in the working plan version of the category plan. It has a drop-down list containing a pick list of roles.

Table 4–23 (Cont.) 3. Assign Category Roles - Industry Model A Measures

Label	Definition
LY Assigned Role - Industry Model A	The role assigned to a category per Industry Model A in last year's category plan.
WP Assigned Role - Industry Model A	The final role assigned to a category per Industry Model A in the working plan version of the category plan.
OP Assigned Role - Industry Model A	The final role assigned to the category per Industry Model A in the approved working plan version of the category plan, known as the original plan.

Analyze and Assign Category Role - Industry Model B Tab

Industry Model B looks at the business generated by a product category from a retailer's point of view trying to assess the relative importance of a product category in the retailer's portfolio of categories. The data required for this analysis comes from the retailer's POS data aggregated to the category level on product hierarchy. Model B requires a plot of Sales R and Gross Profit % to derive roles for the respective categories. Roles are defined on the basis of relative positioning of categories on the plot/chart. The data used to derive these roles can be forecast data from a forecasting application (such as RDF) or historic data (actuals) in the form of LY data.

The following data is required:

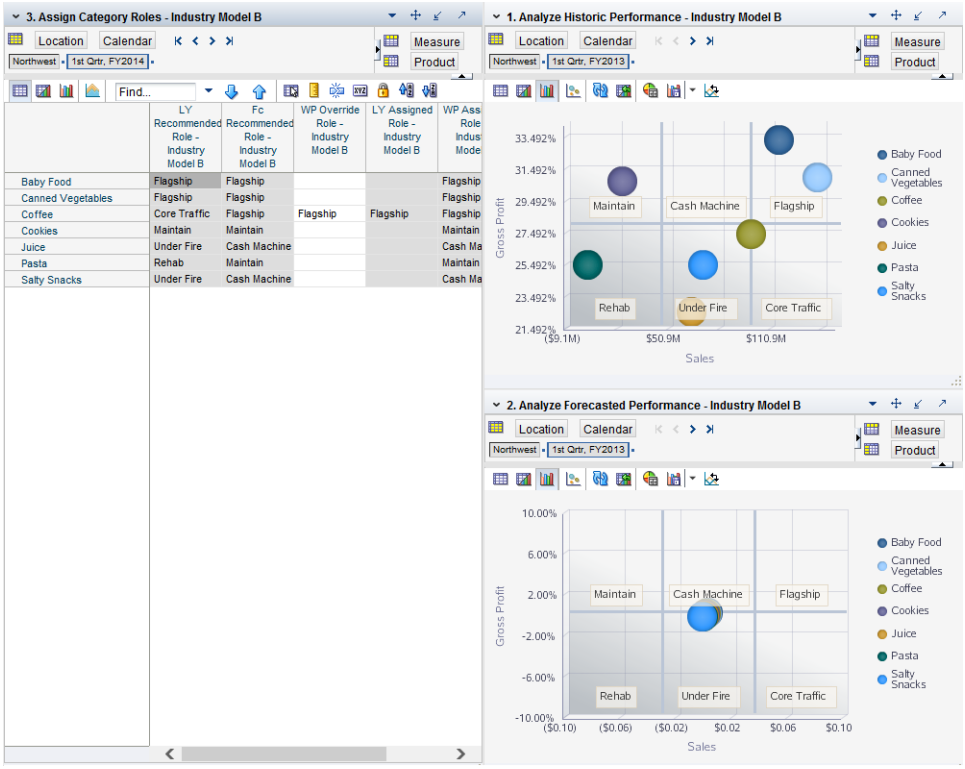
- Retailer's POS data
- Retailer's forecast data

Category roles defined using Industry Model B:

- Flagship: Flagship categories are identified by their high sales and high gross margin. The objective of such categories is to increase sales/maintain margin or maintain sales and increase margin.
- Cash Machine: Cash Machine categories are represented by high sales and medium gross margin. The objective is to increase sales and maintain profits or maintain sales/increase profits.
- Maintain: Maintain categories are identified by low sales and high gross margin. The goal is to maintain sales and profits or increase sales and maintain profits.
- Core Traffic: Core Traffic categories are represented by high sales and low gross margin. The target is to decrease sales and increase profits or maintain sales and profits.
- Under Fire: Under Fire categories have medium sales and low gross margin. The objective is to decrease sales and increase profits or maintain sales and increase profits of such categories.
- Rehab: Rehab categories are characterized by low sales and low gross margin the goal is to decrease sales and increase profits.

Figure 4–32 shows the views for this tab.

Figure 4–32 Analyze and Assign Category Role - Industry Model B Tab Views



1. Analyze Historic Performance - Industry Model B View

Use this view to analyze and determine category roles based on historic performance of the categories. The coordinates of a category in the chart form the basis of the assignment of roles to categories. Six roles are assigned using Industry Model B: Flagship, Cash Machine, Maintain, Core Traffic, Under Fire, and Rehab. This information is best viewed as a bubble chart.

Figure 4–33 1. Analyze Historic Performance Role - Industry Model B View

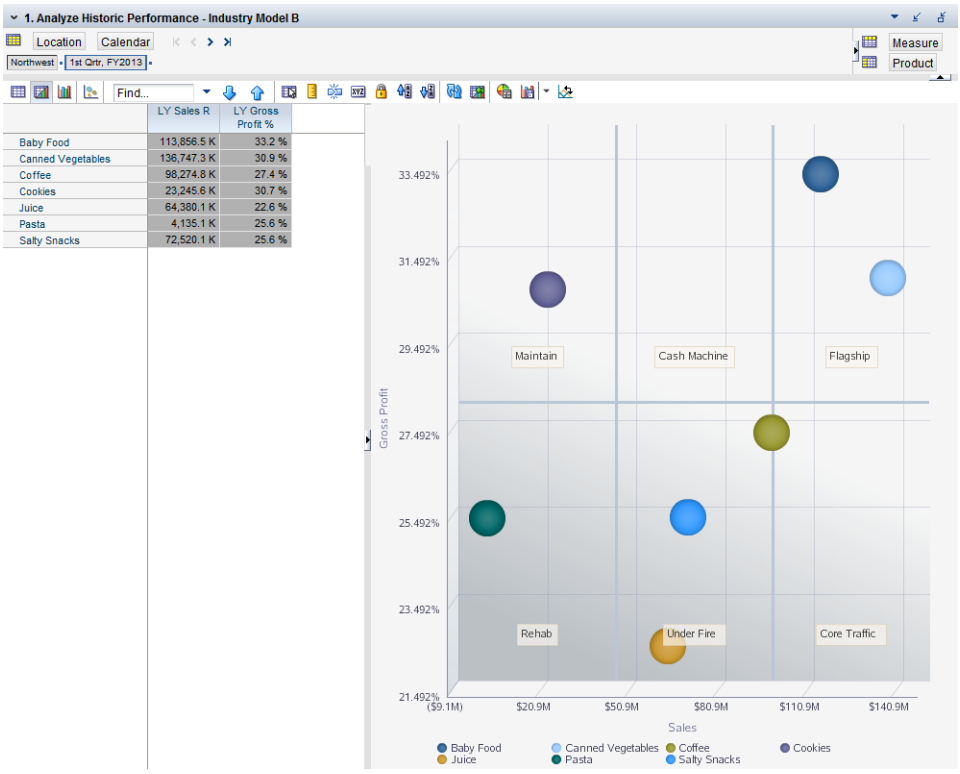


Table 4–24 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–24 1. Analyze Historic Performance - Industry Model B Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
LY Gross Profit %	The gross profit percentage from the merchandise in last year's assortment. This measure is different than the LY Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of last year's assortment.

2. Analyze Forecasted Performance - Industry Model B View

Use this view to analyze forecasted performance for determining category roles. Similar to the Analyze Historic Performance - Industry Model B view, this view provides a facility to determine the roles for a category per Industry Model B based on forecasted data for the respective measures. The coordinates of a category in the chart form the basis of assignment of roles to categories. Six roles are assigned using Industry Model B: Flagship, Cash Machine, Maintain, Core Traffic, Under Fire, and Rehab.

This view exists at the following levels:

- Market (a level in the Location dimension)
- Consumer Segment (a level in the Location dimension)
- Category (a level in the Product dimension)

Figure 4–34 2. Analyze Forecasted Performance - Industry Model B View

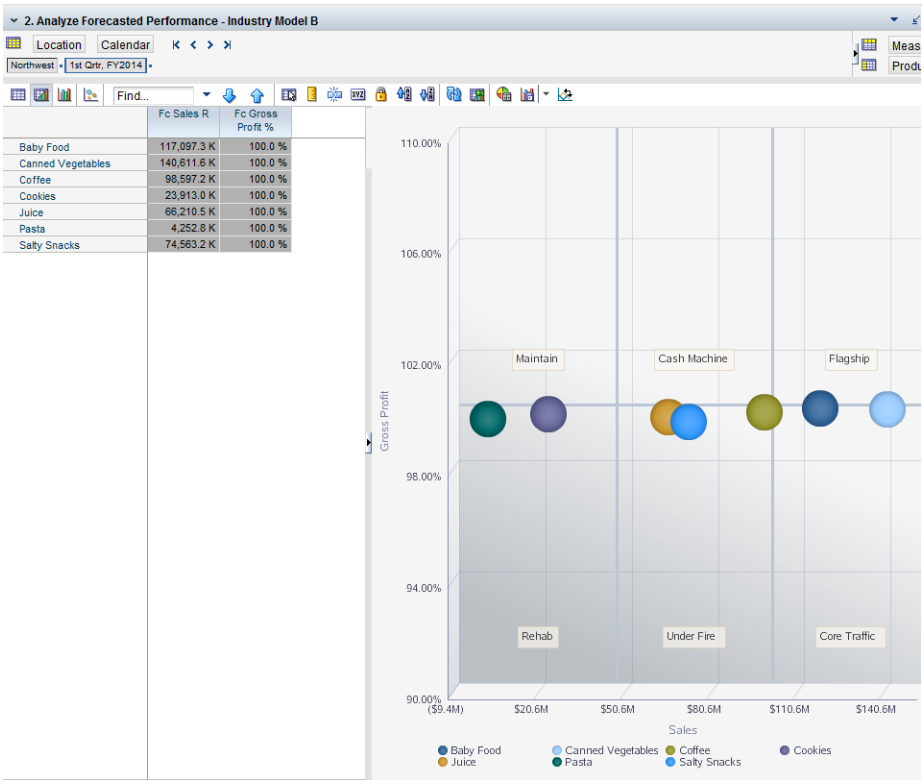


Table 4–25 lists the measures available in this view. The measures are loaded from market scan and retailer data.

Table 4–25 2. Analyze Forecasted Performance - Industry Model B Measures

Label	Definition
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
Fc Gross Profit %	The gross profit percentage from the merchandise per the forecast.

3. Assign Category Roles - Industry Model B View

Use this view to assign category roles based on historic and forecasted performance. You are able to override the role recommended by the system. These roles drive the preset weights, which are specified in the Category Management Administration task, to help drive the assortment recommendations which best align with the role.

This view is a standard table at the following levels:

- Category (a level in the Product dimension)
- Market (a level in the Location dimension)

Figure 4–35 3. Assign Category Roles - Industry Model B View

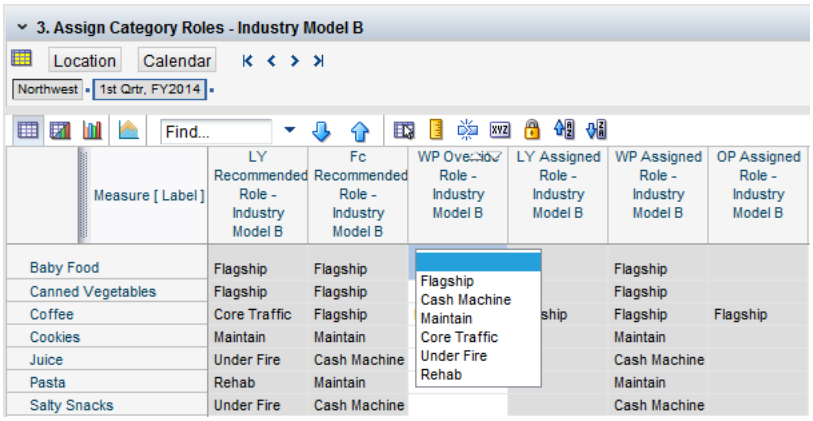


Table 4–26 lists the measures available in this view.

Table 4–26 3. Assign Category Roles - Industry Model B Measures

Label	Description
LY Recommended Role - Industry Model B	The role recommended to a category per Industry Model B in last year's assortment.
Fc Recommended Role - Industry Model B	The role recommended to a category per Industry Model B and the forecasted values of respective measures.
WP Override Role - Industry Model B	Category Planning Working Plan Override Role - Industry Model B Text. An override field giving the user an option to overwrite the category role that is being suggested by Model B being used for category role assignment.
LY Assigned Role - Industry Model B	The role assigned to a category per Industry Model B in last year's category plan.
WP Assigned Role - Industry Model B	The role assigned to a category per Industry Model B in the working plan.
OP Assigned Role - Industry Model B	Category Planning Original Plan Assigned Role - Industry Model B Text. The Pre-Season Approved Category Role (Industry Model B).

Assign Category Strategies Step

Strategies suggest the overall approach to achieve the desired or assigned role to a category. If roles represent the vision of a business unit, then strategies represent the mission of the business unit. Strategies are generally assigned at the sub-category level, but sometimes at the category level as well. Strategies are assigned on the basis of specific analysis of historic or forecast data at a specific consumer segment level or overall consumer segment level. It is important to note here that the user's discretion, as in role assignment, plays an important role in strategy assignment.

It is also important to note here that strategies assigned to a product category influence the weights assignment for IPI calculations. The system-recommended assortment can be generated using the IPI-based assortment method in the Assortment Planning process.

Strategies along with roles, tactics, and the category plan are sent to the Assortment Planning task on the approval of the overall category plan. They are used as a reference or a set of guidelines to make an assortment plan.

Use this step to evaluate category purchase dynamics and assign appropriate strategies to sub-category/brand. Based on different metrics, you define the role and strategies for each sub-category for each consumer segment.

The specific set of strategies that can be assigned in this step in the following:

- Cash Generating: Identified by plotting a chart between Purchase Frequency and Inventory Turns.
- Excitement Generating: Represented by spikes in Sales (LY/Forecast) during a festive period.
- Image Enhancing: Identified by looking at a chart between Purchase Frequency and Retail Sales.
- Profit Generating: Has a high bottom-line or gross profit retail value.
- Traffic building: Identified by looking at a chart between Market Share and Purchase Frequency.
- Transaction Building: Identified by plotting a graph between Purchase Frequency And Basket Value.
- Turf-Defending: Represented by having a high average Buyer Conversion Rate.

The following data is required for defining the Assign Category Strategies task:

- Retailer's POS data
- Predefined category strategies

This step has the following views:

1. Assign Strategies View

Use this view to assign strategies based on the relevant performance behavior. Assigning Strategies is a key component of calculating and working with IPIs in Assortment Planning. These strategies drive the preset weights, which are specified in the Category Management Administration task, to help drive the assortment recommendations which best align with the role.

Figure 4–36 1. Assign Strategies View

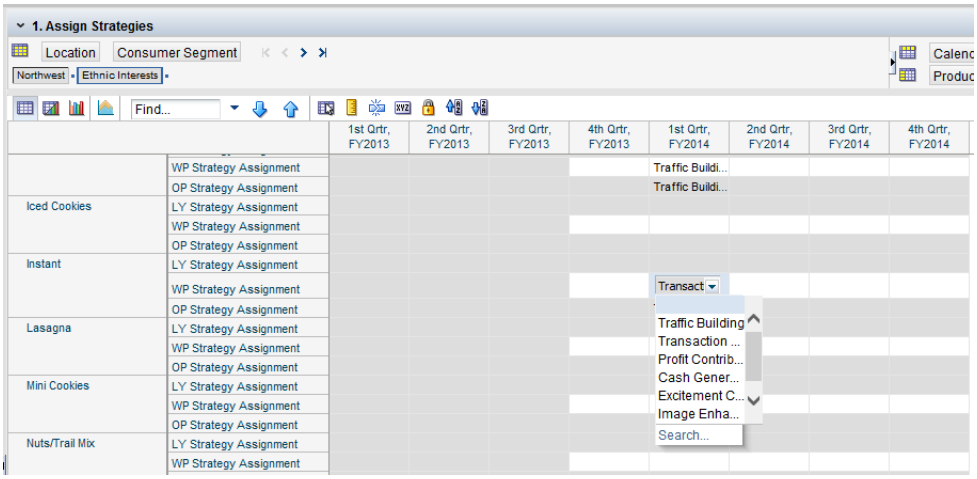


Table 4–27 lists the measures available in this view.

Table 4–27 1. Assign Strategies Measures

Label	Definition
LY Strategy Assignment	A strategy assigned to a category or sub-category in last year's category plan. Strategy represents the overall approach to attain the assigned role to a category.
WP Strategy Assignment	A strategy assigned to a sub-category or category in the working plan in Category Planning. Strategy represents the overall approach to attain the assigned role to a category.
OP Strategy Assignment	A strategy assigned to a sub-category or a category in the original plan in Category Planning. Strategy represents the overall approach to attain the assigned role to a category.

2. Identify Cash Generators View

Use this view to identify cash generating sub-categories. The information presented here is best viewed as a bubble chart with a plot between Inventory Turns (WP Turn) versus Purchase Frequency and Sales Units by Consumer Segment (WP Sales by Consumer Seg U) on the Z-Axis.

This view exists at the following level:

- Any static or dynamic level in the Product dimension

Figure 4–37 2. Identify Cash Generators View

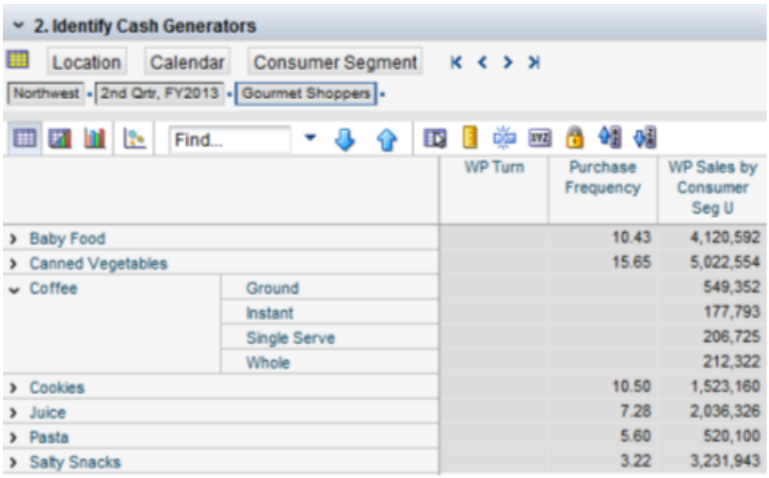


Table 4–28 lists the measures available in this view.

Table 4–28 2. Identify Cash Generators Measures

Label	Definition
WP Turn	Inventory turns in a working plan. It reflects the number of times the carried inventory can be rolled over in a specified period of time.
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
WP Sales by Consumer Seg U	The sales units contribution in percentage points by a consumer segment to the overall sales units in the working plan assortment. It is used to identify excitement generating, a type of strategy assignment, sub-categories in Category Planning.

3. Identify Excitement Generators View

Use this view to plot sales dollars as a trend:

- Any sub-category that demonstrates seasonal purchases and is high-impulse and lifestyle-oriented, is flagged as excitement-generating on a scale of excellent versus possible versus poor.
- These attributes are not determined systematically. They are left to the interpretation of the business users.

This information is best viewed as a line chart.

Figure 4–38 3. Identify Excitement Generators View

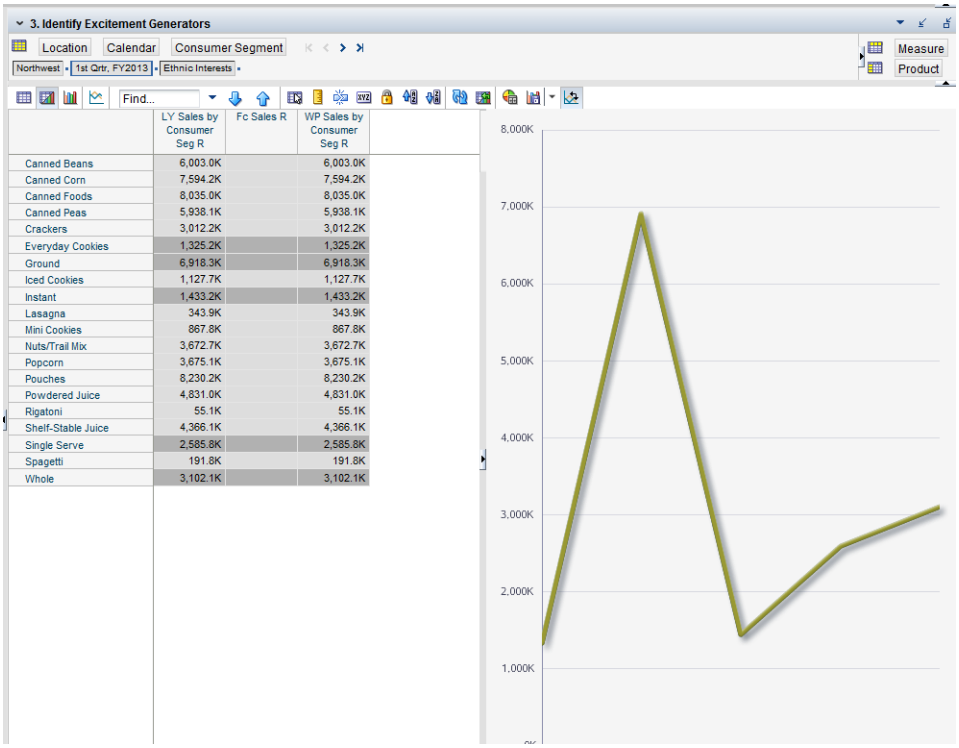


Table 4–29 lists the measures available in this view.

Table 4–29 3. Identify Excitement Generators Measures

Label	Definition
LY Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in last year's assortment.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
WP Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in the working plan. It is used to identify excitement generators, a type of strategy assignment, sub-categories in Category Planning.

4. Identify Image Enhancer View

Use this view to identify image enhancing sub-categories. The information presented here is best viewed as a bubble chart with a plot between Purchase Frequency versus Promo Sales % (percentage of total sales through promotions) and overall sales by consumer segment on the Z-Axis.

This view exists at the following level:

- Any static or dynamic level in the Product dimension

Figure 4–39 4. Identify Image Enhancer View

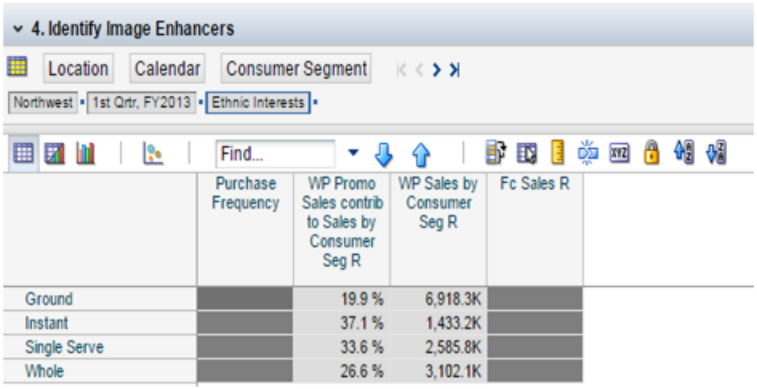


Table 4–30 lists the measures available in this view.

Table 4–30 4. Identify Image Enhancer Measures

Label	Definition
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
Wp Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in the working plan. It is used to identify excitement generators, a type of strategy assignment, sub-categories in Category Planning.
WP Promo Sales contrib to Sales by Consumer Seg R	The contribution (in percentage points) of promotional sales retail towards the overall sales retail at the consumer segment level. It is used to identify image enhancers, a type of strategy, sub-categories in Category Planning.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.

5. Identify Profit Generators View

Use this view to plot histograms for the profit (or GM) percentage of each sub-category. Excellent versus possible versus poor are based on predefined thresholds. This information is best viewed as a column chart.

This view exists at the following level:

- Any static or dynamic level in the Product dimension

Figure 4–40 5. Identify Profit Generators View

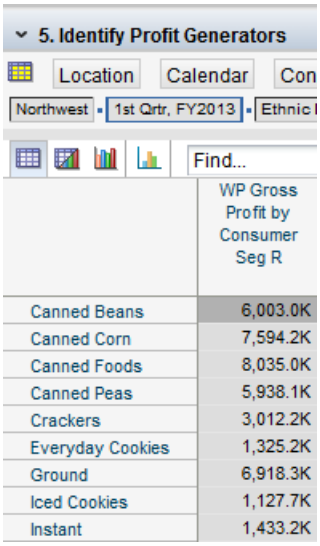


Table 4–31 lists the measures available in this view.

Table 4–31 5. Identify Profit Generators Measure

Label	Definition
WP Gross Profit by Consumer Seg R	The gross profit retail value for a consumer segment. It is used to identify profit generator, a type of strategy, sub-categories in Category Planning.

6. Identify Traffic Builders View

Use this view to create a bubble chart to plot market share versus frequency:

- Sub-categories in the top-right segment and large bubble are considered ideally suited.
- Based on fit, categories are classified as excellent, possible, or poor.

This information is best viewed as a bubble chart.

This view exists at the following level:

- Any static or dynamic level in the Product dimension

Figure 4–41 6. Identify Traffic Builders View

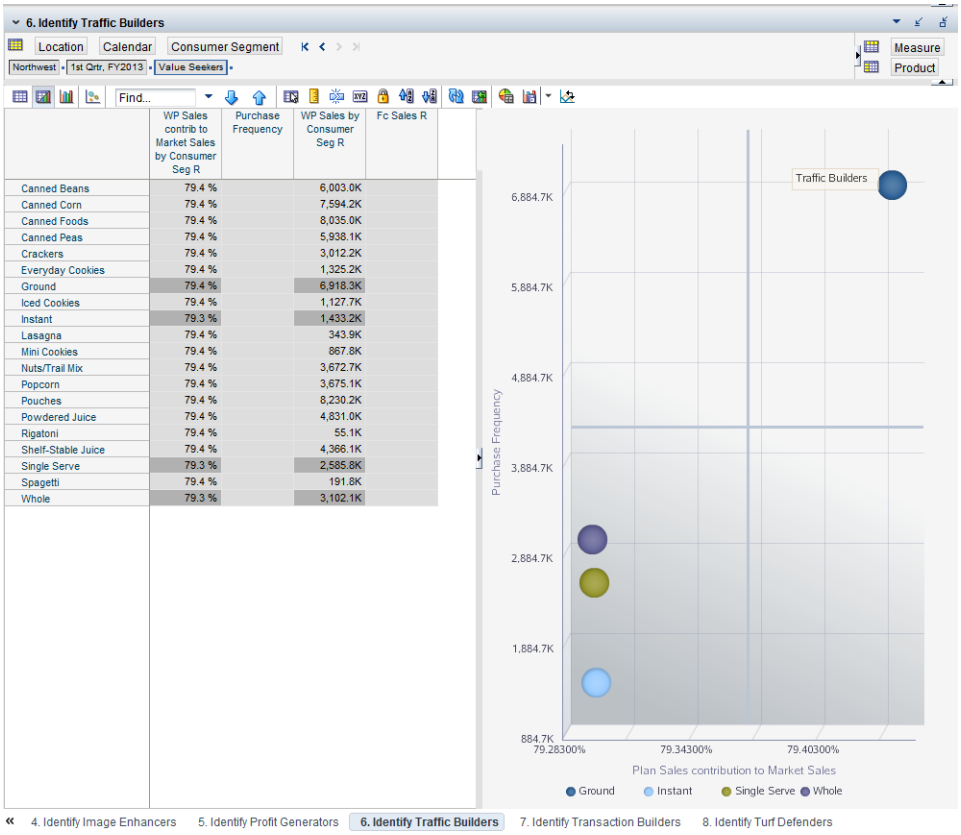


Table 4–32 lists the measures available in this view.

Table 4–32 6. Identify Traffic Builders Measures

Label	Definition
WP Sales contrib to Market Sales by Consumer Seg R	Category Planning Working Plan Sales contribution to Market Sales by Consumer Segment Retail Percent.
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
WP Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in the working plan. It is used to identify excitement generators, a type of strategy assignment, sub-categories in Category Planning.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.

7. Identify Transaction Builders View

Use this view to identify transaction building sub-categories. The information in this view is best viewed in the form of a scatter diagram chart with a plot between shopping frequency versus basket value (transaction size with category). Sub-categories in the top right quadrant qualify for this strategy.

This view exists at the following level:

- Any static or dynamic level in the Product dimension

Figure 4–42 7. Identify Transaction Builders View

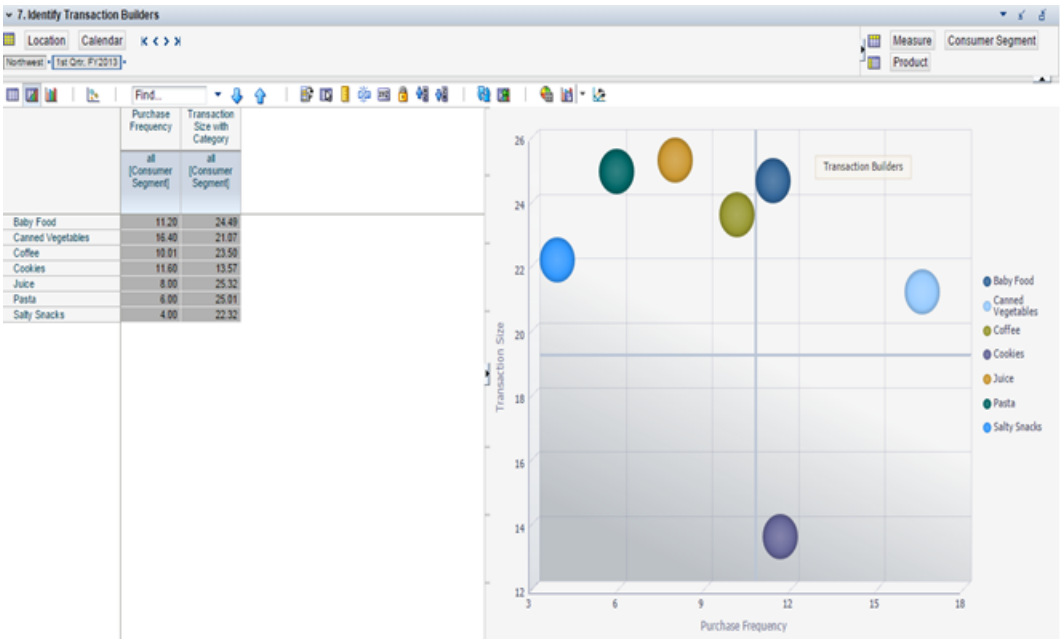


Table 4–33 lists the measures available in this view.

Table 4–33 7. Identify Transaction Builders Measures

Label	Definition
Purchase Frequency	The total number of times an item or merchandise from a particular product group is purchased in a given time period. It is also looked at consumer segment-wise.
Transaction Size with Category	The average basket share value for a particular product category in a customer's basket.

8. Identify Turf-Defenders View

Use this view to plot the retailer's buyer conversion rates against that of the competition. Any sub-categories where the retailer is lagging may be flagged as potentially turf-defending. This information is best viewed as a column chart.

This view exists at the following level:

- Any static or dynamic level in the Product dimension
- Retailer (a level in the Retailer dimension)
- Consumer Segment (a level in the Location dimension)

Figure 4–43 8. Identify Turf-Defenders View

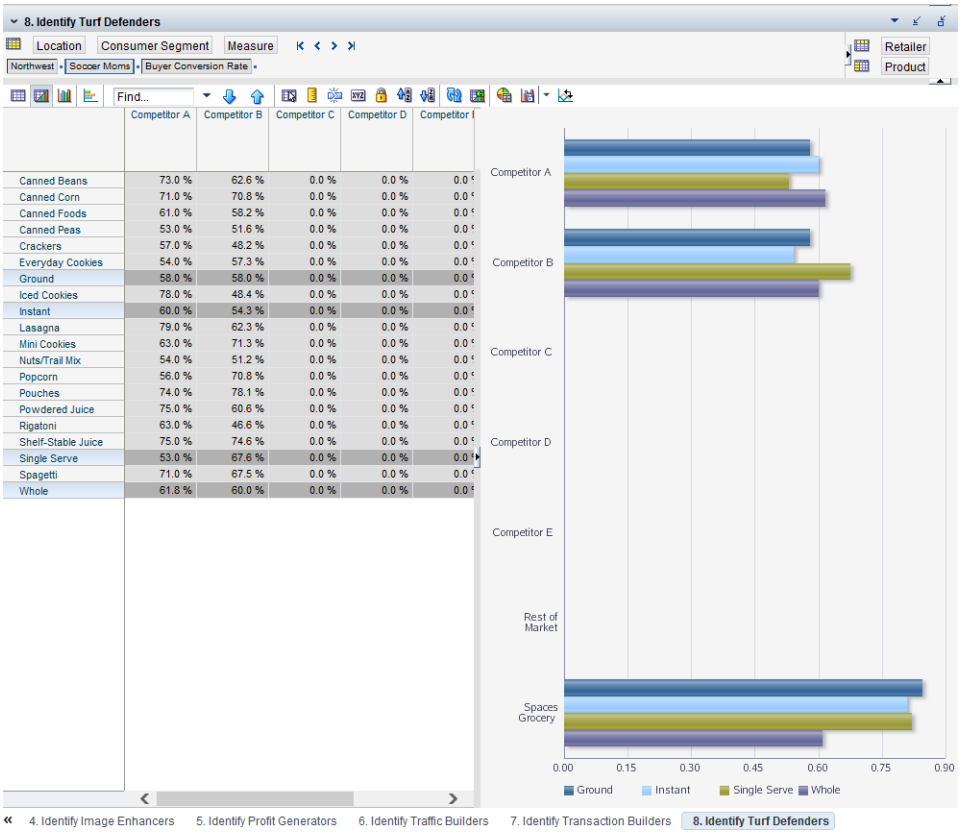


Table 4–34 lists the measure available in this view.

Table 4–34 8. Identify Turf-Defenders Measure

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy an item or specific set of merchandise, sub-category, category, and so on, out of the total shoppers who shop at the store or the retailer.

Assign Category Tactics Step

Tactics are a set of activities used to attain the set strategy to a product category. This is how roles, strategies, and tactics are interconnected to each other. Tactics are assigned at the sub-category level in a product hierarchy. If the role to a category is a vision to a business unit and strategy is like a mission to the business unit, then tactics are set of goals to be put to action. They are key guidelines to derive an assortment plan.

Tactics along with roles, strategies, and category plan are sent to the Assortment Planning task on the approval of the overall category plan. They are used as a reference or a set of guidelines to make an assortment plan.

Use this step to perform deeper assessments within the category for assortment, space, price, promotion, and supply chain. The analytics within this step enable retailers to identify and prioritize opportunities. This step is also used to assign tactics, view historical tactics, and seed tactics from historical views. Tactics are assigned for each of the tactical areas per sub-category and trading area. There are five tactical areas:

- Assortment

- Inventory
- Pricing
- Promotion
- Space

This step contains the majority of the analytics and answers key questions such as the following:

- Consumer:
  - Who buys the category?
  - What percentage buys the category?
  - How frequently do they purchase?
  - How much do they spend?
  - When do they buy the category?
  - What drives their purchases?
  - What else is in their basket?
  - How loyal are they to the category?
- Retailer:
  - How productive are overall sales and profit trends?
  - How productive is the current assortment?
  - How productive is the current pricing?
  - How effective are current promotions?
  - What are the inventory turns and days of supply?
  - What are the profit margins, velocity, and inventory levels?
- Market/Competitor:
  - What are the sales trends of the category in the market?
  - What is the retailer's share?
  - What are the opportunities?
  - How does pricing compare to the competition?
  - How does the assortment compare?
  - How does promotional activity compare?
- Supplier/Brand:
  - What are the sales trends for specific brands?
  - How efficient or profitable are each supplier's brand?
  - How does the retailer's private label contribute to the category and add to their image?
  - How does the retailer's private label compare to national brands?
  - How powerful is the supplier's brand development?

The following data is required for this task:

- Market scan data

- Micro and macro space data
- Pricing data

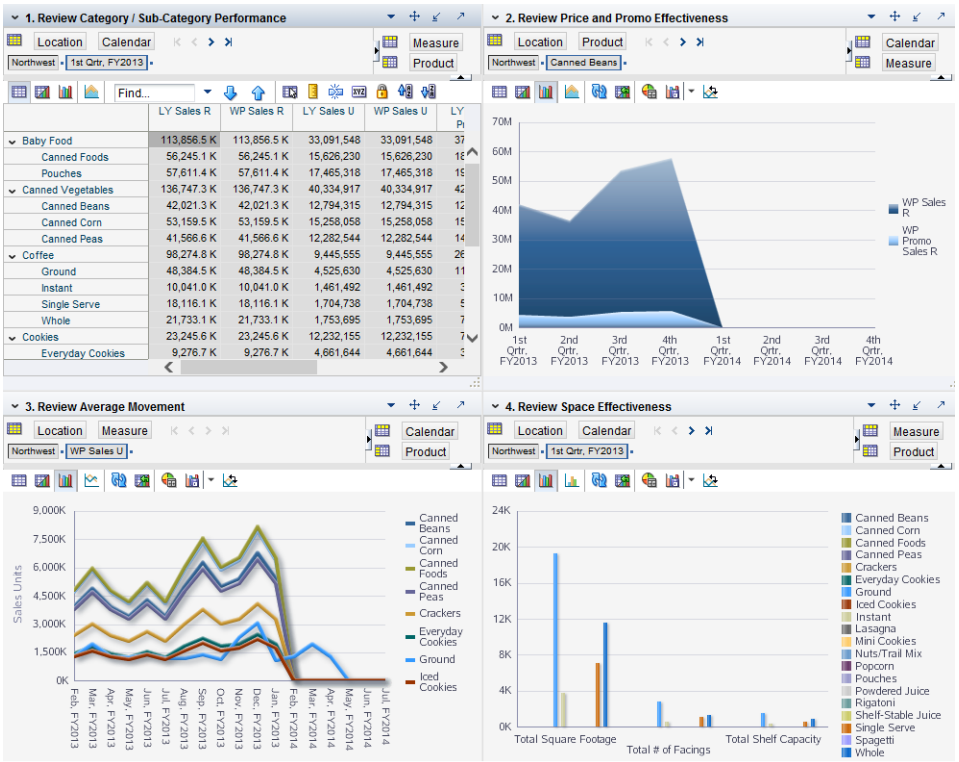
This step has the following tabs and views:

- Review Category Performance to Role Tab:
  1. Review Category / Sub-Category Performance View
  2. Review Price and Promo Effectiveness View
  3. Review Average Movement View
  4. Review Space Effectiveness View
- Assign Category Tactics Tab:
  Assign Category Tactics View

Review Category Performance to Role Tab

This tab is used to review category performance. Figure 4–44 shows the views for this tab.

Figure 4–44 Review Category Performance to Role Tab Views



1. Review Category / Sub-Category Performance View

Use this view to review the performance of the assortment.

Figure 4–45 1. Review Category / Sub-Category Performance View

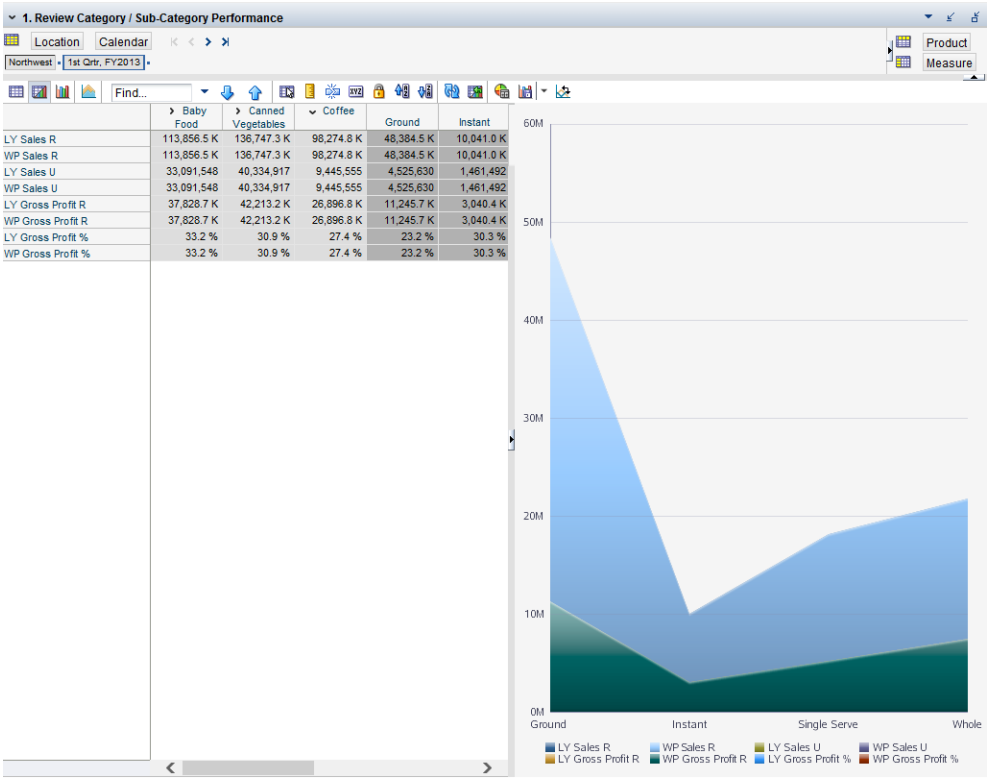


Table 4–35 lists the measures available in this view.

Table 4–35 1. Review Category / Sub-Category Performance Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, per the working plan version of the category plan.
LY Sales U	Sales units, for a category or sub-category, per last year's actuals.
WP Sales U	Sales units, for a category or sub-category, per the working plan version of the category plan.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
WP Gross Profit R	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.

2. Review Price and Promo Effectiveness View

Use this view to determine how base pricing compares to promotional pricing for the retailer and market. This helps to identify whether the retailer spread is comparable to or different from the market.

The view exists at the following levels:

- Category/Sub-category (a level in the Product dimension)
- Market (a level in the Location dimension)

Figure 4–46 2. Review Price and Promo Effectiveness View

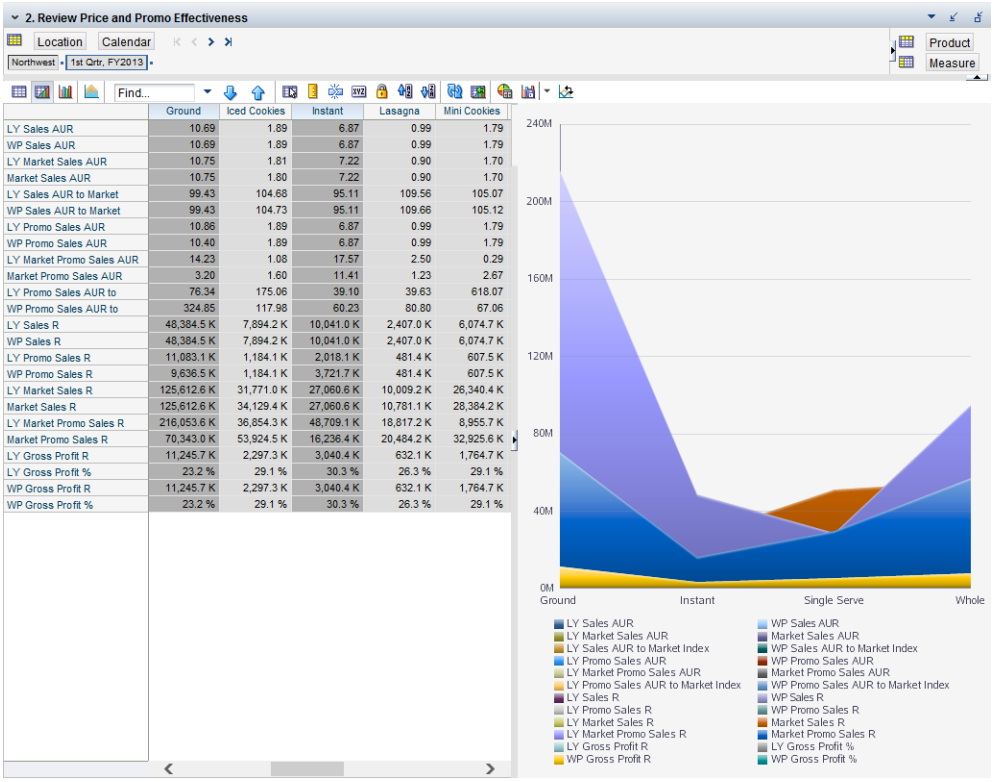


Table 4–36 lists the measures available in this view.

Table 4–36 2. Review Price and Promo Effectiveness Measures

Label	Definition
LY Sales AUR	Last year's actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year's actual sales.
WP Sales AUR	Average unit retail value for an item (all items included) in a working plan version of the category plan. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment.
LY Market Sales AUR	Last year's average unit retail value of the merchandise calculated from market sales actuals (typically for a trading area). It is typically sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Sales AUR	Average unit retail value of the merchandise calculated from market sales actuals (typically for a trading area). It is typically sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Sales AUR to Market Index	An index value based on the ratio of retail sales' Average Unit Retail to market sales' Average Unit Retail for last year's assortment.

Table 4–36 (Cont.) 2. Review Price and Promo Effectiveness Measures

Label	Definition
WP Sales AUR to Market Index	An index value based on the ratio of Retail Sales' Average Unit Retail to Market Sales' Average Unit Retail for the working plan assortment.
LY Promo Sales AUR	The average unit retail value for the promotional sales in a last year's assortment.
WP Promo Sales AUR	The average unit retail value for the promotional sales in a working plan assortment.
LY Market Promo Sales AUR	Average Unit Retail for the promotional sales in Last Year's Plan. This data is sourced from third-party syndicate data suppliers.
Market Promo Sales AUR	Average unit retail value of a SKU based on promotional sales actuals in the market as a whole (typically trading area). It is typically sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Promo Sales AUR to Market Index	An index value based on the ratio of promotional sales' Average Unit Retail to Market Sales Average Unit Retail for last year's assortment.
WP Promo Sales AUR to Market Index	An index value based on the ratio of Promotional Sales' Average Unit Retail to Market Sales Average Unit Retail for the working plan assortment.
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, per the working plan version of the category plan.
LY Promo Sales R	Last year's promotional sales retail value actuals.
WP Promo Sales R	Promotional sales retail in the working plan version of the category plan.
LY Market Sales R	Last year's sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Market Promo Sales R	Last year's promotional sales retail for the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such, Nielsen, IRI, and so on, on a quarterly basis.
Market Promo Sales R	Promotional sales retail for the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.

3. Review Average Movement View

This view is related to promotional effectiveness and shows the sales units for a category over time. It can be used to identify and review seasonality. This information is best displayed as a line chart.

Figure 4–47 3. Review Average Movement View

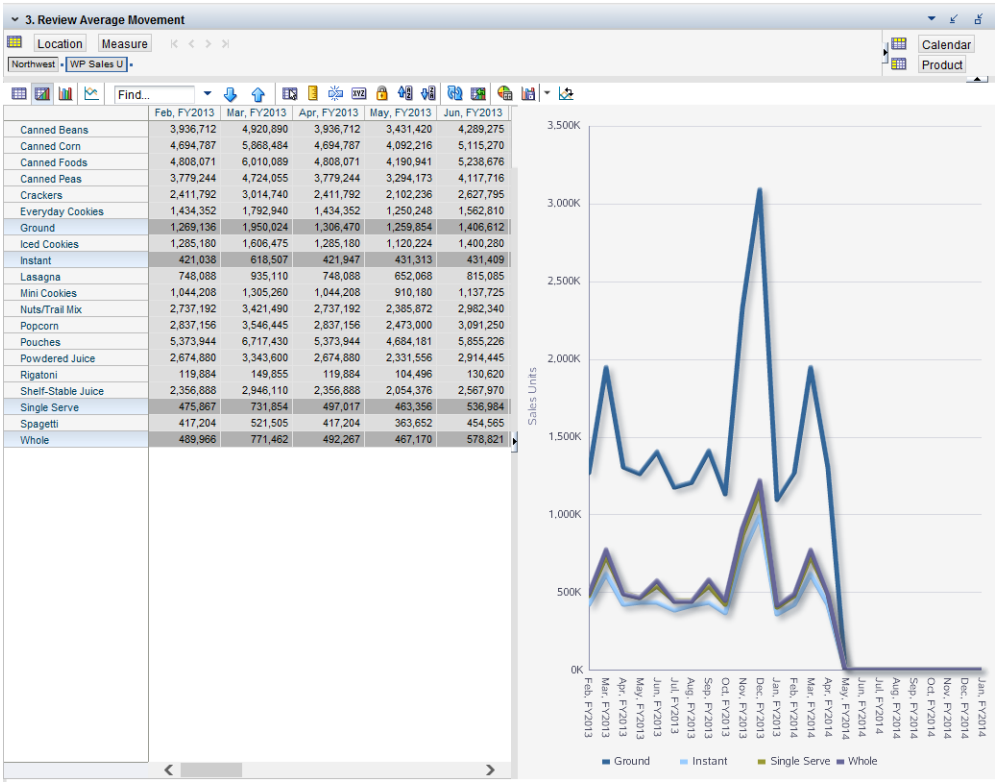


Table 4–37 lists the measure available in this view.

Table 4–37 3. Review Average Movement Measure

Label	Definition
WP Sales U	The sales units from the merchandise in the working plan version of the category plan.

4. Review Space Effectiveness View

Use this view to review the effectiveness of the planned space. All measures are optional and based on whether the retailer has the space planning data available.

Figure 4–48 4. Review Space Effectiveness View

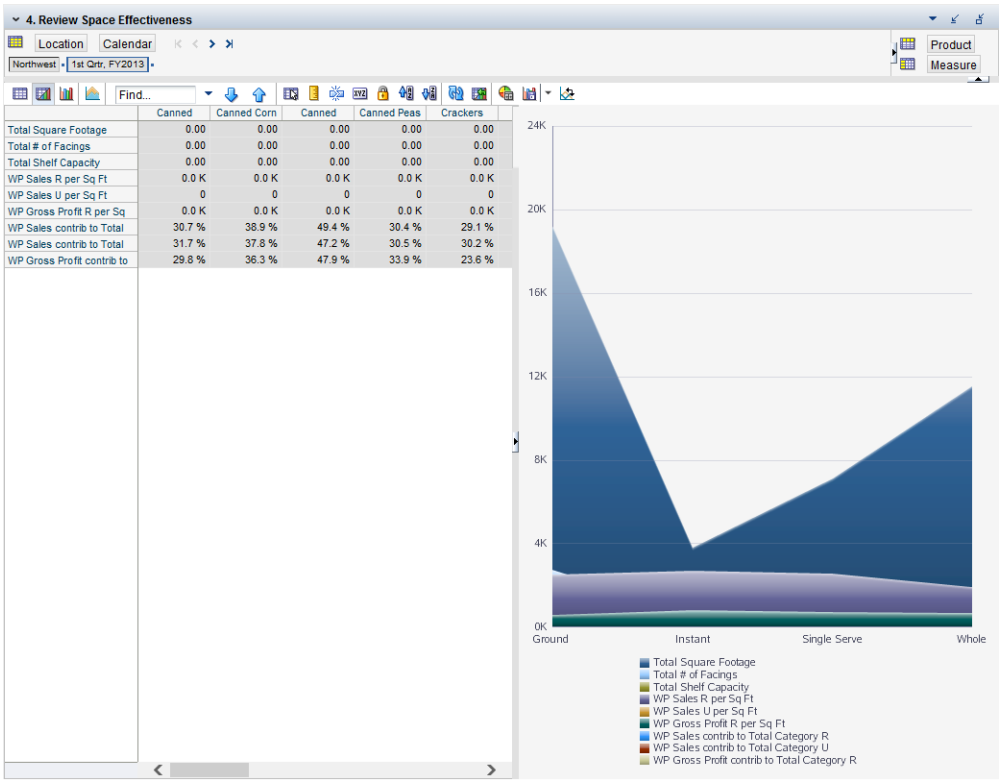


Table 4–38 lists the measures available in this view.

Table 4–38 4. Review Space Effectiveness Measures

Label	Definition
Total Square Footage	The space allocation to a product dimension (includes vendor and brand as well) or to a vendor with a volume perspective in cubic feet.
Total #of Facings	The Product main side on a shelf. By counting the number of facings, it is possible to assess the visibility of a product in a store.
Total Shelf Capacity	The total quantity of an item that can fit into the overall space allocated to it.
WP Sales R per Sq Ft	The working plan assortment's sales retail return per square feet. It is calculated by dividing sales retail value by the area (or space in square feet) allocated to that particular merchandise.
WP Sales U per Sq Ft	The working plan assortment's sales units return per square feet. It is calculated by dividing sales units from the merchandise by the area (or space in square feet) allocated to that particular merchandise.
WP Gross Profit R per Sq Ft	The gross profit retail return per square feet from the merchandise in the working plan assortment. It is calculated by dividing Gross Profit Retail Value from the merchandise by the area (or space, in square feet) allocated to the merchandise.
WP Sales contrib to Total Category R	The contribution, in percentage points, of a sub-category's sales retail value to the overall category sales retail value.
WP Sales contrib to Total Category U	The contribution, in percentage points, of a sub-category's units' value to the overall category sales units value.

Table 4–38 (Cont.) 4. Review Space Effectiveness Measures

Label	Definition
WP Gross Profit contrib to Total Category R	The percentage contribution of a sub-category to category's gross profit retail.

Assign Category Tactics Tab

This tab is used to assign category tactics.

Assign Category Tactics View

Use this view to assign tactics for each of the tactical areas per category, market, and consumer segment. Depending upon the role and strategy assigned to product category and sub-category, tactics are assigned.

Tactics are a set of actions to be implemented to achieve the set role and strategy. These actions are assigned specific to sub-category and can be in the form of assortment or product-mix changes, inventory-holding, pricing of products, type of promotions to be run, and the space that needs to be allotted. A thorough implementation of tactics determines the alignment of a sub-category to the role and strategy assignment and the overall category plan of the retailer.

Figure 4–49 Assign Category Tactics View

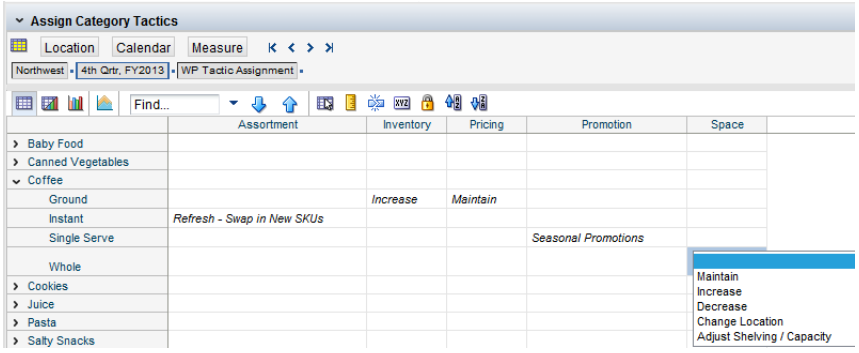


Table 4–39 lists the measure available in this view.

Table 4–39 Assign Category Tactic Measure

Label	Definition
WP Tactic Assignment	Used to assign the tactics' value to a sub-category, keeping the role and strategy assigned to that category in mind. Tactics refer to the approach or way forward for a category in terms of assortment range, inventory levels, pricing, promotion, space, and so on.

Set Targets and Approve Category Plan Step

This is the final step in the Category Planning task and it consists of setting the final targets in terms of various retail business measures (such as Sales, Gross Profit, Inventory, and so on) at the category and sub-category level and formally approving them. On approval, the category plan is conveyed to the Assortment Planning task as target data (Tgt measures). In Category Planning, the final plan is stored as an Original Plan (OP). These final targets are further defined as Private Label Targets and Promo Sales Targets.

This step also contains a dashboard view to see performance against targets and LY data during in-season and pre-season planning periods. This step also provides a facility to initially seed the category plan sales using LY data using the Seed Sales custom menu. Use this step to derive the final category plan.

This step contains the following tabs and views:

- Scorecard Summary View
- Seed Sales Tab:

  Review Sales View

  Seed Sales View
- Set Sales and Profit Targets Tab:

  1. Set Sales and Profit Targets View

  2. Set Promo Sales Targets View

  3. Set Private Label Targets View
- Set Inventory Targets Tab:

  Set Inventory Targets View
- Approve Tab:

  Approve Assortment Strategies, Tactics, and Scorecard View

This step also contains the following custom menu options:

- Seed Sales
- Approve OP

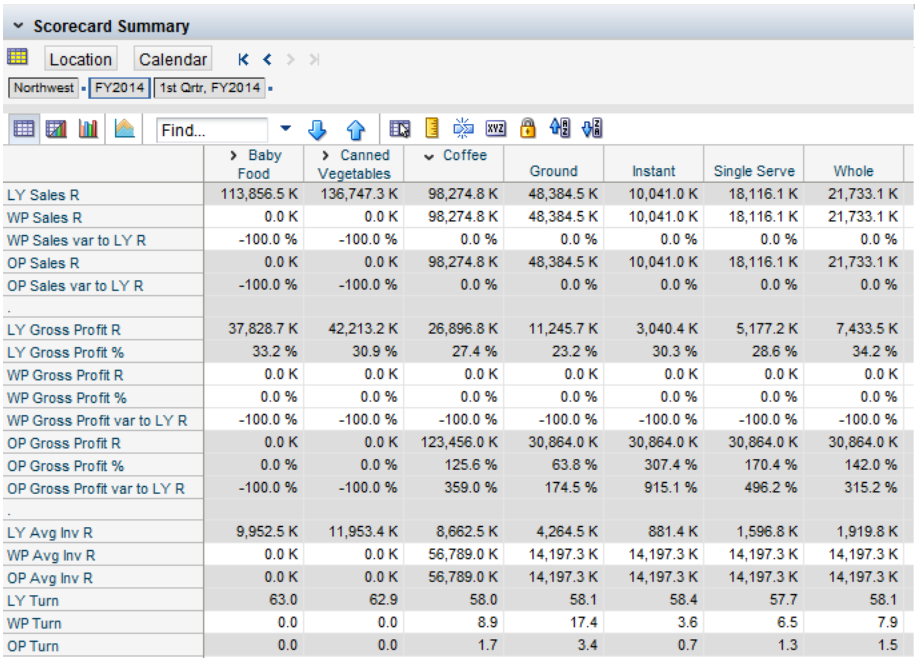
Scorecard Summary View

This step has one view, Scorecard Summary. Use this view to see the summary of the scorecard.

The Scorecard Summary view also contains three measure profiles:

- Private Label
- Promo Sales
- Sales

Figure 4–50 Scorecard Summary Sales Measure Profile View



	Baby Food	Canned Vegetables	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	113,856.5 K	136,747.3 K	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales R	0.0 K	0.0 K	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales var to LY R	-100.0 %	-100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Sales R	0.0 K	0.0 K	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
OP Sales var to LY R	-100.0 %	-100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
.							
LY Gross Profit R	37,828.7 K	42,213.2 K	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	33.2 %	30.9 %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
OP Gross Profit R	0.0 K	0.0 K	123,456.0 K	30,864.0 K	30,864.0 K	30,864.0 K	30,864.0 K
OP Gross Profit %	0.0 %	0.0 %	125.6 %	63.8 %	307.4 %	170.4 %	142.0 %
OP Gross Profit var to LY R	-100.0 %	-100.0 %	359.0 %	174.5 %	915.1 %	496.2 %	315.2 %
.							
LY Avg Inv R	9,952.5 K	11,953.4 K	8,662.5 K	4,264.5 K	881.4 K	1,596.8 K	1,919.8 K
WP Avg Inv R	0.0 K	0.0 K	56,789.0 K	14,197.3 K	14,197.3 K	14,197.3 K	14,197.3 K
OP Avg Inv R	0.0 K	0.0 K	56,789.0 K	14,197.3 K	14,197.3 K	14,197.3 K	14,197.3 K
LY Turn	63.0	62.9	58.0	58.1	58.4	57.7	58.1
WP Turn	0.0	0.0	8.9	17.4	3.6	6.5	7.9
OP Turn	0.0	0.0	1.7	3.4	0.7	1.3	1.5

Table 4–40 lists the measures available in the Sales Measure Profile View.

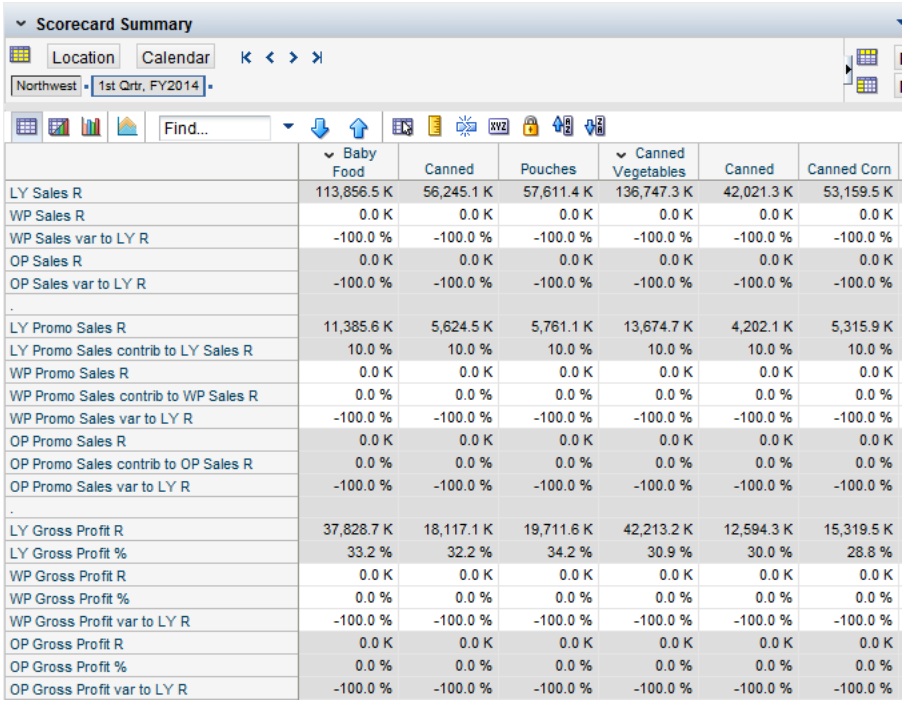
Table 4–40 Scorecard Summary Sales Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	The working plan assortment's sales retail value.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Gross Profit R	The gross profit retail value from the merchandise. This measure is different from the LY Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of last year's assortment.
LY Gross Profit %	The gross profit percentage from the merchandise in last year's assortment. This measure is different from the LY Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of last year's assortment.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of the working plan assortment.

Table 4–40 (Cont.) Scorecard Summary Sales Measure Profile Measures

Label	Definition
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of the working plan assortment.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	Gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.
LY Avg Inv R	Average inventory retail value or stock retail value carried by the category or sub-category as per last year's actuals. Average inventory retail value represents an average retail value of merchandise bought, received, and carried by the retailer before it gets sold at any point in time. This average inventory retail value is generally calculated on a weekly basis or a monthly basis to get an understanding of the money invested in inventory or buying merchandise.
WP Avg Inv R	Average inventory retail value to be carried by a category or sub-category in given planning period per the category plan's working plan version.
OP Avg Inv R	Average inventory retail value to be carried by a category or sub-category per the approved category plan or the original plan.
LY Turn	Inventory turns in last year's assortment. It reflects the number of times the carried inventory can be rolled over in a specified period of time.
WP Turn	Inventory turns in a working plan. It reflects the number of times the carried inventory can be rolled over in a specified period of time.
OP Turn	Inventory turns in the original plan. It reflects the number of times the carried inventory can be rolled over in a specified period of time.

Figure 4–51 Scorecard Summary Promo Sales Measure Profile View



	Baby Food	Canned	Pouches	Canned Vegetables	Canned	Canned Corn
LY Sales R	113,856.5 K	56,245.1 K	57,611.4 K	136,747.3 K	42,021.3 K	53,159.5 K
WP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.						
LY Promo Sales R	11,385.6 K	5,624.5 K	5,761.1 K	13,674.7 K	4,202.1 K	5,315.9 K
LY Promo Sales contrib to LY Sales R	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %
WP Promo Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Promo Sales contrib to WP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Promo Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
OP Promo Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Promo Sales contrib to OP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Promo Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
.						
LY Gross Profit R	37,828.7 K	18,117.1 K	19,711.6 K	42,213.2 K	12,594.3 K	15,319.5 K
LY Gross Profit %	33.2 %	32.2 %	34.2 %	30.9 %	30.0 %	28.8 %
WP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
OP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
OP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %

Table 4–41 lists the measures available in the Promo Sales Measure Profile View.

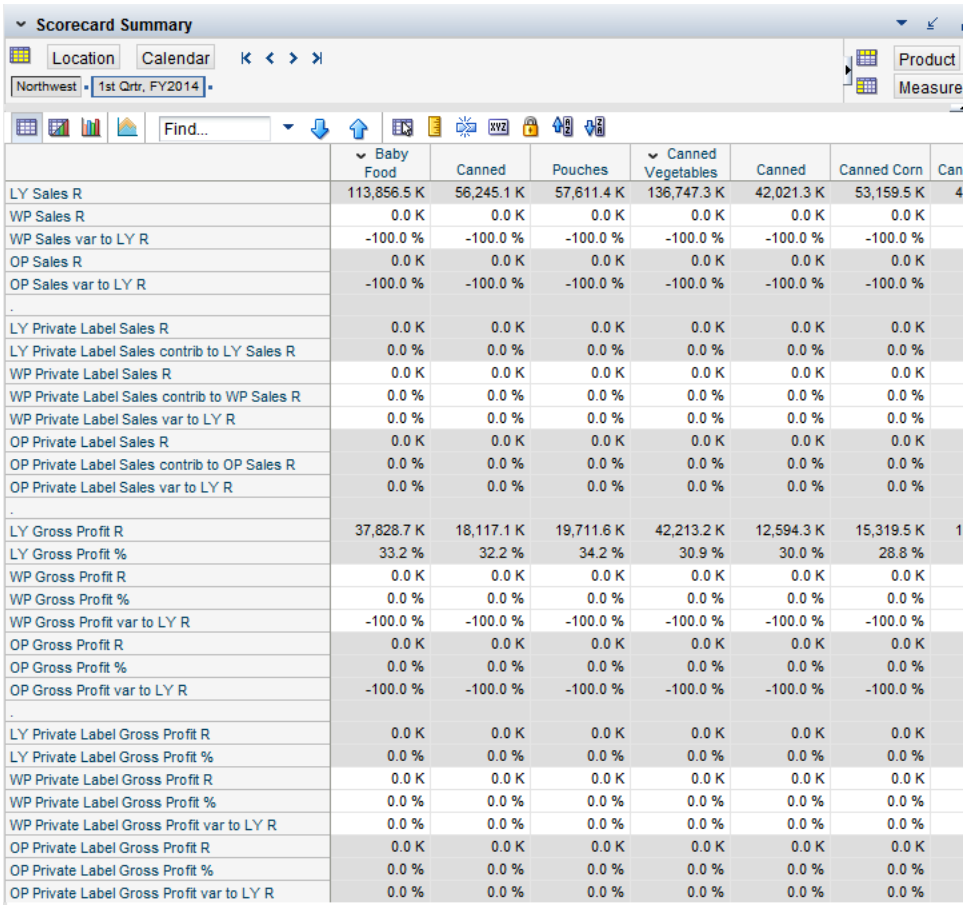
Table 4–41 Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Promo Sales R	Last year's promotional sales retail value actuals.
LY Promo Sales contrib to LY R	Promotional sales retail contribution, in percentage points, to the overall sales retail of last year's assortment.
WP Promo Sales R	Promotional sales retail in the working plan version of the category plan.
WP Promo Sales contrib to WP Sales R	The promotional sales retail contribution, in percentage points, to the overall sales retail of the working plan assortment.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year plan's actuals.
OP Promo Sales R	Promotional sales retail in the original plan assortment.
OP Promo Sales contrib to OP Sales R	The original plan's promotional sales retail value's variance to the same in last year plan's actuals.

Table 4–41 (Cont.) Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
OP Promo Sales var to LY R	The original plan's promotional sales retail value's variance to the same in last year's actuals.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan assortment version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	Gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.

Figure 4–52 Scorecard Summary Private Label Measure Profile View



	Baby Food	Canned	Pouches	Canned Vegetables	Canned	Canned Corn	Can
LY Sales R	113,856.5 K	56,245.1 K	57,611.4 K	136,747.3 K	42,021.3 K	53,159.5 K	4
WP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
WP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
OP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	
.							
LY Private Label Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
LY Private Label Sales contrib to LY Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
WP Private Label Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
WP Private Label Sales contrib to WP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
WP Private Label Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
OP Private Label Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
OP Private Label Sales contrib to OP Sales R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
OP Private Label Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
.							
LY Gross Profit R	37,828.7 K	18,117.1 K	19,711.6 K	42,213.2 K	12,594.3 K	15,319.5 K	1
LY Gross Profit %	33.2 %	32.2 %	34.2 %	30.9 %	30.0 %	28.8 %	
WP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
WP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
WP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	
OP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
OP Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
OP Gross Profit var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	
.							
LY Private Label Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
LY Private Label Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
WP Private Label Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
WP Private Label Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
WP Private Label Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
OP Private Label Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	
OP Private Label Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	
OP Private Label Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	

Table 4–42 lists the measures available in the Private Label Measure Profile View.

Table 4–42 Scorecard Summary Private Label Measure Profile Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
OP Sales R	The original plan assortment's sales retail value. The original plan represents the approved category plan and is used in assortment planning as the target sales retail value.
OP Sales var to LY R	The original plan's sales retail value's variance to the same in last year's actuals.
LY Private Label Sales R	Sales retail value from private label merchandise, for a category or sub-category, per last year's actuals.
LY Private Label Sales contrib to LY Sales R	Sales retail contribution of private label items to the overall sales retail of last year's assortment expressed in percentage points.
WP Private Label Sales R	The private label items' sales retail value in a working plan assortment.
WP Private Label Sales contrib to WP Sales R	The sales retail contribution of private label items to the overall sales retail of the working plan assortment expressed in percentage points.
WP Private Label Sales var to LY R	The working plan's private label items' sales retail variance to the same in last year plan's actuals.
OP Private Label Sales R	The private label items' sales retail value in the pre-season original plan assortment.
OP Private Label Sales contrib to OP Sales R	The original plan's private label sales retail value's contribution to the overall sales retail value in the original plan.
OP Private Label Sales var to LY R	The original plan's private label items' sales retail variance to the same in last year plan's actuals.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
OP Gross Profit R	The original plan's, approved category plan, gross profit retail value. It is the difference between sales retail and cost of goods sold.
OP Gross Profit %	Gross profit percentage from the merchandise per the original plan.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.

Table 4–42 (Cont.) Scorecard Summary Private Label Measure Profile Measures

Label	Definition
LY Private Label Gross Profit R	Gross profit retail of private label items in a last year's assortment for the cluster.
LY Private Label Gross Profit %	Gross profit percentage of private label items in last year's assortment for the cluster.
WP Private Label Gross Profit R	The gross profit retail of private label items in a working plan version of the category plan.
WP Private Label Gross Profit %	The gross profit percentage of private label items in a working plan version of the category plan.
WP Private Label Gross Profit var to LY R	Variance of private label merchandise's gross profit retail value in the working plan version of the category plan to the same in last year's actuals.
OP Private Label Gross Profit R	Gross profit retail value from private label merchandise in approved category plan (Original Plan).
OP Private Label Gross Profit %	Gross profit percentage from private label merchandise in approved category plan (Original Plan).
OP Private Label Gross Profit var to LY	Variance of private label merchandise's gross profit retail value in approved category plan (Original Plan) to the same in last year's actuals.

Seed Sales Tab

This tab is used to seed and review plan sales.

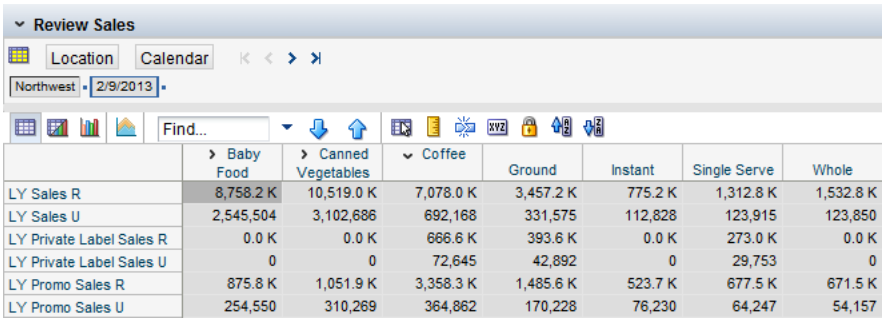
Custom Menu

There is a custom menu available on this tab called Seed Sales. You select the desired data source in the Seed Source column. The choices are No Action, Forecast, and Last Year. The appropriate values are copied into the Sales and Sales Units columns.

Review Sales View

Use this view to review LY Sales against the WP Sales. However, WP Sales are set only in the next few views. This view presents LY and WP measures for Sales U and Sales R at the overall sales level, Private Label level and Promo Sales level.

Figure 4–53 Review Sales View



	Baby Food	Canned Vegetables	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	8,758.2 K	10,519.0 K	7,078.0 K	3,457.2 K	775.2 K	1,312.8 K	1,532.8 K
LY Sales U	2,545,504	3,102,686	692,168	331,575	112,828	123,915	123,850
LY Private Label Sales R	0.0 K	0.0 K	666.6 K	393.6 K	0.0 K	273.0 K	0.0 K
LY Private Label Sales U	0	0	72,645	42,892	0	29,753	0
LY Promo Sales R	875.8 K	1,051.9 K	3,358.3 K	1,485.6 K	523.7 K	677.5 K	671.5 K
LY Promo Sales U	254,550	310,269	364,862	170,228	76,230	64,247	54,157

Table 4–43 lists the measures available in this view.

Table 4–43 Review Sales Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
LY Sales U	Sales units, for a category or sub-category, per last year's actuals.
LY Private Label Sales R	Sales retail value from private label merchandise, for a category or sub-category, per last year's actuals.
LY Private Label Sales U	Sales units from private label merchandise in last year's actuals.
LY Promo Sales R	Last year's promotional sales retail value actuals.
LY Promo Sales U	Promotional sales units in last year's assortment.

Seed Sales View

Use this view to seed the initial WP plan with LY plan used to derive the final category plan as an Original Plan (OP).

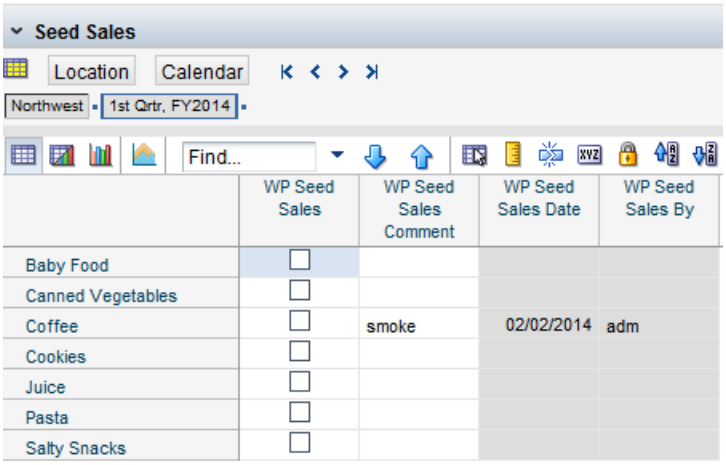


Table 4–44 lists the measures available in this view.

Table 4–44 Seed Sales Measures

Label	Definition
WP Seed Sales	Contains a drop-down list of methods (includes Last Year Plan and Forecasts) which the sales for a working plan assortment can be seeded. Once the drop-down selection is made, the user needs to run the Seed Sales custom menu. This measure is available at the sub-category level and above.
WP Seed Sales Comments	Free text field available to the user to add comments while seeding sales.
WP Seed Sales Date	The date on which sales were seeded.
WP Seed Sales By	The user ID which was used to seed sales.

Set Sales and Profit Targets Tab

This tab has three views:

1. Set Sales and Profit Targets View

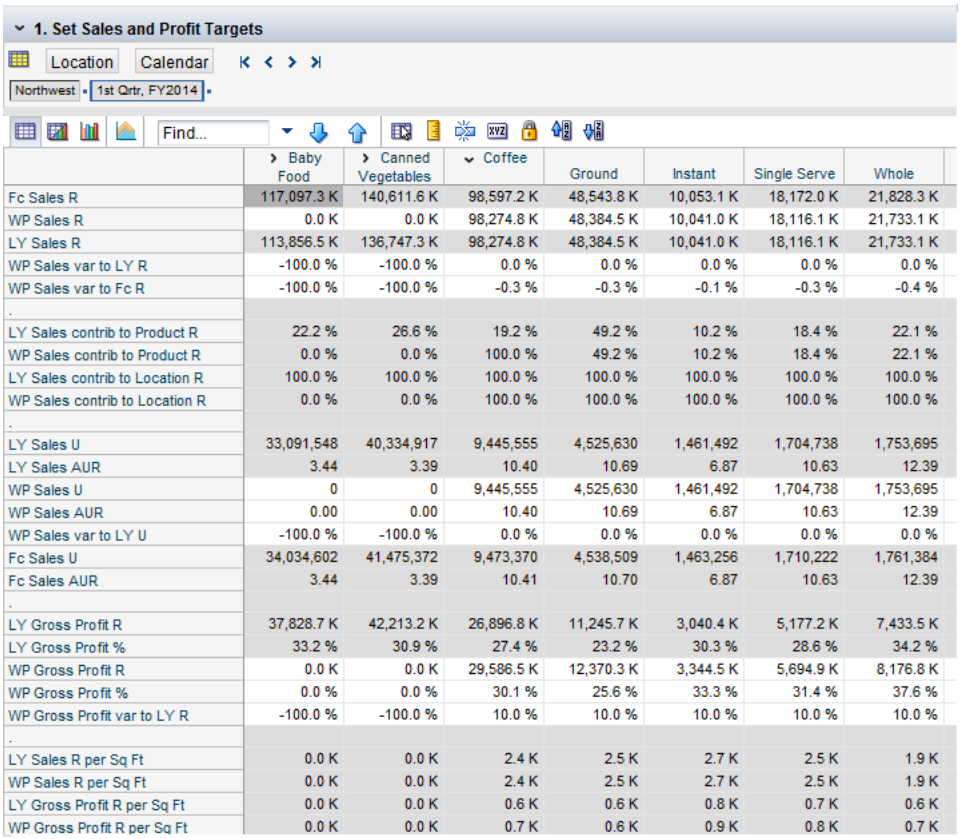
2. Set Promo Sales Targets View

3. Set Private Label Targets View

1. Set Sales and Profit Targets View

Use this view to set the sales and profit targets at the total category level.

Figure 4–54 1. Set Sales and Profit Targets View



	Baby Food	Canned Vegetables	Coffee	Ground	Instant	Single Serve	Whole
Fc Sales R	117,097.3 K	140,611.6 K	98,597.2 K	48,543.8 K	10,053.1 K	18,172.0 K	21,828.3 K
WP Sales R	0.0 K	0.0 K	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
LY Sales R	113,856.5 K	136,747.3 K	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Sales var to LY R	-100.0 %	-100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Sales var to Fc R	-100.0 %	-100.0 %	-0.3 %	-0.3 %	-0.1 %	-0.3 %	-0.4 %
.							
LY Sales contrib to Product R	22.2 %	26.6 %	19.2 %	49.2 %	10.2 %	18.4 %	22.1 %
WP Sales contrib to Product R	0.0 %	0.0 %	100.0 %	49.2 %	10.2 %	18.4 %	22.1 %
LY Sales contrib to Location R	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
WP Sales contrib to Location R	0.0 %	0.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
.							
LY Sales U	33,091,548	40,334,917	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
LY Sales AUR	3.44	3.39	10.40	10.69	6.87	10.63	12.39
WP Sales U	0	0	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
WP Sales AUR	0.00	0.00	10.40	10.69	6.87	10.63	12.39
WP Sales var to LY U	-100.0 %	-100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fc Sales U	34,034,602	41,475,372	9,473,370	4,538,509	1,463,256	1,710,222	1,761,384
Fc Sales AUR	3.44	3.39	10.41	10.70	6.87	10.63	12.39
.							
LY Gross Profit R	37,828.7 K	42,213.2 K	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	33.2 %	30.9 %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	0.0 K	0.0 K	29,586.5 K	12,370.3 K	3,344.5 K	5,694.9 K	8,176.8 K
WP Gross Profit %	0.0 %	0.0 %	30.1 %	25.6 %	33.3 %	31.4 %	37.6 %
WP Gross Profit var to LY R	-100.0 %	-100.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %
.							
LY Sales R per Sq Ft	0.0 K	0.0 K	2.4 K	2.5 K	2.7 K	2.5 K	1.9 K
WP Sales R per Sq Ft	0.0 K	0.0 K	2.4 K	2.5 K	2.7 K	2.5 K	1.9 K
LY Gross Profit R per Sq Ft	0.0 K	0.0 K	0.6 K	0.6 K	0.8 K	0.7 K	0.6 K
WP Gross Profit R per Sq Ft	0.0 K	0.0 K	0.7 K	0.6 K	0.9 K	0.8 K	0.7 K

Table 4–45 lists the measures available in this view.

Table 4–45 1. Set Sales and Profit Targets Measures

Label	Definition
FC Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
WP Sales R	The working plan assortment's sales retail value.
LY Sales R	Last year's assortment's sales retail value.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
WP Sales var to Fc R	The working plan's sales retail value's variance to the same in the forecast.
LY Sales contrib to Product R	The contribution percentage of a sub-category's sales retail to the category's (or higher level product hierarchy) overall sales retail in last year's assortment.

Table 4–45 (Cont.) 1. Set Sales and Profit Targets Measures

Label	Definition
WP Sales contrib to Product R	The sales retail contribution percentage of a specific set of merchandise to a category's (or higher level product hierarchy) overall sales retail in the working plan assortment.
LY Sales contrib to Location R	The sales retail contribution percentage of a specific set of merchandise to a location's (on the location hierarchy) overall sales retail in last year's assortment.
WP Sales contrib to Location R	The sales retail contribution percentage of a specific set of merchandise to a location's (on the location hierarchy) overall sales retail in the working plan assortment.
LY Sales U	Sales units, for a category or sub-category, per last year's actuals.
LY Sales AUR	Last year's actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year's actual sales.
WP Sales U	The sales units from the merchandise in the working plan version of the category plan.
WP Sales AUR	Average unit retail value for an item (all items included) in a working plan version of the category plan. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment.
WP Sales Var to LY U	The working plan's sales units' variance to the same in last year's actuals.
Fc Sales U	Forecasted sales retail units for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
Fc Sales AUR	Forecasted average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on the forecast.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Gross Profit var to LY R	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals.
LY Sales R per Sq Ft	Last year's sales retail return per square feet. It is calculated by dividing sales retail from the merchandise by the area (or space in square feet) allocated to that particular merchandise.
WP Sales R per Sq Ft	Sales retail return per square feet in the working plan version of the category plan. It is calculated by dividing the respective sales retail value by the area (or space in square feet) allocated to that particular merchandise.
LY Gross Profit R per Sq Ft	The gross profit retail return per square feet from the merchandise in last year's assortment. It is calculated by dividing the gross profit retail value from the merchandise by the area (or space, in square feet) allocated to the merchandise.

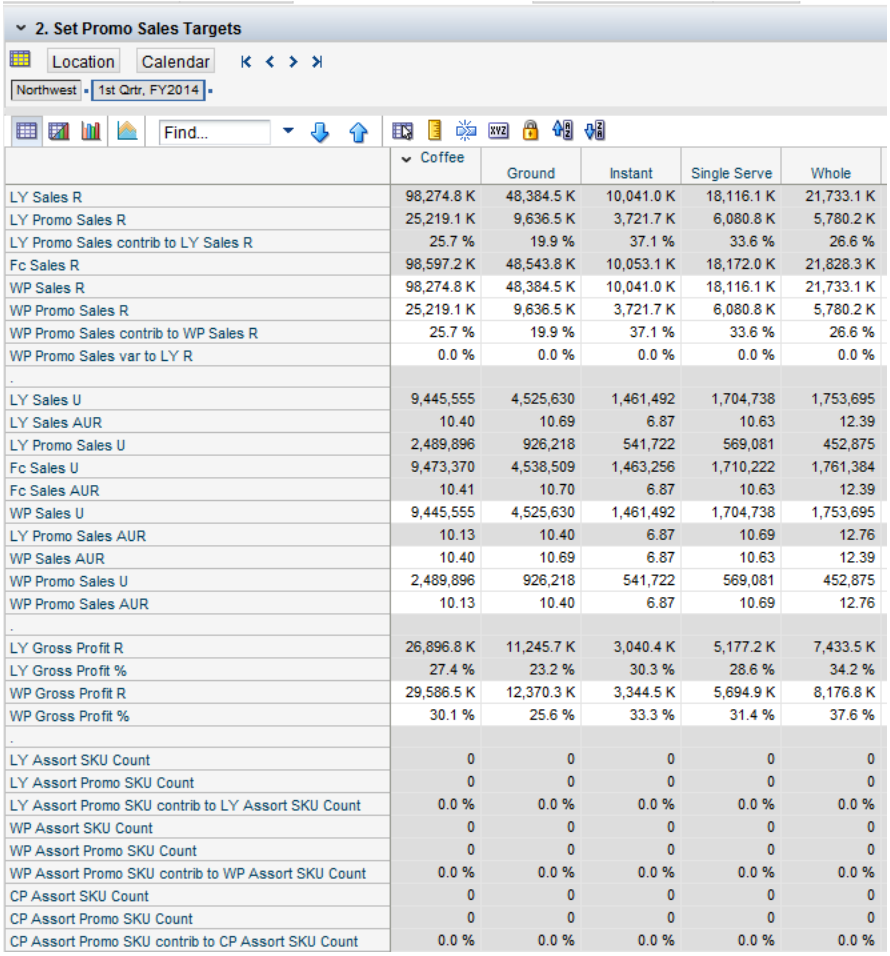
Table 4–45 (Cont.) 1. Set Sales and Profit Targets Measures

Label	Definition
WP Gross Profit R per Sq Ft	The gross profit retail return per square feet from the merchandise in the working plan assortment. It is calculated by dividing the gross profit retail value from the merchandise by the area (or space, in square feet) allocated to the merchandise.

2. Set Promo Sales Targets View

Use this view to set the scorecard targets for inventory.

Figure 4–55 2. Set Promo Sales Targets View



	Coffee	Ground	Instant	Single Serve	Whole
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
LY Promo Sales R	25,219.1 K	9,636.5 K	3,721.7 K	6,080.8 K	5,780.2 K
LY Promo Sales contrib to LY Sales R	25.7 %	19.9 %	37.1 %	33.6 %	26.6 %
Fc Sales R	98,597.2 K	48,543.8 K	10,053.1 K	18,172.0 K	21,828.3 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Promo Sales R	25,219.1 K	9,636.5 K	3,721.7 K	6,080.8 K	5,780.2 K
WP Promo Sales contrib to WP Sales R	25.7 %	19.9 %	37.1 %	33.6 %	26.6 %
WP Promo Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
.					
LY Sales U	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
LY Sales AUR	10.40	10.69	6.87	10.63	12.39
LY Promo Sales U	2,489,896	926,218	541,722	569,081	452,875
Fc Sales U	9,473,370	4,538,509	1,463,256	1,710,222	1,761,384
Fc Sales AUR	10.41	10.70	6.87	10.63	12.39
WP Sales U	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
LY Promo Sales AUR	10.13	10.40	6.87	10.69	12.76
WP Sales AUR	10.40	10.69	6.87	10.63	12.39
WP Promo Sales U	2,489,896	926,218	541,722	569,081	452,875
WP Promo Sales AUR	10.13	10.40	6.87	10.69	12.76
.					
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
WP Gross Profit R	29,586.5 K	12,370.3 K	3,344.5 K	5,694.9 K	8,176.8 K
WP Gross Profit %	30.1 %	25.6 %	33.3 %	31.4 %	37.6 %
.					
LY Assort SKU Count	0	0	0	0	0
LY Assort Promo SKU Count	0	0	0	0	0
LY Assort Promo SKU contrib to LY Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort SKU Count	0	0	0	0	0
WP Assort Promo SKU Count	0	0	0	0	0
WP Assort Promo SKU contrib to WP Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CP Assort SKU Count	0	0	0	0	0
CP Assort Promo SKU Count	0	0	0	0	0
CP Assort Promo SKU contrib to CP Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Table 4–46 lists the measures available in this view.

Table 4–46 2. Set Promo Sales Targets Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
LY Promo Sales R	Last year's promotional sales retail value actuals.
LY Promo Sales contrib to LY Sales R	Promotional sales retail contribution, in percentage points, to the overall sales retail of last year's assortment.

Table 4–46 (Cont.) 2. Set Promo Sales Targets Measures

Label	Definition
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
WP Sales R	Sales retail value, for a category or sub-category, in the working plan version of the category plan.
WP Promo Sales R	Promotional sales retail in the working plan version of the category plan.
WP Promo Sales contrib to WP Sales R	The promotional sales retail contribution, in percentage points, to the overall sales retail of the working plan assortment.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year plan's actuals.
LY Sales U	Sales units, for a category or sub-category, per last year's actuals.
LY Sales AUR	Last year's actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year's actual sales.
LY Promo Sales U	Promotional sales units in last year's assortment.
Fc Sales U	Forecasted sales retail units for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
Fc Sales AUR	Forecasted average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on the forecast.
WP Sales U	The sales units from the merchandise in the working plan version of the category plan.
LY Promo Sales AUR	The average unit retail value for the promotional sales in a last year's assortment.
WP Sales AUR	Average unit retail value for an item (all items included) in a working plan version of the category plan. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment.
WP Promo Sales U	Promotional sales units in the working plan assortment.
WP Promo Sales AUR	The average unit retail value for the promotional sales in a working plan assortment.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan version of the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
LY Assort SKU Count	The total number of SKUs in last year's assortment.
LY Assort Promo SKU Count	The number of SKUs put on promotion in last year's assortment for the cluster.

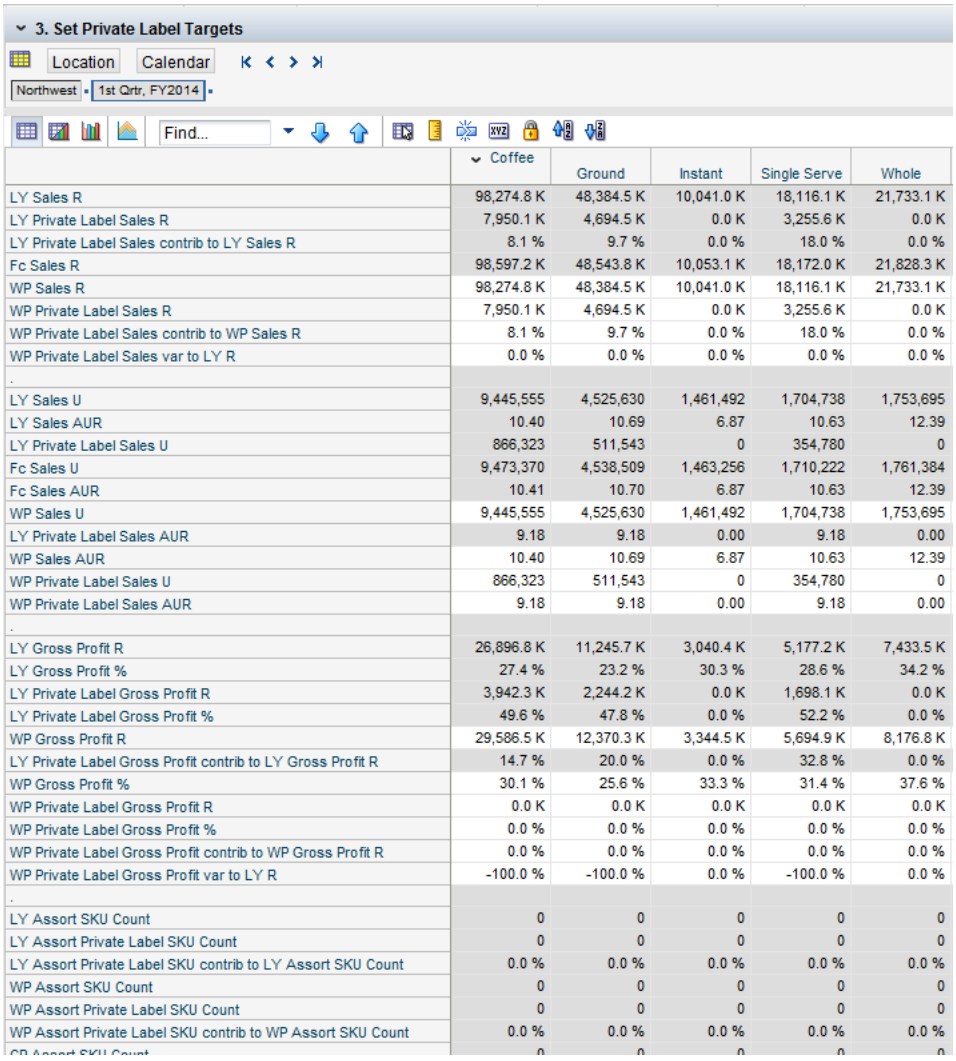
Table 4–46 (Cont.) 2. Set Promo Sales Targets Measures

Label	Definition
LY Assort Promo SKU contrib to LY Assort SKU Count	The number of SKUs put on promotion in last year's assortment relative to the total number of SKUs in last year's assortment expressed in percentage points.
WP Assort SKU Count	The total number of SKUs in the working plan's assortment for the cluster.
WP Assort Promo SKU Count	The number of SKUs put on promotion in the working plan's assortment for the cluster.
WP Assort Promo SKU contrib to WP Assort SKU Count	The number of SKUs put on promotion in the working plan assortment relative to the total number of SKUs in the working plan assortment expressed in percentage points.
CP Assort SKU Count	The total number of SKUs in the current plan's assortment for the cluster.
CP Assort Promo SKU Count	The number of SKUs put on promotion in the current plan assortment for the cluster.
CP Assort Promo SKU contrib to CP Assort SKU Count	The number of SKUs put on promotion in the current plan assortment relative to the total number of SKUs in the current plan assortment expressed in percentage points.

3. Set Private Label Targets View

Use this view to set the category-specific sales and profit targets for the private label.

Figure 4–56 3. Set Private Label Targets View



	Coffee				
	Ground	Instant	Single Serve	Whole	
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
LY Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K	0.0 K
LY Private Label Sales contrib to LY Sales R	8.1 %	9.7 %	0.0 %	18.0 %	0.0 %
Fc Sales R	98,597.2 K	48,543.8 K	10,053.1 K	18,172.0 K	21,828.3 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	18,116.1 K	21,733.1 K
WP Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K	0.0 K
WP Private Label Sales contrib to WP Sales R	8.1 %	9.7 %	0.0 %	18.0 %	0.0 %
WP Private Label Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
.					
LY Sales U	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
LY Sales AUR	10.40	10.69	6.87	10.63	12.39
LY Private Label Sales U	866,323	511,543	0	354,780	0
Fc Sales U	9,473,370	4,538,509	1,463,256	1,710,222	1,761,384
Fc Sales AUR	10.41	10.70	6.87	10.63	12.39
WP Sales U	9,445,555	4,525,630	1,461,492	1,704,738	1,753,695
LY Private Label Sales AUR	9.18	9.18	0.00	9.18	0.00
WP Sales AUR	10.40	10.69	6.87	10.63	12.39
WP Private Label Sales U	866,323	511,543	0	354,780	0
WP Private Label Sales AUR	9.18	9.18	0.00	9.18	0.00
.					
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K	7,433.5 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %	34.2 %
LY Private Label Gross Profit R	3,942.3 K	2,244.2 K	0.0 K	1,698.1 K	0.0 K
LY Private Label Gross Profit %	49.6 %	47.8 %	0.0 %	52.2 %	0.0 %
WP Gross Profit R	29,586.5 K	12,370.3 K	3,344.5 K	5,694.9 K	8,176.8 K
LY Private Label Gross Profit contrib to LY Gross Profit R	14.7 %	20.0 %	0.0 %	32.8 %	0.0 %
WP Gross Profit %	30.1 %	25.6 %	33.3 %	31.4 %	37.6 %
WP Private Label Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Private Label Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Private Label Gross Profit contrib to WP Gross Profit R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Private Label Gross Profit var to LY R	-100.0 %	-100.0 %	0.0 %	-100.0 %	0.0 %
.					
LY Assort SKU Count	0	0	0	0	0
LY Assort Private Label SKU Count	0	0	0	0	0
LY Assort Private Label SKU contrib to LY Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort SKU Count	0	0	0	0	0
WP Assort Private Label SKU Count	0	0	0	0	0
WP Assort Private Label SKU contrib to WP Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Table 4–47 lists the measures available in this view.

Table 4–47 3. Set Private Label Targets Measures

Label	Definition
LY Sales R	Sales retail value, for a category or sub-category, per last year's actuals.
LY Private Label Sales R	Sales retail value from private label merchandise, for a category or sub-category, per last year's actuals.
LY Private Label Sales contrib to LY Sales R	Sales retail contribution of private label items to the overall sales retail of last year's assortment expressed in percentage points.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
WP Sales R	The working plan assortment's sales retail value.
WP Private Label Sales R	The private label items' sales retail value in a working plan assortment.

Table 4–47 (Cont.) 3. Set Private Label Targets Measures

Label	Definition
WP Private Label Sales contrib to WP Sales R	The sales retail contribution of private label items to the overall sales retail of the working plan assortment expressed in percentage points.
WP Private Label Sales var to LY R	Variance in sales retail value from private label merchandise in working plan version of the category plan to last year's actuals.
LY Sales U	Sales units, for a category or sub-category, per last year's actuals.
LY Sales AUR	Last year's actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year's actual sales.
LY Private Label Sales U	Sales units from private label merchandise in last year's actuals.
Fc Sales U	Forecasted sales retail units value for a specific time period. It is generated in RCM by using AutoES libraries sourced from RDF. AutoES libraries are embedded in RCM. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
Fc Sales AUR	Forecasted average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on the forecast.
WP Sales U	The sales units from the merchandise in the working plan version of the category plan.
LY Private Label Sales AUR	Average unit retail value of private label merchandise in last year's actuals.
WP Sales AUR	Average unit retail value for an item (all items included) in a working plan version of the category plan. It reflects the average selling price of an SKU at different product hierarchy levels in the working plan.
WP Private Label Sales U	Sales units, for a category or sub-category, from private label merchandise in the working plan version of the category plan.
WP Private Label Sales AUR	Average unit retail value of the private label merchandise in a working plan version of the category plan.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise at the category and sub-category levels.
LY Gross Profit %	Last year's gross profit percentage from the merchandise at the category and sub-category levels.
LY Private Label Gross Profit R	Gross profit retail from private label merchandise in a last year's actuals presented at the category or sub-category level.
LY Private Label Gross Profit %	Gross profit percentage from private label merchandise in a last year's actuals presented at the category or sub-category level.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan version of the category plan.
LY Private Label Gross Profit contrib to LY Gross Profit R	Gross profit retail contribution of private label items to the overall gross profit retail of last year's assortment expressed in percentage points.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan.
WP Private Label Gross Profit R	Gross profit retail value of private label merchandise in the working plan version of the category plan.
WP Private Label Gross Profit %	Gross profit retail percentage of private label merchandise in the working plan version of the category plan.

Table 4–47 (Cont.) 3. Set Private Label Targets Measures

Label	Definition
WP Private Label Gross Profit contrib to WP Gross Profit R	The gross profit retail contribution of private label items to the overall gross profit retail of the working plan expressed in percentage points.
WP Private Label Gross Profit var to LY R	The working plan's private label items' gross profit retail's variance to the same in last year plan's actuals.
LY Assort SKU Count	The total number of SKUs in last year's assortment.
LY Assort Private Label SKU Count	The number of private label SKUs in the last year's assortment for the cluster.
LY Assort Private Label SKU contrib to LY Assort SKU Count	The number of private label SKUs in last year's assortment relative to the total number of SKUs in last year's assortment expressed in percentage points.
WP Assort SKU Count	The total number of SKUs in the working plan's assortment for the cluster.
WP Assort Private Label SKU Count	The number of private label SKUs in the working plan's assortment for the cluster.
WP Assort Private Label SKU contrib to WP Assort SKU Count	The number of private label SKUs in the working plan assortment relative to the total number of SKUs in the working plan assortment expressed in percentage points.
CP Assort SKU Count	The total number of SKUs in the current plan's assortment for the cluster.
CP Assort Private Label SKU Count	The number of private label SKUs in the current plan assortment for the cluster.
CP Assort Private Label SKU contrib to CP Assort SKU Count	The number of private label SKUs in the current plan assortment relative to the total number of SKUs in the current plan assortment expressed in percentage points.

Set Inventory Targets Tab

This tab has one view.

Set Inventory Targets View

Use this view to set the scorecard targets for inventory.

Figure 4–57 Set Inventory Targets View

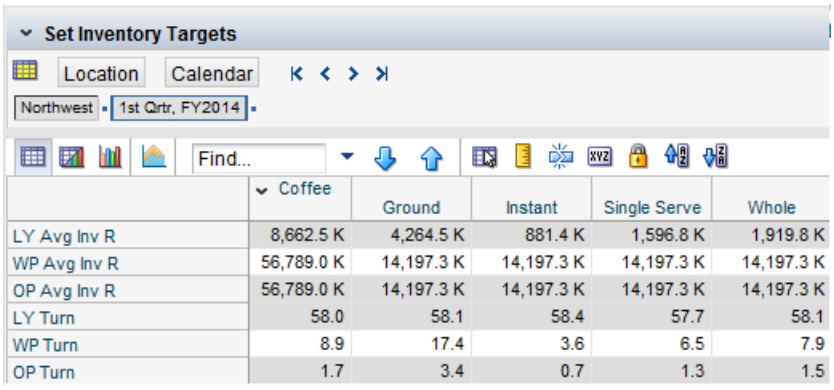


Table 4–48 lists the measures available in this view.

Table 4–48 Set Inventory Targets Measures

Label	Definition
LY Avg Inv R	Average inventory retail value or stock retail value carried by the category or sub-category as per last year's actuals. Average inventory retail value represents an average retail value of merchandise bought, received, and carried by the retailer before it gets sold at any point in time. This average inventory retail value is generally calculated on a weekly basis or monthly basis to get an understanding of the money invested in inventory or buying merchandise.
WP Avg Inv R	Average inventory retail value to be carried by a category or sub-category in given planning period, per the category plan's working plan version.
OP Avg Inv R	Average inventory retail value to be carried by a category or sub-category per the approved category plan or original plan.
LY Turn	Inventory turns per last year's actuals. It reflects the number of times the average inventory carried can be sold over a specified period of time.
WP Turn	Inventory turns in the working plan version of the category plan. It reflects the number of times the average inventory carried can be sold over a specified period of time.
OP Turn	Inventory turns in the approved category plan or original plan. It reflects the number of times the average inventory carried can be sold over a specified period of time.

Approve Tab

Use this tab to approve the assortment. Approval is the trigger that makes category roles, strategies, and tactics available to downstream solutions (for example, Assortment Planning). The working plan version of the category plan is approved and becomes the Original Plan (prefix is OP). Once approved, the original plan (OP) is directly committed to the database.

The original plan is then communicated to assortment planning process in the form of targets (denoted by a prefix of Tgt). The plan is time-stamped and includes user information.

To approve the strategies, tactics, and scorecard, check the box next to the desired category. Enter approval comments, if desired. Click the Approve custom menu to approve. Commit the workbook changes.

Approve Assortment Strategies, Tactics, and Scorecard View

This view contains the Approve custom menu.

This view exists at the following level:

- Sub-Category (a level in the Product dimension)
- Trading Area (a level in the Location dimension)

Figure 4–58 Approve Assortment Strategies, Tactics, and Scorecard View

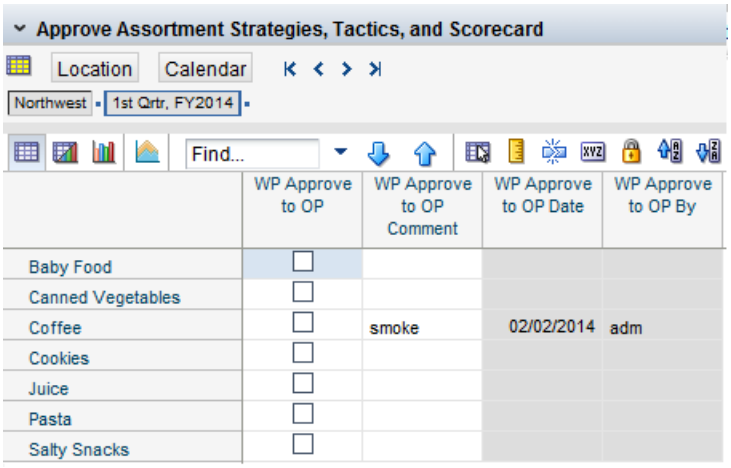


Table 4–49 lists the measures available in this view.

Table 4–49 Approve Assortment Strategies, Tactics, and Scorecard Measures

Label	Definition
WP Approve to OP	Category Planning Working Plan Approve to Original Plan Boolean. Boolean mask measure to control what is approved and not approved as the Original Plan.
WP Approve to OP Comment	Category Planning Working Plan Approve to Original Plan Comments. The comments made by the approver at the time of approving a specific category plan for the approval seeker to take a note of while executing the plan or working on other plans.
WP Approve OP Date	The date of approval of a working plan to an original plan.
WP Approve to OP By	The approver's ID which is used to approve a working plan to an original plan.

Next Steps

After completing category planning, continue to the Assortment Planning Analysis Task.

5

Assortment Planning Analysis Task

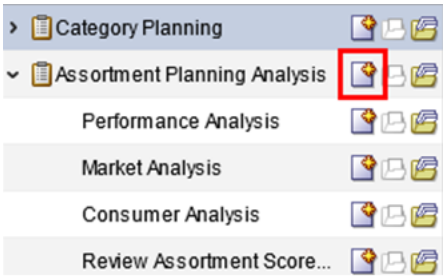
This chapter describes the Assortment Planning Analysis task.

Create the Assortment Planning Analysis Workbook

To create the workbook:

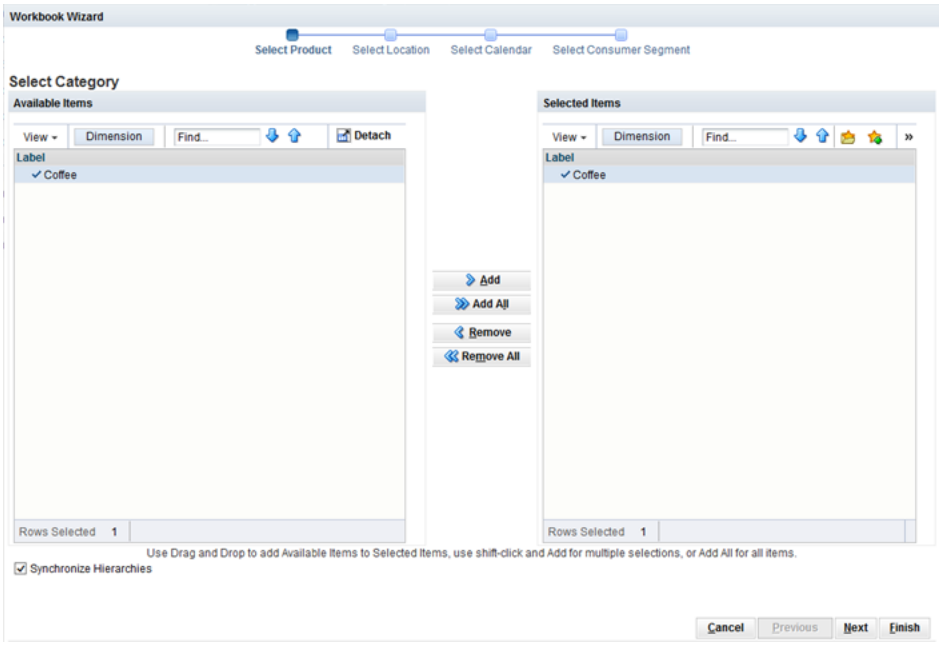
1. Select the **New Workbook** icon in the Assortment Planning Analysis activity.

Figure 5–1 Assortment Planning Analysis Task



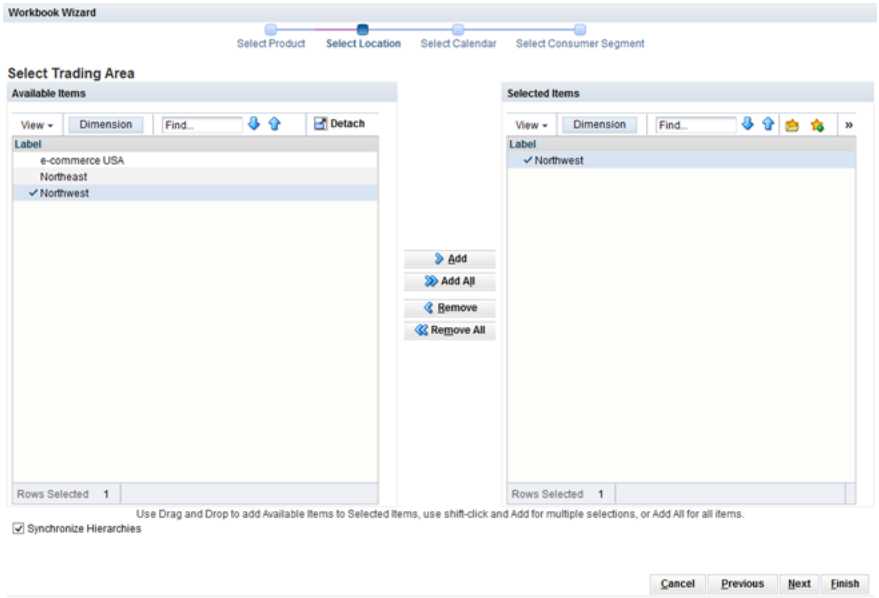
2. Select only one category and move it to the Selected Items box. Click **Next**.

Figure 5–2 Workbook Wizard Select Category Page



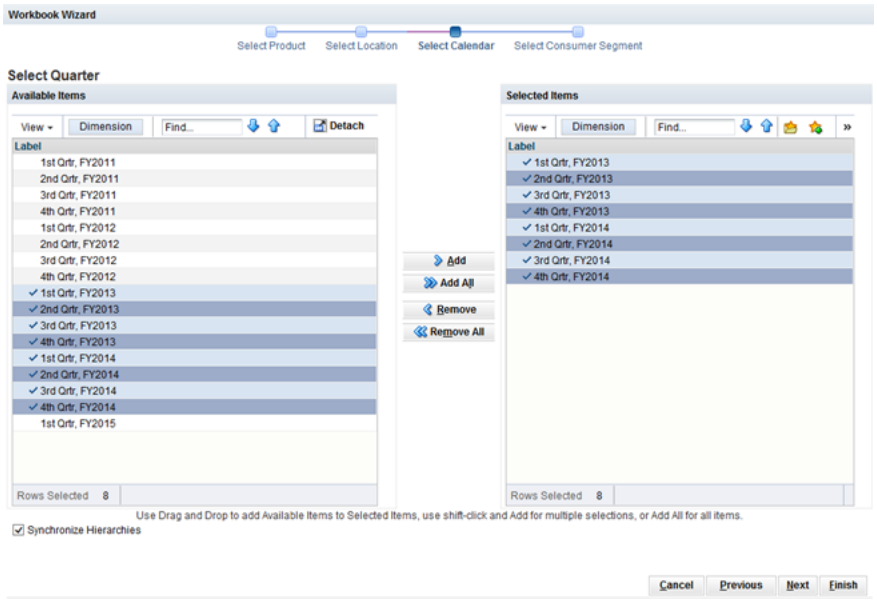
3. Select the trading areas and move them to the Selected Items box. Click **Next**.

Figure 5–3 Workbook Wizard Select Trading Area Page



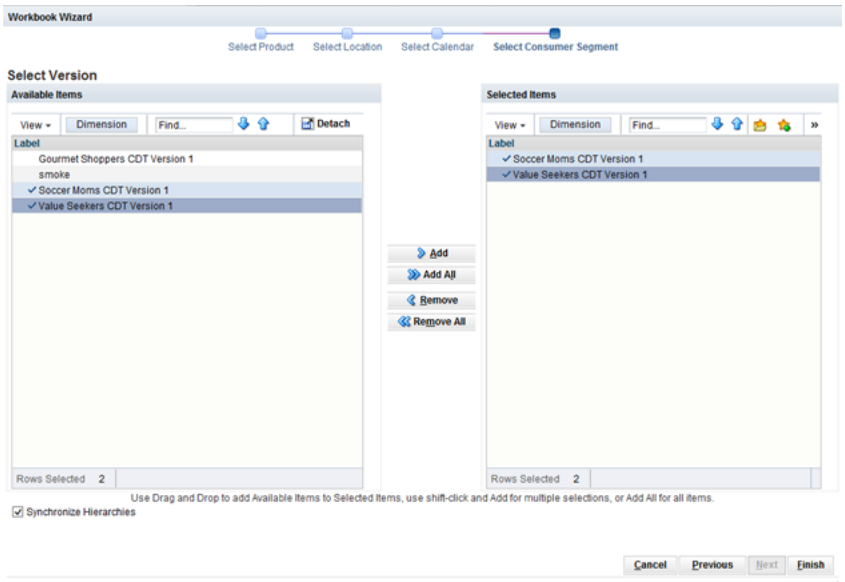
4. Select the quarters and move them to the Selected Items box. Click **Next**.

Figure 5–4 Workbook Wizard Select Quarter Page



5. Select the Consumer Segments and move them to the Selected Items box. Click **Finish**.

Figure 5–5 Workbook Wizard Select Version Page



The workbook is created.

Performance Analysis Step

Performance Analysis, presented here, is in the retailer's business context. Use this step to analyze the retailer's internal performance of a category based on historical sales and forecast, if available.

This step has the following tabs and views:

- Sales and Gross Profit Analysis Tab:

Sales and Gross Profit Analysis View

- Performance Quadrant Analysis Tab:

  1. Gross Profit and Inventory Turns View
  2. Sales Revenue and Sales Units View
  3. Sales Revenue and Gross Profit View
  4. Sales and Profit per Sq Ft View

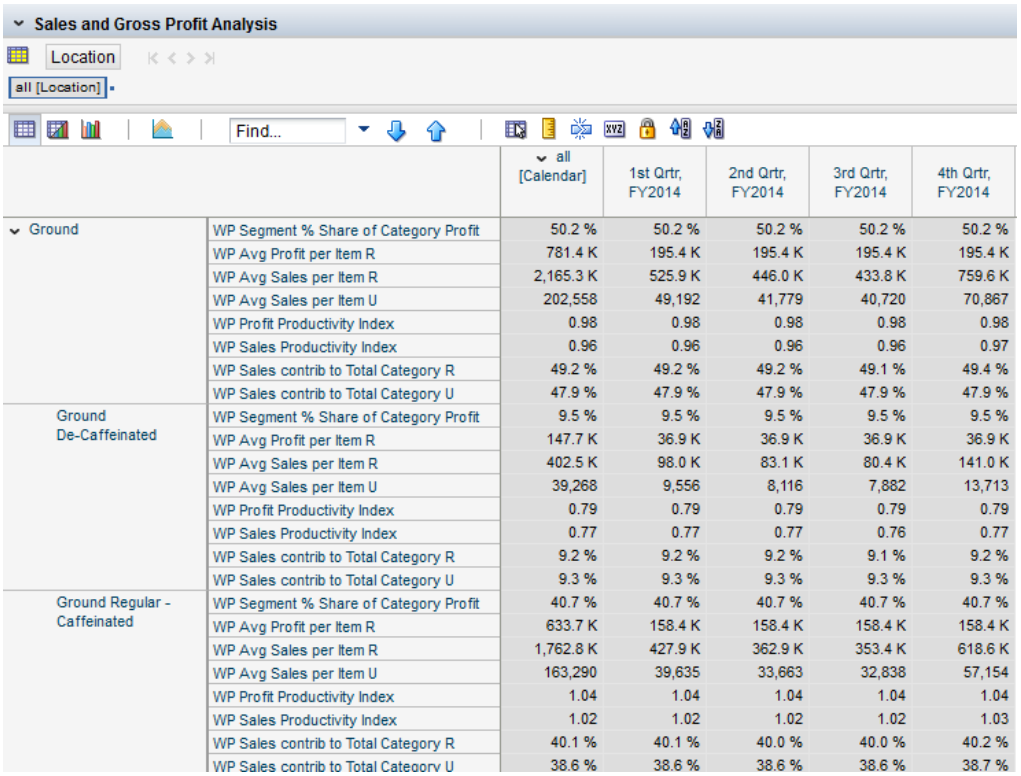
Sales and Gross Profit Analysis Tab

This tab has one view.

Sales and Gross Profit Analysis View

Use this view to analyze the contribution of sales and profits from each sub-category to the category total. It is possible to drill down in this view to the cluster level. It represents actuals for elapsed periods and planned values for future periods.

Figure 5–6 Sales and Gross Profit Analysis View



		all [Calendar]	1st Qrtr, FY2014	2nd Qrtr, FY2014	3rd Qrtr, FY2014	4th Qrtr, FY2014
Ground	WP Segment % Share of Category Profit	50.2 %	50.2 %	50.2 %	50.2 %	50.2 %
	WP Avg Profit per Item R	781.4 K	195.4 K	195.4 K	195.4 K	195.4 K
	WP Avg Sales per Item R	2,165.3 K	525.9 K	446.0 K	433.8 K	759.6 K
	WP Avg Sales per Item U	202,558	49,192	41,779	40,720	70,867
	WP Profit Productivity Index	0.98	0.98	0.98	0.98	0.98
	WP Sales Productivity Index	0.96	0.96	0.96	0.96	0.97
	WP Sales contrib to Total Category R	49.2 %	49.2 %	49.2 %	49.1 %	49.4 %
	WP Sales contrib to Total Category U	47.9 %	47.9 %	47.9 %	47.9 %	47.9 %
Ground De-Caffeinated	WP Segment % Share of Category Profit	9.5 %	9.5 %	9.5 %	9.5 %	9.5 %
	WP Avg Profit per Item R	147.7 K	36.9 K	36.9 K	36.9 K	36.9 K
	WP Avg Sales per Item R	402.5 K	98.0 K	83.1 K	80.4 K	141.0 K
	WP Avg Sales per Item U	39,268	9,556	8,116	7,882	13,713
	WP Profit Productivity Index	0.79	0.79	0.79	0.79	0.79
	WP Sales Productivity Index	0.77	0.77	0.77	0.76	0.77
	WP Sales contrib to Total Category R	9.2 %	9.2 %	9.2 %	9.1 %	9.2 %
	WP Sales contrib to Total Category U	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %
Ground Regular - Caffeinated	WP Segment % Share of Category Profit	40.7 %	40.7 %	40.7 %	40.7 %	40.7 %
	WP Avg Profit per Item R	633.7 K	158.4 K	158.4 K	158.4 K	158.4 K
	WP Avg Sales per Item R	1,762.8 K	427.9 K	362.9 K	353.4 K	618.6 K
	WP Avg Sales per Item U	163,290	39,635	33,663	32,838	57,154
	WP Profit Productivity Index	1.04	1.04	1.04	1.04	1.04
	WP Sales Productivity Index	1.02	1.02	1.02	1.02	1.03
	WP Sales contrib to Total Category R	40.1 %	40.1 %	40.0 %	40.0 %	40.2 %
	WP Sales contrib to Total Category U	38.6 %	38.6 %	38.6 %	38.6 %	38.7 %

Table 5–1 lists the measures available in this view.

Table 5–1 Sales and Gross Profit Analysis Measures

Label	Definition
WP Segment % Share of Category Profit	The percentage share contribution of a particular product segment (sub-category, CDT segment, and so on) towards the overall gross profit of the category.

Table 5–1 (Cont.) Sales and Gross Profit Analysis Measures

Label	Definition
WP Avg. Profit per Item R	The average gross profit retail per item in the working plan assortment for the cluster.
WP Avg. Sales per Item R	The average sales retail per item in the working plan for the cluster.
WP Avg. Sales per Item U	The average sales units per item in the working plan for the cluster.
WP Profit Productivity Index	Assortment Planning @ Cluster Working Plan Profit Productivity Index. Profit dollars per SKU of the segment divided by profit dollars per SKU of the category. This is a relative index of the average profit per SKU in the product segment compared to the average profit per SKU in the category. It helps identify if certain product segments are performing significantly better or worse from a profitability perspective.
WP Sales Productivity Index	Assortment Planning @ Cluster Working Plan Sales Productivity Index. Sales dollars per SKU of the segment divided by sales dollars per SKU of the category. This is a relative index of the average sales per SKU in the product segment compared to the average sales per SKU in the category. It helps identify if certain product segments are performing significantly better or worse from a sales perspective.
WP Sales contrib to Total Category R	The contribution, in percentage points, of a sub-category's sales retail value to the overall category sales retail value.
WP Sales contrib to Total Category U	The contribution, in percentage points, of a sub-category's units' value to the overall category sales units value.

Performance Quadrant Analysis Tab

This tab has four views.

1. Gross Profit and Inventory Turns View

Use this view to analyze gross profit and inventory turns. This information is best displayed as a scatter chart.

Figure 5–7 1. Gross Profit and Inventory Turns View

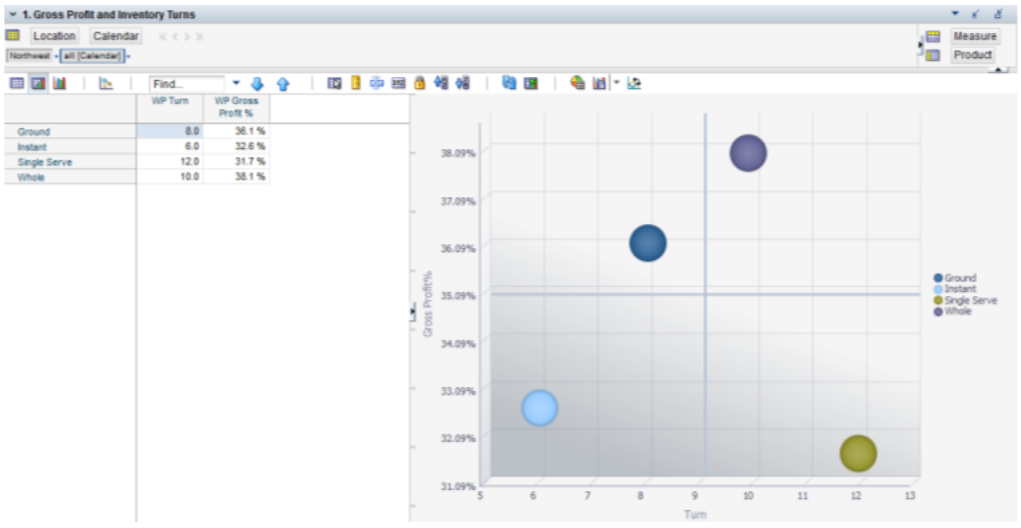


Table 5–2 lists the measures available in this view.

Table 5–2 1. Gross Profit and Inventory Turns Measures

Label	Definition
Target Gross Profit %	The approved and targeted gross profit percentage for a category or sub-category at the trading area level in the category plan.
Target Turn	The approved and targeted inventory turns for a sub-category or category at the trading area level in the category plan.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of the assortment.
WP Turn	Inventory turns in a working plan. It reflects the number of times the average carried inventory can be sold in a specified period of time.

2. Sales Revenue and Sales Units View

Use this view to analyze sales dollars and units. This information is best displayed as a bubble chart.

Figure 5–8 2. Sales Revenue and Sales Units View

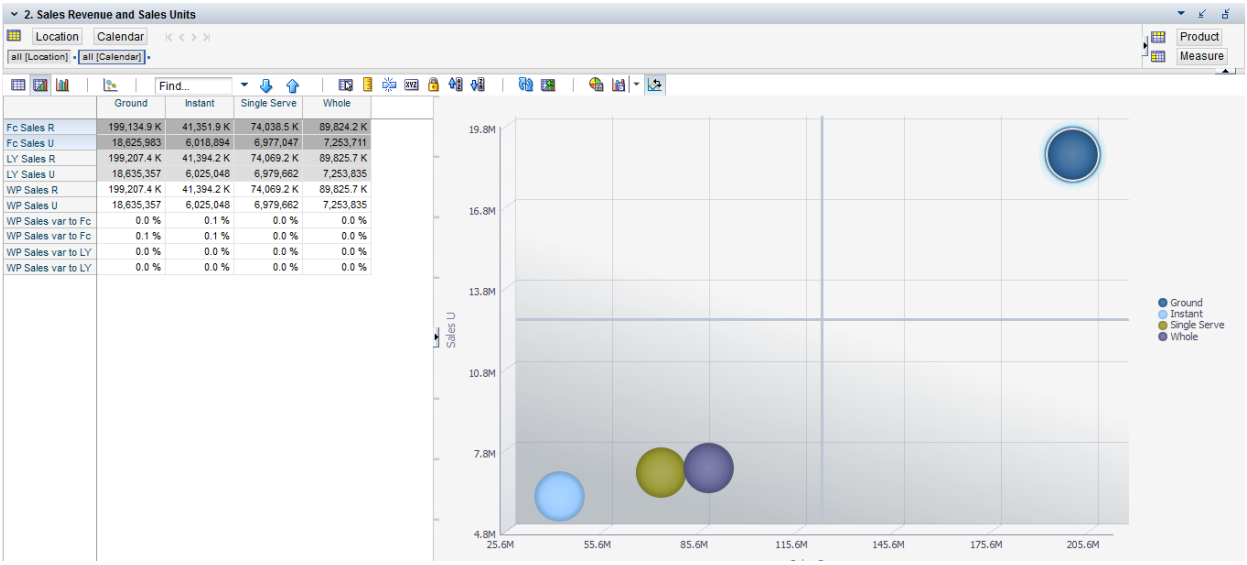


Table 5–3 lists the measures available in this view.

Table 5–3 2. Sales Revenue and Sales Units Measures

Label	Definition
Fc Sales R	Sales retail value for a time period per the forecast.
Fc Sales U	Sales units for a time period per the forecast.
LY Sales R	Last year's assortment's sales retail value.
LY Sales U	Last year's assortment's sales units.

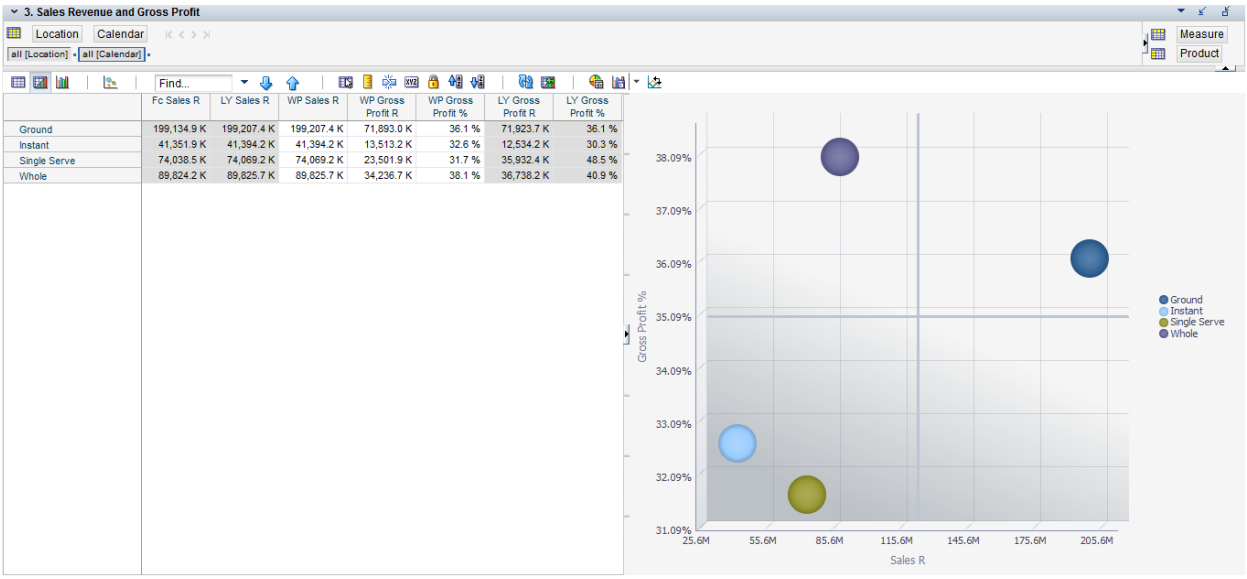
Table 5–3 (Cont.) 2. Sales Revenue and Sales Units Measures

Label	Definition
WP Sales R	The working plan sales retail value. This measure is different from the WP Assort Sales R measure as it reflects the sales retail value for all items irrespective of whether or not these items are part of the working plan assortment.
WP Sales U	The working plan sales units. This measure is different from the WP Assort Sales U measure as it reflects the sales units for all items irrespective of whether or not these items are part of the working plan assortment.
WP Sales var to Fc R	The working plan's sales retail value's variance to the same in the forecast.
WP Sales var to Fc U	The working plan's sales units' variance to the same in the forecast.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
WP Sales var to LY U	The working plan's sales units' variance to the same in last year's actuals.

3. Sales Revenue and Gross Profit View

Use this view to analyze gross profit and sales. This information is best displayed as a bubble chart.

Figure 5–9 3. Sales Revenue and Gross Profit View



The chart shown in the preceding figure analyzes Sales R versus Gross Profit% for each sub-category in the Coffee category. Note this analysis is possible at multiple different product hierarchy levels. The chart indicates that Ground coffee falls in the high Sales R and Gross Profit% quadrant whereas Whole Bean has high Gross Profit% and low Sales R whereas the Instant and Single Serve sub-categories fall in the low Sales R and low Gross Profit% quadrant.

Table 5–4 lists the measures available in this view.

Table 5–4 3. Sales Revenue and Gross Profit Measures

Label	Definition
Fc Sales R	Sales retail value for a time period per the forecast.
LY Gross Profit R	The gross profit retail value from the merchandise. This measure is different from the LY Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of last year's assortment.
LY Gross Profit %	The gross profit percentage from the merchandise in last year's assortment. This measure is different from the LY Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of last year's assortment.
LY Sales R	Last year's assortment's sales retail value.
WP Sales R	The working plan sales retail value. This measure is different from the WP Assort Sales R measure as it reflects the sales retail value for all items irrespective of whether or not these items are part of the working plan assortment.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of the working plan assortment.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of the working plan assortment.

4. Sales and Profit per Sq Ft View

Use this view to analyze profit and sales per square foot. This information is best displayed as a bubble chart.

Figure 5–10 4. Sales and Profit per Sq Ft View

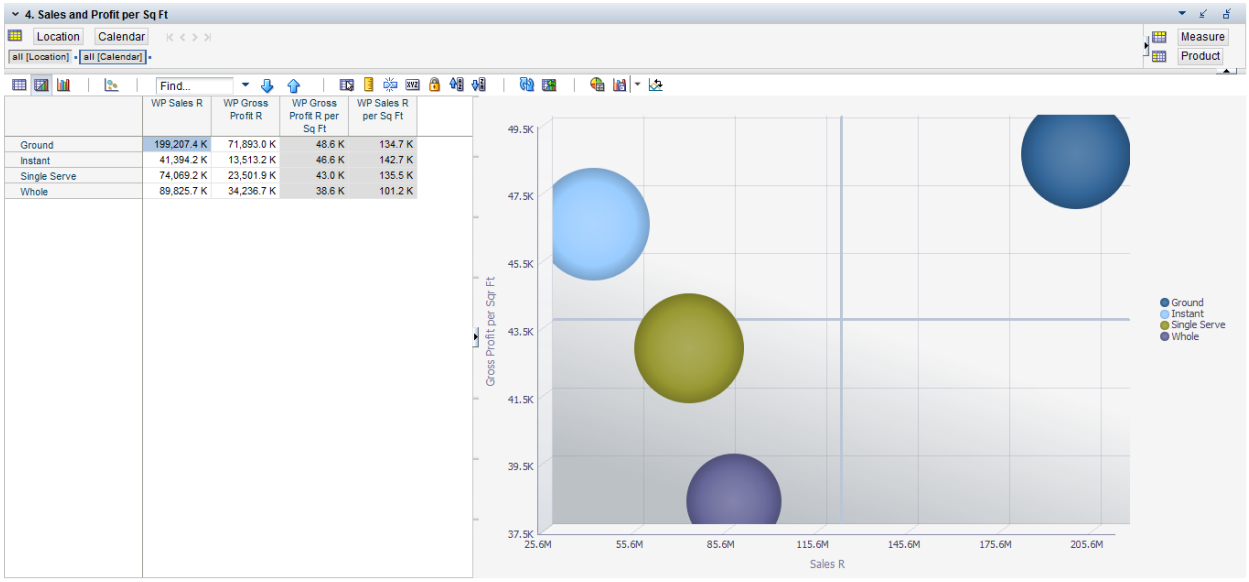


Table 5–5 lists the measures available in this view.

Table 5–5 4. Sales and Profit per Square Foot Measures

Label	Definition
WP Gross Profit R	The gross profit retail from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of the working plan assortment.
WP Gross Profit R per Sq Ft	The gross profit retail return per square feet from the merchandise in the working plan assortment. It is calculated by dividing Gross Profit Retail Value from the merchandise by the area, or space in square feet, allocated to the merchandise.
WP Sales R	The working plan sales retail value. This measure is different from the WP Assort Sales R measure as it reflects the sales retail value for all items irrespective of whether or not these items are part of the working plan assortment.
WP Sales R per Sq Ft	The working plan assortment's sales retail return per square feet. It is calculated by dividing sales retail value by the area, or space in square feet, allocated to that particular merchandise.

Market Analysis Step

Use this step to evaluate market coverage for each category by store cluster based on the standard hierarchy and/or by CDTs.

Market coverage is defined as the extent of sales covered by an assortment or a set of items. In other words, looking at the overall combined market sales (for example, for a trading area) of the products (SKUs/items) in an assortment and determining the overall market share of these products while looking at the whole market, then the market share percentage is the market coverage of the assortment under consideration. Note that the overall combined market sales of a product (SKUs/items) include sales happening for a product at all the retailers competing in the market.

For example, a retailer could be carrying 100 SKUs for a product category out of 150 SKUs sold in the whole market. If the combined market sales of these 100 SKUs have a market share of 90%, the market coverage of the retailer's assortment is 90%.

Market coverage based analysis is based on market data which is sourced from third parties such as Nielsen, IRI, and so on, that provide syndicated data.

The concept of market coverage is used to look at the spread and contribution of sales in the retailer's business compared with the market. It facilitates the determination of target market coverage for a retailer's assortment.

This step has the following tabs and views:

- Set Breakpoint and Performance Drivers Tab:

  Set Breakpoints View

  Set Performance Metric Driver View
- Performance Based Fragmentation Analysis Tab:

  1. Performance Based Fragmentation Analysis - Market Data View

  2. Performance Based Fragmentation Analysis - Retail Data View
- Item Contribution Analysis Tab:

  1. Item Contribution Market View

  2. Item Contribution Retailer View

- Proliferation Analysis Tab:
  1. Proliferation Market Analysis View
  2. Proliferation Retailer Analysis View
- Accumulative Ranking Tab:
  1. Accumulative Ranking Market Analysis View
  2. Accumulative Ranking Retailer Analysis View
- Market Assessment Tab:
  1. Market Share Assessment View
  2. Market Sales Trend Analysis View
  3. Market Analysis View
- Market Quadrant Analysis Tab:
  1. Market Sales $ / Sales Units / Share View
  2. Market Share / Growth / Sales Units View

Set Breakpoint and Performance Drivers Tab

Under this tab, the user defines the measures (metrics) on which Performance Based Fragmentation Analysis, Item Contribution Analysis, Proliferation Analysis, and Accumulative Ranking Analysis should be done. These analyses are described in this chapter.

The user also needs to set the breakpoints to view Performance Based Fragmentation Analysis and Item Contribution Analysis at the retailer level and market level.

This tab has two views.

Set Breakpoints View

Use this view to set the category breakpoints. Vary the breakpoint thresholds to see the spread or distribution of sales across items in an assortment in fragmentation and item contribution analysis. This view also provides a facility to do What-if analysis for a specific amount or percentage of sales and SKU count to identify the appropriate market coverage for WP assortment.

Figure 5–11 Set Breakpoints View

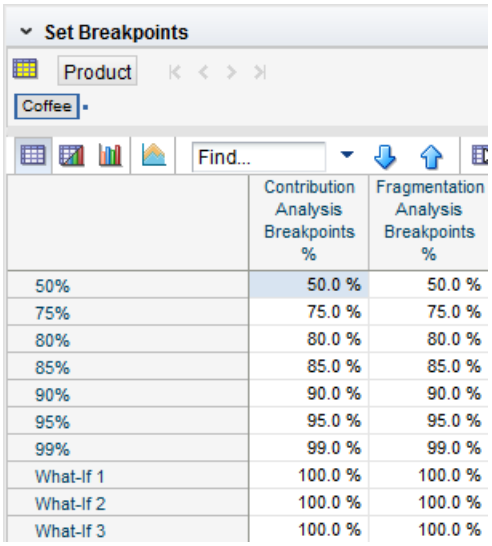


Table 5–6 lists the measures available in this view.

Table 5–6 Set Breakpoints Measures

Label	Definition
Contribution Analysis Breakpoints %	The pre-defined (user-set) breakpoints for the count of items (in percentage points) for a category to see the sales variance across the complete range of SKUs in that category.
Fragmentation Analysis Breakpoints %	The pre-defined (user-set) breakpoints for sales (in percentage points) for a category to see the sales dollars variance across the complete range of SKUs in that category.

Set Performance Metric Driver View

Use this view to set key metrics for the retailer and market levels for Performance Based Fragmentation Analysis, Item Contribution Analysis, Proliferation Analysis, and Accumulative Ranking Analysis. Selections made here are primarily used as the basis of calculations for fragmentation analysis. The calculations are then also used to derive the other three analyses previously mentioned. Once this selection is completed, the user needs to run the Fragmentation Analysis custom menu to populate the respective views.

The selection is done from a drop-down list of measures available for the retail and market levels. The measures, Sales R and Sales U, are available in different forms in the drop-down selection such as LY, WP, Fc, and so on.

Figure 5–12 Set Performance Metric Driver View

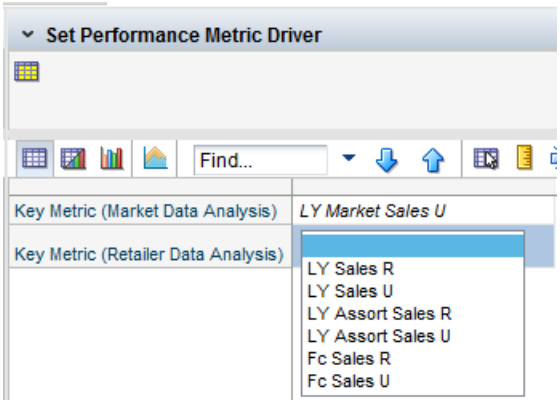


Table 5–7 lists the measures available in this view.

Table 5–7 Select Performance Metric Driver Measures

Label	Definition
Key Metric (Market Data Analysis)	The market data measure used to do fragmentation and contribution analysis. For example, for a traffic building category, the use of sales units in the market would be appropriate. For a transaction building category, the use of sales retail in the market would be appropriate.
Key Metric (Retailer Data Analysis)	The retailer data measure used to do fragmentation and contribution analysis. For example, for a traffic building category, the use of sales units at the retailer would be appropriate. For a transaction building category, the use of sales retail at the retailer would be appropriate.

Performance Based Fragmentation Analysis Tab

Custom Menu

Once the information has been set in the two views under Set Breakpoints and Performance Drivers, you can perform fragmentation analysis. This is done by using the Fragmentation Analysis custom menu.

The results of the fragmentation analysis populate the measures available in the following tabs:

- Performance Based Fragmentation Analysis
- Item Contribution Analysis
- Proliferation Analysis
- Accumulative Ranking

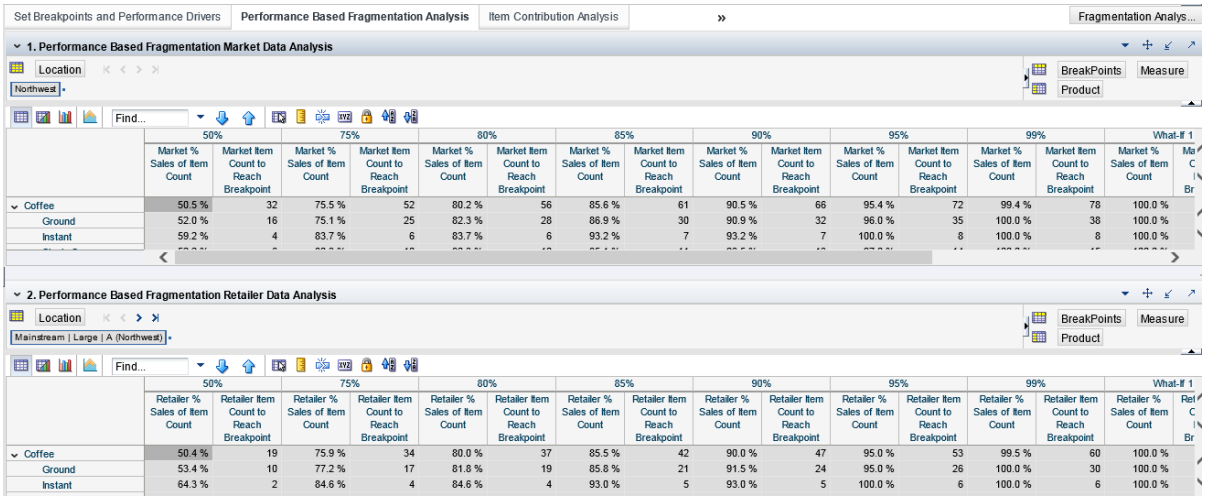
Fragmentation Analysis provides a facility to view the distribution or spread of sales across the SKUs in an assortment. It helps the planner understand how fragmented the category/sub-category sales are.

You can also view and compare the fragmentation of the category at the retailer compared to the fragmentation in the market to understand if the retailer's category sales are more or less fragmented than the market.

Sales are divided into preset levels or ranges based on the breakpoints already defined. The SKU/Item count is viewed against it. The idea is to look at the number of SKUs/Items required to achieve a certain percentage of the overall sales at the category and sub-category level. This analysis is available for the retailer's business and in the overall market's, for example, a trading area, business context as well.

The following figure shows the views for this tab.

Figure 5–13 Performance Based Fragmentation Analysis Tab



1. Performance Based Fragmentation Analysis - Market Data View

Use this view to analyze the number of the SKUs that represent certain predefined breakpoints, in percentage points, of the market sales.

Figure 5–14 1. Performance Based Fragmentation Market Data Analysis View

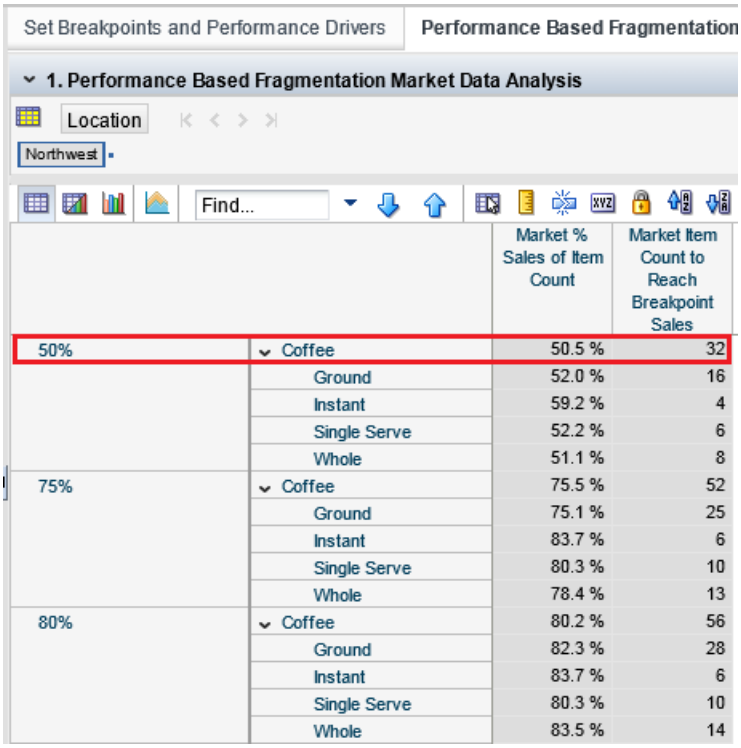


Table 5–8 lists the measures available in this view.

Table 5–8 1. Performance Based Fragmentation Analysis - Market Data Measures

Label	Definition
Market % Sales of Item Count	The contribution towards overall sales of the market (or market coverage, in other words) represented in percentage figures by a set of items or a fragment of items from the overall assortment. Typically looked at on the product category level. Breakpoints are defined for this measure to view the fragmentation analysis.
Market Item Count to Reach Breakpoint Sales	The number of SKUs required in the market (typically trading area) as a whole to reach a preset breakpoint percentage sales of total market sales. For example in Figure 5–14, 32 SKUs contribute to 50% of market sales and 52 SKUs contribute to 75% of market sales.

2. Performance Based Fragmentation Analysis - Retail Data View

Use this view to analyze the percentage of the SKUs that represent certain predefined breakpoints, in percentage points, of the retailer's sales.

Figure 5–15 2. Performance Based Fragmentation Retailer Data Analysis View

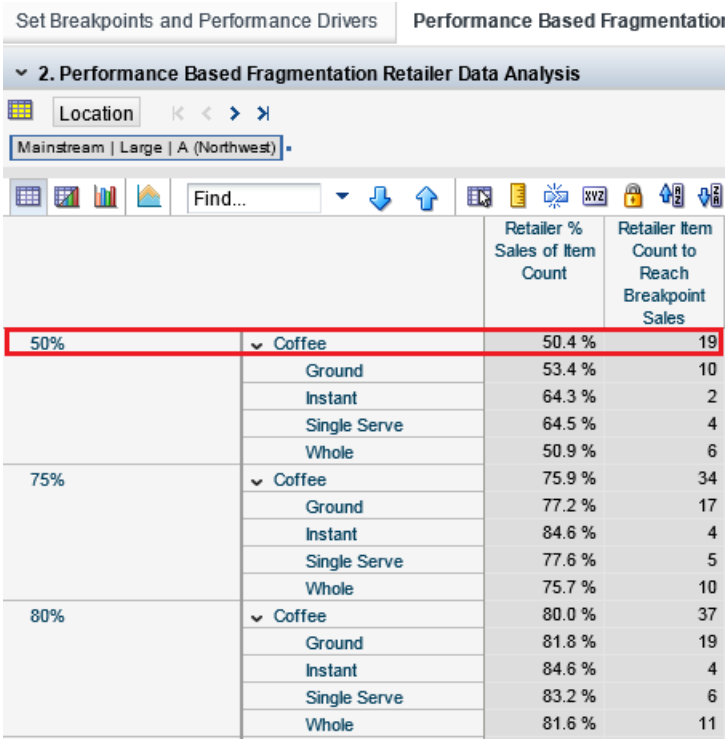


Table 5–9 lists the measures available in this view.

Table 5–9 2. Performance Based Fragmentation Analysis - Retail Data Measures

Label	Definition
Retailer % Sales of Item Count	The contribution towards overall retail sales of the retailer (or market coverage, in other words) represented in percentage figures by a set of items or a fragment of items from the overall assortment. Typically looked at on the product category level. The value of this measure should roughly align with the defined breakpoints.

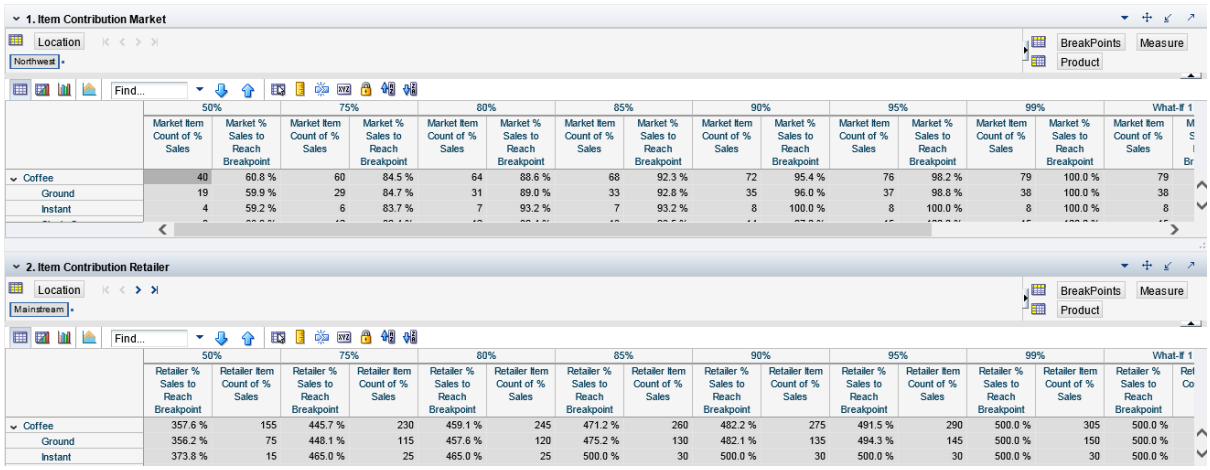
Table 5–9 (Cont.) 2. Performance Based Fragmentation Analysis - Retail Data Measures

Label	Definition
Retailer Item Count to Reach Breakpoint Sales	The number of items required to reach a preset breakpoint percentage sales of total retailer sales. For example in Figure 5–15, 19 SKUs contribute to 50% of retailer sales and 34 SKUs contribute to 75.9% of retailer sales

Item Contribution Analysis Tab

Item contribution analyzes the contribution of items to category/sub-category sales. For example, what is the contribution of 50% of the top selling SKUs to the total category sales? Here the breakpoints apply to the percentage of SKUs instead of sales. The following figure shows the views for this tab.

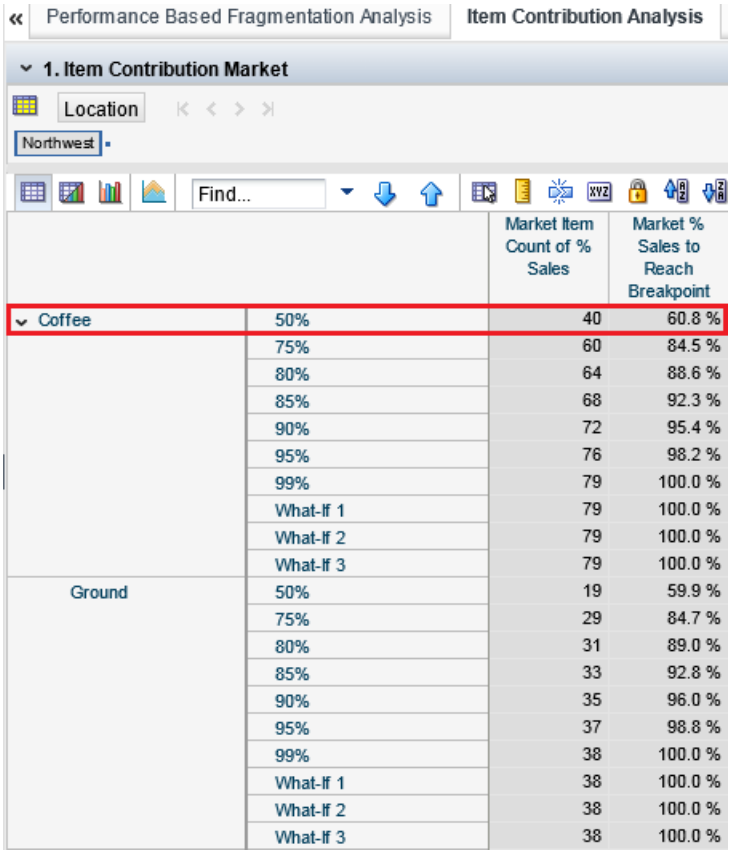
Figure 5–16 Item Contribution Analysis Tab Views



1. Item Contribution Market View

Use this view to analyze the contribution of SKUs to total Market Category Sales U, Sales R, Gross Profit and so on, based on the user-selected performance metric.

Figure 5–17 1. Item Contribution Market View



		Market Item Count of % Sales	Market % Sales to Reach Breakpoint
Coffee	50%	40	60.8 %
	75%	60	84.5 %
	80%	64	88.6 %
	85%	68	92.3 %
	90%	72	95.4 %
	95%	76	98.2 %
	99%	79	100.0 %
	What-If 1	79	100.0 %
	What-If 2	79	100.0 %
	What-If 3	79	100.0 %
Ground	50%	19	59.9 %
	75%	29	84.7 %
	80%	31	89.0 %
	85%	33	92.8 %
	90%	35	96.0 %
	95%	37	98.8 %
	99%	38	100.0 %
	What-If 1	38	100.0 %
	What-If 2	38	100.0 %
	What-If 3	38	100.0 %

Table 5–10 lists the measures available in this view.

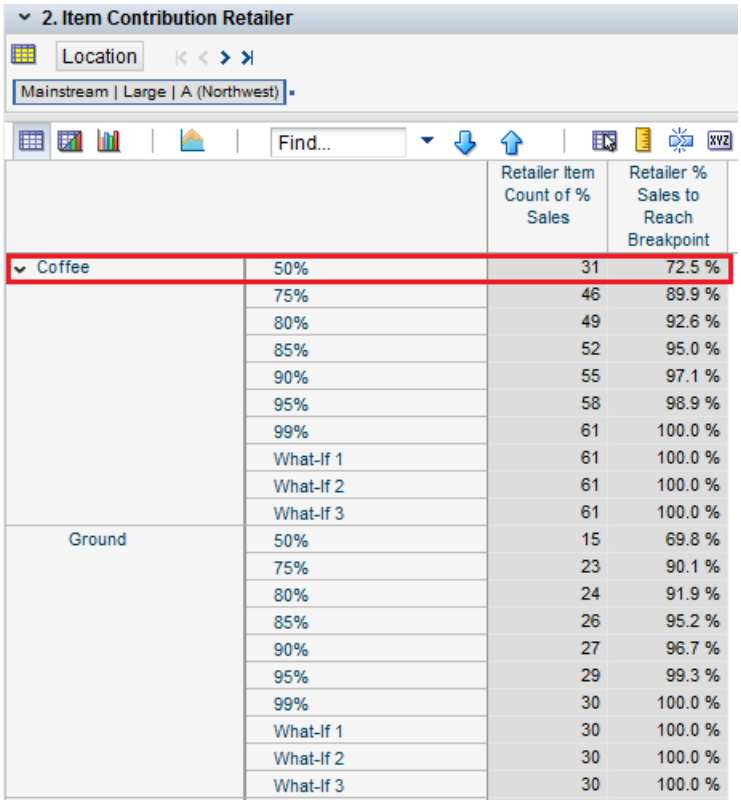
Table 5–10 1. Item Contribution Market Measures

Label	Definition
Market Item Count % of Sales	The contribution towards overall sales of the market (or market coverage in other words) represented in percentage figures by a set of items or a fragment of items from the overall assortment. Typically looked at on the product category level. Breakpoints are defined for this measure to view the fragmentation analysis. For example in Figure 5–17, 50% of the Market Item Count of % Sales is 40 SKUs. This corresponds to 50% of the total SKU count in the market, 60% corresponds to 60 SKUs, and 99% corresponds to 79 SKUs.
Market % Sales to Reach Breakpoint	The actual percentage of market sales (in other words, typically, market coverage for a trading area) reached to achieve the preset breakpoint sales level.

2. Item Contribution Retailer View

Use this view to analyze the contribution of SKUs to total Retailer Category Sales U, Sales R, Gross Profit, and so on, based on the user-selected performance metric.

Figure 5–18 2. Item Contribution Retailer View



		Retailer Item Count of % Sales	Retailer % Sales to Reach Breakpoint
Coffee	50%	31	72.5 %
	75%	46	89.9 %
	80%	49	92.6 %
	85%	52	95.0 %
	90%	55	97.1 %
	95%	58	98.9 %
	99%	61	100.0 %
	What-If 1	61	100.0 %
	What-If 2	61	100.0 %
	What-If 3	61	100.0 %
Ground	50%	15	69.8 %
	75%	23	90.1 %
	80%	24	91.9 %
	85%	26	95.2 %
	90%	27	96.7 %
	95%	29	99.3 %
	99%	30	100.0 %
	What-If 1	30	100.0 %
	What-If 2	30	100.0 %
	What-If 3	30	100.0 %

Table 5–11 lists the measures available in this view.

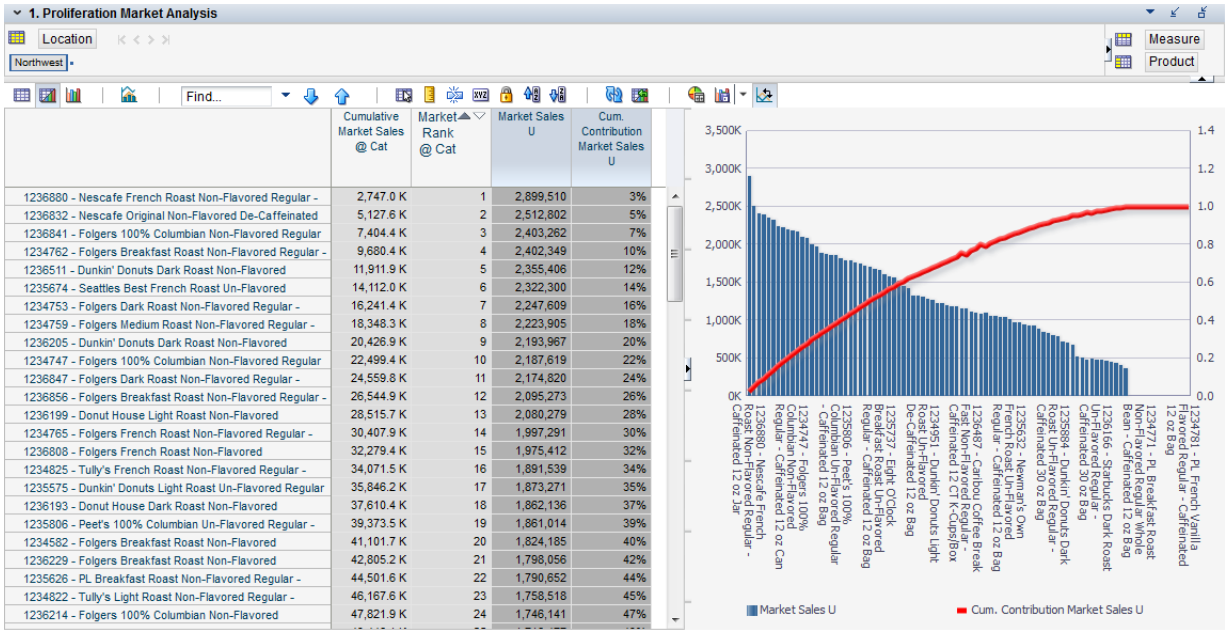
Table 5–11 2. Item Contribution Retailer Measures

Label	Definition
Retailer % Sales to Reach Breakpoint	The percentage of retailer sales (trading area sales) achieved by the number of SKUs that correspond to the preset breakpoint. Note the breakpoint is expressed as a % SKU count. For example in Figure 5–18, 50% of SKUs constitute 31retailer SKUs and contribute to 72.5% of the total category sales.
Retailer Item Count of % Sales	SKU count corresponding to each breakpoint (where the breakpoint is expressed as a percentage of retailer SKU counts).

Proliferation Analysis Tab

Proliferation Analysis provides a view to analyze cumulative sales across the product hierarchy against the SKU count.

Figure 5–19 1. Proliferation Analysis Market View



This view is achievable by first creating an extended measure from Market Sales U as a Cumulative Percentage measure called SKU Contribution to Market Sales, with the Order specified as High to Low. This is shown in Figure 5–20.

Figure 5–20 Creating an Extended Measure

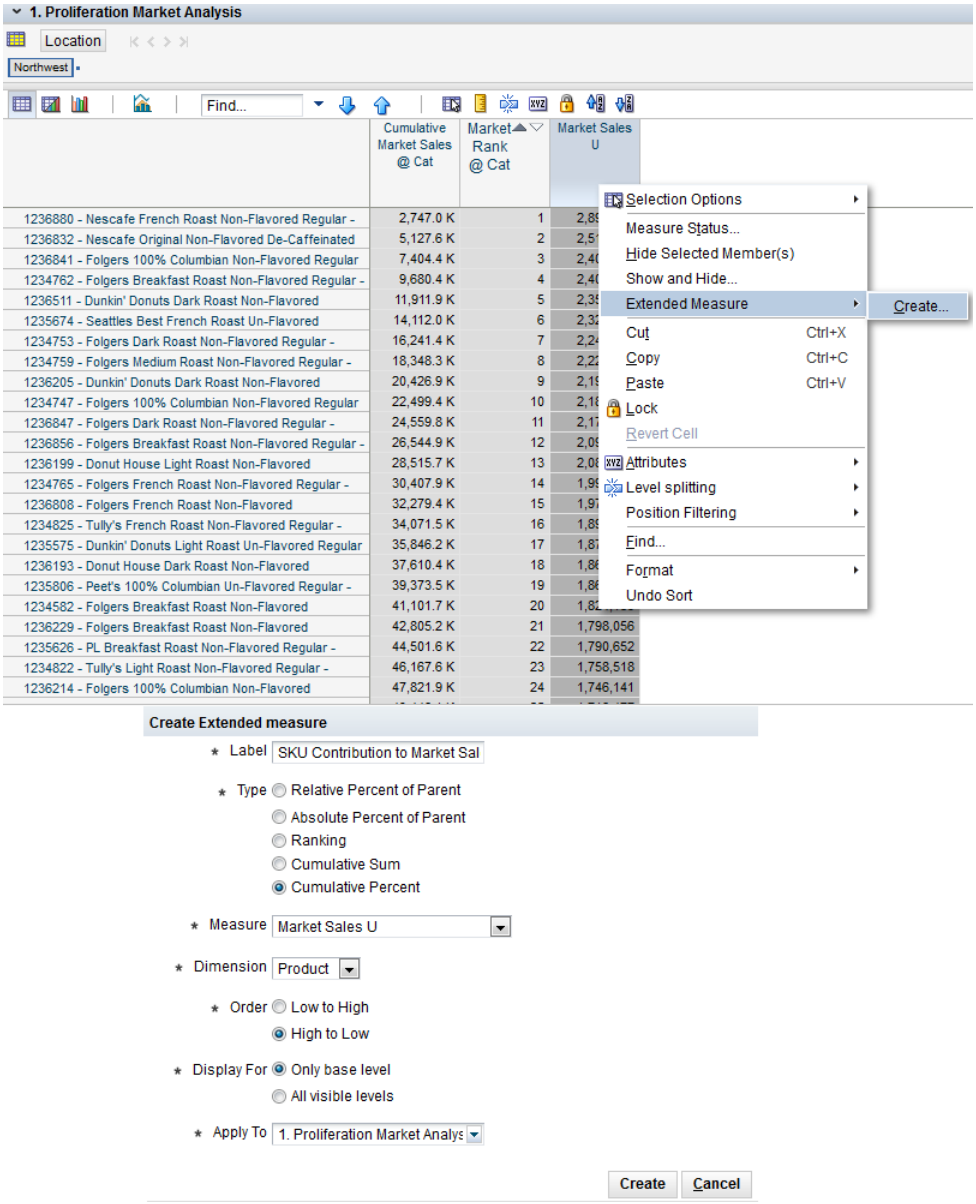
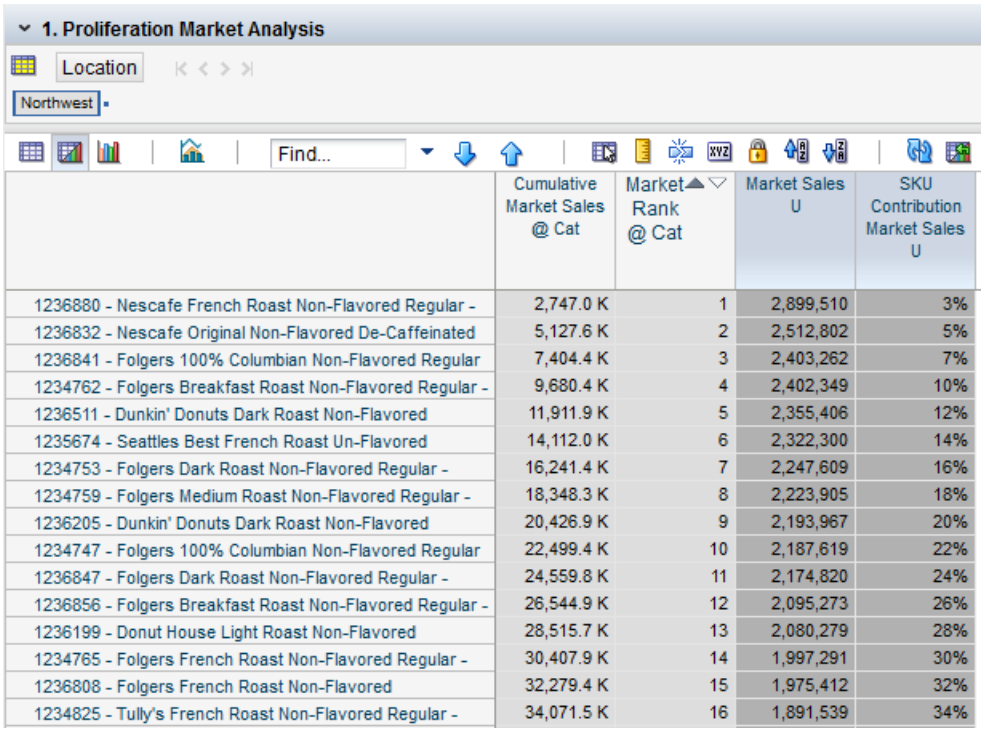


Figure 5–21 shows the Proliferation Market Analysis view updated with the extended measure.

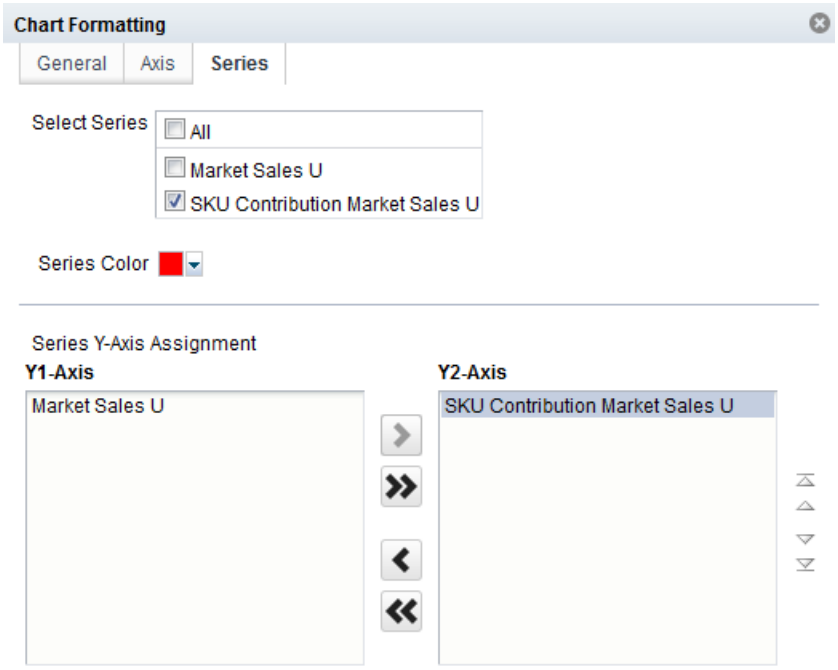
Figure 5–21 Proliferation Market Analysis View with Extended Measure



	Cumulative Market Sales @ Cat	Market Rank @ Cat	Market Sales U	SKU Contribution Market Sales U
1236880 - Nescafe French Roast Non-Flavored Regular -	2,747.0 K	1	2,899,510	3%
1236832 - Nescafe Original Non-Flavored De-Caffeinated	5,127.6 K	2	2,512,802	5%
1236841 - Folgers 100% Columbian Non-Flavored Regular	7,404.4 K	3	2,403,262	7%
1234762 - Folgers Breakfast Roast Non-Flavored Regular -	9,680.4 K	4	2,402,349	10%
1236511 - Dunkin' Donuts Dark Roast Non-Flavored	11,911.9 K	5	2,355,406	12%
1235674 - Seattles Best French Roast Un-Flavored	14,112.0 K	6	2,322,300	14%
1234753 - Folgers Dark Roast Non-Flavored Regular -	16,241.4 K	7	2,247,609	16%
1234759 - Folgers Medium Roast Non-Flavored Regular -	18,348.3 K	8	2,223,905	18%
1236205 - Dunkin' Donuts Dark Roast Non-Flavored	20,426.9 K	9	2,193,967	20%
1234747 - Folgers 100% Columbian Non-Flavored Regular	22,499.4 K	10	2,187,619	22%
1236847 - Folgers Dark Roast Non-Flavored Regular -	24,559.8 K	11	2,174,820	24%
1236856 - Folgers Breakfast Roast Non-Flavored Regular -	26,544.9 K	12	2,095,273	26%
1236199 - Donut House Light Roast Non-Flavored	28,515.7 K	13	2,080,279	28%
1234765 - Folgers French Roast Non-Flavored Regular -	30,407.9 K	14	1,997,291	30%
1236808 - Folgers French Roast Non-Flavored	32,279.4 K	15	1,975,412	32%
1234825 - Tully's French Roast Non-Flavored Regular -	34,071.5 K	16	1,891,539	34%

When viewing the data in split view as a combination chart on Market Sales U and SKU Contribution Market Sales U measures, be sure to change the axis to a dual Y-axis from the chart formatting options shown in Figure 5–22.

Figure 5–22 Chart Formatting Options



1. Proliferation Market Analysis View

Use this view to analyze the cumulative contribution of SKUs towards the overall market sales. Cumulative market actual sales are presented against the SKU count. A forecast is not available for market sales. This information is best displayed as a Pareto chart. For an example of this view, see Figure 5–19.

Table 5–12 lists the measures available in this view.

Table 5–12 1. Proliferation Market Analysis Measures

Label	Definition
Cumulative Market Sales @ Sub-Cat Cumulative Market Sales @ Cat	Used in proliferation analysis under market analysis. It reflects the cumulative sales quantity of the market at the category or sub-category level. It is shown against the number of items to analyze the market coverage from a sales quantity perspective.

2. Proliferation Retailer Analysis View

Use this view to analyze the cumulative contribution of SKUs towards a retailer's sales. The cumulative retailer's actual sales are presented against the SKU count. This information is best displayed as a Pareto chart.

Figure 5–23 2. Proliferation Retailer Analysis View

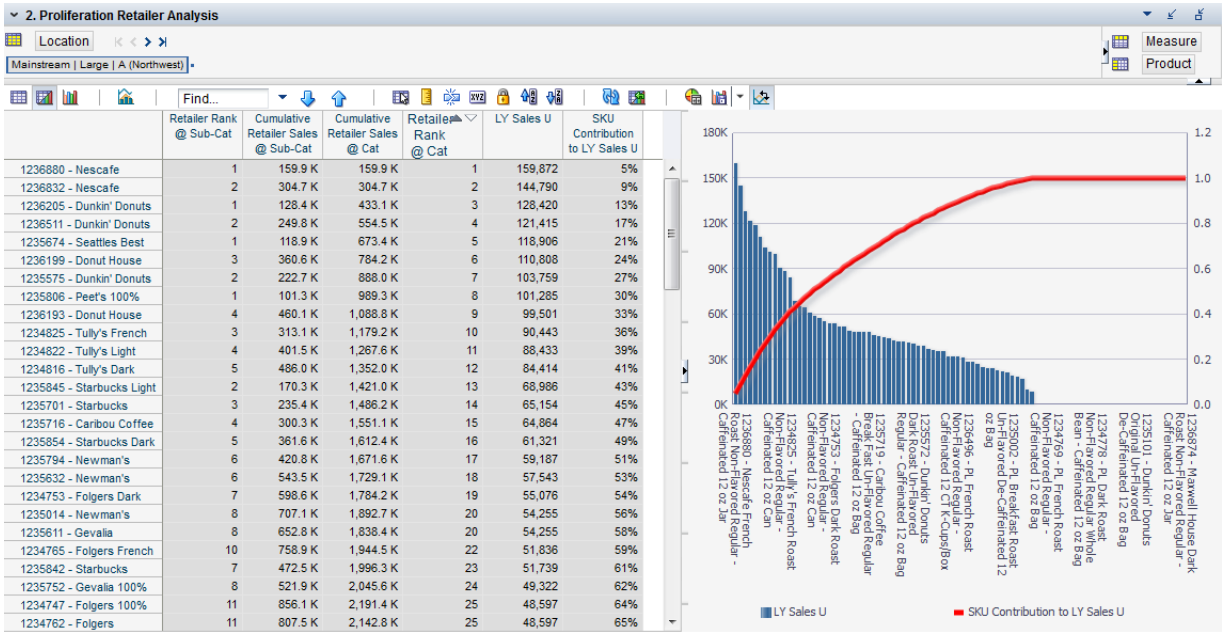


Table 5–13 lists the measures available in this view.

Table 5–13 2. Proliferation Retailer Analysis Measures

Label	Definition
Cumulative Retailer Sales @ Sub-Cat Cumulative Retailer Sales @ Cat	Used in proliferation analysis under retailer analysis. It reflects the cumulative sales quantity of the retailer at the category or sub-category level. It is shown against the number of items to analyze the market coverage from a sales quantity perspective. The sales quantity is based on the user-selected performance metric driver.

Table 5–13 (Cont.) 2. Proliferation Retailer Analysis Measures

Label	Definition
Retailer Rank @ Cat Retailer Rank @ Sub-Cat	Rank of the SKU based on the user-selected performance metric driver.

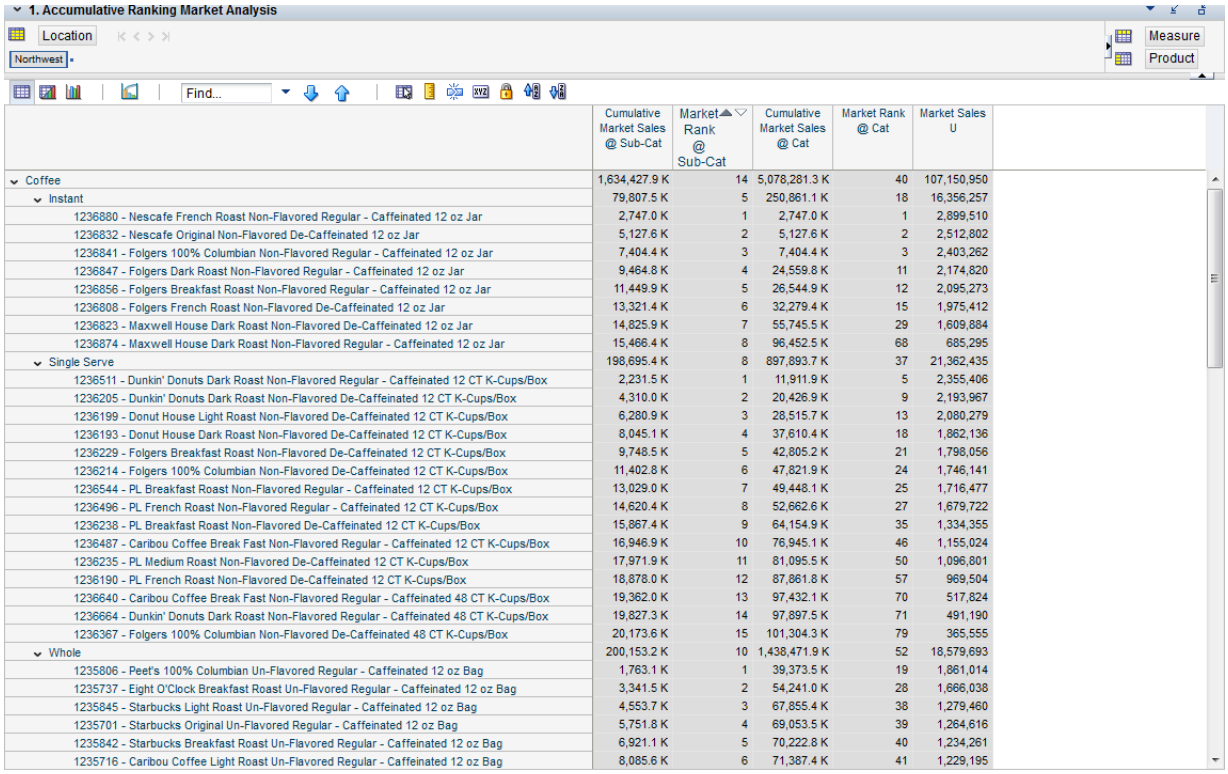
Accumulative Ranking Tab

Accumulative ranking analysis provides a view to the cumulative sales of a category and sub-category compared with the rank of a SKU in the sub-category based on its sales contribution to the category or sub-category. It compares the rank of a SKU in the sub-category and its rank in the overall category. This analysis, like all other analysis, is available at the retailer level and in market context.

1. Accumulative Ranking Market Analysis View

Use this view to create an accumulation ranking report for the market.

Figure 5–24 1. Accumulative Ranking Market Analysis View



	Cumulative Market Sales @ Sub-Cat	Market Rank @ Sub-Cat	Cumulative Market Sales @ Cat	Market Rank @ Cat	Market Sales U
Coffee	1,634,427.9 K	14	5,078,281.3 K	40	107,150,950
Instant	79,807.5 K	5	250,861.1 K	18	16,356,257
1236880 - Nescafe French Roast Non-Flavored Regular - Caffeinated 12 oz Jar	2,747.0 K	1	2,747.0 K	1	2,899,510
1236832 - Nescafe Original Non-Flavored De-Caffeinated 12 oz Jar	5,127.6 K	2	5,127.6 K	2	2,512,802
1236841 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Jar	7,404.4 K	3	7,404.4 K	3	2,403,262
1236847 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Jar	9,464.8 K	4	24,559.8 K	11	2,174,820
1236856 - Folgers Breakfast Roast Non-Flavored Regular - Caffeinated 12 oz Jar	11,449.9 K	5	26,544.9 K	12	2,095,273
1236808 - Folgers French Roast Non-Flavored De-Caffeinated 12 oz Jar	13,321.4 K	6	32,279.4 K	15	1,975,412
1236823 - Maxwell House Dark Roast Non-Flavored De-Caffeinated 12 oz Jar	14,825.9 K	7	55,745.5 K	29	1,609,884
1236874 - Maxwell House Dark Roast Non-Flavored Regular - Caffeinated 12 oz Jar	15,466.4 K	8	96,452.5 K	68	685,295
Single Serve	198,695.4 K	8	897,893.7 K	37	21,362,435
1236511 - Dunkin' Donuts Dark Roast Non-Flavored Regular - Caffeinated 12 CT K-Cups/Box	2,231.5 K	1	11,911.9 K	5	2,355,406
1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	4,310.0 K	2	20,426.9 K	9	2,193,967
1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	6,280.9 K	3	28,515.7 K	13	2,080,279
1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	8,045.1 K	4	37,610.4 K	18	1,862,136
1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	9,748.5 K	5	42,805.2 K	21	1,798,056
1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box	11,402.8 K	6	47,821.9 K	24	1,746,141
1236544 - PL Breakfast Roast Non-Flavored Regular - Caffeinated 12 CT K-Cups/Box	13,029.0 K	7	49,448.1 K	25	1,716,477
1236496 - PL French Roast Non-Flavored Regular - Caffeinated 12 CT K-Cups/Box	14,620.4 K	8	52,662.6 K	27	1,679,722
1236238 - PL Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	15,867.4 K	9	64,154.9 K	35	1,334,355
1236487 - Caribou Coffee Break Fast Non-Flavored Regular - Caffeinated 12 CT K-Cups/Box	16,946.9 K	10	76,945.1 K	46	1,155,024
1236235 - PL Medium Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	17,971.9 K	11	81,095.5 K	50	1,096,801
1236190 - PL French Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	18,878.0 K	12	87,861.8 K	57	969,504
1236640 - Caribou Coffee Break Fast Non-Flavored Regular - Caffeinated 48 CT K-Cups/Box	19,362.0 K	13	97,432.1 K	70	517,824
1236664 - Dunkin' Donuts Dark Roast Non-Flavored Regular - Caffeinated 48 CT K-Cups/Box	19,827.3 K	14	97,897.5 K	71	491,190
1236367 - Folgers 100% Columbian Non-Flavored De-Caffeinated 48 CT K-Cups/Box	20,173.6 K	15	101,304.3 K	79	365,555
Whole	200,153.2 K	10	1,438,471.9 K	52	18,579,693
1235806 - Peet's 100% Columbian Un-Flavored Regular - Caffeinated 12 oz Bag	1,763.1 K	1	39,373.5 K	19	1,861,014
1235737 - Eight O'Clock Breakfast Roast Un-Flavored Regular - Caffeinated 12 oz Bag	3,341.5 K	2	54,241.0 K	28	1,666,038
1235845 - Starbucks Light Roast Un-Flavored Regular - Caffeinated 12 oz Bag	4,553.7 K	3	67,855.4 K	38	1,279,460
1235701 - Starbucks Original Un-Flavored Regular - Caffeinated 12 oz Bag	5,751.8 K	4	69,053.5 K	39	1,264,616
1235842 - Starbucks Breakfast Roast Un-Flavored Regular - Caffeinated 12 oz Bag	6,921.1 K	5	70,222.8 K	40	1,234,261
1235716 - Caribou Coffee Light Roast Un-Flavored Regular - Caffeinated 12 oz Bag	8,085.6 K	6	71,387.4 K	41	1,229,195

Table 5–14 lists the measures available in this view.

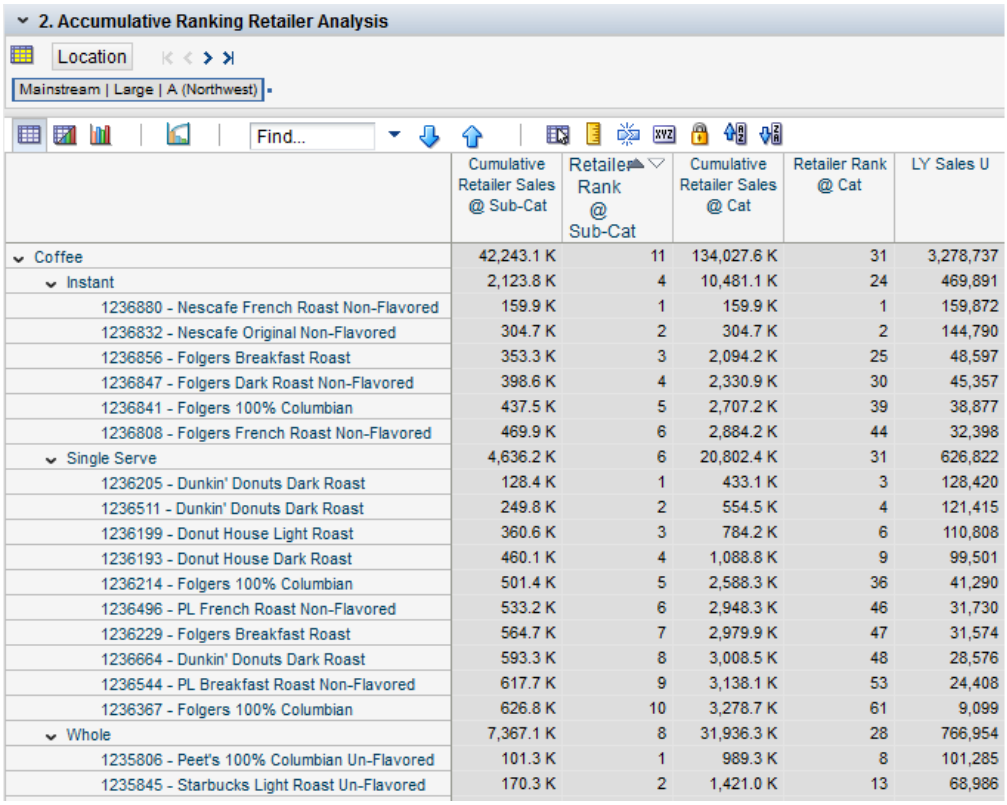
Table 5–14 1. Accumulative Market Analysis Measures

Label	Definition
Cumulative Market Sales @ Sub-Cat	Reflects the cumulative sales quantity of the market at the sub-category level. It is shown against the number of items to analyze the market coverage from a sales quantity perspective.
Market Rank @Sub Cat	Rank of the SKU within the sub-category in the market based on the user-selected performance metric driver for Market Data Analysis.

2. Accumulative Ranking Retailer Analysis View

Use this view to create an accumulation ranking report for the retailer.

Figure 5–25 2. Accumulative Ranking Retailer Analysis View



	Cumulative Retailer Sales @ Sub-Cat	Retailer Rank @ Sub-Cat	Cumulative Retailer Sales @ Cat	Retailer Rank @ Cat	LY Sales U
Coffee	42,243.1 K	11	134,027.6 K	31	3,278,737
Instant	2,123.8 K	4	10,481.1 K	24	469,891
1236880 - Nescafe French Roast Non-Flavored	159.9 K	1	159.9 K	1	159,872
1236832 - Nescafe Original Non-Flavored	304.7 K	2	304.7 K	2	144,790
1236856 - Folgers Breakfast Roast	353.3 K	3	2,094.2 K	25	48,597
1236847 - Folgers Dark Roast Non-Flavored	398.6 K	4	2,330.9 K	30	45,357
1236841 - Folgers 100% Columbian	437.5 K	5	2,707.2 K	39	38,877
1236808 - Folgers French Roast Non-Flavored	469.9 K	6	2,884.2 K	44	32,398
Single Serve	4,636.2 K	6	20,802.4 K	31	626,822
1236205 - Dunkin' Donuts Dark Roast	128.4 K	1	433.1 K	3	128,420
1236511 - Dunkin' Donuts Dark Roast	249.8 K	2	554.5 K	4	121,415
1236199 - Donut House Light Roast	360.6 K	3	784.2 K	6	110,808
1236193 - Donut House Dark Roast	460.1 K	4	1,088.8 K	9	99,501
1236214 - Folgers 100% Columbian	501.4 K	5	2,588.3 K	36	41,290
1236496 - PL French Roast Non-Flavored	533.2 K	6	2,948.3 K	46	31,730
1236229 - Folgers Breakfast Roast	564.7 K	7	2,979.9 K	47	31,574
1236664 - Dunkin' Donuts Dark Roast	593.3 K	8	3,008.5 K	48	28,576
1236544 - PL Breakfast Roast Non-Flavored	617.7 K	9	3,138.1 K	53	24,408
1236367 - Folgers 100% Columbian	626.8 K	10	3,278.7 K	61	9,099
Whole	7,367.1 K	8	31,936.3 K	28	766,954
1235806 - Peet's 100% Columbian Un-Flavored	101.3 K	1	989.3 K	8	101,285
1235845 - Starbucks Light Roast Un-Flavored	170.3 K	2	1,421.0 K	13	68,986

Table 5–15 lists the measures available in this view.

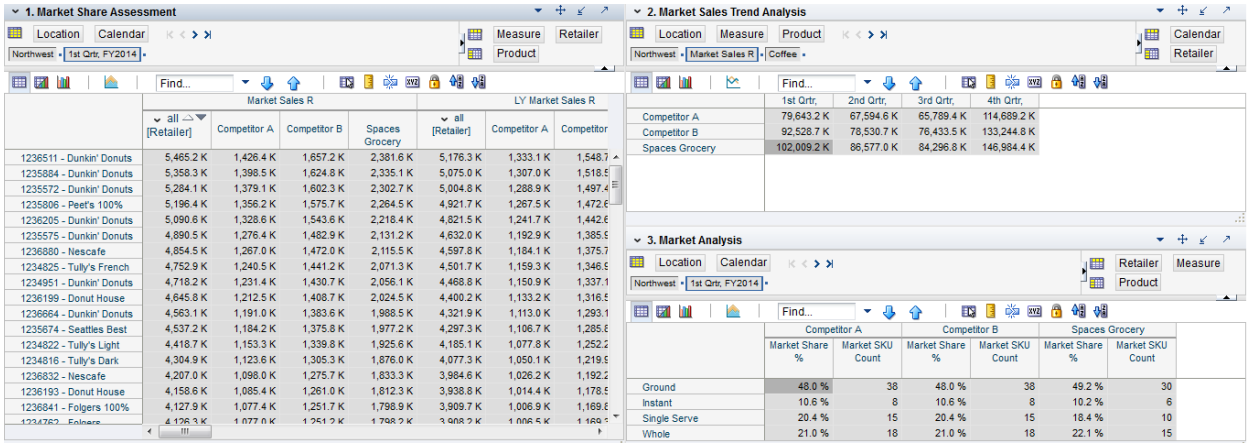
Table 5–15 2. Accumulative Ranking Retailer Analysis Measures

Label	Definition
Cumulative Retailer Sales @ Sub Cat	Reflects the cumulative sales quantity of the retailer at the sub-category level. It is shown against the number of items to analyze the market coverage from a sales quantity perspective.
Retailer Rank @ Sub Cat	Rank of the SKU within the sub-category based on the user-selected performance metric driver for Retailer Data Analysis.

Market Assessment Tab

The Market Assessment tab provides a snapshot about the retailer's standing in the market compared with its main competitors and the rest of the market. The user is able to assess the retailer's relative position to the market in terms of various retail business parameters such as market share, market growth, and other market trends. The following figure shows the views for this tab.

Figure 5–26 Market Assessment Tab Views



1. Market Share Assessment View

Use this view to analyze the market shares and growth rates of the retailer compared with its competitors individually and the rest of the market at the item level.

Figure 5–27 1. Market Share Assessment View

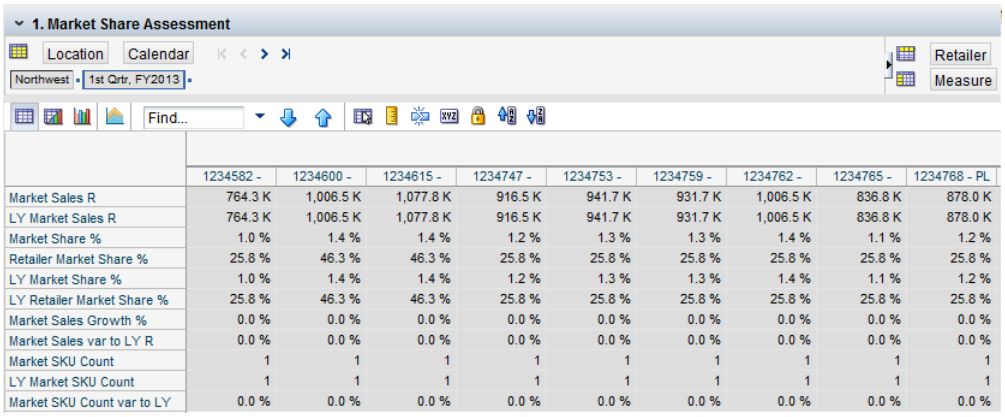


Table 5–16 lists the measures available in this view.

Table 5–16 1. Market Share Assessment Measures

Label	Definition
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Market Sales R	Last year's sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis. Note, when planning ahead, since Market data is not available for future time-frames, the LY version of market data can be leveraged to gain insights on market data, same time last year.
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment (such as a sub-category) towards the overall sales retail of the sub-category, category, and so on.

Table 5–16 (Cont.) 1. Market Share Assessment Measures

Label	Definition
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or a category.
LY Market Share %	Last year's percent of sales volume (dollars or units) that a particular category, product segment, or item contributes to all the sales volume in the market.
LY Retailer Market Share %	The retailer's last year's sales retail value share of the overall market for a sub-category or category during the same time period.
Market Sales Growth %	The percentage increase or decrease in sales retail volume for the entire market compared to the previous time period.
Market Sales var to LY R	The variance of sales retail for the market compared with last year's market sales retail.
Market SKU Count	The total number of SKUs selling in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Market SKU Count	The total number of SKUs selling in the market (typically at the trading area level or above) in last year's time frame. It is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis.
Market SKU Count var to LY	Market's SKU count variance to the SKU count in last year's assortment.

2. Market Sales Trend Analysis View

Use this view to analyze trends to see the variance between the retailer's sales, gross profit, and growth compared with the competition over a period of time.

Figure 5–28 2. Market Sales Trend Analysis View

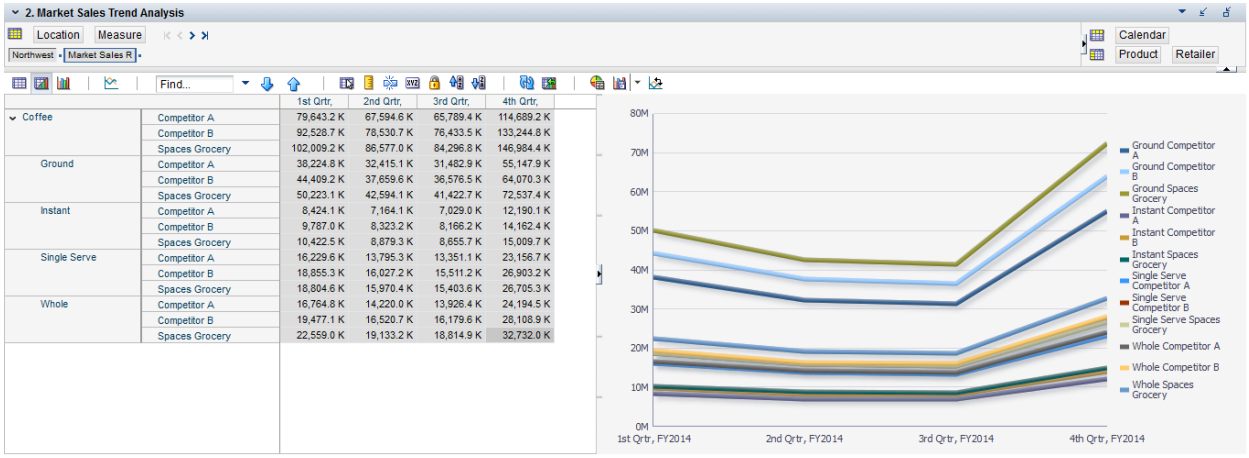


Table 5–17 lists the measures available in this view.

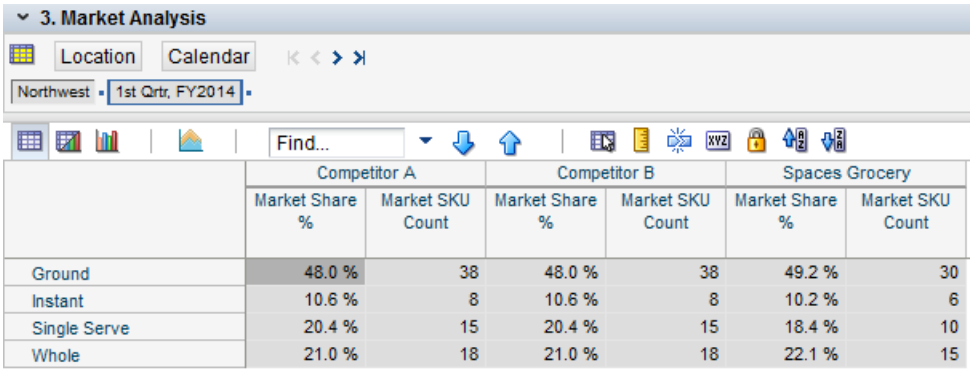
Table 5–17 2. Market Sales Trend Analysis Measures

Label	Definition
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Sales U	The sales units of the merchandise in the market, typically at the trading area level and above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
WP Sales R	The working plan assortment's sales retail value.
WP Sales U	The working plan assortment's sales units.
WP Sales AUR	Average unit retail value for an item in a working plan. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit R measure as it reflects gross profit retail for all items irrespective of whether or not these items are part of the working plan assortment.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan assortment. This measure is different from the WP Assort Gross Profit % measure as it reflects gross profit percentage for all items irrespective of whether or not these items are part of the working plan assortment.
LY Market Sales R	Last year's sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
LY Market Sales U	Last year's sales units of the merchandise in the market, typically at the trading area level or above. It is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Sales Growth %	The percentage increase or decrease in sales retail volume for the entire market compared to the previous time period.
LY Sales U	Last year's assortment's sales units.
LY Sales R	Last year's assortment's sales retail value.
LY Sales AUR	Last year’s actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year’s actual sales.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
WP Sales var to LY U	The working plan's sales units' variance to the same in last year's actuals.

3. Market Analysis View

Use this view to understand the market coverage information in the form of SKU count to meet a specific market share level for the retailer compared with the competition. This view is available at the sub-category level.

Figure 5–29 3. Market Analysis View



	Competitor A		Competitor B		Spaces Grocery	
	Market Share %	Market SKU Count	Market Share %	Market SKU Count	Market Share %	Market SKU Count
Ground	48.0 %	38	48.0 %	38	49.2 %	30
Instant	10.6 %	8	10.6 %	8	10.2 %	6
Single Serve	20.4 %	15	20.4 %	15	18.4 %	10
Whole	21.0 %	18	21.0 %	18	22.1 %	15

Table 5–18 lists the measures available in this view.

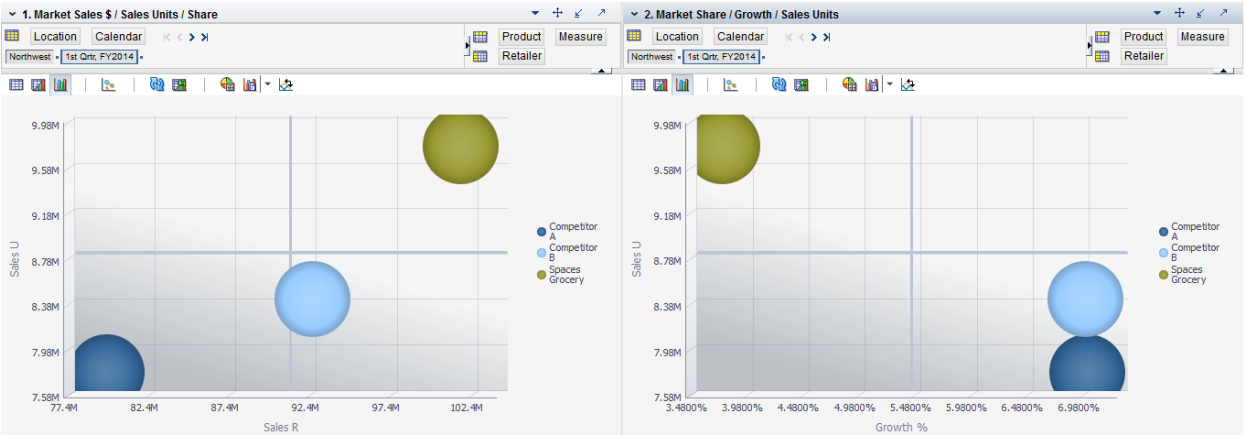
Table 5–18 3. Market Analysis Measures

Label	Definition
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment, such as a sub-category, towards the overall sales retail of the sub-category, category, and so on.
Market SKU Count	The total number of SKUs selling in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data on a quarterly basis.
LY Assort SKU Count	The total number of SKUs in last year's assortment.
WP Assort SKU Count	The total number of SKUs in the working plan's assortment for the cluster.
LY Market SKU Count	The total number of SKUs selling in the market, typically at the trading area level or above, in last year's time frame. It is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis.
Market SKU Count var to LY	The market's SKU count variance to the SKU count in last year's assortment.
WP Assort SKU Count var to LY	The Working Plan Assortment's SKU count variance to the SKU count in last year's assortment.

Market Quadrant Analysis Tab

The following figure shows the views for this tab.

Figure 5–30 Market Quadrant Analysis Tab Views



Analyzing in quadrants provides a view of how the retailer is performing compared to the competition and rest of market. For example, Space Grocery is in the higher Sales R and Sales U quadrant, however from a market growth percentage perspective, it is lagging its competition.

1. Market Sales $ / Sales Units / Share View

Use this view to see the Market Sales R, Growth, and Sales Units at the category level to gain a relative understanding of the category's business from a large market perspective where the retailer is competing. For an example of this view, see Figure 5–30.

Table 5–19 lists the measures available in this view.

Table 5–19 1. Market Sales $ / Sales Units / Share Measures

Label	Definition
Market Sales R	The sales retail value of the merchandise in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Sales U	The sales units of the merchandise in the market, typically at the trading area level and above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment (such as a sub-category) towards the overall sales retail of the sub-category, category, and so on.

2. Market Share / Growth / Sales Units View

Use this view to see the Market Share, Growth, and Sales Units at the category level to gain a relative understanding of the category's business from a larger market perspective where the retailer competes.

Figure 5–31 2. Market Share / Growth / Sales Units View

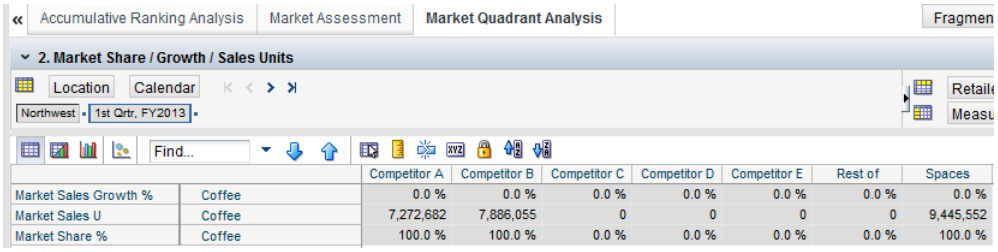


Table 5–20 lists the measures available in this view.

Table 5–20 2. Market Share / Growth / Sales Units Measures

Label	Definition
Market Sales Growth %	The percentage increase or decrease in sales retail volume for the entire market compared to the previous time period.
Market Sales U	The sales units of the merchandise in the market, typically at the trading area level and above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Share %	The quantum or percentage of sales generated by a particular product or a product segment (such as a sub-category) towards the overall sales retail of the sub-category, category, and so on.

Consumer Analysis Step

This step has the following tabs and views:

- Who is the Consumer? Tab:
  - Consumer Segment Analysis View
- What is the Consumer Purchasing and How Loyal are they? Tab:
  - 1. Purchase Behavior Analysis View
  - 2. Consumer Loyalty Analysis View
  - 3. Top Shopper Analysis View
- Where is the Consumer Purchasing? Tab:
  - 1. Retail Channel Share Analysis View
  - 2. Buyer Conversion Analysis View

Who is the Consumer? Tab

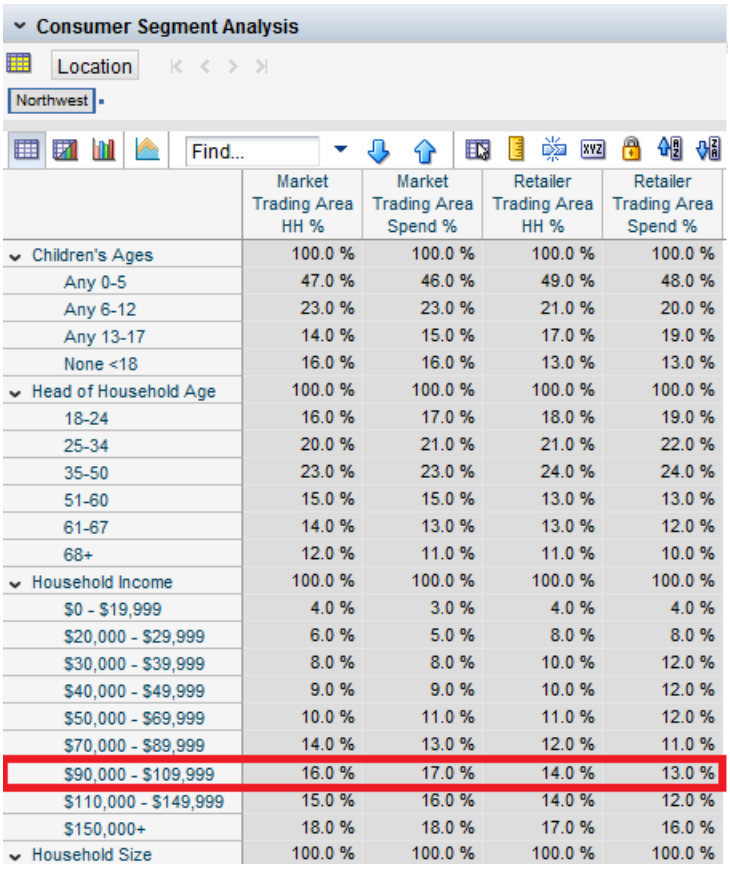
This tab has one view.

Consumer Segment Analysis View

Use this view to see the consumer segment-wise breakdown of the market where the retailer is competing. This information is available at the trading area level. This data is sourced from third party syndicated data suppliers. This provides an understanding of the composition of the market or trading area in terms of consumer profiles. Consumer profiles typically represent a combination of demographic and lifestage attributes of the consumers shopping the market or trading area. In Figure 5–32, the consumers are profiled based on their children's ages, head of household age,

household income, and household size. Often times, a combination of these attributes is used to develop lifestage-based consumer segments such as Empty Nesters, Middle Aged Family, and so on.

Figure 5–32 Consumer Segment Analysis View



	Market Trading Area HH %	Market Trading Area Spend %	Retailer Trading Area HH %	Retailer Trading Area Spend %
Children's Ages	100.0 %	100.0 %	100.0 %	100.0 %
Any 0-5	47.0 %	46.0 %	49.0 %	48.0 %
Any 6-12	23.0 %	23.0 %	21.0 %	20.0 %
Any 13-17	14.0 %	15.0 %	17.0 %	19.0 %
None <18	16.0 %	16.0 %	13.0 %	13.0 %
Head of Household Age	100.0 %	100.0 %	100.0 %	100.0 %
18-24	16.0 %	17.0 %	18.0 %	19.0 %
25-34	20.0 %	21.0 %	21.0 %	22.0 %
35-50	23.0 %	23.0 %	24.0 %	24.0 %
51-60	15.0 %	15.0 %	13.0 %	13.0 %
61-67	14.0 %	13.0 %	13.0 %	12.0 %
68+	12.0 %	11.0 %	11.0 %	10.0 %
Household Income	100.0 %	100.0 %	100.0 %	100.0 %
$0 - $19,999	4.0 %	3.0 %	4.0 %	4.0 %
$20,000 - $29,999	6.0 %	5.0 %	8.0 %	8.0 %
$30,000 - $39,999	8.0 %	8.0 %	10.0 %	12.0 %
$40,000 - $49,999	9.0 %	9.0 %	10.0 %	12.0 %
$50,000 - $69,999	10.0 %	11.0 %	11.0 %	12.0 %
$70,000 - $89,999	14.0 %	13.0 %	12.0 %	11.0 %
$90,000 - $109,999	16.0 %	17.0 %	14.0 %	13.0 %
$110,000 - $149,999	15.0 %	16.0 %	14.0 %	12.0 %
$150,000+	18.0 %	18.0 %	17.0 %	16.0 %
Household Size	100.0 %	100.0 %	100.0 %	100.0 %

For example, the 90,000-109,000 household income group represents 16% of the market and they encompass 17% of the total spend in the market, however, they only represent 14% of the retailer's consumers and 13% of the spend at the retailer. So this could present an opportunity of growth for the retailer.

Table 5–21 lists the measures available in this view.

Table 5–21 Consumer Segment Analysis Measures

Label	Definition
Market Trading Area HH %	The percentage of market households that belong to a specific consumer segment profile.
Market Trading Area Spend %	The percentage of overall market spend produced by a specific consumer segment profile.
Retailer Trading Area HH %	The percentage of market households which shop at the retailer and belong to a specific consumer segment profile.
Retailer Trading Area Spend %	The share of spend by this consumer profile at the retailer.

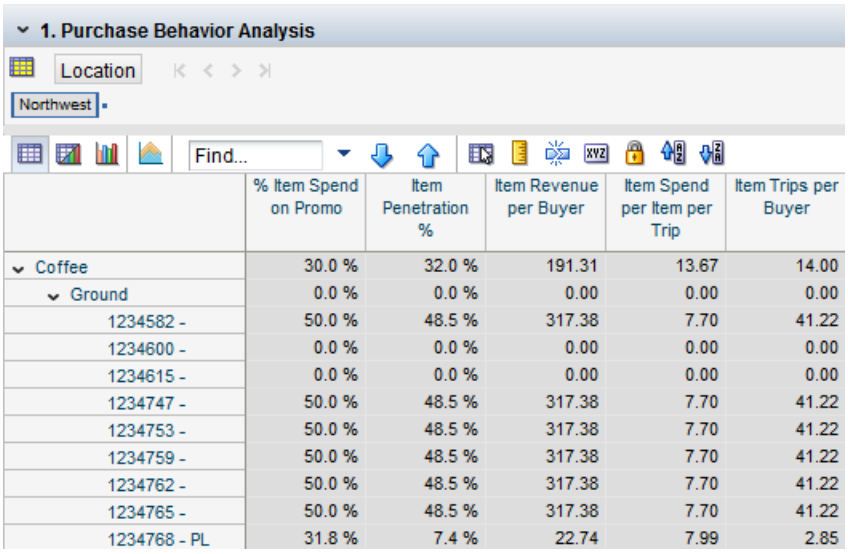
What is the Consumer Purchasing and How Loyal are they? Tab

This tab contains three views.

1. Purchase Behavior Analysis View

Use this view to analyze the contribution of sales and profits from each sub-category to the category total.

Figure 5–33 1. Purchase Behavior Analysis View



	% Item Spend on Promo	Item Penetration %	Item Revenue per Buyer	Item Spend per Item per Trip	Item Trips per Buyer
Coffee	30.0 %	32.0 %	191.31	13.67	14.00
Ground	0.0 %	0.0 %	0.00	0.00	0.00
1234582 -	50.0 %	48.5 %	317.38	7.70	41.22
1234600 -	0.0 %	0.0 %	0.00	0.00	0.00
1234615 -	0.0 %	0.0 %	0.00	0.00	0.00
1234747 -	50.0 %	48.5 %	317.38	7.70	41.22
1234753 -	50.0 %	48.5 %	317.38	7.70	41.22
1234759 -	50.0 %	48.5 %	317.38	7.70	41.22
1234762 -	50.0 %	48.5 %	317.38	7.70	41.22
1234765 -	50.0 %	48.5 %	317.38	7.70	41.22
1234768 - PL	31.8 %	7.4 %	22.74	7.99	2.85

Table 5–22 lists the measures available in this view.

Table 5–22 1. Purchase Behavior Analysis Measures

Label	Definition
% Item Spend on Promo	The percentage of an item's total sales generated when the item was put on a promotion.
Item Penetration %	The percentage of households from a specific market/region/trading area that purchased an item or an item from a product group at least once within a given time frame.
Item Revenue per Buyer	An item's average retail sales per customer, buyer, or shopper.
Item Spend per Item per Trip	An item's retail sales value per customer's trip.
Item Trips per Buyer	The average number of times a customer makes a shopping trip for a particular item or a set of merchandise.

2. Consumer Loyalty Analysis View

Use this view to identify the level of loyalty the consumers within the trading area have to product segments, brands, and individual SKUs.

Figure 5–34 2. Consumer Loyalty Analysis View

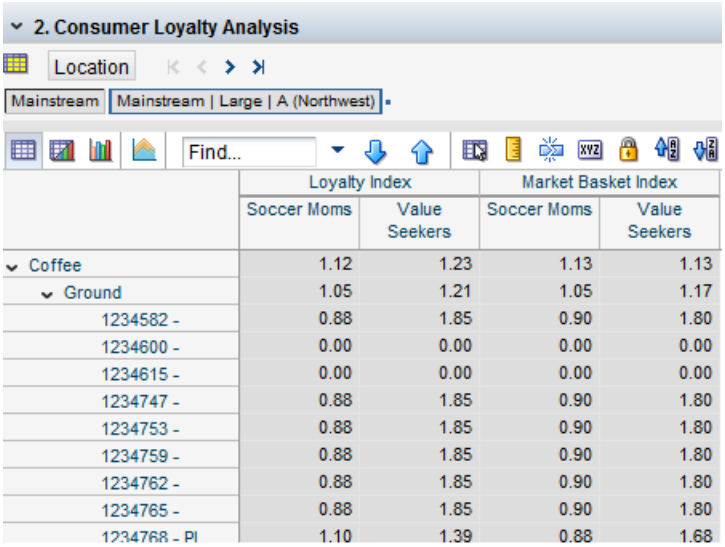


Table 5–23 lists the measures available in this view.

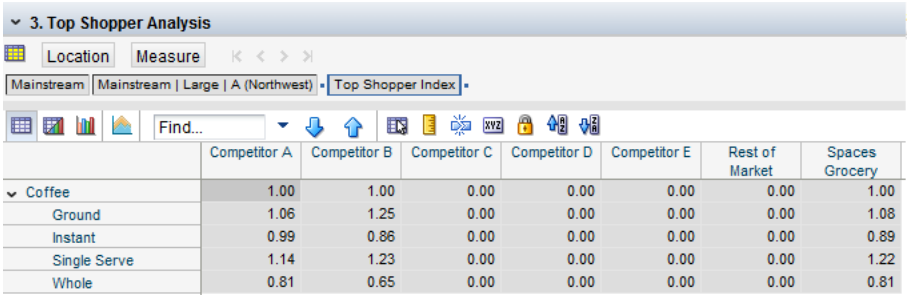
Table 5–23 2. Consumer Loyalty Analysis Measures

Label	Definition
Loyalty Index	Assortment Planning @ Cluster Default Value Loyalty Index. This is a loaded measure and calculation happens outside RCM. The share of annual category requirements that the consumer is able to satisfy with a single brand (size, type, flavor, and so on). For example, if a consumer makes 10 purchases annually in a given category, 3 of which are made of Brand A, Brand A would have a 30% loyalty, (3/10 = 30%). This measure enables the distributor to discriminate in favor of those items for which targeted consumers have shown a higher loyalty to purchase versus other products within the category. The discontinuation of these products could result in the target consumer leaving the store. Loyalty is converted into an index by comparing (dividing) the loyalty of Brand A by the average loyalty of all brands within the category. Loyalty and the loyalty index can be measured at all levels of data analysis (brand, size, flavor, SKU, and so on).
Market Basket Index	This measure is an index measure (with an index to average calculation) indicating the ability of a SKU/Item to drive other customer purchases. This measure is indicative of the units in a basket and value of a basket on an average. It is generally sourced from third party syndicate data providers and derived from Household panel data or Home-scan data. It can also be derived from the retailer's Market Basket Analysis. It is also used in IPI score calculations.

3. Top Shopper Analysis View

Use this view to compare the top shopper index of the retailer at each of the clusters.

Figure 5–35 3. Top Shopper Analysis View



	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E	Rest of Market	Spaces Grocery
Coffee	1.00	1.00	0.00	0.00	0.00	0.00	1.00
Ground	1.06	1.25	0.00	0.00	0.00	0.00	1.08
Instant	0.99	0.86	0.00	0.00	0.00	0.00	0.89
Single Serve	1.14	1.23	0.00	0.00	0.00	0.00	1.22
Whole	0.81	0.65	0.00	0.00	0.00	0.00	0.81

Table 5–24 lists the measure available in this view.

Table 5–24 3. Top Shopper Analysis Measure

Label	Definition
Top Shopper Index	An index to measure the consumer segment's contribution to the overall retailer's business and their loyalty towards the retailer. It is calculated on the basis of the spend of consumer segments at the retailer using an index-to-average calculation.

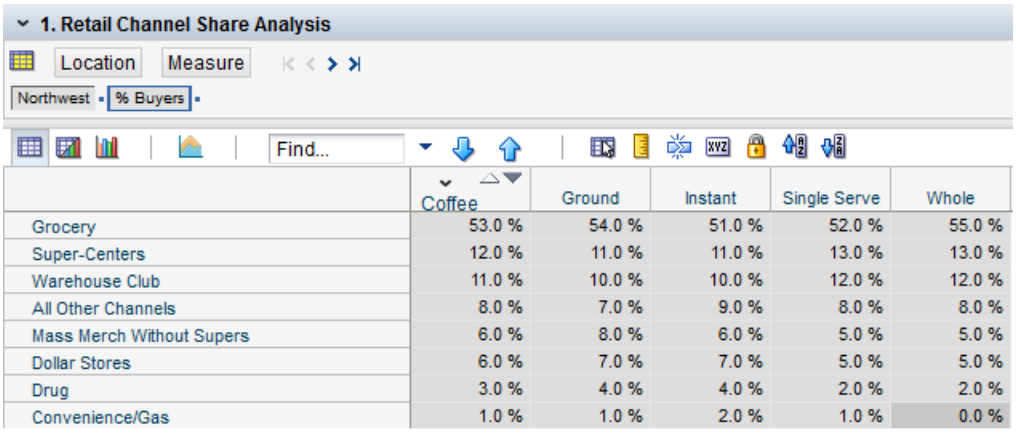
Where is the Consumer Purchasing? Tab

This tab contains two views.

1. Retail Channel Share Analysis View

Use this view to see the breakdown of sales among different retail channels or formats in the market. Different retail channels or formats consist of supermarkets, drug stores, supercenters, warehouse clubs, and so on.

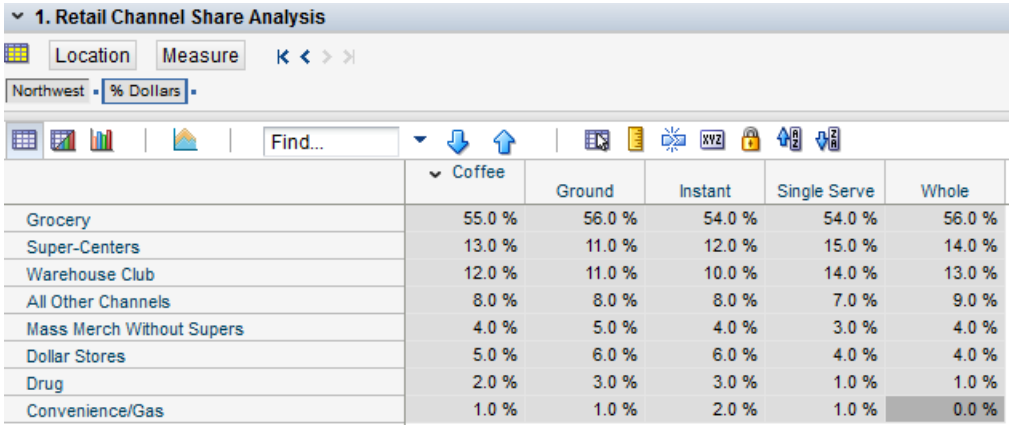
Figure 5–36 1. Retail Channel Share Analysis View



	Coffee	Ground	Instant	Single Serve	Whole
Grocery	53.0 %	54.0 %	51.0 %	52.0 %	55.0 %
Super-Centers	12.0 %	11.0 %	11.0 %	13.0 %	13.0 %
Warehouse Club	11.0 %	10.0 %	10.0 %	12.0 %	12.0 %
All Other Channels	8.0 %	7.0 %	9.0 %	8.0 %	8.0 %
Mass Merch Without Supers	6.0 %	8.0 %	6.0 %	5.0 %	5.0 %
Dollar Stores	6.0 %	7.0 %	7.0 %	5.0 %	5.0 %
Drug	3.0 %	4.0 %	4.0 %	2.0 %	2.0 %
Convenience/Gas	1.0 %	1.0 %	2.0 %	1.0 %	0.0 %

In Figure 5–36, a majority of the shoppers purchase their coffee at Grocery stores (53%), followed by Super Centers (12%), and then Warehouse Clubs (11%).

Figure 5–37 1. Retail Channel Share Analysis View



	Coffee	Ground	Instant	Single Serve	Whole
Grocery	55.0 %	56.0 %	54.0 %	54.0 %	56.0 %
Super-Centers	13.0 %	11.0 %	12.0 %	15.0 %	14.0 %
Warehouse Club	12.0 %	11.0 %	10.0 %	14.0 %	13.0 %
All Other Channels	8.0 %	8.0 %	8.0 %	7.0 %	9.0 %
Mass Merch Without Supers	4.0 %	5.0 %	4.0 %	3.0 %	4.0 %
Dollar Stores	5.0 %	6.0 %	6.0 %	4.0 %	4.0 %
Drug	2.0 %	3.0 %	3.0 %	1.0 %	1.0 %
Convenience/Gas	1.0 %	1.0 %	2.0 %	1.0 %	0.0 %

Figure 5–37 corresponds with the % Dollars spent at each channel on coffee with Grocery stores being 55% of their total dollars spent followed by Super Centers at 13% and so on.

Table 5–25 lists the measures available in this view.

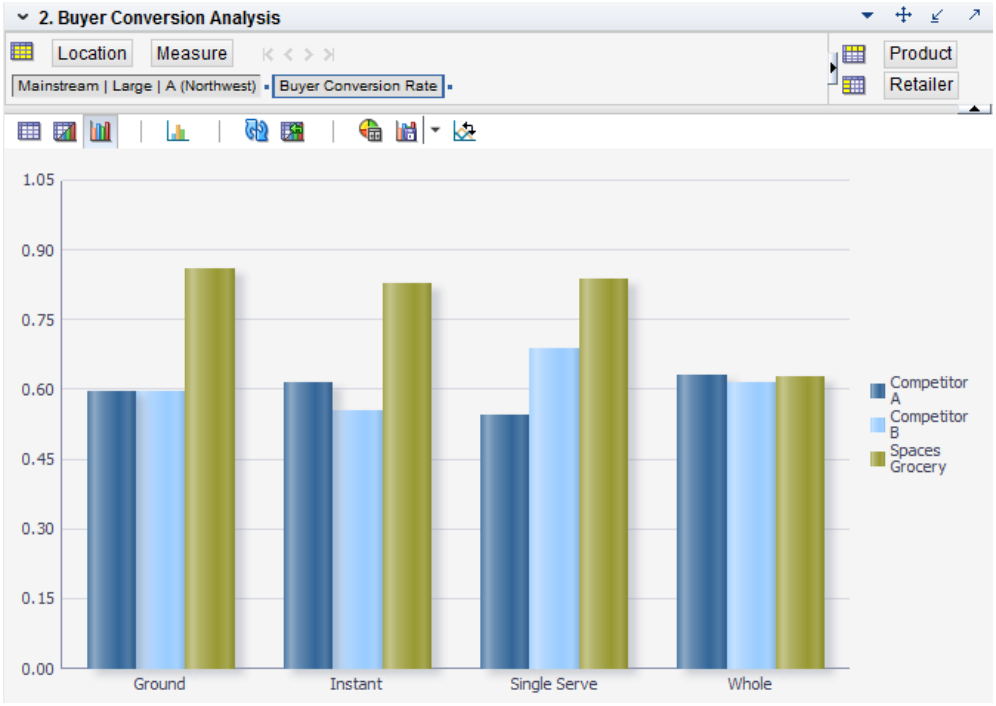
Table 5–25 1. Retail Channel Share Analysis Measures

Label	Definition
% Buyers	The percentage of total buyers (shoppers or customers) in a market who purchase from a retail channel. This measure is available at the trading area level and SKU level.
% Dollars	The percentage of buyer's spend (customer spend or shopper's spend) in a retail channel. This measure is available at the trading area level and SKU level.

2. Buyer Conversion Analysis View

Use this view to identify the level of loyalty the consumers within the trading area have to product segments, brands, and individual SKUs.

Figure 5–38 2. Buyer Conversion Analysis View



This view enables users to compare the retailer's buyer conversion rates to their competition. For example, in Figure 5–38, the Spaces Grocery retailer leads its competition in conversion rates for Ground, Instant, and Single Serve, but is on par for Whole bean coffee.

Table 5–26 lists the measure available in this view.

Table 5–26 2. Buyer Conversion Analysis Measure

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy an item or specific set of merchandise (sub-category, category, and so on) out of the total shoppers who shop at the store or the retailer.

Review Assortment Scorecard Step

This step has the following tabs and views:

- Category Roles, Strategies, and Tactics Tab:
  - 1. Review Roles View
  - 2. Review Strategies View
  - 3. Review Tactics View
- Review Category Scorecard Tab:
  - Scorecard Summary View
- Review Consumer Segments Tab:
  - Review Consumer Segments View

Category Roles, Strategies, and Tactics Tab

This tab has three views.

1. Review Roles View

Use this view to review the approved roles of a category in a trading area as defined in category planning.

Figure 5–39 1. Review Roles View

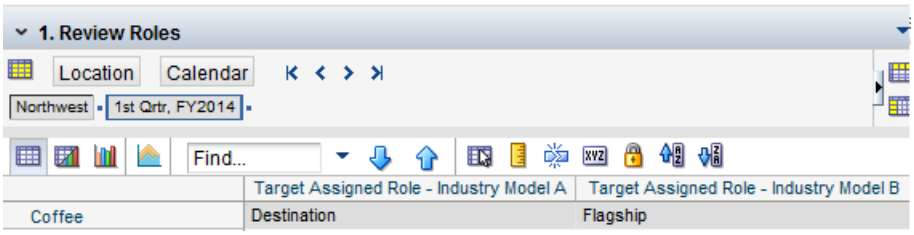


Table 5–27 lists the measures available in this view.

Table 5–27 1. Review Roles Measures

Label	Definition
Target Assigned Role - Industry Model A	The Approved Category Role (Industry Model A).
Target Assigned Role - Industry Model B	The Approved Category Role (Industry Model B).

2. Review Strategies View

Use this view to review the approved strategies of a category in a trading area as defined in category planning.

Figure 5–40 2. Review Strategies View

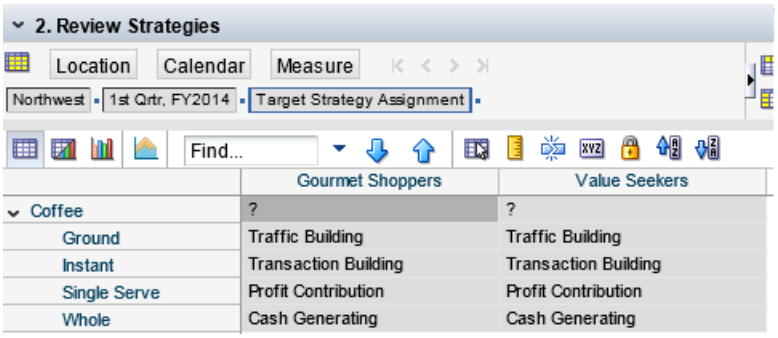


Table 5–28 lists the measure available in this view.

Table 5–28 2. Review Strategies Measure

Label	Definition
Target Strategy Assignment	The approved and targeted strategy assignment to a sub-category or category at the trading area level in the category plan.

3. Review Tactics View

Use this view to review the approved tactics of a category in a trading area as defined in category planning.

Figure 5–41 3. Review Tactics View

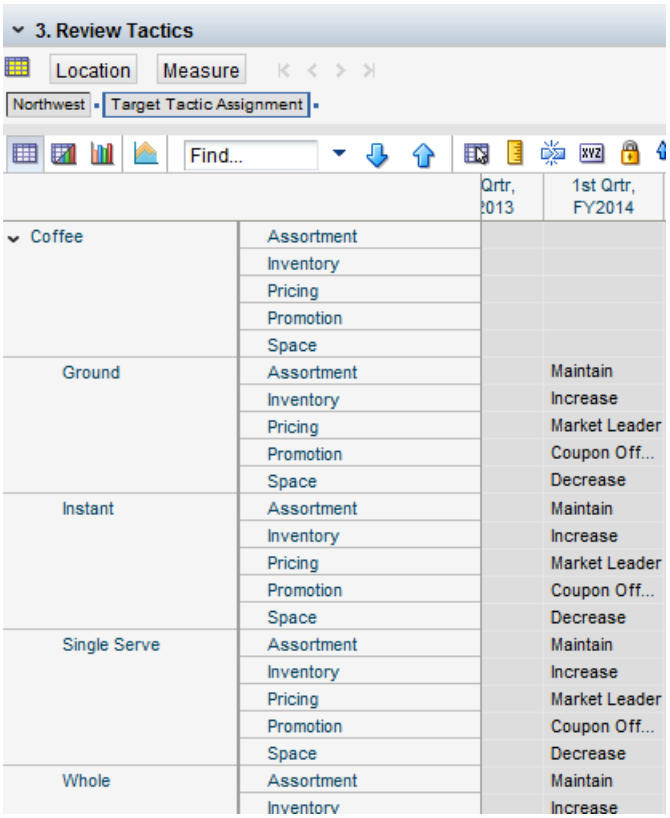


Table 5–29 lists the measure available in this view.

Table 5–29 3. Review Tactics Measure

Label	Definition
Target Tactic Assignment	The approved and targeted tactics assignment to a sub-category at the trading area level in the category plan.

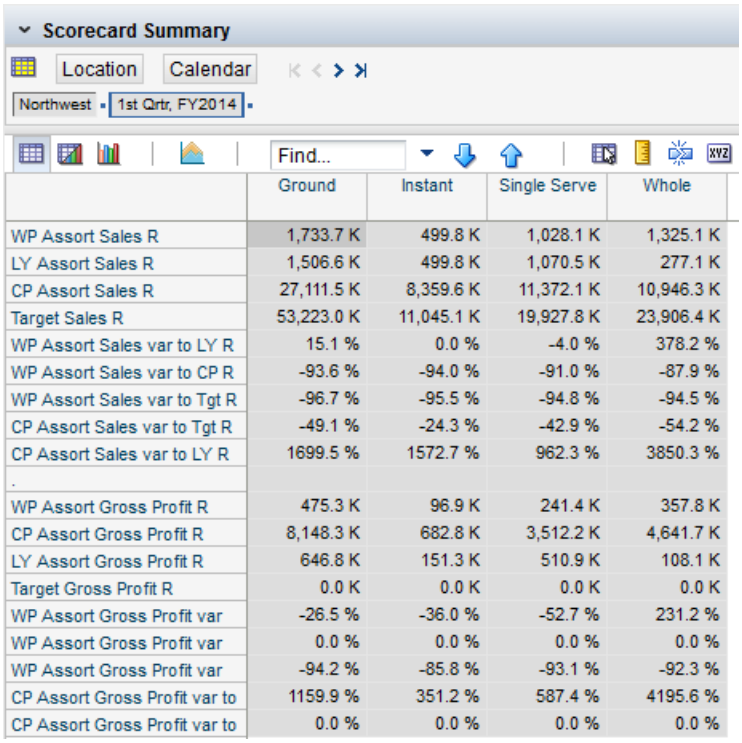
Review Category Scorecard Tab

This tab has two views.

Scorecard Summary View

Use this view to review a summary of the key measures that determine the go-forward category strategy.

Figure 5–42 Scorecard Summary View



	Ground	Instant	Single Serve	Whole
WP Assort Sales R	1,733.7 K	499.8 K	1,028.1 K	1,325.1 K
LY Assort Sales R	1,506.6 K	499.8 K	1,070.5 K	277.1 K
CP Assort Sales R	27,111.5 K	8,359.6 K	11,372.1 K	10,946.3 K
Target Sales R	53,223.0 K	11,045.1 K	19,927.8 K	23,906.4 K
WP Assort Sales var to LY R	15.1 %	0.0 %	-4.0 %	378.2 %
WP Assort Sales var to CP R	-93.6 %	-94.0 %	-91.0 %	-87.9 %
WP Assort Sales var to Tgt R	-96.7 %	-95.5 %	-94.8 %	-94.5 %
CP Assort Sales var to Tgt R	-49.1 %	-24.3 %	-42.9 %	-54.2 %
CP Assort Sales var to LY R	1699.5 %	1572.7 %	962.3 %	3850.3 %
.				
WP Assort Gross Profit R	475.3 K	96.9 K	241.4 K	357.8 K
CP Assort Gross Profit R	8,148.3 K	682.8 K	3,512.2 K	4,641.7 K
LY Assort Gross Profit R	646.8 K	151.3 K	510.9 K	108.1 K
Target Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K
WP Assort Gross Profit var	-26.5 %	-36.0 %	-52.7 %	231.2 %
WP Assort Gross Profit var	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort Gross Profit var	-94.2 %	-85.8 %	-93.1 %	-92.3 %
CP Assort Gross Profit var to	1159.9 %	351.2 %	587.4 %	4195.6 %
CP Assort Gross Profit var to	0.0 %	0.0 %	0.0 %	0.0 %

Table 5–30 lists the measures available in this view.

Table 5–30 Scorecard Summary Measures

Label	Definition
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
LY Assort Sales R	The sales retail value in the last year's assortment.
CP Assort Sales R	The sales retail value in the current plan assortment for the cluster.
Target Sales R	The approved and targeted sales retail value for a category or sub-category at the trading area level in the category plan.
WP Assort Sales var to LY R	The working plan assortment's sales retail value's variance to the same in last year's actuals.
WP Assort Sales var to CP R	The working plan assortment's sales retail value's variance to the same in the current plan.
WP Assort Sales var to Tgt R	The working plan assortment's sales retail value's variance to the same in the target plan (approved category plan).
CP Assort Sales var to Tgt R	The current plan assortment's sales retail values variance to the same in the target plan (approved category plan).
CP Assort Sales var to LY R	The current plan assortment's sales retail value's variance to the same in last year's actuals.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
CP Assort Gross Profit R	The gross profit retail value in a current plan assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.

Table 5–30 (Cont.) Scorecard Summary Measures

Label	Definition
LY Assort Gross Profit R	The gross profit retail value in last year's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
Target Gross Profit R	The approved and targeted gross profit retail for a category or sub-category at the trading area level in the category plan.
WP Assort Gross Profit var to LY R	The working plan assortment's gross profit value's variance to the same in last year's actuals.
WP Assort Gross Profit var to Tgt R	The working plan assortment's gross profit value's variance to the same in the target plan (approved category plan).
WP Assort Gross Profit var to CP R	The working plan assortment's gross profit value's variance to the same in the current plan.
CP Assort Gross Profit var to LY R	The current plan assortment's gross profit retail value's variance to the same in last year's actuals.
CP Assort Gross Profit var to Tgt R	The current plan assortment's gross profit value's variance to the same in the target plan (approved category plan).

Review Consumer Segments Tab

This tab has one view.

Review Consumer Segments View

Use this view to review the customer segments.

Figure 5–43 Review Consumer Segments View

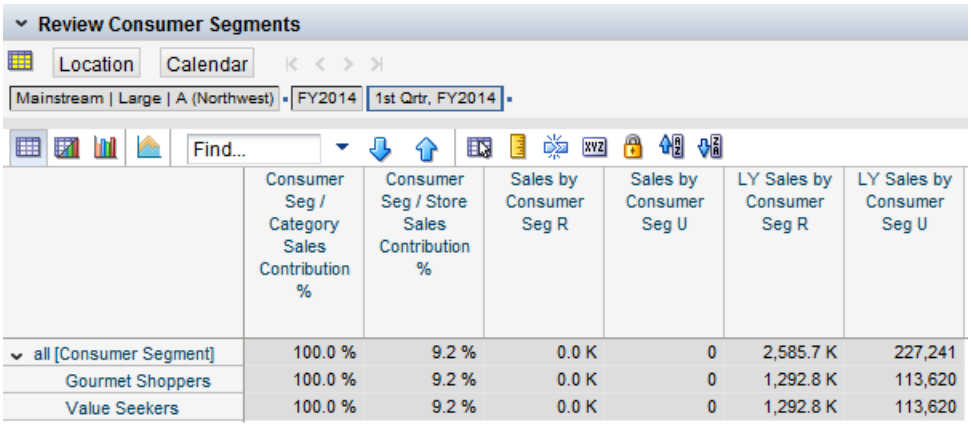


Table 5–31 lists the measures available in this view.

Table 5–31 Review Consumer Segments Measures

Label	Definition
Consumer Seg / Category Sales Contribution %	Contribution of a particular consumer segment to a category's retail sales.
Consumer Seg / Store Sales Contribution %	Contribution of a particular consumer segment's contribution to a store's retail sales.
Sales by Consumer Seg R	The sales retail value consumed by a specific consumer segment.
Sales by Consumer Seg U	The sales units consumed by a specific consumer segment.

Table 5–31 (Cont.) Review Consumer Segments Measures

Label	Definition
Consumer Seg Distribution	The percentage of each consumer segment currently shopping the store cluster for the category on an average.
LY Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in last year's assortment.
LY Sales by Consumer Seg U	The sales units contribution in percentage points by a consumer segment to the overall sales units in last year's assortment.

Next Steps

After completing assortment planning analysis, continue to the Assortment Planning @ Cluster task.

6

Assortment Planning @ Cluster Task

This task enables a retailer to create assortment plans at the cluster level.

The system recommends assortments using two distinct approaches, Item Priority Index (IPI) ranking and Market Coverage. In addition, users can leverage science-generated Customer Decision Trees (CDTs) to analyze their assortment and Demand Transference to understand how demand shifts from one SKU to another due to assortment changes.

Item Priority Index (IPI)

Item Priority Index or IPI is a systematic way of generating an assortment based on ranking and scoring items on various user-specified focus areas such as Performance, Product attributes, Loyalty, and Market Basket. It is recommended that the focus area weights be aligned with the Category's Role and Strategies, for example, a Destination Category with a traffic building strategy should have high emphasis on Performance (Sales U) and Product attributes. The system automatically defaults Focus Area weights based on assigned Category Roles and Strategies. The Focus Area weights can be overridden by the user in this workbook.

Market Coverage Assortment

The solution also supports an alternate, Market-focused approach to generating an Assortment using the Market Coverage approach. Here, the system picks the best selling Market SKUs based on user-specified Market Coverage targets. Note that Market Sales U and Market Sales R data is required for this approach.

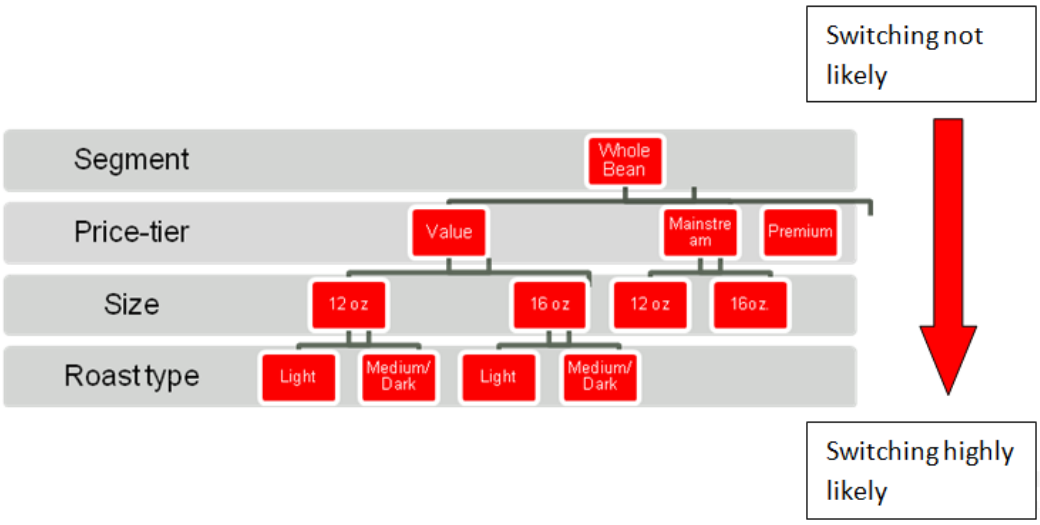
CDTs and Demand Transference

Once an assortment is planned using one of the described approaches, it is important to understand how these items interact with each other to impact overall Category sales. Demand Transference refers to the shift in demand from one SKU to others due to assortment changes. Dropping an easy squeeze 20 ounce (oz) Heinz ketchup from the assortment might result in a significant portion of the demand shifting to the 14 oz and the 32 oz Heinz ketchup easy squeeze. Some amount of the demand may shift to the 20oz Heinz ketchup - regular. However, if both the 20 oz and 14 oz Heinz ketchup easy squeeze bottles are dropped, then the transferences are very different. Some of the 20oz and 14 oz demand will shift to the 32 oz easy squeeze. The solution provides visibility to such demand shifts and incorporates them into Assortment Plans.

Customer Decision Trees represent the purchasing behavior of a given Customer or Consumer Segment. It represents the most important attributes driving the customer purchase behavior.

Figure 6–1 is an example of CDT:

Figure 6–1 CDT Example



As mentioned previously, CDTs can be loaded into the solution from either Oracle Retail Advanced Science Engine (ORASE) or external sources. Once loaded or manually created in the CDT editor and activated in the Category Management Administration workbook, they can be brought into the Assortment Planning workbook. Here, CDTs can be used as an alternate roll-up to view and analyze the assortment along the CDT hierarchy.

Clusters and Trading Areas

The Assortment Planning process starts by planning Assortments at the Cluster level. Clusters are externally defined and fed in from the Advanced Clustering solution or other external sources. A number of views in Assortment Planning @ Cluster are either at the Cluster level or Trading Area level. In the base GA solution, clusters are within a Trading Area.

Note: In some situations, for some Categories or all, Clusters may not align within Trading Areas. In this case, some customization of the location hierarchy will be required. For instructions on suggested customization, contact Customer Support.

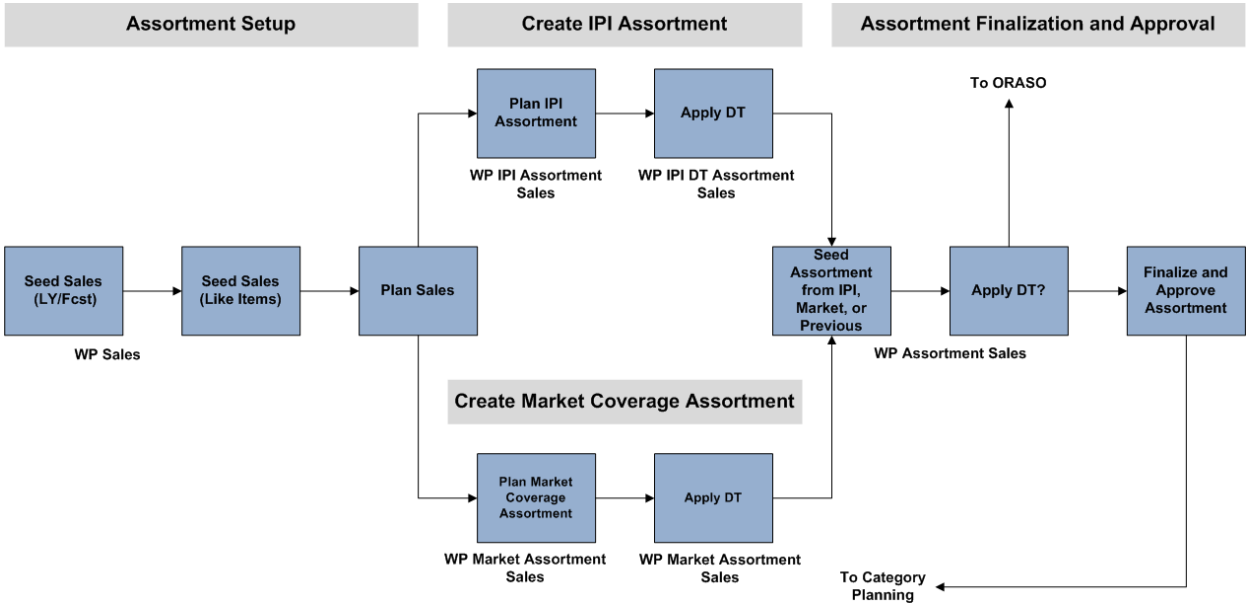
Task Flow

The Assortment Planning @ Cluster task has the following steps:

- Assortment Setup Step
- Create IPI Assortment Step
- Create Market Coverage Assortment Step
- Incremental Curve Step
- Assortment Finalization and Approval Step

Figure 6–2 outlines the key steps involved in creating, planning, and approving Assortment Plans at Cluster as well as the key Sales measures involved in each step.

Figure 6–2 Key Steps in Creating, Planning, and Approving Assortment Plans at Cluster



Assortment Setup Step

The process starts with initialization or seeding of the Assortment Plan from either Last Year (historical sales) or Forecast data.

This is available in the Seed and Review Plan Sales tab which has the following views:

1. Seed Sales View

2. Review and Plan Sales View

1. Seed Sales View

In the Seed Sales view, the user picks the WP Seed Sales as Last Year or Forecast and executes the Planning action Seed Sales by clicking **Seed Sales**. This populates the WP Sales R and WP Sales U measures. The system computes the various variance measures based on the variance of the WP Sales to Last Year and Forecasts.

It is possible to pick the seed source at the Sub-Category level or Category level.

Figure 6–3 1. Seed Sales View

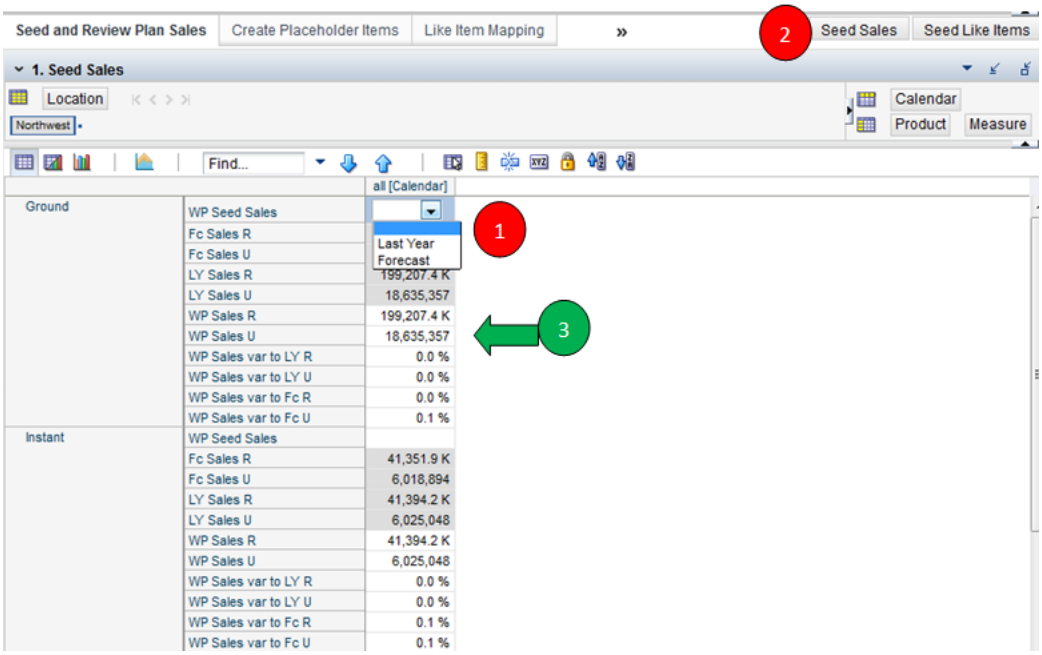


Table 6–1 lists the measures available in this view.

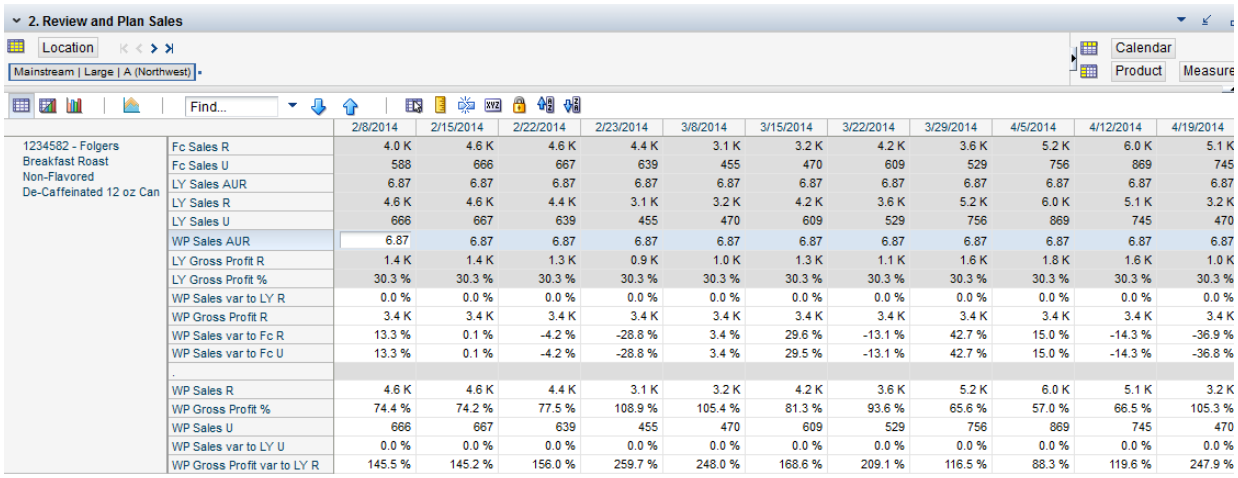
Table 6–1 1. Seed Sales Measures

Label	Definition
WP Seed Sales	Contains a drop-down list of methods (includes Last Year Plan and Forecasts) which the sales for a working plan assortment can be seeded. Once the drop-down selection is made, the user needs to run the Seed Sales custom menu. This measure is available at the sub-category level and above.
Fc Sales R	Forecasted Sales retail value.
Fc Sales U	Forecasted Sales units.
LY Sales R	Last year's assortment's sales retail value.
LY Sales U	Last year's assortment's sales units.
WP Sales R	The working plan sales retail value.
WP Sales U	The working plan sales units.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
WP Sales var to LY U	The working plan's sales units' variance to the same in last year's actuals.
WP Sales var to Fc R	The working plan's sales retail value's variance to the same in the forecast.
WP Sales var to Fc U	The working plan's sales units' variance to the same in the forecast.

2. Review and Plan Sales View

Once the sales have been seeded, it is possible to plan sales that drive the assortment choices. The Planner may choose to plan or override the seeded sales based on business insights and other factors.

Figure 6–4 2. Review and Plan Sales View



	2/8/2014	2/15/2014	2/22/2014	2/23/2014	3/8/2014	3/15/2014	3/22/2014	3/29/2014	4/5/2014	4/12/2014	4/19/2014
Fc Sales R	4.0 K	4.6 K	4.6 K	4.4 K	3.1 K	3.2 K	4.2 K	3.6 K	5.2 K	6.0 K	5.1 K
Fc Sales U	588	666	667	639	455	470	609	529	756	869	745
LY Sales AUR	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87
LY Sales R	4.6 K	4.6 K	4.4 K	3.1 K	3.2 K	4.2 K	3.6 K	5.2 K	6.0 K	5.1 K	3.2 K
LY Sales U	666	667	639	455	470	609	529	756	869	745	470
WP Sales AUR	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87
LY Gross Profit R	1.4 K	1.4 K	1.3 K	0.9 K	1.0 K	1.3 K	1.1 K	1.6 K	1.8 K	1.6 K	1.0 K
LY Gross Profit %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %	30.3 %
WP Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Gross Profit R	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K	3.4 K
WP Sales var to Fc R	13.3 %	0.1 %	-4.2 %	-28.8 %	3.4 %	29.6 %	-13.1 %	42.7 %	15.0 %	-14.3 %	-36.9 %
WP Sales var to Fc U	13.3 %	0.1 %	-4.2 %	-28.8 %	3.4 %	29.5 %	-13.1 %	42.7 %	15.0 %	-14.3 %	-36.8 %
.											
WP Sales R	4.6 K	4.6 K	4.4 K	3.1 K	3.2 K	4.2 K	3.6 K	5.2 K	6.0 K	5.1 K	3.2 K
WP Gross Profit %	74.4 %	74.2 %	77.5 %	108.9 %	105.4 %	81.3 %	93.6 %	65.6 %	57.0 %	66.5 %	105.3 %
WP Sales U	666	667	639	455	470	609	529	756	869	745	470
WP Sales var to LY U	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
WP Gross Profit var to LY R	145.5 %	145.2 %	156.0 %	259.7 %	248.0 %	168.6 %	209.1 %	116.5 %	88.3 %	119.6 %	247.9 %

It is possible to plan Sales U, Sales R, AUR, and Gross Profit% or plan these as a variance to LY or Forecast.

Table 6–2 lists the measures available in this view.

Table 6–2 2. Review and Plan Sales Measures

Label	Definition
Fc Sales R	Forecasted Sales Retail.
Fc Sales U	Forecasted Sales Units.
LY Sales AUR	Last year's actual average unit retail value of a SKU. It reflects the average selling price of a SKU at a specific product hierarchy level based on last year's actual sales.
LY Sales R	Last year's sales retail value.
LY Sales U	Last year's sales units.
LY Gross Profit R	Last Year's gross profit retail value from the merchandise.
LY Gross Profit %	Last Year's Gross Profit %.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.
WP Gross Profit R	Working Plan Gross Profit R. Use this measure to plan Gross Profit R. This measure is then used as an input into Assortment rationalization calculations.
WP Sales var to Fc R	The working plan's sales retail value's variance to the same in the forecast retail.
WP Sales var to Fc U	The working plan's sales units' variance to the same in the forecast units.

Populating the Forecast Sales Units measures is done by running the embedded forecast. For more information on this batch operation, see the *Oracle Retail Category Management Implementation Guide*.

Custom Menu

There is a custom menu available called Seed Sales. You select the desired data source in the Seed Source measure from a drop-down selection. The choices are No Action,

Forecast, and Last Year. The appropriate values are copied into the WP Sales R and Sales Units columns.

At any point in this step, you can run the Seed Sales custom menu. This populates sales, sales units, profit, and attribute information.

Create Placeholder Items Tab

The next step in the process is to manage new or placeholder items. For new items created dynamically by the user using the Dynamic Product Maintenance (DPM) functionality of RPAS, users have to create a duplicate or cloned version of the new item in the Right Hand Side (RHS) Product hierarchy as well. This is needed to ensure the system generates appropriate Demand Transference effects for the DPM items. The RHS Hierarchy is an RPAS concept used to display products on two axes in the same worksheet. RHS stands for right-hand-side product hierarchy, with the normal product hierarchy being referred to as the Left Hand Side (LHS) product hierarchy.

Care should be taken to ensure the new/placeholder Item name matches exactly with the cloned or RHS item. Note the Create Placeholder Items tab is only relevant for dynamically created placeholder items. For batch feeds of new/DPM items, it is assumed that necessary batch activities initialize the RHS product hierarchy positions.

Use the Create Placeholder Items view to catalog a new SKU/Item using a DPM position. This view is used to create an LHS Product position and simultaneously create an RHS Product hierarchy for Demand Transference functionality. Both LHS and RHS are available in this view.

This tab has one view.

Create Placeholder Items View

Use this view to create placeholder items using DPM and maintain the RHS product hierarchy for them.

Figure 6–5 Create Placeholder Items View

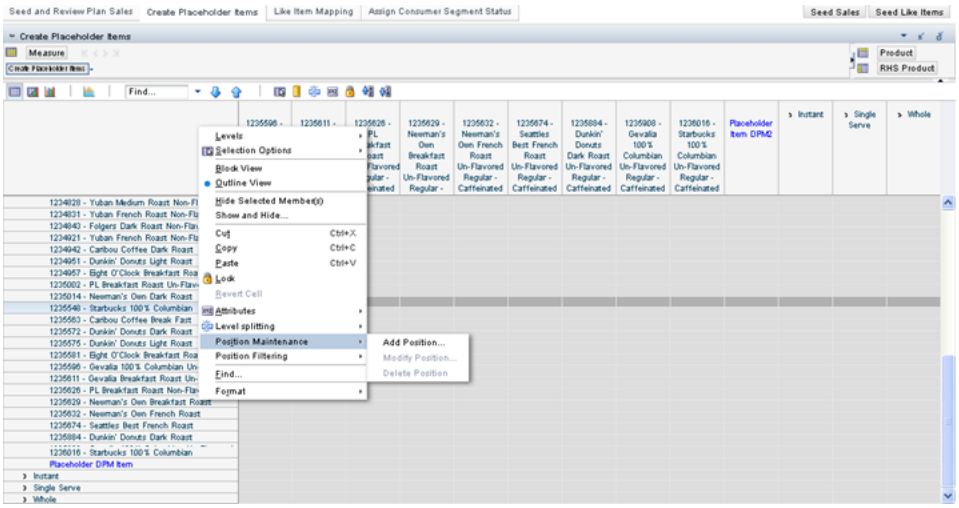


Table 6–3 lists the measure available in this view.

Table 6–3 Create Placeholder Items Measure

Label	Definition
Create Placeholder Items	This is a dummy measure with a base intersection of LHS SKU/RHS SKU used in order to display a view with LHS Product and RHS Product hierarchies in a view.

Like Item Mapping Tab

This tab enables users to set up new items to be considered in the assortment.

This tab has the following views:

1. Use Retail Like Item View

2. Use Market Like Item View

3. Use Attribute Like Item View

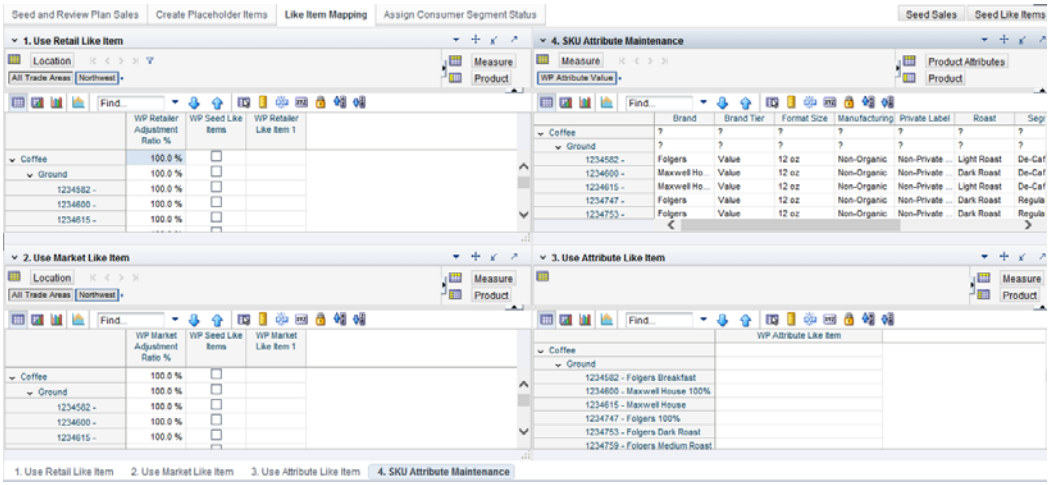
4. SKU Attribute Maintenance View

Custom Menu

At any point, a user can run the Seed Like item menu option. This populates the attribute information and WP Sales U, WP Sales R, WP Gross Profit, WP Gross Profit% and attribute information from the like items.

The following figure shows the views for this step.

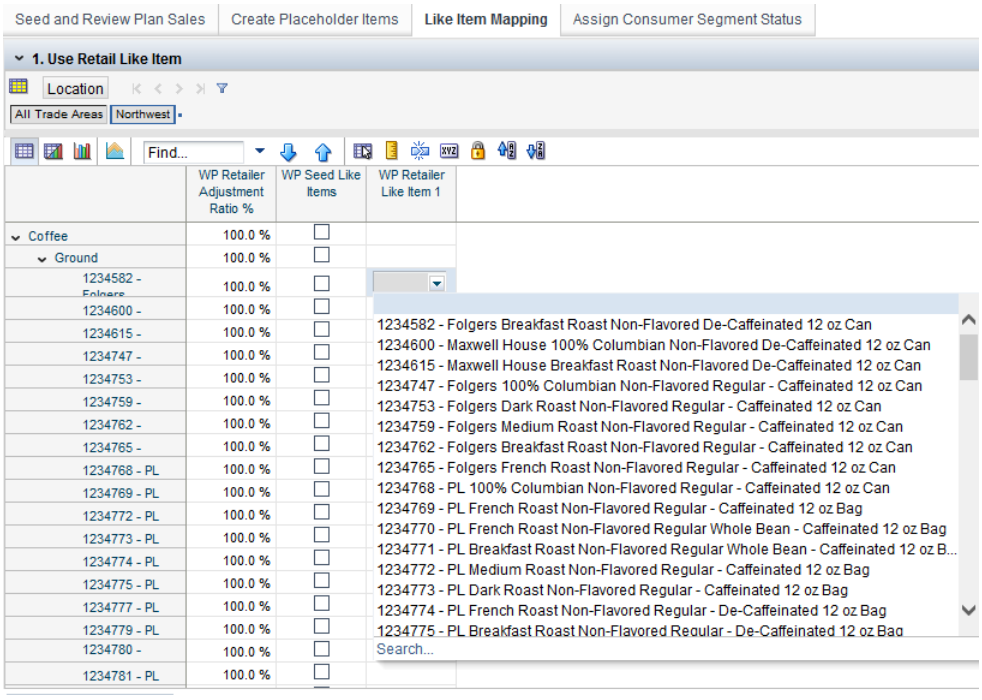
Figure 6–6 Like Item Mapping Step Initial Views



1. Use Retail Like Item View

This view enables users to seed sales for the new item from a like item carried by the retailer.

Figure 6–7 1. Use Retail Like Item View



User can first pick a like item and then run the Seed Like Items planning action. This copies the WP Sales from the Retailer Like Item into the WP Sales for the new item. It is assumed that any necessary seeding of the plan has occurred prior to like item seeding.

> **Note:** This is an optional step in the user process if leveraging Demand Transference, as Demand Transference leverages the attributes of the new item to generate a new item forecast that gets seeded into the Assortment Plan.

Table 6–4 lists the measures available in this view.

Table 6–4 1. Use Retail Like Item Measures

Label	Definition
WP Retailer Adjustment Ratio %	Provides a facility to adjust a new item's base sales by using a percentage ratio to the sales of the retailer like item.
WP Seed Like Items	A Boolean flag measure, which is required to be checked to seed sales of a new item using like items.
WP Retail Like Item 1 - 3	An item in a retailer's existing assortments used to populate the sales of a new item being added to the assortment using an adjustment ratio.

2. Use Market Like Item View

This view enables users to seed sales for the new item from a like item from a market item. Specify an adjustment ratio to ensure sales are scaled to represent the retailer's market share.

Figure 6–8 2. Use Market Like Item View

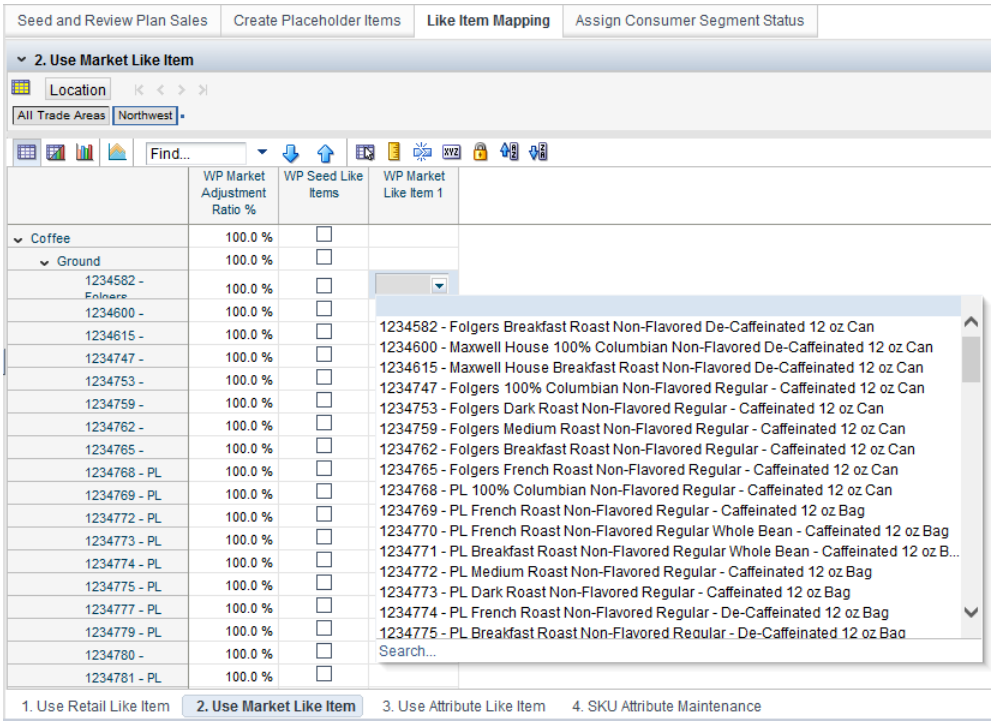


Table 6–5 lists the measures available in this view.

Table 6–5 2. Use Market Like Item Measures

Label	Definition
WP Market Adjustment Ratio %	The percentage adjustment ratio used to populate base sales of a new item added using market sales of a similar item in the working plan assortment.
WP Seed Like Items	A Boolean flag measure, which is required to be checked to seed sales of a new item using like items.
WP Market Like Item 1 - 3	An item from the market; its market sales are used to populate a new item's sales by using an adjustment percentage ratio.

3. Use Attribute Like Item View

This view enables users to seed attributes of the new item from a like item.

Figure 6–9 3. Use Attribute Like Item View

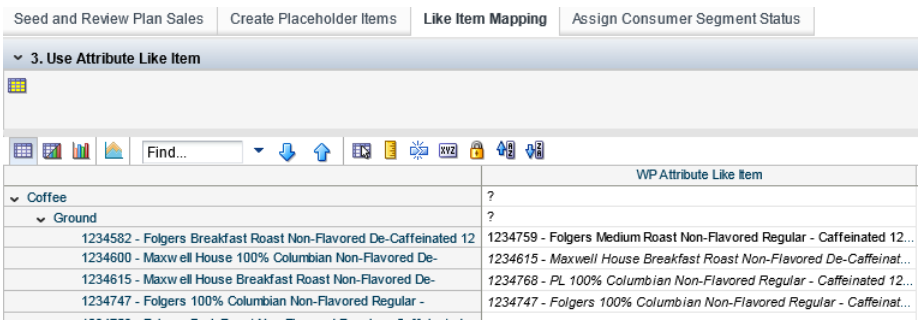


Table 6–6 lists the measure available in this view.

Table 6–6 3. Use Attribute Like Item Measure

Label	Definition
WP Attribute Like Item	Attributes of the like item are copied over to the new item.

4. SKU Attribute Maintenance View

Users can modify and specify attributes for new items here. Setting up attribute information for new items is an important step in the process as it is used to drive Demand Transference as well as analyze assortment by CDTs. The scope of maintenance includes adding new attribute values and modifying existing mappings.

Figure 6–10 4. SKU Attribute Maintenance View

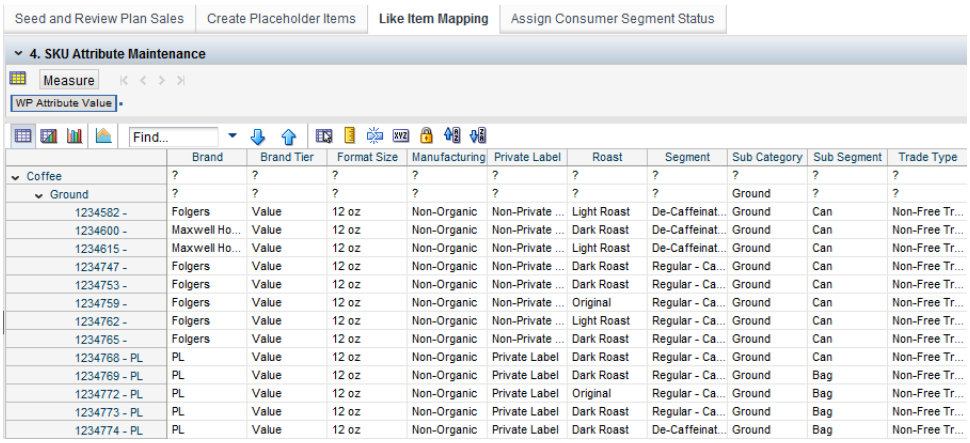


Table 6–7 lists the measure available in this view.

Table 6–7 4. SKU Attribute Maintenance Measure

Label	Definition
WP Attribute Value	Defines the attribute value for each attribute name for the SKU. For example, Attribute Name = Brand, Flavor, Size, and so on. Attribute Values for Flavor = Apple, Orange, Grape, Mixed Fruit, and so on.

Assign Consumer Segment Status Tab

Use this tab to review the consumer segment distribution across different clusters and trading areas and their respective contribution to the retailer's sales at the category and store cluster level.

This tab has one view.

Review Consumer Segments View

Use this view to review consumer segments distribution across market (different trading area and clusters) and their respective contribution to retailer sales at the category and store cluster level.

Figure 6–11 Review Consumer Segments View

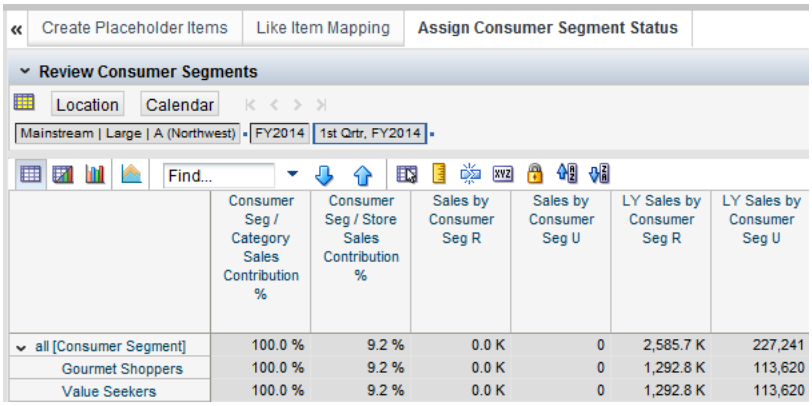


Table 6–8 lists the measures available in this view.

Table 6–8 Review Consumer Segments Measures

Label	Definition
Consumer Seg / Category Sales Contribution %	Contribution of a particular consumer segment to a category's retail sales.
Consumer Seg / Store Sales Contribution %	Contribution of a particular consumer segment's contribution to a store's retail sales.
Sales by Consumer Seg R	The sales retail value consumed by a specific consumer segment.
Sales by Consumer Seg U	The sales units consumed by a specific consumer segment.
LY Sales by Consumer Seg R	The sales retail contribution in percentage points by a consumer segment to the overall sales retail in last year's assortment.
LY Sales by Consumer Seg U	The sales units contribution in percentage points by a consumer segment to the overall sales units in last year's assortment.

Create IPI Assortment Step

Use this step to compute the IPI of each SKU for each of the clusters.

This step has the following tabs and views:

- Review IPI Criteria Tab:
  1. Review Focus Area Weights View
  2. Review Metric Weights View
  3. Review Attribute Weights View
  4. Review Attribute Value Weights View
  5. Review Consumer Segment Weights View
- Review IPI Scores Tab:
  1. Review Focus Area Score View
  2. Review Consumer Segment Score View
  3. Review IPI Scores View
- Set IPI Threshold Scores Tab:

Set IPI Assortment Threshold View

- Review IPI Assortment Recommendations Tab:

  1a. Review IPI Assortment Recommendation View

  1b. Review IPI DT Details View

Custom Menu

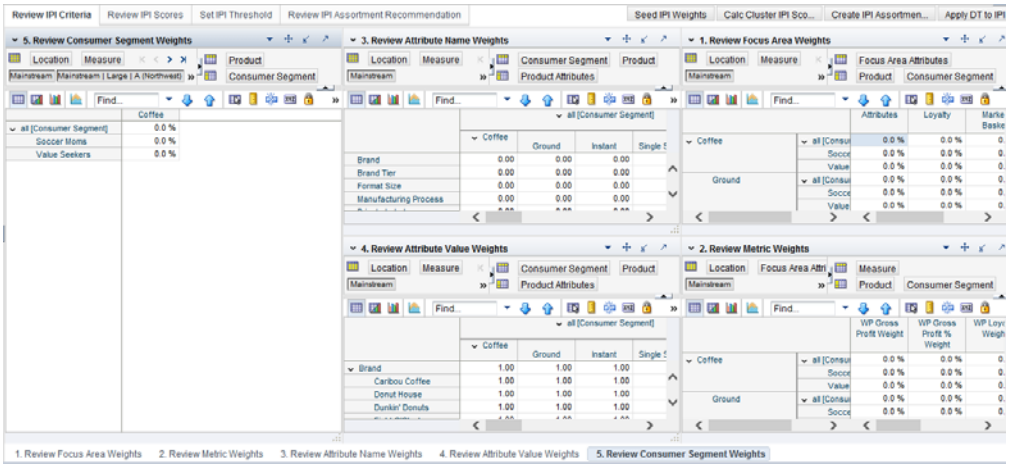
The following custom menus are available:

- Seed IPI Weights - This custom menu is used to seed the preset IPI weights from the IPI Setup step in Category Management Administration task.
- Calc Cluster IPI Score - This custom menu is used to calculate IPI scores for the items in the WP assortment based on the user-defined weights. Weights should be defined per the business requirements in the Review IPI Criteria tab before running this custom menu. The IPI scores are presented in the Review IPI Scores tab.
- Create IPI Assortment @ Cluster - This custom menu is used to create the IPI Assortment based on the IPI scores generated by the Calc Cluster IPI Score custom menu and IPI thresholds set by the user in the Set IPI Threshold tab.
- Apply DT to IPI - This custom menu is used to apply the Demand Transference impact to the IPI-based system recommended assortment. This custom menu requires a reference assortment to derive Keep, Add, and Drop decisions, which are used as inputs in Demand Transference calculations.

Review IPI Criteria Tab

The following figure shows the views for this tab.

Figure 6–12 Review IPI Criteria Tab Views



Focus Area Weights

Focus area weights help the user define what areas are of focus for the category:

- How important is the breadth and variety of product attributes?
- How important is a focus on loyalty for this category?

Performance and Market Basket are other focus areas supported by the solution.

Focus area weights should be chosen to align with broader category role and associated strategies and tactics.

Figure 6–13 shows a best practice Point-of-View (POV) on how category roles, strategies, and tactics can inform focus area weights and metric weights within each focus area.

Figure 6–13 Best Practice for Focus Area Weights

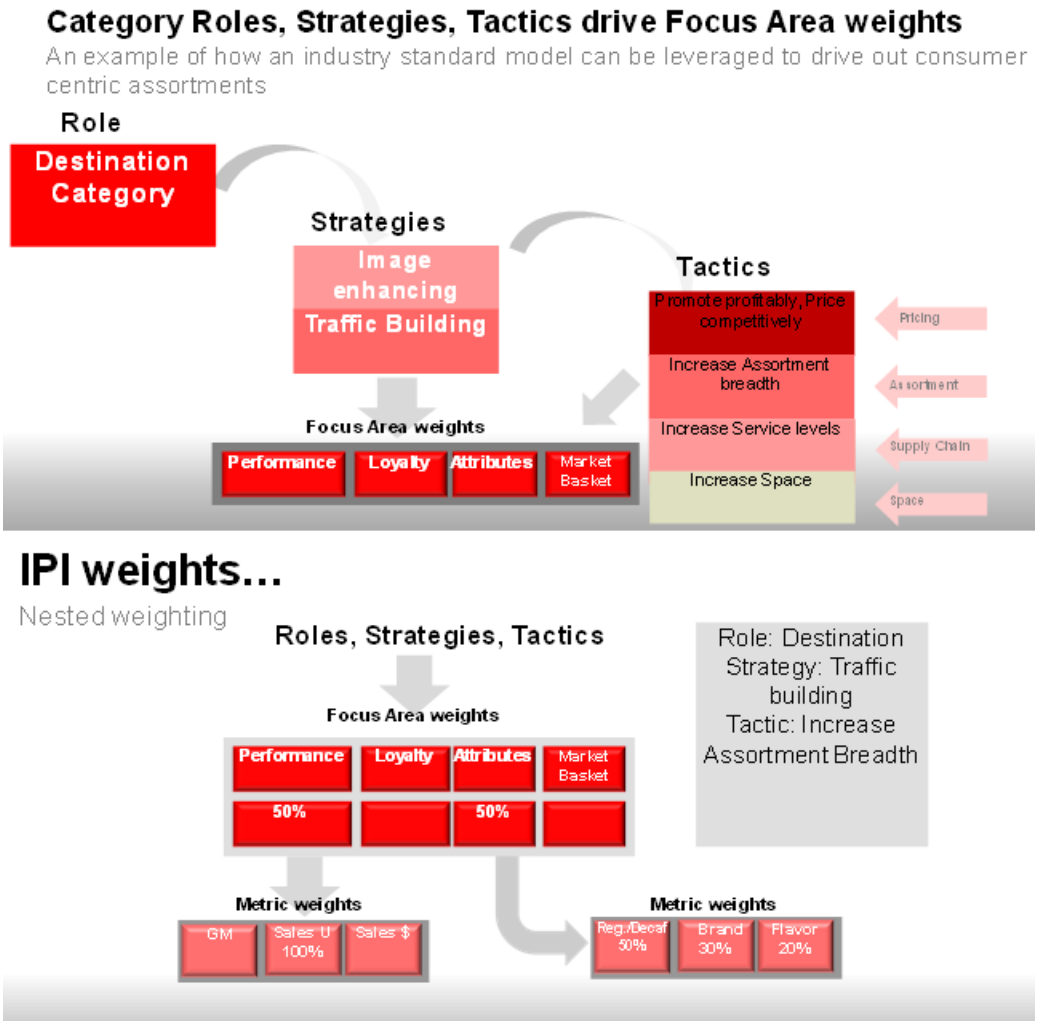


Table 6–9 shows the suggested default focus area weights.

Table 6–9 Suggested Default Focus Area Weights

Role	Strategy	Typical Tactics			Suggested Default Focus Area Weights Item Priority Indexes (IPI)				
		Reg. Price	Promotion: Freq./Depth of Price Reduction	Assort.	Perf.	Loyalty	Attributes	Market Basket	Total
Destination	Traffic Building	Low	Freq./Strong	Wide	Medium (Sales U) (50%)	NA	Medium (50%)	NA	100
Routine	Transaction Building	Avg.	Avg./Avg.	Avg.	Medium (50%)	NA	NA	Medium (50%)	100
Routine	Profit Generating	High	Infreq./Weak	Avg.	High (GP) (100%)	NA	NA	NA	100
Routine	Cash Generating	Avg.	Freq./Strong	Avg.	High (Sales $) (100%)	NA	NA	NA	100
Destination	Excitement Generating	Low	Freq./Strong	Wide	High (Sales U) (100%)	NA	NA	NA	100
Occasional	Image Enhancing	Low	Freq./Strong	Wide	NA	NA	High (100%)	NA	100
Convenience	Turf Defending	Avg.	Freq./Strong	Avg.	Medium (50%)	Medium (50%)	NA	NA	100

Table 6–10 shows the associated default metric weights.

Table 6–10 Associated Default Metric Weights

Role	Strategy	Typical Tactics			Suggested Default Metric Weights			
		Reg. Price	Promotion: Freq./Depth of Price Reduction	Assort.	Perf.	Loyalty	Attributes	Market Basket
Destination	Traffic Building	Low	Freq./Strong	Wide	Sales U (100%)	NA	Sales U (100%)	NA
Routine	Transaction Building	Avg.	Avg./Avg.	Avg.	Sales U (100%)	NA	NA	Market basket index (50%)
Routine	Profit Generating	High	Infreq./Weak	Avg.	GP (100%)	NA	NA	NA
Routine	Cash Generating	Avg.	Freq./Strong	Avg.	Sales Retail (100%)	NA	NA	NA

Table 6–10 (Cont.) Associated Default Metric Weights

Role	Strategy	Typical Tactics			Suggested Default Metric Weights			
		Reg. Price	Promotion: Freq./Depth of Price Reduction	Assort.	Perf.	Loyalty	Attributes	Market Basket
Destination	Excitement Generating	Low	Freq./Strong	Wide	Sales U (100%)	NA	NA	NA
Occasional	Image Enhancing	Low	Freq./Strong	Wide	NA	NA	Sales U (100%)	NA
Convenience	Turf Defending	Avg.	Freq./Strong	Avg.	Sales U (100%)	Loyalty Index (100%)	NA	NA

1. Review Focus Area Weights View

Focus area weights can be pre-seeded based on the Category strategies from the Seed IPI Weights menu.

Figure 6–14 1. Review Focus Area Weights and 2. Review Metric Weights Views

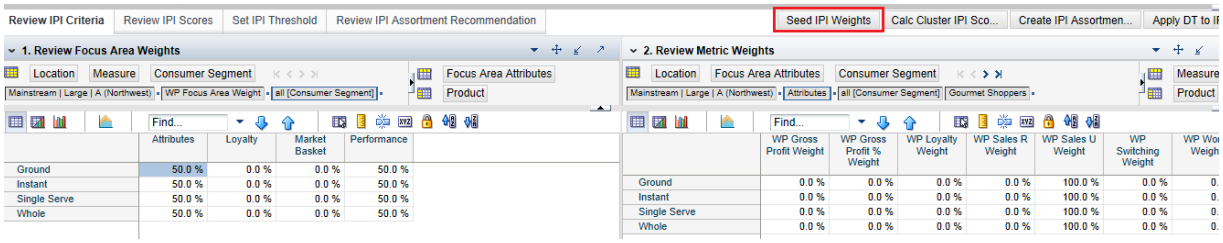


Table 6–11 lists the measure available in the Review Focus Area Weights view.

Note: While a number of these weights can be managed at the consumer segment level, it is recommended that a majority of these weights be managed at the All Consumer Segment level, unless specific conditions warrant overriding these at the more granular levels.

Table 6–11 1. Review Focus Area Weights Measure

Label	Definition
WP Focus Area Weight	The user-defined percentage weight for the focus area used in generating a system-recommended IPI assortment. Focus areas include Attribute, Loyalty, Market Basket, and Performance.

2. Review Metric Weights View

For an example of this view, see Figure 6–14.

Table 6–12 lists the measures available in the Review Metric Weights view.

Note: All metric weights are set per Focus Area.

Table 6–12 2. Review Metric Weights Measures

Label	Definition
WP Gross Profit Weight	The user-defined percentage weight to the WP Gross Profit R metric for the given Focus Area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights shown in Table 6–10.
WP Gross Profit % Weight	The user-defined percentage weight to the WP Gross Profit % metric for the given Focus Area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights table shown in Table 6–10.
WP Loyalty Weight	The user-defined percentage weight to loyalty metric (loyalty index) for the given Focus Area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Loyalty focus area. The Loyalty index is an externally sourced measure that represents the importance of an item, relative to other items, to the loyal customers.
WP Sales R Weight	The user-defined percentage weight given to the WP Sales R metric for the given Focus Area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights table shown in Table 6–10.
WP Sales U Weight	The user-defined percentage weight given to the WP Sales U metric for the given Focus Area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights table shown in Table 6–10.
WP Market Basket Weight	The user-defined percentage weight assigned to the Market Basket index measure for the given focus area. It is expected to be set to a non-zero value only for the Market Basket focus area. The Market Basket index is an externally sourced measure that represents the importance of an item, relative to other items, in terms of its ability to drive baskets.

3. Review Attribute Weights View

This view enables users to review and override attribute weights that indicate the relative percentage weight of importance of each attribute in the IPI calculations for the Attribute focus area. Note that these weights are only relevant and used for the Attribute focus area.

These attribute weights are expected to be aligned with CDTs and can vary by consumer segment. By default, these weights are fed in from ORASE and can be reviewed and overridden here.

Figure 6–15 3. Review Attribute Weights View

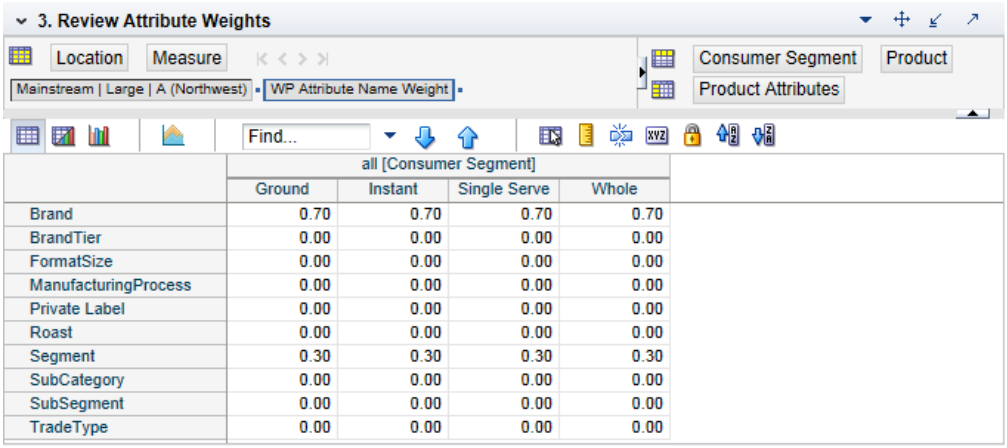


Figure 6–15 indicates that there is a 0.7 or 70% emphasis on brand and 0.3 or 30% emphasis on (Product) Segment.

Table 6–13 lists the measure available in this view.

Table 6–13 3. Review Attribute Weights Measure

Label	Definition
WP Attribute Name Weight	This is a user-defined numeric weight assigned to the attribute name to be used for IPI score calculations in the context of working plan assortment for the cluster. This helps the user to put emphasis on a particular attribute name in generating a system-recommended IPI assortment.

4. Review Attribute Value Weights View

In addition to specifying the relative importance of attributes (Brand versus Flavor versus Size), it is also possible to specify attribute value weights to over-emphasize or de-emphasize specific attribute values within a cluster. For example, within the high-end store clusters, the Premium brand-tier may need to be given a higher weight to ensure the Premium products get a higher priority than Mainstream and Value oriented brand-tiers.

Figure 6–16 4. Review Attribute Value Weights View

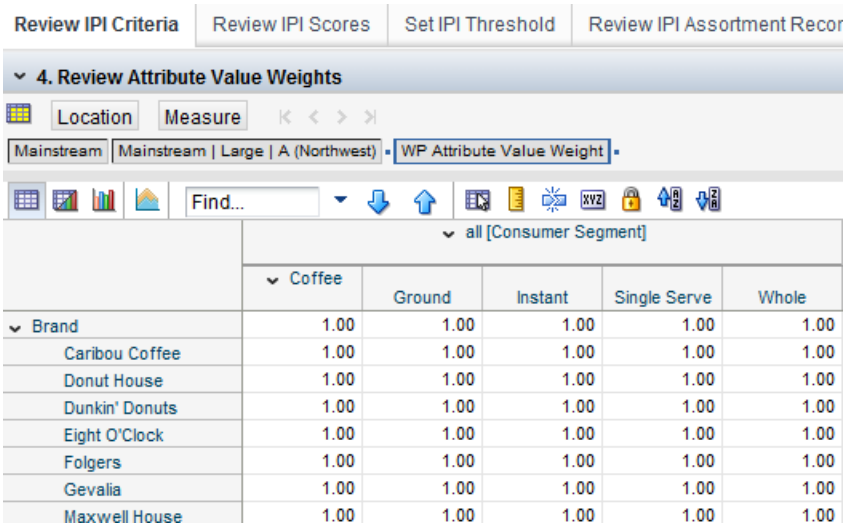


Table 6–14 lists the measure available in this view.

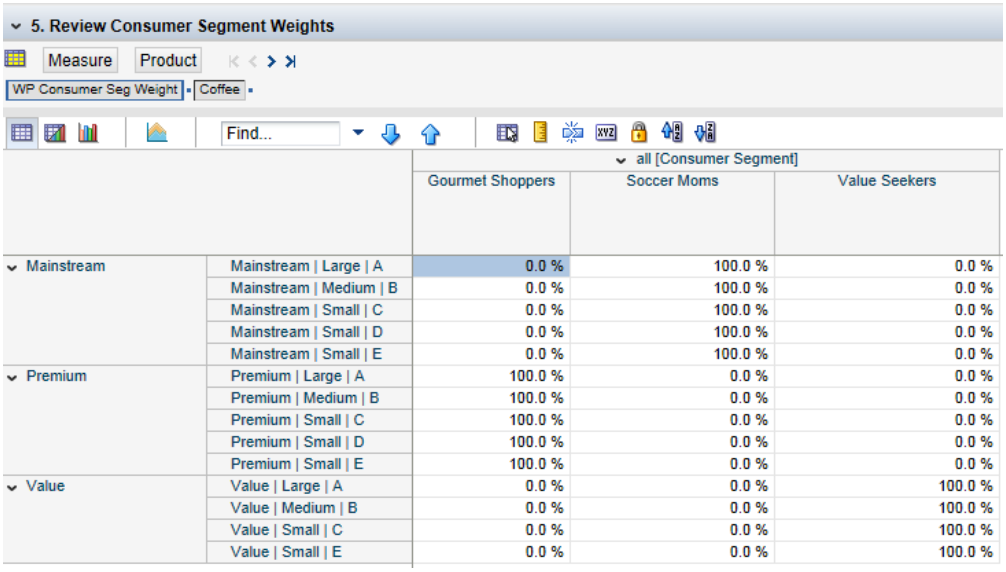
Table 6–14 4. Review Attribute Value Weights Measure

Label	Definition
WP Attribute Value Weight	This is a user-defined numeric weight assigned to the attribute value to be used for IPI score calculations in the context of working plan assortment for the cluster. This helps the user to emphasize a particular attribute value name in generating a system-recommended IPI assortment. The default value of 1 indicates all attribute values are equally important.

5. Review Consumer Segment Weights View

Use this view to review and specify consumer segment weights to different clusters. This is essentially where clusters are mapped to Consumer Segments. These weights impact IPI and Demand Transference calculations.

Figure 6–17 5. Review Consumer Segment Weights View



In the example shown in Figure 6–17, Mainstream store clusters have a 100% focus on Soccer Moms where as Premium store clusters have 100% focus on Gourmet Shoppers. Note that the solution does allow for multiple consumer segments to be aligned to a store cluster. The resulting IPI would be a blend of the individual consumer segment based IPIs in the proportion of the weights specified here. For this example, the IPI values for Premium stores would be a 100% value of the IPI scores for Gourmet shoppers. Details around the IPI calculation logic is covered in the following sections.

Likewise, these weights drive the Demand Transference calculations. It is very important to ensure these weights add up to 100% to ensure that the IPI and Demand Transference results are correct.

Table 6–15 lists the measures available in this view.

Table 6–15 5. Review Consumer Segment Weights Measures

Label	Definition
WP Consumer Seg Weight	The user-defined percentage weight to a consumer segment within a cluster. It is used to put emphasis on the target consumer segments while generating a system-recommended IPI assortment, as well as generating Demand Transference. It can be different from WP Consumer Seg Distribution and should represent the retailer's target consumer segment distribution.
WP Consumer Seg Distribution	The distribution of different consumer segments currently representing sales within the cluster.

Example of IPI Calculations

The following examples illustrate the underlying IPI calculation logic:

- Example 1: Performance-Based IPI
- Example 2: Performance and Attribute-Based IPI

Example 1: Performance-Based IPI

Consider the following focus area weights, with 100% emphasis on performance:

	Performance	Attributes	Loyalty	Market Basket
Focus Area Weights	100%	0%	0%	0%

These are the corresponding metric weights for the Performance Focus Area:

	Gross Profit Weight	Gross Profit % Weight	Sales Unit Weight	Sales R Weight	Loyalty Index Weight	Market Basket Index Weight
Metric Weights	0%	0%	0%	100%	0%	0%

The preceding tables indicate that there is a 100% emphasis on the Performance focus area and, within the Performance focus area, Sales R is the metric used to rank and score items based on their performance.

Consider the following Sales R for a five SKU assortment:

Item	Sales R
Item 1: Starbucks	$100
Item 2: Starbucks	$80
Item 3: Starbucks	$60
Item 4: Folgers	$40
Item 5: Folgers	$20

The IPI calculation is essentially an index to average. The average Sales R for the preceding SKU mix is $60. The Sales R of each SKU is divided by this average of $60 to compute the index to average or IPI score.

For example, to compute the IPI for Item 1, the Sales R of 100 is divided by the average of the sum of the Sales R for all the items (100, 80, 60, 40, and 20) divided by the number of items (5).

Item	Sales R	IPI
Item 1: Starbucks	$100	1.67
Item 2: Starbucks	$80	1.33
Item 3: Starbucks	$60	1.0
Item 4: Folgers	$40	0.67
Item 5: Folgers	$20	0.33

The system uses the IPI scores to rationalize the assortment. The higher the IPI score, the more important the item is to the assortment.

Example 2: Performance and Attribute-Based IPI

Consider the following focus area weights, with 50% emphasis on performance and 50% emphasis on attributes:

	Performance	Attributes	Loyalty	Market Basket
Focus Area Weights	50%	50%	0%	0%

These are the corresponding metric weights for the Performance Focus Area:

	Gross Profit Weight	Gross Profit % Weight	Sales Unit Weight	Sales R Weight	Loyalty Index Weight	Market Basket Index Weight
Metric Weights	0%	0%	0%	100%	0%	0%

These are the corresponding metric weights for the Attribute Focus Area:

	Gross Profit Weight	Gross Profit % Weight	Sales Unit Weight	Sales R Weight	Loyalty Index Weight	Market Basket Index Weight
Metric Weights	0%	0%	0%	100%	0%	0%

These are the Attribute name weights:

	Brand	Flavor	Size
Attribute Weights	100%	0%	0%

The preceding tables indicate that there is an equal emphasis on the Performance and Attribute focus areas. Within the Performance focus area, Sales R is the metric used to rank and score items based on their Performance. Likewise, within the Attribute focus area, Sales R is the metric used to rank and score items within each attribute. Brand gets a 100% emphasis within Attribute weights. This means, for the Attribute IPI scoring, items are ranked and scored within each Brand, based on their Sales R.

Consider the following Sales R for a five SKU assortment:

Item	Sales R
Item 1: Starbucks	$100
Item 2: Starbucks	$80
Item 3: Starbucks	$60
Item 4: Folgers	$40
Item 5: Folgers	$20

These are the computed Attribute-based IPIs:

The values in the IPI column are calculated by adding 50% of the Performance IPI and 50% of the Attribute IPI.

Item	Sales R	Performance Index to Average (IPI)	Starbucks Index to Average	Folgers Index to Average	Attribute IPI	IPI
Item 1: Starbucks	$100	1.67	1.25	NA	1.25	1.46
Item 2: Starbucks	$80	1.33	1.0	NA	1.0	1.17
Item 3: Starbucks	$60	1.0	0.75	NA	0.75	0.875
Item 4: Folgers	$40	0.67	NA	1.33	1.33	1.0
Item 5: Folgers	$20	0.33	NA	0.67	0.67	0.5

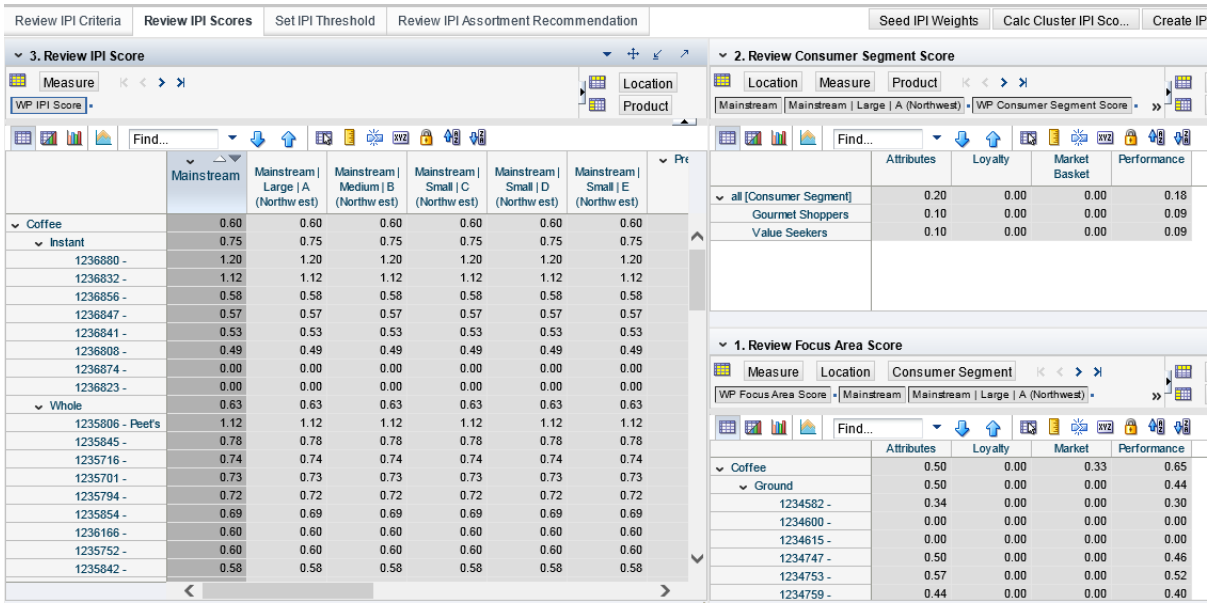
Thus, the resulting IPI score is a blend of top-selling SKUs by Sale R and top-selling SKUs within each Brand (Starbucks and Folgers). The system used IPI scores to rationalize SKUs and recommend an assortment. The higher the IPI score, the more important the SKU is to the assortment.

Using only Performance as a Focus Area would mean Folgers SKUs might get dropped from the assortment. If Brand is important for the consumer segments shopping the stores, the Assortment Planner would want to ensure there are adequate assortment options by each Brand for categories where the Category Roles and Strategies warrant this.

Review IPI Scores Tab

This tab has three views.

Figure 6–18 Review IPI Scores Tab View



1. Review Focus Area Score View

Use this view to see the focus area scores. Within each of the focus areas, a score is computed. At this point, you can use the custom menu Calc Cluster IPI Score to populate values in the next few views.

Figure 6–19 1. Review Focus Area Score View

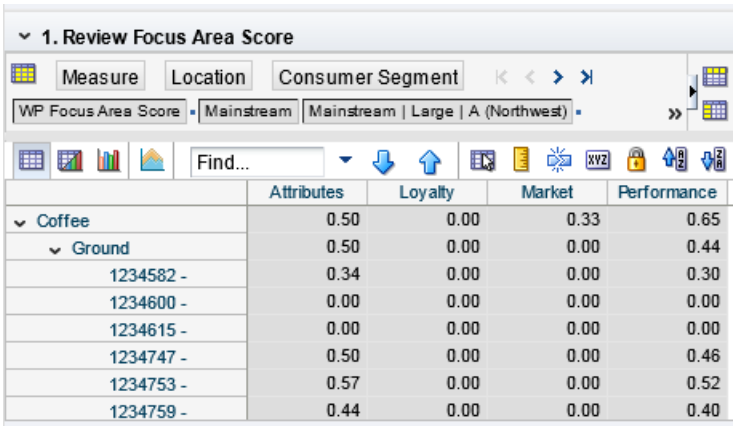


Table 6–16 lists the measure available in this view.

Table 6–16 1. Review Focus Area Scores Measure

Label	Definition
WP Focus Area Score	An item's IPI score for a specific focus area in the working plan assortment for the cluster.

2. Review Consumer Segment Score View

Use this view to see the consumer segment scores. Each consumer segment score is computed per the consumer segment/trading area based on the weights of the focus

areas. A cluster score is then computed based on the relative weight of the consumer segments in each cluster.

Figure 6–20 2. Review Consumer Segment Score View

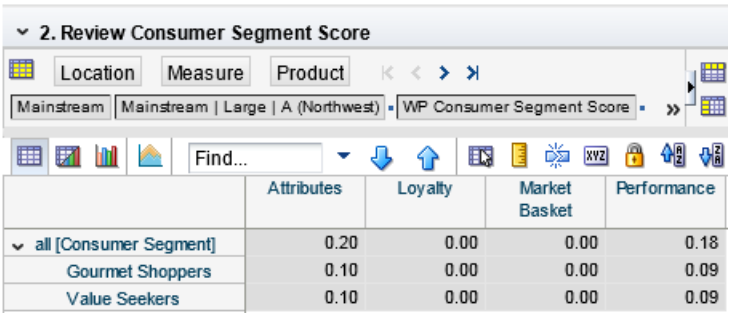


Table 6–17 lists the measure available in this view.

Table 6–17 2. Review Consumer Segment Score Measure

Label	Definition
WP Consumer Segment Score	An item's consumer segment level IPI score towards a working plan assortment for the cluster.

3. Review IPI Scores View

Use this view to see the IPI scores. Each consumer segment score is computed per the IPI based on the weights of the focus areas. An overall IPI score is computed from aggregating the IPI scores across each focus area, based on the specified focus area weights. IPI scores are aggregated across consumer segments, based on the consumer segment distribution in each cluster.

Figure 6–21 3. Review IPI Scores View

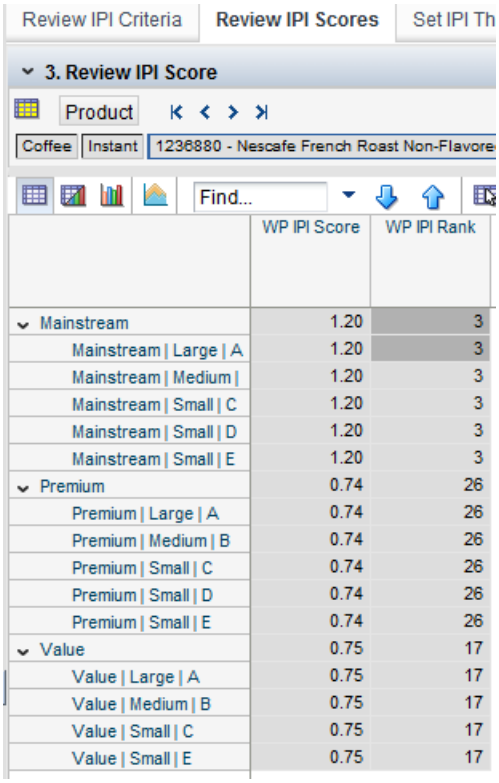


Table 6–18 lists the measures available in this view.

Table 6–18 3. Review IPI Scores Measures

Label	Definition
WP IPI Score	An item's final IPI score in working plan assortment for the cluster.
WP IPI Rank	An ordinal (sequential) rank assigned to an item in the working plan assortment for the cluster on the basis of its respective IPI score.

Set IPI Threshold Scores Tab

Once the IPI scores have been generated, the next step is to use the IPI scores to generate an assortment (keep/add/drops). The system supports the ability to constrain the assortment based on IPI values. Users can specify IPI threshold values to generate the assortment in the IPI threshold scores view.

This tab has one view.

Set IPI Assortment Threshold View

Use this view to define thresholds for each sub-category and cluster. These thresholds determine which items are included or excluded from the assortment calculated based on IPI scores. Next, run the Create IPI Assortment custom menu.

Note: Because a higher IPI score is better, the core threshold should be higher than the optional one.

Figure 6–22 Set IPI Assortment Threshold View

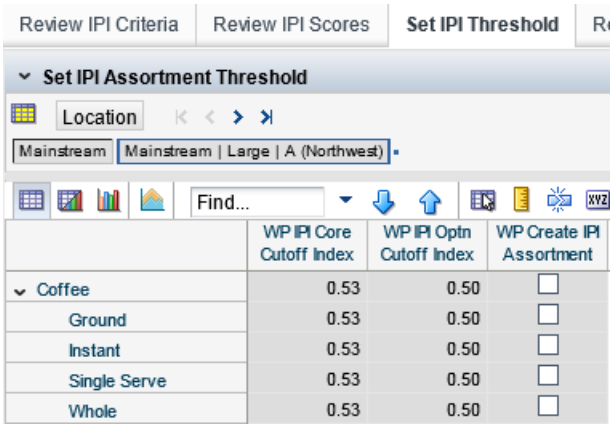


Table 6–19 lists the measures available in this view.

Table 6–19 Set IPI Assortment Threshold Measures

Label	Definition
WP IPI Core Cutoff Index	User-defined IPI core cutoff (or threshold) IPI score to be classified as a core item in the system-recommended IPI assortment. All items with an IPI score greater than this value are designated as core items.
WP IPI Optn Cutoff Index	User-defined IPI optional cutoff (or threshold) IPI score to be classified as an optional item in the system-recommended IPI assortment. All items with an IPI score greater than this value, but less than WP IPI Core Cutoff Index, are designated as optional items.
WP Create IPI Assortment	A Boolean measure which is required to be checked to generate a system-recommended IPI assortment towards the working plan assortment for the cluster.

Review IPI Assortment Recommendations Tab

This tab has two views.

1a. Review IPI Assortment Recommendation View

Use this view to review the system-recommended IPI-based assortment. This view also contains Demand Transference parameters and provides a facility to What-If analysis by making assortment changes by marking or unmarking the IPI core and IPI optional flags, thereby adding or removing SKUs/Items from the assortment. Keep, Add, and Drop decisions are derived relative to a reference assortment such as an LY (Last Year) assortment or CP (Current Plan) Assortment. Such a reference assortment is used as the base assortment for assortment changes in the form of Keep, Add, and Drop.

Figure 6–23 1a. Review IPI Assortment Recommendation View

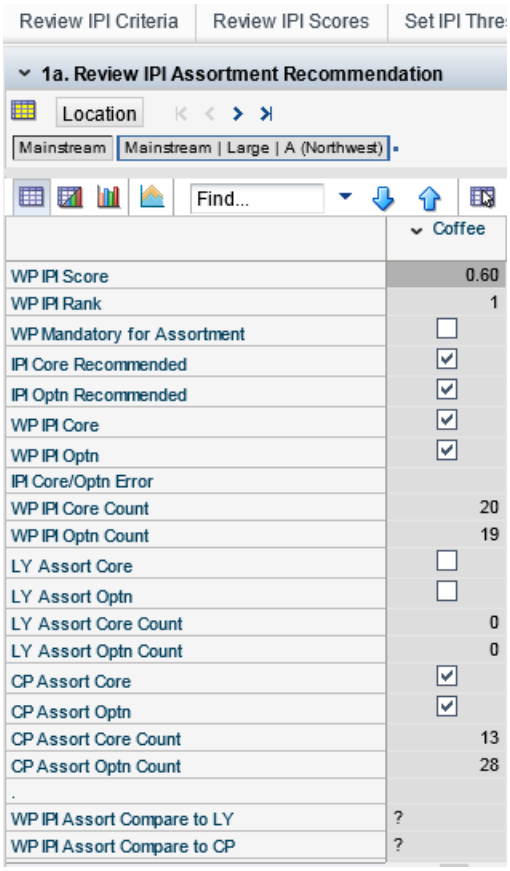


Table 6–20 lists the measures available in this view.

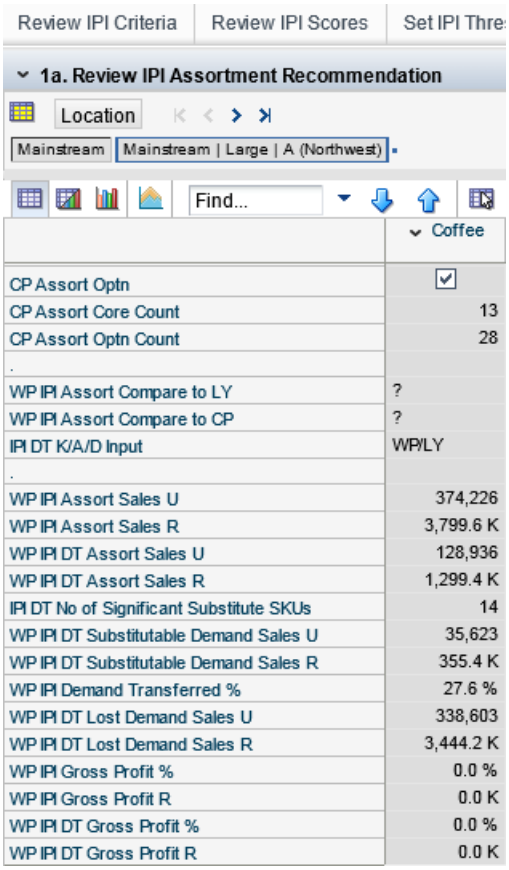
Table 6–20 1a. Review IPI Assortment Recommendation View Measures

Label	Definition
WP IPI Score	An item's final IPI score in working plan assortment for the cluster.
WP IPI Rank	An ordinal (sequential) rank assigned to an item in the working plan assortment for the cluster on the basis of its respective IPI score.
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
IPI Core Recommended	A system-calculated measure, this measure is set to True if the item is designated as a core item for the IPI-based assortment.
IPI Optn Recommended	A system-calculated measure, this measure is set to True if the item is designated as an optional item for the IPI-based assortment.
WP IPI Core	A Boolean measure indicating whether an item is a core item or not, per IPI calculations (in system-recommended IPI assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.

Table 6–20 (Cont.) 1a. Review IPI Assortment Recommendation View Measures

Label	Definition
WP IPI Optn	A read-only Boolean measure indicating whether an item is an optional item or not, per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
IPI Core/Optn Error	An error flag measure used to highlight a scenario wherein both the core and optional item Boolean flag measures are checked for the same item in a system-recommended IPI assortment.
WP IPI Core Count	The number of core items per the IPI calculations (in a system-recommended IPI assortment) in the working plan's assortment for the cluster.
WP IPI Optn Count	The number of optional items per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster.
LY Assort Core	A Boolean flag measure indicating whether or not an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last year's assortment for the cluster.
LY Assort Core Count	The number of core items in last year's assortment.
LY Assort Optn Count	The number of optional items in a last year's assortment.
CP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the current plan assortment for the cluster.
CP Assort Core Count	The number of core items in a current plan's assortment for the cluster.
CP Assort Optn Count	The number of optional items in a current plan assortment for the cluster.
WP IPI Assort Compare to LY	Keep, Add, or Drop decision on comparing an IPI-based assortment with an LY assortment at the cluster level.
WP IPI Assort Compare to CP	Keep, Add, or Drop decision on comparing an IPI-based assortment with a Current Plan assortment at the cluster level.

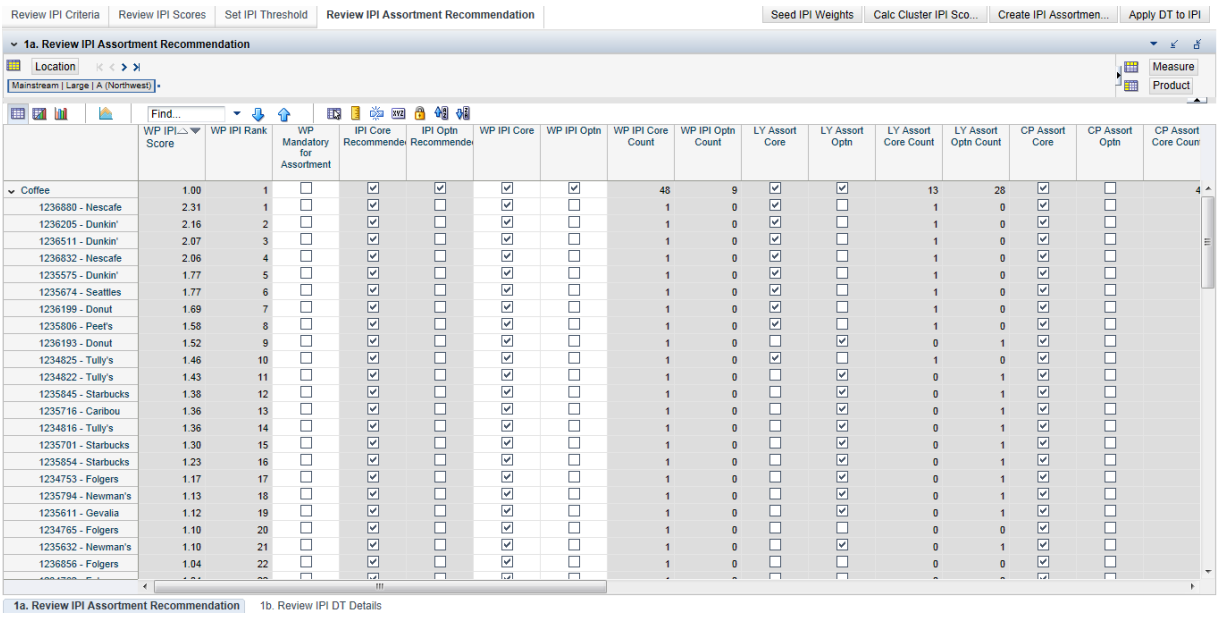
Figure 6–24 1a. Review IPI Assortment Recommendation View 2



The Review Assortment Recommendation view presents a variety of assortment related information.

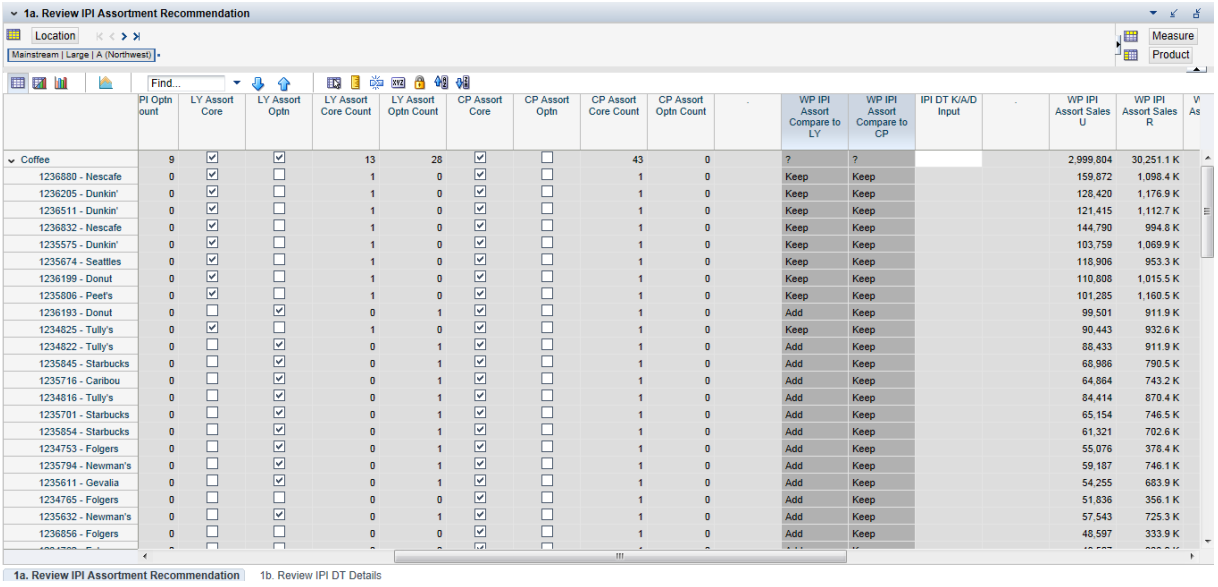
The first set of measures displays the core and optional SKUs being recommended by the IPI logic and also allows users to view the LY and CP values for the SKUs in comparison. Users can also view the core and optional SKUs counts for the IPI recommendation as well as CP and LY version of the core and optional SKU counts.

Figure 6–25 1a. Review IPI Assortment Recommendation Example 1



The next set of measures displays the Keep/Add/Drop recommendations compared to CP and LY based on the IPI core designation. Users also have visibility to the Assortment Plan metrics such as the Planned Assortment Sales Units and Retail WP IPI Assort Sales U and WP IPI Assort Sales R.

Figure 6–26 1a. Review IPI Assortment Recommendation Example 2



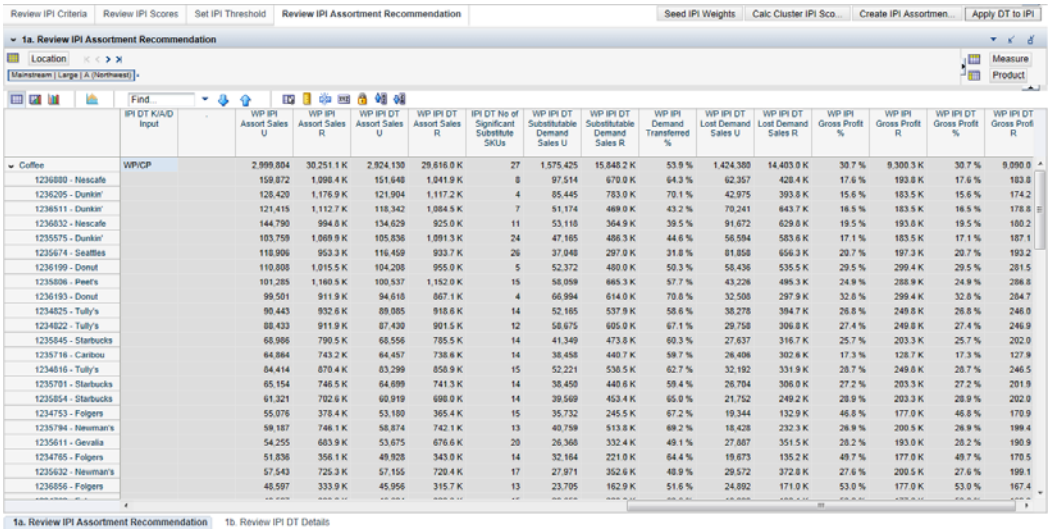
The next step in the process is Demand Transference (DT). So far, the assortment has been planned with each SKU in isolation, that is, without an understanding of how newly added or dropped SKUs impact the demand for the other SKUs in the assortment.

The next set of measures allows users to review the forecasted impact of demand transference on their planned assortment, to help make informed assortment decisions. For example, a high selling SKU may also be a highly substitutable SKU.

You can apply DT on the planned assortment by first selecting IPI DT K/A/D input to specify to the system the baseline assortment, CP or LY to use for Demand Transference calculations.

Next run the Menu option, Apply DT to IPI. This should populate or update all DT measures, based on the planned assortment.

Figure 6–27 1a. Review IPI Assortment Recommendation Example 3

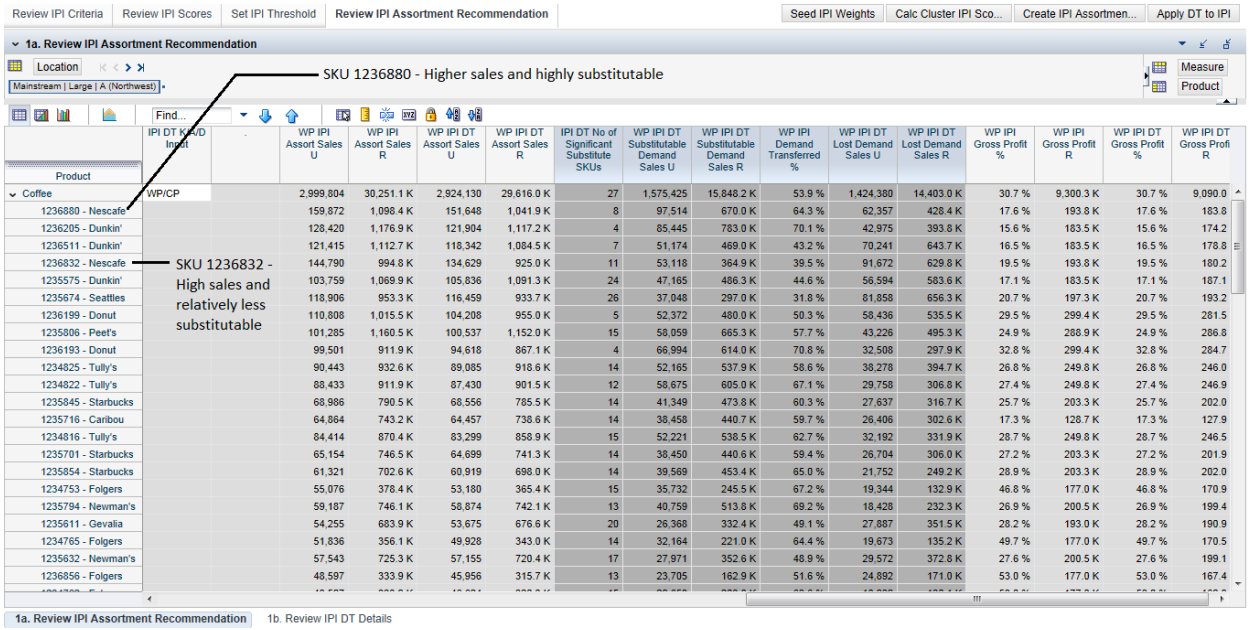


WP IPI DT Assort Sales has been updated to reflect the planned assortment. In the preceding example, the planned assortment change is a net increase in the number of SKUs (43 core SKUs in CP, 48 core SKUs in WP). The system has predicted how the added SKUs cannibalize the sales of existing SKUs and its net impact on Category Sales, in the WP IPI DT Assort Sales.

Next, the IPI Demand Transferred and Lost Demand, as well as the substitutable demand and number of Significant SKU measures provide insight to the following:

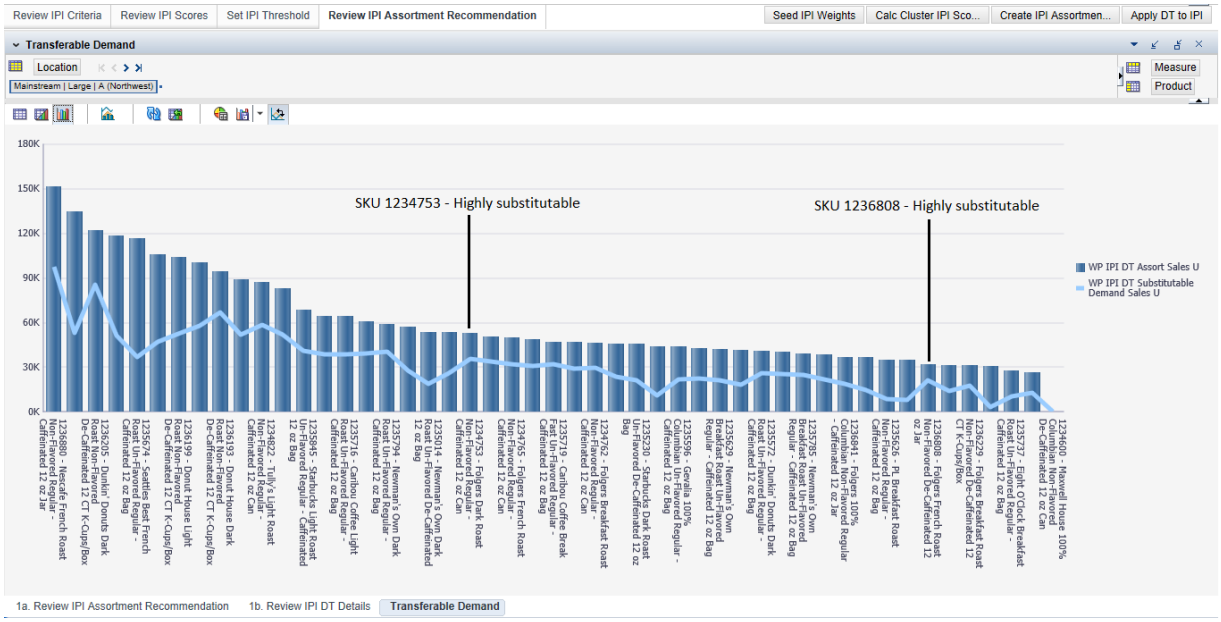
- If this SKU is to be dropped from the assortment, how much of the demand is transferred to other SKUs in the assortment and how much of the demand is lost.
- How many similar SKUs exist in the assortment that will absorb some of the demand, if this SKU is to be dropped.

Figure 6–28 1a. Review IPI Assortment Recommendation Example 4



This information can also be viewed in a graphical form.

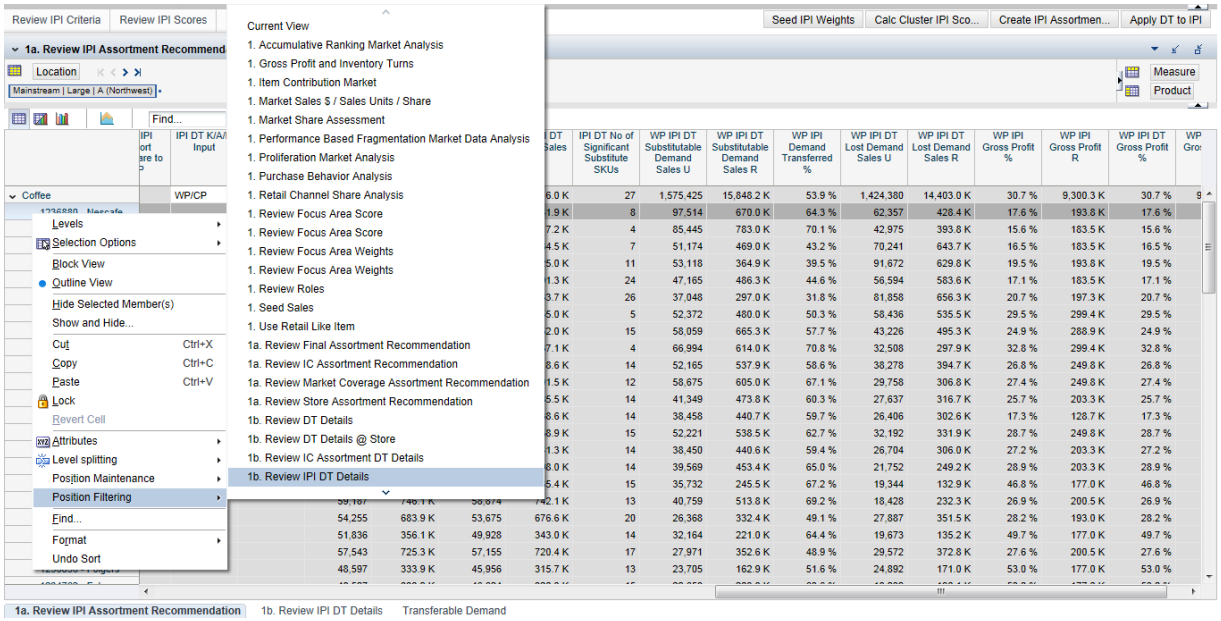
Figure 6–29 1a. Review IPI Assortment Recommendation Example 4 in Graphical Form



The preceding figure indicates that although SKU 1236880 is higher selling than SKU 1236832, it has a higher amount of substitutable demand. SKUs 1234753 and 1236808 are good candidates for drops as significant portions of their demand is substitutable.

Next is understanding where the demand goes, if a SKU is dropped. This can be easily viewed from highlighting a SKU in the Review IPI Assortment Recommendation screen and right clicking, select Position Filtering and select Review IPI DT Details.

Figure 6–30 1a. Review IPI Assortment Recommendation Example 5



This contextually launches the IPI DT Details view with the z-axis already positioned with the highlighted SKU. It displays the SKUs to which this demand transfers and by what percentage.

1b. Review IPI DT Details View

Use this view to review the Demand Transference distribution details of any SKU/Item in the Review IPI Assortment Recommendation view.

Figure 6–31 1a. Review IPI Assortment Recommendation

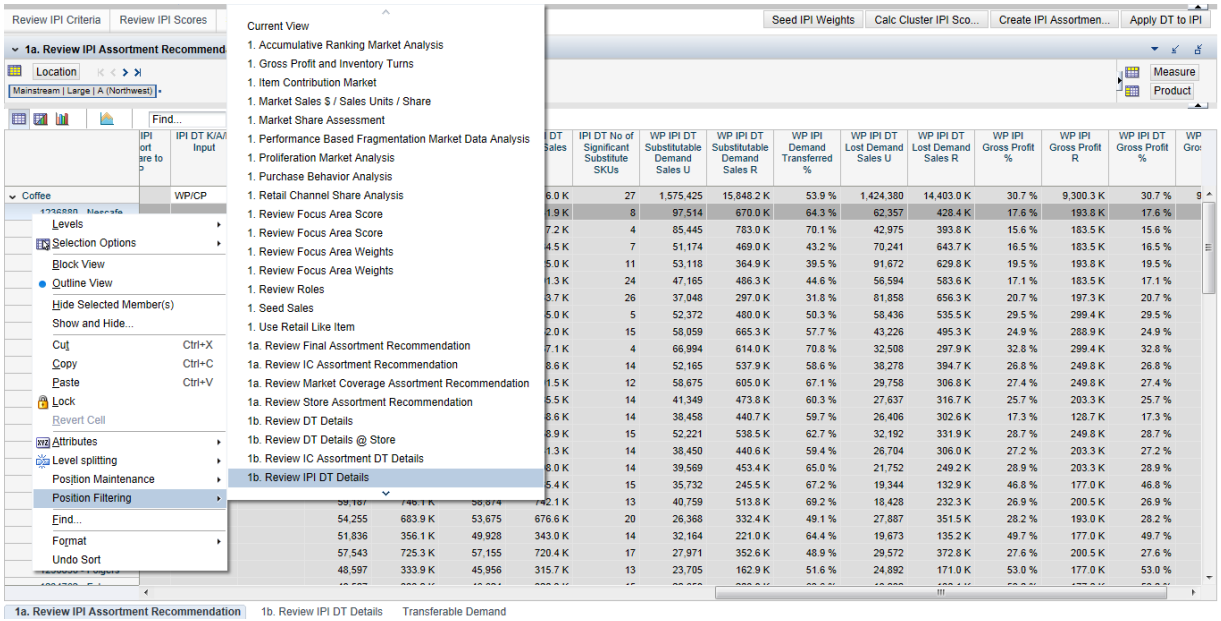


Figure 6–32 1b. Review IPI DT Details View

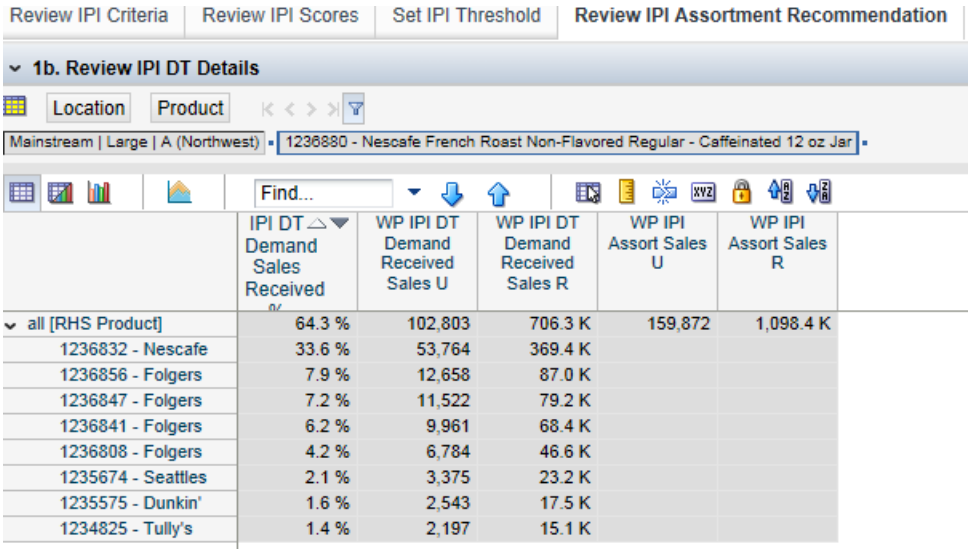


Table 6–21 lists the measures available in this view.

Table 6–21 1b. Review IPI DT Details Measures

Label	Definition
IPI DT Demand Sales Received %	Refers to a percentage of total sales units of a SKU, getting transferred from it and being received by its respective substitute SKUs in an IPI-based assortment. It is expressed as a percentage of total sales of the SKUs.
WP IPI DT Demand Received Sales U	Sales units that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment. For example, in the preceding figure, if SKU 1236880 were to be dropped from the assortment, the WP IPI DT Demand Received Sales U for SKU 1236832 is 53,764.
WP IPI DT Demand Received Sales R	Sales Retail that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment. For example, in the preceding figure, if SKU 1236880 were to be dropped from the assortment, the WP IPI DT Demand Received Sales R for SKU 1236832 is 369.4K
WP IPI DT Substitutable Demand Sales U	Represents the demand units that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment.
WP IPI DT Substitutable Demand Sales R	Represents the demand retail that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment.

Create Market Coverage Assortment Step

Use this step to derive a Market Coverage based system-recommended assortment and apply Demand Transference to fine-tune the assortment.

This step has the following tabs and views:

- Set Assortment Constraint Tab:

  Set Eligibility and Mandatory Flags View

  Set Assortment Constraint View

- Review Market Coverage Assortment Recommendation Tab:

  1a. Review Market Coverage Assortment Recommendation View

  1b. Review Market Coverage DT Details

Custom Menu

The following custom menus are available:

- Create MC Assortment
- Apply DT to Market Coverage

Set Assortment Constraint Tab

This tab has two views.

Set Assortment Constraint View

Use this view to set the constraints necessary to generate the assortment. It can be viewed by category, sub-category, and segment for the purpose of setting the market coverage target.

Figure 6–33 Set Assortment Constraint View

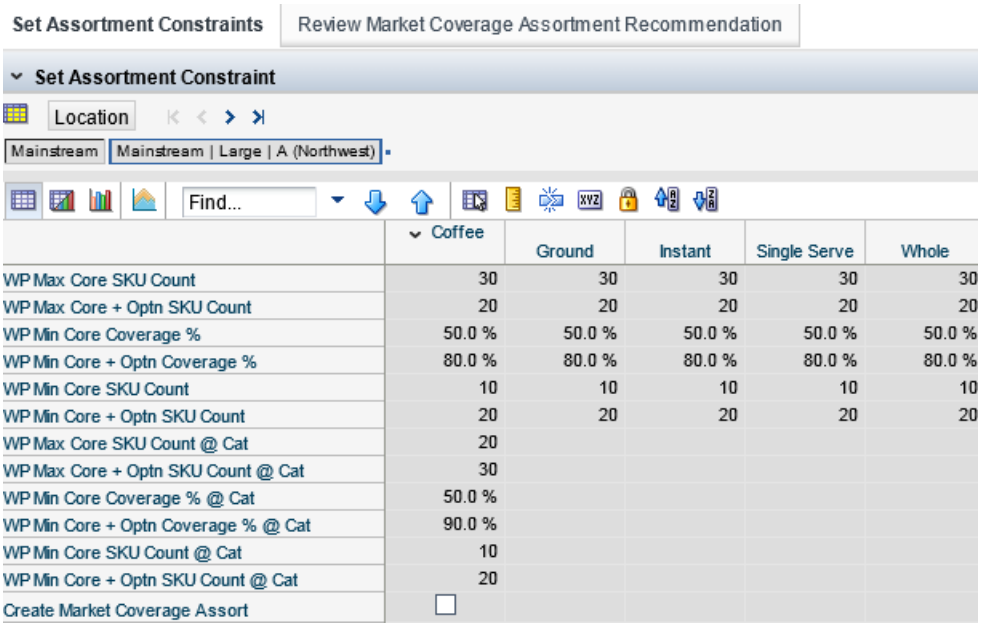


Table 6–22 lists the measures available in this view.

Table 6–22 Set Assortment Constraint Measures

Label	Definition
WP Max Core SKU Count	The maximum number of core items in a working plan assortment.
WP Max Core + Optn SKU Count	The maximum number of core plus optional items in a working plan assortment.

Table 6–22 (Cont.) Set Assortment Constraint Measures

Label	Definition
WP Min Core Coverage %	The minimum market coverage (Market Sales Retail) of the core items in the working plan assortment. For example, specifying a Min. core Coverage% of 80% means all SKUs that contribute to the top 80% of the Market Sales Retail will be flagged as core.
WP Min Core + Optn Coverage %	The minimum market coverage (Market Sales Retail) of the core plus the optional items in the working plan assortment. For example, specifying a Min. Core + Optional Coverage% of 90% with a Min. Core Coverage% of 80% means all SKUs that contribute to the top 80% of the Market Sales Retail will be flagged as core and all SKUs contributing between 80 and 90% of Market Sales Retail will be flagged as optional.
WP Min Core SKU Count	The minimum number of core SKUs in a working plan assortment. If specified, this serves as the lower bound on the number of core SKUs recommended by the system.
WP Min Core + Optn SKU Count	The minimum number of core plus optional SKUs in a working plan assortment. If specified, this serves as the lower bound on the number of core plus optional SKUs recommended by the system.
WP Max Core SKU Count @ Cat	The maximum number of core SKUs for the category. If specified, this serves as the upper bound on the number of core SKUs recommended by the system for the category.
WP Max Core + Optn SKU Count @ Cat	The maximum number of core plus optional SKUs for the category. If specified, this serves as the upper bound on the number of core plus optional SKUs recommended for the category.
WP Min Core Coverage % @ Cat	The minimum market coverage (Market Sales Retail) of the core items in the working plan assortment for the category.
WP Min Core + Optn Coverage % @ Cat	The minimum market coverage (Market Sales Retail) of the core plus optional items in the working plan assortment for the category.
WP Min Core SKU Count @ Cat	The minimum number of core SKUs in a working plan assortment. If specified, this serves as the lower bound on the number of core SKUs recommended by the system for the category.
WP Min Core + Optn SKU Count @ Cat	The minimum number of core plus optional SKUs in a working plan assortment. If specified, this serves as the lower bound on number of core plus optional SKUs recommended by the system for the category.
Create Market Coverage Assortment	Creates an assortment matching as many constraints as possible.

Custom Menus This view supports two custom menus. The first, Create Assortment, creates an assortment matching as many constraints as possible. Constraints are entered on this screen in the Min Core Coverage %, Min Core + Optional Coverage %, Min Core Unit SKU Count, Min Core + Optional SKU Count, Max Core SKU Count, and Max Core + Optional SKU Count. In addition, a user can specify whether an item should be excluded from a potential assortment with the Assortment Eligibility checkbox, or if an item is required in the assortment, with the Mandatory for Assortment checkbox.

The second, Apply DT to Market Coverage, applies Demand Transference impact to the system-recommended Market Coverage based assortment. Once constraints are set, use the Create Assortment custom menu to attempt to satisfy as many criteria as

possible while constructing an assortment. Criteria are evaluated from bottom up, meaning that the custom menu attempts to satisfy a sub-category level constraint before a category level one.

Once the algorithm has run, items selected for core and optional inclusion in the assortment are shown in the Core and Optional checkbox columns. The Success Indicator Value column contains information about whether or not the custom menu was able to satisfy a particular constraint.

Set Eligibility and Mandatory Flags View

Use this view to set the eligibility and mandatory flags at the SKU/Item level for the Market Coverage based assortment to be derived.

Figure 6–34 Set Eligibility and Mandatory Flags View

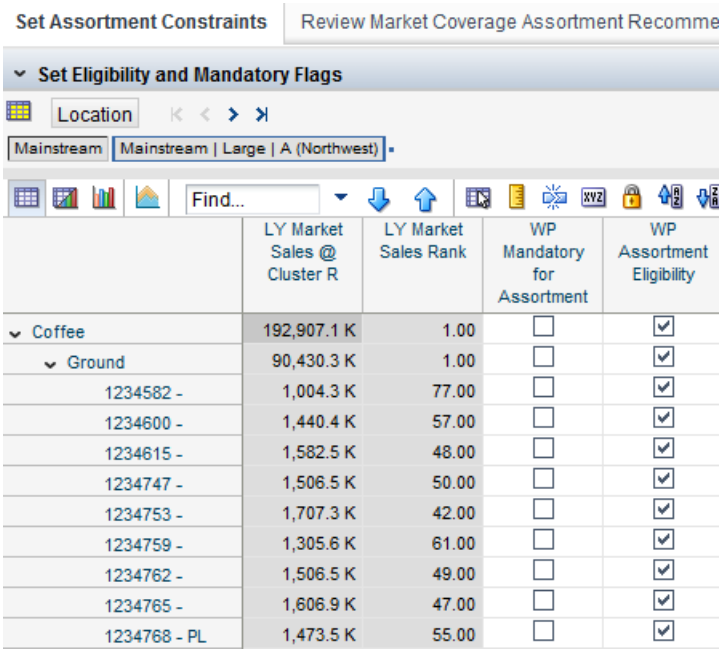


Table 6–23 lists the measures available in this view.

Table 6–23 Set Eligibility and Mandatory Flags Measures

Label	Definition
LY Market Sales @ Cluster R	Last year's market sales for the cluster. It is typically sourced from third parties providing syndicated data on a quarterly basis.
LY Market Sales Rank	An ordinal rank assigned on the basis of the LY Market Sales R of an item within a product category.
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP Assortment Eligibility	A Boolean flag measure indicating whether an item in a working plan assortment is available to be part of the assortment for the retailer to stock and sell.

Review Market Coverage Assortment Recommendation Tab

This tab contains two views.

1a. Review Market Coverage Assortment Recommendation View

Use this view to review the system-recommended Market Coverage based assortment. This view also contains Demand Transference parameters and provides a facility to What-If analysis by making assortment changes by marking or unmarking the IPI core and IPI optional flags, thereby adding or removing SKUs/Items from the assortment. Keep, Add, and Drop decisions are derived relative to a reference assortment such as an LY (Last Year) assortment, CP (Current Plan) Assortment, and so on. Such a reference assortment is used as the base assortment to assortment changes in the form of Keep, Add, and Drop.

This view has four measure profiles:

- WP/CP
- WP/DT
- WP/LP
- WP/LY

Figure 6–35 1a. Review Assortment Recommendation WP/CP Measure Profile View

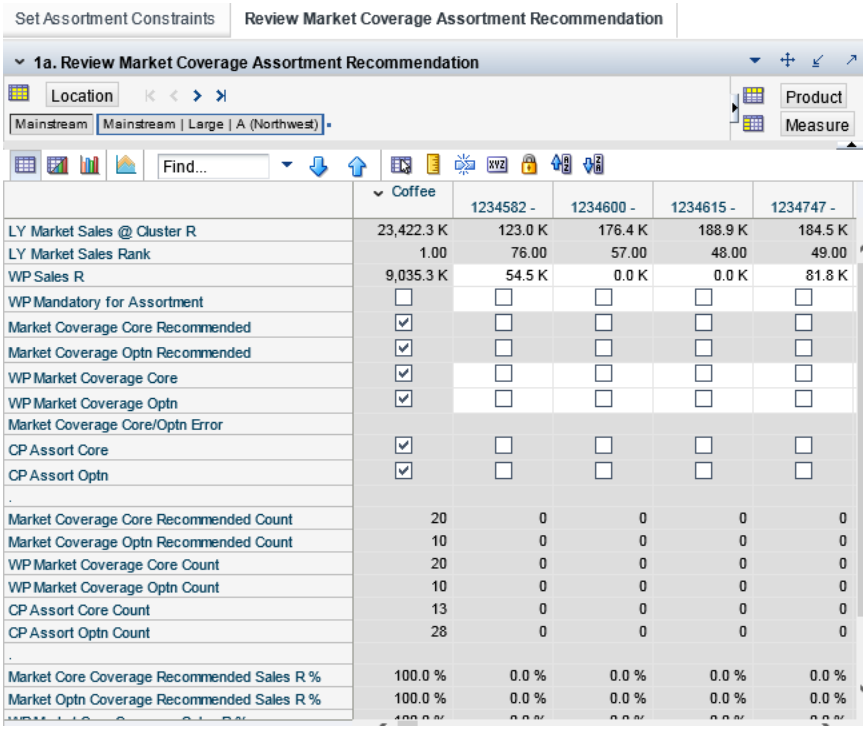


Table 6–24 lists the measures available in this view.

Table 6–24 1a. Review Assortment Recommendation WP/CP Measure Profile Measures

Label	Definition
LY Market Sales @ Cluster R	Last year's market sales for the cluster. It is typically sourced from third parties providing syndicated data on a quarterly basis.
LY Market Sales Rank	An ordinal rank assigned on the basis of the LY Market Sales R of an item within a product category.
WP Sales R	The working plan assortment's sales retail value.

Table 6–24 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
Market Coverage Core Recommended	A read-only Boolean measure indicating whether an item is a core item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
Market Coverage Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of Market Coverage thresholds set by the user.
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
Market Coverage Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Market Coverage Assortment.
CP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the current plan assortment for the cluster.
WP Seed Previous Assortment	Contains a drop-down list of different assortments, which can be used to seed the working plan assortment. Once the required assortment is selected in this field, the user needs to run the Seed Previous Assortment custom menu to seed the working plan assortment using the selected assortment.
Market Coverage Core Recommended Count	The number of core items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
Market Coverage Optn Recommended Count	The number of optional items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
WP Market Coverage Core Count	The number of core items per the market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster.
WP Market Coverage Opt Count	WP Market Coverage Core Assort Count
CP Assort Core Count	The number of core items in a current plan's assortment for the cluster.
CP Assort Optn Count	The number of optional items in a current plan assortment for the cluster.
Market Core Coverage Recommended Sales R %	Market Coverage provided by core SKUs in the recommended assortment (Market Coverage Assortment).

Table 6–24 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile

Label	Definition
Market Optn Coverage Recommended Sales R %	Market Coverage provided by optional SKUs in the recommended assortment (Market Coverage Assortment).
WP Market Core Coverage Sales R %	Market Coverage provided by the IPI core SKUs in the working plan assortment recommended by the system based on market coverage thresholds set by the user.
WP Market Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan IPI-recommended assortment.
CP Assort Core Coverage Sales R %	Market coverage provided by core SKUs in the current plan assortment.
CP Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in the current plan assortment.

Figure 6–36 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1

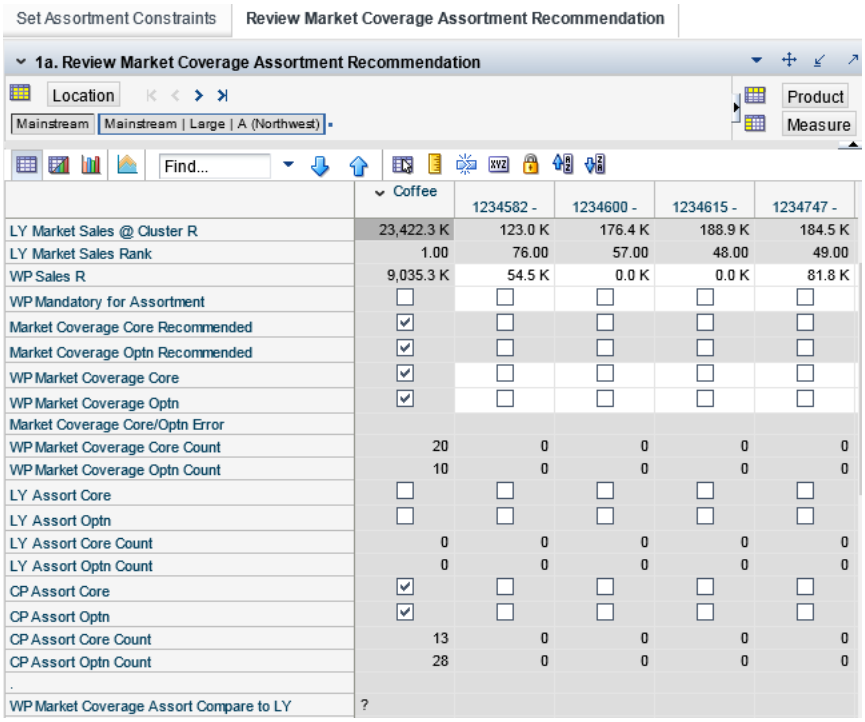


Table 6–25 lists the measures available in this view.

Table 6–25 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
LY Market Sales @ Cluster R	Last year's market sales for the cluster. It is typically sourced from third parties providing syndicated data on a quarterly basis.
LY Market Sales Rank	An ordinal rank assigned on the basis of the LY Market Sales R of an item within a product category.
WP Sales R	The working plan assortment's sales retail value.

Table 6–25 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
Market Coverage Core Recommended	A read-only Boolean measure indicating whether an item is a core item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
Market Coverage Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of Market Coverage thresholds set by the user.
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
WP Market Coverage Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Market Assortment.
WP Market Coverage Core Count	The number of core items per the market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster.
WP Market Coverage Opt Count	WP Market Coverage Core Assort Count
LY Assort Core	A Boolean flag measure indicating whether or not an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last year's assortment for the cluster.
LY Assort Core Count	The number of core items in last year's assortment.
LY Assort Optn Count	The number of optional items in a last year's assortment.
CP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the current plan assortment for the cluster.
CP Assort Core Count	The number of core items in a current plan's assortment for the cluster.
CP Assort Optn Count	The number of optional items in a current plan assortment for the cluster.

Figure 6–37 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2

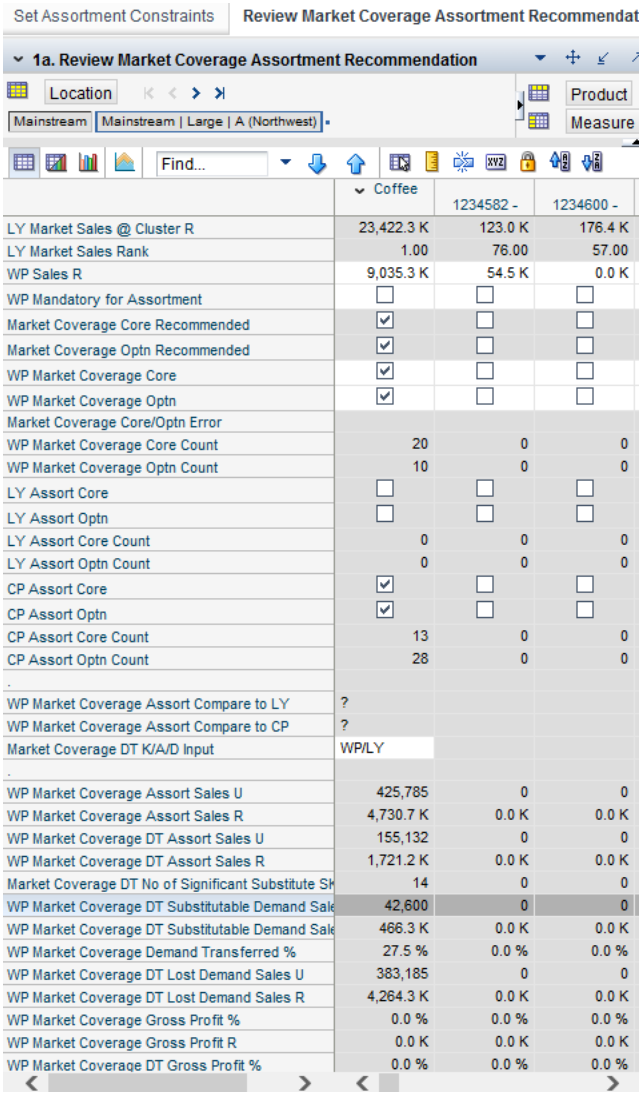


Table 6–26 lists the measures available in this view.

Table 6–26 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
WP Market Coverage Assort Compare to LY	Keep, Add, or Drop decision on comparing a Market Coverage based assortment with an LY assortment at the cluster level.
WP Market Coverage Assort Compare to CP	Keep, Add, or Drop decision on comparing a Market Coverage based assortment with a Current Plan assortment at the cluster level.
Market Coverage DT K/A/D Input	This field provides an option to the user to choose the reference assortment which is used to compare and calculate Keep, Add, or Drop actions for the working plan assortment for cluster. This measure is specific for a Market Coverage based assortment.
WP Market Coverage Assort Sales U	Sales Retail of an item present in the Market Coverage based assortment for a cluster.

Table 6–26 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
WP Market Coverage Assort Sales R	Sales Units of an item present in the Market Coverage based assortment for a cluster.
WP Market Coverage DT Assort Sales U	Planned Sales Units with Demand Transference impact for the Market Coverage based assortment.
WP Market Coverage DT Assort Sales R	Planned Sales Retail with Demand Transference impact for the Market Coverage based assortment.
Market Coverage DT No of Significant Substitute SKUs	Refers to the count of SKUs which can absorb the significant chunk of substitutable demand of a SKU in a Market Coverage based working plan assortment for the cluster. Represents the number of SKUs that demand will transfer to, if this SKU is dropped from the assortment.
WP Market Coverage DT Substitute Demand Sales U	Refers to the replaceable sales units of a SKU, in case it is dropped from a Market Coverage based assortment.
WP Market Coverage DT Substitute Demand Sales R	Refers to the respective replaceable sales retail for substitutable sales dollars for a SKU in a Market Coverage based assortment.
WP Market Coverage DT Demand Transferred %	Represents the percentage of the total demand of the SKU that will get transferred to other SKUs in the Planned Market assortment if this SKU is to be dropped from the assortment.
WP Market Coverage DT Lost Demand Sales U	Represents the demand units of the SKU that will be lost or not transferred to other SKUs in the Planned Market assortment if this SKU is dropped from the assortment. It represents the true incremental sales of the SKU to the assortment.
WP Market Coverage DT Lost Demand Sales R	Represents the demand retail of the SKU that will be lost or not transferred to other SKUs in the Planned Market assortment if this SKU is dropped from the assortment. It represents the true incremental sales retail of the SKU to the assortment.
WP Market Coverage Gross Profit %	The gross profit percentage value in a system-recommended market coverage assortment towards the working plan assortment.
WP Market Coverage Gross Profit R	The gross profit retail value in a system-recommended market coverage assortment towards the working plan assortment.

Figure 6–38 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile View

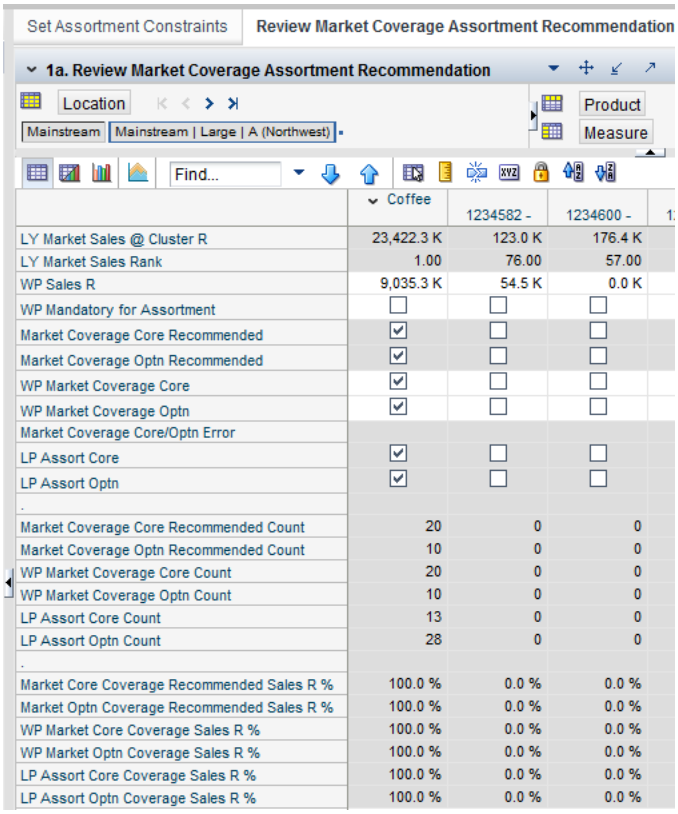


Table 6–27 lists the measures available in this view.

Table 6–27 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
LY Market Sales @ Cluster R	Last year's market sales for the cluster. It is typically sourced from third parties providing syndicated data on a quarterly basis.
LY Market Sales Rank	An ordinal rank assigned on the basis of the LY Market Sales R of an item within a product category.
WP Sales R	The working plan assortment's sales retail value.
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
Market Coverage Core Recommended	A read-only Boolean measure indicating whether an item is a core item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
Market Coverage Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of Market Coverage thresholds set by the user.

Table 6–27 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
Market Coverage Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Market Coverage Assortment.
LP Assort Core	A Boolean flag measure indicating whether or not an item is an optional item in last plan's assortment for the cluster.
LP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last plan's assortment for the cluster.
Market Coverage Core Recommended Count	The number of core items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
Market Coverage Optn Recommended Count	The number of optional items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
WP Market Coverage Core Count	The number of core items per the market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster.
WP Market Coverage Optn Count	The number of optional items per the Market Coverage calculations, in a Market Coverage system-recommended assortment, in the working plan's assortment for the cluster.
LP Assort Core Count	The number of optional items in the last plan's assortment for the cluster.
LP Assort Optn Count	The number of optional items in the last plan's assortment for the cluster.
Market Core Coverage Recommended Sales R %	Market Coverage provided by core SKUs in the assortment recommended (Market Coverage Assortment).
Market Optn Coverage Recommended Sales R %	Market Coverage provided by optional SKUs in the assortment recommended (Market Coverage Assortment).
WP Market Core Coverage Sales R %	Market Coverage provided by the IPI core SKUs in the working plan assortment recommended by the system based on market coverage thresholds set by the user.
WP Market Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan IPI-recommended assortment.
LP Assort Core Coverage Sales R %	Market coverage provided by core SKUs in the last plan's assortment.
LP Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in the last plan's assortment.

Figure 6–39 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile View

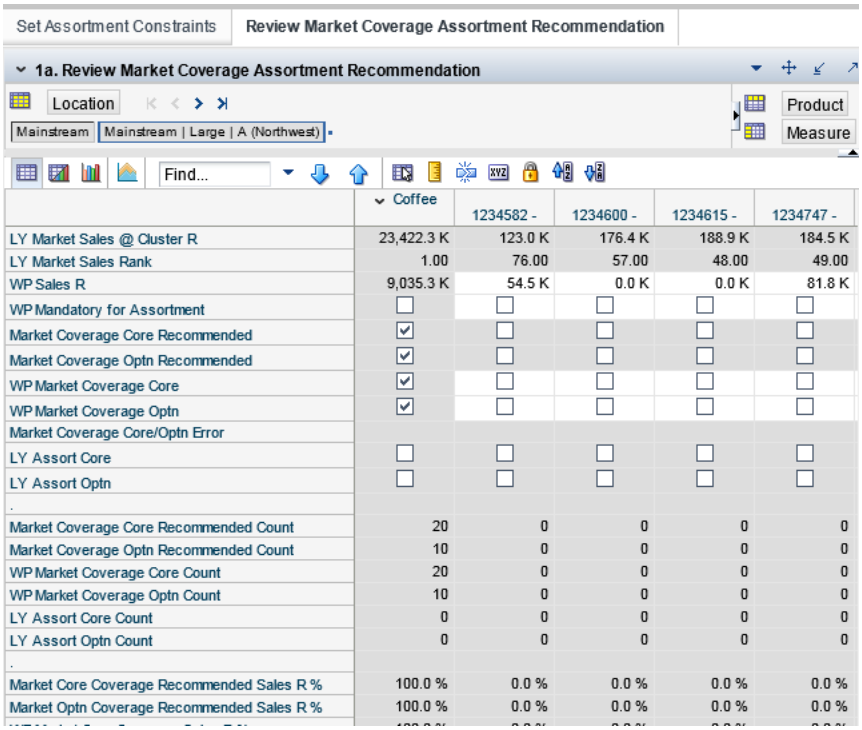


Table 6–28 lists the measures available in this view.

Table 6–28 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
LY Market Sales @ Cluster R	Last year's market sales for the cluster. It is typically sourced from third parties providing syndicated data on a quarterly basis.
LY Market Sales Rank	An ordinal rank assigned on the basis of the LY Market Sales R of an item within a product category.
WP Sales R	The working plan assortment's sales retail value.
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
Market Coverage Core Recommended	A read-only Boolean measure indicating whether an item is a core item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
Market Coverage Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item or not, per the Market Coverage calculations (in a system-recommended Market Coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of Market Coverage thresholds set by the user.

Table 6–28 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
Market Coverage Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Market Coverage Assortment.
LY Assort Core	A Boolean flag measure indicating whether or not an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last year's assortment for the cluster.
Market Coverage Core Recommended Count	The number of core items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
Market Coverage Optn Recommended Count	The number of optional items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
WP Market Coverage Core Count	The number of core items per the market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster.
WP Market Coverage Opt Count	WP Market Coverage Core Assort Count.
LY Assort Core Count	The number of core items in last year's assortment.
LY Assort Optn Count	The number of optional items in a last year's assortment.
Market Coverage Core Recommended Sales R %	Market Coverage provided by core SKUs in the recommended assortment (Market Coverage Assortment).
Market Coverage Optn Recommended Sales R %	Market Coverage provided by optional SKUs in the recommended assortment (Market Coverage Assortment).
WP Market Core Coverage Sales R %	Market Coverage provided by the IPI core SKUs in the working plan assortment recommended by the system based on market coverage thresholds set by the user.
WP Market Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan IPI recommended assortment.
LY Assort Core Coverage Sales R %	Market coverage provided by core SKUs in last year's assortment.
LY Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in last year's assortment.

1b. Review Market Coverage DT Details

Use this view to review the Demand Transference distribution details of any SKU/Item in the Review (Market Coverage) Assortment Recommendation view.

Figure 6–40 1b. Review Market Coverage DT Details View

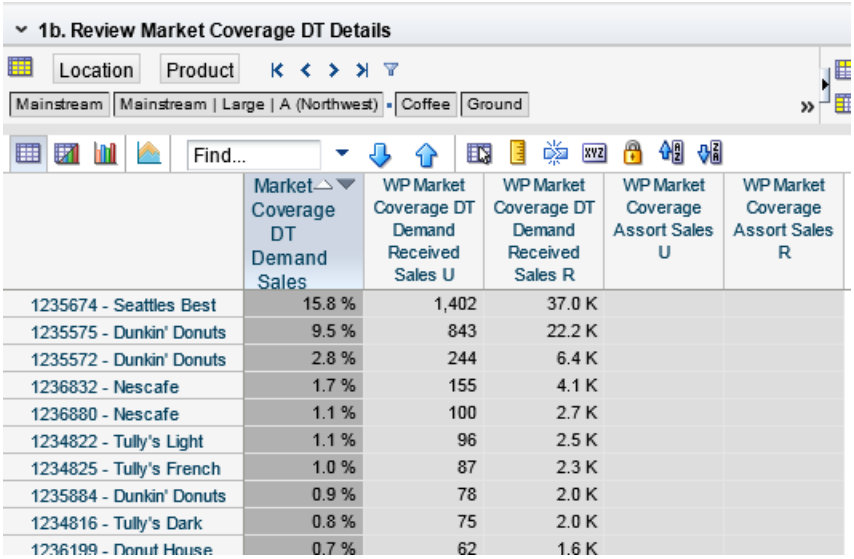


Table 6–29 lists the measures available in this view.

Table 6–29 1b. Review Market Coverage DT Details Measures

Label	Definition
Market Coverage DT Demand Sales Received %	Refers to a percentage of the total sales units of a SKU getting transferred from it and being received by its respective Substitute SKUs in a Market Coverage based working plan assortment for the cluster. It is expressed as a percentage of total sales of the SKU.
WP Market Coverage DT Demand Received Sales U	Sales units that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment.
WP Market Coverage DT Demand Received Sales R	Sales Retail that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment.
WP Market Coverage DT Substitutable Demand Sales U	Represents the demand units that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment.
WP Market Coverage DT Substitutable Demand Sales R	Represents the demand retail that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment.

Incremental Curve Step

Use this step to generate an Incremental Curve and Incremental Curve based system recommended assortment.

This step has the following tabs and views:

- Review IC Assortment Curve Tab:
  - Incremental Curve Setup View
  - Review Incremental Curve View
- Review IC Assortment Recommendation Tab:
  - 1a. Review IC Assortment Recommendation View
  - 1b. Review IC Assortment DT Details View

Custom Menu

The following custom menu is available:

- Calc Incremental Curve

Review IC Assortment Curve Tab

This tab has two views.

Incremental Curve Setup View

Use this view to set up the constraints or bound values (upper and lower bound values) and incremental curve admin measures required to generate an incremental curve and incremental curve based assortment.

Figure 6–41 Incremental Curve Setup View

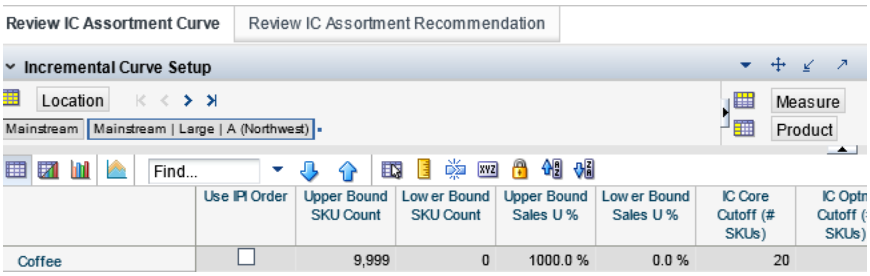


Table 6–30 lists the measures available in this view.

Table 6–30 Incremental Curve Setup Measures

Label	Definition
Use IPI Order	A flag measure (or field) to indicate the sequencing of SKUs or the order in which SKUs are used by the Java library to calculate the incremental curve.
Upper Bound SKU Count	Upper limit of the range of incremental curve to be presented is defined in the form of SKU Count from a predefined order or sequence of SKUs.
Lower Bound SKU Count	Lower limit of the range of incremental curve to be presented is defined in the form of SKU Count from a predefined order or sequence of SKUs.
Upper Bound Sales U %	Upper limit of the range of incremental curve to be presented is defined in the form of Sales Units % of the overall assortment.
Lower Bound Sales U %	Lower limit of the range of incremental curve to be presented is defined in the form of Sales Units % of the overall assortment.
IC Core Cutoff (# SKUs)	The desired number of core SKUs, SKUs marked with IC core flag, in the system-recommended IC-based Assortment.
IC Optn Cutoff (# SKUs)	The desired number of optional SKUs, SKUs marked with IC optional flag, in the system-recommended IC-based Assortment.
IC DT Assort K/A/D/ Input	This field provides an option to the user to decide the assortment with which the comparison should be done to calculate Keep, Add, or Drop actions for this assortment. This measure is specific for the IC-based assortment.
Execute Incremental Curve	A flag measure, which is required to be checked to generate an incremental curve.

Review Incremental Curve View

Use this view to review the Incremental Curve generated. It is used to identify the point on the chart where the cumulative incremental sales stagnate or plateau.

Figure 6–42 Review Incremental Curve View

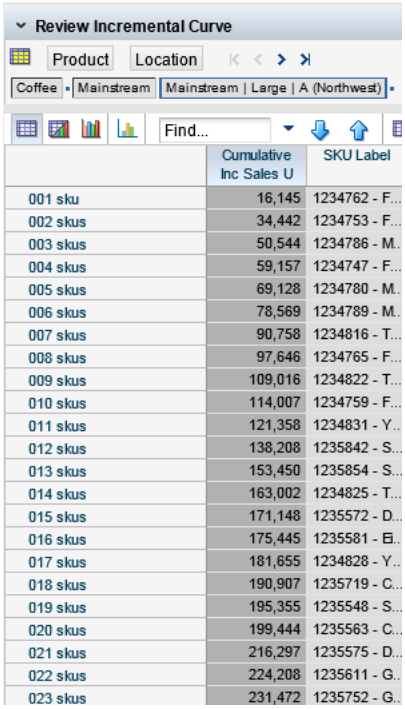


Table 6–31 lists the measures available in this view.

Table 6–31 Review Incremental Curve Measures

Label	Definition
Cumulative Inc Sales U	Successive addition of incremental sales of items in an incremental curve plot in the order in which the items are sequenced or ordered.
SKU Label	Dynamic SKU Label. The label displayed for a SKU based on things such as, trading area, category, or consumer segment.

Review IC Assortment Recommendation Tab

This tab has two views.

1a. Review IC Assortment Recommendation View

Use this view to review the incremental curve based system recommended assortment. This view also contains Demand Transference parameters and provides a facility to What-If analysis by making assortment changes by marking or unmarking the IPI core and IPI optional flags, thereby adding or removing SKUs/Items from the assortment. Keep, Add and Drop decisions are derived relative to a reference assortment such as an LY (Last Year) assortment, CP (Current Plan) Assortment, and so on. Such a reference assortment is used as the base assortment to assortment changes in the form of Keep, Add, and Drop.

Figure 6–43 1a. Review IC Assortment Recommendation View

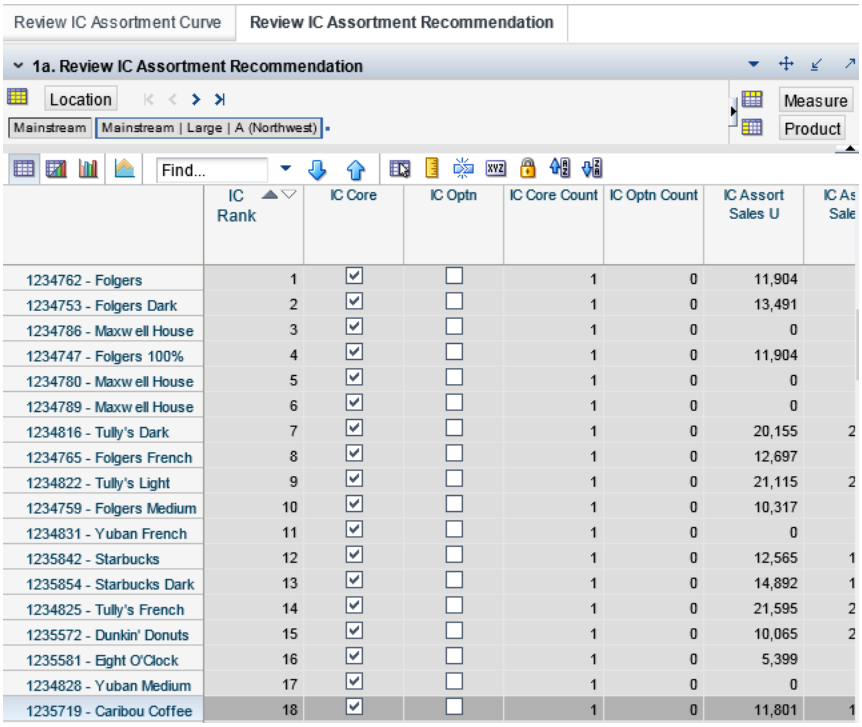


Table 6–32 lists the measures available in this view.

Table 6–32 1a. Review IC Assortment Recommendation Measures

Label	Definition
IC Core	A Flag measure to indicate if an item in the Incremental Curve based assortment (@ Cluster) is a core item.
IC Rank	An item's rank based on the incremental sales or incremental curve plot for a category.
IC Optn	A Flag measure to indicate if an item in the Incremental Curve based assortment is a optional item.
IC Core Count	The count of core items in an Incremental Curve based assortment for a cluster.
IC Optn Count	The count of optional items in an Incremental Curve based assortment for a cluster.
IC Assort Sales U	The sales units of an item present in the Incremental Curve based assortment for a cluster.
IC Assort Sales R	The sales retail of an item present in the Incremental Curve based assortment for a cluster.
IC Assort Compare to LY	A Keep, Add, or Drop decision on comparing an Incremental Curve based assortment with an LY assortment at the cluster level.
IC Assort Compare to CP	A Keep, Add, or Drop decision on comparing an Incremental Curve based assortment with a Current Plan assortment at the cluster level.
IC DT Assort Sales U	Updated (or DT Affected) Demand Sales Units specifically for IC-based assortment for a cluster. It is compared with baseline demand sales units (IC Assort Sales U) to see the DT impact on an assortment with assortment changes.

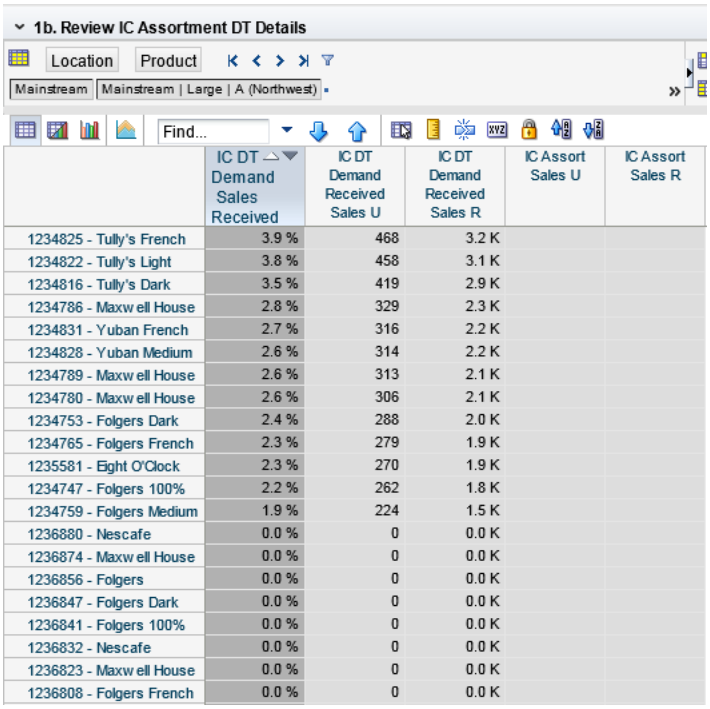
Table 6–32 (Cont.) 1a. Review IC Assortment Recommendation Measures

Label	Definition
IC DT Assort Sales R	Updated (or DT Affected) Demand Sales Retail specifically for IC-based assortment for a cluster. It is compared with baseline demand sales retail (IC Assort Sales R) to see the DT impact on an assortment with assortment changes.
IC DT No of Significant Substitute SKUs	Refers to the count of SKUs which can absorb the significant chunk of substitutable demand of a SKU in an IC-based assortment.
IC DT Substitutable Demand Sales U	Refers to irreplaceable sales of an item, in case it is dropped from an IC-based assortment. In other words, as the name suggests, this quantum of sales is lost and does not get transferred to other SKUs in an IC-based assortment.
IC DT Substitutable Demand Sales R	Refers to the respective replaceable sales retail for the substitutable sales units for a SKU in an IC-based assortment.
IC DT Demand Transferred %	Refers to that part of demand (sales units) that has been transferred from the SKU being dropped to the substitute SKUs in IC-based assortment for a cluster. It reflects the net demand transference distribution among the substitute SKUs.
IC DT Lost Demand Sales U	The irreplaceable sales units of an item, in case it is dropped from an IC-based assortment. In other words, as the name suggests, this quantum of sales is lost and does not get transferred to other SKUs in an IC-based assortment.
IC DT Lost Demand Sales R	Refers to the respective irreplaceable sales retail or sales retail which is lost if this SKU if it is dropped from an IC-based assortment.
IC Gross Profit %	The Gross Profit percentage of an item present in an Incremental Curve based assortment for a cluster.
IC Gross Profit R	The Gross Profit Retail of an item present in an Incremental Curve based assortment for a cluster.
IC DT Gross Profit R	The updated (DT Affected) demand's Gross Profit Retail corresponding to Updated Sales Units/ Retail for an IC-based assortment. In other words it is the updated Gross Profit Retail. It is compared with baseline Gross Profit Retail to assess the DT impact due to assortment changes to an IC-based assortment.

1b. Review IC Assortment DT Details View

Use this view to review the Demand Transference distribution details of any SKU/Item in the Review IPI Assortment Recommendation view.

Figure 6–44 1b. Review IC Assortment DT Details View



	IC DT Demand Sales Received	IC DT Demand Received Sales U	IC DT Demand Received Sales R	IC Assort Sales U	IC Assort Sales R
1234825 - Tully's French	3.9 %	468	3.2 K		
1234822 - Tully's Light	3.8 %	458	3.1 K		
1234816 - Tully's Dark	3.5 %	419	2.9 K		
1234786 - Maxw ell House	2.8 %	329	2.3 K		
1234831 - Yuban French	2.7 %	316	2.2 K		
1234828 - Yuban Medium	2.6 %	314	2.2 K		
1234789 - Maxw ell House	2.6 %	313	2.1 K		
1234780 - Maxw ell House	2.6 %	306	2.1 K		
1234753 - Folgers Dark	2.4 %	288	2.0 K		
1234765 - Folgers French	2.3 %	279	1.9 K		
1235581 - Eight O'Clock	2.3 %	270	1.9 K		
1234747 - Folgers 100%	2.2 %	262	1.8 K		
1234759 - Folgers Medium	1.9 %	224	1.5 K		
1236880 - Nescafe	0.0 %	0	0.0 K		
1236874 - Maxw ell House	0.0 %	0	0.0 K		
1236856 - Folgers	0.0 %	0	0.0 K		
1236847 - Folgers Dark	0.0 %	0	0.0 K		
1236841 - Folgers 100%	0.0 %	0	0.0 K		
1236832 - Nescafe	0.0 %	0	0.0 K		
1236823 - Maxw ell House	0.0 %	0	0.0 K		
1236808 - Folgers French	0.0 %	0	0.0 K		

Table 6–33 lists the measures available in this view.

Table 6–33 1b. Review IC Assortment Details Measures

Label	Definition
IC DT Demand Sales Received %	Refers to a percentage of total sales units of a SKU, getting transferred from it and being received by its respective Substitute SKUs in an IC-based assortment for a cluster. It is expressed as percentage of total sales of the SKUs.
IC DT Substitutable Demand Sales U	Refers to irreplaceable sales units of an item, in case it is dropped from an IC-based assortment. In other words, as the name suggests, this quantum of sales is lost and does not get transferred to other SKUs in an IC-based assortment.
IC DT Substitutable Demand Sales R	Refers to irreplaceable sales retail of an item, in case it is dropped from an IC-based assortment. In other words, as the name suggests, this quantum of sales is lost and does not get transferred to other SKUs in an IC-based assortment.
IC Assort Sales U	The sales units of an item present in the Incremental Curve based assortment for a cluster.
IC Assort Sales R	The sales retail of an item present in the Incremental Curve based assortment for a cluster.

Assortment Finalization and Approval Step

Use this step to finalize and approve the assortment and at the cluster level.

This step has the following tabs and views:

- Review Assortment Recommendation Tab:

  1a. Review Final Assortment Recommendation View

  1b. Review DT Details View

- Assortment Quantification Summary Tab:

  Assortment Quantification Summary View
- Export to ASO Tab:

  Assortment Label and Location Filtering View

  Request Type and Role Model View
- Approve Assortment @ Cluster Tab:

  Approve Assortment View

Review Assortment Recommendation Tab

This tab has two views and four measure profiles:

- WP/CP
- WP/DT
- WP/LP
- WP/LY

1a. Review Final Assortment Recommendation View

Use this view to review the final system recommended assortment at the cluster level. This view contains the system recommendation from the IPI based assortment, Market Coverage based assortment and Incremental Curve based assortment. It provides the facility to the user to look at the various recommendations and make decisions to derive a final assortment at the cluster level. The user can either use an assortment purely based on IPI, Market Coverage, Incremental Curve, or go with a mix of all three types of recommendations.

Custom Menu The following custom menus are available:

- Seed Core/Optional Recommendations

  This custom menu is used to seed the core and optional items in the final assortment for the cluster using one of the three system recommended assortments, that is, IPI Assortment, Market Coverage Assortment, and Incremental Curve (IC) Assortment. The user needs to select the respective assortment options from a drop-down selection in the WP Seed Core/Optional measure before running this custom menu. The drop-down list of options includes IPI, Market Coverage, and Incremental Curve.
- Seed Previous Assortment

  This custom menu enables the user to seed an existing assortment as the final assortment. Existing assortments include Last Year (LY), Last Plan (LP), and Current Plan Assortments. One of these three assortments needs to be selected from the drop-down list in the WP Seed Previous Assortment measure before running this custom menu.
- Apply DT to Final Assortment

  This custom menu is used to apply demand transference to the final assortment. Assortment changes can be done manually by marking or unmarking the core and optional item flags. Before running this custom menu, the user needs to select a reference assortment which the system uses to calculate the Keep/Add/Drop decisions. This reference assortment is selected in the DT Assort K/A/D measure which has two options in the list, WP/LY and WP/CP assortments.

- Approve Assortment @ Cluster

  This custom menu is used to approve the final assortment for the cluster. The user needs to mark (or check) the WP Approve to CP measure for a sub-category or category, for which the assortment needs to be approved, before running this custom menu.

- Export to ASO @ Cluster

  This custom menu is used to export assortment plan details to Oracle Retail Assortment and Space Optimization (ORASO).

Figure 6–45 1a. Review Final Assortment Recommendation WP/CP Measure Profile View

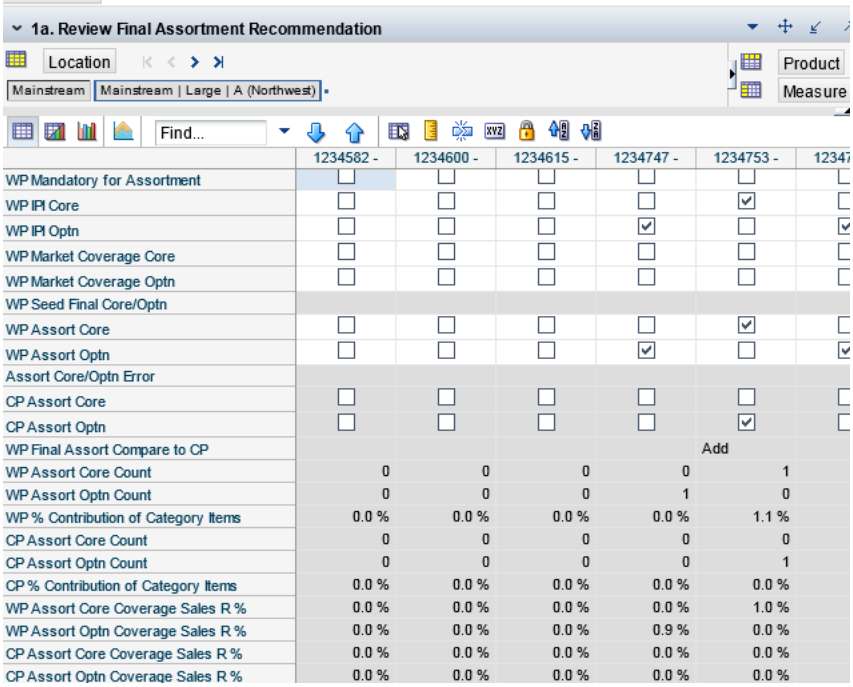


Table 6–34 lists the measures available in this view.

Table 6–34 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Core	A read-only Boolean measure indicating whether an item is a core item or not, per IPI calculations (in system-recommended IPI assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP IPI Optn	A read-only Boolean measure indicating whether an item is an optional item or not, per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.

Table 6–34 (Cont.) 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures

Label	Definition
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
WP Seed Final Core/Optn	Contains a drop-down list of values representing the different methods of generating system-recommended assortments to seed the core and optional items in the working plan assortment. Once the drop-down selection is made, the user needs to run the Seed Core/Optional Recommendation custom menu. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether an item or not is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan's assortment for the cluster.
Assort Core/Optn Error	The Default Value Error measure if both Core and Optional measures are set to true for an item in a Store Assortment.
CP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the current plan assortment for the cluster.
WP Final Assortment Compare to CP	Shows whether an item in the final assortment for the cluster is a Keep, Add, or Drop relative to the current plan assortment.
WP Assort Core Count	The number of core items in a working plan's assortment for the cluster.
WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster.
WP % Contribution of Category Items	The contribution of an item or a product segment (such as, sub-category, CDT product segment, and so on) towards the overall sales of the respective sub-category, category, or a higher product hierarchy level.
CP Assort Core Count	The number of core items in a current plan's assortment for the cluster.
CP Assort Optn Count	The number of optional items in a current plan assortment for the cluster.
WP Assort Core Coverage Sales R %	Market Coverage provided by the core items in the working plan's assortment.
WP Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan's assortment.
CP Assort Core Coverage Sales R %	Market coverage provided by core SKUs in the current plan assortment.
CP Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in the current plan assortment.

Figure 6–46 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

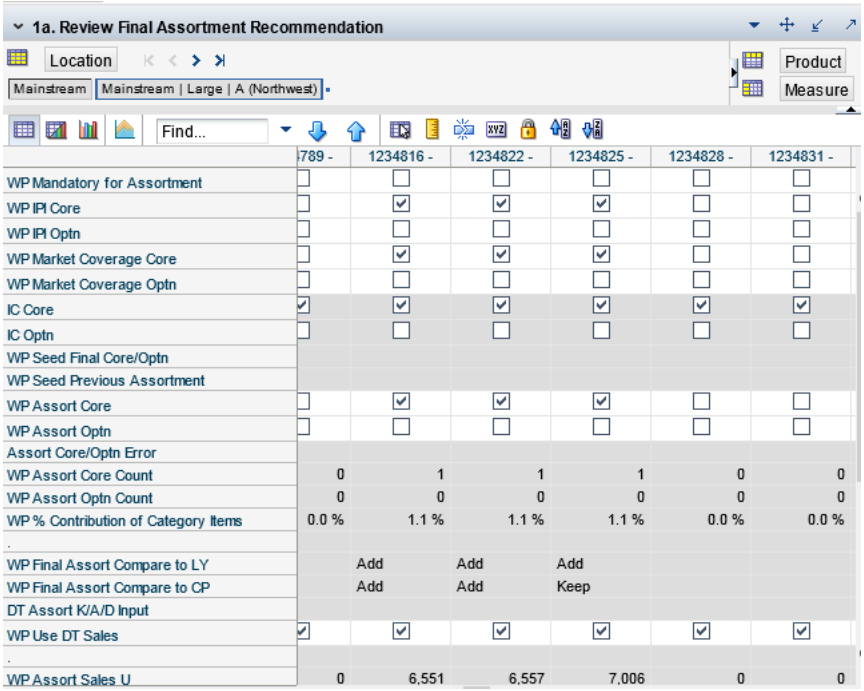


Table 6–35 lists the measures available in this view.

Table 6–35 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Core	A read-only Boolean measure indicating whether an item is a core item or not, per IPI calculations (in system-recommended IPI assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP IPI Optn	A read-only Boolean measure indicating whether an item is an optional item or not, per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
IC Core	A Flag measure to indicate if an item in Incremental Curve based assortment (@ Cluster) is a core item.

Table 6–35 (Cont.) 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
IC Optn	A Flag measure to indicate if an item in Incremental Curve based assortment is an optional item.
WP Seed Final Core/Optn	Contains a drop-down list of values representing the different methods of generating system-recommended assortments to seed the core and optional items in the working plan assortment. Once the drop-down selection is made, the user needs to run the Seed Core/Optional Recommendation custom menu. This measure is available at the sub-category level and above.
WP Seed Previous Assortment	Contains a drop-down list of different assortments, which can be used to seed the working plan assortment. Once the required assortment is selected in this field, the user needs to run the Seed Previous Assortment custom menu to seed the working plan assortment using the selected assortment.
WP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan's assortment for the cluster.
Assort Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Store Assortment.
WP Assort Core Count	The number of core items in a working plan's assortment for the cluster.
WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster.
WP % Contribution of Category Items	The contribution of an item or a product segment (such as sub-category, CDT product segment, and so on) towards the overall sales of the respective sub-category, category, or a higher product hierarchy level.
WP Final Assort Compare to LY	Shows whether an item in the final assortment for the cluster is a Keep, Add, or Drop relative to last year's assortment.
WP Final Assort Compare to CP	Shows whether an item in the final assortment for the cluster is a Keep, Add, or Drop relative to the current plan assortment.
DT Assort K/A/D Input	This field provides an option to the user to decide the assortment with which the comparison should be done to calculate Keep, Add, or Drop actions for this assortment. This measure is specific for Final Cluster assortment.
WP Use DT Sales	Flag measure to indicate if WP Assort Sales in the final assortment should be populated by updated demand (DT Affected Sales). If it is checked, it will populate the WP Assort Sales with DT Sales, otherwise WP Assort Sales will be populated by Sales.

Figure 6–47 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2

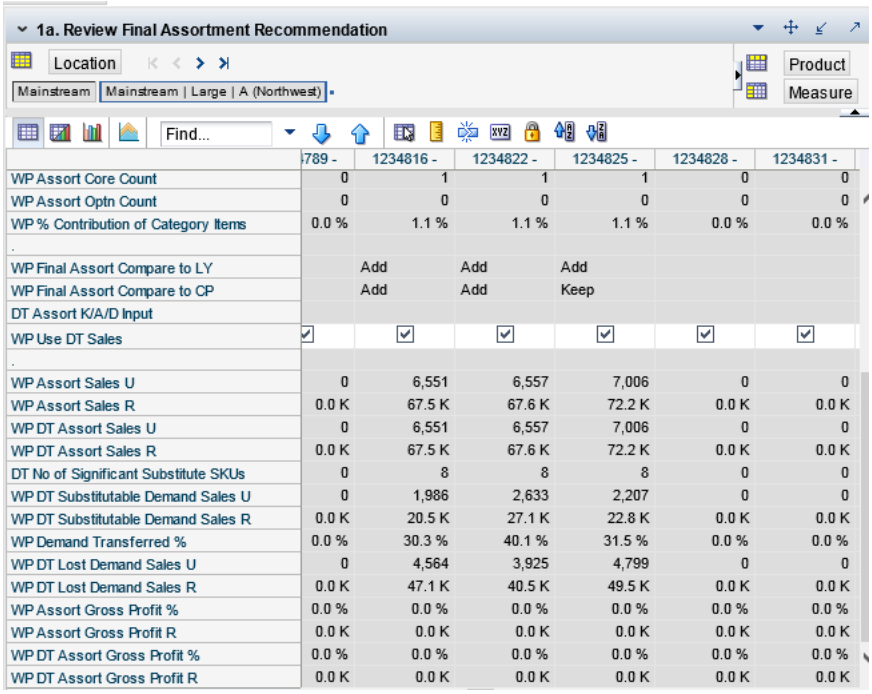


Table 6–36 lists the measures available in this view.

Table 6–36 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
WP Assort Sales U	The sales units in the working plan's assortment for the cluster.
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
WP DT Assort Sales U	Updated (or DT Affected) Demand Sales Units in the working plan assortment for the cluster. Updated demand sales units compared with baseline demand sales units (WP IPI Assort Sales U) help the user to see the Demand Transference impact on sales units with assortment changes.
WP DT Assort Sales R	Updated (or DT Affected) Demand Sales Retail in the working plan assortment for the cluster. Updated demand sales retail compared with baseline demand sales retail (WP IPI Assort Sales R) helps the user to see the Demand Transference impact on sales retail with assortment changes.
DT No of Significant SKUs	Refers to the count of SKUs which can absorb the significant chunk of substitutable demand of a SKU in a Final Cluster assortment.
WP DT Substitutable Demand Sales U	The sales component of total sales units which represents replaceable sales units (substitutable sales units) of an item/assortment in the working plan assortment for the cluster. In other words, substitutable demand sales units get transferred to substitute items in the working plan assortment for the cluster.
WP DT Substitutable Demand Sales R	The sales component of total sales retail which represents replaceable sales retail (substitutable sales retail) of an item/assortment in the working plan assortment for the cluster.

Table 6–36 (Cont.) 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
WP DT Demand Transferred %	Refers to that part of demand (sales units) that has been transferred from the SKU being dropped to the substitute SKUs in a store assortment for a cluster. It reflects the net demand transference - distribution among the substitute SKUs.
WP DT Lost Demand Sales U	The sales component of total sales units which represents the irreplaceable sales units of an item/assortment in the working plan assortment for the cluster. In other words, as the name suggests, this quantum of sales is lost and does not get transferred to other items in the assortment.
WP DT Lost Demand Sales R	The sales component of total sales retail which represents the irreplaceable sales retail of an item/assortment in the working plan assortment for the cluster.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
WP DT Assort Gross Profit %	The updated (or DT Affected) demand's gross profit retail percentage value specifically for the final assortment for the cluster in the working plan. It is compared with the baseline demand's gross profit retail value (WP Assort Gross Profit R) to see the DT impact on an assortment with assortment changes.
WP DT Assort Gross Profit R	The updated (or DT Affected) demand's gross profit retail value specifically for the final assortment for the cluster in the working plan. It is compared with the baseline demand's gross profit retail value (WP Assort Gross Profit R) to see the DT impact on an assortment with assortment changes.

Figure 6–48 1a. Review Final Assortment Recommendation WP/LP Measure Profile View

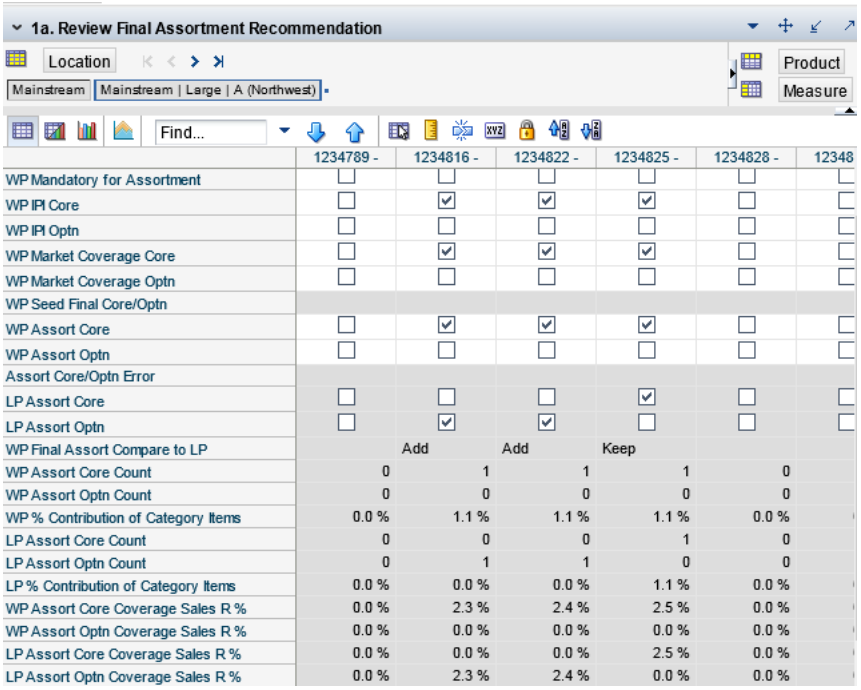


Table 6–37 lists the measures available in this view.

Table 6–37 1a. Review Final Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Core	A read-only Boolean measure indicating whether an item is a core item or not, per IPI calculations (in system-recommended IPI assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP IPI Optn	A read-only Boolean measure indicating whether an item is an optional item or not, per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
WP Seed Final Core/Optn	Contains a drop-down list of values representing the different methods of generating system-recommended assortments to seed the core and optional items in the working plan assortment. Once the drop-down selection is made, the user needs to run the Seed Core/Optional Recommendation custom menu. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan's assortment for the cluster.
Assort Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Store Assortment.
LP Assort Core	A Boolean flag measure indicating whether or not an item is an optional item in last plan's assortment for the cluster.
LP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last plan's assortment for the cluster.
WP Final Assortment Compare to CP	Shows whether an item in the final assortment for the cluster is a Keep, Add, or Drop relative to the current plan assortment.
WP Assort Core Count	The number of core items in a working plan's assortment for the cluster.
WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster.
WP % Contribution of Category Items	The contribution of an item or a product segment (such as, sub-category, CDT product segment, and so on) towards the overall sales of the respective sub-category, category, or a higher product hierarchy level.

Table 6–37 (Cont.) 1a. Review Final Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
LP Assort Core Count	The number of optional items in the last plan's assortment for the cluster.
LP Assort Optn Count	The number of optional items in the last plan's assortment for the cluster.
LP % Contribution of Category Items	Assortment Planning @ Cluster Last Plan % Contribution of Category Items Percent.
WP Assort Core Coverage Sales R %	Market Coverage provided by the core items in the working plan's assortment.
WP Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan's assortment.
LP Assort Core Coverage Sales R %	Market coverage provided by core SKUs in the last plan's assortment.
LP Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in the last plan's assortment.

Figure 6–49 1a. Review Final Assortment Recommendation WP/LY Measure Profile View

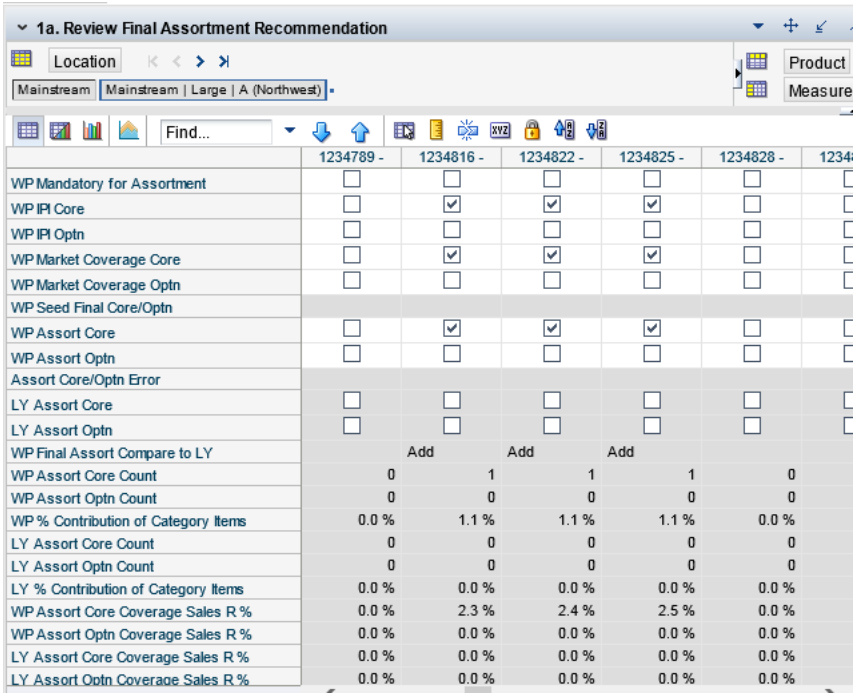


Table 6–38 lists the measures available in this view.

Table 6–38 1a. Review Final Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP Mandatory for Assortment	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.

Table 6–38 1a. Review Final Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP IPI Core	A read-only Boolean measure indicating whether an item is a core item or not, per IPI calculations (in system-recommended IPI assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP IPI Optn	A read-only Boolean measure indicating whether an item is an optional item or not, per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
WP Market Coverage Core	A read-only Boolean measure indicating whether an item is a core item or not, per market coverage calculations (in a system-recommended market coverage assortment) in the working plan's assortment for the cluster. This measure is calculated by the system on the basis of market coverage thresholds set by the user.
WP Market Coverage Optn	User-defined Market Coverage optional cutoff (or threshold) Market Coverage score to be classified as an optional item in the system-recommended Market Coverage assortment.
WP Seed Final Core/Optn	Contains a drop-down list of values representing the different methods of generating system-recommended assortments to seed the core and optional items in the working plan assortment. Once the drop-down selection is made, the user needs to run the Seed Core/Optional Recommendation custom menu. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan's assortment for the cluster.
Assort Core/Optn Error	Default Value Error measure if both Core and Optional measures are set to true for an item in a Store Assortment.
LY Assort Core	A Boolean flag measure indicating whether or not an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in last year's assortment for the cluster.
WP Final Assortment Compare to LY	Shows whether an item in the final assortment for the cluster is a Keep, Add, or Drop relative to last year's assortment.
WP Assort Core Count	The number of core items in a working plan's assortment for the cluster.
WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster.
WP % Contribution of Category Items	The contribution of an item or a product segment (such as sub-category, CDT product segment, and so on) towards the overall sales of the respective sub-category, category, or a higher product hierarchy level.
LY Assort Core Count	The number of core items in last year's assortment.
LY Assort Optn Count	The number of optional items in last year's assortment.
LY % Contribution of Category Items	Assortment Planning @ Cluster Last Year % Contribution of Category Items Percent.

Table 6–38 1a. Review Final Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP Assort Core Coverage Sales R %	Market Coverage provided by the core items in the working plan's assortment.
WP Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan's assortment.
LY Assort Core Coverage Sales R %	Market coverage provided by core SKUs in last year's assortment.
LY Assort Optn Coverage Sales R %	Market coverage provided by optional SKUs in last year's assortment.

1b. Review DT Details View

Use this view to review the Demand Transference distribution details of any SKU/Item in the final assortment for the cluster in the Review Assortment Recommendation view.

Figure 6–50 1b. Review DT Details View

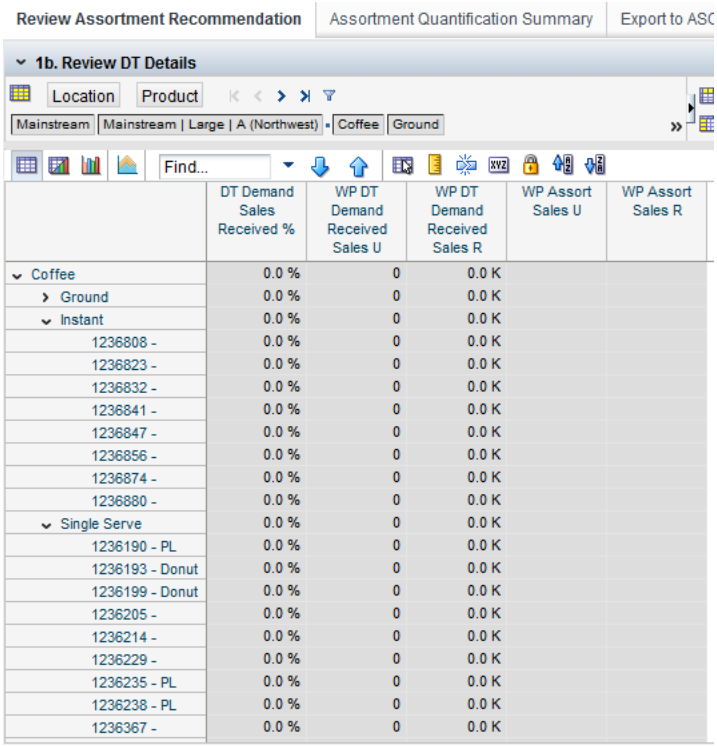


Table 6–39 lists the measures available in this view.

Table 6–39 1b Review DT Details Measures

Label	Definition
DT Demand Sales Received %	Refers to a percentage of total sales units of a SKU, getting transferred from it and being received by its respective Substitute SKUs in an IC-based assortment. It is expressed as a percentage of total sales of the SKUs.

Table 6–39 (Cont.) 1b Review DT Details Measures

Label	Definition
WP DT Demand Received Sales U	Sales units that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment.
WP DT Demand Received Sales R	Sales retail that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment.
WP DT Substitutable Demand Sales U	Represents the demand units that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment.
WP DT Substitutable Demand Sales R	Represents the demand retail that are substitutable, that is, that can get transferred to other SKUs in the assortment if this SKU is dropped from the assortment

Assortment Quantification Summary Tab

This tab has one view.

Assortment Quantification Summary View

Use this view to review the targets being achieved by the assortment finalized for the cluster in the previous tab. This view contains measures such as plan measures for Sales Units, Sales R, Gross Profit, Gross Profit %, and so on.

This view has one view and three measure profiles:

- WP/CP
- WP/LY
- WP/Tgt

Figure 6–51 Assortment Quantification Summary WP/CP Measure Profile View

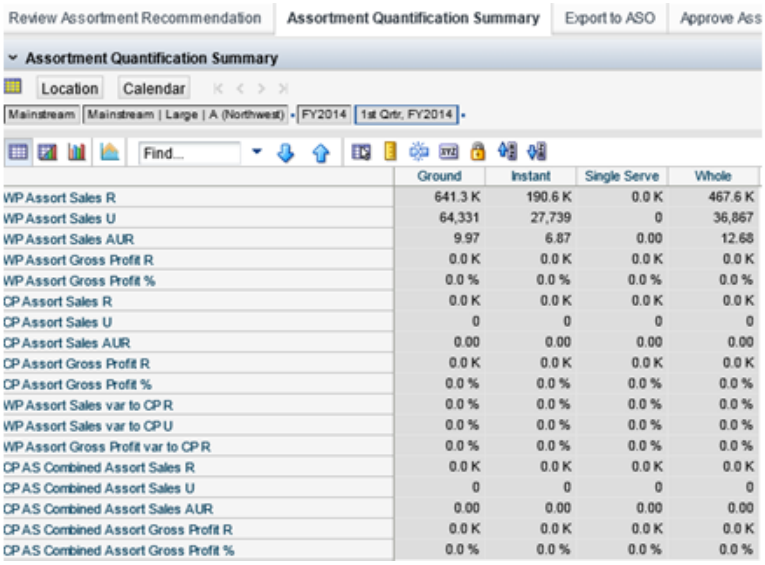
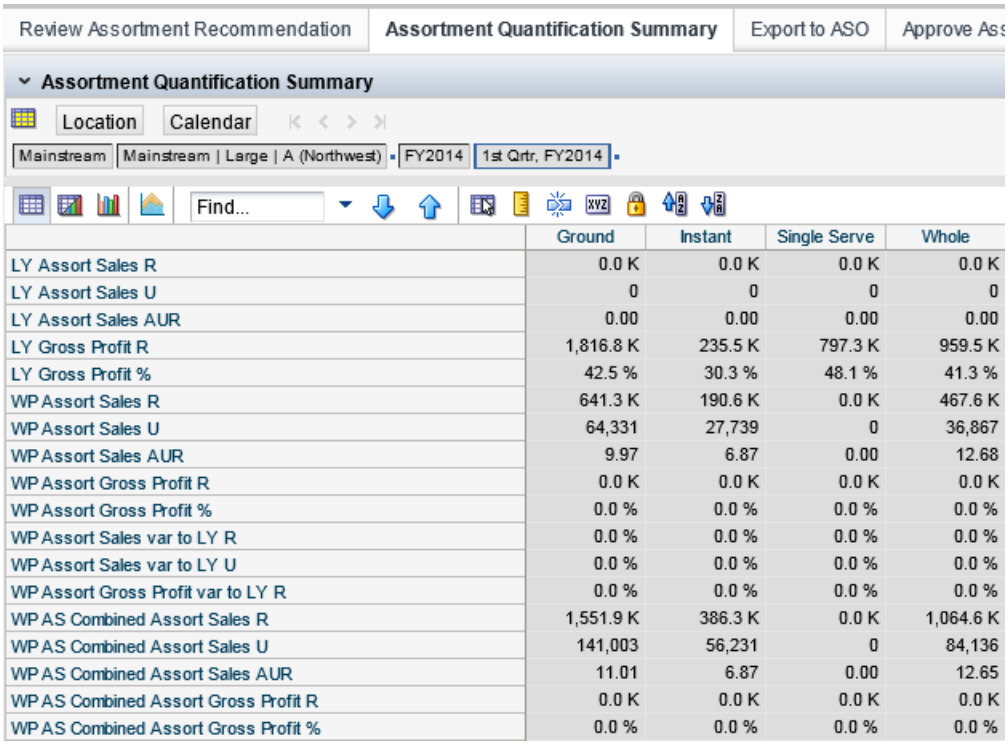


Table 6–40 lists the measures available in this view.

Table 6–40 Assortment Quantification Summary WP/CP Measure Profile Measures

Label	Definition
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster.
WP Assort Sales AUR	The average unit retail value of a SKU in a working plan assortment at the cluster level. It reflects the average selling price of a SKU at a specific product hierarchy level.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster.
CP Assort Sales R	The sales retail value in the current plan assortment for the cluster.
CP Assort Sales U	The sales units in the current plan assortment for the cluster.
CP Assort Sales AUR	Average unit retail value of a SKU in a current plan assortment at the cluster level. It reflects the average selling price of a SKU at a specific product hierarchy level.
CP Assort Gross Profit R	The gross profit retail value in a current plan assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
CP Assort Gross Profit %	The gross profit percentage in the current plan assortment for the cluster.
WP Assort Sales var to CP R	The working plan assortment's sales retail value's variance to the same in the current plan.
WP Assort Sales var to CP U	The working plan assortment's sales units variance to the same in the current plan.
WP Assort Gross Profit var to CP R	The working plan assortment's gross profit value's variance to the same in the current plan.
CP AS Combined Assort Sales R	Effective (or combined) sales retail value in the current plan assortment for the cluster, taking into consideration any store level overrides to the assortment plan in the Assortment Planning @ Store task.
CP AS Combined Assort Sales U	Effective (or combined) sales units in the current plan assortment for the cluster, taking into consideration any store level overrides to the assortment plan in the Assortment Planning @ Store task.
CP AS Combined Assort Sales AUR	Effective (or combined) average unit retail in the current plan assortment for the cluster, taking into consideration any store level overrides to the assortment plan in the Assortment Planning @ Store task.
CP AS Combined Assort Gross Profit R	Effective (or combined) gross profit retail value in the current plan assortment for the cluster, taking into consideration any store level overrides to the assortment plan in the Assortment Planning @ Store task.
CP AS Combined Assort Gross Profit %	Effective (or combined) gross profit percentage in the current plan assortment for the cluster, taking into consideration any store level overrides to the assortment plan (in the Assortment Planning @ Store task.

Figure 6–52 Assortment Quantification Summary WP/LY Measure Profile View



	Ground	Instant	Single Serve	Whole
LY Assort Sales R	0.0 K	0.0 K	0.0 K	0.0 K
LY Assort Sales U	0	0	0	0
LY Assort Sales AUR	0.00	0.00	0.00	0.00
LY Gross Profit R	1,816.8 K	235.5 K	797.3 K	959.5 K
LY Gross Profit %	42.5 %	30.3 %	48.1 %	41.3 %
WP Assort Sales R	641.3 K	190.6 K	0.0 K	467.6 K
WP Assort Sales U	64,331	27,739	0	36,867
WP Assort Sales AUR	9.97	6.87	0.00	12.68
WP Assort Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K
WP Assort Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort Sales var to LY U	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort Gross Profit var to LY R	0.0 %	0.0 %	0.0 %	0.0 %
WP AS Combined Assort Sales R	1,551.9 K	386.3 K	0.0 K	1,064.6 K
WP AS Combined Assort Sales U	141,003	56,231	0	84,136
WP AS Combined Assort Sales AUR	11.01	6.87	0.00	12.65
WP AS Combined Assort Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K
WP AS Combined Assort Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %

Table 6–41 lists the measures available in this view.

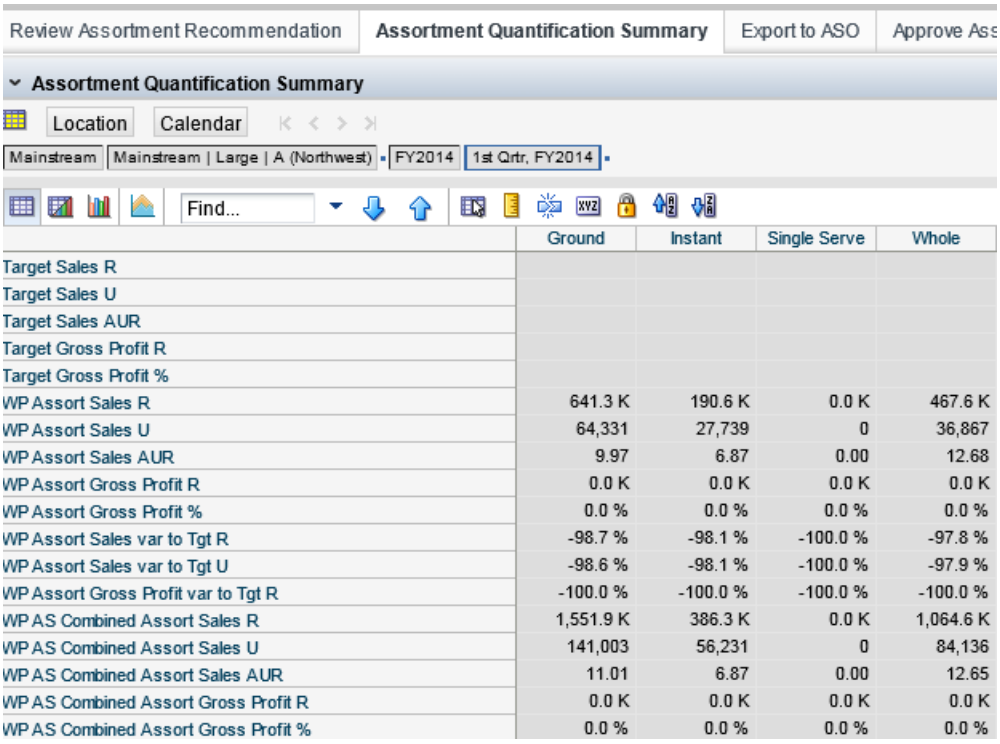
Table 6–41 Assortment Quantification Summary WP/LY Measure Profile Measures

Label	Definition
LY Gross Profit R	Last Year Gross Profit Retail.
LY Gross Profit %	Last Year Gross Profit Percent.
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster.
WP Assort Sales AUR	The average unit retail value of a SKU in a working plan assortment at the cluster level. It reflects the average selling price of a SKU at a specific product hierarchy level.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster.
WP Assort Sales var to LY R	The working plan assortment's sales retail value's variance to the same in last year's actuals.
WP Assort Sales var to LY U	The working plan assortment's sales units variance to the same in last year's actuals.
WP Assort Gross Profit var to LY R	The working plan assortment's gross profit value's variance to the same in last year's actuals.
WP AS Combined Assort Sales R	The effective (or combined) sales retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.

Table 6–41 (Cont.) Assortment Quantification Summary WP/LY Measure Profile

Label	Definition
WP AS Combined Assort Sales U	The effective (or combined) sales units in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Sales AUR	The effective (or combined) average unit retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Gross Profit R	The effective (or combined) gross profit retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Gross Profit %	The effective (or combined) gross profit percentage in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.

Figure 6–53 Assortment Quantification Summary WP/Tgt Measure Profile View



	Ground	Instant	Single Serve	Whole
Target Sales R				
Target Sales U				
Target Sales AUR				
Target Gross Profit R				
Target Gross Profit %				
WP Assort Sales R	641.3 K	190.6 K	0.0 K	467.6 K
WP Assort Sales U	64,331	27,739	0	36,867
WP Assort Sales AUR	9.97	6.87	0.00	12.68
WP Assort Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K
WP Assort Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort Sales var to Tgt R	-98.7 %	-98.1 %	-100.0 %	-97.8 %
WP Assort Sales var to Tgt U	-98.6 %	-98.1 %	-100.0 %	-97.9 %
WP Assort Gross Profit var to Tgt R	-100.0 %	-100.0 %	-100.0 %	-100.0 %
WP AS Combined Assort Sales R	1,551.9 K	386.3 K	0.0 K	1,064.6 K
WP AS Combined Assort Sales U	141,003	56,231	0	84,136
WP AS Combined Assort Sales AUR	11.01	6.87	0.00	12.65
WP AS Combined Assort Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K
WP AS Combined Assort Gross Profit %	0.0 %	0.0 %	0.0 %	0.0 %

Table 6–42 lists the measures available in this view.

Table 6–42 Assortment Quantification Summary WP/Tgt Measure Profile Measures

Label	Definition
Target Sales R	Target Sales Retail from the Category Plan.
Target Sales U	Target Sales Units from the Category Plan.
Target Sales AUR	Target Sales Average Unit Retail from the Category Plan.
Target Gross Profit R	Target Gross Profit Retail from the Category Plan.

Table 6–42 (Cont.) Assortment Quantification Summary WP/Tgt Measure Profile

Label	Definition
Target Gross Profit %	Target Gross Profit Percent from the Category Plan.
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster.
WP Assort Sales AUR	The average unit retail value of a SKU in a working plan assortment at the cluster level. It reflects the average selling price of a SKU at a specific product hierarchy level.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster.
WP Assort Sales var to Tgt R	The working plan assortment's sales retail value's variance to the same in the target plan (approved category plan).
WP Assort Sales var to Tgt U	The working plan assortment's sales units variance to the same in the target plan (approved category plan).
WP Assort Gross Profit var to Tgt R	The working plan assortment's gross profit value's variance to the same in the target plan (approved category plan).
WP AS Combined Assort Sales R	The effective (or combined) sales retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Sales U	The effective (or combined) sales units in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Sales AUR	The effective (or combined) average unit retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Gross Profit R	The effective (or combined) gross profit retail value in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.
WP AS Combined Assort Gross Profit %	The effective (or combined) gross profit percentage in the working plan assortment for the cluster, taking into consideration any store level overrides in the Assortment Plan @ Store task.

Export to ASO Tab

This view has two views to fulfill the export assortment and category plan data to ORASO.

Assortment Label and Location Filtering View

Use this view to select the trading area and plan (category plan and assortment plan) details (data) to be exported to ORASO at the cluster level.

Figure 6–54 Assortment Label and Location Filtering View

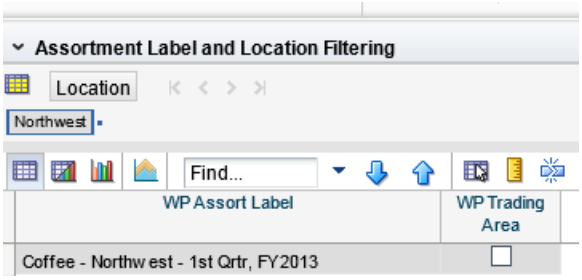


Table 6–43 lists the measures available in this view.

Table 6–43 Assortment Label and Location Filtering Measures

Label	Definition
WP Assort Label	The label displayed for a working plan assortment based on things such as, trading area, category, or consumer segment.
WP Trading Area	Specifies which trading areas are included in the export to ORASO.

Request Type and Role Model View

Use this view to select the export request type and category role assignment model details (data) to be exported to ORASO at the cluster level. Once these selections have been made, the Export to SO @ Cluster custom menu needs to be run.

Figure 6–55 Request Type and Role Model View

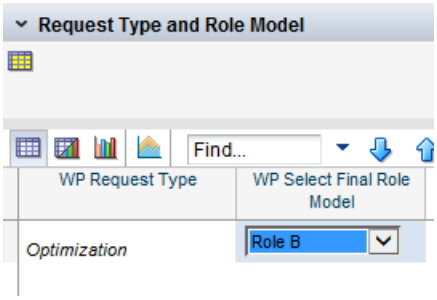


Table 6–44 lists the measures available in this view.

Table 6–44 Request Type and Role Model Measures

Label	Definition
WP Request Type	This is a drop-down selection measure used to select the purpose of export. The request type can be either assortment optimization request from a space management perspective and an update to ORASO in the form of final approved assortment for eventual implementation.
WP Select Final Role Model	This is a drop-down selection measure used to select the category role assignment model whose data will be exported. There are two models available for category role assignment, Model A and Model B.

Approve Assortment @ Cluster Tab

This tab has one view.

Approve Assortment View

Use this view to approve the final assortment for a specific cluster.

Figure 6–56 Approve Assortment View

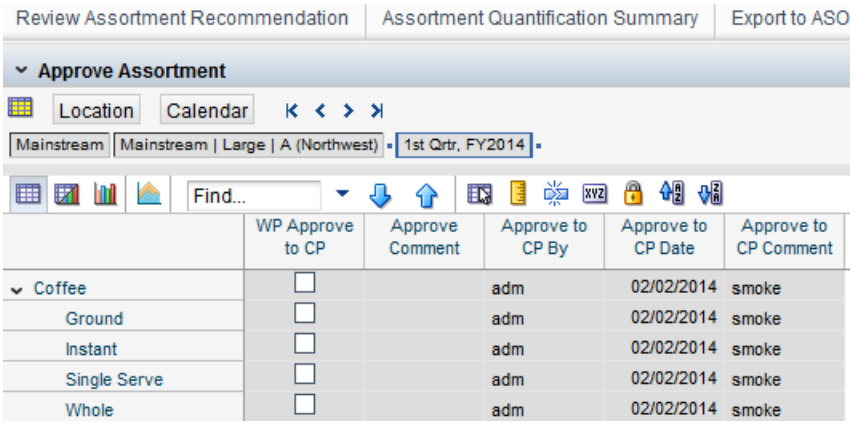


Table 6–45 lists the measures available in this view.

Table 6–45 Approve Assortment Measures

Label	Definition
WP Approve to CP	Assortment Planning @ Cluster Working Plan Approve Boolean. Boolean mask measure to control what is approved and not approved as the Current Plan.
Approve Comment	Approver's comments made while approving a working plan assortment.
Approve to CP By	Indicates the approver (category manager) of the working plan assortment to current plan assortment.
Approve to CP Date	Date of approval of a working plan assortment to current plan assortment.
Approve to CP Comment	Approver's comment made at the time of approving a working plan assortment to current plan assortment.

7

Assortment Planning @ Store Task

This task enables a retailer to create assortment plans at the store level utilizing the concept of IPI. Demand Transference is then used to fine-tune the system recommended assortments based on IPI. Assortment plans for a store provide the flexibility to the retailer to create a store-specific assortment to address store-specific requirements for a store which exhibits different patterns and traits in terms of different business parameters/measures as compared to the other stores in the neighboring clusters and stores in the trading area, in general. Prior to generating assortments, the user needs to do the complete the assortment setup prerequisites.

This task has the following steps:

- Create Store IPI Assortment Step
- Assortment Finalization and Approval Step

Create Store IPI Assortment Step

Use this step to compute the IPI of each SKU for each of the clusters.

This step has the following tabs and views:

- Review IPI Criteria Tab:
  - 1. Review Focus Area Weights View
  - 2. Review Metric Weights View
  - 3. Review Attribute Weights View
  - 4. Review Attribute Value Weights View
  - 5. Review Consumer Segment Weights View
- Review IPI Scores Tab:
  - 1. Review Focus Area Score View
  - 2. Review Consumer Segment Score View
  - 3. Review IPI Score View
- Set IPI Threshold Scores Tab:
  - Set IPI Assortment Threshold View
- Review Store Assortment Recommendation Tab:
  - 1a. Review Store Assortment Recommendation View
  - 1b. Review DT Details @ Store View

Custom Menu

The following custom menus are available:

- Calc Store IPI Score

  This custom menu is used to calculate IPI scores for the items in a WP assortment based on the user-defined weights. Weights should be defined per the business requirements in the Review IPI Criteria tab under the Create Store IPI Assortment step before running this custom menu. The IPI scores are presented in the Review IPI Scores tab.

- Create IPI Assortment @ Store

  This custom menu is used to create an IPI Assortment based on the IPI scores generated by the Calc Store IPI Score custom menu and the IPI thresholds set by the user in the Set IPI Threshold tab.

- Seed AC Core /Optional

  This custom menu is used to seed the core and optional items in the final assortment for the store using one of the two options, IPI Store Assortment or Final Cluster Assortment. The user needs to select the respective assortment options from a drop-down selection in the AS WP Seed AC Core/Optn measure before running this custom menu. This measure contains a drop-down list of values representing the different methods of seeding a working plan store assortment with the core and optional items. The list of values has two options: IPI and final cluster level assortment. Once the drop-down selection is made, the user needs to run the Seed AC Core/Optional Recommendation custom menu. This measure is available at the sub-category level and above.

- Apply DT to Store Assortment

  This custom menu is used to apply demand transference to the final assortment for the store to see how sales and gross profit measures vary with changes to the assortment in the form of Add/Keep/Drop decisions. Assortment changes can be done manually be marking or unmarking the core and optional item flags. Before running this custom menu, the user needs to select a reference assortment which the system uses to calculate the Keep/Add/Drop decisions. This reference assortment is selected in the AS DT Assort K/A/D measure which has two options in the list, WP/LY and WP/CP assortments.

- Seed Previous Assortment

  This custom menu enables the user to seed an existing assortment as the final assortment. Existing assortments include Last Year (LY), Last Plan (LP), and Current Plan Assortments. One of these three assortments needs to be selected from the drop-down list in the WP Seed Previous Assortment measure before running this custom menu.

- Apply DT to Final Assortment

  This custom menu is used to apply demand transference to the final assortment to see how sales and gross profit measures vary with changes to the assortment in the form of Add/Keep/Drop decisions. Assortment changes can be done manually be marking or unmarking the core and optional item flags. Before running this custom menu, the user needs to select a reference assortment which the system uses to calculate the Keep/Add/Drop decisions. This reference assortment is selected in the DT Assort K/A/D measure which has two options in the list, WP/LY and WP/CP assortments.

- Approve Assortment @ Store

This custom menu is used to approve the final assortment for the store. The user needs to check the AS WP Approve to CP measure for a sub-category or category, for which the assortment needs to be approved, before running this custom menu.

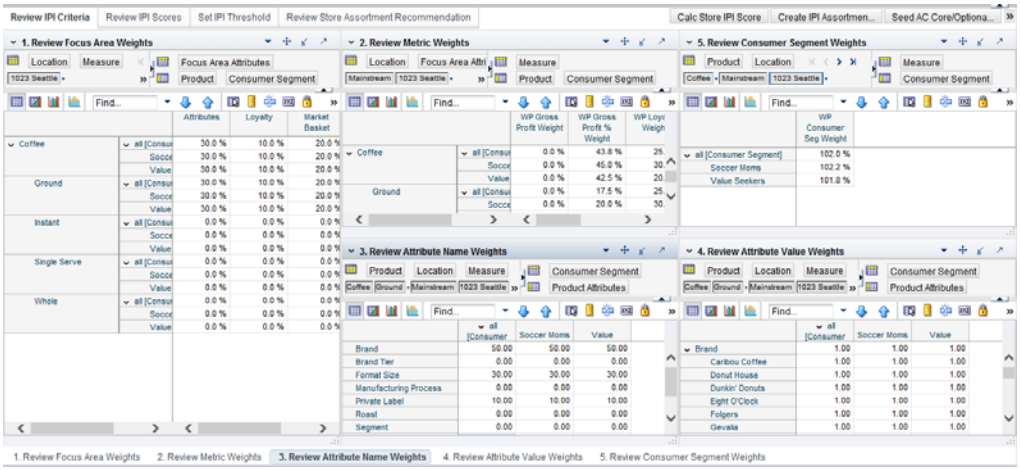
- Export to ASO @ Store

  This custom menu is used to export assortment plan details of the store to ORASO. There are two types of export options available for this custom menu. One is to export the assortment plan details for the store with a space optimization request to ORASO. The second option is to export the assortment plan details for the store to ORASO to update it for the approved assortment for eventual implementation. See the Review IPI Criteria Tab.

Review IPI Criteria Tab

The following figure shows the views for this tab.

Figure 7–1 Review IPI Criteria Tab Views



1. Review Focus Area Weights View

Use this view to review each strategy/focus area. A weight is assigned to each metric. In addition to these values being editable here, they can also be seeded with values set in IPI Setup and assignments made in Category Planning. For more information, see Chapter 4.

Figure 7–2 1. Review Focus Area Weights View

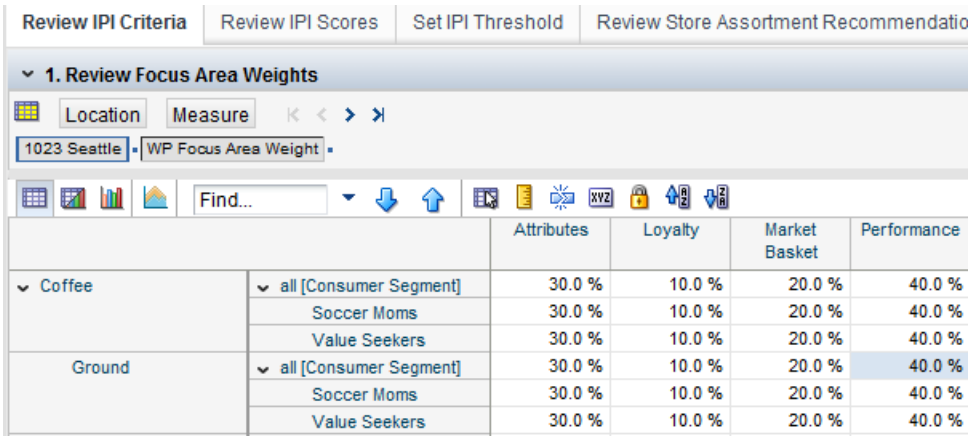


Table 7–1 lists the measure available in this view.

Table 7–1 1. Review Focus Area Weights Measure

Label	Definition
WP Focus Area Weight	The user-defined percentage weight for the focus area used in generating a system-recommended IPI assortment.

2. Review Metric Weights View

Use this view to review the metric weights and groupings.

Figure 7–3 2. Review Metric Weights View

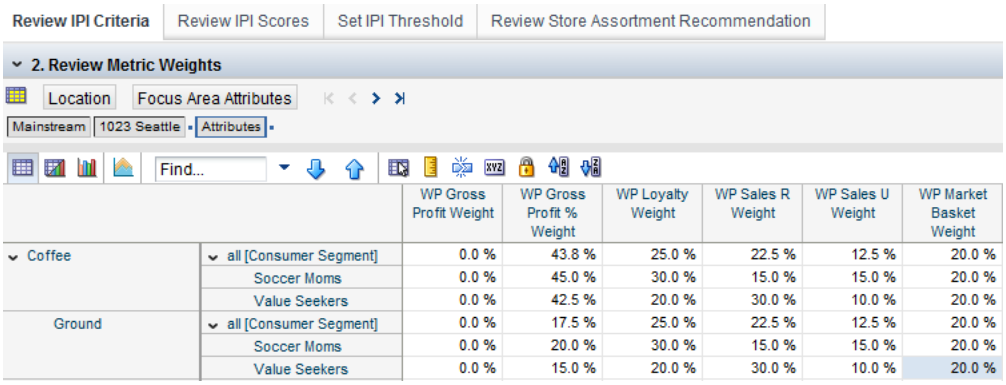


Table 7–2 lists the measure available in this view.

Table 7–2 2. Review Metric Weights Measures

Label	Definition
WP Gross Profit Weight	The user-defined percentage weight to the WP Gross Profit R metric for the given focus area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights shown in Table 6–10.
WP Gross Profit % Weight	The user-defined percentage weight to the WP Gross Profit % metric for the given focus area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights shown in Table 6–10.
WP Loyalty Weight	The user-defined percentage weight to loyalty metric (loyalty index) for the given focus area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Loyalty focus area. The Loyalty index is an externally sourced measure that represents the importance of an item, relative to other items, to the loyal customers.
WP Sales R Weight	The user-defined percentage weight given to the WP Sales R metric for the given focus area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights shown in Table 6–10.

Table 7–2 (Cont.) 2. Review Metric Weights Measures

Label	Definition
WP Sales U Weight	The user-defined percentage weight given to the WP Sales U metric for the given focus area. It is used in generating an IPI score and a system-recommended IPI assortment. It is expected to be set to a non-zero value only for the Performance and/or Attributes focus area, per the default metric weights shown in Table 6–10.
WP Market Basket Weight	The user-defined percentage weight assigned to the Market Basket index measure for the given focus area. It is expected to be set to a non-zero value only for the Market Basket focus area. The Market Basket index is an externally sourced measure that represents the importance of an item, relative to other items, in terms of its ability to drive baskets.

3. Review Attribute Weights View

Use this view to review the attribute weights and groupings.

Figure 7–4 3. Review Attribute Name Weights View

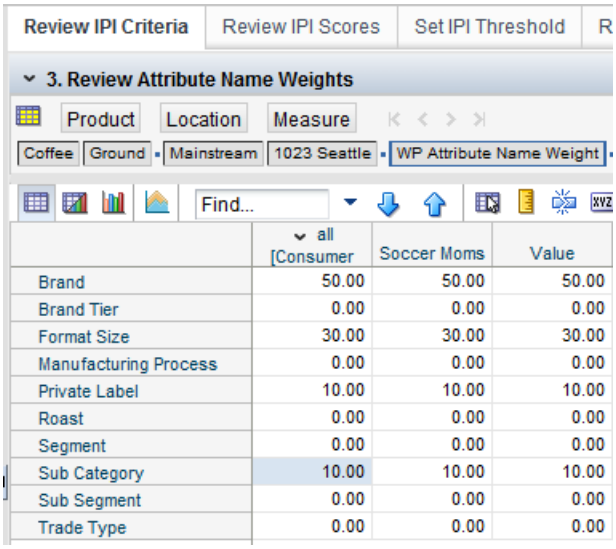


Table 7–3 lists the measure available in this view.

Table 7–3 3. Review Attribute Name Weights Measure

Label	Definition
WP Attribute Name Weight	This is a user-defined numeric weight assigned to the attribute name to be used for IPI score calculations in the context of working plan assortment for the cluster. This helps the user to put emphasis on a particular attribute name in generating a system-recommended IPI assortment.

4. Review Attribute Value Weights View

Use this view to review the attribute value weights and groupings.

Figure 7–5 4. Review Attribute Value Weights View

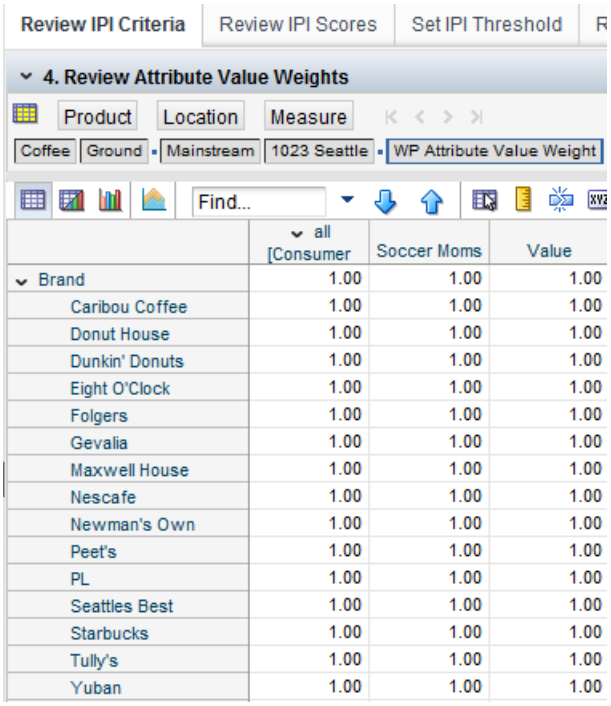


Table 7–4 lists the measure available in this view.

Table 7–4 4. Review Attribute Value Weights Measure

Label	Definition
WP Attribute Value Weight	This is a user-defined numeric weight assigned to the attribute value to be used for IPI score calculations in the context of working plan assortment for the cluster. This helps the user to emphasize a particular attribute value name in generating a system-recommended IPI assortment. The default value of 1 indicates all attribute values are equally important.

5. Review Consumer Segment Weights View

Use this view to view the seeded consumer segment weights from the Admin. Consumer segment weights are used in IPI calculations.

Figure 7–6 5. Review Consumer Segment Weights View

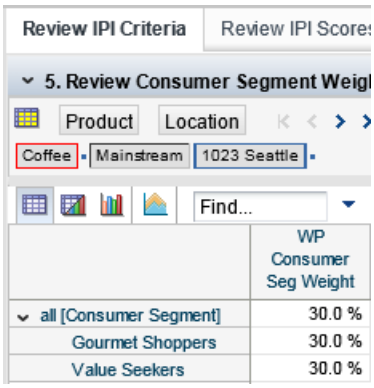


Table 7–5 lists the measures available in this view.

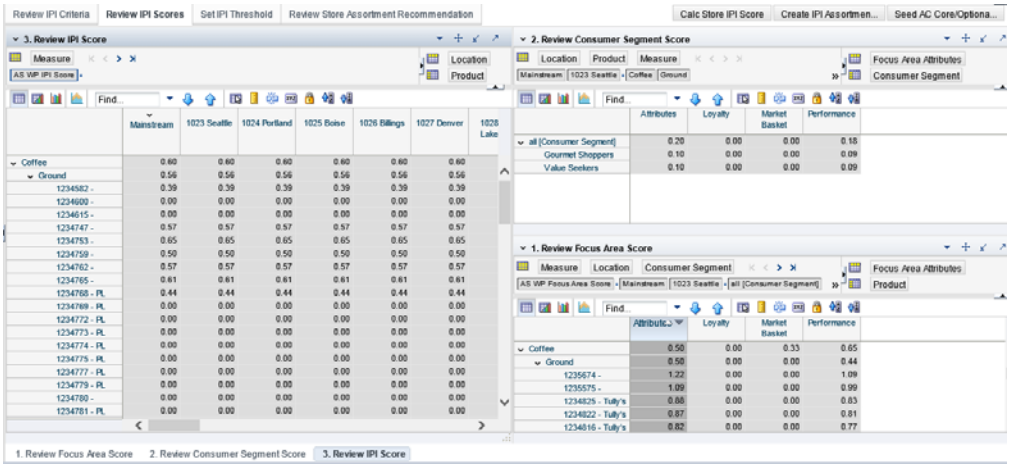
Table 7–5 5. Review Consumer Segment Weights Measures

Label	Definition
WP Consumer Seg Weight	The user-defined percentage weight to a consumer segment within a cluster. It is used to put emphasis on the target consumer segment while generating a system-recommended IPI assortment, as well as, generating Demand Transference. It can be different from WP Consumer Seg Distribution and should represent the retailer's target consumer segment distribution.
WP Consumer Seg Distribution	The distribution of different consumer segments currently representing sales within the cluster.

Review IPI Scores Tab

This tab has three views. The following figure shows these views.

Figure 7–7 Review IPI Scores Tab View



1. Review Focus Area Score View

Use this view to see the focus area scores:

- Within each of the focus areas, a score is computed for each assigned assortment metric. This IPI score is based on the assortment metric value as a ratio of the mean value.
- The focus area score, for each of the focus areas, is an IPI computed as a composite IPI based on the relative weight of the metrics.

At this point, you can use the custom menu Calc Cluster IPI Score to populate values in the next few views.

Figure 7–8 1. Review Focus Area Score View

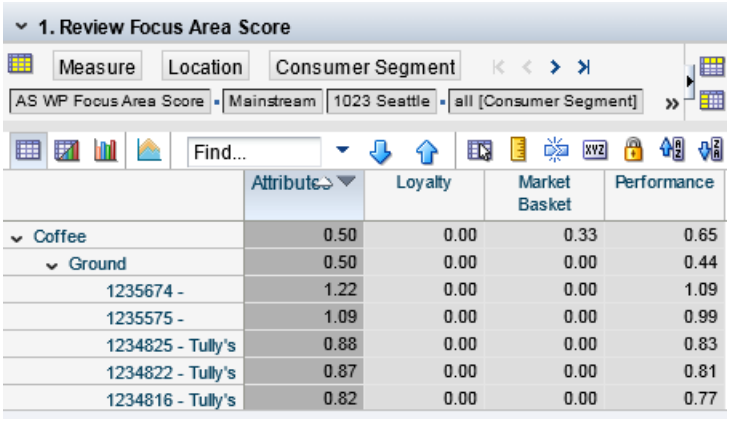


Table 7–6 lists the measure available in this view.

Table 7–6 1. Review Focus Area IPI Scores Measure

Label	Definition
AS WP Focus Area Score	An item's IPI score for a specific focus area in the working plan assortment for the cluster.

2. Review Consumer Segment Score View

Use this view to see the consumer segment scores. Each consumer segment score is computed per the consumer segment/trading area based on the weights of the focus areas. A cluster score is then computed based on the relative weight of the consumer segments in each cluster.

Figure 7–9 2. Review Consumer Segment Score View

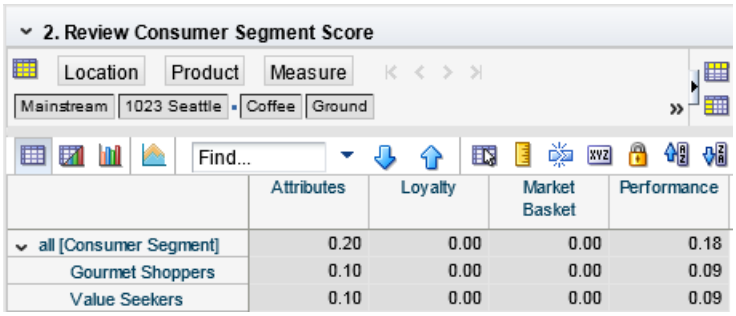


Table 7–7 lists the measure available in this view.

Table 7–7 2. Review Consumer Segment Score Measure

Label	Definition
AS WP Consumer Segment Score	An item's consumer segment level IPI score in the working plan assortment for the store.

3. Review IPI Score View

Use this view to see the IPI scores. Each consumer segment score is computed per the IPI based on the weights of the focus areas. A cluster score is then computed based on the relative weight of the calculated IPIs in each cluster.

Figure 7–10 3. Review IPI Score View

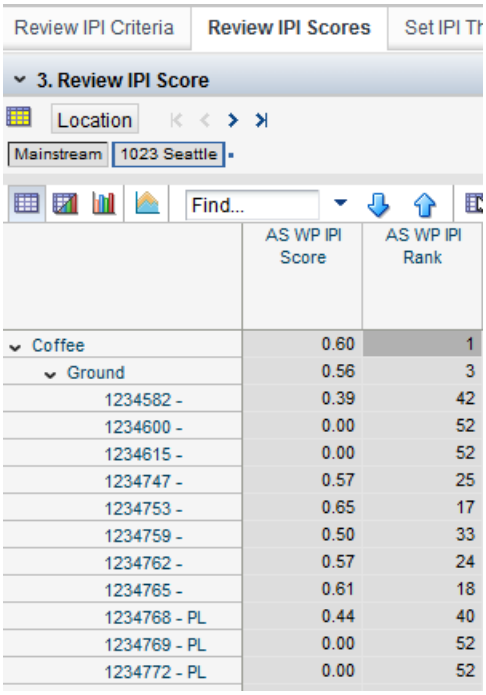


Table 7–8 lists the measures available in this view.

Table 7–8 3. Review IPI Score Measures

Label	Definition
AS WP IPI Score	An item's final IPI score in the working plan store assortment.
AS WP IPI Rank	An ordinal (sequential) rank assigned to an item in the working plan store assortment on the basis of its IPI score at the store level.

Set IPI Threshold Scores Tab

This tab has one view.

Set IPI Assortment Threshold View

Use this view to define thresholds for each sub-category. This screen is similar in function to the Set IPI Threshold view in the Create IPI Assortment step in Assortment Planning @ Cluster task. Here, the thresholds are set for IPIs. These thresholds determine which items are included or excluded from the assortment calculated based on IPI scores. It also facilitates identification of core and optional items in the IPI-based assortment.

Figure 7–11 Set IPI Assortment Threshold View

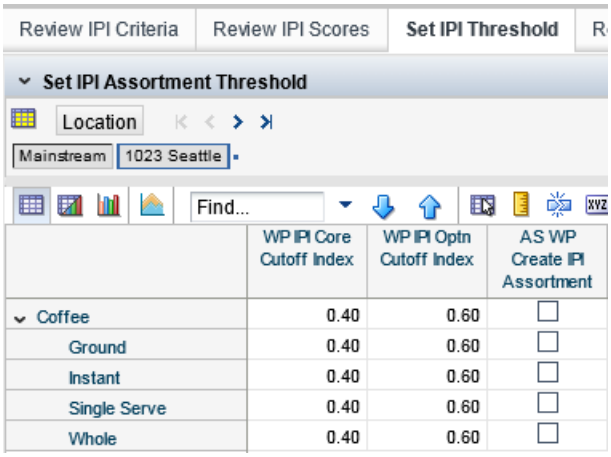


Table 7–9 lists the measures available in this view.

Table 7–9 Set IPI Assortment Threshold Measures

Label	Definition
WP IPI Core Cutoff Index	User-defined IPI core cutoff (or threshold) IPI score to be classified as a core item in the system-recommended IPI assortment.
WP IPI Optn Cutoff Index	User-defined IPI optional cutoff (or threshold) IPI score to be classified as an optional item in the system-recommended IPI assortment.
AS WP Create IPI Assortment	A Boolean measure which is required to be selected to generate a system-recommended IPI assortment towards a working plan assortment for the store.

Review Store Assortment Recommendation Tab

This tab has two views.

1a. Review Store Assortment Recommendation View

Use this view to review the final system recommended assortment at the store level. It contains the list of items in the IPI-based system recommended assortment.

Figure 7–12 1a. Review Store Assortment Recommendation View 1

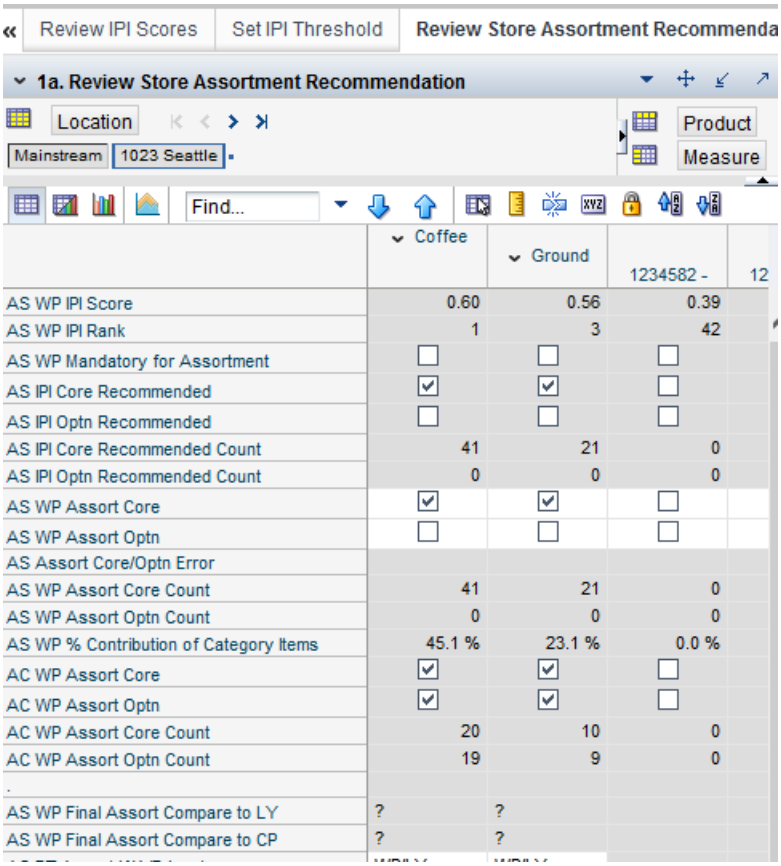


Table 7–10 lists the measures available in this view.

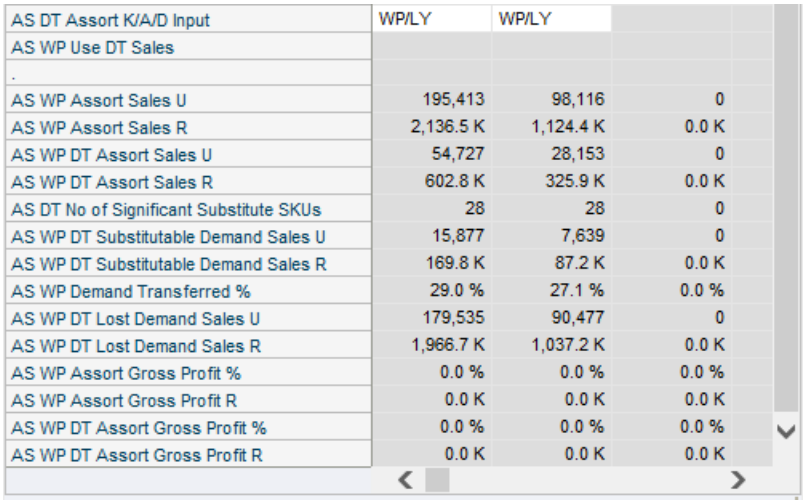
Table 7–10 1a. Review Store Assortment Recommendation View 1 Measures

Label	Definition
AS WP IPI Score	An item's final IPI score in the working plan store assortment.
AS WP IPI Rank	An ordinal (sequential) rank assigned to an item in the working plan store assortment on the basis of its IPI score at the store level.
AS WP Mandatory for Assortment	A Boolean flag measure to used to mark an item as mandatory in a working plan assortment for the store.
AS IPI Core Recommended	A read-only Boolean measure indicating whether an item is a core item or not, per the IPI calculations (in a system-recommended IPI assortment) in the working plan's assortment for the store. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
AS IPI Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item or not, per IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the store. This measure is calculated by the system on the basis of IPI scores of items and IPI thresholds set by the user.
AS IPI Core Recommended Count	The number of system-recommended core items per the IPI calculations (in a system-recommended IPI assortment) in the working plan's assortment for the store.

Table 7–10 (Cont.) 1a. Review Store Assortment Recommendation View 1 Measures

Label	Definition
AS IPI Optn Recommended Count	The number of system-recommended optional items per the IPI calculations (in an IPI system-recommended assortment) in the working plan's assortment for the store.
AS WP Assort Core	A Boolean flag measure indicating whether or not an item is a core item in the working plan assortment for the store.
AS WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan assortment for the store.
AS Assort Core/Optn Error	Assortment Planning @ Store default Value Error measure if both Core and Optional measures are set to true for an item in a Store Assortment.
AS WP Assort Core Count	The number of core items in a working plan assortment for the store.
AS WP Assort Optn Count	The number of optional items in a working plan assortment for the store.
AS WP % Contribution of Category Items	Assortment Planning @ Store Working Plan % Contribution of Category Items Percent. The contribution of an item or a set of items under a category towards the whole category.
AC WP Assort Core	Assortment Planning @ Store Working Plan Final Assortment Core Boolean.
AC WP Assort Optn	A Boolean flag measure indicating whether or not an item is an optional item in the working plan's assortment for the cluster.
AC WP Assort Core Count	The number of core items in a working plan's assortment for the cluster.
AC WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster.
AS WP Final Assort Compare to LY	Keep, Add, or Drop decision on comparing a store assortment with the LY store assortment.
AS WP Final Assort Compare to CP	Keep, Add, or Drop decision on comparing a store assortment with the Current Plan store assortment.

Figure 7–13 1a. Review Store Assortment Recommendation View 2



AS DT Assort K/A/D Input	WP/LY	WP/LY	
AS WP Use DT Sales			
.			
AS WP Assort Sales U	195,413	98,116	0
AS WP Assort Sales R	2,136.5 K	1,124.4 K	0.0 K
AS WP DT Assort Sales U	54,727	28,153	0
AS WP DT Assort Sales R	602.8 K	325.9 K	0.0 K
AS DT No of Significant Substitute SKUs	28	28	0
AS WP DT Substitutable Demand Sales U	15,877	7,639	0
AS WP DT Substitutable Demand Sales R	169.8 K	87.2 K	0.0 K
AS WP Demand Transferred %	29.0 %	27.1 %	0.0 %
AS WP DT Lost Demand Sales U	179,535	90,477	0
AS WP DT Lost Demand Sales R	1,966.7 K	1,037.2 K	0.0 K
AS WP Assort Gross Profit %	0.0 %	0.0 %	0.0 %
AS WP Assort Gross Profit R	0.0 K	0.0 K	0.0 K
AS WP DT Assort Gross Profit %	0.0 %	0.0 %	0.0 %
AS WP DT Assort Gross Profit R	0.0 K	0.0 K	0.0 K

Table 7–11 lists the measures available in this view.

Table 7–11 1a. Review Store Assortment Recommendation View 2 Measures

Label	Definition
AS DT K/A/D Input	This field provides an option to the user to decide the assortment with which the comparison should be done to calculate Keep, Add, or Drop actions for this working plan store assortment.
AS WP Use DT Sales	Flag measure to indicate if WP Assort Sales in the final store assortment should be populated by updated demand (DT Affected Sales). If it is ticked then it will populate the AS WP Assort Sales with DT Sales else AS WP Assort Sales will be populated by AS WP Sales.
AS WP Assort Sales U	Current store level approved sales units for the assortment obtained from a third party. The data is typically obtained quarterly.
AS WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
AS WP DT Assort Sales U	Updated (or DT affected) Demand Sales Units specifically for the working plan store assortment.
AS WP DT Assort Sales R	Updated (or DT affected) Demand Sales Retail specifically for the working plan store assortment.
AS DT No of Significant Substitute SKUs	Refers to the count of SKUs which can absorb the significant chunk of substitutable demand of a SKU in a working plan store assortment.
AS WP DT Substitutable Demand Sales U	Refers to the replaceable sales units of a SKU, in case it is dropped from a working plan assortment for the store. In other words, substitutable demand sales units get transferred to the substitute SKUs in the working plan assortment for the store.
AS WP DT Substitutable Demand Sales R	Refers to the respective replaceable sales retail for the substitutable sales units for a SKU in a store assortment.
AS WP DT Demand Transferred %	Refers to that part of demand (sales units) that has been transferred from the SKU being dropped to the substitute SKUs in a store assortment for a cluster. It reflects the net demand transference - distribution among the substitute SKUs.
AS WP DT Lost Demand Sales U	Represents the demand units of the SKU that will be lost or not transferred to other SKUs in the planned assortment if this SKU is dropped from the assortment. It represents the true incremental sales of the SKU to the assortment.
AS WP DT Lost Demand Sales R	Represents the demand retail of the SKU that will be lost or not transferred to other SKUs in the planned assortment if this SKU is dropped from the assortment. It represents the true incremental sales of the SKU to the assortment.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan assortment for the store.
AS WP Assort Gross Profit R	The gross profit retail value in a working plan assortment for the store. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
AS WP DT Assort Gross Profit %	The updated (or DT Affected) demand's gross profit retail percentage value specifically for the working plan store assortment.
AS WP DT Assort Gross Profit R	The updated (or DT Affected) demand's gross profit retail percentage value specifically for the working plan store assortment.

1b. Review DT Details @ Store View

Use this view to review the Demand Transference distribution details of any SKU/Item in the Review Store Assortment Recommendation view.

Figure 7–14 1b. Review DT Details @ Store View

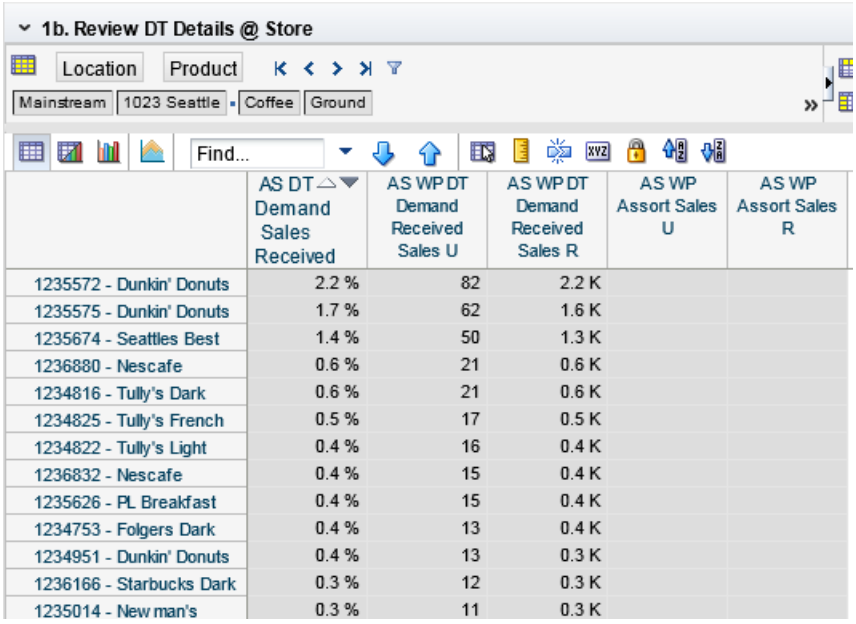


Table 7–12 lists the measures available in this view.

Table 7–12 1b. Review DT Details@ Store Measures

Label	Definition
AS DT Demand Sales Received %	Refers to the percentage of total sales units of a SKU, getting transferred from it when it is dropped from the assortment and being received by its respective Substitute SKUs in a working plan assortment for the store. It is expressed as the percentage of total sales of the SKU.
AS WP DT Substitutable Demand Sales U	Refers to the replaceable sales units of a SKU, in case it is dropped from a Store assortment. In other words, substitutable demand sales units get transferred to other SKUs in a Store assortment.
AS WP DT Substitutable Demand Sales R	Refers to the respective replaceable sales retail for the substitutable sales units for a SKU in a Store assortment.
AS WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster.
AS WP Assort Sales U	Current store level approved sales units for the assortment obtained from a third party. The data is typically obtained quarterly.
AS WP DT Demand Transferred %	Assortment Planning @ Store reference to that part of demand (sales units) that has been transferred from the SKU being dropped to the substitute SKUs in IPI based assortment for a cluster. It reflects the net demand transference - distribution among the substitute SKUs.

Assortment Finalization and Approval Step

Use this step to finalize and approve the assortment at the Store level.

This step has the following tabs and views:

- Assortment Quantification Summary Tab:

  Assortment Quantification Summary View
- Export to ASO Tab:

  Assortment Label and Location Filtering View

  Request Type and Role Model View
- Approve Store Assortment Tab:

  Approve Store Assortment View

Custom Menu

This step has two custom menus:

- Export ASO @Store
- Approve Assortment @Store

Assortment Quantification Summary Tab

This view has one view and two measure profiles:

- WP/CP
- WP/LY

Assortment Quantification Summary View

Use this view to review the targets being achieved by the assortment finalized for the store in the previous tab. This view contains measures such as plan measures for Sales Units, Sales R, Gross Profit, Gross Profit %, and so on.

Figure 7–15 Assortment Quantification Summary WP/CP Measure Profile View

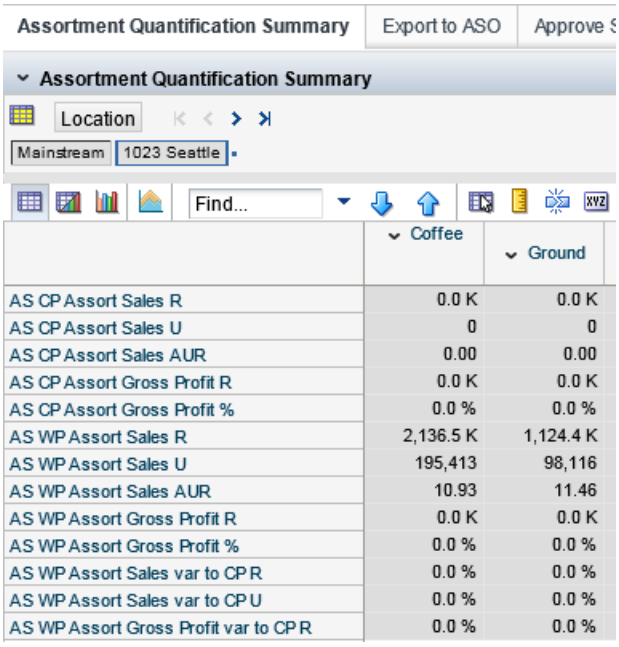


Table 7–13 lists the measures available in this view.

Table 7–13 Assortment Quantification Summary WP/CP Measure Profile Measures

Label	Definition
AS CP Assort Sales R	The sales retail value in the current plan assortment for the store.
AS CP Assort Sales U	The sales units in the current plan assortment for the store.
AS CP Assort Sales AUR	The average unit retail value of a SKU in a current plan assortment for the store. It reflects the average selling price of a SKU at a specific product hierarchy level.
AS CP Assort Gross Profit R	The gross profit retail value in the current plan assortment for the store.
AS CP Assort Gross Profit %	The gross profit percentage in the current plan assortment for the store.
AS WP Assort Sales R	The sales retail value in the working plan assortment for the store.
AS WP Assort Sales U	The sales units in the working plan assortment for the store.
AS WP Assort Sales AUR	The average unit retail value of a SKU in a working plan assortment for the store. It reflects the average selling price of a SKU at a specific product hierarchy level.
AS WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster.
AS WP Assort Sales var to CP R	The working plan store assortment's sales retail value's variance to the same in the current plan store assortment.
AS WP Assort Sales var to CP U	The working plan store assortment's sales units variance to the same in the current plan store assortment.

Table 7–13 (Cont.) Assortment Quantification Summary WP/CP Measure Profile

Label	Definition
AS WP Assort Gross Profit var to CP R	The working plan store assortment's gross profit value's variance to the same in the current plan store assortment.

Figure 7–16 Assortment Quantification Summary WP/LY Measure Profile View

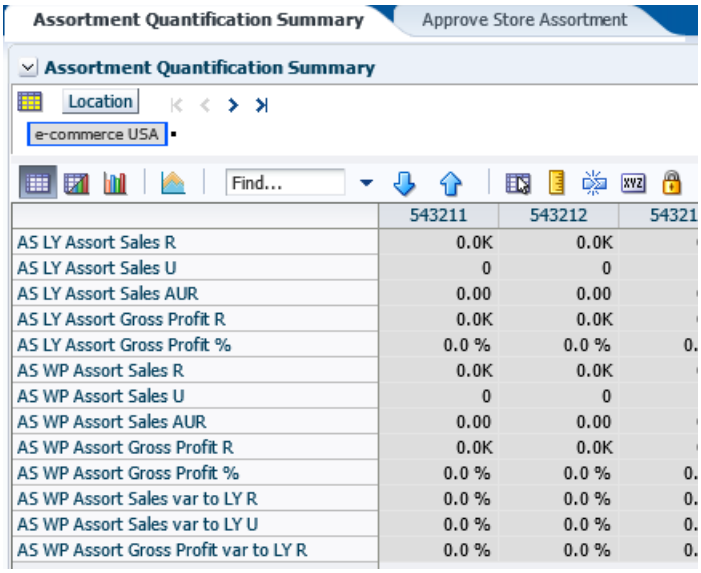


Table 7–14 lists the measures available in this view.

Table 7–14 Assortment Quantification Summary WP/LY Measure Profile Measures

Label	Definition
AS LY Assort Sales R	Sales retail value in last year's store assortment.
AS LY Assort Sales U	Sales units in last year's store assortment.
AS LY Assort Sales AUR	Last year's actuals' average unit retail value in a store assortment. It reflects the average selling price of a SKU at a specific hierarchy level based on last year's actual assortment's sales at a store.
AS LY Assort Gross Profit R	Gross profit retail value in last year's store assortment.
AS LY Assort Gross Profit %	Gross profit percentage in last year's store assortment.
AS WP Assort Sales R	The sales retail value in the working plan assortment for the store.
AS WP Assort Sales U	The sales units in the working plan assortment for the store.
AS WP Assort Sales AUR	The average unit retail value of a SKU in a working plan assortment at the cluster level. It reflects the average selling price of a SKU at a specific product hierarchy level.
AS WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan assortment for the store.
AS WP Assort Sales var to LY R	The working plan store assortment's sales retail value's variance to the same in last year's store assortment's actuals.

Table 7–14 (Cont.) Assortment Quantification Summary WP/LY Measure Profile

Label	Definition
AS WP Assort Sales var to LY U	The working plan store assortment's sales units variance to the same in last year's store assortment's actuals.
AS WP Assort Gross Profit var to LY R	The working plan store assortment's gross profit value's variance to the same in last year's store assortment's actuals.

Export to ASO Tab

This view has two views.

Assortment Label and Location Filtering View

Use this view to select the location and respective assortment to be exported to ORASO at the cluster level.

Figure 7–17 Assortment Label and Location Filtering View

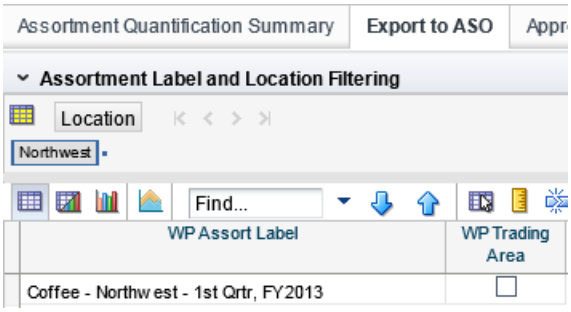


Table 7–15 lists the measures available in this view.

Table 7–15 Assortment Label and Location Filtering Measures

Label	Definition
WP Assort Label	The label displayed for an assortment based on things such as trading area, category, or consumer segment.
WP Trading Area	The area around a store in which the store derives most of its business as defined by syndicated data suppliers.

Request Type and Role Model View

Use this view to select the export request type and category role assignment model to be exported to ORASO at the store level. Once these selections have been made, the custom menu Export to SO @ Store needs to be run.

Figure 7–18 Request Type and Role Model View

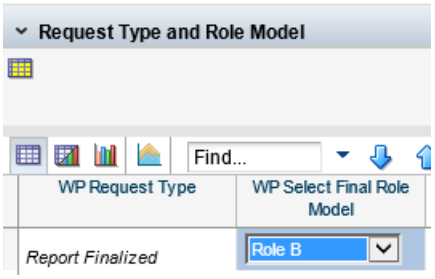


Table 7–16 lists the measures available in this view.

Table 7–16 Request Type and Role Model Measures

Label	Definition
WP Request Type	This is a drop-down selection measure used to select the purpose of export from RCM to ORASO. The request type can be either assortment optimization request from a space management perspective and an update to ORASO in the form of final approved assortment for eventual implementation.
WP Select Final Role Model	This is a drop-down selection measure used to select the category role assignment model whose data will be exported from RCM to ORASO. There are two models available for category role assignment, Model A and Model B.

Approve Store Assortment Tab

This tab has one view.

Approve Store Assortment View

Use this view to approve the final assortment for a specific store.

Figure 7–19 Approve Store Assortment View

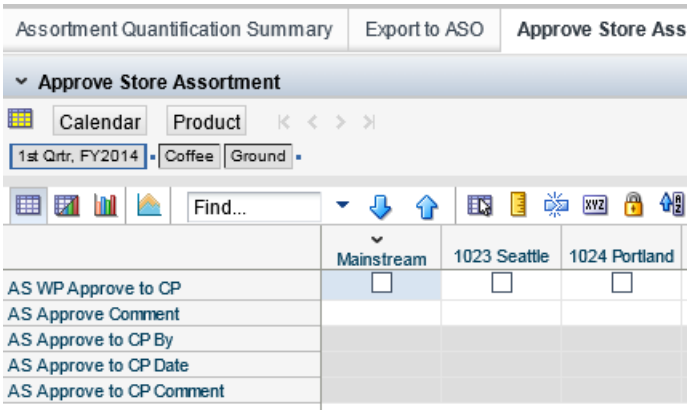


Table 7–17 lists the measures available in this view.

Table 7–17 Approve Store Assortment Measures

Label	Definition
AS WP Approve to CP	Store-level Boolean mask measure to control what is approved and not approved from the working plan to the current plan.
AS Approve Comment	Approver's comment made while approving a working plan assortment for the store.
AS Approve to CP By	The approver's ID, which is used to approve the store-level's working plan to an original plan.
AS Approve to CP Date	Date of approval of a working plan for the store to a current plan.
AS Approve to CP Comment	Approver's comment made at the time of approving a store-level working plan to current plan.

A

Appendix: Additional Topics

This appendix provides additional information on the following topics:

Roles, Strategies, and Tactics in Category Planning

Information contained in this section is based on the following book:

AC Neilsen, Heller, A., Karolefski, J. (2005) *Consumer-Centric Category Management*. Hoboken, NJ: John Wiley & Sons.

Overview

Category Planning provides the ability to drive out and confirm roles, strategies, and tactics for the categories being planned. Generally speaking, this is done during the annual line review process and incorporates upstream financial plans.

Category Planning enables retailers to take action based on a broad variety of data, which can include market data, panel data, demographic and customer segment data, and performance data. The application consolidates this data in an efficient manner and raises up actionable insights each step of the process. It starts with taking both internal and external performance data, as well as upstream retail strategy and financial targets, and provides recommendations related to roles, strategies, and tactics. These can be planned at a national level or regional/cluster level, and can include customer segmentation details as dictated by the business needs.

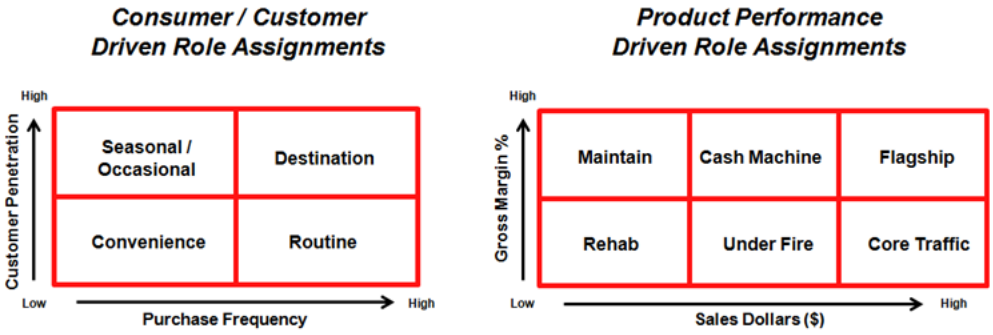
The process starts with a review of both the customer and the competitive landscape, followed by some initial analysis around category performance in relation to the market. The application workflow is presented in Figure A–1.

Figure A–1 Category Planning Application Workflow

Roles

The process leverages either of two Category Management industry standard methodologies. The first methodology considers market data and the second focuses on the retailer's sales and margin. Roles are set at the category level, or higher if desired.

Figure A–2 Category Management Industry Standards



Industry Model A

The first approach for role-setting is based on market data, specifically, **customer penetration** and **purchase frequency**. Using this approach, category roles are based on total opportunity in the marketplace. Generally speaking, market data is used as part of this model, but retailers may leverage some of their own loyalty data, to better understand how often their customers are purchasing this category as well as how profitable they are.

- **Customer Penetration**: Penetration is a measure of brand or category popularity. It is defined as the number of people who buy a specific brand or a category of goods at least once in a given period, divided by the size of the relevant market population (percentage of households purchasing within a category). It measures category acceptance by a defined population, and is useful in tracking acceptance of new product categories.
- **Purchase Frequency**: Frequency is defined by the average number of times per year a category is purchased. This measurement may be more meaningful for a

retailer with a high number of transactions per customer, such as a grocer that the consumer visits every week, than for one with a lower number of transactions per customer, such as an electronics specialty store that the consumer may only visit a few times in a year.

Category performance drives the assignment into the following roles:

- **Destination**: Identified by their high penetration, **purchase frequency**, and large sales revenue. The objective is to be the primary category provider and help define the retailer as the store of choice by delivering consistent value and superior target consumer value.

  Example **Destination** categories: Bread, Milk

- **Routine**: Lower penetration, high **purchase frequency**, and medium sales revenue. The objective is to be one of the preferred category providers and help develop the retailer as the store of choice by delivering consistent, competitive target consumer value.

  Example **Routine** categories: Coffee, Orange Juice

- **Seasonal/Occasional**: High penetration, low **purchase frequency**, and variable sales revenue. The objective is to be a major category provider and help reinforce the retailer as the store of choice by delivering frequent, competitive target consumer value.

  Example **Seasonal/Occasiona**l categories: Herbs and Spices, Halloween Candy

- **Convenience**: Represented by average to low penetration, **purchase frequency**, and sales revenue. The goal of such a category is to be a category provider and help reinforce the retailer as the full-service store of choice by delivering good target consumer value.

  Example **Convenience** categories: Greeting Cards, Pet Food

Industry Model B

The second role-setting approach is based on the retailer's own sales/performance data, specifically, Sales Revenue and Margin %. This approach assigns category roles based on how productive the category is. The six roles assigned using this model are **Flagship**, **Cash Machine**, **Maintain**, **Core Traffic**, **Under Fire**, and **Rehab**, as depicted in Figure A–2. The options for each role are as follows:

- **Flagship** categories are identified by high sales and high gross margin. The objective of such categories is to increase sales and maintain margin, or maintain sales and increase margin. The retailer may create new sub-categories, emphasize more profitable SKUs, increase service levels, and so on.

- **Cash Machine** categories are represented by high sales and medium gross margin. The objective is to increase sales and maintain profits, or maintain sales and increase profits. Some approaches the retailer may take would be to increase assortments, prune less profitable SKUs, and introduce private label.

- **Maintain** categories are identified by low sales and high gross margin. The goal is to maintain sales and profits, or increase sales and maintain profits. The retailer can consider promoting profitably, emphasizing high-profit SKUs, and increasing the assortment in growing categories/sub-categories.

- **Core Traffic** categories are represented by high sales and low gross margin. The target is to decrease sales and increase profits, or maintain sales and profits. The retailer may aggressively promote SKUs as a loss leader, create private label in high and low quality tiers, and match competition.

- **Under Fire** categories have medium sales and low gross margin. The objective is to decrease sales and increase profits, or maintain sales and increase profits. The retailer may drop a number of sub-categories and/or SKUs and retain the more profitable ones.
- **Rehab** is characterized by low sales and low gross margin. The goal is to decrease sales and increase profits. The retailer may drop a number of sub-categories and/or SKUs and retain only the most profitable ones.

Category Management automatically provides a suggested role for each category based on the market and historical data. It considers the range of the retailer's values for Penetration/Frequency (for Industry Model A) and Sales/Margin (for Industry Model B). It compares each category to the overall minimum and maximum values, and then assigns that category a role based on its relationship to the range of values. For example, a category with high **purchase frequency** and low **customer penetration** relative to the other categories will be assigned a **Routine** role for Industry Model A. That same category may have high gross margin and low sales revenue relative to the other categories, and would be assigned a **Maintain** role for Industry Model B.

Both approaches are widely used; however some retailers may use them as a baseline, and then make adjustments to ensure the model is most meaningful to them. These system-recommended role assignments can be overridden if desired.

Strategies

After assigning category roles, the next step is to review available performance data to determine and assign a particular strategy to support the category roles. Strategies are set at the sub-category level, or higher if desired. The strategies and their characteristics are listed in Table A–1.

Table A–1 Category Strategies and their Characteristics

Category Strategies	Characteristics	Purchase Dynamics
Traffic Building	Attracting customers to the store, aisle, and category	High share, frequently purchased, high percent of sales
Transaction Building	Enlarging the size of the average purchase	Higher ring-up, impulse purchase
Profit Generating	Yielding profits	Higher gross margin, higher turns
Cash Generating	Producing cash flow	Higher turns, frequently purchased
Excitement Generating	Generating interest and enthusiasm among consumers	Impulse, life-style oriented, seasonal
Image Enhancing	Strengthening the view of the retailer held by the consumer	Frequently purchased, highly promoted, impulse, unique items, seasonal
Turf Defending	Positioning the category strongly versus competitors	Used by retailers to draw traditional customer base

Note: The assignment of these strategies drives the downstream assortment processes, as they feed to assortment planning. They can be used to set focus area weight values through the user-driven Seed IPI Weights custom menu found in the Create IPI Assortment step. Each assignment drives the product focus of the Assortment Planner team. For example, a Profit Generating strategy will focus on assorting products that are more profitable, whereas a Cash Generating strategy will focus on assorting products driving the most revenue.

Tactics

The final step in this part of the process is the assignment of tactics that lead to strategic yet actionable plans, to meet performance goals. Tactics are set at the sub-category level, or higher if desired. The RCM Category Planning tactics, and the associated settings options, are listed in Table A–2.

Table A–2 Category Planning Tactics

Tactic	Tactic Settings
Assortment	Decrease Decrease Private Label Expand Sub-Categories Increase Increase Private Label Maintain Refresh - Swap in New SKUs
Pricing	Be Within X% of Competition Decrease Increase Loyalty Pricing Maintain Market Leader Meet Competition
Promotion	Aggressive Marketing/Offers Coupon Offers Only Funded Promotions Only Promote Frequently Seasonal Promotions Tailor Offers to Market
Space	Adjust Shelving/Capacity Change Location Decrease Increase Maintain
Inventory	Decrease Increase Increase Private Label Sources Maintain

The specific tactics to be assigned vary based on what is applicable for that tactic. For example, the options for the Assortment tactic are to Maintain, Increase, or Decrease, while the Pricing tactics relate to how the retailer should price versus the competition.

Once assigned, these tactics (along with the category role and strategy) can be pushed to downstream processes/solutions. For example:

- Assortment tactics being pushed and integrated with the Assortment Planning processes.
- Pricing tactics being pushed and leveraged in a pricing solution.
- Promotional tactics being pushed and leveraged in a promotional planning solution.
- Inventory tactics being pushed and leveraged in an allocation and/or replenishment solution.
- Space tactics being pushed and leveraged in a space planning solution.

Applying Roles, Strategies, and Tactics in Assortment Planning

Roles, strategies, and tactics are all visible in Assortment Planning. Roles and tactics do not have a direct influence on assortment plan creation; rather, they are provided as a reference to help the Assortment Planning team ensure that the updated assortment is in line with the broader Category Management objectives.

Strategies can have a direct impact on the Assortment Planning process. The strategies have been mapped to the focus area weights and metrics that best align with that category's strategy. Seeding these weights to the assortment, and then using those weights to create an IPI assortment, ensures that SKUs that have the characteristics that align with that particular strategy are ranked highest so that they can be included in the assortment.

Table A–3 shows which focus area weights and metrics best align with the different Category Management strategies, as well as some suggested values for each. These can be used to help drive both IPI and Incremental Curve assortments. (Note that market coverage assortments are driven purely by market performance.) Of course, the exact values can vary based on the retailer's or category's specific strategies. To apply the system-recommended focus area weights and metrics, run the Seed IPI Weights custom menu located in the Create IPI Assortment step.

As an example, a Cash Generating strategy is most closely aligned with the Performance focus area and associated metric is Sales Revenue. These weight settings will ensure that all SKUs that produce high sales revenue are ranked high in the recommended assortment. This provides the starting point from which decisions to keep/add/drop SKUs are made to finalize the assortment. Conversely, an Excitement Generating strategy considers both attributes and performance. The SKUs that will be ranked on top of the recommended assortment will be those that have high sales units both overall as well as within the attributes deemed most important. As a third example, a Transaction Building strategy gives the highest rank to those SKUs that appear often in shoppers' market baskets and produce high sales revenue.

Table A–3 Focus Areas and Metrics for Strategies

Strategy	Weights	Attributes	Loyalty	Market Basket	Performance
Traffic Building	Focus Area Weight	25%	NA	50%	25%
	Metric Weight	Sales U (100%)	NA	Market Basket Index (100%)	Sales U (100%)
Transaction Building	Focus Area Weight	NA	NA	50%	50%
	Metric Weight	NA	NA	Market Basket Index (100%)	Sales R (100%)

Table A–3 (Cont.) Focus Areas and Metrics for Strategies

Strategy	Weights	Attributes	Loyalty	Market Basket	Performance
Profit Generating	Focus Area Weight	NA	NA	NA	100%
	Metric Weight	NA	NA	NA	Gross Profit R (50%) Gross Profit % (50%)
Cash Generating	Focus Area Weight	NA	NA	NA	100%
	Metric Weight	NA	NA	NA	Sales R (100%)
Excitement Generating	Focus Area Weight	50%	NA	NA	50%
	Metric Weight	Sales U (100%)	NA	NA	Sales U (100%)
Image Enhancing	Focus Area Weight	50%	50%	NA	NA
	Metric Weight	Sales U (25%) Sales R (75%)	Loyalty Index/Top Shoppers Index (100%)	NA	NA
Turf Defending	Focus Area Weight	NA	50%	25%	25%
	Metric Weight	NA	Loyalty Index/Top Shoppers Index (100%)	Market Basket Index for targeted consumer segments (100%)	Sales U (100%)

Workflows/Day in the Life

This section outlines the navigation through the RCM application for two real-world business workflows. It contains an overview of the business process, followed by the steps to take through the application.

The following business workflows are described:

- Category Reset - Major Line Review, where an entire category is re-assorted, or a new category is introduced.
- Continuous Planning - In-season updates to an existing assortment for a category or sub-category. Can include item swaps/updates or vendor updates.

The following features are used to support the workflows:

- Clustering
- Category Planning
- Assortment Planning and Optimization:
  - Demand Transference
- Assortment and Space Optimization
- CDT Science

These workflows follow an example using the coffee category, which is in the default data set that is delivered with the base product.

Category Reset

This scenario walks through most of the Category Management processes, starting with clustering and category planning, then creating an assortment in assortment planning and optionally optimizing that for space in ORASO.

Category Planning Process

- Create store assortment clusters for coffee using the Advanced Clustering solution of ORME or the retailer's own clustering process:
  - For a trading area (location hierarchy level below chain in the default dataset)
  - For a planning period (the period of time being planned for, which is a quarter in the default dataset)
- Run Category Planning:
  - For the same trading area and planning period
  - Analyze the business, customers, and market in order to help determine the roles, strategies and tactics for the Coffee category. For more information on this functionality, see "Roles, Strategies, and Tactics in Category Planning."

Category Planning Workflow

1. Define the Retail Strategy, which is the big picture view of the shoppers, trading area, and competition.
2. Assign the category role:
   a. Perform a deeper analysis of the market, consumers, and so on at the trading area level.
   b. Assess what type of retailer to be for this category.
   c. Assign a category role. Verify the preassigned role using either Model A (Item Penetration versus Purchase Frequency) or Model B (Sales versus GP).
3. Assign category strategies:
   a. Analyze the retailer business by trading area/consumer segment/sub-category.
   b. Assign strategies by sub-category/trading area/consumer segment. Strategies drive the focus area and metric weights in AP.
4. Assign category tactics:
   a. Analyze the retailer business at the category/sub-category level, trading area, against the market and/or by different time periods to see trends over time.
   b. Assign tactics for different aspects of the business at the trading area/sub-category level.
5. Create category/sub-category-level plans for sales, profit, inventory, and turn by trading area/quarter:
   a. Plan sales and inventory increase in Private Label business versus LY and flat margin/turn. Plan decrease for the Coffee category business.

Assortment Planning Process

- In Assortment Planning, develop an assortment for each of the store assortment clusters. Assortments can also be created at the store level, if desired.

- Develop coffee assortment based on IPI:
  - System recommends core and optional SKUs:
    * Strategies and CDTs drive weights
  - Run Demand Transference and use insights to fine-tune the assortment.
  - Review updated revenue for the category.
  - Export preliminary assortment to ORASO or retailer's own space optimization process.

Assortment Planning Workflow

1. Set up the assortment:
   a. Seed the assortment plan with the forecast.
   b. Review and plan the assortment plan:

      Plan sales U, GM (R or %), and sales R.

      Increase sales plan for the brands to focus on. Ensure overall margin plan increases.

      Review sales versus forecast and GM versus LY or Category Manager's plan.
   c. Introduce new SKUs for consideration into the assortment by seeding new SKUs based on like items:

      Base on retailer like item (replacement for an existing SKU in the assortment or mapped to a similar product introduction from the past year or two).

      Map retailer like item.

      Check attributes to be sure they are seeded correctly. If not, map like item attributes to an existing SKU.
2. Create an IPI-based assortment at the cluster level:
   a. Set IPI criteria:

      Seed focus area weights that are aligned to category strategy set by the Category Planner. Can be manually entered based on retailer best practice.

      Attribute weights can be pre-seeded with CDT science.

      Override lower-level attribute value weights to emphasize the brands or other attributes to focus on.
   b. Specify consumer segment weights.

      This needs to be set to ensure IPI calculates correctly even if not planning by consumer segment.
   c. Generate and review IPI scores.

      Evaluate by brand/attribute. Is there emphasis on SKUs from the brands/attributes to focus on, and did the new SKUs (with like items) get an appropriate IPI score? For information on setting and assessing IPI scores, see "IPI in Assortment Planning."
   d. Set IPI thresholds for core and optional assortment.
   e. Generate the IPI-based assortment recommendation and run Demand Transference.

f. Review the assortment by different brand and sub-category levels, or by consumer segment, to see the IPI assortment recommendations in different ways:

   By brand, sub-category, consumer segment.

   Check new SKUs. Line up with like items.

   Compare SKU count versus LY and ensure poor performers are dropped, yet sub-category/brand targets are still aligned.

3. Understand the Assortment Plan's alignment to targets:
   - Review of the IPI Assortment alignment to AP targets and CP plan (sales, margin, brand penetration).
   - Cumulative sum of IPI assortment sales.
4. Understand the impact of Demand Transference on the IPI assortment:
   a. After running the Demand Transference custom menu on the initial assortment, use DT to decide how to edit the assortment.

      Review substitutable demand and lost sales of each SKU in the IPI assortment to understand what SKUs can be most easily dropped from the assortment with minimal impact to category sales and revenue.

   b. What-if by adding/deleting SKUs in the assortment to see the impact to overall profit for the assortment (drop national items, and so on).

      Add/override core SKUs based on DT information (substitutable/incremental demand).

   c. Run the DT custom menu as needed to reassess the assortment as SKUs are added and dropped.

   d. Monitor the impact on Sales U, Sales R, GP Revenue (or GM Revenue), and GP % (or GM) after each DT run to align versus targets or CP plan.
5. Perform a final comparison against plan targets.
6. Repeat for other clusters.
7. Compare the pre-approved assortment across clusters and make adjustments as needed.
8. Approve the cluster-level plan and send it to ORASO (if applicable) or other downstream systems/processes.
9. Optional: Adjust assortment for stores:
   a. Repeat Steps 2 to 5 at the store level for the desired stores.

   b. Review store-level assortments against each other and the cluster.
10. Approve the store-level plan and send the updated store assortments to ORASO, if applicable, or other downstream systems/processes. Note that prior to exporting store-level assortments to ORASO, confirm that the Space Planner has finished optimizing the cluster-level assortments.
11. Review the approved assortment and assortment plan in the Assortment and CP scorecards.

RCM Post-Approval Process

- Optimize space-constrained assortment using ORASO.

- Review, approve, and export the ORASO assortment to the POG system.

Continuous Planning

Continuous planning includes in-season updates to an existing assortment for a category or sub-category. Examples are simple item swaps where an item is updated (examples such as new size, packaging, or new and improved product), or vendor-level line reviews and updates. The majority of Continuous Planning tasks are related to execution and publication of the changes to the store (tasks outside of RCM and Assortment Planning):

- If the Continuous Planning involves simple in-season item swaps, it may be easier to manage the process outside of the Assortment Planning tool, rather than making the change to all the assortment planning workbooks, and then cascading those changes through to planograms and then floor-plans.
- More extensive Continuous Planning updates will follow the assortment planning workflows as described in the "Category Reset" section.

Additional Continuous Planning activities:

- Update Coffee planogram in ORASO.
- Review the updated planogram in Oracle Retail In-Store Space Collaboration (ISSC).

Retailer Category Management Areas of Emphasis and Assortment Planning

Retailers have numerous approaches to planning and creating assortments. This section presents a sample of some different areas that a retailer may want to focus on, and provides some high-level considerations to help align the assortments with these areas of emphasis. Retailers may use one or more than one of these areas of emphasis when planning their assortments, so a combination of these assortment planning considerations may be needed.

Brand, Profit, and Space-Aware

- Description:

  Vendor-level performance, space, and profit are key considerations for this retailer. An example of a primary goal in this approach is to understand profit and productivity in the space allocated to a brand/vendor, and assess whether it would be a good business decision to allocate more space to that vendor or just to adjust the assortment within the space already given to that vendor. Cosmetics is an example of a category that many retailers plan with a focus on brand, profit, and space.

- Assortment Planning Considerations:

  Create an IPI assortment:

  – Utilize attribute weights and attribute values to emphasize the brand.

  – Utilize performance weights to give importance to items with higher revenue and gross margin.

Private Label

- Description:

  Retailers trying to grow or manage a Private Label business consider ways to analyze, set targets for, and emphasize a new or existing private label business.

Private Label merchandise is often an area of emphasis at grocery or specialty retailers, but can also apply to any retailer with a robust or growing private label business.

- Assortment Planning Considerations:
  - Review and plan private label sales for the Assortment Plan.
  - Introduce new private label items into the assortment by seeding new items based on either national brand like items or existing private label like items:
    * Check seeding of attributes and map them to another item if adjustments are needed.
  - Create an IPI assortment:
    * Utilize attribute weights and attribute values for the private brand.
    * Optional: Utilize performance weights for revenue and gross margin.

Customer-Centric Retailer

- Description:

  This area of emphasis aligns with a retailer who prioritizes customer service and loyalty programs, and who wants to do an excellent job of catering to the customer. This retailer's approach to creating assortment plans is focused on loyalty, customers, and consumer segments.

- Assortment Planning Considerations:
  - Define clusters that consider customer segment shopping behavior along with revenue/seasonality and so on.
  - The Category Planner should set strategies that vary by consumer segment.
  - When analyzing historical business, use pivots, filters, and/or CDTs to review by consumer segment.
  - Create an IPI assortment:
    * Utilize loyalty weights, varied by consumer segment.
  - Create assortments at the cluster level, and then at the store level for key stores.

Market-Focused Retailer

- Description:

  Retailers may be very focused on assorting based on the overall market, when there are similar retailers competing for the same share of the wallet of the consumers in a trading area. The retailer emphasizing this area remains competitive with pricing and focuses on the items most important in the market. This is typically seen in large grocery retailers or big box retailers.

- Assortment Planning Considerations:
  - Utilize the robust market analysis in Category Planning and Assortment Analysis. Note that this assumes that the retailer has third-party market data available.
  - Create a cluster-level market coverage assortment:

    * If the user wants to have, for example, 50 percent market coverage to align with their market share targets, the user can specify the category-level constraints based on SKU count or coverage percent.
    * The user may choose to also constrain the assortment by sub-category, to protect or enhance the assortments at that level, which can also be done by SKU count or coverage percent.
    * Vary by consumer segment.

Curious Retailer

- Description:

  A Curious Retailer wants to know: What does the science tell me? This retailer has an existing assortment, but wants to see if there are ways to use the insight from ORME to rework the assortment to get an increase in revenue/margin. This approach could be used either by a retailer who already has sophisticated Category Management and/or Assortment Planning processes, or as an evolution in a crawl-walk-run implementation approach where the retailer embraces the science after a year or two of using the more fundamental product functionality.

- Assortment Planning Considerations:
  - Utilize CDTs to set attribute value weights.
  - Utilize strategies to seed focus area weights.
  - Leverage the Advanced Clustering solution of ORME to group stores into optimal clusters using attributes such as seasonality, price elasticity, format, and demographics.
  - Create an Incremental Curve assortment ranking SKUs either by IPI order or similarity. The objective is to highlight over-assorted, under-assorted, or optimal assortments using the Incremental Curve:
    * Set IC cutoffs for core and optional assortment.
    * Generate the IC assortment:

      Option 1 - Use IPI ranking: Check Use IPI Order (note that IPI scores need to be created before choosing this option).

      This functionality shows the incremental sales to the category when each SKU is added, ordered starting with the SKUs with the highest IPI scores. The user can set IC threshold values to draw an assortment cutoff.

      Option 2 - Use similarities: Ensure that Use IPI Order is unchecked.

      This functionality shows the incremental sales to the category when each SKU is added, ordered starting with the SKUs least similar to the others. The user can set IC threshold values to draw an assortment cutoff.
    * Navigate to the Execute Incremental Curve view and run the Calc Incremental Curve custom menu to generate an assortment recommendation based purely on the least similar SKUs.
  - Use Demand Transference to estimate the impact of swapping SKUs in and out of the assortment.

IPI in Assortment Planning

RCM's Item Priority Index (IPI) is used to create assortments using multiple inputs including performance, attributes, market basket, and loyalty information. All of the business factors deemed important by the user are pulled together into an index for each SKU. The SKUs can then be ranked using this index. This system-recommended assortment generation method provides a smart starting point for the Assortment Planner to then tailor the assortments by cluster and/or by store. Item rankings are a very common assortment planning approach used by retailers.

The IPI score can be calculated at the cluster and/or store level to tailor the assortment.

The following user settings drive a system-recommended IPI assortment:

- Focus Area Weights (Performance, Attributes, Market Basket, Loyalty)

  Drive the desired product mix by identifying what characteristics to emphasize in the assortment. These can be pre-seeded based on the Category Planner's assigned Strategy. For more information see "Applying Roles, Strategies, and Tactics in Assortment Planning."

- IPI Thresholds (Constraints)

  Determine the number of core and optional items for the assortment.

Prerequisites for Creating an IPI Assortment

The following are required to calculate an IPI score and create an IPI assortment:

- An approved category plan with roles, strategies, and tactics assigned to categories and sub-categories. The approved category plan is available in the Review Assortment Scorecard step. Strategy assignment to categories is used to populate the weights used for IPI calculations.

  If strategies are not available, the weights can be entered manually.

- Assortment Plan targets to be used as the working plan, which includes cluster-level sales and gross profit targets. This target is created as part of the Assortment Planning process flow in the Assortment Setup step.

Creating an IPI Assortment

To create an assortment based on IPI:

1. Determine what is important for the assortment being planned, which drives which type of weights should be set.
2. Select Assortment Planning @ Cluster, Create IPI Assortment, and then Review IPI Criteria.
3. Set the Focus Area Weights. These can be pre-populated using the strategy set by the Category Manager, or entered manually:
   - If the weights are to be pre-populated based on the category's strategy, run the Seed IPI Weights custom menu to import the weights settings. This is the most common approach.
   - If entering the weights manually, assess what needs to be emphasized within the assortment as part of the business process, prior to creating the IPI assortment. For guidance on weight-setting to align with retailer strategies, see "Applying Roles, Strategies, and Tactics in Assortment Planning."

To set the weights manually or adjust the weights:

a. If weighting by performance:

Set the Performance focus area weight.

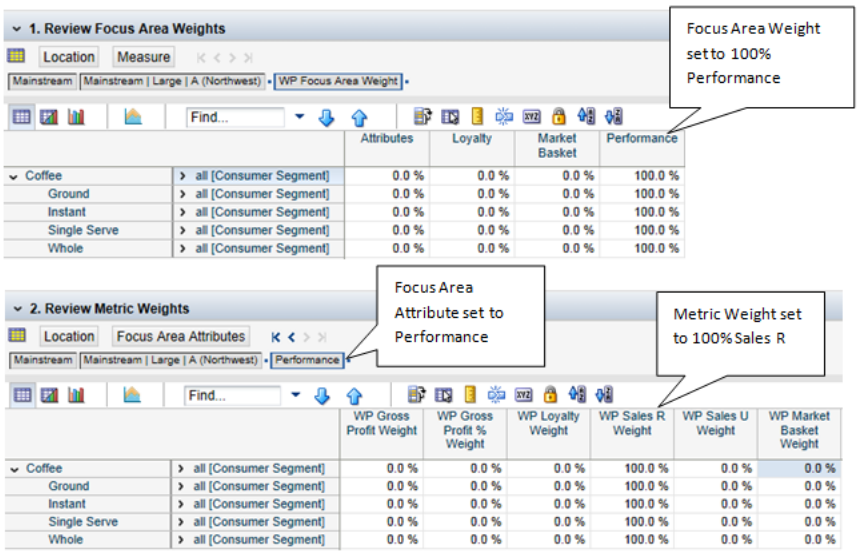
Set the metric weights for the Performance focus area attributes.

Example:

Goal: Prioritize the items with the highest sales revenue in the IPI assortment.

Settings: Performance Focus Area Weight = 100% (chooses performance as the way to prioritize items in the assortment) and Sales R Metric Weight = 100% set for the Performance attribute (chooses to weight the SKUs based on their sales revenue).

Figure A–3 Weighting by Performance



b. If weighting by attributes:

Set the attribute focus area weight.

Set the metric weights for the attribute focus area attribute.

Specify which attributes should get additional emphasis (set attribute weights) and then which of those attributes get the emphasis (set attribute value weights).

Note that some retailers will import the attribute name weights from ORASE's CDT Science, which will emphasize the most important attributes based on historical performance. No action is required; this import happens in the back-end.

Example:

Goal: Ensure two brands' organic coffees are emphasized in the recommended assortment, while also considering SKUs with high sales units.

Settings: Attribute Focus Area Weight = 100% (chooses attributes as the way to prioritize items in the assortment), Sales U Metric Weight = 100% for the attribute (chooses to weight the SKUs using their sales units). Then, add emphasis to the Brand and Manufacturing Process Attribute Name Weights (pick which attributes to emphasize). Finally, select the important Brands and

Manufacturing Processes to emphasize, and by how much, under Attribute Value Weights.

Figure A–4 Weighting by Attributes

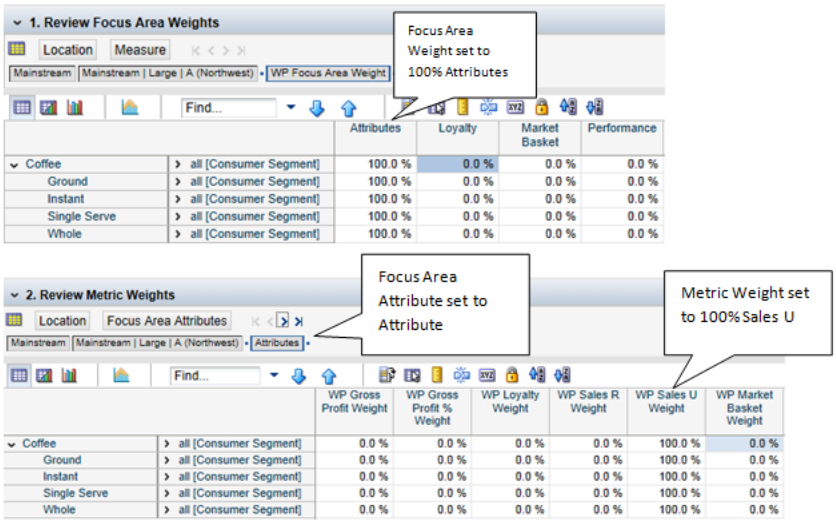


Figure A–5 Weighting by Attributes - Attribute Name Weights Settings

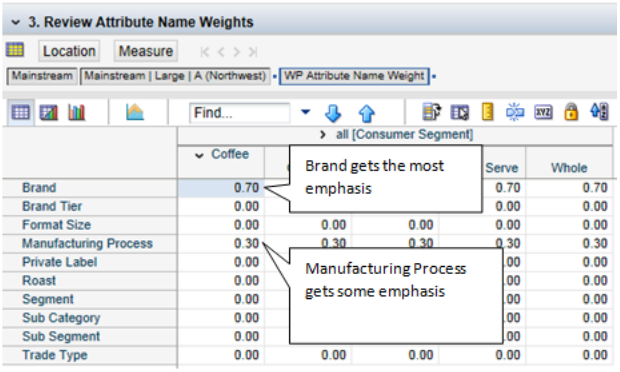
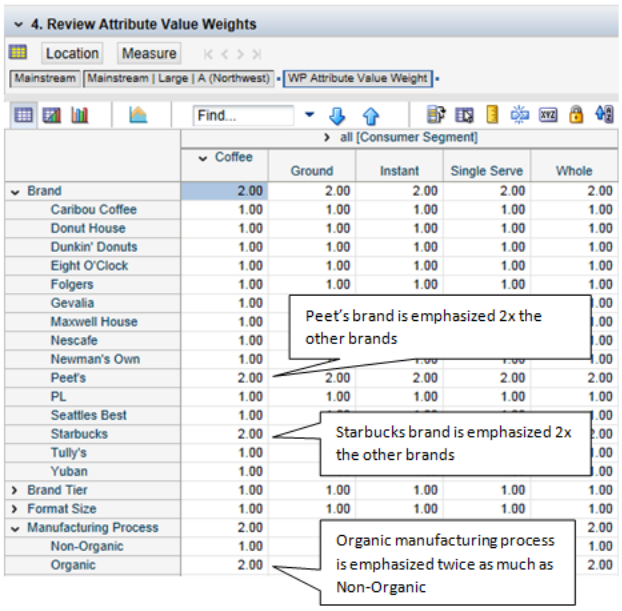


Figure A–6 Weighting by Attributes - Attribute Value Weights Settings



c. If weighting by loyalty:

Set the Loyalty focus area weight.

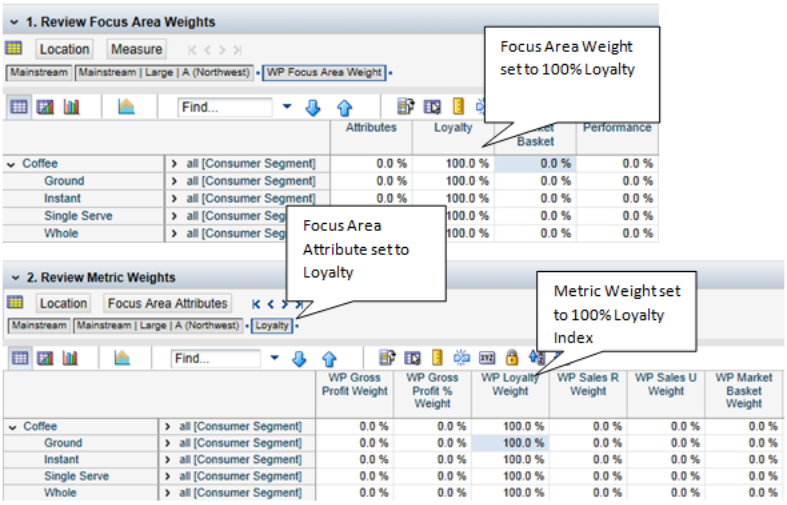
Set metric weights for the desired Loyalty focus area attributes.

Example:

Goal: Prioritize the items that the most loyal shoppers spend their money on. This weight leverages the retailer's Loyalty index.

Settings: Loyalty Focus Area Weight = 100% (chooses Loyalty as the way to prioritize items in the assortment), and Loyalty Metric Weight = 100% set for the Loyalty attribute (chooses to weight the SKUs using their Loyalty Index values).

Figure A–7 Weighting by Loyalty



d. If weighting by market basket:

Set the Market Basket focus area weight.

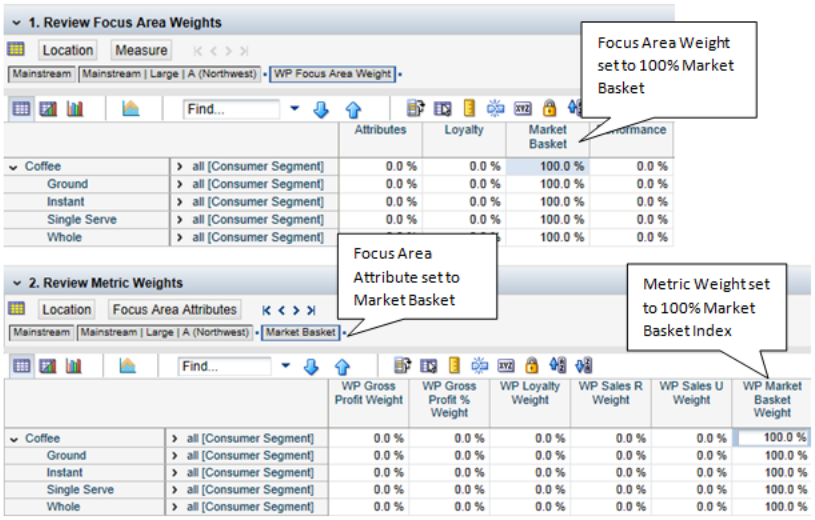
Set the metric weights for the desired Market Basket focus area attributes.

Example:

Goal: Prioritize the items that most frequently make it into shopper's baskets. This weight leverages the retailer's Market Basket index.

Settings: Market Basket Focus Area Weight = 100% (chooses Market Basket as the way to prioritize items in the assortment), and Market Basket Metric Weight = 100% set for the Market Basket attribute (chooses to weight the SKUs using their Market Basket Index values).

Figure A–8 Weighting by Market Basket



A combination of these focus area weights and metric weights can be used, and they can be set at different levels/locations, in order to further tailor the assortment to align with the retailer's category strategies.

4. Set the consumer segment weight.
5. Run the Calc Cluster IPI Score custom menu.
6. Review the IPI Scores:
   - The IPI score for an average item and for the aggregate level (typically category level) is around 1.00. This may deviate somewhat from a value of 1.00 if the attributes focus area weights are used.
   - Any item with an IPI score over 1.00 is one that is better than average. Any item with an IPI score below 1.00 is worse than average.
   - Items that best fit the selected Focus Area weights will have the highest IPI scores; alternatively, items with the worst fit to the selected Focus Area weights will have the lowest IPI scores.
7. Adjust the weights if adjustments are desired, and recalculate.
8. Set IPI thresholds to constrain the assortment. These constraints are the boundaries for the set of SKUs that will become part of the core and mandatory assortments. These can be set at the category and/or sub-category level.
9. Run the Create IPI Assortment custom menu.

10. View the IPI assortment on the Review IPI Assortment Recommendation view. Demand Transference will update the sales and margin in the assortment, taking into account the influence that similar SKUs have on each other. This information can be used to help fine-tune the assortment. See "Demand Transference in Assortment Planning" for details on this functionality.
11. To create store-specific assortments, these steps can be repeated in the Assortment Planning @ Store task. Seeding or entering weights at the cluster level will also apply those weights to the stores within the cluster, which can then be overridden.

Understanding the IPI Calculations

While it is not critical to the assortment planning process to understand how IPI is calculated, it may be useful to understand the underlying calculations. It comes from a straight-forward Combined Index to Average calculation that is widely used and is not specific to the RCM solution.

IPI Example 1 - Performance (Sales)

Example 1 shows Sales R of 10 items. To get the IPI scores, each item's sales are divided into the average sales for all items. The items are then assigned a rank based on their IPI score.

IPI Score Calculation = Item X / Average of all Items

Example: Item A's Sales (85,000) divided by the Average Sales of all Items (73,100) = 1.16

Figure A–9 IPI Example 1 - Performance Sales

ITEM	Sales R	Rank (Sales R)	IPI Score (Sales R)
Item A	85,000	1	1.16
Item B	80,000	2	1.09
Item C	78,000	3	1.07
Item D	77,000	4	1.05
Item E	75,000	5	1.03
Item F	70,000	6	0.96
Item G	68,000	7	0.93
Item H	67,000	8	0.92
Item I	66,000	9	0.90
Item J	65,000	10	0.89
AVERAGE	*73,100*		1.00

IPI Example 2 - Performance (Sales 50% and Margin 50%)

Example 2 takes things one step further, and blends two different weights to create a blended IPI score. To step through the example, an IPI score is calculated for the Sales R (Step 1), the same as was done in Example 1. Step 2 is to perform the same calculation using Margin R, now shown for the same 10 items. The third and final step is to blend those weights. The Sales R IPI score is multiplied by the weight assigned to it (50%) and the Margin R IPI score is also multiplied by the weight assigned to it (50%). These values are then added together to come up with the final blended IPI score, and then the rank is derived based on this IPI score.

Step 1 - Calculate Sales IPI score

IPI Score Calculation = Item X / Average of all Items

Example: Item A's Sales (85,000) divided by the Average Sales of all Items (73,100) = 1.16

Figure A–10 IPI Example 2 Step 1

ITEM	Sales R	Rank (Sales R)	IPI Score (Sales R)
Item A	85,000	1	1.16
Item B	80,000	2	1.09
Item C	78,000	3	1.07
Item D	77,000	4	1.05
Item E	75,000	5	1.03
Item F	70,000	6	0.96
Item G	68,000	7	0.93
Item H	67,000	8	0.92
Item I	66,000	9	0.90
Item J	65,000	10	0.89
AVERAGE	*73,100*		*1.00*

Step 2 - Calculate Margin IPI score

IPI Score Calculation = Item X / Average of all Items

Example: Item A's Margin (18,700) divided by the Average Margin of all items (16,759) = 1.12

Figure A–11 IPI Example 2 Step 2

ITEM	Margin R	Rank (Margin R)	IPI Score (Margin R)
Item A	18,700	2	1.12
Item B	20,000	1	1.19
Item C	15,600	8	0.93
Item D	16,170	6	0.96
Item E	16,500	5	0.98
Item F	18,200	4	1.09
Item G	18,360	3	1.10
Item H	13,400	10	0.80
Item I	15,840	7	0.95
Item J	14,820	9	0.88
AVERAGE	*16,759*		*1.00*

Step 3 - Calculate Blended IPI Score (50% Sales and 50% Margin)

Blended IPI Score Calculation = (Item X's IPI 1 * Weight 1) + (Item X's IPI 2 * Weight 2)

Example: (Item A's Sales IPI (1.16) * .5) + (Item A's Margin IPI (1.12) * .5) = (.58) + (.56) = 1.14

Figure A–12 IPI Example 2 Step 3

ITEM	IPI Score (Sales R)	Performance Weight - Sales R	*Weighted Sales R IPI Score*	IPI Score (Margin R)	Performance Weight - Margin R	*Weighted Margin R IPI Score*	Blended IPI Score	Blended IPI Rank
Item A	1.16	0.5	*0.58*	1.12	0.5	*0.56*	1.14	2
Item B	1.09	0.5	*0.55*	1.19	0.5	*0.60*	1.14	1
Item C	1.07	0.5	*0.53*	0.93	0.5	*0.47*	1.00	7
Item D	1.05	0.5	*0.53*	0.96	0.5	*0.48*	1.01	5
Item E	1.03	0.5	*0.51*	0.98	0.5	*0.49*	1.01	6
Item F	0.96	0.5	*0.48*	1.09	0.5	*0.54*	1.02	3
Item G	0.93	0.5	*0.47*	1.10	0.5	*0.55*	1.01	4
Item H	0.92	0.5	*0.46*	0.80	0.5	*0.40*	0.86	10
Item I	0.90	0.5	*0.45*	0.95	0.5	*0.47*	0.92	8
Item J	0.89	0.5	*0.44*	0.88	0.5	*0.44*	0.89	9
AVERAGE	*1.00*			*1.00*			*1.00*	

The process gets more complex as more weights are used, and also when varying weights by location and/or consumer segment, but the concepts and underlying calculations are still the same as these examples.

Assortment Constraints

Constraints are used to define the boundaries of the recommended assortment after the SKUs' IPI scores and ranks have been calculated. SKUs whose IPI scores are above the constraint value will be included in the assortment, SKUs whose IPI scores are below the constraint value will not be included.

Constraints are set using the IPI Cutoffs found on the Set IPI Threshold tab. To assess appropriate values for the Core and Optional constraint cutoffs, rank the SKUs by their IPI score. The IPI Rank value that equates to the number of desired SKUs can be used to determine the IPI cutoff values for the thresholds. The constraints can be set at the category level, sub-category level, or both.

Note: Core items are those that must be included in the assortment. Optional items are those which can be included in the assortment if there is space and/or budget to include them. Mandatory items must be included in the assortment, regardless of their IPI score. An Eligible flag is available in Market Coverage-driven assortments, that is used to define the items to be considered in the assortment.

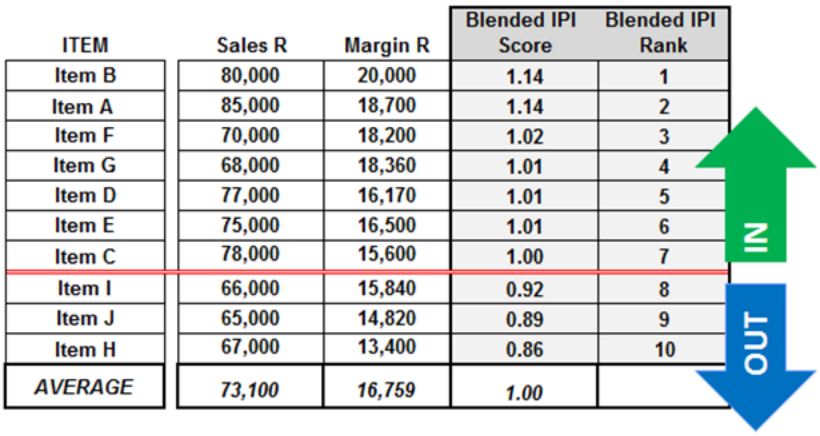
To generate an IPI-driven assortment after calculating IPI scores, set the IPI Cutoffs on the Set IPI Threshold tab, check the Create IPI Assortment box, and run the Create IPI Assortment custom menu. RCM produces a recommended assortment, which can be overridden if desired.

IPI Example 3 - Applying Constraints

Example 3 shows a simple example of constraining the items created in the previous examples, using their final, blended IPI score. Only the core constraint is set in this example; optional constraints could be applied as well. The Core Cutoff value was arrived at based on the need for seven items in the assortment, and selecting a score that correlated to the score of the item ranked seventh. While the desired IPI score is 1.00, the Core Cutoff Index is set to .99 to account for rounding. Note that the items have been resorted, based on their final ranks and IPI scores, to better illustrate applying the assortment constraints.

WP IPI Core Cutoff Index - 0.99

Figure A–13 IPI Example 3 - Applying Constraints



ITEM	Sales R	Margin R	Blended IPI Score	Blended IPI Rank
Item B	80,000	20,000	1.14	1
Item A	85,000	18,700	1.14	2
Item F	70,000	18,200	1.02	3
Item G	68,000	18,360	1.01	4
Item D	77,000	16,170	1.01	5
Item E	75,000	16,500	1.01	6
Item C	78,000	15,600	1.00	7
Item I	66,000	15,840	0.92	8
Item J	65,000	14,820	0.89	9
Item H	67,000	13,400	0.86	10
AVERAGE	*73,100*	*16,759*	*1.00*	

Troubleshooting

At the category level, the IPI score should be equal to 1.00 (or close to that if attribute weights are used). If it is not, here are some things to look for in the settings for weights:

- Be sure weights add up to 100%. Look at all of the different weights and aggregation levels - measure, location, product, consumer segment.

  Exception: Attribute name weights and attribute value weights will average to 1.0 (they are expressed as a number rather than a percent).

- Be sure that the consumer segment weights are set, regardless of which focus area weights are being used.

- If using the Attribute focus area weight, confirm that metric weights are set for the Attribute focus area attribute. Additional weights need to be set when considering attributes, in order to specify which attributes should get additional emphasis and then which of those attributes get the emphasis. This would be done using the attribute name weights and attribute value weights, both of which need to be non-zero.

- If using the Loyalty focus area weight, confirm that metric weights are set for the Loyalty focus area attribute.

- If using the Market Basket focus area weight, confirm that metric weights are set for the Market Basket Focus Area attribute.

- If using the Performance focus area weight, confirm that metric weights are set for the Performance focus area attribute.

Demand Transference in Assortment Planning

After creating an assortment using IPI, Market Coverage, or Incremental Curve, Demand Transference (DT) provides visibility that can be used to improve sales and margin within the assortment.

Overview

Demand Transference looks at the substitutability and uniqueness of the SKUs in the assortment in relationship to each other. It can be used to assess if there are more sales and/or margin that could be gained by swapping items in or out of the assortment.

Demand Transference is used in two ways in RCM:

- Assortment generation through Incremental Curve. Incremental Curve is a method to generate an assortment that utilizes Demand Transference science to produce the recommended assortment. The other methods are IPI and Market Coverage.
- Performing Assortment What Ifs. Demand Transference is used to fine-tune an assortment, which has been generated by any of the available methods, in order to maximize sales and/or margin. Within the context of the current assortment, it breaks down each item's demand into that which is Incremental and that which is Substitutable.

Substitutability and Incrementality are the two main concepts within Demand Transference:

- Substitutable demand can be transferred to another SKU (or several SKUs). If the SKU is removed from the assortment, its Substitutable demand is transferred to other SKUs in the assortment and not lost.
- Incremental, or unique, demand is specific to a SKU in the assortment. If that SKU is removed from the assortment, the Incremental demand is lost.

The foundational information to run Demand Transference (which produces Substitutability and Incrementality) comes from Oracle Retail Advanced Science Engine (ORASE), which uses historical data to assess the similarity of the SKUs. Similarity, as the name implies, is used to quantify how similar a SKU is to other SKUs. Demand Transference uses the similarity values when calculating the substitutability and incrementality of each item in the assortment.

After running Demand Transference, which considers the context of the current assortment, the overall assortment demand will update to account for the impact that the items in the assortment have on each other, and each item's demand is broken out into its Substitutable and Incremental demand. The values for the Substitutable and Incremental demand inform the user about which items could be good candidates to drop from the assortment, or keep in the assortment. Demand Transference can also be used to assess the financial impact of swapping SKUs in and out of the assortment (what if analysis).

Benefits

Following are the benefits of Demand Transference in Category Management:

- Provides insight into the uniqueness of a SKU's demand.
- Used to derive a system-recommended assortment based on Incremental Curve.
- Provides optimal fine-tuning of assortments to get the right mix of merchandise.
- Provides an insight into whether the assortment is over-assorted (too many similar SKUs), under-assorted (too few SKUs), or has the right number of SKUs.
- Assists with adherence to merchandise buying budgets and space constraints.
- Aids the assortment planning decision-making process and facilitates the best trade-off decisions.

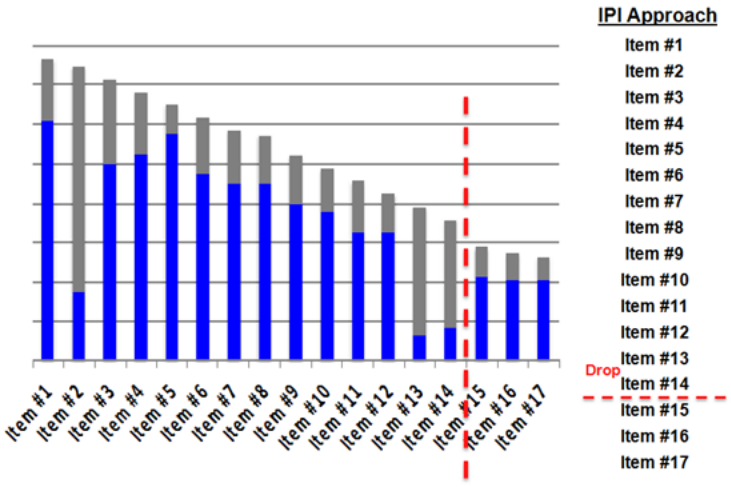
- Assists the Assortment Planner with the challenging decision of whether or not to keep a SKU or a set of SKUs in the assortment.

Demand Transference Example

The following diagrams present a simple example of using the insight provided by Demand Transference, Substitutable Demand, and Incremental Demand to make assortment decisions.

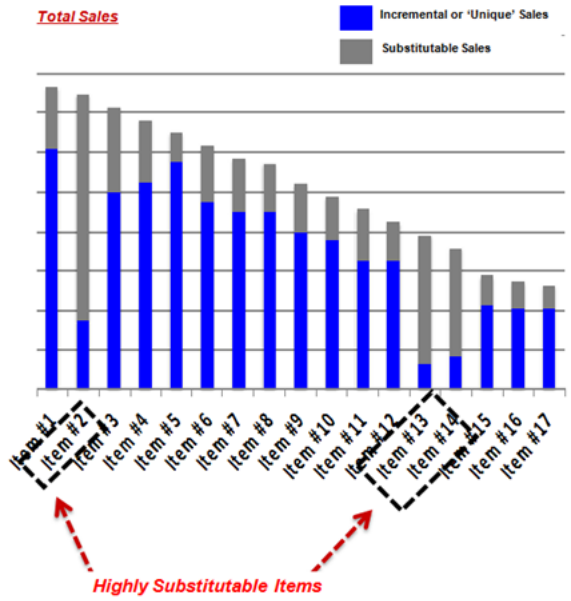
The Assortment Planner has created an assortment containing 17 items, and needs to drop three items from the assortment based on available space. Each bar in the chart in Figure A–14 represents an item that made it into an IPI assortment. The height of the bar represents planned sales. Without the benefit of understanding the Substitutable and Incremental demand of the items, the user would only be able to consider the planned sales. In this example, the user is likely to drop the items with the lowest planned sales, which are items 15, 16, and 17.

Figure A–14 IPI Approach to Editing an Assortment



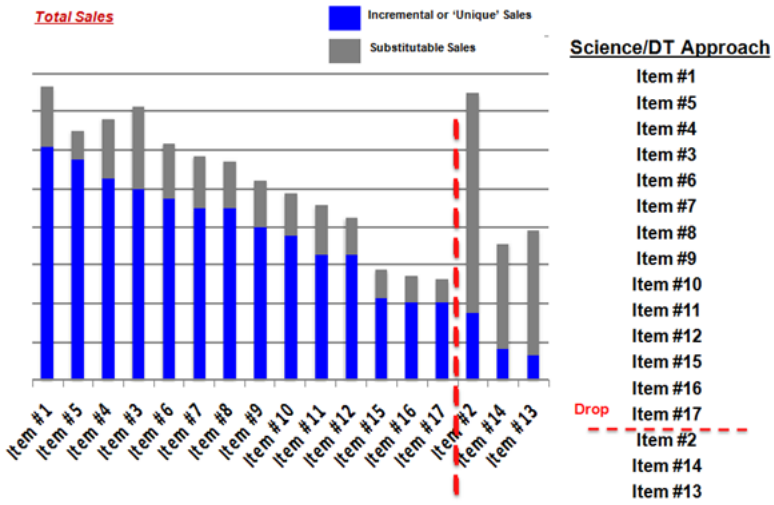
However, with the insight of Demand Transference, the Assortment Planner can take a more scientific approach to editing the assortment. The next step is to not just look at the planned sales of the items in the assortment, but at how much of that demand is substitutable or will be retained in the overall assortment if an item is dropped, and how much of the demand is incremental or unique to an item. Look at Figure A–15. While the total planned sales of item 2 are very high, the majority of those sales are substitutable, or would be transferred to other items in the assortment if item 2 is dropped. Only a small portion of item 2's sales are incremental, or unique to that item. Similarly, items 13 and 14 also have very high substitutable sales relative to their total planned sales. Those items' incremental sales are the lowest ones in the overall assortment.

Figure A–15 Assessing Substitutability and Incrementality



In Figure A–16, the assortment is resorted based on incremental sales. The assortment planner has now decided that the three items with the lowest incremental sales, items 2, 14, and 13, are the best ones to drop from the assortment.

Figure A–16 Assortment Resorted Based on Incremental Sales



After dropping the items, the assortment planner reruns Demand Transference, which will transfer the substitutable sales to the similar substitutable SKUs that remain in the assortment.

Applying Demand Transference to an Assortment

For Demand Transference to be applied in Category Management, an assortment needs to have been created. Once a draft assortment is in place, Demand Transference is then used to fine-tune the assortment. Demand Transference calculations are dynamic; they are derived by considering the assortment context.

Prerequisites for Applying Demand Transference

These prerequisites are required before Demand Transference can be applied to an assortment:

- Admin:
  - Set DT SKU CutOff %, found in the Category Management Administration task/Assign DT SKU CutOff step.
  - Set the consumer segment distribution, found in the Category Management Administration task/Consumer Segment Setup step.
  - Other consideration: The Science parameters from ORASE should be configured and loaded into Category Management. This is typically done during initial product implementation.
- User:
  - The WP plan needs to be seeded in the Assortment Setup step.
  - An LY, LP, or CP assortment should be in place, which is used as a reference assortment for Keep, Add, and Drop decisions.
  - At least of the following system-recommended assortments:
    * IPI-based assortment
    * Market Coverage based assortment
    * Incremental Curve based assortment
    * Store IPI assortment
    * Manually created assortment

Applying Demand Transference to an Assortment

This section provides an overview of how to apply Demand Transference to an assortment. The measure names will vary depending on which assortment creation method was used (IPI versus Market Coverage versus IC). The measure names listed in the following steps are generic and do not include the assortment creation descriptions.

1. Select a previous assortment to compare the current assortment against, using the picklist in the DT K/A/D Input measure.
2. Run the appropriate custom menu to apply Demand Transference to the current assortment.

   The custom menus for DT are: Apply DT to IPI, Apply DT to Market Coverage, Apply DT to Final Assortment, or Apply DT to Store Assortment. Note that Demand Transference is automatically applied to an Incremental Curve assortment.
3. Review the updated measures, DT affected sales and gross profit, against the respective baseline measures to understand the DT impact. Key measures:
   - Asst Compare to LY or CP - see which items are Keep/Add/Drop.
   - Assort Sales/Margin versus DT Assort Sales/Margin - compare the original assortment to the assortment where DT has been applied. The DT measure accounts for the sales gained/lost due to similar/dissimilar items in the assortment.
4. To make Keep/Drop decisions:

a. Review the Substitutable Demand measures to understand what portion of the demand would get transferred to other items in the assortment.

b. Review the Lost Demand measures to understand what demand will be lost if dropping the item from the assortment (this is the measure to represent the item's unique/ incremental demand).

5. Add/ Drop items by checking/ unchecking the boxes in the WP Core and WP Optn measures. Run the DT custom menu as needed to reassess the assortment as items are added and dropped:

   - To check the transfer of substitutable demand to substitute SKUs in the assortment, in the DT Details view, use Product to view the dropped SKU. The RHS Product SKUs that have values in the Demand Received measures are the recipient SKUs.

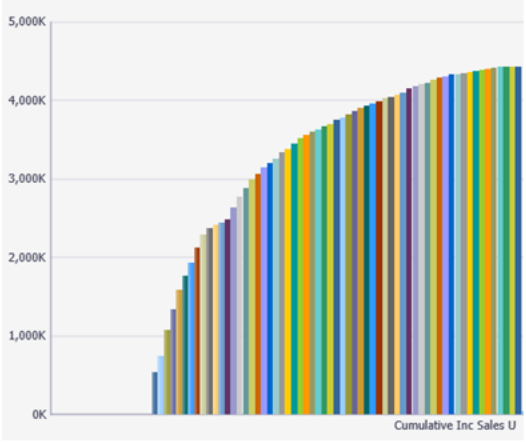
6. Monitor the impact on sales and gross profit measures after each DT run to evaluate DT impact and the assortment plan's alignment with the targets.

Incremental Curve Assortment Creation

Incremental Curve (IC), based on cumulative incremental sales, is used to derive product assortments by looking for that point on the curve where the incremental sales are no longer increasing. It identifies the point at which new SKUs brought into the assortment start impacting the sales of existing SKUs in the assortment, because of their similarity, which results in an insignificant increase in overall sales of the assortment for each SKU added.

Incremental Curve is presented in a graph, which maps Cumulative Incremental Sales Units for all items in the assortment and corresponding revenue. The first bar, on the far left of the curve, represents the Incremental Sales Units for the first SKU in the assortment. The second bar, just to the right of the first, represents the Cumulative Incremental Sales Units for the first and second SKUs in the assortment. The third bar represents the Cumulative Incremental Sales Units of SKUs 1, 2 and 3, and so on.

Figure A–17 Cumulative Incremental Sales



Prerequisites for Incremental Curve Assortment Generation

The following prerequisites are required before generating an assortment using the Incremental Curve method:

- Admin:

  - Set Consumer Segment Distribution, found in the Category Management Administration task/Consumer Segment Setup step.
  - Other considerations: The Science parameters from ORASE should be configured and loaded into Category Management. This is typically done during initial product implementation.

- User:
  - The WP plan needs to be seeded in the Assortment Setup step.
  - An LY, LP, or CP assortment should be in place, which is used as a reference assortment for Keep, Add, and Drop comparisons when creating the IC values.

Creating an Assortment Based on the Incremental Curve

To create the assortment:

1. Set up the guidelines for the Incremental Curve assortment, found in the Review IC Incremental Assortment Curve tab/Incremental Curve step, using the following measures:
   - Upper and lower bound values for SKU Count and Sales Units %

     These are typically left at the system's default values, unless there is a need to restrict the range of the Incremental Curve calculation. The default values are set broadly so that all SKUs will be considered by the calculation.
     - Lower Bound SKU Count = 0
     - Upper Bound SKU Count = 9,999
     - Lower Bound Sales Units % = 0
     - Upper Bound Sales Units % = 1,000%
   - IC Core Cut-Off

     Used to determine the number of core SKUs for the assortment.
   - IC Optional Cut-Off

     Used to determine the number of optional SKUs for the assortment.
   - Use IPI Order Flag

     This flag is used to select between two types of ordering of the IC assortment using this measure. If this flag is checked, IPI scores are used to order the SKUs. If it is not checked, the SKUs' order will be based on the items least similar to each other (using the ORASE parameters).

     The most common workflow is to check this box to use the IPI order. An IPI assortment is required in this case.
   - IC DT Assort K/A/D Input

     Select a previous assortment to compare the current assortment against.
   - Execute Incremental Curve Flag

     This should be checked.
2. Run the Calculate Incremental Curve custom menu. The Incremental Curve assortment can be viewed in several ways:
   - A visual representation of the assortment is shown in the Review Incremental Curve view.

- The Review IC Assortment Recommendation tab shows the IC assortment recommendation and Demand Transference details.

Demand Transference Glossary

This glossary is application-centric, in that it defines terms used in this document and measures found in the RCM application that are not previously referenced. Table A–4 provides definitions of the terms and measures.

Table A–4 Demand Transference Glossary

Measure/Term	Definition
Baseline Demand	Baseline Demand is represented by the assortment sales and profit, before making any changes to the assortment or applying Demand Transference. The measures showing the baseline demand are: XYZ Assort Sales U/R and XYZ Assort Gross Profit R/% (XYZ equals IPI, Market Coverage, or IC). See the glossary entry: Updated Demand (DT)
Demand	Demand is the amount that customers want to buy over a period of time. It is not constrained by real-world factors such as availability of inventory. It is typically expressed in units and/or revenue.
Demand Received (Demand Sales Received)	Refers to the total units of a SKU that would get transferred to its substitute SKUs, if the SKU were dropped from the assortment. Demand Received shows total Demand Transferred to substitute SKUs, identifies the substitute SKUs after a SKU is dropped, and shows how much of the Demand is received by each substitute SKU.
Demand Transference	Refers to the concept of demand getting transferred when SKUs are added to or dropped from the assortment, to other SKUs in the assortment. The calculations, which are done in sales units in RCM, are always based on the assortment of which a SKU is a part. If the assortment changes, the Demand Transference values also change. The measures that reflect the assortment after Demand Transference has been applied are preceded with the letters DT. DT Assort Sales U and DT Assort Sales R measures reflect the updated total demand after Demand Transference has been applied.
Demand Transferred %	Highlights the percentage of a SKU's Demand that would transfer to other SKUs within the assortment if that SKU was dropped. This measure shows Substitutable Demand of the SKU expressed as a percentage. Demand Transferred % = Substitutable Demand U/DT Assort Sales U
DT SKU Cut-Off %	Administrative measure. This threshold value is defined as a percentage of Substitutable Demand, and is used to calculate the No. of Significant Substitute SKUs. It can be used to remove SKUs with very low Substitutable Demand from the No. of Significant Substitute SKUs measure's count. The default value is 100%.

Table A–4 (Cont.) Demand Transference Glossary

Measure/Term	Definition
IC Core Cut-Off (# of SKUs)	Used for creating an Incremental Curve assortment. Determines the number of core SKUs for the assortment. If 60 SKUs are desired in the assortment, with 50 core SKUs and 10 optional SKUs, the IC Core Cut-Off should be set to 50.
IC Optional Cut-Off (# of SKUs)	Used for creating an Incremental Curve assortment. Determines the number of optional SKUs for the assortment. If 60 SKUs are desired in the assortment, with 50 core SKUs and 10 optional SKUs, the IC Optional Cut-Off should be set to 10.
Keep/ Add/ Drop	Application terminology used to indicate assortment changes done by the Assortment Planner. In the RCM application, assortment changes are done by checking or unchecking the Core and Optional SKU Flag measure. RCM will compare the updated assortment to a reference assortment (LY/LP/CP assortment) to come out with the Keep, Add, and Drop values.
Lost Demand (Lost Demand Sales U/R)	Also known as Incremental Demand. Refers to unique demand which a SKU brings to an assortment. When dropping the SKU from the assortment, the Lost Demand reflects the irreplaceable amount of the Demand that does not get transferred to other SKUs in the assortment. For example, the Assortment Planner needs to drop one ground decaffeinated coffee SKU from the assortment. The SKU from Brand X has a lower Lost Demand (30%) than the one from Brand Y (75%), so that is a good candidate to drop. If dropped, 30% of the item from Brand X's demand is lost when that SKU is removed from the assortment. The demand measures are linked to each other as follows: Total Demand = Substitutable Demand + Lost Demand See the glossary entry: Substitutable Demand (Substitutable Demand Sales U/R)
Lower Bound Values for Incremental Curve	Used for creating an Incremental Curve assortment. Lower limit of the range of incremental curve, expressed as a count or percentage. This can be used to constrain the assortment. This is typically left at the system's default values, unless there is a need to restrict the range of the Incremental Curve calculation. The default values are set broadly so that all SKUs will be considered by the calculation.
No. of Significant Substitute SKUs	Substitutable Demand gets absorbed by similar SKUs in the assortment, when a SKU is dropped. This measure refers to the count of other SKUs which can absorb the Substitutable Demand when the SKU is dropped.
Reference Assortment	Provides an option to the user to decide the assortment with which the comparison should be done to calculate Keep, Add, or Drop values. A reference assortment is required when running Demand Transference or creating an Incremental Curve assortment. The reference assortment is chosen in the measures labeled XYZ K/A/D Input (XYZ equals IPI, Market Coverage, or IC).

Table A–4 (Cont.) Demand Transference Glossary

Measure/Term	Definition
Substitutable Demand (Substitutable Demand Sales U/R)	Refers to the replaceable portion of demand of a SKU if it is dropped from the assortment. The Substitutable Demand gets transferred to other similar SKUs in the assortment. The associated measures can be used to assess whether or not a SKU should be dropped from the assortment. A SKU with a high Substitutable Demand (as a percentage to total Demand, or in relation to other SKUs in the assortment) is a likely candidate to drop should a SKU need to be dropped from the assortment, since the majority of that Demand will go to other SKUs in the assortment. Conversely, a SKU with low Substitutable Demand (as a percentage to total Demand, or in relation to other SKUs in the assortment) is a good candidate to retain in the assortment. For example, the Assortment Planner needs to drop one ground decaffeinated coffee SKU from the assortment. The SKU from Brand X has a higher Substitutable Demand (70%) than the one from Brand Y (25%), so that is a good candidate to drop. When dropping that SKU, the Substitutable Demand amount of its Demand will be transferred to other similar SKUs that remain in the assortment. The demand measures are linked to each other as follows: Total Demand = Substitutable Demand + Lost Demand See the glossary entry: Lost Demand (Lost Demand Sales U/R)
Updated Demand (DT)	Updated Demand measures are labeled with the letters DT, and are used to understand the impact of DT after it has been applied. After performing assortment adds and drops, run the DT custom menu to show the Updated Demand. The measures showing the Updated Demand are: XYZ DT, Assort Sales U/R, and XYZ DT Gross Profit R/% (XYZ equals IPI, Market Coverage, or IC). The demand measures are linked to each other as follows: Total Demand = Substitutable Demand + Lost Demand See the glossary entry: Baseline Demand
Upper Bound Values for Incremental Curve	Used for creating an Incremental Curve assortment. Upper limit of the range of incremental curve, expressed as a count or percentage. This can be used to constrain the assortment. This is typically left at the system's default values, unless there is a need to restrict the range of the Incremental Curve calculation. The default values are set broadly so that all SKUs will be considered by the calculation.
Use IPI Order Flag	Used for creating an Incremental Curve assortment. This flag is used to select between two types of ordering of the IC assortment using this measure. If this flag is checked, IPI scores are used to order the SKUs. If it is not checked, the SKUs' order will be based on the items least similar to each other (using the ORASE parameters). The most common workflow is to check this box to use the IPI order. An IPI assortment is required in this case.