

# Oracle® Retail Category Management

Release Notes

Release 14.1

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Category Management practice in the retail industry is a key business process which determines the success of a retailer's business. Category Management involves managing individual product categories as independent strategic business units (SBU), in a systematic and disciplined way, with each product category playing a specific role in the retailer's goal to achieve larger, established business objectives. It determines the variety, nature, and presentation of merchandise and the retailer's offers, which define a customer's in-store, in-channel experience, which holds utmost importance in determining the retailer's success.

Conceptually, Category Management practice consists of the following actions:

1. Understand and assess the retailer's business:
  - Market-place analysis: Market analysis involving the assessment of consumer demographics, psychographics, market structure, and key market forces to gauge the business potential of individual product categories and 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 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 in comparison to the competition.
2. Review the retailer's macro-strategy and assign roles, strategies, and tactics to product categories across the retail chain.
3. Create sales, gross profit, and inventory plans for national brands and private labels. Determine pricing, promotion, and supplier strategies for product categories in the form of category plans.
4. Allocate optimal space at the macro (department/category/sub-category level) and micro-levels (SKU level) per the retailer's macro-strategy.
5. Create assortment plans that define the product-mix and business targets for product categories.

Oracle Retail Category Management (RCM) supports the development of category plans, macro space optimization, assortment plans, and space optimization of assortments. It broadly follows the traditional eight-step Category Management business process, with the inclusion of the consumer segment perspective across various points in the process flow. Most importantly, the application provides a structured, measured set of activities designed to achieve specific business objectives:

- The Category Planning task enables the retailer to create high-level qualitative and quantitative business plans at the trading area level.
- The Macro Space Optimization tasks facilitate the creation of macro-space plans for optimal space productivity.
- The Assortment Planning tasks facilitate the creation of SKU-level assortment plans at the cluster and store level across the retail chain.

The RCM application consists of the following tasks:

- **Category Planning:** Used to analyze a retailer's business across product categories and within a category, from a market, competition, and consumer perspective. Category Planning is used to set business targets and assign roles, strategies, and tactics for individual product categories at the trading area level.
- **Macro Space Optimization @Dept:** Used to allocate optimal space to different departments based on the historical relationship between space and profit. This helps determine the macro-space plan at the department level, specifications for store layouts, shelves, and fixtures, and merchandising techniques, thereby, facilitating efficient utilization of the available space by the retailer.
- **Macro Space Optimization @Sub-Category:** Used to allocate optimal space to different sub-categories, under a department, to efficiently use the available space at this level. This helps in determining the planogram design and merchandising method at the sub-category level.
- **Assortment Planning Analysis:** Used to analyze an assortment's historic performance from a cross-category perspective of the retailer's business, 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. It is used to review roles, strategies, and tactics from the Category Plan and targets from both the Category Plan and Merchandise Financial Plan. Visibility to roles, strategies, tactics, and financial targets in assortment planning ensures that SKU/item level assortments align back to the overall category-level objectives.
- **Assortment Planning @ Cluster:** Assortment plans are created using IPI and Market Coverage based methods. The functionality of Demand Transference, Assortment Improvement, and Incremental Curve are used to fine tune and optimize draft assortments. Integration with ASO is utilized to align assortments to the space available for optimal space productivity.
- **Assortment Planning @ Store:** Used to create, adjust, review, and approve custom Assortment Plans at the store level utilizing IPI-based assortments, Demand Transference, and ASO.

Following are the key highlights of the solution:

- Provides a platform to analyze consumer and market insights available in the form of syndicated data, provided by third parties, such as, Nielsen and IRI. Consumer segment level insights for the retailer's own business can also be sourced from the retailer's loyalty program data.
- Analysis of market structure by viewing the consumer segments among the shoppers and evaluating the 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 role assignments to individual product categories, and a blueprint for strategic and tactical action within a category and across categories.
- Macro Space Optimization, at the department and sub-category level, to allocate optimum space to different product categories and improve space productivity.
- Integration with ORASE to source optimized store clusters (assortment clusters), Consumer Decision Trees (CDTs), product attributes, and Demand Transference insights. CDTs can also be sourced from an external source, such as a supplier or third-party vendor. Consumer segmentation, clustering of stores and, CDTs are utilized to tailor assortments to specific markets across geographies and channels.
- System-recommended target-focused assortments can be generated using IPI and Market Coverage-based approaches through user-defined constraints.
- Creation of assortment plans, at the cluster and store level, in alignment with Category Plans and Merchandise Financial Plans created through user-defined target-constrained assortment generation.
- Demand Transference, based on advanced science insights, to manually fine tune and refine assortment plans by reviewing demand shifts between SKUs with changes in assortment.
- The functionality of Incremental Curves, to arrive at an appropriate assortment range for product categories by identifying the point at which the cannibalization of sales between products in an assortment begins.
- Assortment Improvement, based on the concept of Demand Transference, automates the refinement of assortment plan parameters such as sales retail, sales units, or gross profit based on user-defined constraints.
- Space optimization of assortments, through the integration with ASO to generate actionable and optimal assortments per the available space at the stores.
- Publication of final assortment plans for execution and implementation.

Note that the previously mentioned activities, part of the Category Management application, are performed at different levels of the product and location hierarchies. This facilitates customized Category Management planning across the retail chain.

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**Note:** To accommodate more graceful implementability and maintainability, the formatting packaged with the application is limited to configurable formatting and graph formatting. All other pre-formatting has been disabled.

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**Note:** Due to changes since the 13.4.0 release, it is not possible to upgrade a domain from 13.4.0 to this release. It is required that a new domain be built.

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## Hardware and Software Requirements

See the *Oracle Retail Category Management Installation Guide* for the hardware and software requirements.

## Functional Enhancements

The following functional enhancements are included in RCM 14.1:

### Integration with Assortment and Space Optimization

There is a two-way integration available between RCM (specifically Assortment Planning tasks) and ASO at the cluster/store levels. RPAS-based Hybrid Storage Architecture (HSA) provides a near real-time, round-trip integration. HSA introduces a new Oracle database schema, RPAS Data Mart (RDM), to store data going back and forth between RCM and ASO. Following are the key highlights of the round-trip integration:

1. Assortment details are exported to ASO with a space optimization request from Assortment Planning. Space-optimized assortments in ASO are imported into Assortment Planning in the cluster and store level tasks. ASO recommended assortment information is available at the SKU/Store level.
2. Updated assortment plans can be re-exported to ASO for already submitted space optimization requests.
3. Along with space optimized assortments, ASO also provides space productivity information such as service levels, stock covers, space allocated per SKU, and so on.
4. The ASO results are reviewed by comparing the recommended assortment plans against the exported assortment plan, different versions such as, Last Year (LY) and Last Plan (LP) versions of the assortment plans. Space productivity information is reviewed to see if there are any key areas of concern with the recommended assortment plans and the way assortments are being merchandised at the stores through the planograms.
5. Once ASO-recommended assortment plans are found to be in-line with the expectations and targets, they are accepted, approved, and finalized for implementation.

For more information, see the *Oracle Retail Category Management User Guide for the RPAS Fusion Client*.

### New Features in Assortment Planning

The following features are available in RCM 14.1:

- **Targets-driven Assortment Planning:**
  - **Targets Seeding Options:** Working plans can be seeded using Merchandise Financial Planning and Category Planning targets in addition to Last Year and Forecast options.
  - **Target constraints in IPI assortment generation:** IPI assortments can be constrained to Merchandise Financial Planning targets and Category Planning targets. Also, the option to constrain the IPI assortment to the SKU count is available with this release.
- **Assortment Eligibility:** The Assortment Eligibility flag is introduced to filter the number of items which participate in assortment plan creation.
- **Assortment Improvement:** This feature facilitates fine-tuning and refinement of assortment plans by automating the application of Demand Transference and widening its scope to include all eligible items. The assortment plans are improved

on the basis of user-set constraints on sales units, sales retail, and gross profit parameters. Assortment Plans can also be improved by constraining the improvement operation to target plans.

- **Incremental Curve with IPI and Market Coverage Ranking:** Specific incremental curves, with ordering of items based on IPI ranking and Market Coverage ranking, are available. Incremental Curve is used to arrive at an optimal assortment range by getting an insight into the cumulative incremental sales of an assortment and the point at which it flattens out evenly with the addition of new items to the assortment.
- **Assortment Dashboards and Assortment Wedge views:** The Assortment Dashboard views facilitate the review of assortment plan alignment to set targets at the sub-category and category level. The Assortment Wedge view facilitates quick review and comparison of assortments across different clusters.

For more information, see the *Oracle Retail Category Management User Guide for the RPAS Fusion Client*.

## Macro Space Optimization

Macro Space Optimization (MSO) facilitates optimal space allocation to different merchandise, which is a key factor determining the success of Category Management practice. MSO functionality facilitates the maximization of gross profit from the available space at the retailer. In the current release, it works on two principles:

- Gross profit maximization from the available space at the stores.
- Optimal space allocation for a target gross profit value.

Macro Space Optimization derives its results based on MSO tables (also referred to as space-profit tables). MSO tables store a relationship between allocated space and gross profit value returns for different merchandise, which is modeled on the basis of historic retail business data. It is used to allocate optimum space at the department and sub-category level. In effect, it determines the store layout, design of planograms, and overall presentation of the store to the customer. Space in MSO refers to the floor area, fixture space, and shelf-space at the stores used to display merchandise in the selling area.

For more information, see the *Oracle Retail Category Management User Guide for the RPAS Fusion Client*.

## Copy View Option

This option enables the creation of customized views, by selecting and formatting the measures as required, and saving these customized views in the workflow.

This option can be utilized by right-clicking on any of the view labels at the bottom of the window to create a copy of the existing view. The copied view can then be customized per individual user requirements.

For more information, see the *Oracle Retail Category Management User Guide for the RPAS Fusion Client*.

## Noteworthy Defect Fixes

The following noteworthy defect fixes are included in this release:

Fixed Issue/Defect	Defect Number
Performance improvements were made to the build and refresh transactions in the Assortment Planning tasks.	17475846
The Market Like Item function was not writing to WP Sales. It was cloning to a market sales measure, but that measure did not then write to WP Sales. This is resolved by populating WP Sales from LY Market Sales when the Market Like Item is populated. Since Market Sales is at Trading Area, WP Sales are pre-populated with LY Sales values, then overlaid with the like item's market sales.	18117288
Updates were made in the use of the Consumer Segment Weight and Consumer Segment Distribution measures in order to provide consistency and performance improvements. The Consumer Segment Weight measure is set in the administration workbooks. It is a forward-looking measure that is used for IPI score calculation. The Consumer Segment Distribution measure is loaded into the application based on past data. Those measures are used for the Rate of Sale calculation when calling custom menus involving demand transference calculations.  Performance improvements were made to the cm_load_measures.ksh and cm_batch.ksh scripts. This was accomplished by no longer loading the consumer segment based sales data. Instead, these measures are populated by spreading sales based on the loaded Consumer Segment Distribution.	18139688, 18139724, 18162711, 18180386, 18390818, 19171292
Private Label Sales planning should be a streamlined process within Total Sales (WP Sales) planning. Private Label Sales planning was done separately and did not interact with Total Sales (WP Sales). Users could not easily aggregate sales to view total Private Label Sales for the category/sub-category. This is corrected.	18238998
When sending sales data from AP to ASO, it was sending data from the incorrect sales measure. Also, it was only sending data for the Core SKUs. This is corrected to send the WP Assort Sales for Core SKUs and WP Sales for optional SKUs.	18419883, 18761200
There was a difference in the LY Gross Profit % values between Category Planning and Assortment Planning. The Category Planning values were much lower, while the Assortment Planning values were much higher. This was due to calculations being done at different intersections. This is resolved by doing all calculations at a lower level and aggregating the results as necessary.	18492594
Last Plan (LP) measures were calculated to get last week's CP value. Once in the current quarter and if the user created a plan and approved to CP, the LP plan would not show the correct value. This is corrected for LP measures (LP Assort Core, LP Assort Optn and LP Mand) to get the last week value of the previous quarter and replicate the same for all weeks in the current quarter.	19475946
On certain operating systems, orase_t_data_rcm.ksh failed to transform class fields correctly due to ksh93 specific code. Some operating systems are certified for ksh88 instead. This is corrected.	19732442
In order to streamline the user process, the Seed Previous Assortment and Seed Core/Optional Recommendations custom menus have been merged into one custom menu, Seed Assortment. As part of this, the WP Seed Previous Assortment measure was removed and the following five options were added to the WP Seed Final Core/Optn measure: IPI, Market Coverage, Last Year, Last Plan, and Current Plan.	18238979

Fixed Issue/Defect	Defect Number
<p>In previous releases, there was no mechanism to remove old CDTs. This was an issue because there are a fixed number of slots (five) for the CDTs to fill. Once all five are filled by CDTs processed by processcdts.ksh, no more CDTs can be added by processcdts.ksh.</p> <p>This is resolved by introducing a new batch script to delete CDTs. A new CM Administration workbook measure is checked for each CDT needed to delete. Then, the workbook must be committed. On the back-end, run the script \$CM_HOME/bin/deleteCdt.ksh. All CDTs marked for deletion will be purged by the script. The following user-facing measures are cleared:</p> <ul style="list-style-type: none"> <li>■ Delete CDT measure</li> <li>■ Dynamic Hierarchy Dimension measures for name and label for all levels of the CDT being deleted, for the consumer segment, trading area, and category. This prevents the Assortment Planning workbook wizard from showing the CDT.</li> </ul> <p>The CDT Editor will not show the CDT in the menu.</p> <p>For more information, see the <i>Oracle Retail Category Management Implementation Guide</i>.</p>	18246948
<p>In Assortment Planning Analysis/Market Analysis/Market Quadrant Analysis, the Market Share % measure was relative to the Product dimension. It should be relative to the Retailer dimension. This is corrected.</p>	18304547
<p>There was an incomplete set of variance measures to track alignment to Target and LY measures. Additional measures have been added to the IPI Assortment Dashboard, Market Coverage Assortment Dashboard, and Final Assortment Dashboard to correct the issue.</p>	18396565
<p>Previously, AP sent all tactics to ASO making it unusable. This is corrected by sending only the first populated Space and Assort tactic at the category/unelapsd first quarter/all trade area level which was exported to ASO.</p>	18419855
<p>Demand Sales Received % measures had the aggregation type of total and spread type of prop. This is incorrect for measure reflecting percentages. This is changed to use average_pop aggregation type and repl spread type.</p>	18430327
<p>When a user set the Max Core plus Optn SKU Count to less than the Min Core plus Optn SKU Count as a constraint when running the Create Market Coverage Assortment custom menu, it did not notify the user that the constraint validation had failed. Now, a warning is displayed.</p>	18463986
<p>The measures in the Identify Image Enhancers view were updated so that Promo Sales Contribution % is listed second and Sales \$ is listed third.</p>	19681227

## Known Issues

The following table contains known issues that have been identified for the current release:

Known Issue/Defect	Defect Number
Several of the translation files have incorrect line endings. After uploading the language files to the input folder of RCM, use the following command from the input folder before loading any language files in a domain: <pre>find . -type f -exec dos2unix {} \;</pre>	20144694
There are extra measures (MD WP Optimization Method and MS WP Optimization Method) being displayed in the MSO workbooks on two views (1. Setup and Review Optimization @ Dept and 1. Setup and Review Optimization @ Sub-Category), that incorrectly provide the option to run the Optimize Dept and Optimize Sub-Category menu items using either a heuristic algorithm or an optimal algorithm. These measures should not be displayed and the optimal algorithm should always be used.	20122839

## Related Documentation

For more information, see the following document in the Oracle Retail Category Management 14.1 documentation set:

- *Oracle Retail Batch Script Architecture Implementation Guide*
- *Oracle Retail Category Management Implementation Guide*
- *Oracle Retail Category Management Installation Guide*
- *Oracle Retail Category Management User Guide for the Fusion Client*

The *Oracle Retail Category Management User Guide for the RPAS Fusion Client* has not been included in the packaged version of this product and is in development. For the published version of this guide at the time of the release, see the following Documentation Library:

[http://docs.oracle.com/cd/E12474\\_01/catman/index.html](http://docs.oracle.com/cd/E12474_01/catman/index.html)

## Supplemental Training on My Oracle Support

The following document is available through My Oracle Support. Access My Oracle Support at the following URL:

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### Release Readiness Transfer of Information (TOI) Recordings (Doc ID 732026.1)

Online training is available to Oracle supported customers at product release. These online courses provide release-specific product knowledge that enables your functional and technical teams to plan, implement and/or upgrade and support Oracle Retail applications effectively and efficiently. Note that Oracle Retail products with minor updates often do not have an associated TOI.

## Previous Releases

For additional information on previous Oracle Retail Category Management release enhancements and additional information, refer to the Release Notes and documentation that accompany the previous release.

## Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.

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