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Oracle Retail Category Management User Guide for the RPAS Fusion Client, Release 14.1.0.4

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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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Related Documents

For more information, see the following documents in the Oracle Retail Category Management Release 14.1.0.4 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 Release Notes*

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When you install the application for the first time, you install either a base release (for example, 14.1) or a later patch release (for example, 14.1.0.4). If you are installing the base release or additional patches, read the documentation for all releases that have occurred since the base release before you begin installation. Documentation for patch releases can contain critical information related to the base release, as well as information about code changes since the base release.

Improved Process for Oracle Retail Documentation Corrections

To more quickly address critical corrections to Oracle Retail documentation content, Oracle Retail documentation may be republished whenever a critical correction is needed. For critical corrections, the republication of an Oracle Retail document may at times not be attached to a numbered software release; instead, the Oracle Retail document will simply be replaced on the Oracle Technology Network Web site, or, in the case of Data Models, to the applicable My Oracle Support Documentation container where they reside.

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http://www.oracle.com/technetwork/documentation/oracle-retail-100266.html

An updated version of the applicable Oracle Retail document is indicated by Oracle part number, as well as print date (month and year). An updated version uses the same part number, with a higher-numbered suffix. For example, part number E123456-02 is an updated version of a document with part number E123456-01.

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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

Category Management practice in the retail industry is a key business process that determines the success of a retailer's business. It 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. This is of the 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:
    - Marketplace 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 with 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 category planning, macro space optimization, assortment planning, and space optimization of assortments. It broadly follows the traditional 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. Macro Space Optimization tasks facilitate optimal store space allocation at a macro product hierarchy level for improved space productivity. 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 specific 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. This facilitates the efficient use 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 historical performance from a market, competition, and consumer perspective at an item level. It also provides 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 with the overall category-level objectives.
- Assortment Planning @ Cluster: Used to create, analyze, adjust, and finalize assortment plans at the cluster level. Assortment plans are created using Item Priority Index (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 Assortment and Space Optimization (ASO), an Oracle Retail Advanced Science (ORASE) solution, is used 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 integration with ASO.

Here are the key highlights of the application:

- 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 business can be 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, gross profit, 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 used 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 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.

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.
  - Macro Space Optimization @ Dept Task

    For more information, see Chapter 5.
  - Macro Space Optimization @ Sub-Category Task

    For more information, see Chapter 6.
  - Assortment Planning Analysis Task

For more information see Chapter 7.

- Assortment Planning @ Cluster task

  For more information, see Chapter 8.

- Assortment Planning @ Store Task

  For more information, see Chapter 9.

- Category Management Administration Activity:
  - Category Management Administration Task

    For more information, see Chapter 3.

  - CDT Editor Task

    For more information, see Chapter 2.

In addition to the chapters listed, some key concepts and functionality in RCM, such as Roles, Strategies, and Tactics in Category Planning, IPI and Demand Transference in Assortment Planning are covered in more detail in Appendix A.

Solution Task Flows

Figure 1–1 illustrates the task flow 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.

Figure 1–1 Category Planning Task Flow

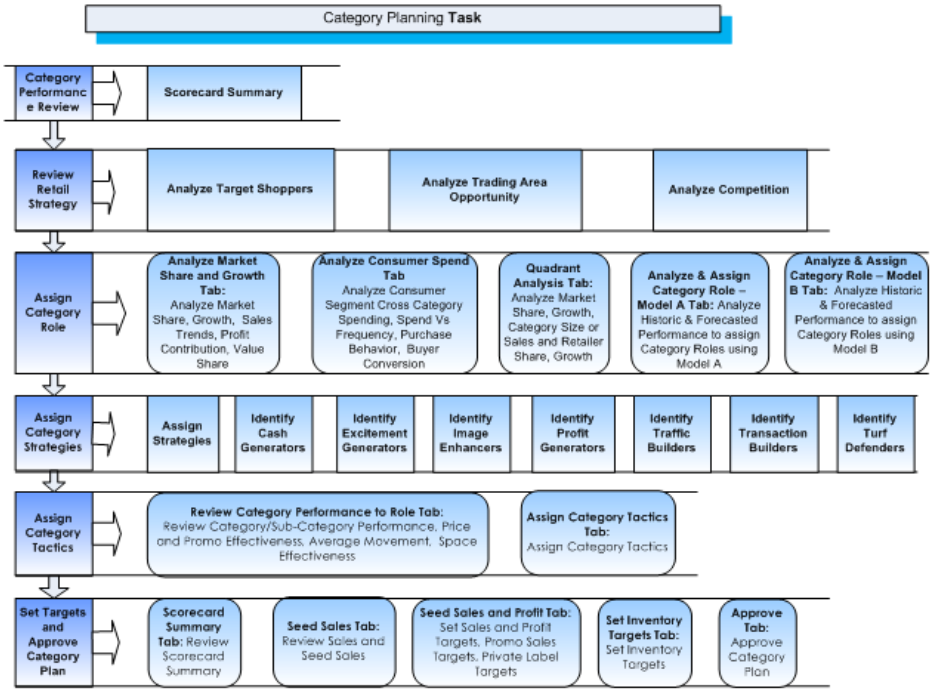


Figure 1–2 illustrates the task flow for the Macro Space Optimization @Dept task. This task presents category scorecard review, setup and review of optimization results, and approval of MSO results at the department level.

Figure 1–2 Macro Space Optimization @Dept Task Flow

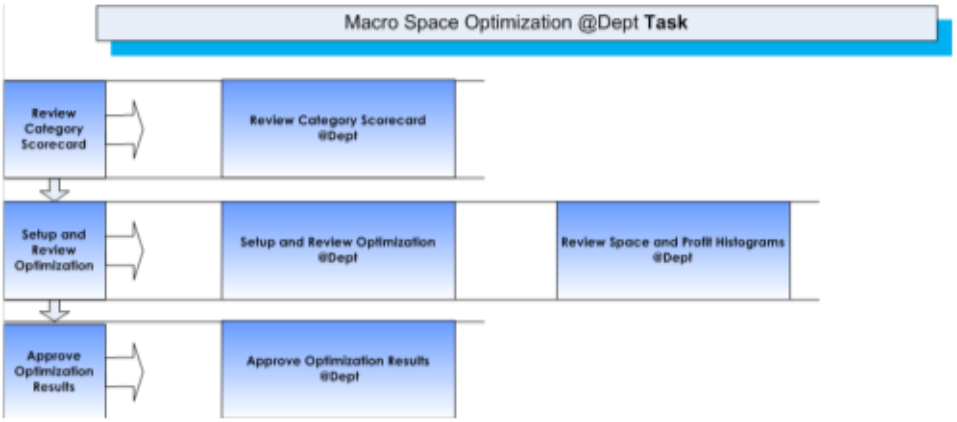


Figure 1–3 illustrates the task flow for the Macro Space Optimization @Sub-Category task. This task presents category scorecard review, setup and review of optimization results, and approval of MSO results at the POG sub-category level.

Figure 1–3 Macro Space Optimization @Sub-Category Task Flow

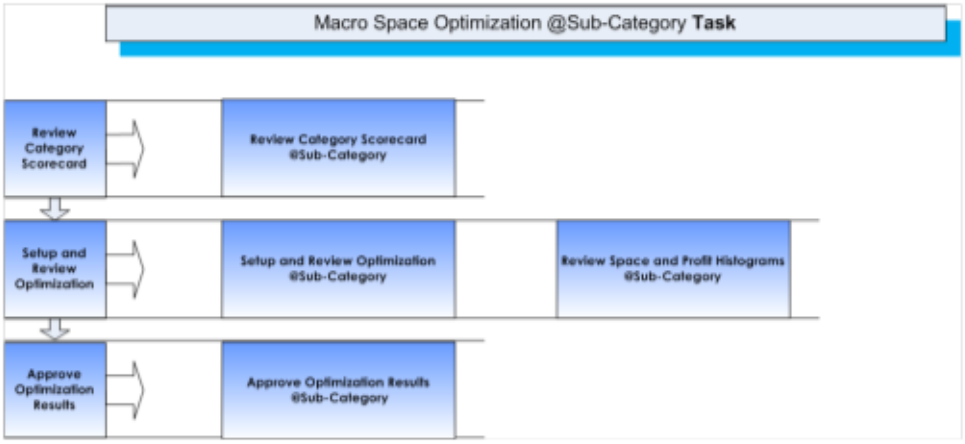


Figure 1–4 illustrates the task flow for the Assortment Planning Analysis task. This task presents performance, market, and consumer analysis at the item level. It also presents roles, strategies, tactics, and targets from the category plan and targets from the merchandise financial plan for the assortment planning to begin.

Figure 1–4 Assortment Planning Analysis Task Flow

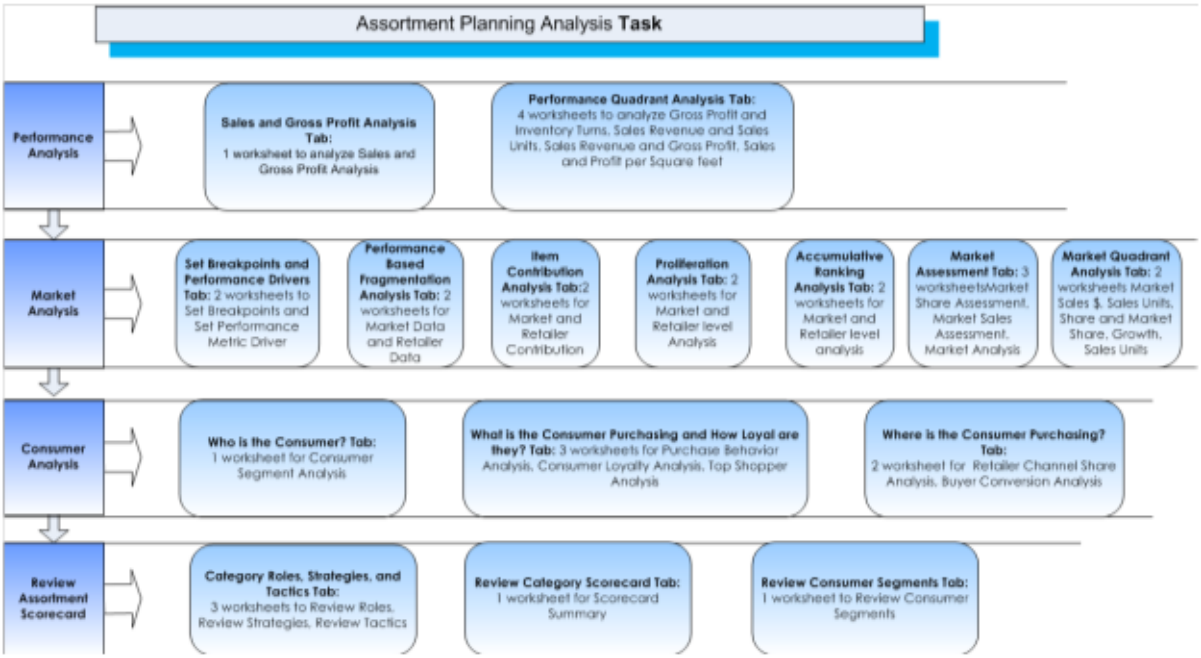


Figure 1–5 illustrates the task flow for the Assortment Planning @ Cluster task. This task begins with the assortment setup for the assortment planning, which involves the seeding of working plans, setting assortment eligible and mandatory items, and the defining of the assortment constraints to generate system-recommended assortments using:

1. IPI-based assortment method
2. Market coverage-based assortment method

Figure 1–5 Assortment Planning@ Cluster Task Flow

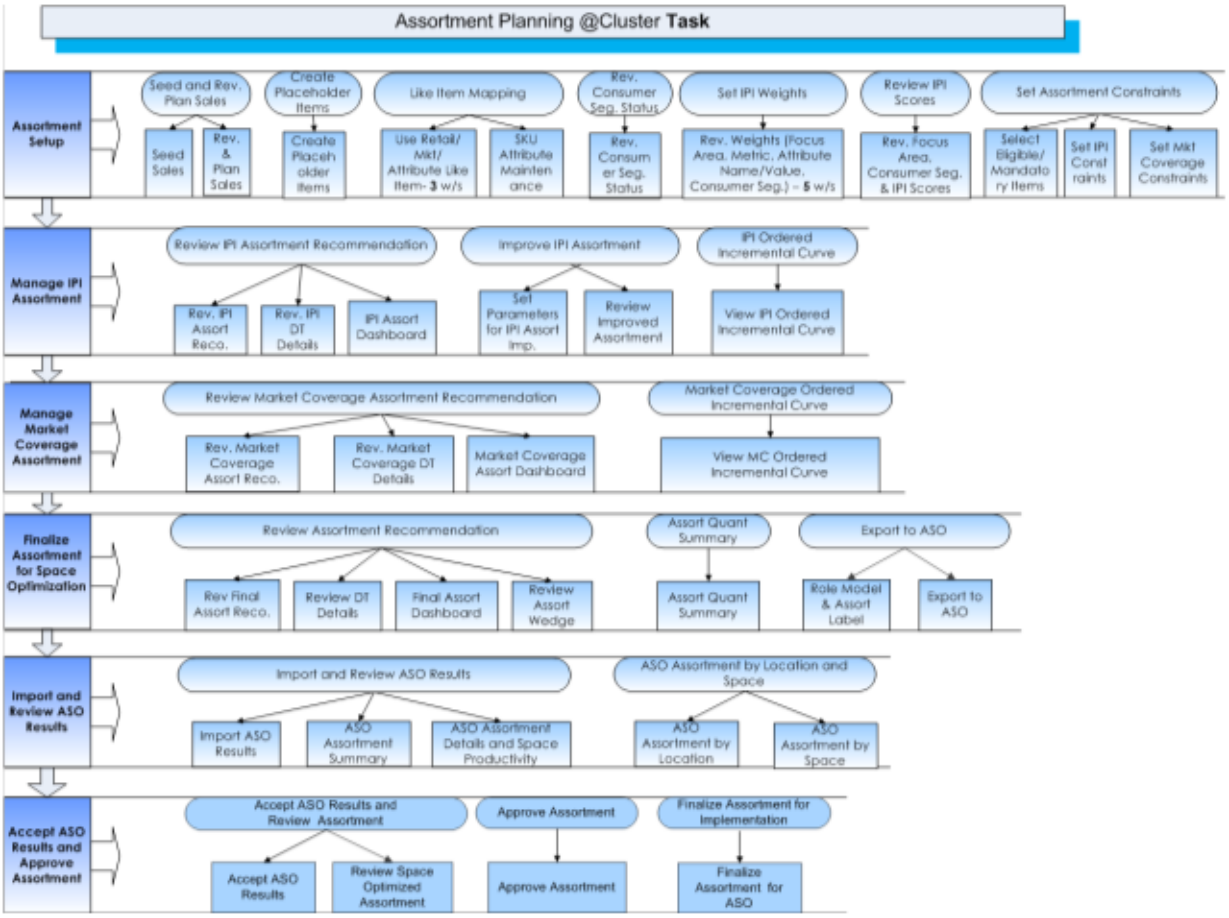
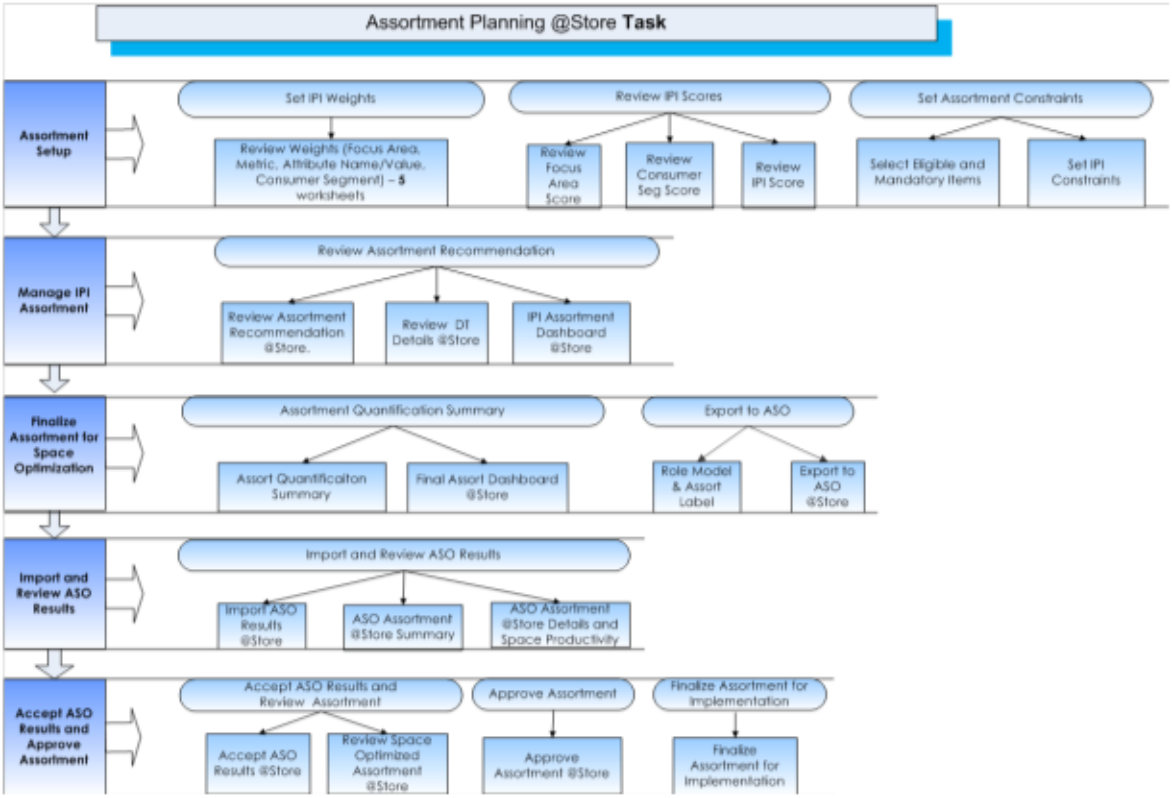


Figure 1–6 illustrates the task flow for the Assortment Planning @ Store task. Store level assortment plans can be created using the IPI-based assortment generation method and space optimized assortments derived under this task.

Figure 1–6 Assortment Planning @ Store Task Flow

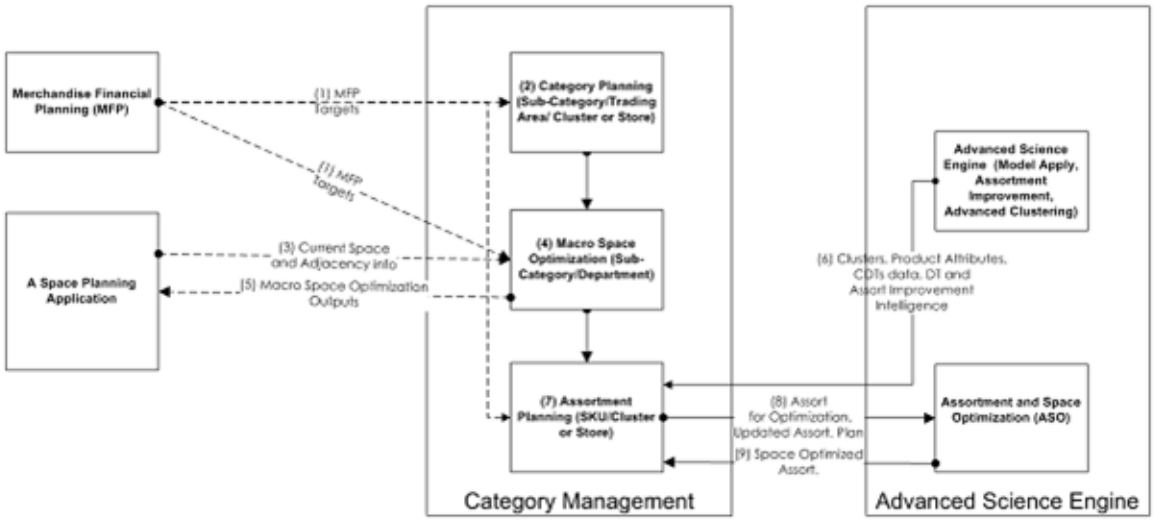


Category Management Process Flow

Figure 1–7 depicts the overall process flow in Category Management and data exchange with other applications. Broadly, the process flow consists of the following steps:

1. Create and approve category plans and share them with Macro Space Optimization and Assortment Planning.
2. Import current space and adjacency information from a space management system like Macro Space Management (MSM). This integration is not currently available in the version 14.1 release.
3. Import MFP targets into Assortment Planning and MSM modules. The integration is not currently available in the version 14.1 release.
4. Perform Macro Space Optimization.
5. Share the MSM outputs with a space management system and Assortment Planning. Integration with MSM is not currently available in the version 14.1 release.
6. Import clusters, product attributes, CDTs, Demand Transference (DT), and Assortment Improvement intelligence from ORASE.
7. Create Assortment Plans.
8. Export Assortment Plans to ASO.
9. Import space optimized assortments from ASO. Review, accept, approve, and finalize the assortment plans.

Figure 1–7 Category Management Process Flow



Space profit tables form the basis of MSO and are maintained by an administrator. These tables are used to store a relationship between allocated space and the respective gross profit returns at the retailer, based on historic data. Space profit tables are also referred to as space profit elasticity curves, which are derived using advanced science algorithms.

Macro Space Optimization can be conducted at the store level, cluster level, or trading area level. It uses an algorithm, which runs at the store level, to recommend optimum space to a department and sub-category. At the cluster and trading area levels, the recommendations are presented by aggregating data from the store level.

Advanced Science in Category Management

This section covers RCM's integration with ORASE. RCM is integrated with the ORASE 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 solutions. In Category Management, it is used for the following functionality:

- Used to generate assortment clusters, CDTs, and DT science parameters. The Advanced Clustering (AC) solution is used to generate assortment clusters.
- Used for assortment space optimization.

ORASE, through its specialized set of applications, derives key insights data by deep data mining rich historical business data. 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 that uses advanced clustering methodology,

where clusters can be generated based on various parameters such as seasonality, consumer segment profiles, store attributes, performance attributes, and product attributes. 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 ORASE that 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 must be in synch in terms of product attributes. RCM provides the facility to add and modify attribute values that map to SKUs/items. An export facility is 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 using customer purchase history data and conducting 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 can be directly sourced from third-party sources such as suppliers or providers of syndicated market data.
- **Import of Demand Transference Data:** DT 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 the assortment as a whole and evaluate the effectiveness of each item within the assortment. ORASE mines historical customer purchase data and generates DT parameters that are leveraged interactively, through an application programming interface (API), in the Assortment Planning and Optimization process.
- **Integration with ASO:** ASO is a specialized application of ORASE used for optimizing assortments to the available space. Unlike other integration points listed above based on flat-file interfaces, this integration is achieved using RPAS-based Hybrid Storage Architecture (HSA) to provide a near real-time round-trip integration between RCM and ASO. The Oracle Database schema, RPAS Data Mart (RDM), is used to store data being exchanged between RCM and ASO. RCM exports assortment plan and category plan data to ASO with a space optimization request. ASO optimizes the assortment to the available space at the retailer and allocates a suitable number of facings and linear feet, taking into consideration the planograms (POGs) used, demand transference, and supply chain factors. Three types of exports are available:
  - An export of assortment plan and category plan data to ASO with a space optimization request.
  - An export of an updated assortment plan for an existing space optimization request.

– An export to ASO with an update on assortment finalization for implementation.

Once the assortment's space optimization is complete, ASO results in the form of a recommended assortment plan and space productivity information are exported back to RCM.

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, and FICO.

Some of this data is also sourced internally from other applications such as point-of-sale (POS), loyalty program applications, and analytic applications such as RA.

All of this data is imported into Category Management as part of the implementation process or, as needed. 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 have an agreement with most retailers (including both the retailers and their competitors) competing in the market to share their POS data with them. They 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.
Household Panel Data	Also referred to as home-scan data. Third-party syndicated data suppliers collect this data from customers in the market by registering them for scanning their purchases from the retailers and sharing it with them. They use this data to identify key patterns for different consumer segments. This provides a sample representation of the market for different trading areas at the consumer segment level.
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.

Table 1–1 (Cont.) Types of Data

Data	Description
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 that 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, and NPD.
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 in order to understand 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 must 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, particularly category planning and assortment planning tasks. 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 advanced science-based features such as CDT, DT, and ASO, 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:

- Product hierarchies defined for each retail vertical such as grocery, hardliners, general merchandise, and so on
- Formalized products for each product category
- Consumer segments defined for each retail vertical
- Location hierarchy and trading areas

Trading area is a new concept in Oracle Retail Planning and Optimization applications and is defined as a specific geographic area demarcated by a retail chain to view, plan, and manage its business and compare it with the competitors' business. It is sometimes referred to as market. 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 of 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 U.S. 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 generally available version of the solution, store clusters or assortment clusters are imported from ORASE.

- Product hierarchies
- Location hierarchies
- CDTs
- Product attribute names and attribute values

  In the generally available version of the solution, this product attribute information is imported from ORASE.

- Market scan data
- Retailer POS data
- Space-related data
- Retailer loyalty data
- Market basket data
- DT 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.

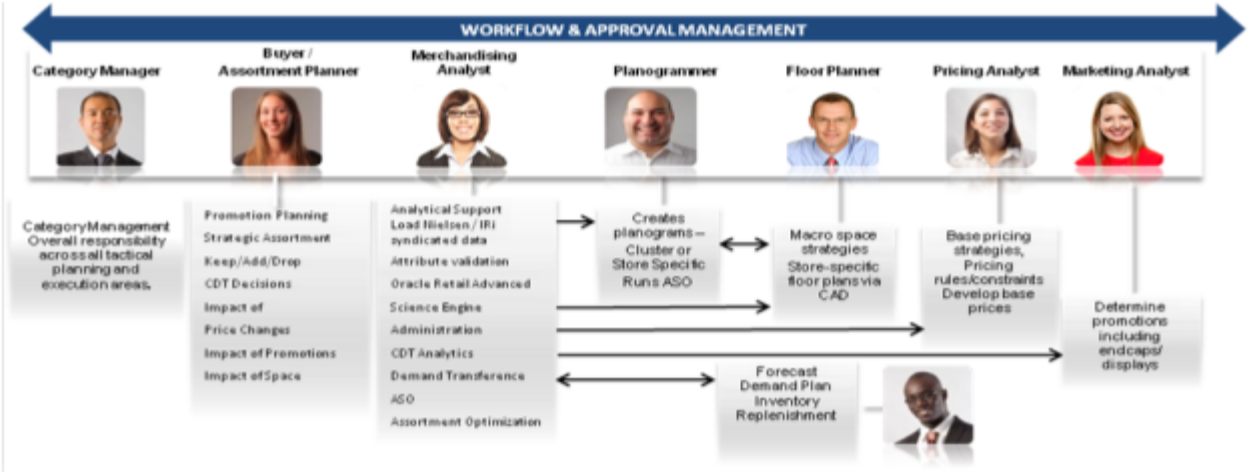
Table 1–2 shows an example list of roles and their functions and areas of responsibility:

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, DT, and assortment optimization.
Planogrammer	ORASE and POG Software	Ensures that the assortment can fit within the allocated space, and adds the art to the planogram.
Floor Planner	MSO, a space management system	Uses space targets to define department sizes.
Merchandiser	MSO, a space management system	Uses category/sub-category space targets to determine what length of planograms to place.
Administrator	NA	Application installation, administration, and support, data imports, and user ID creation.

Figure 1–8 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 1–8 Business Roles Involved in Category Management Process



Plan and Measure Roles and Versions

The measures in the RCM product are composed of a Role, Version, Metric, and Unit of Measure. Each component is designed to carry a particular piece of information that, when taken 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 who will use 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.

Table 1–4 (Cont.) Category Management Roles

Role	Description	Notes
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.
DR	Default Role	This role usually indicates that the measure is for raw, loaded data. This data is usually processed 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 white-space on a view.
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.
MD	Macro Space Optimization @Dept	Measures with this role are found at the Macro Space Optimization at Department level.
MS	Macro Space Optimization @Sub-Category	Measures with this role are found in at Macro Space Optimization at Sub-Category level.
SO	Assortment Space Optimization	This role is used for ASO interface database measures stored in the Data Mart in the RPAS HSA.

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.
LU	Lookup	Usually, measures that are part of an intermediate step in a calculation.

Table 1–5 (Cont.) Category Management Versions

Version	Description	Notes
Mf	Merchandise Financial Planning Targets	Version used for MFP interface measures.
AI	Assortment Improvement	Version used for Assortment Improvement versions of all metrics.
AO	ASO	Version used to store level ASO results of all metrics.

Combined measures are widely used to present the assortment plan information at the cluster level by capturing this information from both cluster level measures and store level measures. Store level measures provide specific information about assortments for stores whose assortments have been planned on an exceptional basis.

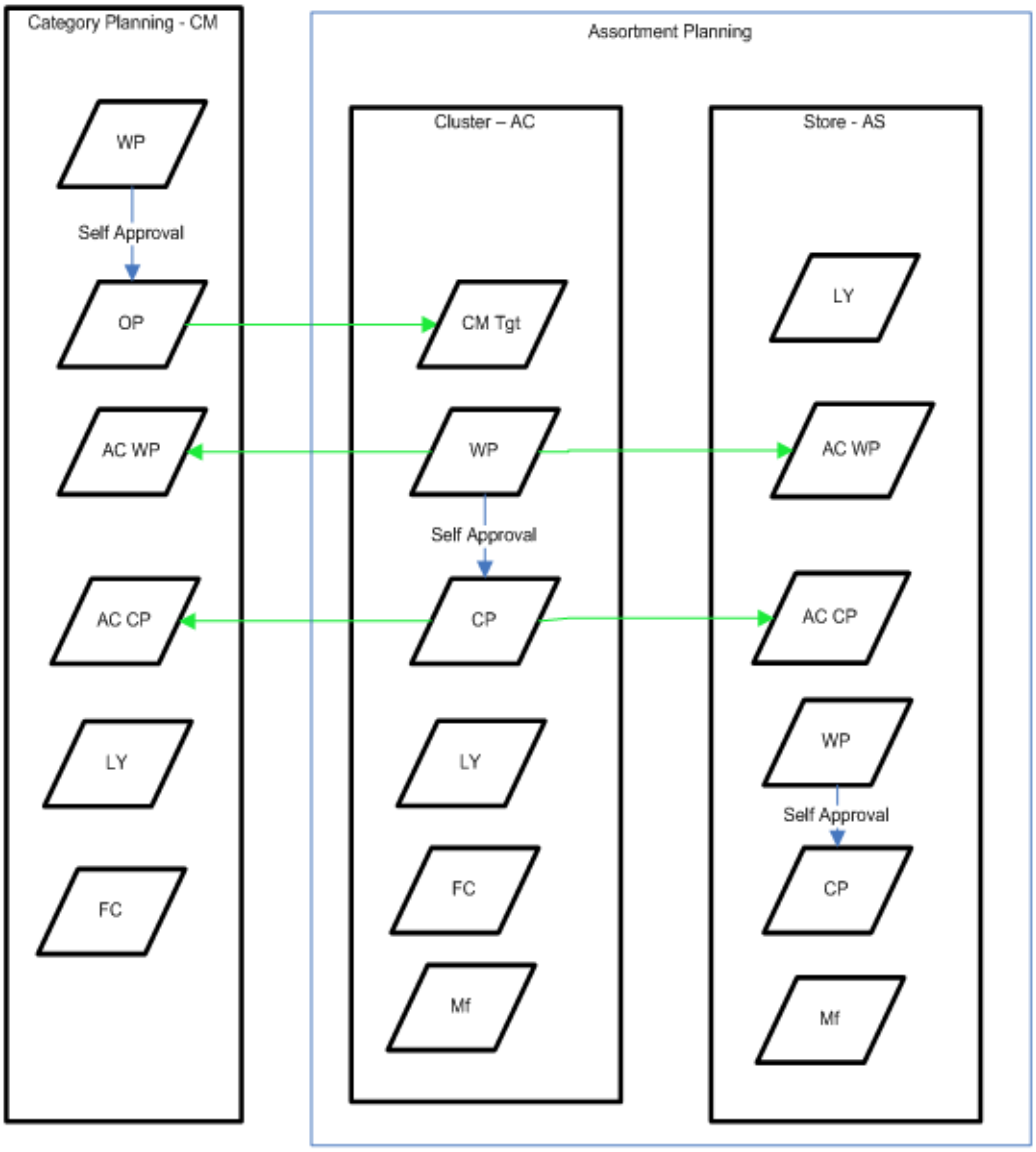
If, store level measure values are populated for a store location, then combined measure information is calculated using them; otherwise, cluster level measure values are used to calculate the combined measure value from that location. Combined measure information is aggregated from store/SKU level and presented at the cluster/SKU level and above.

Private label measures are available in assortment planning. Private label measure values are derived using the attribute value maintenance for a SKU. If a private label attribute is maintained for an item, the private label measures values are populated with the corresponding plan data. If the private label measures are directly entered or planned, they are automatically copied to the working plan measures.

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 1–9 shows how data flows through the RCM application.

Figure 1–9 Category Management Version Flow



The Category Planning workbook has WP (Working Plan), LY (Last Year), FC (Forecast), and OP (Original Plan) versions of measure available at the trading area level. When a category plan is approved, the current WP measure data is copied to OP versions of the measures. This OP version is shared with Assortment Planning. This is accomplished by again copying the data from a CMOP role/version to corresponding ACOP role/version measures, which are used to present CP targets information at the cluster level. In Figure 1–9, the CM Tgt version is called OP in the application. Note that the CM OP measure versions are only available at the trading area level.

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 tasks are part of a single workbook. This ensures the sharing of version data between the two tasks in 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 done in the Assortment Planning @ Store task is the assignment of override for Core/Optional flags that update the final Assort Sales metric at Store in relation to 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) are not shown in the diagram is that the cluster and store information is combined and 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.

Macro Space Optimization tasks at the department and sub-category levels are also part of the solution workflow but are not highlighted in the above diagram. CM OP measures representing approved category plan targets are shared with MSO @ Dept and MSO @Sub-Category. They are presented as MD OP (Macro Space Optimization @ Department role) and MS OP (Macro Space Optimization @ Sub-Category role) type measures at the department and sub-category level, respectively.

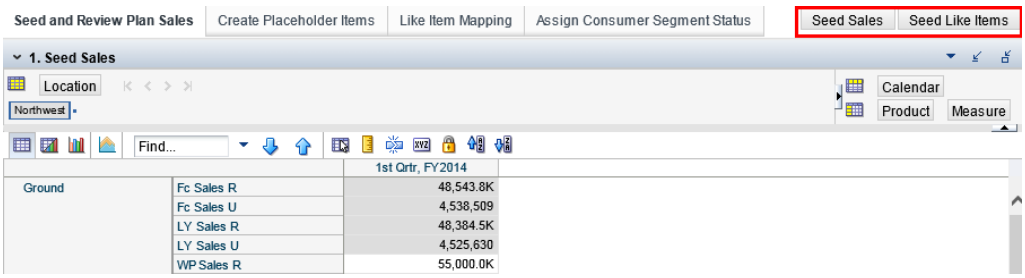
Approved macro space optimization results (Current Plan - CP version) at the sub-category level - MS CP type measures (for recommended gross profit and space) are shared with Assortment Planning in the form of AC CP measures.

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 option, shown in Figure 1–10, 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 option. The results of the custom menu option 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 1–10 shows an example of a custom menu option.

Figure 1–10 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.

Copy View Option

In using software solutions, there is often a need for customized views that reflect an individual user's preferences.

Copy view option functionality enables the creation of custom views (worksheets) by copying an existing view, selecting and formatting the measures as required, and saving the custom views in the workflow.

The copy view option can be used by right clicking on any of the view/worksheet labels at the bottom to create a copy of the existing view. The copied view can then be customized as needed. This option is useful in creating custom views per individual requirements.

Key Take Aways

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

- The notes can be any important points that must be captured, such as additional information (quick insights. including supplier insights, competition insights, consumer insights, and product insights) used in arriving at a decision, highlighting the rationale or perhaps a point that helped make a decision. They can be used to save notes from findings derived from different analyses.
- Key take aways can be used to share notes between different business users working across different sections in RCM workflow.

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 consumer buying behavior and to identify key product attributes that influence consumer buying decisions from a consumer segment perspective. The use of CDTs as an alternate hierarchy in the assortment planning process ensures that key product attributes are well represented in the assortment. Assortments can be viewed by CDT hierarchy across the assortment planning task flow. The CDT Editor task is used for CDT maintenance by a Merchandising Analyst or CM Administrator.

CDTs, with their dynamic hierarchical structure, provide a visual representation (tree-like CDT 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 ORASE. CDTs can also be sourced from external parties such as manufacturers or suppliers and market research companies providing syndicated data, such as IRI and Nielsen.

Two techniques are applied in tandem to derive a CDT:

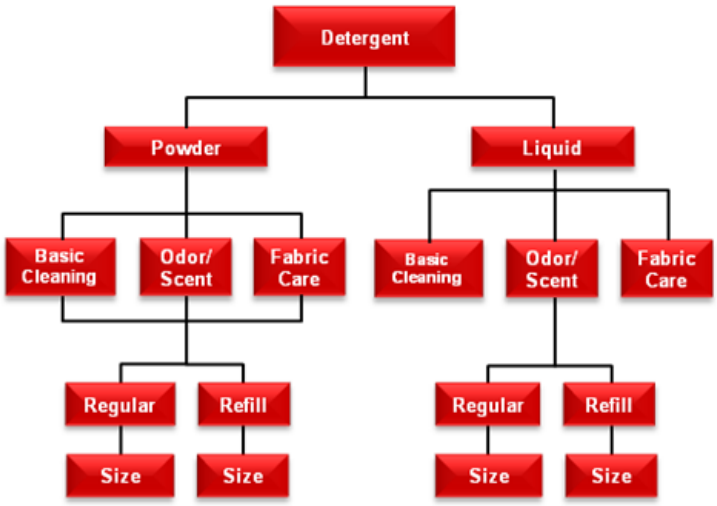
- Market Structure: A method to identify the product attributes that influence a customer's buying decision. These product attributes define the competitive relationship between the products under a sub-category.
- Preference Segmentation: Identifies and divides the market into unique customer segments 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 per their relative importance to the retailer.

Figure 2–1 shows an example of CDT for the Detergents product category. It enlists key product attributes in this category in a tree-like structure, in their relative order of importance, which forms the basis for the consumer's purchase decision.

Figure 2–1 Detergent Product Category



The following capabilities are supported:

- Viewing the assortment by CDT.
- Viewing and comparing different 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:

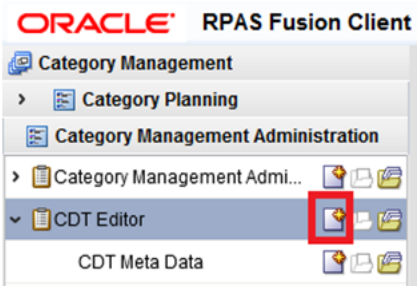
- CDT Meta Data Step

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.

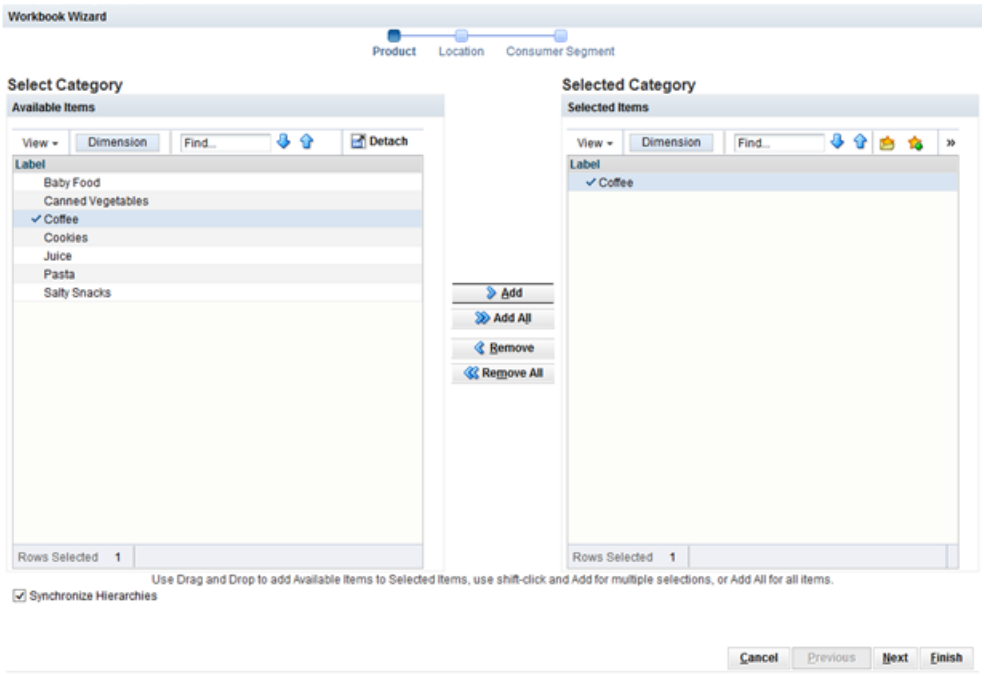
Figure 2–2 CDT Editor Task



The workbook wizard opens.

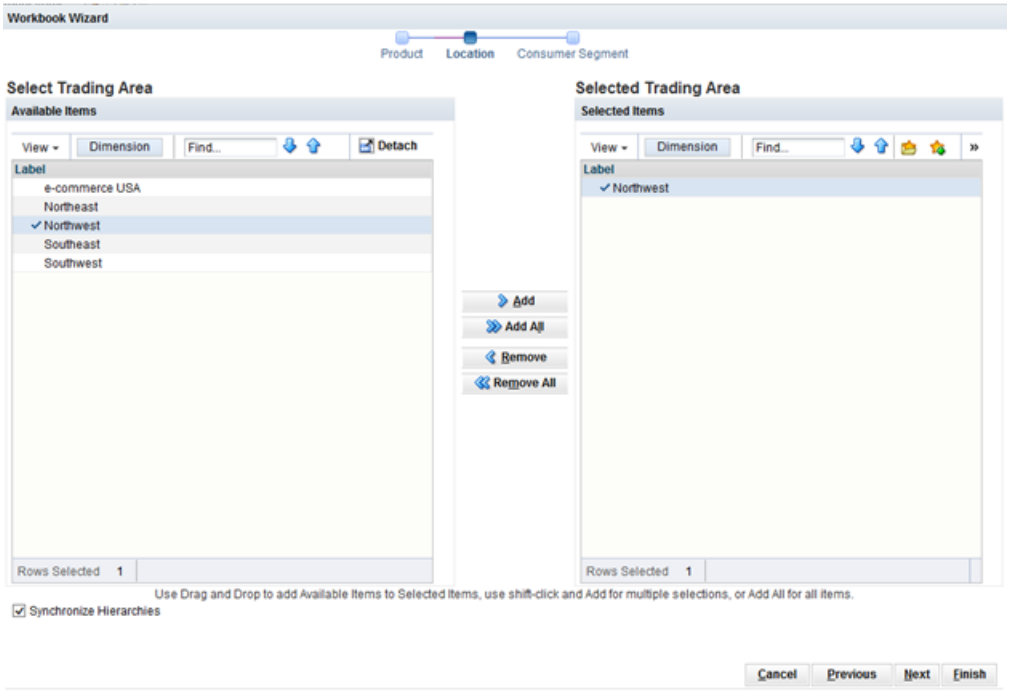
3. Select the categories and move them to the Selected Items box. Click **Next**.

Figure 2–3 Workbook Wizard Select Category Page



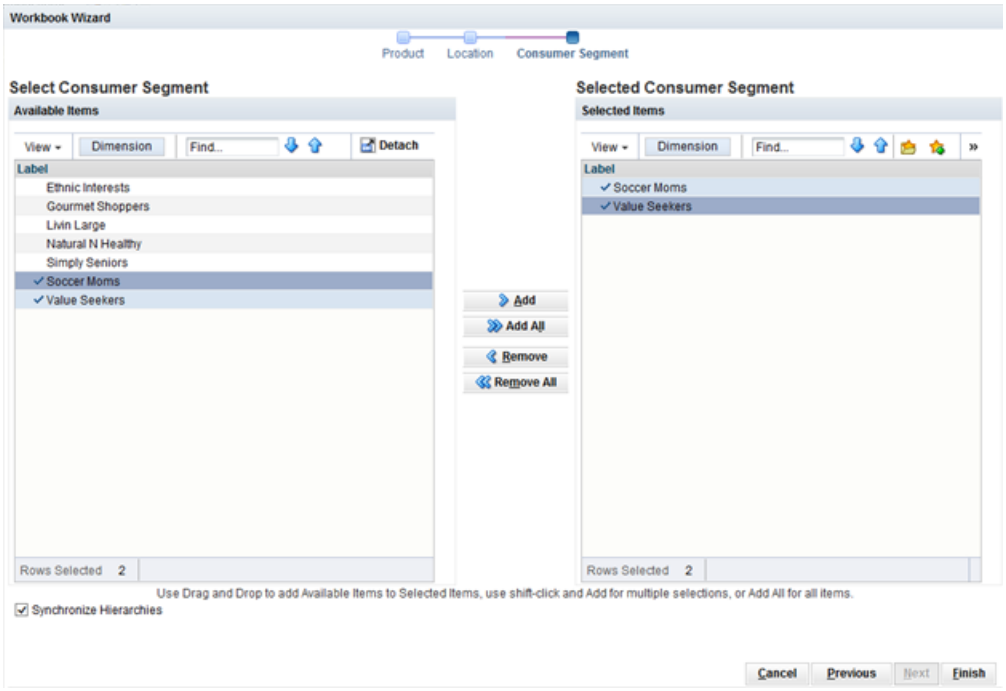
4. Select the Trading Areas and move them to the Selected Items box. **Click Next**.

Figure 2–4 Workbook Wizard Select Trading Area Page



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

Figure 2–5 Workbook Wizard Select Consumer Segment Page

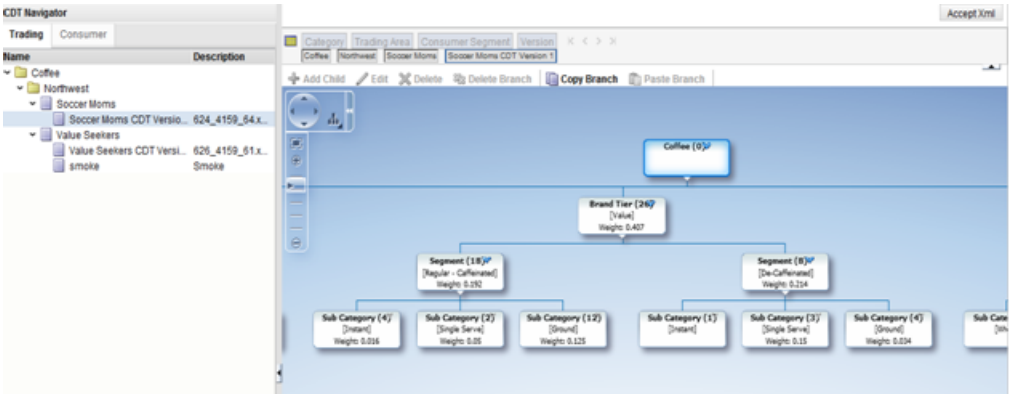


The workbook is created.

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 2–6 shows a CDT for the Coffee category for the consumer segment, Soccer Moms.

Figure 2–6 CDT Meta Data View



Custom Menu Option

The CDT Editor workbook has a custom menu option 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 option processes all new and modified CDTs. This processing sets up the dynamic hierarchies that are available in Assortment Planning Analysis, Assortment Planning @Cluster, and Assortment Planning @Store tasks.

After the Accept XML custom menu option has been run, the CDT must be enabled in the domain. For more information, see "Select CDT Version View" 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:

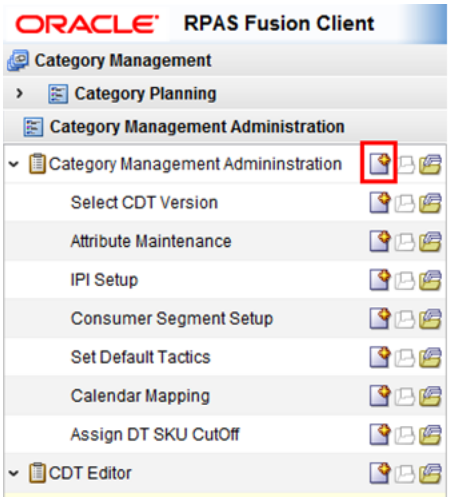
- CDT Maintenance Step
- Attribute Maintenance Step
- IPI Setup Step
- Consumer Segment Step
- Set Default Tactics Step
- Calendar Mapping Step
- Assign DT SKU Cutoff Step
- Manage MSO Tables Step
- Like Sub-Category Mapping Step
- POG and PROD Hierarchy Mapping Step
- Placeholder and Formalized Items 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.

CDT Maintenance Step

This step has two views:

- Delete CDTs View
- Select CDT Version View

Delete CDTs View

Use this view to delete CDTs. Five slots are available for each consumer segment to upload five versions of CDTs. This view facilitates the maintenance of appropriate CDTs for a consumer segment. It provides a feature to delete a CDT version to free up available slots. This, in effect, facilitates maintaining appropriate CDTs in the application per the business requirements.

Check the Boolean flag measure for the CDT versions that must be deleted in the view, commit the workbook, and run the batch script $CM_HOME/bin/deleteCdts.ksh in the back-end. All CDTs marked for deletion will be purged by the script:

- CDT measure deleted.
- Dynamic Hierarchy Dimension measures for name and label for all levels of the CDT are deleted for the consumer segment, trading area, and category. This ensures that the deleted CDTs are not visible in the application in the Assortment Planning tasks.
- CDT Editor will not show the CDT in the menu.

Figure 3–2 Delete CDTs View

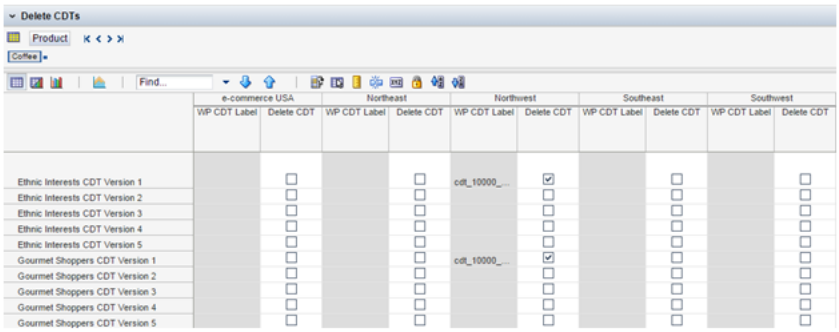


Table 3–1 lists the measures available in this view.

Table 3–1 Delete CDTs Measure

Label	Definition
WP CDT Label	The CDT's label, or name description, being used in the working plan assortment.
Delete CDT	A Boolean flag measure that must be checked to delete a CDT version before running the following batch script: $CM_HOME/bin/deleteCdts.ksh

Select CDT Version 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 3–3 Select CDT Version View

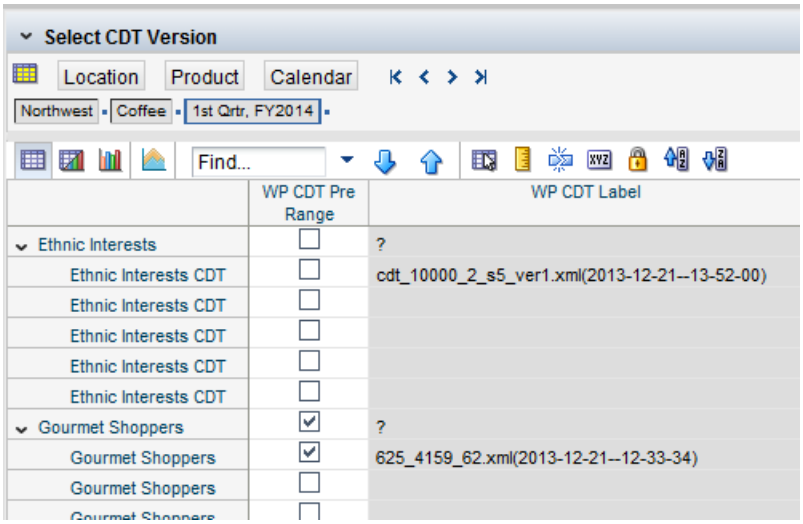


Table 3–2 lists the measures available in this view.

Table 3–2 Select CDT Version Measure

Label	Definition
WP CDT Pre Range	Administrator Working Plan CDT Pre Range Boolean.
WP CDT Label	The CDT'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 3–4 Attribute Value Maintenance View

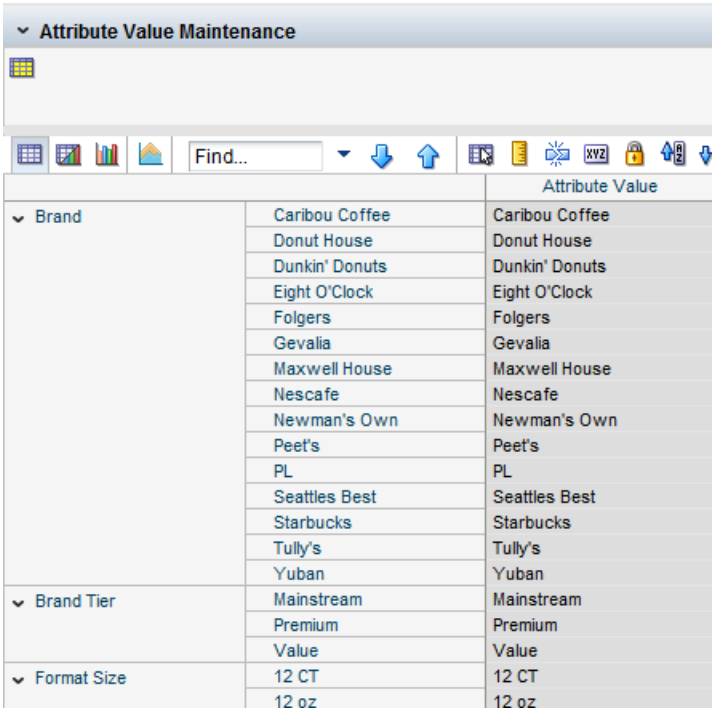


Table 3–3 lists the measure available in this view.

Table 3–3 Attribute Value Maintenance Measure

Label	Definition
Attribute Value	Indicates whether 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 3–5 Category Attribute Mapping View

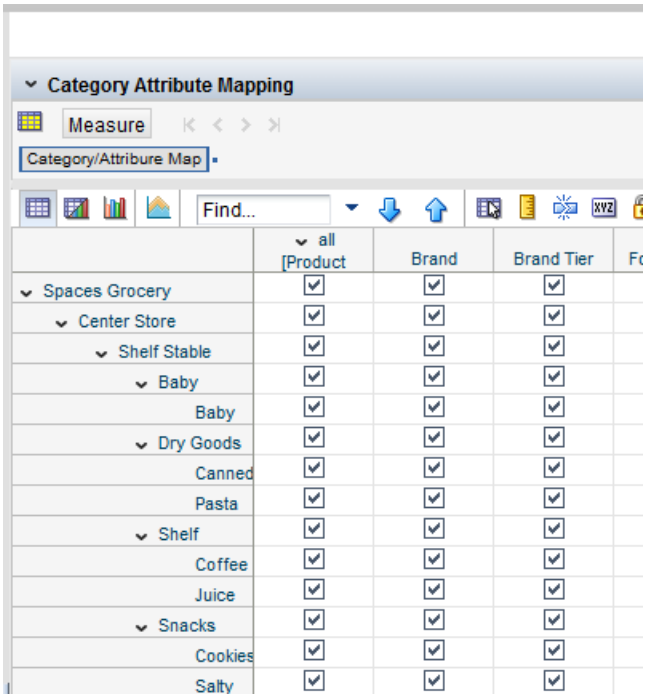


Table 3–4 lists the measure available in this view.

Table 3–4 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 3–6 SKU Attribute Maintenance View

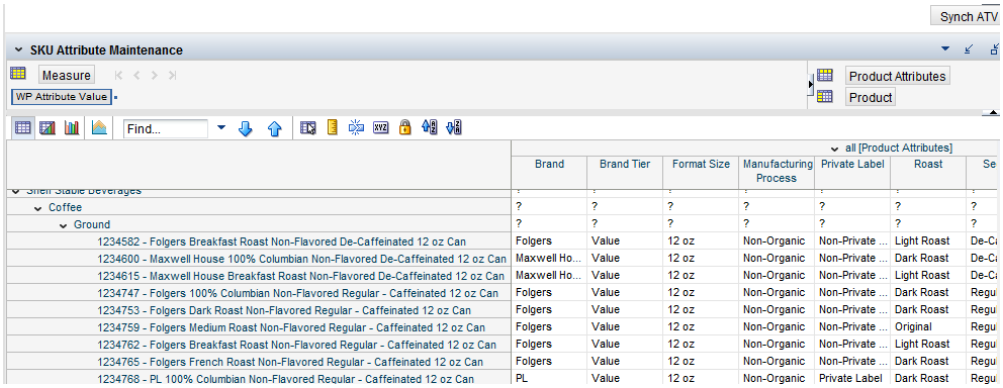


Table 3–5 lists the measure available in this view.

Table 3–5 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 that 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.

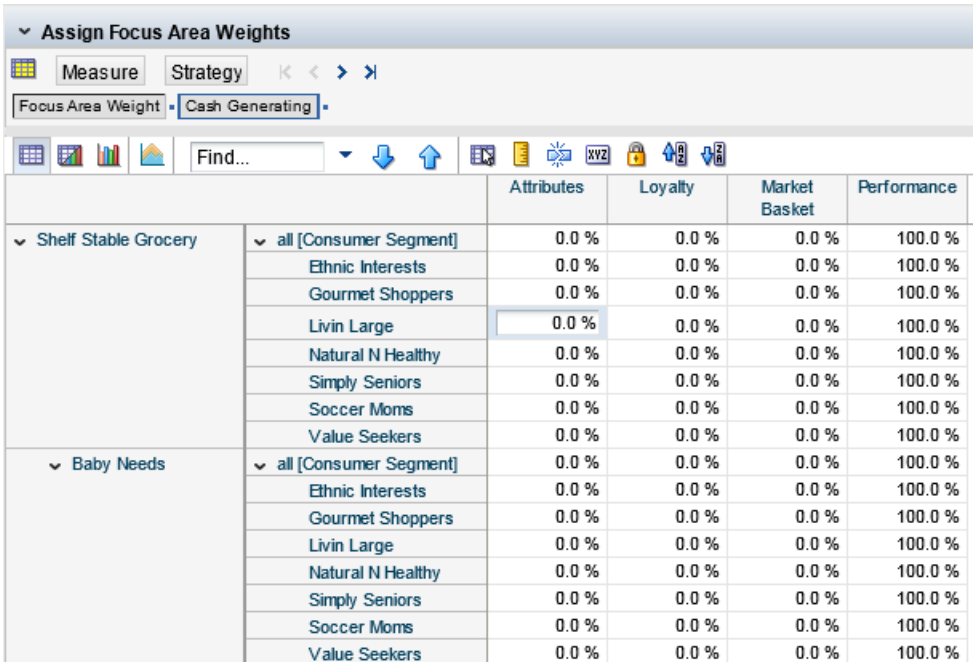
This step contains five views:

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 in which the required importance is 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 percent in order to keep the IPI scores within a narrow range of values.

Figure 3–7 1. Assign Focus Area Weights View



		Attributes	Loyalty	Market Basket	Performance
Shelf Stable Grocery	all [Consumer Segment]	0.0 %	0.0 %	0.0 %	100.0 %
	Ethnic Interests	0.0 %	0.0 %	0.0 %	100.0 %
	Gourmet Shoppers	0.0 %	0.0 %	0.0 %	100.0 %
	Livin Large	0.0 %	0.0 %	0.0 %	100.0 %
	Natural N Healthy	0.0 %	0.0 %	0.0 %	100.0 %
	Simply Seniors	0.0 %	0.0 %	0.0 %	100.0 %
	Soccer Moms	0.0 %	0.0 %	0.0 %	100.0 %
	Value Seekers	0.0 %	0.0 %	0.0 %	100.0 %
Baby Needs	all [Consumer Segment]	0.0 %	0.0 %	0.0 %	100.0 %
	Ethnic Interests	0.0 %	0.0 %	0.0 %	100.0 %
	Gourmet Shoppers	0.0 %	0.0 %	0.0 %	100.0 %
	Livin Large	0.0 %	0.0 %	0.0 %	100.0 %
	Natural N Healthy	0.0 %	0.0 %	0.0 %	100.0 %
	Simply Seniors	0.0 %	0.0 %	0.0 %	100.0 %
	Soccer Moms	0.0 %	0.0 %	0.0 %	100.0 %
	Value Seekers	0.0 %	0.0 %	0.0 %	100.0 %

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

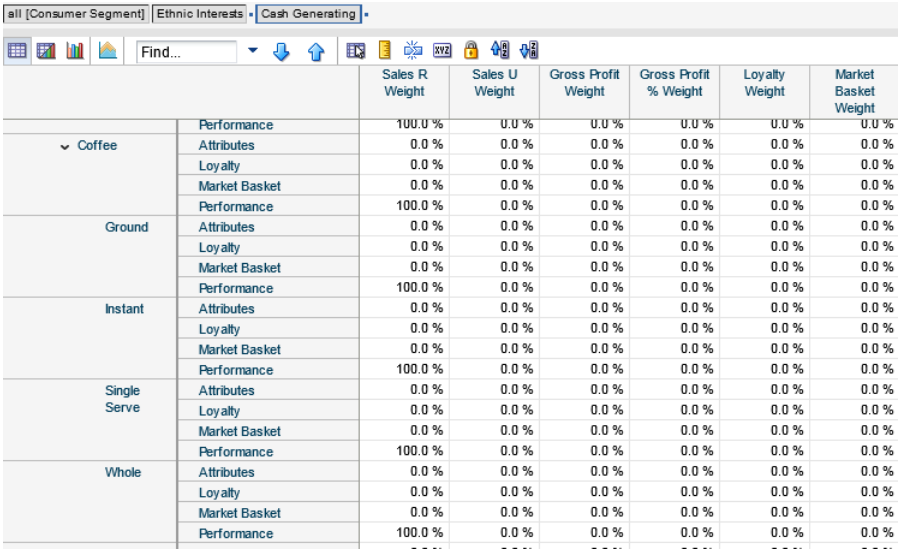
Table 3–6 1. Assign Focus Area Weights Measure

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 percent in order to keep the IPI scores within a narrow range of values.

Figure 3–8 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 3–7 lists the measures available in this view.

Table 3–7 2. Assign Metric Weights Measures

Label	Definition
Sales R Weight	The percentage of weight given to the sales retail metric for individual focus areas in IPI calculations for any category.
Sales U Weight	The percentage of weight given to the sales unit metric for individual focus areas in IPI calculations for any category.
Gross Profit Weight	The percentage of 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 weight assigned to individual focus areas, keeping in mind their exclusivity.
Loyalty Weight	Administrator default value loyalty weight value. The weight 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

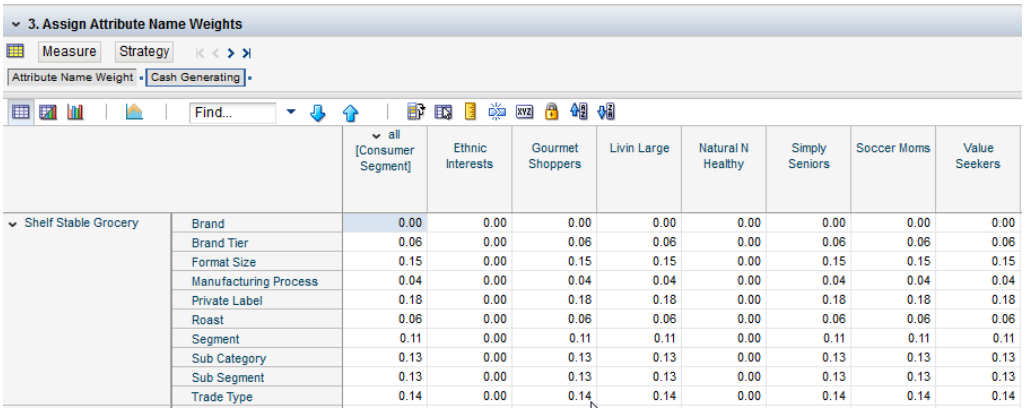
Attribute Name Weights must be defined when the assortment must have a specific product attributes mix. This provides a useful way to derive an assortment.

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 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 3–9 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 3–8 lists the measure available in this view.

Table 3–8 3. Assign Attribute Name Weights Measure

Label	Definition
Attribute Name Weight	The percentage of weight 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 3–10 4. Assign Attribute Value Weights View

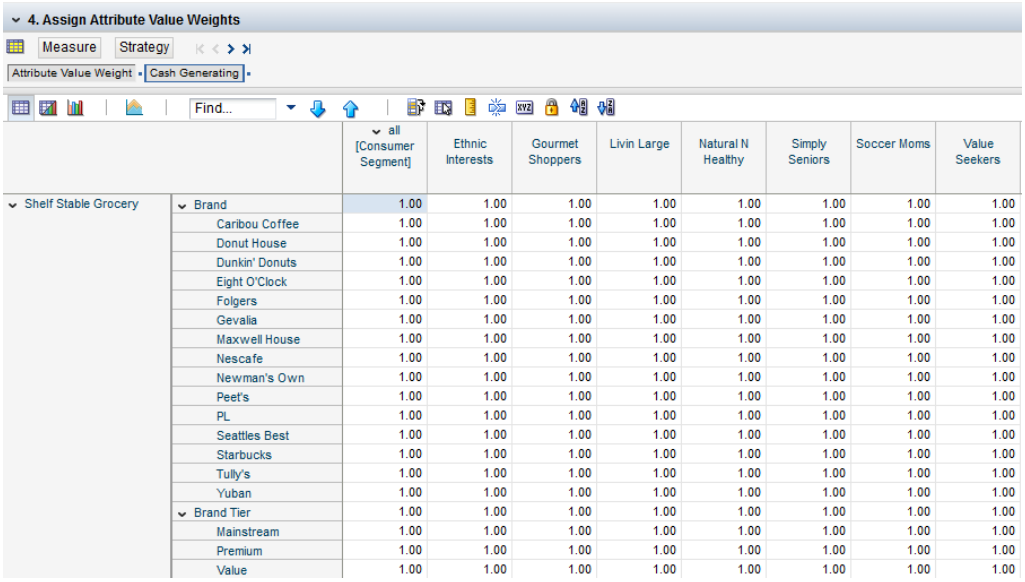


Table 3–9 lists the measure available in this view.

Table 3–9 4. Assign Attribute Value Weight Measure

Label	Definition
Attribute Value Weight	The percentage of weight 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 percent in order to keep the IPI scores within a narrow range of values.

Figure 3–11 5. Assign Consumer Segment Weights View

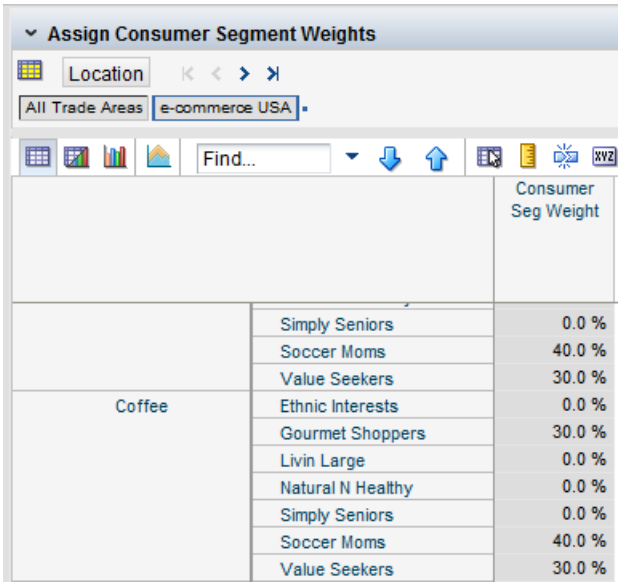


Table 3–10 lists the measure available in this view.

Table 3–10 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 3–12 Assign Consumer Segment Distribution View

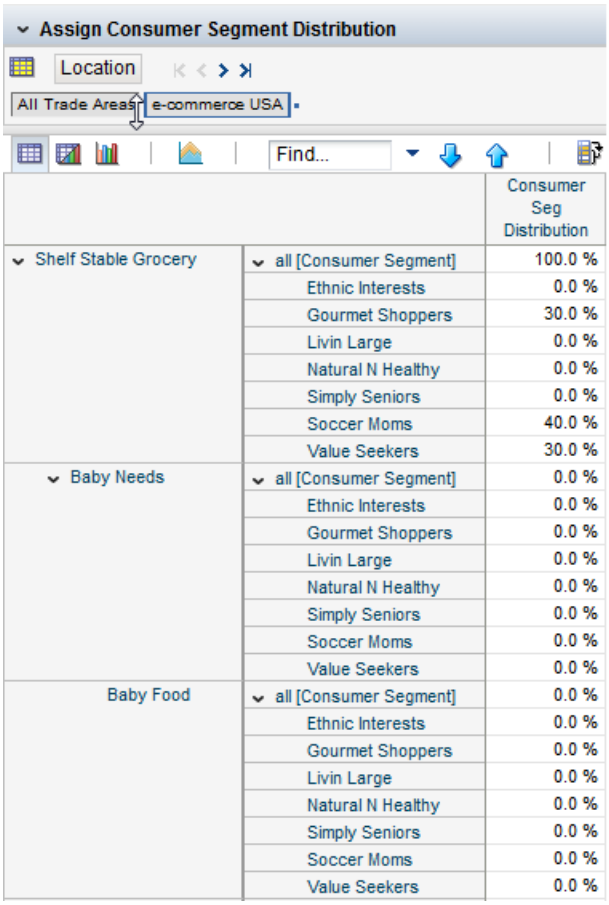


Table 3–11 lists the measure available in this view.

Table 3–11 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 ORASE 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 3–13 Assign Consumer Segment Status View

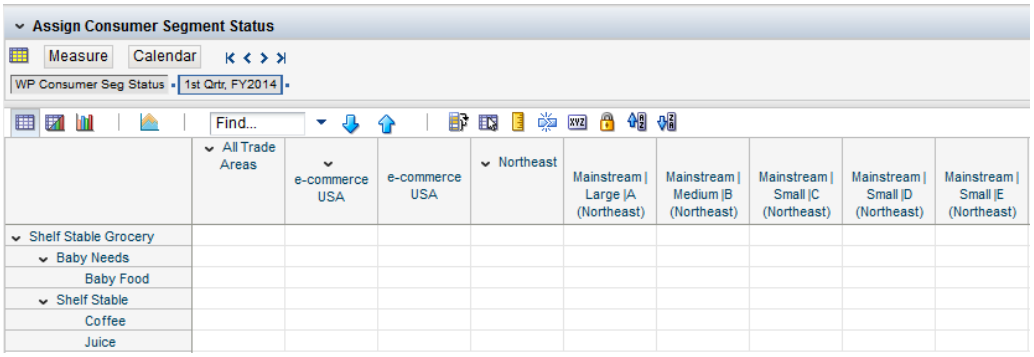


Table 3–12 lists the measure available in this view.

Table 3–12 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 ORASE.

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 3–14 Set Default Tactics View

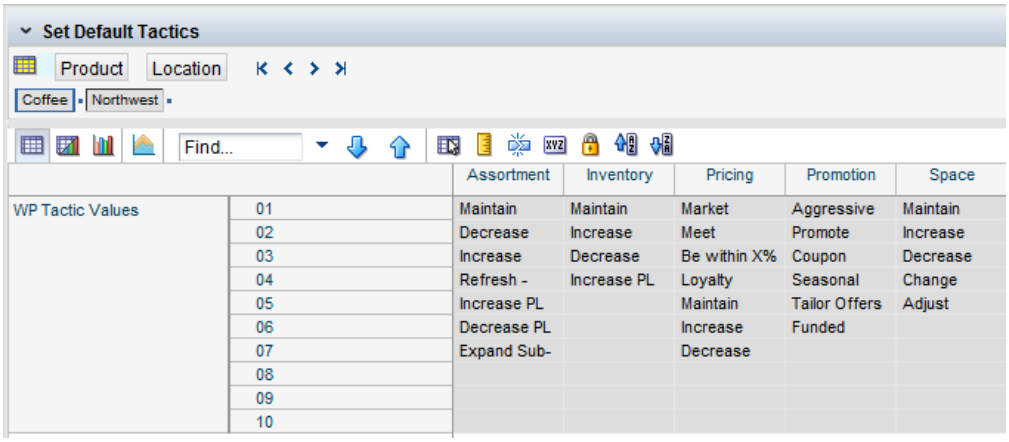


Table 3–13 lists the measure available in this view.

Table 3–13 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 3–15 Space Related Tactics View

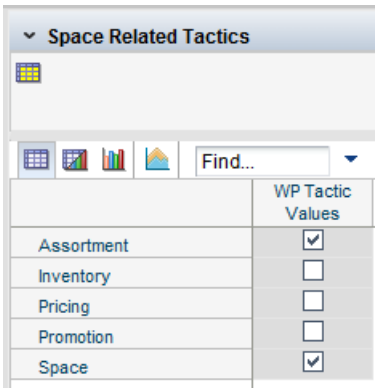


Table 3–14 lists the measure available in this view.

Table 3–14 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 3–16 Quarter Mapping View

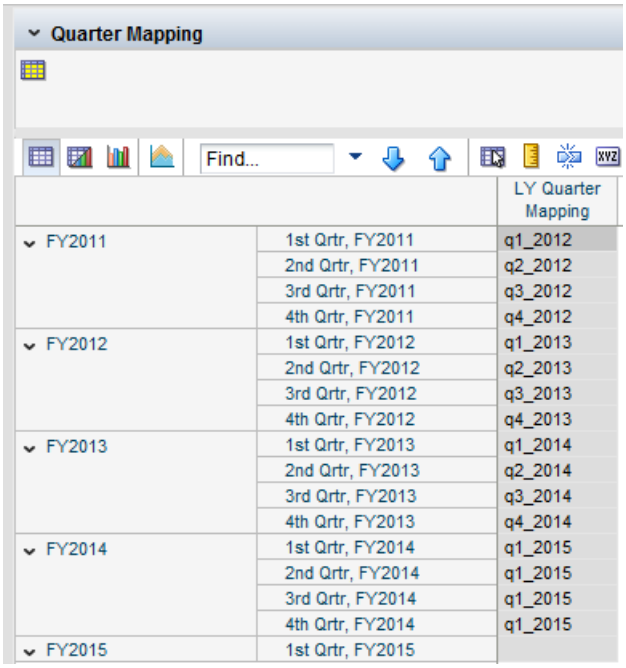


Table 3–15 lists the measure available in this view.

Table 3–15 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 3–17 Week Mapping View

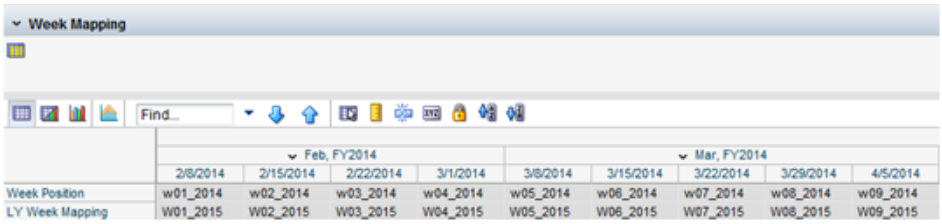


Table 3–16 lists the measures available in this view.

Table 3–16 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 DT 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 3–17.

Figure 3–18 Assign DT SKU Cutoff View

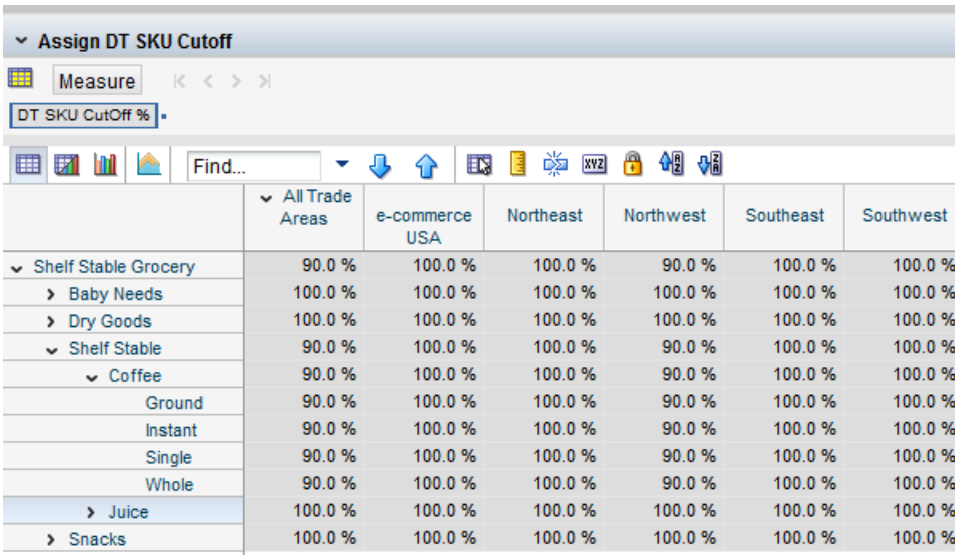


Table 3–17 lists the measure available in this view.

Table 3–17 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 that is 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 when calculating the number of significant substitute SKUs. If there is no tapering effect in substitutable demand, then it is best to keep DT Cut-Off % at 100%.

Manage MSO Tables Step

Before performing MSO, the MSO tables should be populated in this step. The MSO tables form the basis of MSO and are maintained by an administrator. These tables are used to store a relationship between the allocated space and the respective gross profit returns at the retailer based on historical data. MSO tables are also space profit tables and space profit elasticity curves, which are derived using advanced science algorithms.

This step helps users to create and manage MSO tables for the POG Department and POG sub-category levels. The MSO tables are consumed by the special expression/API that generates optimized space and profits for the two POG hierarchy levels. The MSO tables can be systemically loaded using space elasticity models or through this step in which administrators and the implementation team populate the tables manually or systematically.

Here is a recommended approach to populate the MSO tables:

- Identify key business considerations that can impact space profitability in the retailer's business.
- Combine retail business insights and data with statistical modeling best practices to generate elasticity models.
- Here is an example of an elasticity model that can be configured into the RPAS Planning platform:

Figure 3–19 Elasticity Model Example

$$\text{Sales} = a \cdot P^{b} \cdot T^{c} \cdot \text{Space}^{\tau}$$

- Sales modeled on:
  - P = Productivity
  - T = Number of weekly Transactions
  - Space (Optimization Variable)
- Model parameters (a,b,c,τ) are estimated using historical data
- Key output is the coefficient for the Space variable
  - τ = Space Elasticity

For more information on space planning and MSO, see Chapter 5 and Chapter 6.

This step has the following views:

- Manage MSO Tables @Dept View
- Manage MSO Tables @Sub-Category View

Manage MSO Tables @Dept View

This view is used to maintain the data in the space profit tables at the POG Department level. This view presents two measures: MD WP POG Length Square Units and MD WP POG Gross Profit R. Figure 3–20 shows an example of this view, displaying the space profit table information for a POG Department.

Figure 3–20 Manage MSO Tables @Dept View

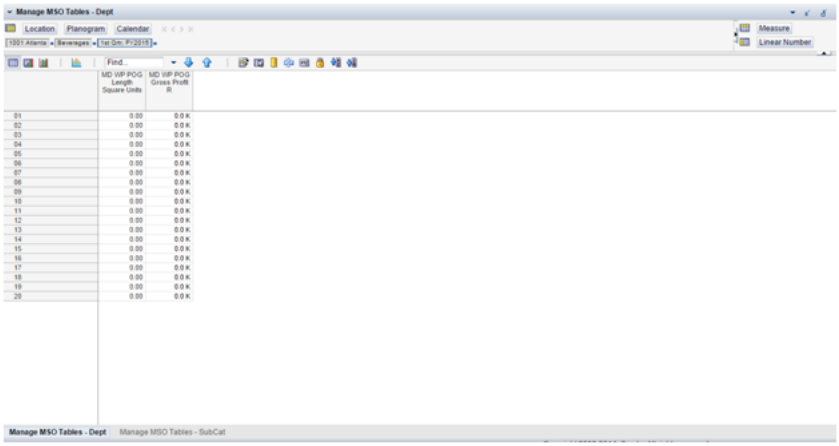


Table 3–18 lists the measures available in this view.

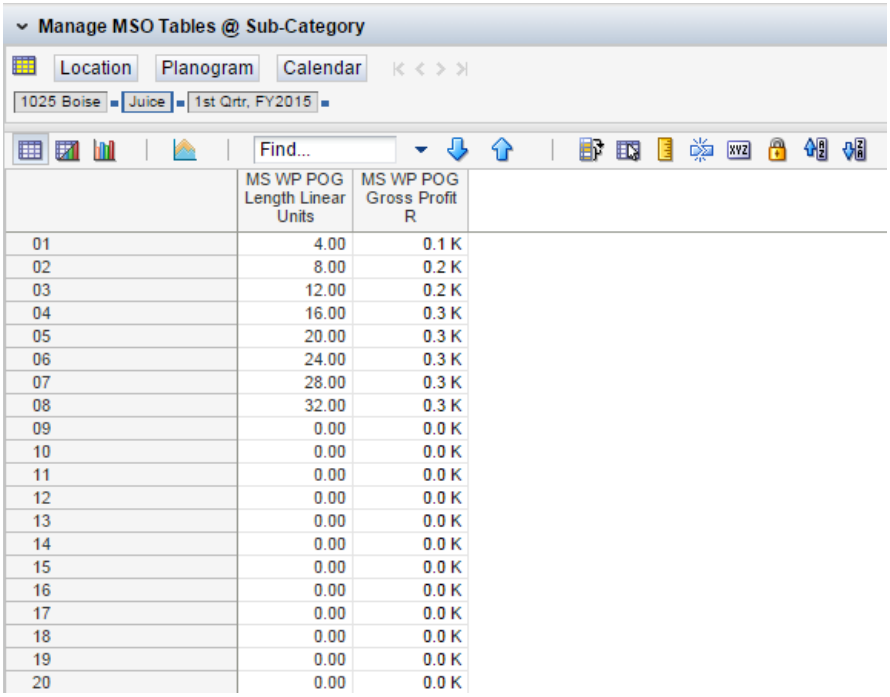
Table 3–18 Manage MSO Tables @Dept View Measures

Label	Description
MD WP POG Length Square Units	POG Department's (or Department Zone's) space in terms of the selling area in square units.
MD WP POG Gross Profit R	POG Department's (or Department Zone's) gross profit retail value. It is the corresponding value of gross profit to the POG Department's selling area.

Manage MSO Tables @Sub-Category View

This view is used to maintain data in the space profit tables at the POG sub-category level. This view presents two measures: MS WP POG Length Linear Units and MS WP POG Gross Profit R. Figure 3–21 shows an example of this view presenting the space Pprofit table information for a POG sub-category.

Figure 3–21 Manage MSO Tables @Sub-Category View



	MS WP POG Length Linear Units	MS WP POG Gross Profit R
01	4.00	0.1 K
02	8.00	0.2 K
03	12.00	0.2 K
04	16.00	0.3 K
05	20.00	0.3 K
06	24.00	0.3 K
07	28.00	0.3 K
08	32.00	0.3 K
09	0.00	0.0 K
10	0.00	0.0 K
11	0.00	0.0 K
12	0.00	0.0 K
13	0.00	0.0 K
14	0.00	0.0 K
15	0.00	0.0 K
16	0.00	0.0 K
17	0.00	0.0 K
18	0.00	0.0 K
19	0.00	0.0 K
20	0.00	0.0 K

Table 3–19 lists the measures available in this view.

Table 3–19 Manage MSO Tables @Sub-Category View Measures

Label	Description
MS WP POG Length Linear Units	POG sub-category's space in linear units.
MS WP POG Gross Profit R	POG sub-category's gross profit retail value corresponding to the POG sub-category's space in linear units.

Like Sub-Category Mapping Step

This step is used to populate the MSO tables for new POG sub-categories by mapping them to the existing POG sub-categories. This facilitates the participation of the new sub-categories in the MSO process.

This step has one view.

Like Sub-Category Mapping View

A new POG sub-category can be cloned, using a maximum of three existing sub-category/store combinations, as a clone source. Choose the existing POG sub-categories (or store) from the drop-down menu. Set the contribution percentage of the respective POG sub-category/store combination being used to clone the new POG

sub-category. Execute the Clone Like Sub-Category custom menu. The MSO tables for a new POG sub-category are populated on the basis of the defined contribution percentages.

Figure 3–22 Like Sub-Category Mapping View

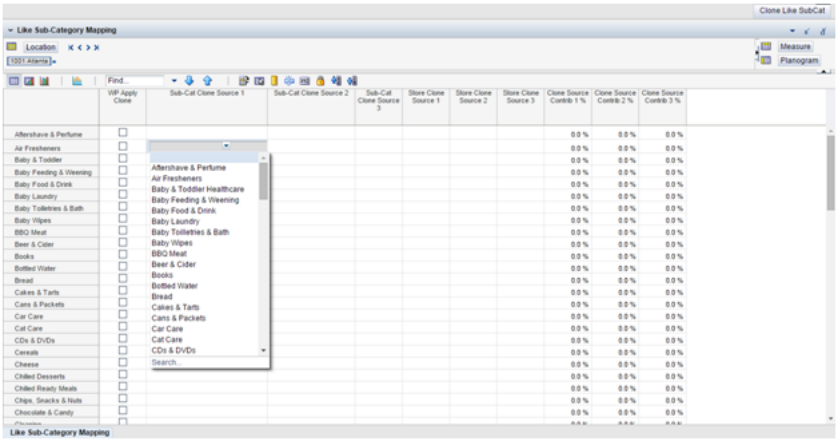


Table 3–20 lists the measures available in this view.

Table 3–20 Like Sub-Category Mapping View Measures

Label	Description
WP Apply Clone	Boolean measure that needs to be checked to run the Like sub-category custom menu.
Sub-Cat Clone Source 1	Contains a drop-down list that has the existing sub-categories from which to select a sub-category to be used as the first sub-category source to map and populate the new sub-category's MSO tables.
Sub-Cat Clone Source 2	Contains a drop-down list that has the existing sub-categories from which to select a sub-category to be used as the second sub-category source to map and populate the new sub-category's MSO tables.
Sub-Cat Clone Source 3	Contains a drop-down list that has the existing sub-categories from which to select a sub-category to be used as the third sub-category source to map and populate the new sub-category's MSO tables.
Store Clone Source 1	Contains a drop-down list that has the stores from which to select a store corresponding to the first sub-category source to map and populate the new sub-category.
Store Clone Source 2	Contains a drop-down list that has the stores from which to select a store corresponding to the second sub-category source to map and populate the new sub-category.
Store Clone Source 3	Contains a drop-down list that has the stores from which to select a store corresponding to the third sub-category source to map and populate the new sub-category.
Clone Source Contrib 1 %	Contribution percentage from the first sub-category source and corresponding store used to derive the MSO tables of the new sub-category.
Clone Source Contrib 2 %	Contribution percentage from the second sub-category source and corresponding store used to derive the MSO tables of the new sub-category.

Table 3–20 (Cont.) Like Sub-Category Mapping View Measures

Label	Description
Clone Source Contrib 3 %	Contribution percentage from the third sub-category source and corresponding store used to derive the MSO tables of the new sub-category.

POG and PROD Hierarchy Mapping Step

Use this step to define the relationship between the POG and PROD hierarchies in terms of the distribution percentage.

The POG hierarchy represents the store layout and depicts the manner in which products are merchandised in the store. It consists of three levels:

- POG Department equivalent to Department Zone in the store layout
- POG Category equivalent to Category in the PROD hierarchy
- POG Sub-Category equivalent to Sub-Category in the PROD hierarchy

The PROD hierarchy is mainly used in the back-end for Category Management, which includes defining roles, strategies, tactics, buying, pricing, promotions, assortment planning, and supply chain management.

The POG hierarchy is specifically used to define how the front-end of the store looks. Store layouts and planograms form the basis of the POG hierarchy. The POG hierarchy depicts the way a store is presented to the customer. MSO and Space Planning are based on the POG hierarchy in place of the PROD hierarchy.

For more information on space planning and MSO, see Chapter 5 and Chapter 6.

This step has the following views:

- POG and PROD Hierarchy Mapping @Dept View
- POG and PROD Hierarchy Mapping @Sub-Category View

POG and PROD Hierarchy Mapping @Dept View

This view is used to define the relationship between the POG and PROD hierarchies at the department level. The POG hierarchy (y-axis) is presented against the PROD hierarchy (x-axis) in this view, so that mapping can be done between the POG departments and departments (from the PROD hierarchy). Check the relevant check boxes and set the distribution percentages for deriving the target sales retail for the POG departments.

Figure 3–23 POG and PROD Hierarchy Mapping @Dept View

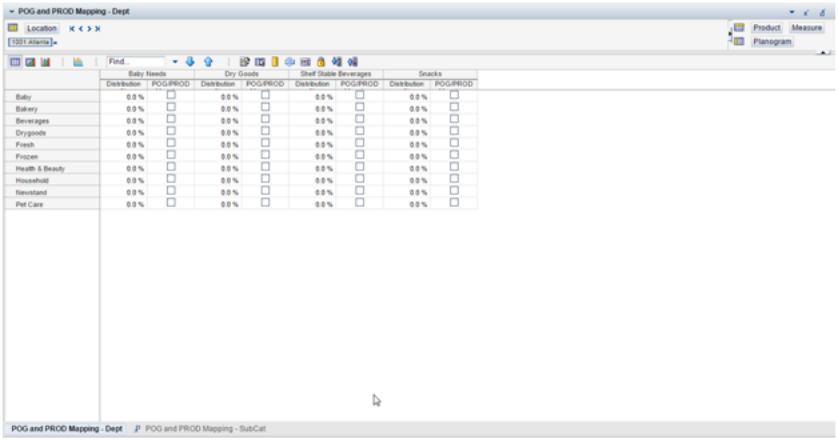


Table 3–21 lists the measures available in this view.

Table 3–21 POG and PROD Hierarchy Mapping @Dept View Measures

Label	Description
Distribution %	Distribution percentage used to map a POG department to a department (from the PROD hierarchy) to calculate the target sales retail value for the POG departments using the department targets from the category plan.
POG/PROD Mapping - Dept	Flag measure (Boolean measure) used to check the mapping of a POG department and department (from the PROD hierarchy).

POG and PROD Hierarchy Mapping @Sub-Category View

This view is used to define the relationship between the POG and PROD hierarchies at the sub-category level. The POG hierarchy (y-axis) is presented against the product hierarchy (x-axis) in this view, so that mapping can be done between the POG sub-categories and sub-categories (from the PROD hierarchy). Select the relevant check boxes and set the distribution percentages.

Figure 3–24 POG and PROD Hierarchy Mapping @Sub-Category View

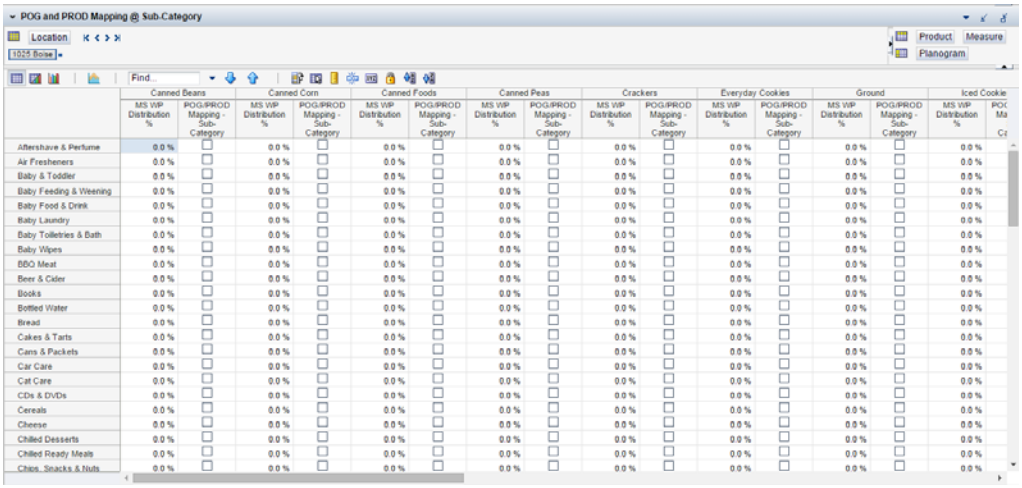


Table 3–22 lists the measures available in this view.

Table 3–22 POG and PROD Hierarchy Mapping @Sub-Category View Measures

Label	Description
Distribution %	Distribution percentage used to map a POG sub-category to a sub-category (from the PROD hierarchy) to calculate the target sales retail value for the POG sub-category using the sub-category's targets from the category plan.
POG/PROD Mapping - Sub-Category	Flag measure (Boolean measure) used to check the mapping of a POG department and department (from the PROD hierarchy).

Placeholder and Formalized Items Step

This step in Category Management Administration is used to store the formalization information for placeholder items.

Placeholder items are created in RPAS using DPM in the Assortment Planning tasks. Note that when creating placeholder items, the item name and label should be maintained symmetrically in the RHS (Right Hand Side) Product hierarchy.

Placeholder items' details need to be shared with RMS (or an MDM system) that owns the system of record for items. RMS in turn creates formal items/SKUs with the information supplied by RCM. Formalization information consisting of mapping between the DPM position number (or placeholder item number) and formalized item number needs to be shared with RCM.

This step has one view.

Placeholder and Formalized Items View

Imported formalization information from RMS or an MDM system is presented in this view. This is a read-only view. Formalization information consists of the mapping between formal items and placeholder items. Formalization information is stored in the Placeholder Item, Placeholder Item Label, Formalized Item, and Formalized Item Label measures.

After importing formalization information from RMS, standard RPAS functionality (through a nightly batch) is used to complete the formalization of placeholder items.

Formalization involves renaming the placeholder items’ DPM position (stored separately in the Placeholder Item measure) with the actual position (stored in the Formalized Item measure). Similarly, the Formalized Item Label measure is updated for the placeholder items. The placeholder items' RHS Product Hierarchy details are also updated through formalization.

The workbooks containing the placeholder items must be rebuilt for the formalization items to be reflected there.

Figure 3–25 Placeholder and Formalized Items View

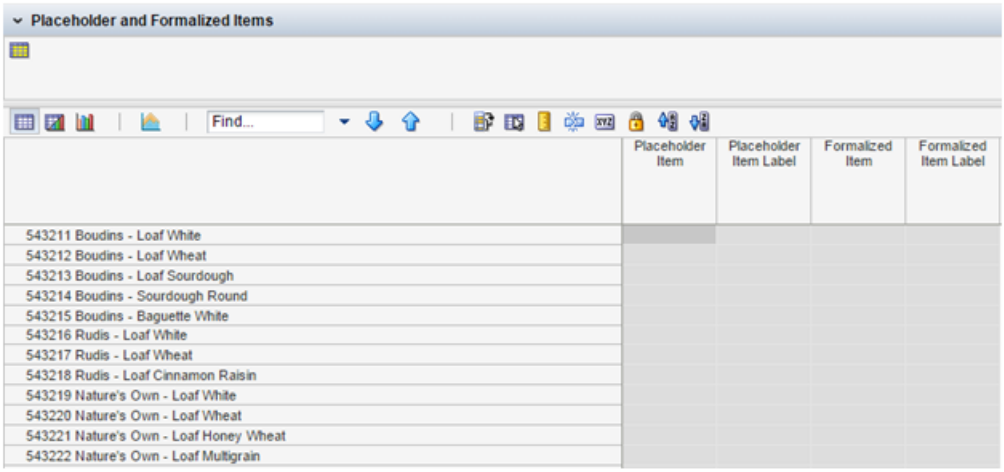


Table 3–23 lists the measures available in this view.

Table 3–23 Placeholder and Formalized Items View Measures

Label	Description
Placeholder Item	Used to store the placeholder item number. Placeholder items are created using DP and their DPM position number serves as the placeholder item number.
Placeholder Item Label	Used to store the placeholder item label. Placeholder items are created using DPM.
Formalized Item	Used to store the formalized item number. Formalized items are created in RMS or an MDM system against the placeholder items created in RCM.
Formalized Item Label	Used to store the formalized item label. Formalized items are created in RMS or an MDM system against the placeholder items created in RCM.

4

Category Planning Task

The Category Planning task forms the basis for Category Management and is used create category specific business plans and clearly define the role each and every category plays in a retailer's business to achieve the set business objectives.

It involves analyzing information from varied sources to obtain an understanding of a retailer's standing regarding competition that sets the required background for category planning. This information consists of consumer profile data, syndicated market data, syndicated household panel data, retailer's historic data, plan-period actuals, forecast data, and loyalty program data. The analysis of this information provides 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/category level targets in the form of various retail business measures such as sales, gross profit, inventory targets, private label and promotional specific targets. In addition, one of the most important actions in category planning is the assignment of roles, strategies, and tactics to categories and sub-categories.

Category planning facilitates the allocation of resources to available business opportunities. It is conducted at the trading area level in the application, which is lowest level available on the location hierarchy in this task. Category plans are created at the sub-category and category levels for a specific planning period, which can vary between quarter, half-year or a year, depending on the business need.

The Category Planning task has the following six steps:

- Category Performance Review Step
- Review 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 foundation data such as product hierarchy, location hierarchy, and calendar hierarchy, loaded as part of the domain setup
- Consumer segment distribution
- Predefined tactics pick list and week/quarter mapping information from the administration workbooks

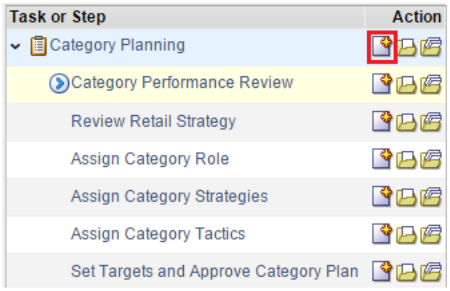
- Predefined trading areas as part of the location hierarchy, which is again loaded as part of the domain setup
- Forecast data from Oracle Retail Demand Forecasting (RDF) or any other forecasting solution
- POS data of the retailer
- Market and household panel data from external sources, such as Nielsen, Symphony, and IRI is needed for performing analysis and actions that consider market or consumer perspective
- All external data from market research companies and other applications, including CRM solutions and BI solutions such Oracle Retail Analytics (RA), pre-computed or aggregated and not required to be re-computed within Category Planning

Create the Category Planning Workbook

To create the workbook:

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

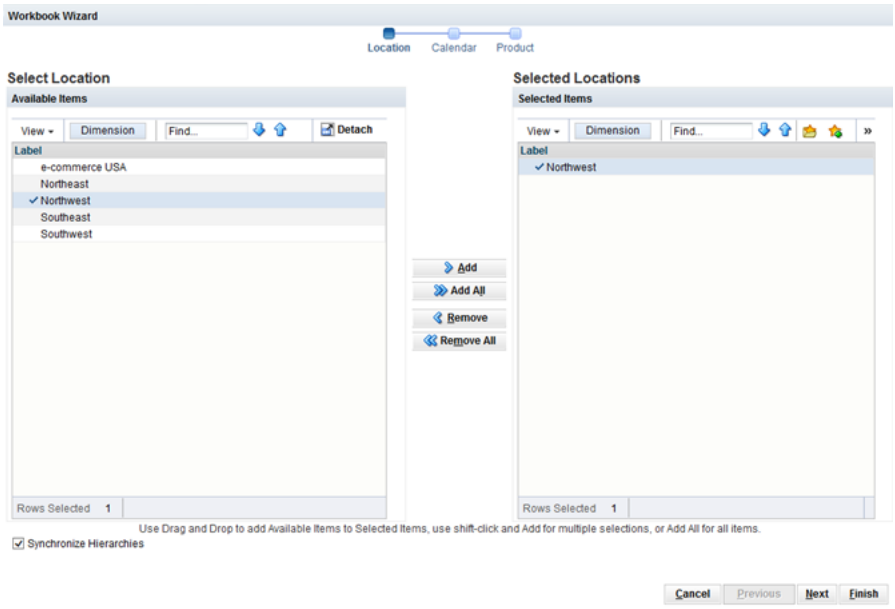
Figure 4–1 Category Planning Task



The workbook wizard opens.

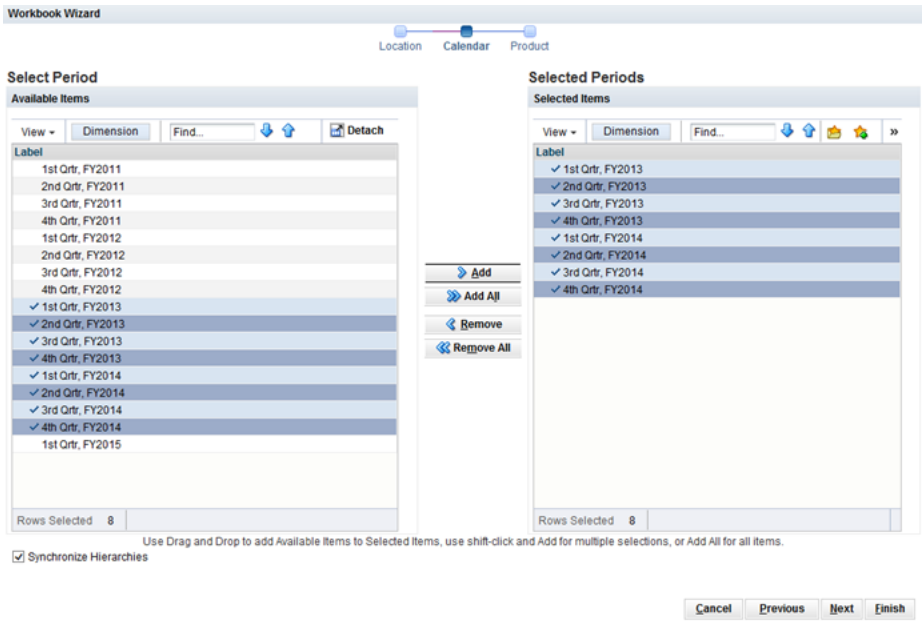
2. Select one location and move it to the Selected Items box. Click **Next**.

Figure 4–2 Workbook Wizard Select Location Page



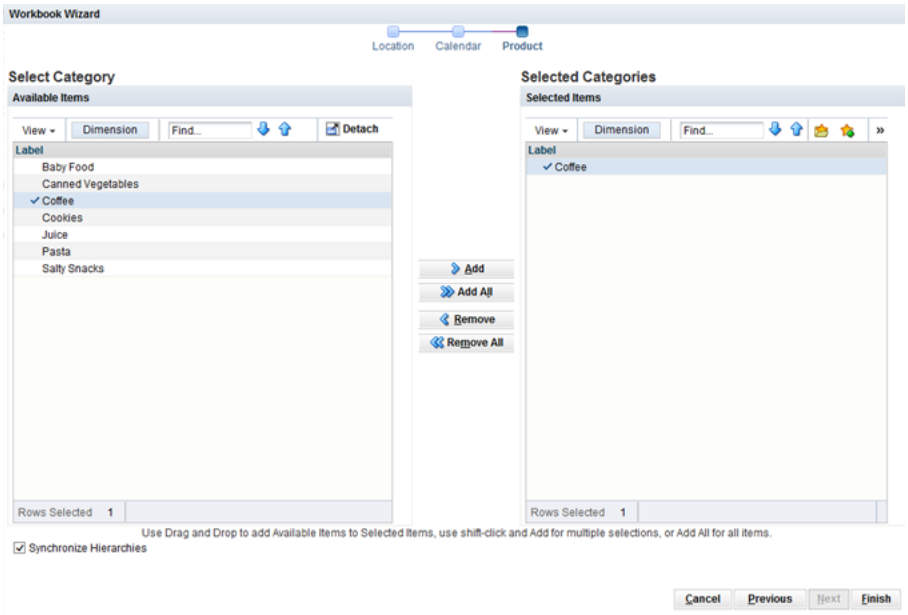
3. Select the calendar periods and move them to the Selected Items box. Click **Next.**

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. In the pre-season context when category planning starts, this view is used to review LY (last year) data, which serves as a good reference for the new category plans' creation. In the in-season context, it is used to track actuals (in the form of WP data) against the approved category plan targets (OP - Original Plan version).

Scorecard Summary View

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

The Scorecard Summary view contains three measure profiles for basic retail parameters such as sales and gross profit at different levels:

- Sales – Overall sales and gross profit information for national brands and private labels
- Promo Sales – Promotional sales
- Private Label Sales – Sales and gross profit for private labels

Figure 4–5 Scorecard Summary Sales Measure Profile View

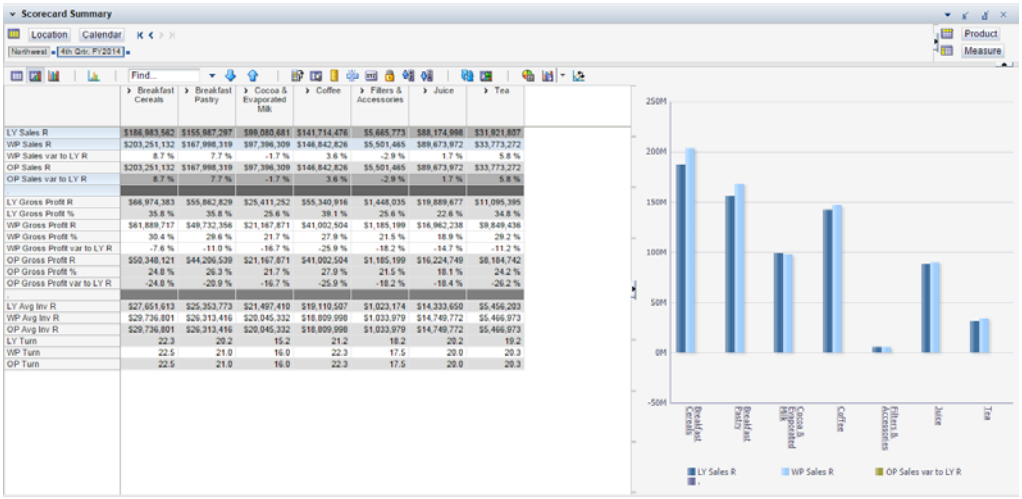


Table 4–1 lists the measures available in the Scorecard Summary Sales Measure Profile View.

Table 4–1 Scorecard Summary Sales Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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.
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 category plan’s working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in the category plan’s working plan version.
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	Approved category plan’s (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.
OP Gross Profit %	Approved category plan’s (referred to as original plan) gross profit percentage. It is shared as a target with assortment planning and MSO.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.

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

Label	Definition
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 is the number of times the average inventory carried can be sold over a specified period of time. In other words, it reflects the speed of inventory movement.
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

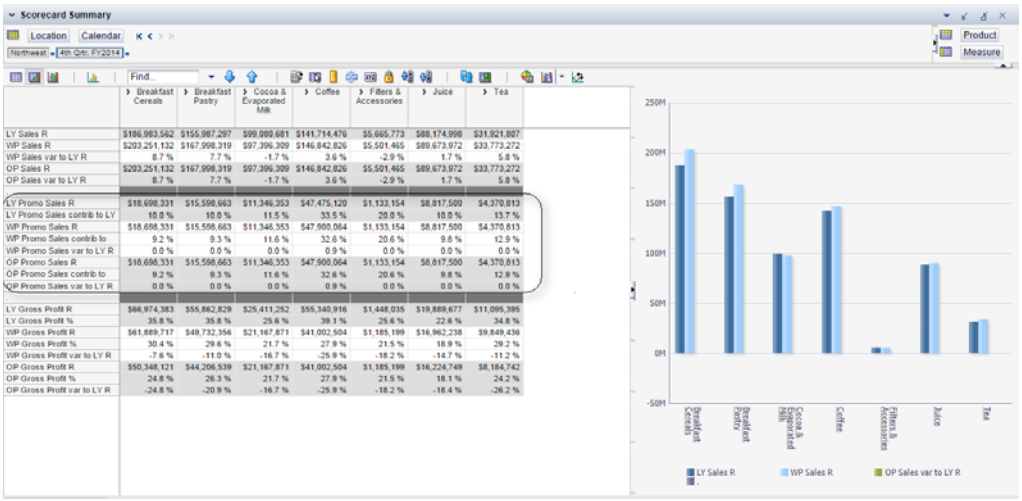


Table 4–2 lists the measures available in the Promo Sales Measure Profile View.

Table 4–2 Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
WP Sales var to LY R	The working plan's sales retail value's variance to the same in last year's actuals.

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

Label	Definition
OP Sales R	Approved category plan's (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
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.
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 category plan's working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in the category plan's working plan version.
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	Approved category plan's (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.
OP Gross Profit %	Approved category plan's (referred to as original plan) gross profit percentage. It is shared as a target with assortment planning and MSO.
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

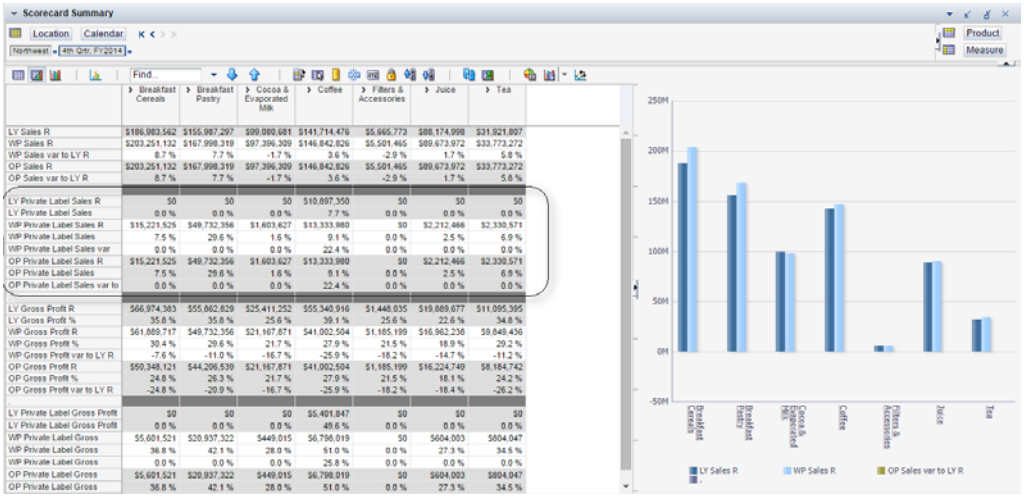


Table 4–3 lists the measures available in the Private Label Measure Profile View.

Table 4–3 Scorecard Summary Private Label Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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	Approved category plan's (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
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.
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.

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

Label	Definition
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 category plan's working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in the category plan's working plan version.
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	Approved category plan's (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.
OP Gross Profit %	Approved category plan's (referred to as original plan) gross profit retail percentage. It is shared as a target with assortment planning and MSO.
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.

Review Retail Strategy Step

Retailers need to review information from diverse sources to analyze and identify target consumer segment profiles, trading area opportunities, and the competition. The category plans should be based on business context, which requires a review of demographics, psychographic information about consumers shopping in the market, their buying behavior, and the retailer's standing regarding the competition in terms of key business parameters.

This step brings in the understanding of the business situation in the market in which the retailer competes in terms of the potential business, consumer profile composition, and their respective spends. 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

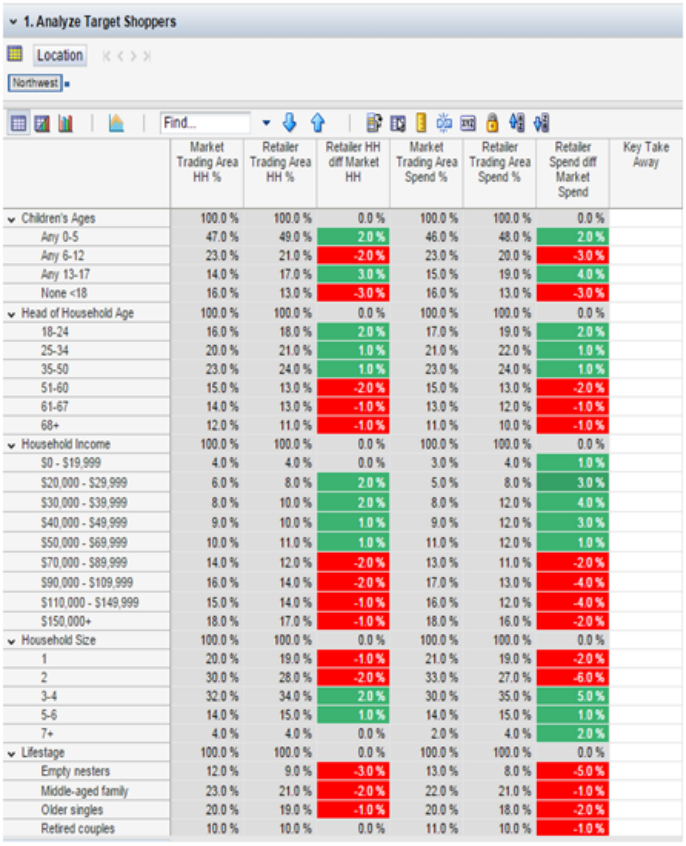
Use this view to analyze target shoppers. Consumer demographic and psychographic information is presented against their relative presence, contribution, and spend in the market compared with the retailer. This analysis provides an insight into whether or not the retailer is stronger compared to the total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

- The composition of the consumers who shop 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 in the form of demographic and psychographic parameters such as, household income, number of children, and so on
- Trading Area (see the definition of trading area in Required Data. In the application examples of trading area in GA data include Northwest and Northeast.)

Figure 4–8 1. Analyze Target Shoppers



	Market Trading Area HH %	Retailer Trading Area HH %	Retailer HH diff Market HH	Market Trading Area Spend %	Retailer Trading Area Spend %	Retailer Spend diff Market Spend	Key Take Away
Children's Ages	100.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %	
Any 0-5	47.0 %	49.0 %	2.0 %	46.0 %	48.0 %	2.0 %	
Any 6-12	23.0 %	21.0 %	-2.0 %	23.0 %	20.0 %	-3.0 %	
Any 13-17	14.0 %	17.0 %	3.0 %	15.0 %	19.0 %	4.0 %	
None <18	16.0 %	13.0 %	-3.0 %	16.0 %	13.0 %	-3.0 %	
Head of Household Age	100.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %	
18-24	16.0 %	18.0 %	2.0 %	17.0 %	19.0 %	2.0 %	
25-34	20.0 %	21.0 %	1.0 %	21.0 %	22.0 %	1.0 %	
35-50	23.0 %	24.0 %	1.0 %	23.0 %	24.0 %	1.0 %	
51-60	15.0 %	13.0 %	-2.0 %	15.0 %	13.0 %	-2.0 %	
61-67	14.0 %	13.0 %	-1.0 %	13.0 %	12.0 %	-1.0 %	
68+	12.0 %	11.0 %	-1.0 %	11.0 %	10.0 %	-1.0 %	
Household Income	100.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %	
$0 - $19,999	4.0 %	4.0 %	0.0 %	3.0 %	4.0 %	1.0 %	
$20,000 - $29,999	6.0 %	8.0 %	2.0 %	5.0 %	8.0 %	3.0 %	
$30,000 - $39,999	8.0 %	10.0 %	2.0 %	8.0 %	12.0 %	4.0 %	
$40,000 - $49,999	9.0 %	10.0 %	1.0 %	9.0 %	12.0 %	3.0 %	
$50,000 - $69,999	10.0 %	11.0 %	1.0 %	11.0 %	12.0 %	1.0 %	
$70,000 - $89,999	14.0 %	12.0 %	-2.0 %	13.0 %	11.0 %	-2.0 %	
$90,000 - $109,999	16.0 %	14.0 %	-2.0 %	17.0 %	13.0 %	-4.0 %	
$110,000 - $149,999	15.0 %	14.0 %	-1.0 %	16.0 %	12.0 %	-4.0 %	
$150,000+	18.0 %	17.0 %	-1.0 %	18.0 %	16.0 %	-2.0 %	
Household Size	100.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %	
1	20.0 %	19.0 %	-1.0 %	21.0 %	19.0 %	-2.0 %	
2	30.0 %	28.0 %	-2.0 %	33.0 %	27.0 %	-6.0 %	
3-4	32.0 %	34.0 %	2.0 %	30.0 %	35.0 %	5.0 %	
5-6	14.0 %	15.0 %	1.0 %	14.0 %	15.0 %	1.0 %	
7+	4.0 %	4.0 %	0.0 %	2.0 %	4.0 %	2.0 %	
Lifestage	100.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %	
Empty nesters	12.0 %	9.0 %	-3.0 %	13.0 %	8.0 %	-5.0 %	
Middle-aged family	23.0 %	21.0 %	-2.0 %	22.0 %	21.0 %	-1.0 %	
Older singles	20.0 %	19.0 %	-1.0 %	20.0 %	18.0 %	-2.0 %	
Retired couples	10.0 %	10.0 %	0.0 %	11.0 %	10.0 %	-1.0 %	

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 particular consumer segment profile based on meeting specific demographic or psychographic parameters criteria.
Retailer Trading Area HH %	The percentage of market households that shop at the retailer and belong to a particular consumer segment profile based on meeting specific demographic or psychographic parameters criteria.
Retailer HH diff Market HH	The difference between Retailer HH % and Market HH % for a particular consumer segment profile based on meeting specific demographic or psychographic parameters criteria. In general, for the target consumer segment profile parameters, a positive value is a good sign.
Market Trading Area Spend %	Markets' spend percentage produced by a particular consumer segment profile based on meeting specific demographic or psychographic parameters criteria. This measure provides the spread of overall spend in the market. It takes into consideration the overall market sales.

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

Label	Definition
Retailer Trading Area Spend %	Spend percentage of the overall spend at the retailer produced by a specific consumer segment profile (based on meeting a specific demographic or psychographic parameters criteria). This measure provides the spread of overall spend at the retailer. It only considers the sales generated by the retailer.
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 and notes that can be saved against each consumer segment profile parameter.

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 with the overall market averages and other consumer segments.

This view exists at the following levels:

- Consumer Segment, such as Gourmet Shoppers and Soccer Moms
- Trading Area

Figure 4–9 2. Analyze Trading Area Opportunity View

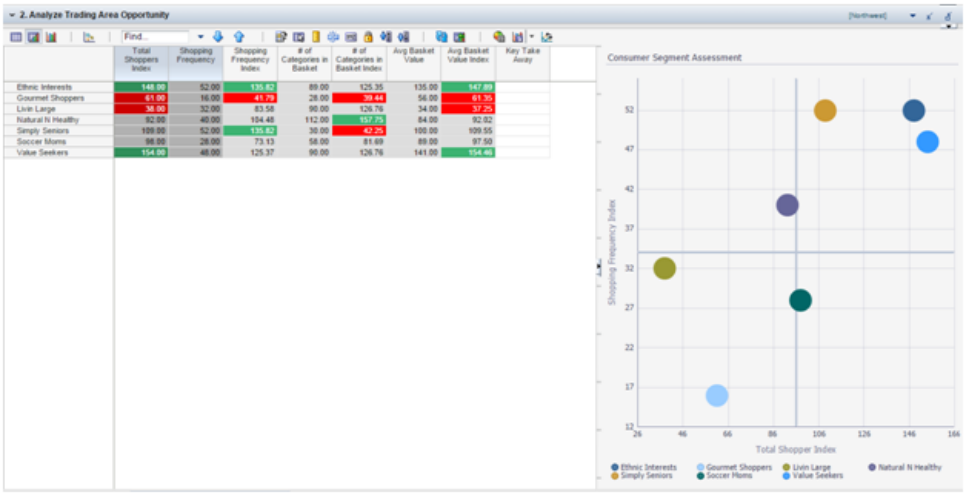


Table 4–5 lists the measures available in this view. The data is loaded from Household Panel data.

Table 4–5 2. Analyze Trading Area Opportunity Measures

Label	Definition
Total Shoppers Index	The percentage of sales volume at the retailer, driven by a consumer segment in relation to other consumer segments. It is calculated using the index to average method and facilitates the identification of target consumer segments.
Shopping Frequency	The total number of shopping occasions of a consumer segment in a given time period (time period as specified in the workbook build).

Table 4–5 (Cont.) 2. Analyze Trading Area Opportunity Measures

Label	Definition
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 to gauge the relative standing of consumer segments in terms of the number of categories in their basket in relation to other consumer segments. It is calculated using an index-to-average method.
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 and notes that can be saved against each consumer segment.

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:

- Retailer level, presenting retailers competing in the market (trading area)
- Trading Area

Figure 4–10 3. Analyze Competition View

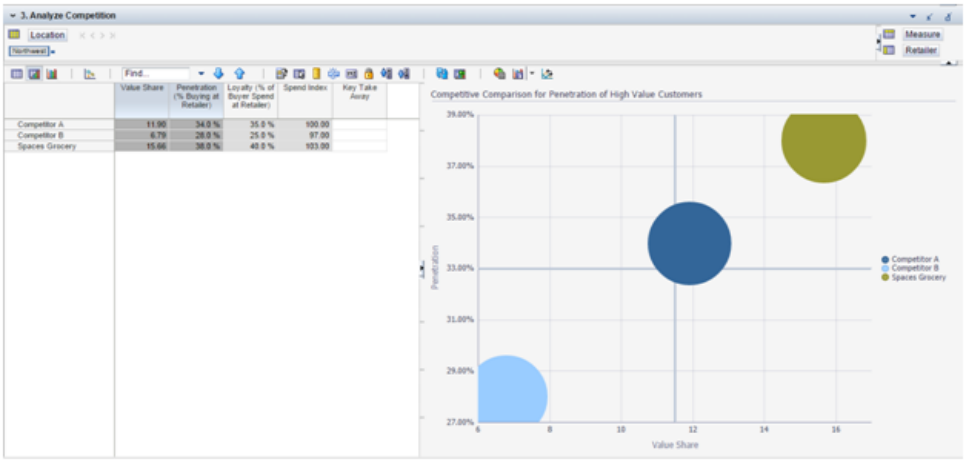


Table 4–6 lists the measures available in this view. The measures are loaded from Household Panel data.

Table 4–6 3. Analyze Competition Measures

Label	Definition
Value Share	A metric used to gauge the share of a retailer in overall market value. Market value is calculated on the basis of retailer's reach in the market, loyalty exhibited by its customer base, and 'customers' spend' at the retailer. This measure is calculated using 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 and notes that can be saved against each competitor.

Assign Category Role Step

In a gamut of product categories that the retailer stocks and sells, it is important to fix a role for each and every product category to clearly define and align with overall macro-retail business objectives set by the top management. This provides a sense of clarity, harmony, and synchronization among different product categories that are part of the retailer's portfolio and avoids a situation of overlapping sales or resource allocation conflicts between different product categories. It helps the retailer by clearly defining and meeting business targets for individual product categories by defining appropriate assortments meeting consumer expectations.

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 incorporated by role assignment to categories. Category roles represent the importance and function of a product category in a retailer's business in the larger scheme of things.

To present an analogy, 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 required category role. Tactics are a set of activities to attain the set strategy.

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

Roles, strategies and tactics along with category plan targets are shared with assortment planning and MSO tasks on approval. 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 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 retailer's target shoppers. This analysis sets the foundation for understanding which categories should be assigned what roles, considering the retailer's portfolio. There are two industry models available as part of the base GA solution used to assign roles to a category: Industry Model A and Industry Model B. These industry models draw from industry standard best practices. 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 Category Manager's discretion is very important in the assignment of category roles. For more details on roles, strategies, and tactics, see Appendix A.

This step initially presents market insights highlighting the market shares, growth, value shares, trends, and so on, cross-category consumer segment spend analysis, and internal cross-category performance analysis, setting the background for category role assignments. In effect, this step presents a different analysis that answer key questions such as:

- 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?
- Retailers
  - 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?

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

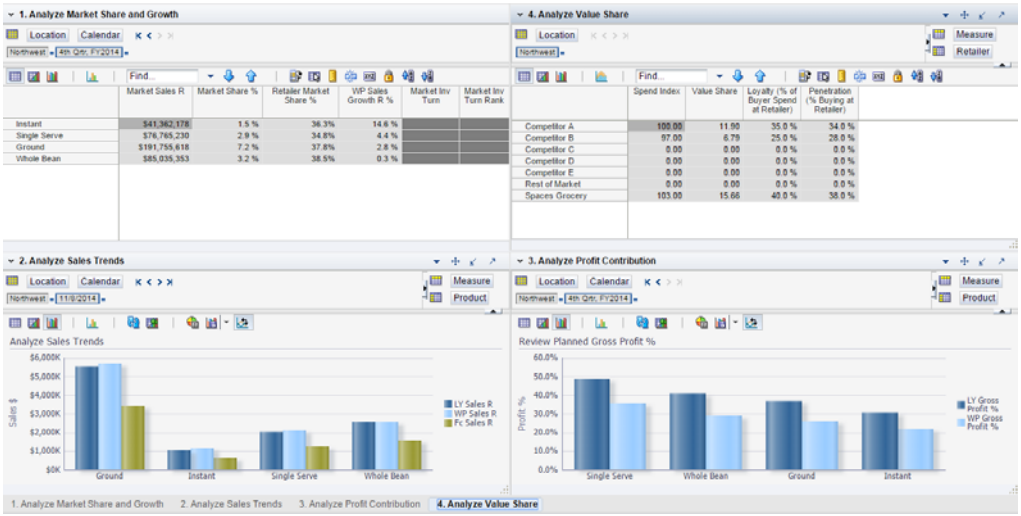
This tab presents a combined view of market insights and the retailer's standing in the market in terms of various business parameters. This provides a market business context or highlights the business situation of the market for a product category. In effect, it builds the required market business background for the category manager to create an 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
- Trading Area

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

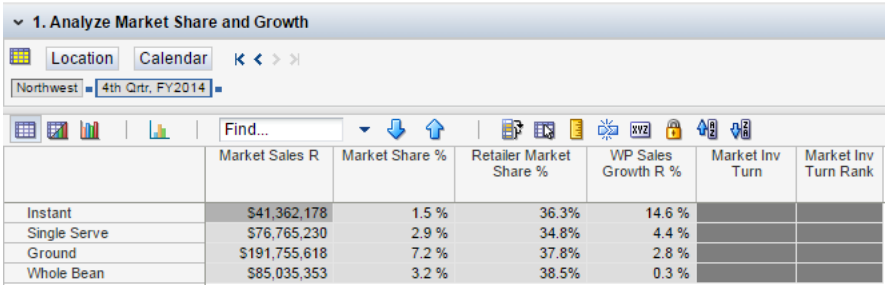


Table 4–7 lists the measures available in this view. The measures are loaded from market scan competitive data.

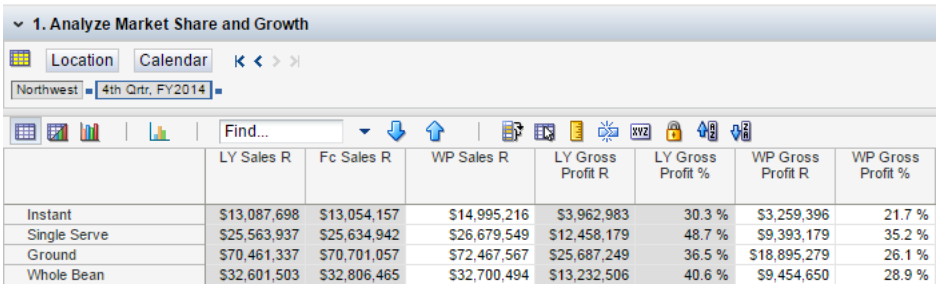
Table 4–7 1. Analyze Market Share and Growth Measures (Market Measure Profile)

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.

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

Label	Definition
Market Share %	The percentage of market sales generated by a particular product segment towards the overall market sales of the larger product segment to which it maps in the product hierarchy. For example, a sub-category's market sales percentage in the overall market sales retail of the category or the percentage of department's sales generated by a category.
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 average inventory carried 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)



	LY Sales R	Fc Sales R	WP Sales R	LY Gross Profit R	LY Gross Profit %	WP Gross Profit R	WP Gross Profit %
Instant	$13,087,698	$13,054,157	$14,995,216	$3,962,983	30.3 %	$3,259,396	21.7 %
Single Serve	$25,563,937	$25,634,942	$26,679,549	$12,458,179	48.7 %	$9,393,179	35.2 %
Ground	$70,461,337	$70,701,057	$72,467,567	$25,687,249	36.5 %	$18,895,279	26.1 %
Whole Bean	$32,601,503	$32,806,465	$32,700,494	$13,232,506	40.6 %	$9,454,650	28.9 %

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	Last year's sales retail value (actuals) from the merchandise.
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 from the merchandise in category plan's working plan version.
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.

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

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

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
- Sub-Category
- Trading Area

Figure 4–14 2. Analyze Sales Trends View

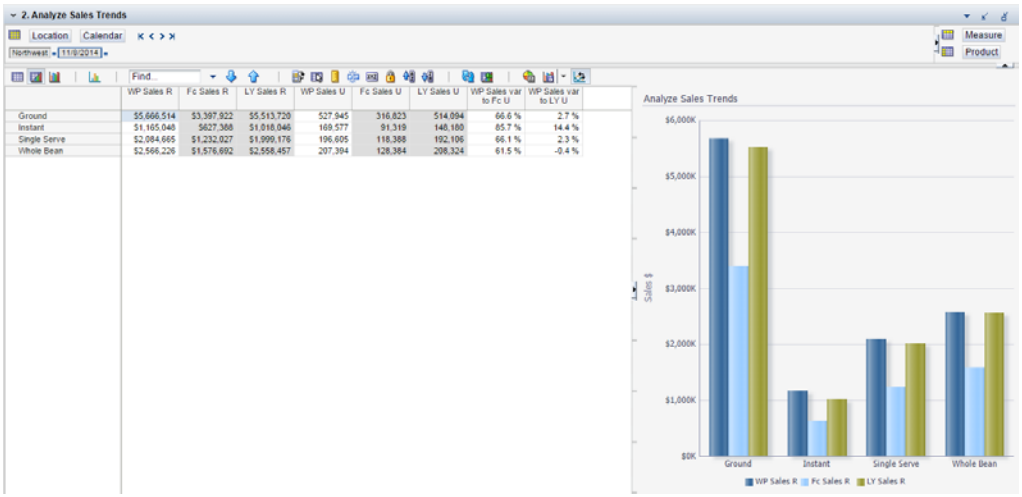


Table 4–9 lists the measures available in this view.

Table 4–9 2. Analyze Sales Trends Measures

Label	Definition
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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	Last year's sales retail value (actuals) from the merchandise.
WP Sales U	Sales units from the merchandise in category plan's working plan version.

Table 4–9 (Cont.) 2. Analyze Sales Trends Measures

Label	Definition
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	Last year's sales retail value (actuals) from the merchandise.
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:

- Trading Area
- Sub-Category

Figure 4–15 3. Analyze Profit Contribution View

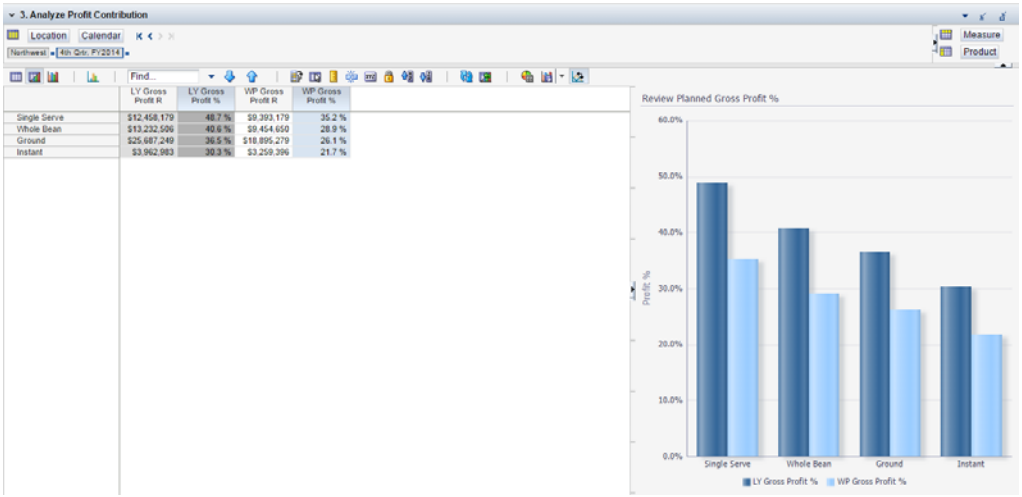


Table 4–10 lists the measures available in this view.

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.
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 category plan's working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in the category plan's working plan version.

4. Analyze Value Share View

Use this view to analyze the value share. Value share is a measure used to gauge the share of the retailer in the market's overall business by looking at key parameters such as spend index, loyalty, and penetration.

Figure 4–16 4. Analyze Value Share View

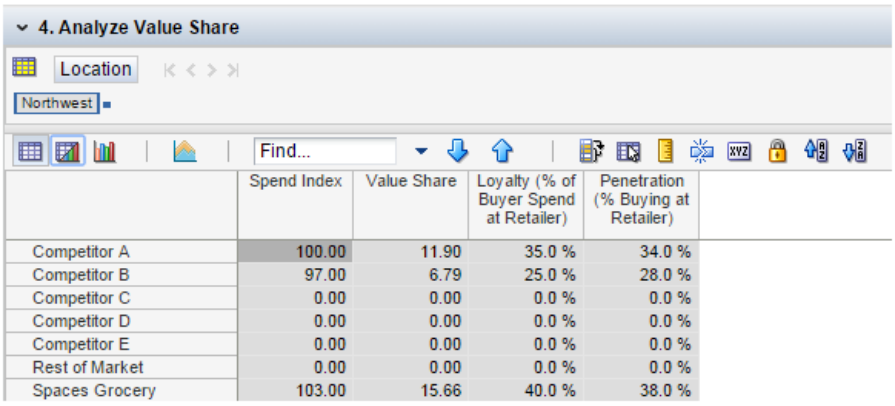


Table 4–11 lists the measures available in this view.

Table 4–11 4. Analyze Value Share Measures

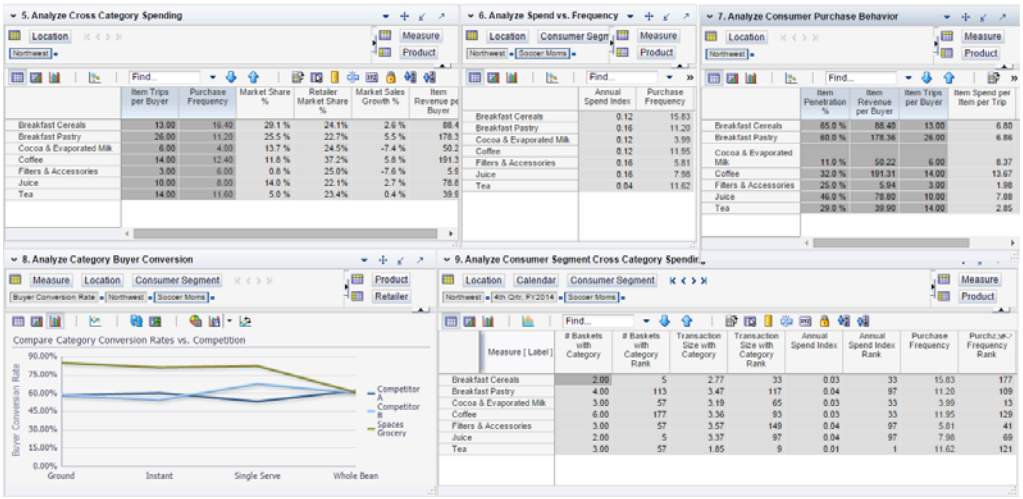
Label	Definition
Spend Index	An index value based on the spend percentage of the consumers attracted by the retailer compared to the average spend percentage at the other retailers competing in the market. It is calculated by the index-to-average method.
Value Share	Value share of the retailer is calculated using the formula: (Penetration) multiplied by (Loyalty Index) multiplied by (Spending Index).
Loyalty (% of Buyer Spend at Retailer)%	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 ten purchases annually in a given category, three of which are made for 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).
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.

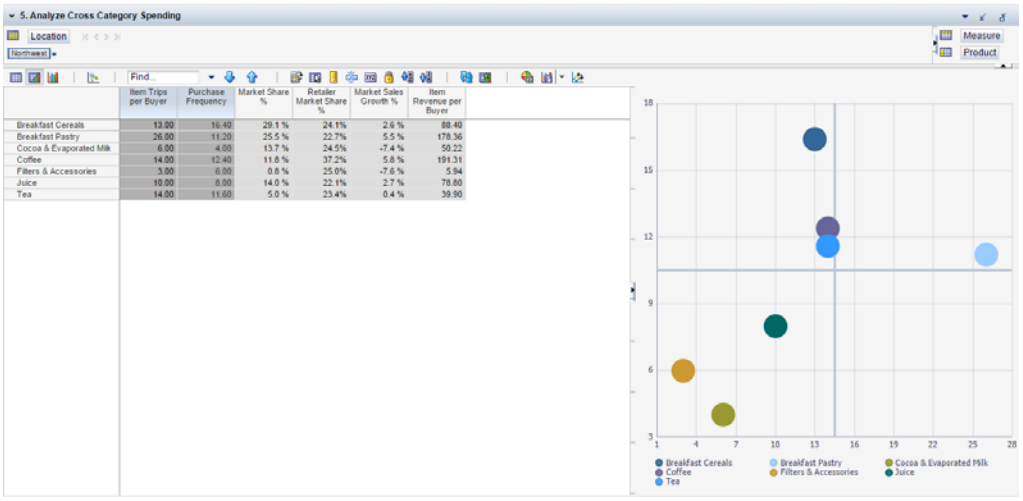
Figure 4–17 Analyze Consumer Spend Tab Views



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:

- Category

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/sub-category/category (or a product segment, in general).
Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category is purchased in a given time period (planning period as per the workbook build). It is presented at the sub-category or category level in the application.
Market Share %	The percentage of market sales generated by a particular product segment towards the overall market sales of the larger product segment to which it maps in the product hierarchy. For example, a sub-category's market sales percentage in the overall market sales retail of the category or the percentage of department's sales generated by a category.
Retailer Market Share %	The retailer's sales revenue share for a category or sub-category within the market.
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
- Category

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

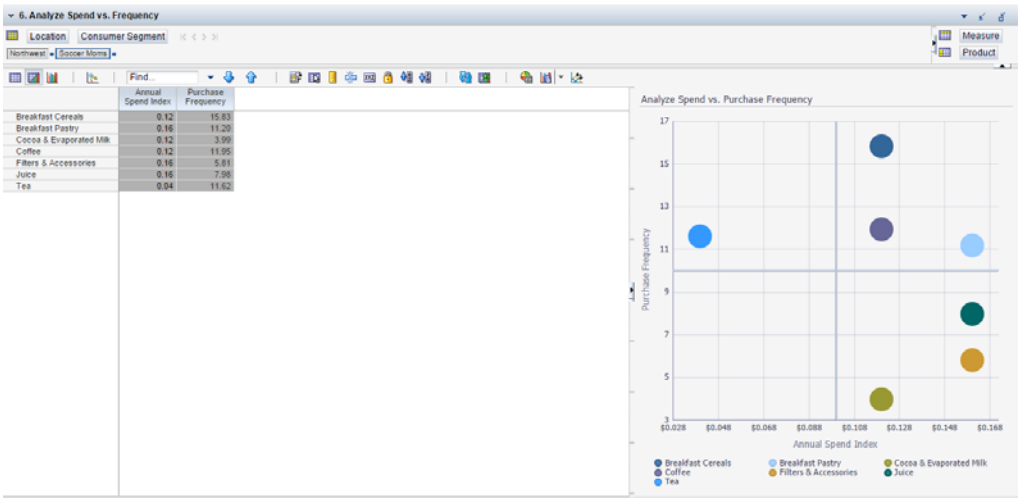


Table 4–13 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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 an item from a specific product segment such as a sub-category or category is purchased in a given time period (planning period as per the workbook build). It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level.

7. Analyze Consumer Purchase Behavior View

Use this view to analyze consumer purchase behavior across categories.

This view exists at the following levels:

- Category
- Consumer Segment

Figure 4–20 7. Analyze Consumer Purchase Behavior

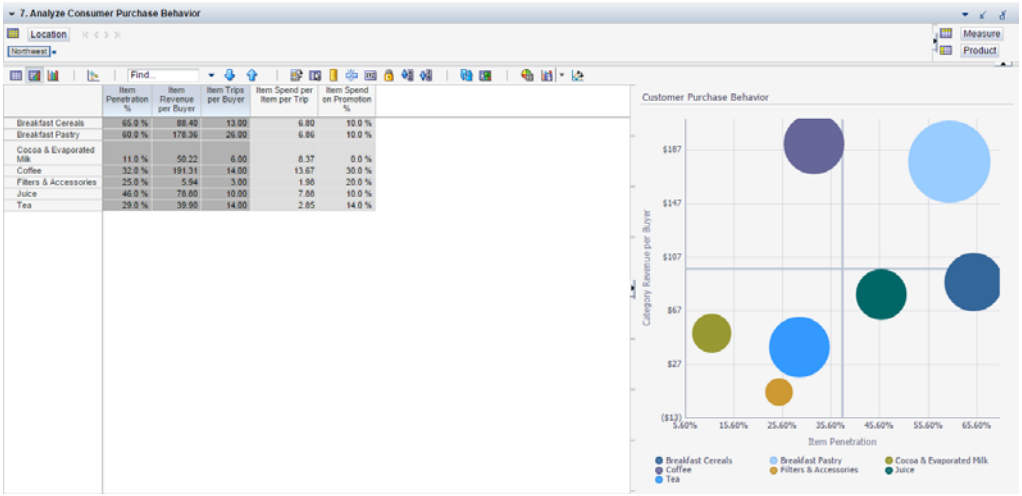


Table 4–14 lists the measures available in this view.

Table 4–14 7. Analyze Consumer Purchase Behavior Measures

Label	Definition
Item Penetration %	The percentage of households from a trading area (market or region) that purchased an item or an item from a product group (such as a sub-category or a category) at least once within a given time frame. This is presented at the sub-category or category level.
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.

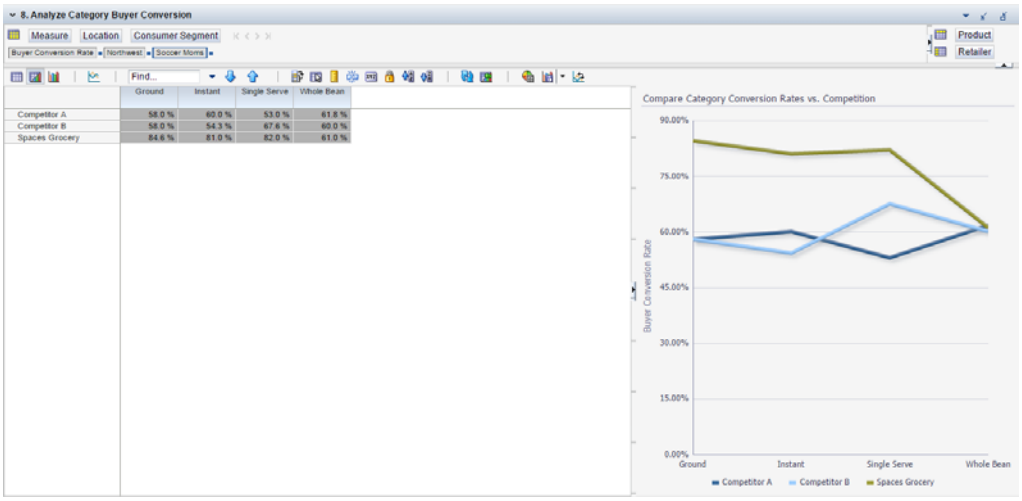
Table 4–14 (Cont.) 7. Analyze Consumer Purchase Behavior Measures

Label	Definition
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



This view exists at the following levels:

- Category
- Retailer, presenting the retailer and its competitors
- Consumer Segment
- Trading Area

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 from a sub-category or category, 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
- Quarter

- Consumer Segment

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

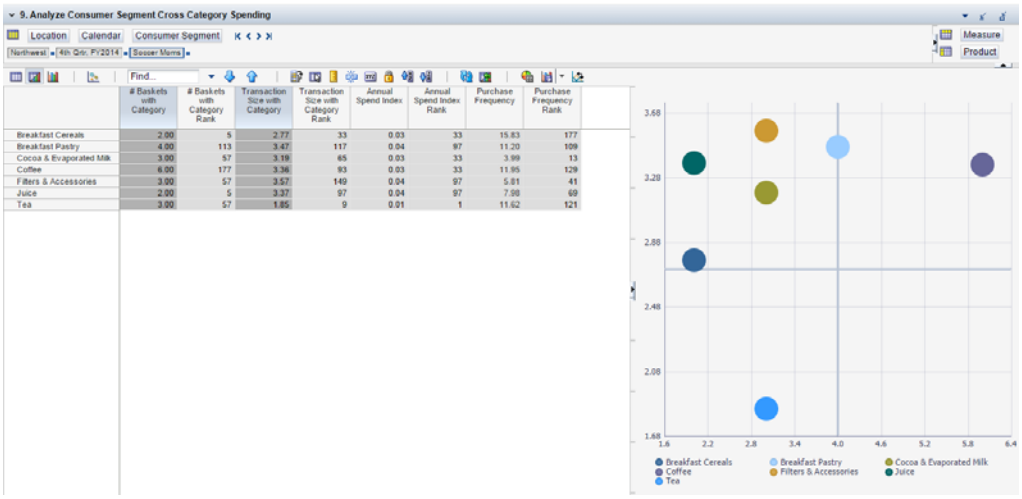


Table 4–16 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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

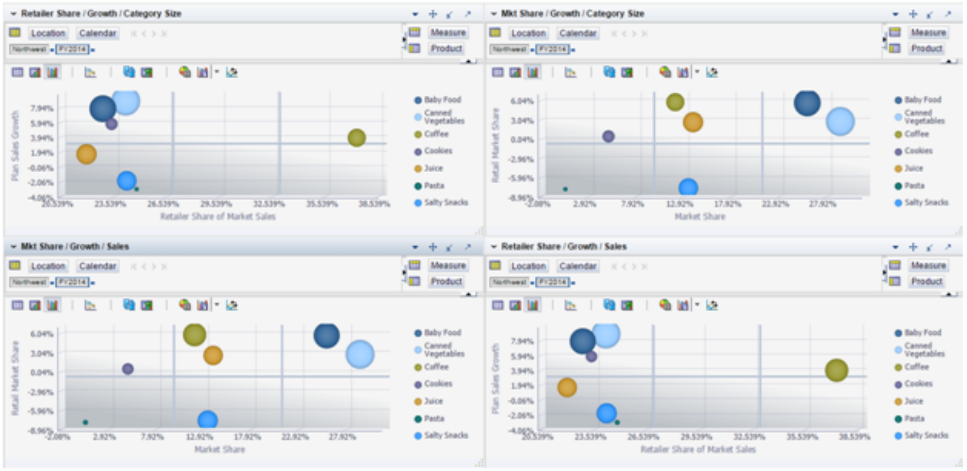
Label	Definition
# Baskets with Category	The number of baskets (customer purchases or customer baskets) that contain at least one item from the product category. This measure is available at the consumer segment level.
# Baskets with Category Rank	An ordinal rank (sequential rank) assigned to a product 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.
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 an item from a specific product segment such as a sub-category or category is purchased in a given time period (planning period as per the workbook build). It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level.
Purchase Frequency Rank	An ordinal rank (sequential 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

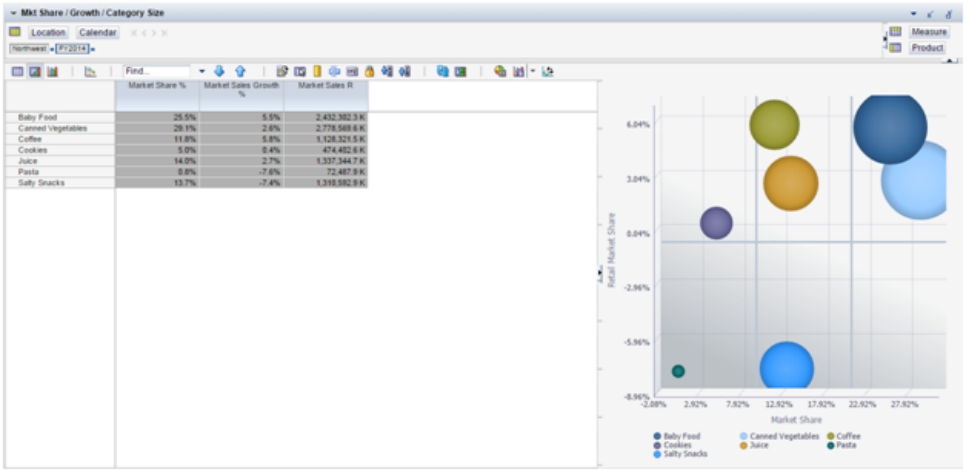


Table 4–17 lists the measure available in this view. The measure is loaded from market scan and retailer data.

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.
Market Share Growth %	The rate at which the market sales revenue is growing for a sub-category or 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

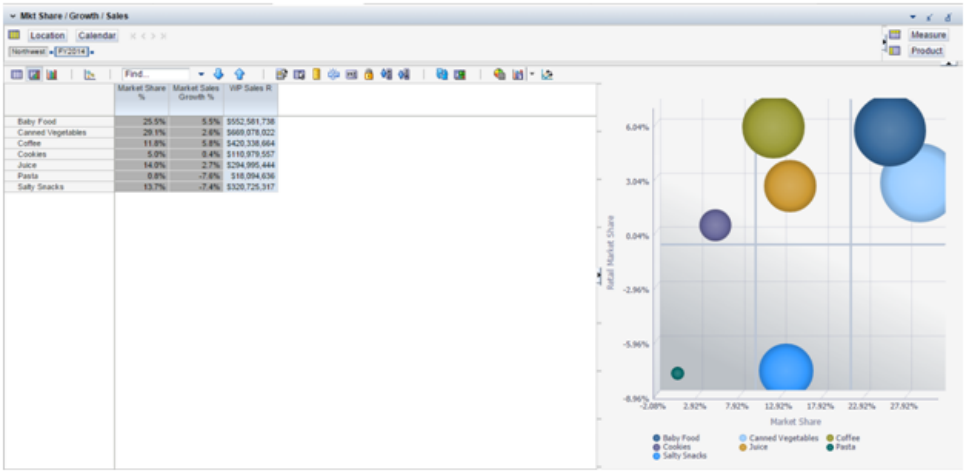


Table 4–18 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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	Sales retail value from the merchandise in category plan's working plan version.

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

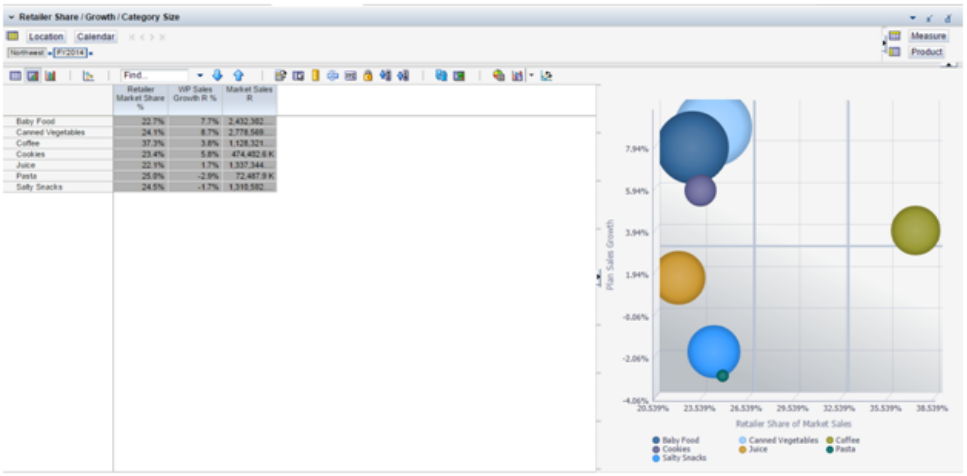


Table 4–19 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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

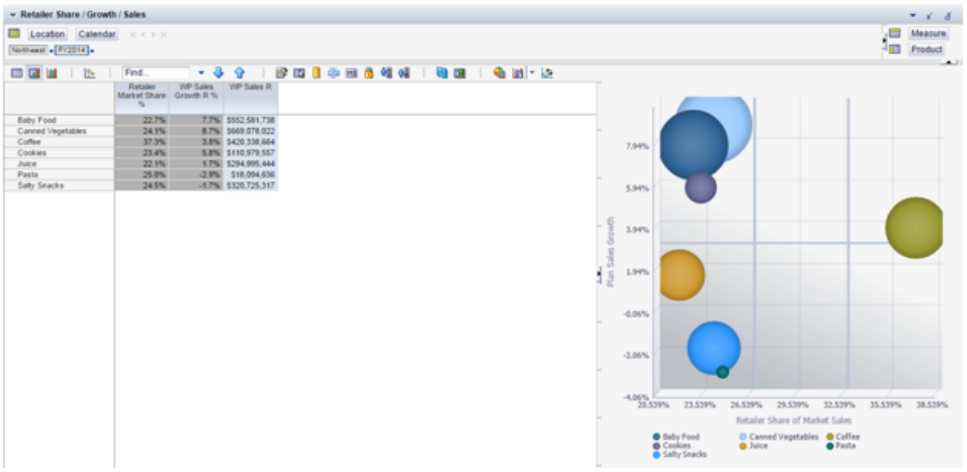


Table 4–20 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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 category plan's sales retail value's growth rate in the working plan version.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.

Analyze and Assign Category Role - Industry Model A Tab

Roles are assigned at the category level in the product hierarchy.

Use this tab to analyze and assign a role to each category, based on Industry Model A. However, it is possible to configure a customized version of this model to meet retailer-specific business requirements that leverage the flexible configuration framework in RPAS. It is important to note that role assignment through this model can be based on either retailer-specific or market-specific data. The expectation is that the category manager leverages insights from upstream analysis and considers the retailer's macro-strategy as well as recommendations from industry models to override, assign, and approve category roles.

This tab presents Model A for category role assignment. Model A assigns a role to a category, based on a consumer perception of a category's importance in the retailer's portfolio of various categories. The consumer perception being referred to does not require individual consumer segment level perceptions; rather, it looks at the overall customer base as a whole.

The data required for these analyses that is presented in the first two views is sourced from the retailer's POS (point-of-sale solution) or a third-party syndicate household panel data provider like Nielsen. Forecast data can also be used for role assignment, and it is sourced from RDF and third parties. Model A requires a bubble-chart plot of Item Penetration (on x-axis), Purchase Frequency (on y-axis) for individual categories, and Sales Retail value (on z-axis in the form of bubble-size). Roles are defined based on of the relative position and size of categories on the bubble-chart.

Note that category roles can be assigned on a quarterly basis; however, the examples in the application images present role examples at an yearly level.

Model A requires the following data:

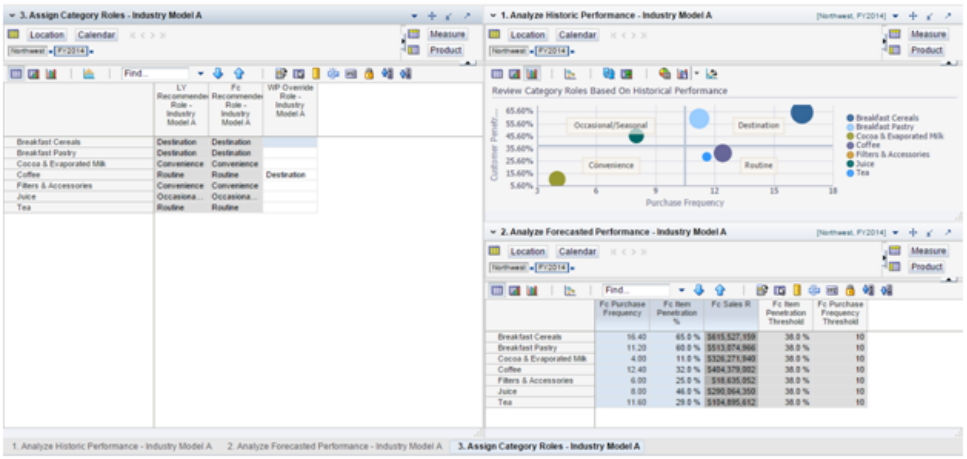
- Retailer's POS data
- Retailer's forecast data
- Household Panel data

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 historical 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 low-medium penetration and high 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/Occasional: 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-to-low penetration, low 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

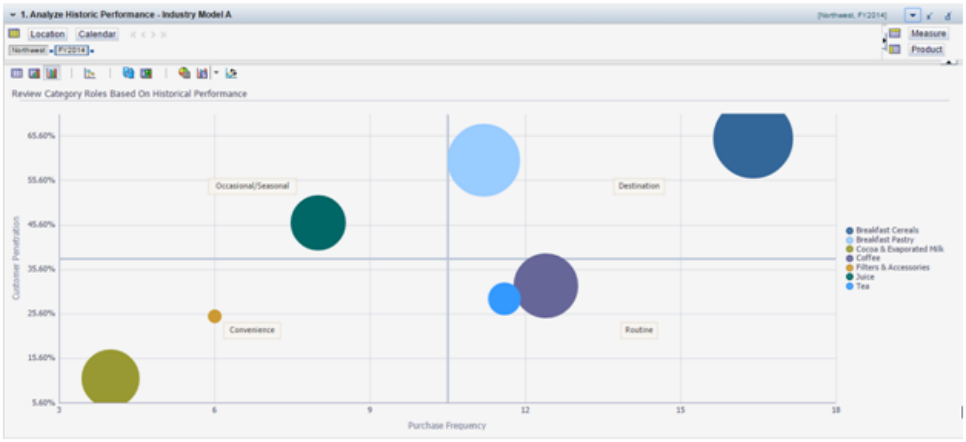


Table 4–21 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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

Label	Definition
LY Item Penetration %	The percentage of the total number of households in a specific market/region/trading area that purchased an item or any merchandise from a category at least once last year (LY) at the retailer or the market as a whole. This data is typically sourced from household panel data provided by third parties such as Nielsen. Note that the item penetration % presented here is in the retailer's business context; it can also be viewed in a market context to derive category roles.
LY Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category has been purchased in last year planning period. It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level. The total number of times an item or merchandise from a particular category was purchased last year (LY) at the retailer. This data is typically sourced from household panel data provided by third parties such as Nielsen. Note that the purchase frequency presented here is in the retailer's business context; it can also be viewed in a market context to derive category roles.
LY Sales R	Last year's sales retail value (actuals) from the merchandise.

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:

- Consumer Segment
- Quarter (lowest level of the calendar hierarchy)
- Category

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

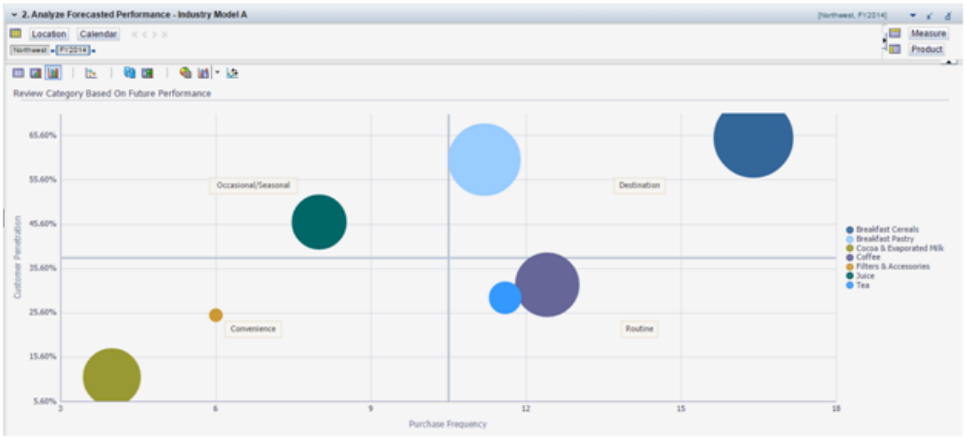


Table 4–22 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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 are expected to purchase an item or any merchandise from a product category at least once in the planning period at the retailer. This measure is sourced from a third party, such as Nielsen. Note that the forecasted item penetration % presented here is in the retailer's business context; it can also be viewed in the market context to derive category roles.
Fc Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category is expected to be purchased in a future time period. It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level. This measure is sourced from a third party, such as Nielsen, or some external system and loaded into RCM. The total number of times an item or merchandise from a particular product category is expected to be purchased in planning period at the retailer. This measure is sourced from a third party such as Nielsen. Note that the forecasted purchase frequency presented here is in the retailer's business context; it can also be viewed in market context to derive category roles.
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 historical 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 that best align with the role.

This view exists at the following level:

- Category

- Quarter (lowest level of the calendar hierarchy)

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

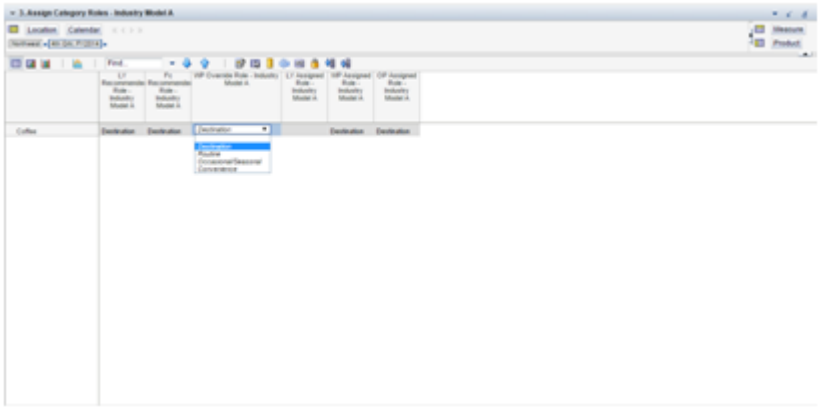


Table 4–23 lists the measures available in this view.

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 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.
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. 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.

Note that the category roles can be assigned on a quarterly basis; however, the examples in the application images present role examples at an yearly level.

The following data is required:

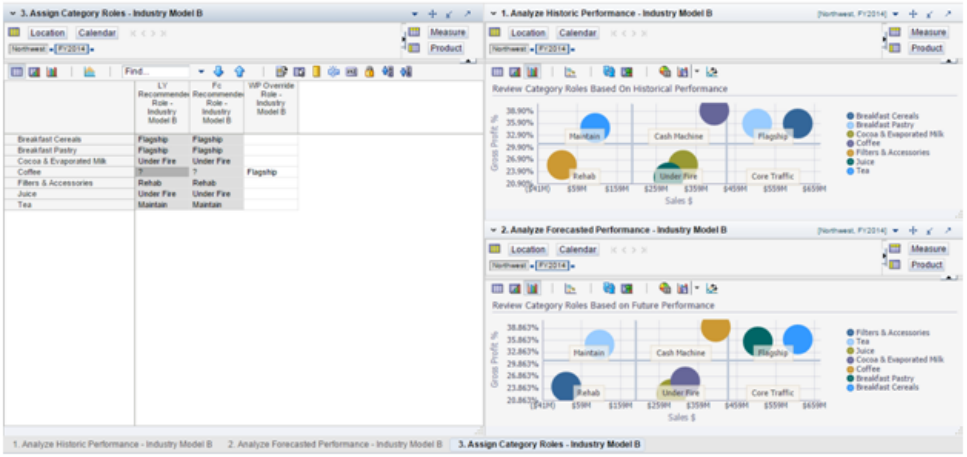
- Retailer's POS data
- Retailer's forecast data

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 and 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 and 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 4–33 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 historical performance of the categories. The coordinates of a category in the chart form the basis of the assignment of roles to categories. 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	Last year's sales retail value (actuals) from the merchandise.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.

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:

- Category
- Quarter

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

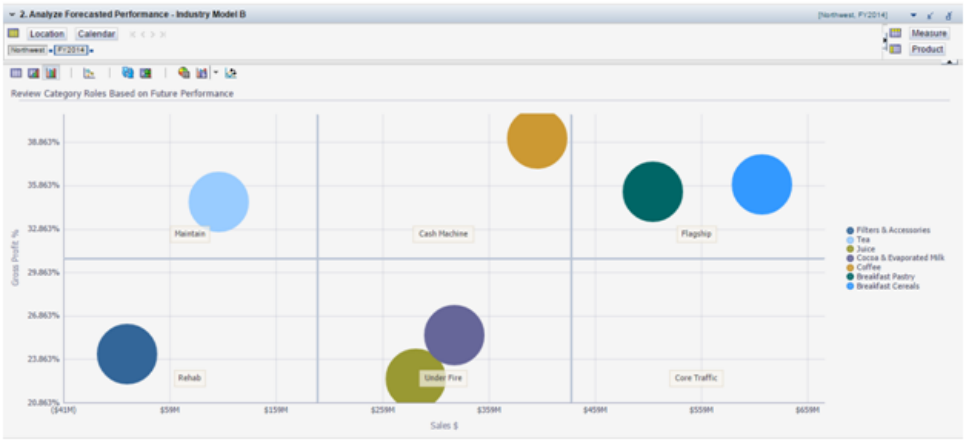


Table 4–25 lists the measures available in this view. The measures are loaded from market scan and retailer data.

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 historical and forecasted performance. You can 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 that best align with the role.

This view is a standard table at the following levels:

- Category
- Quarter (Lowest level of the calendar hierarchy)

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

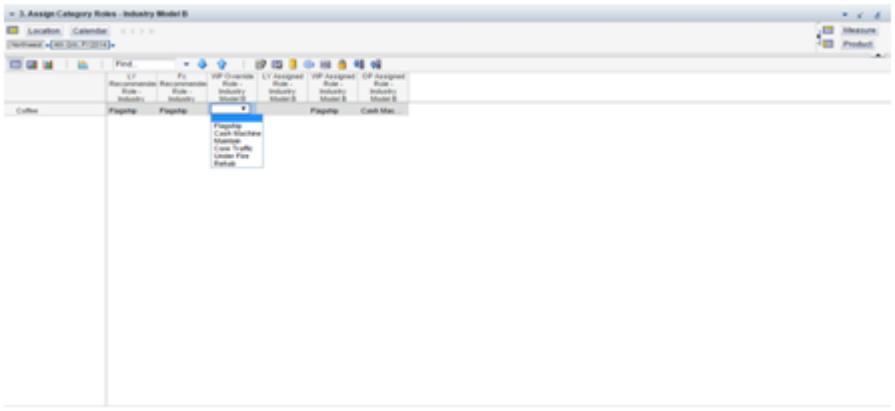


Table 4–26 lists the measures available in this view.

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	An override field giving the user an option to overwrite the category role that is being suggested by Model B that is used for the 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	The role assigned to a category in an approved category plan as per Industry Model B.

Assign Category Strategies Step

Strategies suggest the overall approach to achieve the required 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 historical 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. For details about roles, strategies, and tactics, see Appendix A.

It is also important to note that strategies assigned to a product category influence the weights assignment for IPI calculations. A system-recommended assortment can be generated using the IPI-based assortment method in the Assortment Planning tasks. For more details, see Chapter 8 and Chapter 9.

Strategies along with roles, tactics, and category plan targets are shared with assortment planning and MSO tasks. They are used as a reference or a set of guidelines in assortment planning and MSO.

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

In RCM, strategies are assigned on the basis of specific purchase dynamics' parameters based on industry best practices. The following table summarizes the list of strategies available and the respective purchase dynamics' parameters used to identify them.

Note that strategies at best can be assigned at the quarterly level; however, the examples presented do it on an yearly basis.

Table 4–27 Category Stategies and Purchase Dynamics

Category Strategy	Purchase Dynamic
Traffic Builder - Attracting customers to the store, aisle, and category	High share, frequently purchased, high percentage of sales
Transaction Builder - 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 Creating - Generating interest and enthusiasm among consumers	Impulse, lifestyle oriented, seasonal
Image Enhancing - Strengthening the view of the retailer held by the customer	Frequently purchased, highly promoted, impulse, unique items, seasonal
Turf Defending - Positioning the category strongly versus competitors.	Used by retailers to draw traditional customer base

The following data is required for defining the strategies in this step:

- Retailer's POS data
- Predefined category strategies

This step has the following views:

1. Assign Strategies View
2. Identify Cash Generators View
3. Identify Excitement Generators View
4. Identify Image Enhancer View
5. Identify Profit Generators View
6. Identify Traffic Builders View
7. Identify Transaction Builders View
8. Identify Turf-Defenders View

1. Assign Strategies View

Use this view to assign strategies based on the relevant performance behavior. Assigning strategies is a key component in calculating IPI values in Assortment Planning. These strategies drive the preset weights, which are specified in the Category Management Administration task, to help drive the assortment recommendations that best align with the category's role.

Roles, strategies, and tactics go hand-in-hand with strategies suggesting the overall approach to sub-categories so as to achieve the role assigned to a category. In a similar manner, tactics are a set of activities planned for sub-categories so that the targeted strategy for them is met.

Figure 4–36 1. Assign Strategies View

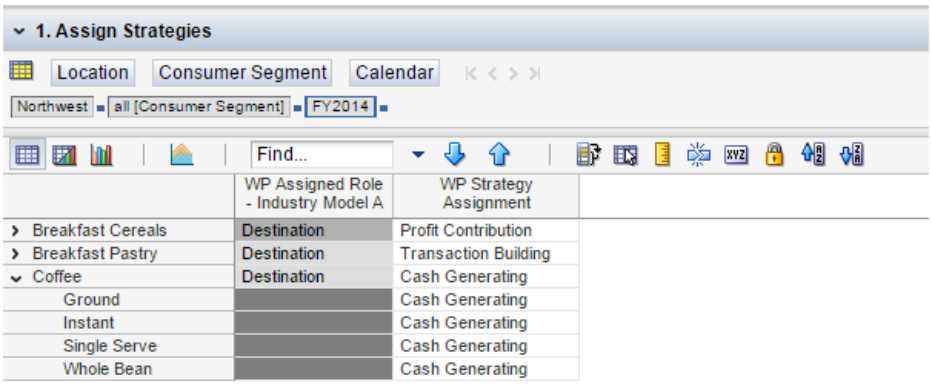


Table 4–28 lists the measures available in this view.

Table 4–28 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 plot purchase frequency regarding inventory turns with sales units by consumer segment on the z-axis. This information is best viewed as a bubble chart. Sub-categories, with a large bubble in the top right corner on the bubble chart, qualify for this strategy.

This view exists at the following levels:

- Sub-Category (example below presented at the category level)
- Consumer Segment (example below presented at all consumer segment level)

Figure 4–37 2. Identify Cash Generators View

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

Table 4–29 2. Identify Cash Generators Measures

Label	Definition
WP Turn	Inventory turns in the working plan version of the category plan. It is the number of times the average inventory carried can be sold over a specified period of time. In other words, it reflects the speed of inventory movement.
Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category is purchased in a given time period. It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level.
WP Sales by Consumer Seg U	The sales units contribution by a consumer segment to the overall sales. It is used to identify excitement generating sub-categories in this view.

3. Identify Excitement Generators View

Use this view to plot sales revenue 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 discretion and judgement of the business users.

This information is best viewed as a column chart and it is presented at the following levels:

- Sub-Category (example below presented at the category level)
- Consumer Segment (example below presented at all consumer segment level)

Figure 4–38 3. Identify Excitement Generators View

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

Table 4–30 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	Forecast sales retail value for a specific time period in the future. 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 perform quadrant analysis to plot purchase-frequency against Promo % (percentage bought on promotion). Sub-categories, in the top right corner, are flagged as an excellent fit and so on. This information is best viewed as a bubble chart.

This view exists at the following levels:

- Sub-Category (example below presented at the category level)
- Consumer Segment (example below presented at all consumer segment level)

Figure 4–39 4. Identify Image Enhancer View

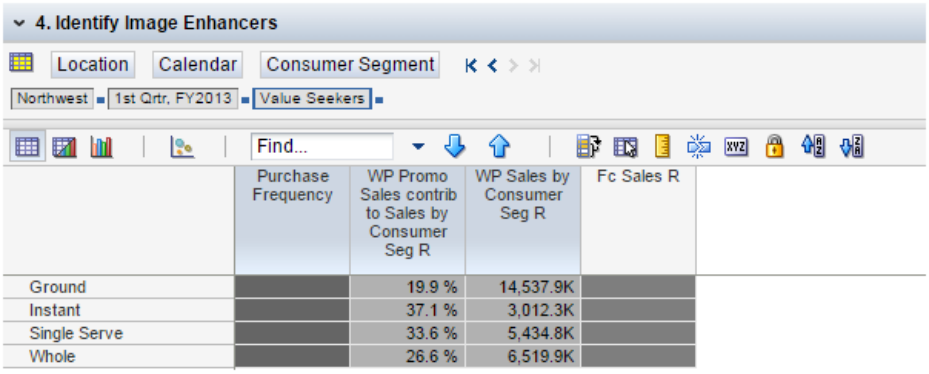


Table 4–31 lists the measures available in this view.

Table 4–31 4. Identify Image Enhancer Measures

Label	Definition
Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category is purchased in a given time period. It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level.
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.
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.
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 gross profit percentage or gross profit value 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 levels:

- Sub-Category (example below presented at the category level)
- Consumer Segment

Figure 4–40 5. Identify Profit Generators View

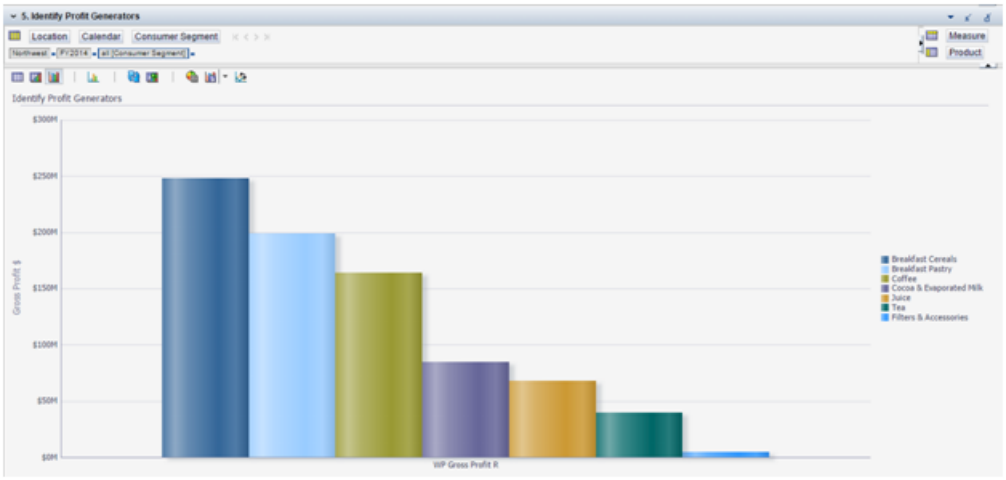


Table 4–32 lists the measures available in this view.

Table 4–32 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 sales versus purchase 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 levels:

- Sub-Category (example below presented at the category level)
- Consumer Segment

Figure 4–41 6. Identify Traffic Builders View

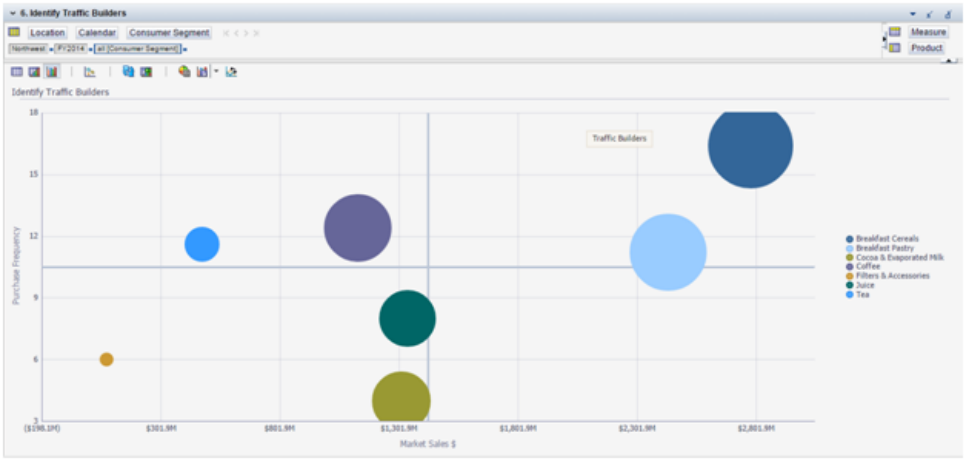


Table 4–33 lists the measures available in this view.

Table 4–33 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 an item from a specific product segment such as a sub-category or category is purchased in a given time period. It is presented at the sub-category or category level in the application.
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 create a bubble chart to plot shopping frequency versus basket value. Sub-categories, with a large bubble in the top right corner, qualify for this strategy. This information is best viewed as a scatter chart.

This view exists at the following levels:

- Category
- Consumer Segment

Figure 4–42 7. Identify Transaction Builders View

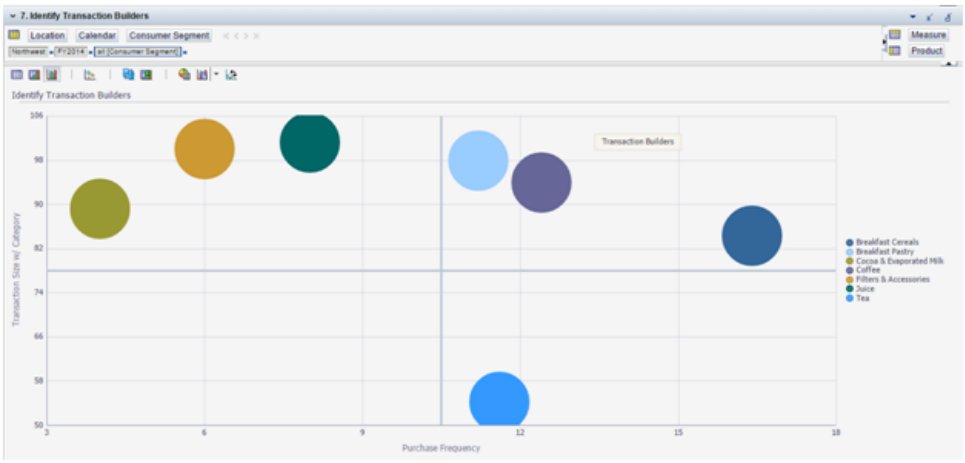


Table 4–34 lists the measures available in this view.

Table 4–34 7. Identify Transaction Builders Measures

Label	Definition
Purchase Frequency	The total number of times an item or an item from a specific product segment such as a sub-category or category is purchased in a given time period. It is presented at the sub-category or category level in the application. It can be viewed at the consumer segment level.
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 levels:

- Sub-category
- Retailer, representing the retailer and its competitors
- Consumer Segment

Figure 4–43 8. Identify Turf-Defenders View

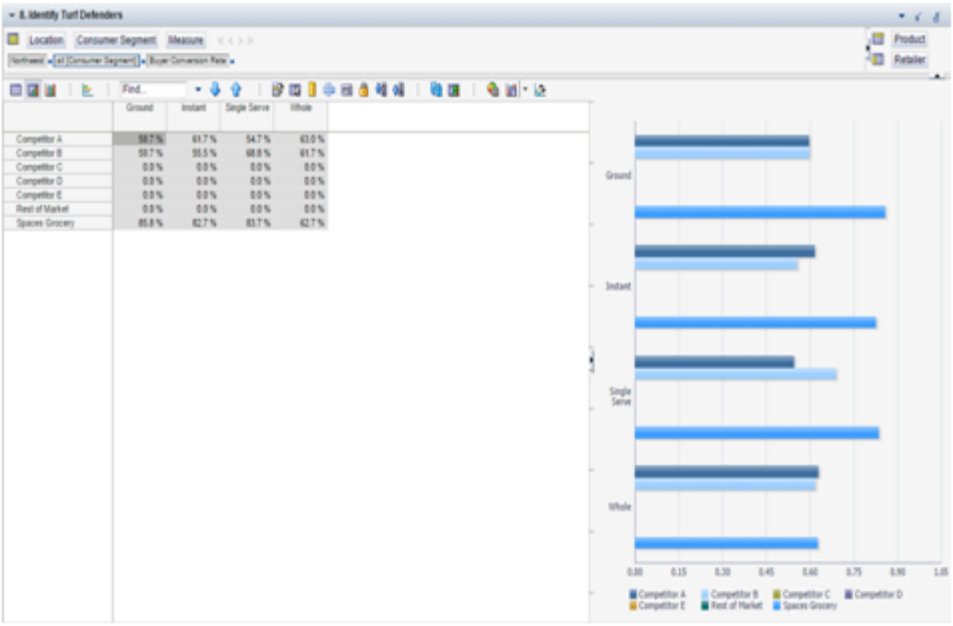


Table 4–35 lists the measure available in this view.

Table 4–35 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 sub-category/category. 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. For more details on roles, strategies and tactics, see Appendix A.

Tactics, along with roles, strategies, tactics, and category plan targets, are shared with assortment planning and MSO. They are used as a reference or a set of guidelines in assortment planning and MSO.

Use this step to assess the business from an assortment, space, price, promotion, and inventory perspective. 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 the sub-category and trading area. There are five tactical areas:

- Assortment
- Inventory
- Pricing
- Promotion

- Space

Other than category tactics assignment, this step provides analyses, which answer the key questions such as:

- How does pricing compare to the competition?
- How does promotional activity compare?
- What is the average movement of merchandise at the week level?
- What are the returns on space in the form of sales and gross profit?

The following data is required for this task:

- Market scan data
- Micro and macro space data
- Pricing data

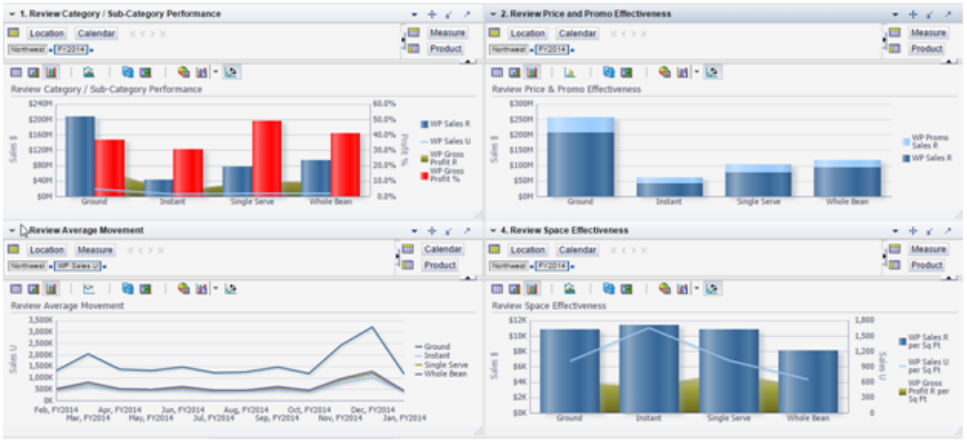
This step has the following tabs and views:

- 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.

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

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

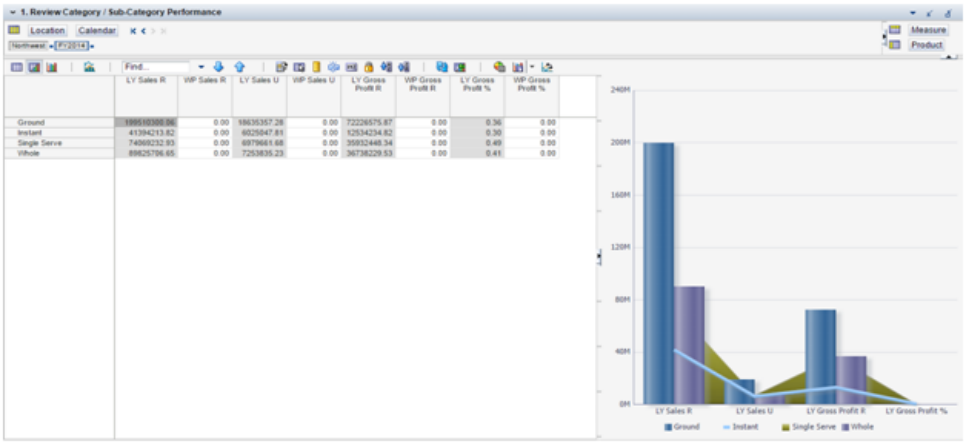


Table 4–36 1. Review Category / Sub-Category Performance Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
LY Sales U	Last year's sales retail value (actuals) from the merchandise.
WP Sales U	Sales units from the merchandise in category plan's working plan version.
LY Gross Profit R	Last year's gross profit retail value (actuals) from the merchandise.
WP Gross Profit R	The gross profit retail value from the merchandise in category plan's working plan version.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.

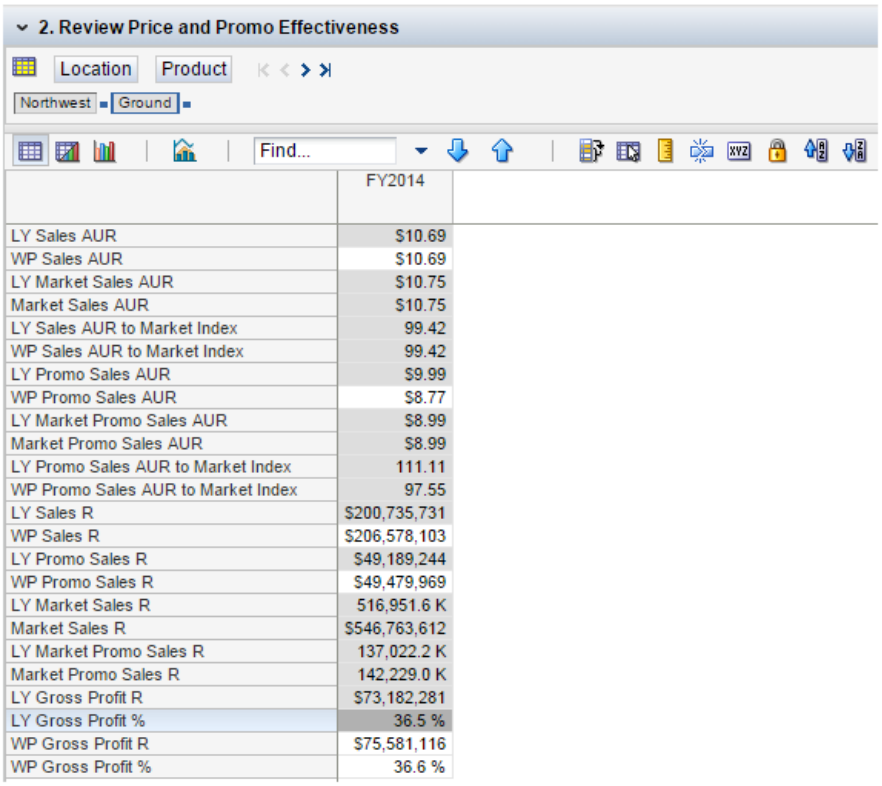
2. Review Price and Promo Effectiveness View

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

The view exists at the following levels:

- Sub-category
- Trading Area
- Quarter (lowest level on calendar hierarchy)

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



	FY2014
LY Sales AUR	$10.69
WP Sales AUR	$10.69
LY Market Sales AUR	$10.75
Market Sales AUR	$10.75
LY Sales AUR to Market Index	99.42
WP Sales AUR to Market Index	99.42
LY Promo Sales AUR	$9.99
WP Promo Sales AUR	$8.77
LY Market Promo Sales AUR	$8.99
Market Promo Sales AUR	$8.99
LY Promo Sales AUR to Market Index	111.11
WP Promo Sales AUR to Market Index	97.55
LY Sales R	$200,735,731
WP Sales R	$206,578,103
LY Promo Sales R	$49,189,244
WP Promo Sales R	$49,479,969
LY Market Sales R	516,951.6 K
Market Sales R	$546,763,612
LY Market Promo Sales R	137,022.2 K
Market Promo Sales R	142,229.0 K
LY Gross Profit R	$73,182,281
LY Gross Profit %	36.5 %
WP Gross Profit R	$75,581,116
WP Gross Profit %	36.6 %

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

Table 4–37 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.
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.

Table 4–37 (Cont.) 2. Review Price and Promo Effectiveness Measures

Label	Definition
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 from the merchandise in category plan's working plan version.
LY Promo Sales R	Last year's sales retail value (actuals) from the merchandise.
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 as 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 category plan’s working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in the category plan’s working plan version.

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

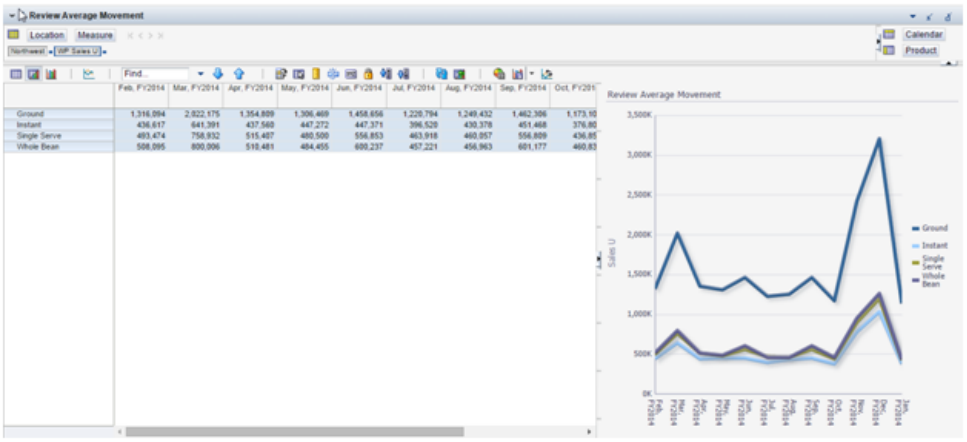


Table 4–38 lists the measure available in this view.

Table 4–38 3. Review Average Movement Measure

Label	Definition
WP Sales U	Sales units from the merchandise in category plan's working plan version.

4. Review Space Effectiveness View

Use this view to review the effectiveness of the planned space. The measure information in this view must be sourced from a space planning solution like MSM or BI solution like RA.

Figure 4–48 4. Review Space Effectiveness View

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

Table 4–39 4. Review Space Effectiveness Measures

Label	Definition
Total Square Footage	The total store selling space, expressed in square feet, allocated to a sub-category or a category.
Total #of Facings	The number of facings allocated to a sub-category or a category in the store layout.
Total Shelf Capacity	The total quantity of a sub-category's or a category's merchandise 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.
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 allocated. 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

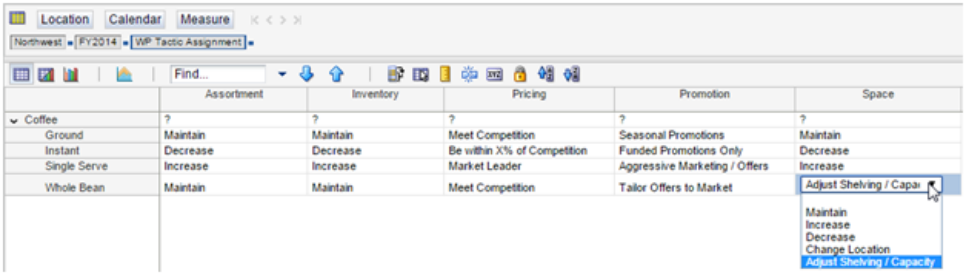


Table 4–40 lists the measure available in this view.

Table 4–40 Assign Category Tactic Measure

Label	Definition
WP Tactic Assignment	Used to assign the tactics' value to a sub-category with due consideration to roles and strategies assigned at the respective category and sub-category level. Tactics reflect an action or an approach that must be implemented for a sub-category in the planning period 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, and inventory parameters) at the category and sub-category level and approving them. On approval, the category plan is shared with assortment planning and the MSO task in the form of target (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 option. 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 option 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:

- Sales
- Promo Sales
- Private Label

Figure 4–50 Scorecard Summary Sales Measure Profile View

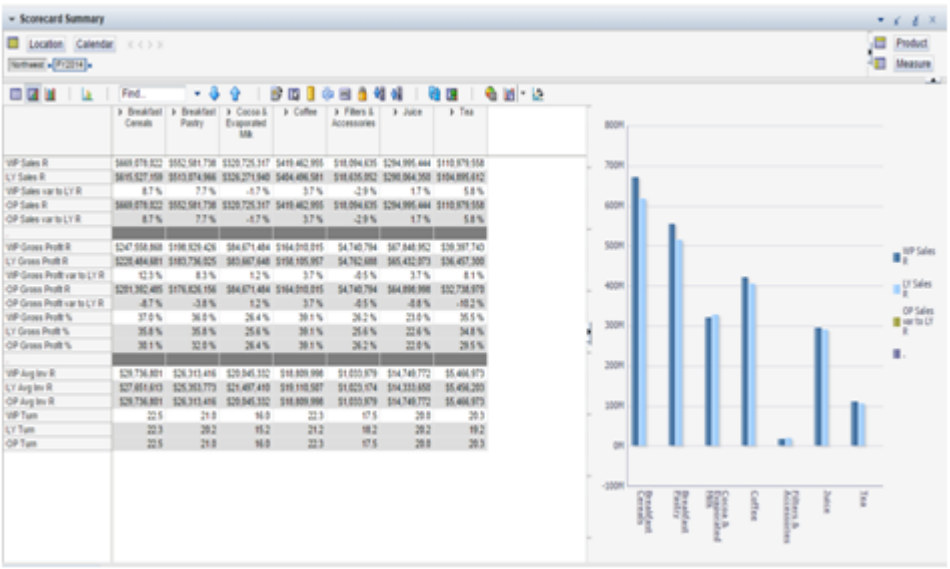


Table 4–41 lists the measures available in the Sales Measure Profile View.

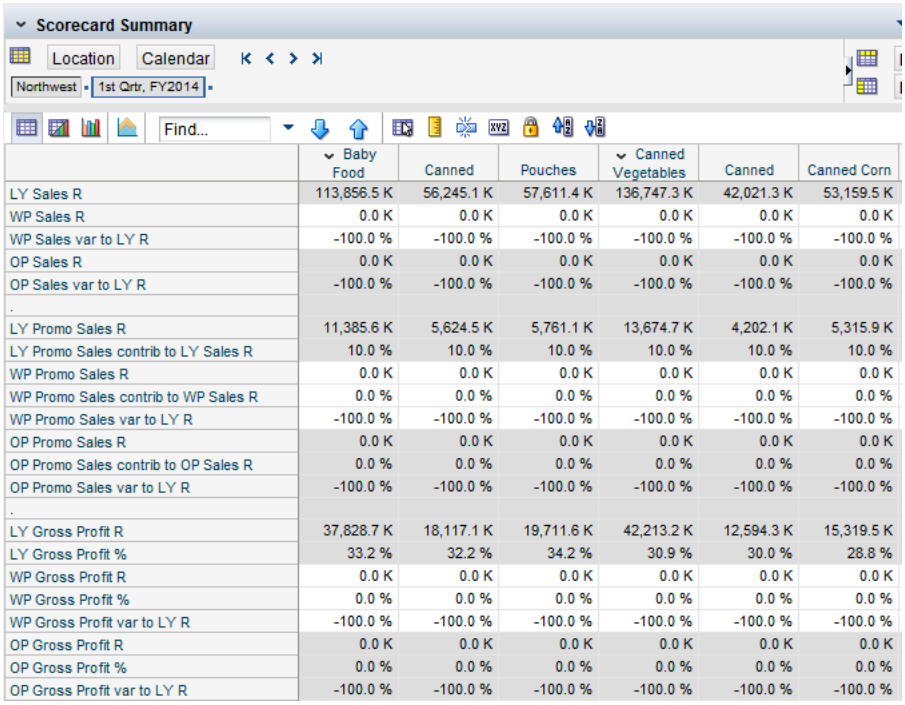
Table 4–41 Scorecard Summary Sales Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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	Approved category plan's (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
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.
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 category plan's working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.
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	Approved category plan's (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.

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

Label	Definition
OP Gross Profit %	Approved category plan's (referred to as original plan) gross profit percentage. It is shared as a target with assortment planning and MSO.
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 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 was sold in an LY time period.
WP Turn	Inventory turns in the working plan version of the category plan. It is the number of times the average inventory carried can be sold over a specified period of time. In other words, it reflects the speed of inventory movement.
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



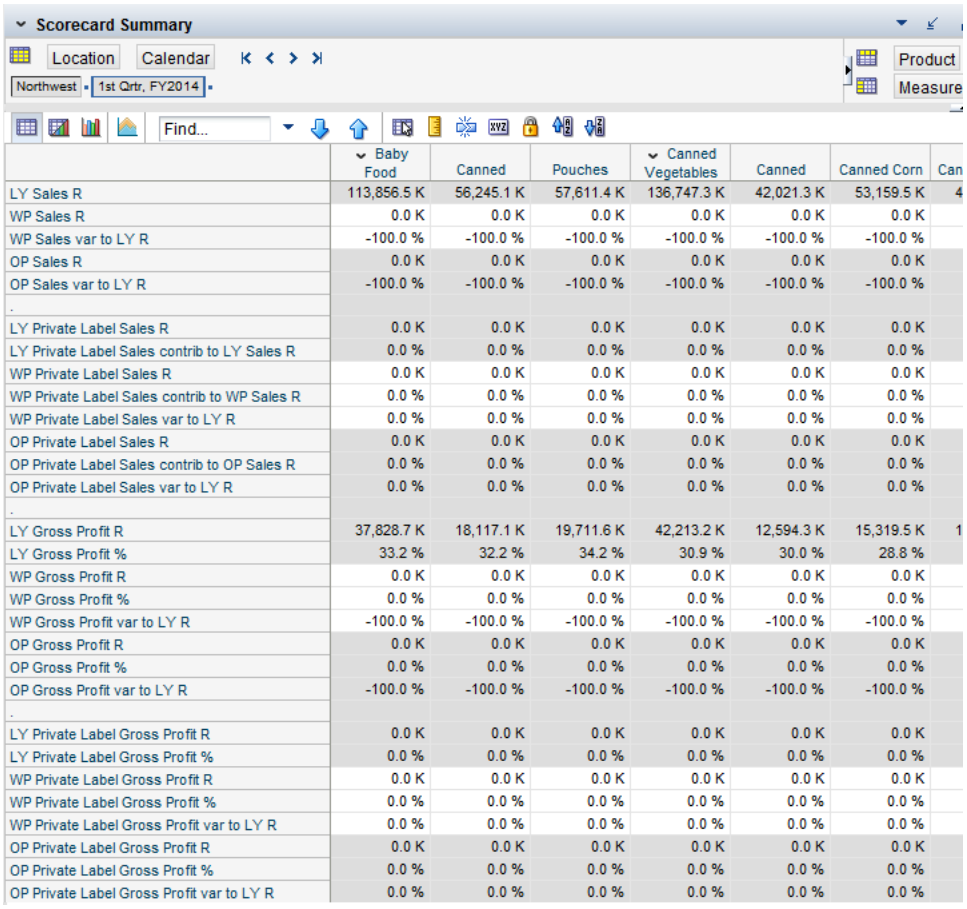
	Baby Food	Canned	Pouches	Canned Vegetables	Canned	Canned Corn
LY Sales R	113,856.5 K	56,245.1 K	57,611.4 K	136,747.3 K	42,021.3 K	53,159.5 K
WP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
WP Sales var to LY R	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %	-100.0 %
OP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 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 4–42 lists the measures available in the Promo Sales Measure Profile View.

Table 4–42 Scorecard Summary Promo Sales Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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	Approved category plan's (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
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.
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 category plan's working plan version.
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.
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	Approved category plan's (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.
OP Gross Profit %	Approved category plan's (referred to as original plan) gross profit percentage. It is shared as a target with assortment planning and MSO.
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 4–43 lists the measures available in the Private Label Measure Profile View.

Table 4–43 Scorecard Summary Private Label Measure Profile Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
WP Sales R	Sales retail value from the merchandise in category plan's working plan version.
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	Approved category plan’s (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
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.

Table 4–43 (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 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.
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 category plan's working plan version
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.
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	Approved category plan’s (referred to as original plan) gross profit retail value. It is shared as a target with assortment planning and MSO.
OP Gross Profit %	Approved category plan’s (referred to as original plan) gross profit percentage. It is shared as a target with assortment planning and MSO.
OP Gross Profit var to LY	The original plan's gross profit value's variance to the same in last year's actuals.
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.

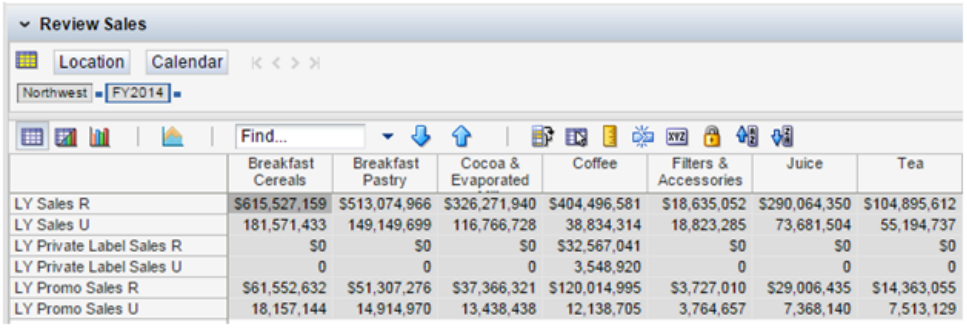
Custom Menu Option

The Seed Sales custom menu is used to populate the WP version of the category plan with LY data. LY sales data is copied to the respective WP Sales Units and Sales Retail measures.

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



	Breakfast Cereals	Breakfast Pastry	Cocoa & Evaporated	Coffee	Filters & Accessories	Juice	Tea
LY Sales R	$615,527,159	$513,074,966	$326,271,940	$404,496,581	$18,635,052	$290,064,350	$104,895,612
LY Sales U	181,571,433	149,149,699	116,766,728	38,834,314	18,823,285	73,681,504	55,194,737
LY Private Label Sales R	$0	$0	$0	$32,567,041	$0	$0	$0
LY Private Label Sales U	0	0	0	3,548,920	0	0	0
LY Promo Sales R	$61,552,632	$51,307,276	$37,366,321	$120,014,995	$3,727,010	$29,006,435	$14,363,055
LY Promo Sales U	18,157,144	14,914,970	13,438,438	12,138,705	3,764,657	7,368,140	7,513,129

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

Table 4–44 Review Sales Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
LY Sales U	Last year's sales retail value (actuals) from the merchandise.
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).

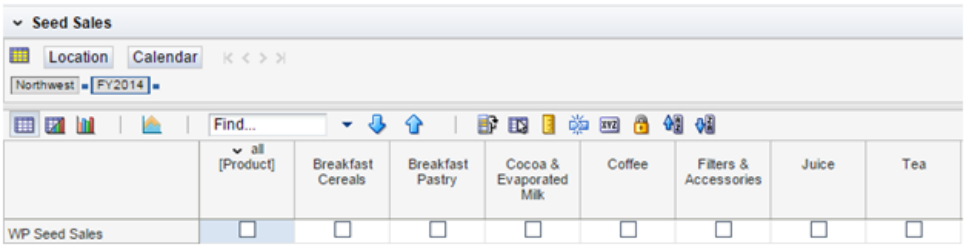


Table 4–45 lists the measures available in this view.

Table 4–45 Seed Sales Measures

Label	Definition
WP Seed Sales	A Boolean measure, at the category level, which needs to be checked before running the Seed Sales custom menu to populate the Category Plan with LY data for the required categories.
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 that was used to seed sales.

Set Sales and Profit Targets Tab

This tab has three views:

1. Set Sales and Profit Targets View

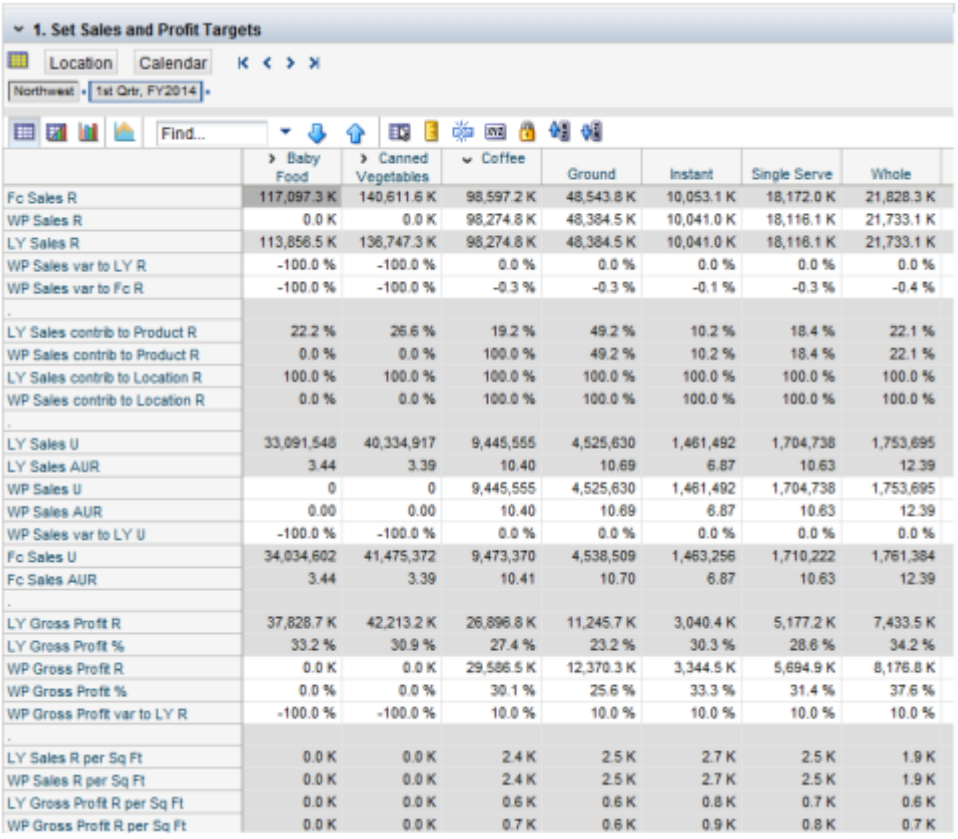
2. Set Promo Sales Targets View

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 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 4–46 lists the measures available in this view.

Table 4–46 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	Sales retail value from the merchandise in category plan's working plan version.
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
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.
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	Last year's sales retail value (actuals) from the merchandise.
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	Sales units from the merchandise in category plan's working plan version
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 category plan's working plan version.

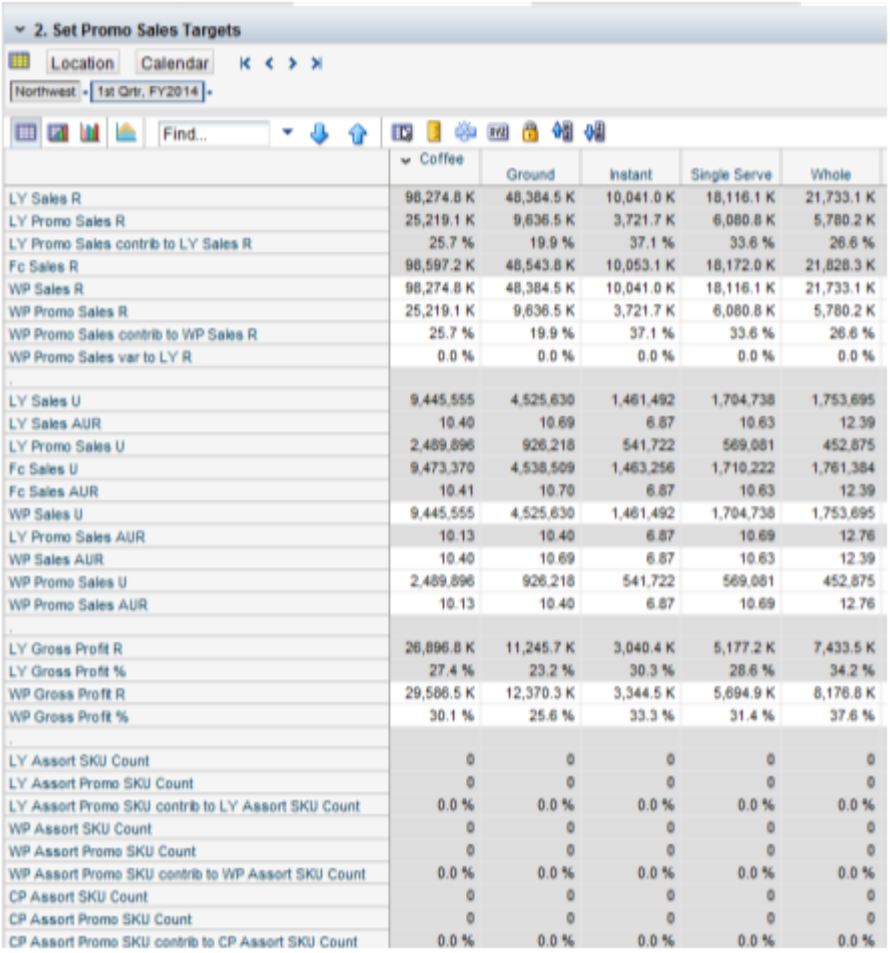
Table 4–46 (Cont.) 1. Set Sales and Profit Targets Measures

Label	Definition
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.
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, expressed in square feet, presented at the sub-category or category level. It is calculated by dividing sales retail from the merchandise by the space (in square feet) allocated to it.
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.
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 promotional sales targets.

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 4–47 lists the measures available in this view.

Table 4–47 2. Set Promo Sales Targets Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
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.
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 from the merchandise in category plan's working plan version.
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.

Table 4–47 (Cont.) 2. Set Promo Sales Targets Measures

Label	Definition
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	Last year's sales retail value (actuals) from the merchandise.
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	Sales units from the merchandise in category plan's working plan version.
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
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 category plan's working plan version
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version.
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.
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.

Table 4–47 (Cont.) 2. Set Promo Sales Targets Measures

Label	Definition
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

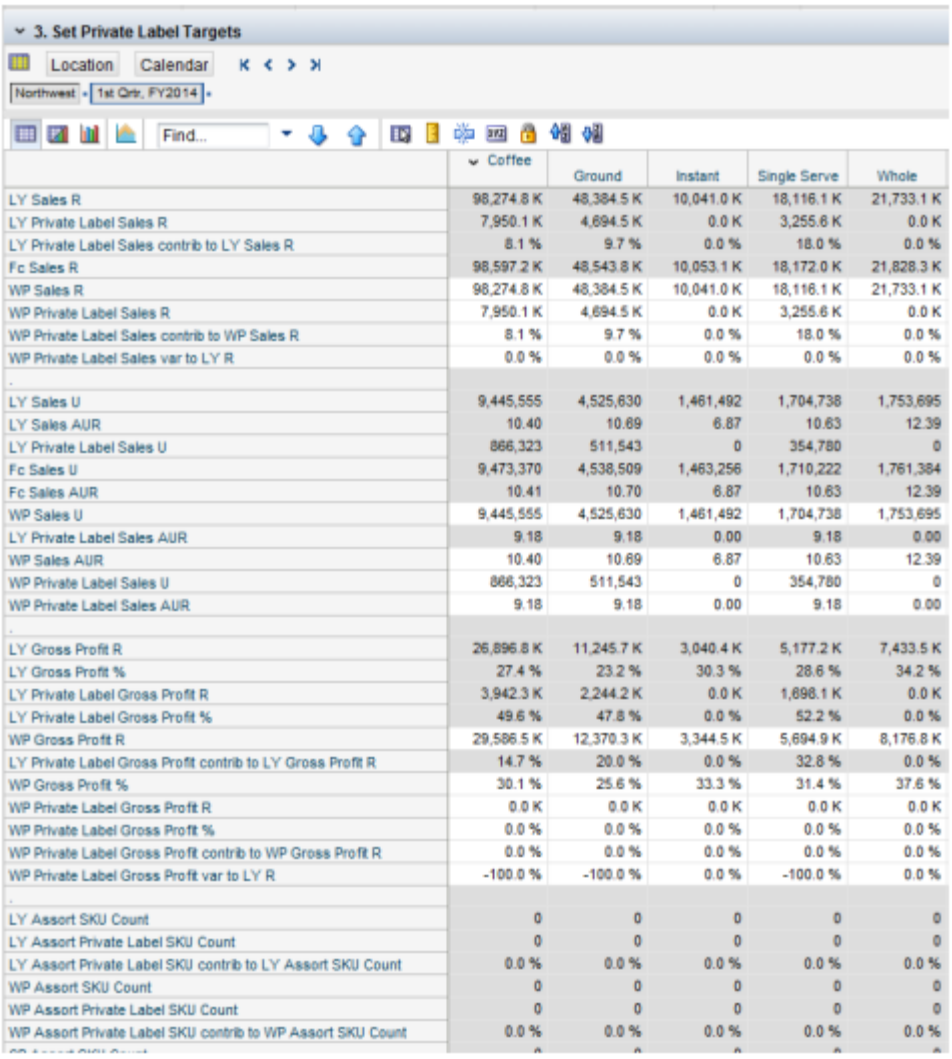


Table 4–48 lists the measures available in this view.

Table 4–48 3. Set Private Label Targets Measures

Label	Definition
LY Sales R	Last year's sales retail value (actuals) from the merchandise.
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	Sales retail value from the merchandise in category plan's working plan version.
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	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	Last year's sales retail value (actuals) from the merchandise.
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	Sales units from the merchandise in category plan's working plan version.
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.
LY Gross Profit %	Last year's gross profit percentage from the merchandise.

Table 4–48 (Cont.) 3. Set Private Label Targets Measures

Label	Definition
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 value from the merchandise in category plan's working plan version.
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 category plan's working plan version.
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.
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 targets for inventory.

Figure 4–57 Set Inventory Targets View

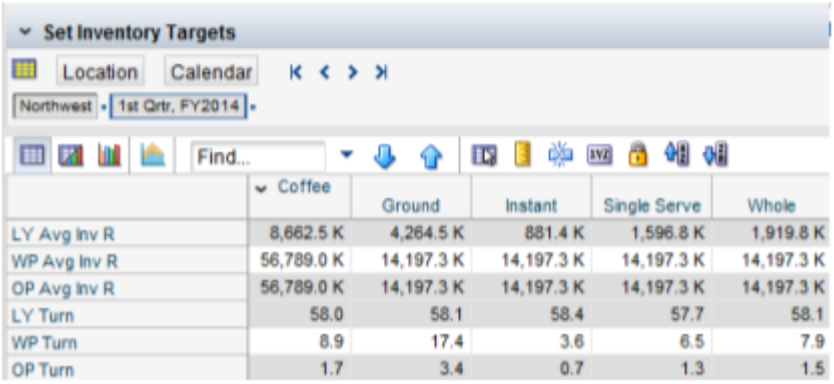


Table 4–49 lists the measures available in this view.

Table 4–49 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 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 is the number of times the average inventory carried can be sold over a specified period of time. In other words, it reflects the speed of inventory movement.
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 category plan. On approval, the category plan targets, roles, strategies, and tactics are shared with assortment planning and MSO. Also on approval, the working plan (WP) numbers are copied to original plan (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. The plan is time-stamped and includes user information.

To approve the roles, strategies, tactics, and category plan targets, check the box next to the respective category. Use the Approve OP custom menu to approve working plan

(WP) version of category plan to original plan (OP). Enter any approval comments. Click the Approve custom menu option to approve. Commit the workbook changes.

Approve Assortment Strategies, Tactics, and Scorecard View

This view contains the Approve custom menu option.

This view exists at the following hierarchy levels or higher:

- Category
- Trading Area
- Quarter

Figure 4–58 Approve Assortment Strategies

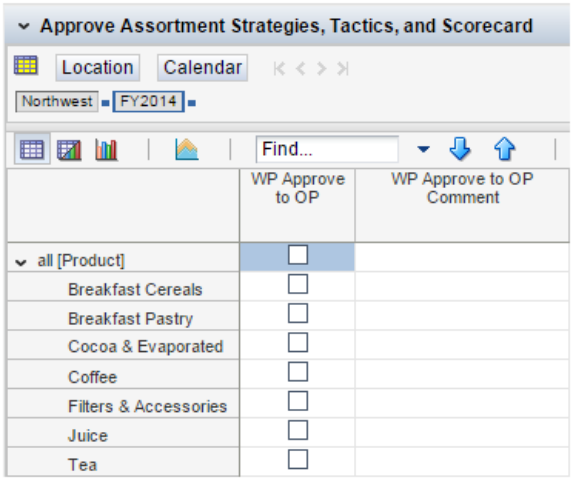


Table 4–50 lists the measures available in this view.

Table 4–50 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 that is used to approve a working plan to an original plan.

5

Macro Space Optimization @Dept Task

The Macro Space Optimization @Dept task is used to allocate optimum space to the departments in a store.

Introduction to Macro Space Optimization

Macro Space Optimization (MSO) is used in Category Management to allocate optimum space to a department or sub-category. Just as with merchandise buying budgets, space is a key resource in Category Management. It has a cost associated to it and needs to be used efficiently.

In the context of MSO, space refers to the floor area, fixture-space, and shelf-space at the stores used to display merchandise in the selling area. The unit of measure for space can be linear units (feet, meters, and so on), square units (square feet, square meters, and so on), or cubic units (cubic feet, cubic meters, and so on). This must be defined at the time of application installation.

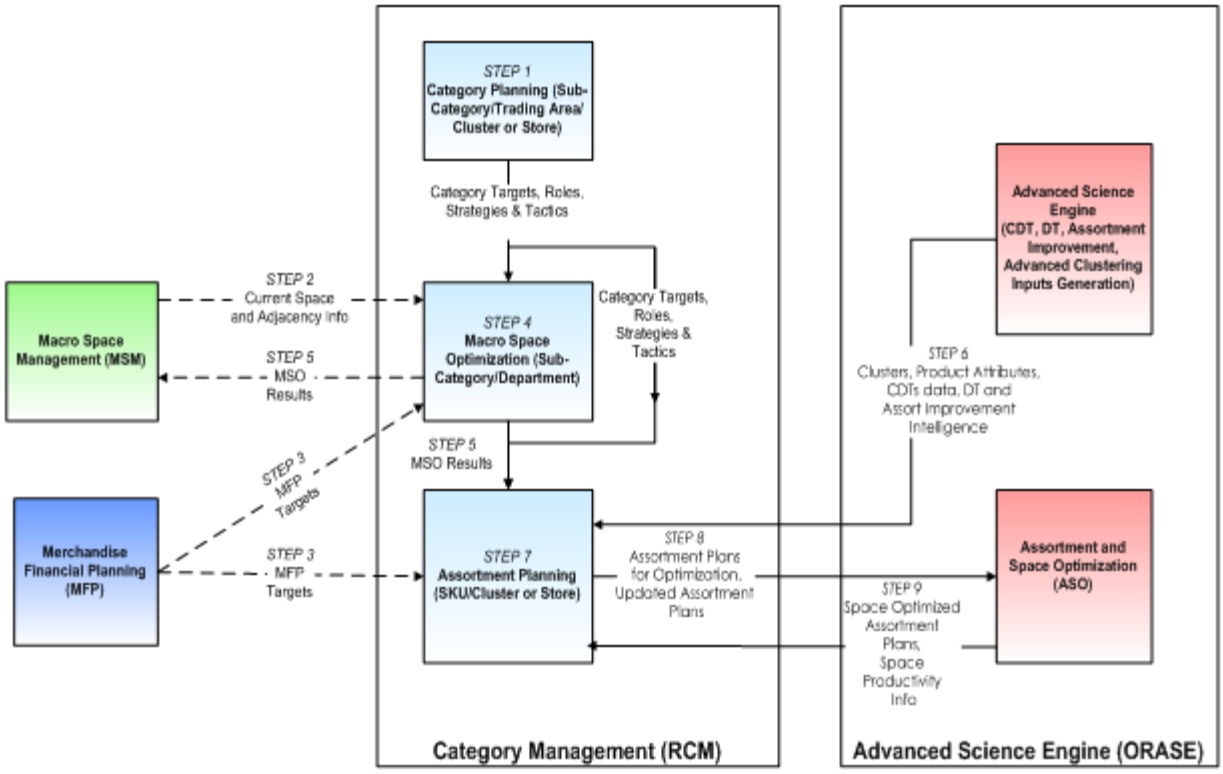
Optimal space allocation is based on the following two principles:

- Gross profit maximization from the available space at the retailer.
- Optimal space allocation for a fixed gross profit goal.

Before beginning MSO, the following requirements should be met. See Figure 5–1 for an illustration of the related process flow.

- An approved category plan must be in place.
- A merchandise financial plan must be imported from Oracle Retail Merchandise Financial Planning (MFP).
- Planograms (POGs) must be prepared.
- Current space information must be imported from a space planning application.
- Space profit tables must be available.

Figure 5–1 Category Management Process Flow



Space Profit tables form the basis of MSO and are maintained by an administrator. These tables are used to store a relationship between the allocated space and the respective gross profit returns at the retailer, based on historical data. Space Profit tables are also referred to as space profit elasticity curves, which are derived using advanced science algorithms.

MSO can be conducted at the store, cluster, or trading area level. It uses an algorithm that runs at the store level to recommend optimum space to a department and sub-category. At the cluster and trading area levels, the recommendations are presented by aggregating data from the store level.

For more information on Space Profit tables, see "Manage MSO Tables Step" in Chapter 3.

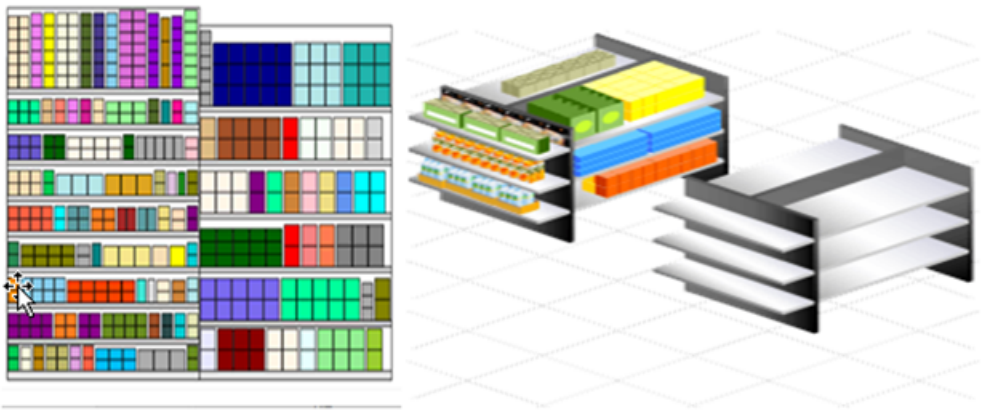
Note that MSO is conducted prior to the ASO activity so that the assortment plans can be made in alignment with the allocated space to sub-categories.

MSO uses the planogram (POG) hierarchy in place of the traditional product (PROD) hierarchy. The POG hierarchy represents the store layout; it is the way a store's selling area is structured and depicts the front-end of the store as presented to the customer. Therefore, there is a need to transform PROD hierarchy-based targets to the POG hierarchy and transform the POG hierarchy-based optimization results to the PROD hierarchy.

A POG is a visual diagram indicating the placement of products on shelves and fixtures in a store, so as to use the available space optimally and catalyze customer purchases. Planograms are used to define how different products are physically merchandised in a store.

The images in the following figure show a sample POG and actual product shelves used to physically merchandise the products in a store.

Figure 5–2 Planogram and Product Shelves in a Store



The POG hierarchy defines the way products must be physically merchandised in a store. There are three levels of the POG hierarchy defined in the application:

- POG Department
- POG Category
- POG Sub-Category

These levels are synonymous with Department, Category (or Class), and Sub-Category (or Sub-Class) in a product hierarchy.

Retailers tend to use a planogram hierarchy when merchandising a store, as opposed to the product hierarchy, although these are often very similar. For example, within a grocery department, the dairy category may include milk, eggs, and butter, but these are generally merchandised completely separately, owing to the different types of fixture that each requires. Within an electrical retailer, printers and print cartridges are likely different categories, but they are often merchandised in the same planogram.

In effect, the planograms used vary from retailer to retailer. They depend on the type of retail format, customer shopping patterns, type of merchandise, and product packaging.

The POG department represents the distinct department zones in a store, which broadly demarcate different types of merchandise being sold at the store. Department zones help customers to locate the merchandise they want to buy when they enter a store. For example, in a grocery store, the bakery department is segregated in an area within the store that contained all the bakery planograms.

The next two levels in the POG hierarchy, the POG category and POG sub-category, are defined on the basis of planograms used in the store.

Planograms can be defined at either the category or sub-category level. Some retailers define their planograms at sub-category level, which makes it easier to create more assortments for the category, by combining the sub-category planograms. For example, ground coffee and instant coffee can use the same planogram, which means they are represented by a single, combined POG sub-category level.

Others develop their planograms at the category level, which requires more work in creating the various category assortments; however, it does give greater flexibility in merchandising products from different sub-categories in the same planogram without any constraint on the bay boundaries such as in the case of sub-category level planograms. In such scenarios, ORASE comes in handy in optimizing the assortments to the available space or the planograms to come out with actionable assortments.

For example, in the Beverages department, there may be a single planogram being used for the categories tea and coffee. So, in effect there is one combined POG hierarchy level for them.

MSO can optimize at the department level, where it works in square units (square feet or square meters), and at the sub-category level, where it works in linear units (feet or metres). This must be taken into consideration when defining the planogram hierarchy.

The mapping between the PROD and POG hierarchies is defined in the Category Management Administration task. This mapping information is then used in the task flow to transform product hierarchy-based targets (from the Category Planning task and MFP application) into POG hierarchy-based targets.

MSO can be performed at two levels in Category Management:

- POG department level using the Macro Space Optimization @Dept task. This task is used to allocate optimum space to the departments from the overall floor area used as selling space at the store. The results here directly impact the layout of the store in terms of which department zone gets how much space, specifications of shelves and fixtures, how broad and wide assortments under a department can be, and so on. Space is measured in square units at the department level.
- POG sub-category level using the Macro Space Optimization @Sub-Category task. This task is used to allocate optimum space to the sub-categories under a specific department from the overall space available for the department. The results here directly impact the design and specifications of planograms. Space is measured in linear units at the sub-category level.

Once space allocation has been finalized for the POG departments, optimization is performed at the sub-category level.

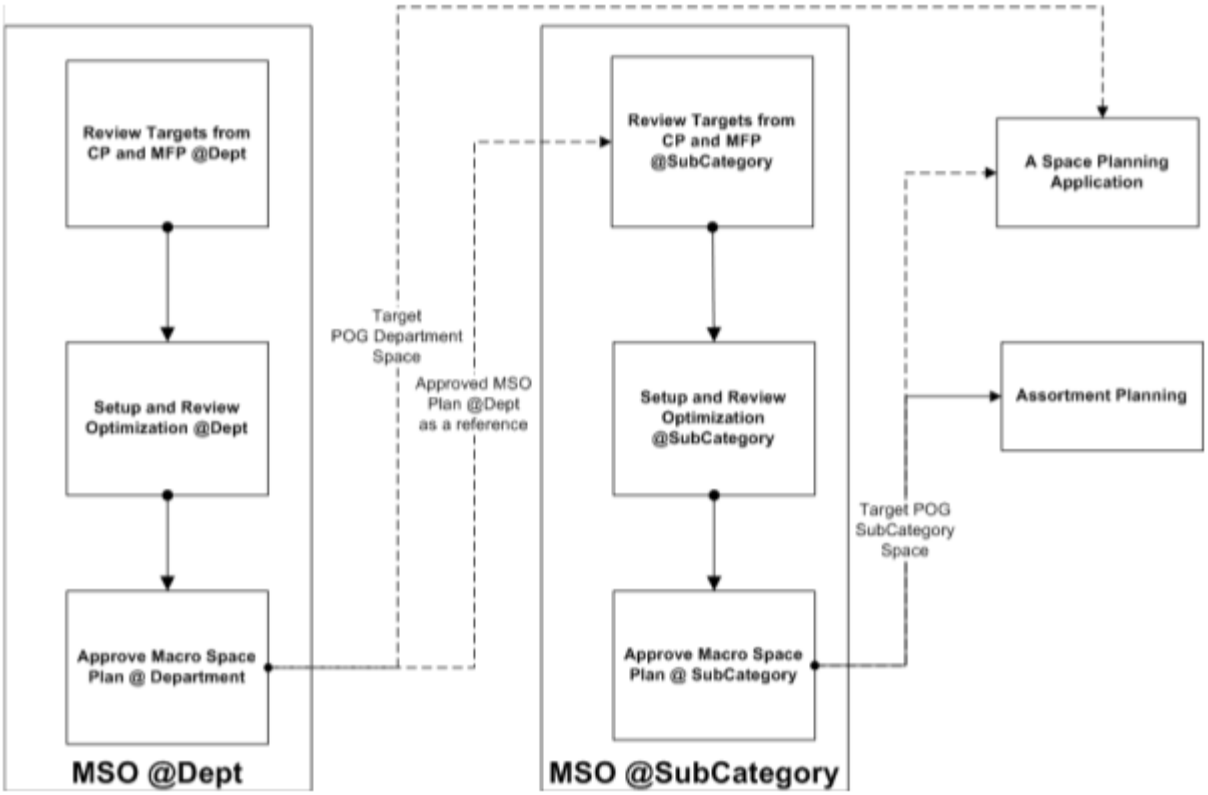
In general, the MSO process at both the POG department and POG sub-category levels consists of the following steps:

1. Review the targets from Category Planning and MFP.
2. Set the optimization constraints and review the optimization results.
3. Approve the optimization results.

The following flowchart shows the MSO process flow in RCM:

1. Start with MSO at the department level.
2. Check the department level optimization results referred by a space management system and MSO @ Sub-Category.
3. Perform MSO at the sub-category level.
4. Share the sub-category level optimization results with the ASO process.

Figure 5–3 Macro Space Optimization Process Flow



This task has the following steps:

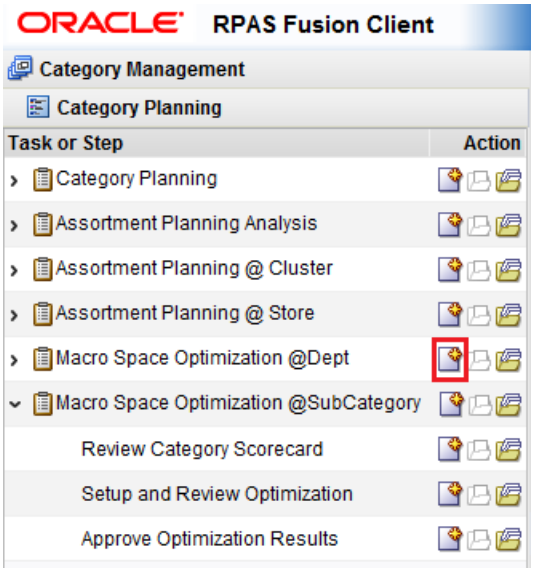
- Review Category Scorecard Step
- Set Up and Review Optimization Step
- Approve Optimization Results Step

Create the Macro Space Optimization @Dept Workbook

To create the workbook:

1. Select the **New Workbook** icon in the Macro Space Optimization @Dept task.

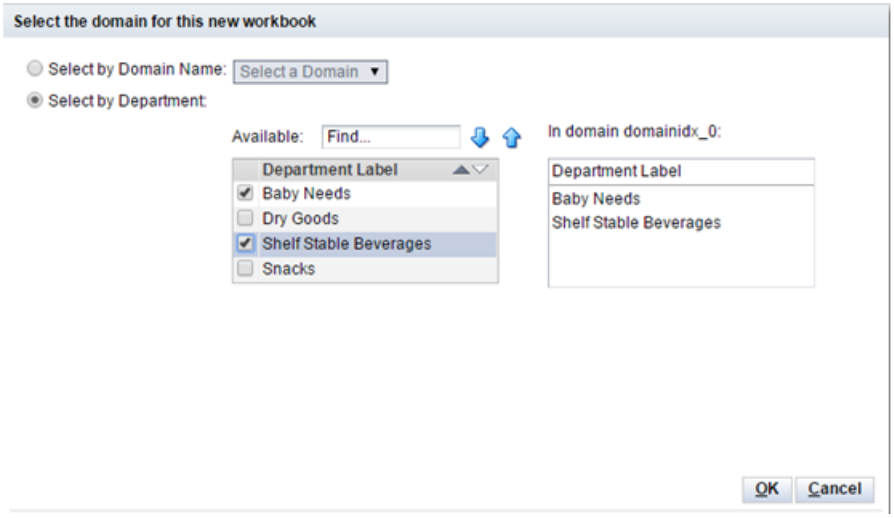
Figure 5–4 Macro Space Optimization @Dept Task



The workbook wizard opens.

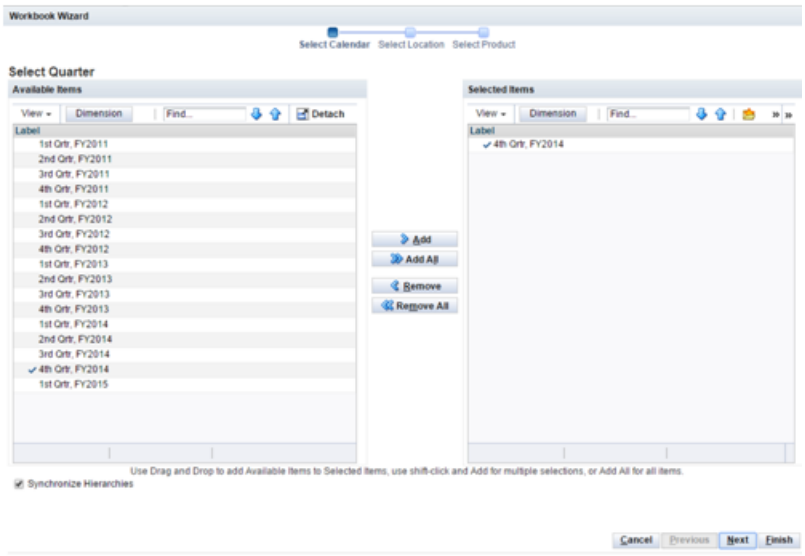
2. Select the domain name or departments. Click **Next**.

Figure 5–5 Workbook Wizard Select Domain or Departments Page



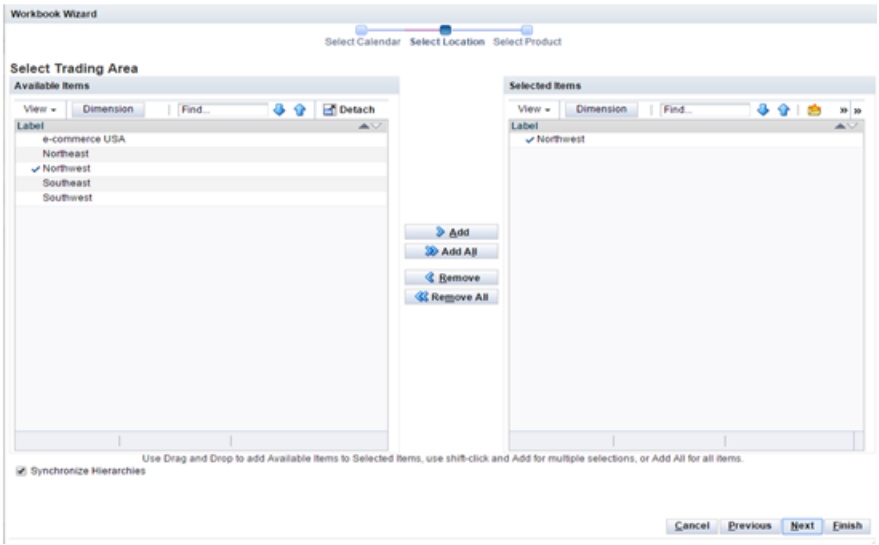
3. Select the quarters and move them to the Selected Items box. Click **Next**.

Figure 5–6 Workbook Wizard Select Quarter Page



4. Select the trading areas and move them to the Selected Items box. Click **Finish**.

Figure 5–7 Workbook Wizard Select Trading Area Page



The workbook is created.

Review Category Scorecard Step

Use this step to review the Category Scorecard. The Category Scorecard presents the Category Plan and Merchandise Financial Plan details.

Use the targets and goals (in the form of sales, gross profit, average inventory, turns, and so on) set as part of Category Planning or Merchandise Financial Planning as a reference while defining the constraints for MSO in order to generate the results at the POG department level.

The Category Scorecard is presented on the POG hierarchy in MSO tasks, unlike in other tasks such as Category Planning and Assortment Planning, where it is presented

on the PROD hierarchy. The target plan information available on the PROD hierarchy must be transformed into the POG hierarchy.

The mapping between the PROD and POG hierarchies is maintained in Category Management Administration and is used to transform product hierarchy based targets (from the Category Planning task and MFP application) into POG hierarchy-based targets.

Here is an example of a product to POG hierarchy transformation: In a convenience format store, in the PROD hierarchy, categories or sub-categories, such as butter and cheese, may be mapped to the Dairy Products department, but in the POG hierarchy classification, they are mapped to the Frozen Products POG department or department zone. In such a scenario, the mapping must be defined between the PROD and the POG hierarchies in the Category Management Administration workbook.

Prior to starting this step:

- An approved category plan must be available.
- A merchandise financial plan must be available and must be imported into RCM.
- PROD to POG hierarchy mapping must be defined in Category Management Administration.
- Like Sub-Category mapping must be done in Category Management Administration in case new sub-categories are introduced.

After completing this step:

Proceed to the next step, Set Up and Review Optimization, to run MSO.

This step has one view.

Custom Menu Option

Use the Transform PROD to POG Hierarchy custom menu to transform the category plan and merchandise financial plan from the PROD hierarchy to the POG hierarchy to see the targets at the POG Department level.

Note that all the activities in the MSO tasks are done on the POG hierarchy only. Therefore, there is a need to transform (or convert) the PROD hierarchy based targets (received from the Category Planning task and MFP application) to POG hierarchy based targets.

Review Category Scorecard @Dept View

Use this view to review the approved category plan and merchandise financial plan targets. The targets are in the form of Sales R, Sales Units, Gross Profit R, Average Inventory, Turns, and so on, sourced from the Category Planning task (OP measures) and MFP application (MFP measures).

The idea is to align the allocation of space to departments in MSO to these business plans.

The measures constituting a category plan and merchandise financial plan are available on the PROD hierarchy and need to be mapped to the POG hierarchy in this view.

After checking the WP Transform PROD to POG flag measure, run the Transform PROD to POG Hierarchy custom menu to populate the plan measures in this view on the POG hierarchy at the POG Department level.

Figure 5–8 shows an example presenting different measures sourced from the Category Planning task in RCM and MFP application.

Figure 5–8 Review Category Scorecard @Dept View

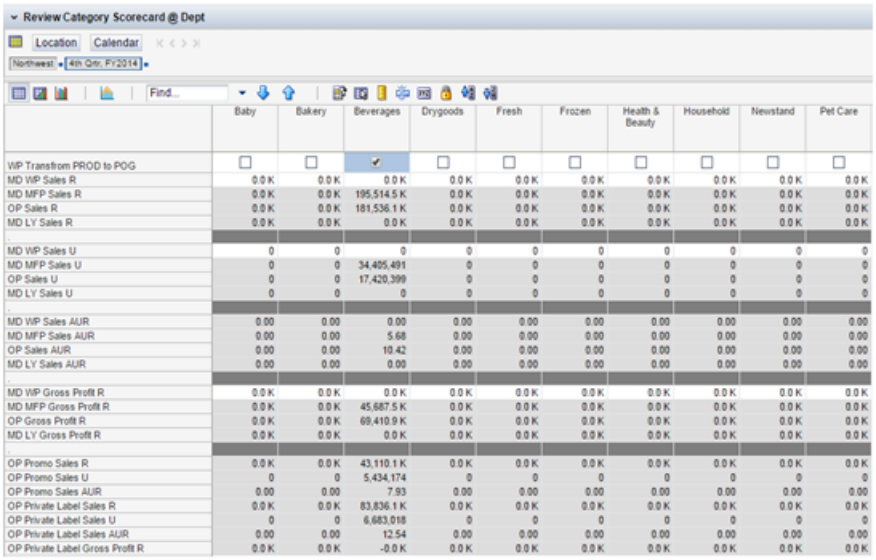


Table 5–1 lists the measures available on this view.

Table 5–1 Review Category Scorecard @Dept View Measures

Label	Description
MD WP Transform PROD to POG	Flag measure that must be checked prior to running the Transform PROD to POG Hierarchy custom menu.
MD WP Sales R	Working plan's sales retail value defined on the POG hierarchy for the POG Department. An LY version of this measure (MD LY Sales R) is also available.
MD WP Sales U	Working plan's sales units defined on the POG hierarchy for the POG Department. An LY version of this measure (MD LY Sales U) is also available.
MD WP Sales AUR	Working plan's average unit retail value defined on the POG hierarchy for the POG Department. An LY version of this measure (MD LY Sales AUR) is also available.
MD WP Gross Profit R	Working plan's gross profit value defined on the POG hierarchy for the POG Department. An LY version of this measure (MD LY Gross Profit R) is also available.
OP Sales R	Approved category plan’s (referred to as original plan) sales retail value. It is shared as a target with assortment planning and MSO.
OP Sales U	Original plan assortment's (approved category plan's) sales units. It is used in assortment planning and MSO as the target sales units.
OP Gross Profit R	Original plan assortment's (approved category plan's) gross profit value. It is used in assortment planning and MSO as the target gross profit retail value.
OP Sales AUR	Original plan assortment's (approved category plan's) average unit retail value. It is used in assortment planning and MSO as the target average unit retail value.

Table 5–1 (Cont.) Review Category Scorecard @Dept View Measures

Label	Description
OP Promo Sales R	Original plan's (approved category plan's) promotional sales retail value. It is used in assortment planning and MSO as the target promo sales retail value.
OP Promo Sales U	Original plan's (approved category plan's) promotional sales units. It is used in assortment planning and MSO as the target promo sales units.
OP Promo Sales AUR	Original plan's (approved category plan's) average unit retail value. It is used in assortment planning and MSO as the target average unit retail value.
OP Private Label Sales R	Original plan's (approved category plan's) sales retail value from private label products. It is used in assortment planning and MSO as the target sales retail value for private label products.
OP Private Label Sales U	Original plan's (approved category plan's) sales units from private label products. It is used in assortment planning and MSO as the target sales units for private label products.
OP Private Label Sales AUR	Original plan's (approved category plan's) average unit retail value from private label products. It is used in assortment planning and MSO as the target average unit retail value for private label products.
OP Private Label Gross Profit R	Original plan's (approved category plan's) gross profit retail value from private label products. It is used in assortment planning and MSO as the target gross profit retail value for private label products.
OP Avg Inv R	Original plan's (approved category plan's) average inventory retail value carried. It is used in assortment planning and MSO as the target average inventory retail value.
OP Turn	Original plan's (approved category plan's) turns. Turns represent the number of times the average inventory carried can be sold over in a specified period of time. This measure is used in assortment planning and MSO as the target average inventory retail value.
MD WP Sales C	Working plan's sales cost value defined on the POG hierarchy for the POG Department. An LY version of this measure (MD LY Sales C) is also available.

Custom Menu

Use the Transform PROD to POG Hierarchy custom menu in this view to transform the PROD hierarchy based plan (Category Plan and Merchandise Financial Plan) measures to the respective POG hierarchy measures at the POG Department level.

This custom menu uses the mapping defined between the PROD and POG hierarchies in Category Management Administration to come up with the POG-based plan measure values.

Note that the measures in this view are only populated after the custom menu runs.

Set Up and Review Optimization Step

Use this step to run MSO and review the optimization results.

MSO is used to derive and allocate optimum space to department zones or POG departments in a store. An algorithm (in the form of a special expression ASOSpace) is used through a custom menu trigger to identify the appropriate space and

corresponding profit, keeping the constraints set in this view under consideration. Space and Profit tables, containing data on space to profit variance (based on historic data), are used by the algorithm and form the basis of the optimization results.

There are two types of MSO:

- Space-based: For a given set of space constraints, optimization recommends the maximum profit.
- Financial parameter-based: For a given set of gross profit targets, optimization recommends the optimum space.

MSO can be run at the store, store cluster, or trading area level for a set of POG Departments or Department Zones at a store.

To run MSO and review the results:

1. Set the constraints for optimization mechanics:
   - Optimization Type and Target Alignment Type: There are two types of optimization: Space-based and financial parameter-based. The space-based optimization type has the target alignment type of Less than or Equal to. For financial parameter-based, the two options include Max Profit Up and Max Profit Down. The combined options include:
     - Space - Less than or Equal to
     - Financial - Max Profit Up
     - Financial - Max Profit Down
   - Financial Target Metric and Optimization Method: Optimization can be based on the different financial target metrics, which include MFP Gross Profit R and OP Gross Profit R. There is one optimization method available: Optimal.
2. Set space constraints:
   - Upper guard rail % or Upper guard rail space: Upper guard rail space is used in optimization to define the upper limit of space allocation for any POG Department, so as to keep the optimization results within an upper bound value of space. It can be defined as a percentage of the current space.
   - Lower guard rail % or Lower guard rail space: Similar to the upper guard rail, lower guard rail space is defined as the lower limit of space allocation for any POG Department and can also be defined as a percentage of current space.
   - Max and min space: Max and min space values represent the highest upper limit and lowest limit of space that can be made available to any POG Department. The optimization process picks the lower of the max space and upper guard rail space and the higher of the min space and lower guard rail space as inputs while setting the range of optimization results.
   - Current space, total available space, and space increments for POG Departments: Current space represents the space allocated to any POG Department in the current store layout. Total available space represents the total selling area of the store. Space increments are based on the shelves and fixtures specifications for different POG Departments, which determine the minimum length by which current space can be changed for a specific POG Department.
3. Set the optimization scope per the business requirements:
   a. Select the POG departments to be included in the optimization.
   b. Lock the current space for the POG departments, if required.

c. Select the mandatory POG departments. Mandatory POG departments should definitely be part of the final assortment. Checking the mandatory flag for a POG department ensures that it gets a higher priority in space allocation from the available space.

4. After setting the constraints, run the Optimize Dept custom menu.
5. Review the optimization results in the form of recommended space and respective gross profit by comparing them with the set space constraints and targets in the Category Scorecard.
6. Review the optimization results in the form of histograms.

Prior to starting this step:

- Review the targets in the Category Scorecard.
- Ensure that the Space Profit tables are populated.

After completing this step:

Proceed to the Approve Optimization Results step to approve the optimization results.

This step has the following views:

- 1. Set Up and Review Optimization @ Dept View
- 2. Review Space and Profit Histograms @Dept View

Custom Menu Option

Use the Optimize Dept custom menu to run the optimization at the POG department level once all the constraints have been defined.

1. Set Up and Review Optimization @ Dept View

Use this view to do the following:

- Set the constraints for MSO for the POG Departments or departments in the store.
- Run MSO using the Optimize Dept custom menu.
- Review the results from the optimization in the form of recommended space and gross profit retail.

Define the following constraints:

- Constraints for Optimization Mechanics: These constraints define the mechanics of the MSO run. The measures that must be defined are: MD WP Optimization and Target Alignment Type, and MD WP Financial Target Metric.
- Space constraints: Space constraints define the range (upper and lower limits) of space allocation, current space of a POG Department, and total available selling space at the store. The measure list to be defined here consists of: MD WP Total Available Space Square Units, MD WP Space Increment, MD WP Current Space Square Units, MD WP Min. Space, MD WP Max. Space, MD WP Lower Guard Rail %, MD WP Upper Guard Rail %, MD WP Lower Guard Rail Space, and MD WP Upper Guard Rail Space.

The optimization algorithm triggered by the custom menu picks the following inputs when it comes to determining the range of space allocation:

- The lower limit of the space allocation range is the higher value of the two measures: MD WP Max. Space and MD WP Upper Guard Rail Space.

- The upper limit of the space allocation range is the lower value of the two measures: MD WP Min. Space and MD WP Lower Guard Rail Space.

Optimization Scope constraints: This set of measures is used to define the scope of MSO for the POG departments in a store. The measures that need to be defined here consist of the following flag measures: MD WP Include POG Department, MD WP Lock Space, and MD WP Mandatory.

For information on the measure definitions, see Table 5–2.

This view must be viewed at the POG Department and all Planogram level in outline view mode. Optimization can be run at the following levels:

- Store, cluster, or trading area level on the location hierarchy.
- Quarter, Half Year, or Year level.

Figure 5–9 shows an example of this view with the constraints set and optimization results derived at the POG Department level.

Figure 5–9 1. Set Up and Review Optimization @ Dept View

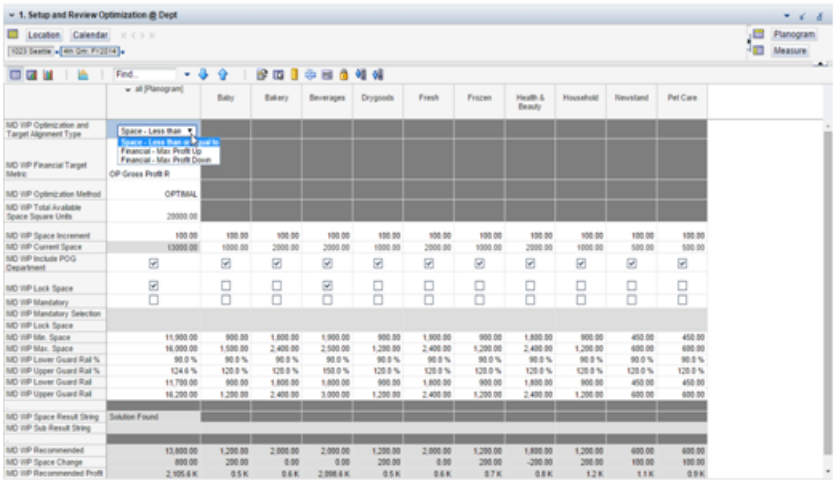


Table 5–2 lists the measures available on this view.

Table 5–2 1. Set Up and Review Optimization @ Dept View Measures

Label	Description
MD WP Optimization Target and Alignment Type	Used to define the type of MSO and type of target alignment from a drop-down selection. The following options are available for selection: Space - Less than or Equal to, Financial - Max Profit Up, and Financial - Max Profit Down.
MD WP Financial Target Metric	Used to assign the target metric to be used as the basis for MSO. The options available are: MFP Gross Profit R and OP Gross Profit R.
MD WP Optimization Method	Method adopted by MSO is defined through this measure. There is one optimization method available: Optimal.
MD WP Total Available Space Square Units	Represents the total available space of the stores in square units used to allocate space to the POG Departments in the upcoming space plan or working plan.

Table 5–2 (Cont.) 1. Set Up and Review Optimization @ Dept View Measures

Label	Description
MD WP Space Increment	Represents the incremental value of space in square units by which the space should be increased or decreased for a POG Department. This is based, in general, on the shelves and fixture specifications used in the department and store.
MD WP Current Space Square Units	Represents the current space, in square units, assigned to a POG Department at a store.
MD WP Include POG Department	Flag measure used to mark the POG Departments which should participate in MSO for space allocation.
MD WP Lock Space	Flag measure used to lock space for a POG Department in the MSO run. It is used to maintain the current space allotted to the POG Department in the upcoming space plan or working plan. The current space of the locked POG Department is deducted from the total available space to calculate the effective total available space used for allocating space for the rest of the POG Departments participating in MSO.
MD WP Mandatory	Flag measure used to mark the mandatory POG Departments, which should be given higher priority in space allocation from the total available space by MSO.
MD WP Lock Space Selection Error	Measure used to present the error messages if the Lock Space measure is checked for a POG Department without including the POG Department (through Include flag measure) for the MSO run.
MD WP Mandatory Selection Error	Measure used to present the error messages if the Mandatory measure is checked for a POG Department without including the POG Department (through Include flag measure) for the MSO run.
MD WP Min. Space	Minimum amount of space that can be allocated to a POG Department.
MD WP Max. Space	Maximum amount of space that can be allocated to a POG Department.
MD WP Lower Guard Rail %	User-defined lower limit space percentage output for a POG Department required from an optimization run. It is expressed as an absolute percentage of current space of a POG Department. It is used to control the lower limit of recommended space output for a POG Department, from an optimization run, so as to keep it within the range per the business requirements.
MD WP Upper Guard Rail %	User-defined upper limit space percentage output for a POG Department required from an optimization run. It is expressed as an absolute percentage of the current space of a POG Department. It is used to control the upper limit of recommended space output for a POG Department, from an optimization run, so as to keep it within the range per the business requirements.
MD WP Lower Guard Rail Space	User-defined lower limit space output for a POG Department required from the optimization run. It can be directly entered or calculated on the basis of MD WP Lower Guard Rail %. It is used to control the lower limit of recommended space output from an optimization run, so as to keep it within the range per the business requirements.

Table 5–2 (Cont.) 1. Set Up and Review Optimization @ Dept View Measures

Label	Description
MD WP Upper Guard Rail Space	User-defined upper limit space output for a POG Department required from the optimization run. It can be directly entered or calculated on the basis of MD WP Upper Guard Rail %. It is used to control the upper limit of recommended space output from an optimization run, so as to keep it within the range per the business requirements.
MD WP Space Result String	Measure used to present the error messages applicable at the aggregate level in an optimization run. For example: Max Capacity is invalid.
MD WP Sub Result String	Measure used to present the specific error messages in the optimization run. It specifically points to the POG Department where some user-defined constraints are off-the-mark. For example: Invalid Min Max Constraints for a specific POG Department.
MD WP Recommended Space	Recommended space output for a POG Department from an MSO run corresponding to the recommended gross profit retail. The CP version of the measure is used to store the approved results.
MD WP Space Change	Difference between the recommended space and current space for a POG Department.
MD WP Recommended Gross Profit R	Recommended gross profit retail output for a POG Department from an MSO run corresponding to the recommended space. CP version of the measure is used to store the approved results.
MD WP Gross Profit Change	Difference between the recommended gross profit and working plan gross profit retail for a POG Department.

Custom Menu

This view supports the Optimize Dept custom menu, which is used to run MSO at the POG department level. All the POG departments or department zones in the stores are allocated space using this custom menu. This custom menu uses an embedded special expression/API to recommend the most appropriate space and gross profit retail values in-line with the defined constraints and on the basis of the space profit tables.

Once the constraints are set, use this custom menu to run MSO to generate recommended space and gross profit retail values for the POG Departments.

2. Review Space and Profit Histograms @Dept View

Use this view to review the MSO results in the form of histograms. Histograms represent a series of results in the form of cumulative recommended space and cumulative recommended gross profit retail values, while the optimization process allocates space to POG departments step by step. These results are derived by the special expression/API while allocating space to the individual POG departments from the total available space.

The histograms graphically represent the relation and variation between allocated space and respective gross profit retail return for the POG Departments in a store.

Figure 5–10 represents a sample histogram for a set of optimization results.

Figure 5–10 2. Review Space and Profit Histograms @Dept View

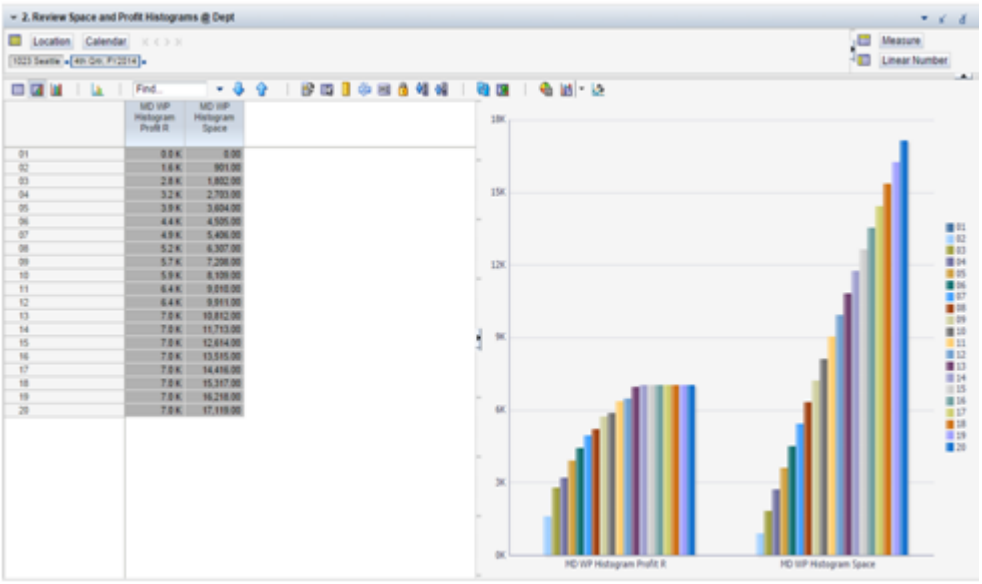


Table 5–3 lists the measures available on this view.

Table 5–3 2. Review Space and Profit Histograms @Dept View Measures

Label	Description
MD WP Histogram Space	Cumulative recommended space output from an MSO run while allocating space to individual POG departments in the store.
MD WP Histogram Profit R	Cumulative recommended gross profit retail output corresponding to the recommended space from an MSO run while allocating space to individual POG departments in the store.

Approve Optimization Results Step

Use this step to approve the MSO results. Optimization results consist of the recommended space and gross profit retail values. Once approved, the optimization results for the POG departments should be shared with a space management system for the new store layouts to be worked out. These results are also used as a reference for MSO at the POG sub-category level.

Prior to starting this step:

MSO must be conducted and the results obtained from it, in-line with the targets.

After completing this step:

This is the last step in the MSO process at the POG department level. With the approval of the MSO results at the POG department level, the next step is to perform MSO at the POG sub-category level.

This step has one view.

Custom Menu Option

Use the Approve Dept custom menu to approve the optimization results for the POG departments.

Approve Optimization Results @Dept View

Use this view to approve the optimization results from an MSO run. Optimization results consist of the recommended space and recommended gross profit retail.

Mark the POG departments that must be approved and run the Approve Dept custom menu to complete the approval process. Once approved, the results stored in the working plan measures are copied to the CP version measures. These results must be used as a reference while performing MSO at the POG sub-category level.

Note that the space at the POG department level is measured in square units and at the POG sub-category level it is measured in linear units.

Figure 5–11 Approve Optimization Results @Dept View

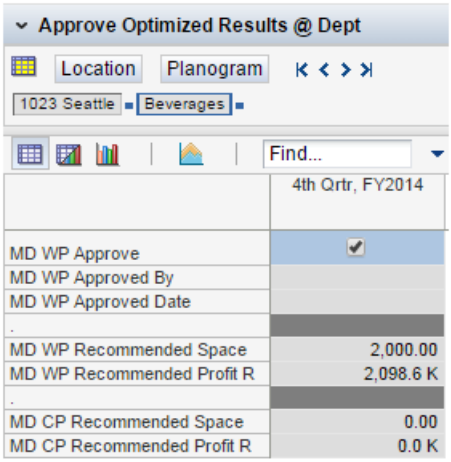


Table 5–4 lists the measures available on this view.

Table 5–4 Approve Optimization Results @Dept View Measures

Label	Description
MD WP Recommended Space	Recommended space output for a POG Department from an MSO run corresponding to the recommended gross profit retail. The CP version of the measure (MD CP Recommended Space) is used to store the approved results.
MD WP Recommended Profit R	Recommended gross profit retail output for a POG department from an MSO run corresponding to the recommended space. the CP version of the measure (MD CP Recommended Profit R) is used to store the approved results.
MD WP Approve	A Boolean flag measure which needs to be checked before running the Approve Dept custom menu.
MD WP Approved By	User ID of the approver for the POG Department level optimization results.
MD WP Approved Date	The date on which the POG Department level optimization results were approved.

Custom Menu

Use the Approve Dept custom menu to approve the optimization results for POG departments. On approval, the custom menu copies the optimization results stored in the WP measures to the CP version measures.

6

Macro Space Optimization @Sub-Category Task

The Macro Space Optimization @Sub-Category task is used to allocate optimum space to the POG sub-categories under a POG department. For more information on Macro Space Optimization, see "Introduction to Macro Space Optimization" in Chapter 5.

This task has the following steps:

- Review Category Scorecard Step

  Review the targets set in the Category Plan and Merchandise Financial Plan to align MSO output to them.

- Set Up and Review Optimization Step

  Define the constraints, run MSO, and review the output.

- Approve Optimization Results Step

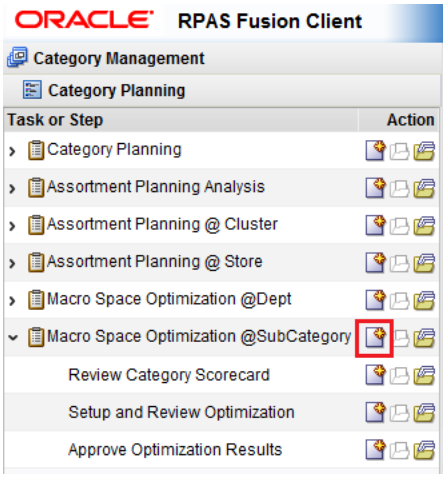
  Approve the MSO output.

Create the Macro Space Optimization @Sub-Category Workbook

To create the workbook:

1. Select the **New Workbook** icon in the Macro Space Optimization @Sub-Category task.

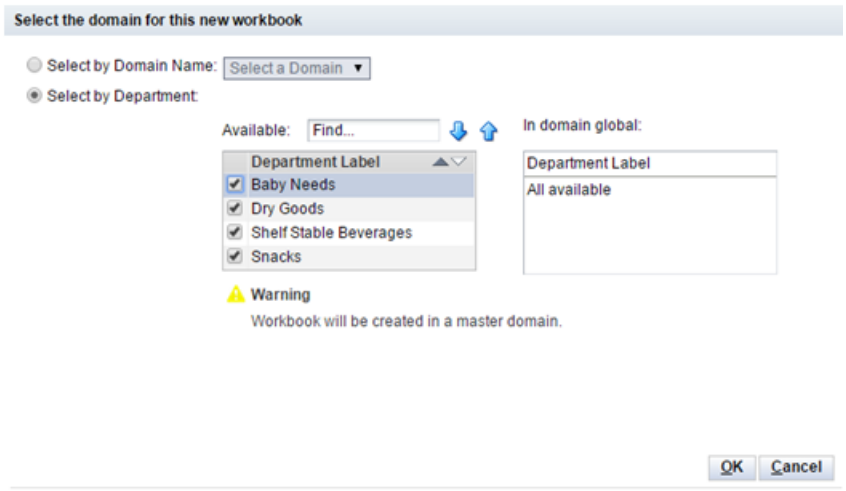
Figure 6–1 Macro Space Optimization @Sub-Category Task



The workbook wizard opens.

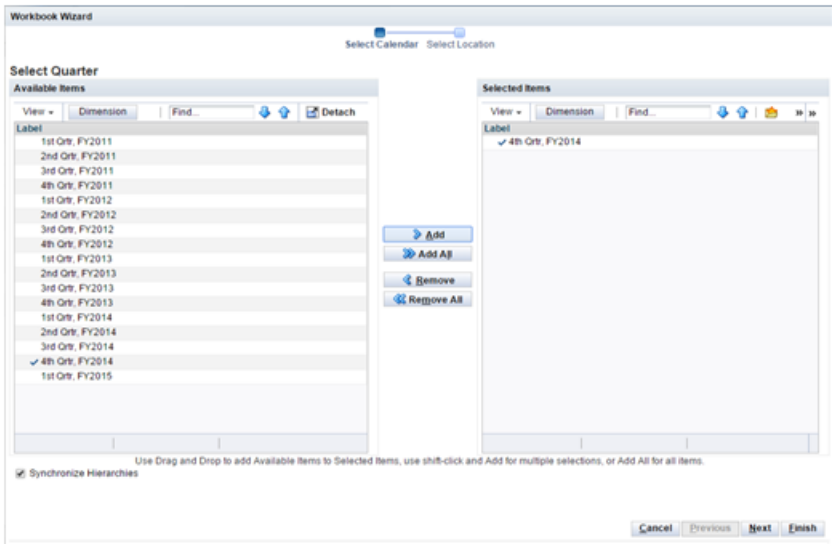
2. Select the domain name or departments and move it to the Selected Items box. Click **Next**.

Figure 6–2 Workbook Wizard Select Domain or Departments Page



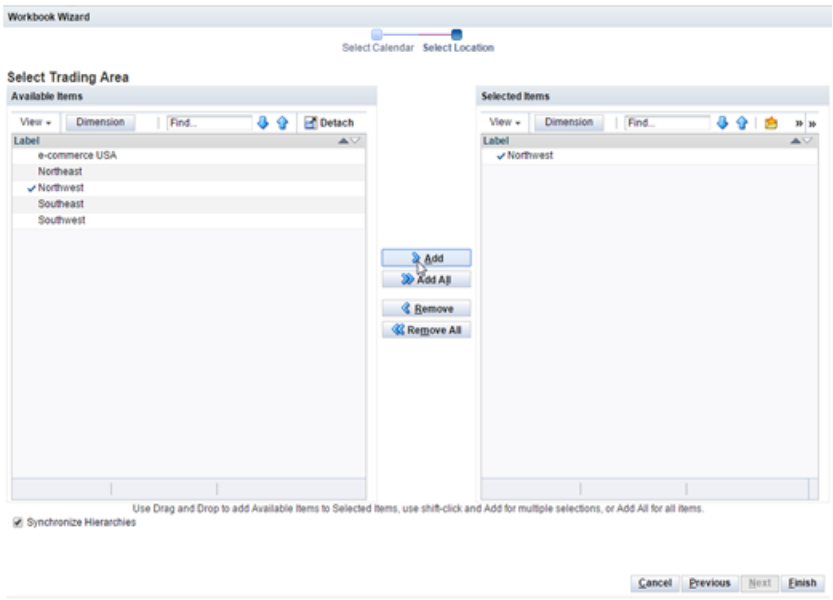
3. Select the quarter and move it to the Selected Items box. Click **Next**.

Figure 6–3 Workbook Wizard Select Quarter Page



4. Select the trading area and move it to the Selected Items box. Click **Next**.

Figure 6–4 Workbook Wizard Select Trading Area Page



The workbook is created.

Review Category Scorecard Step

Use this step to review the Category Scorecard. The Category Scorecard presents the category plan and merchandise financial plan details.

Use the targets and goals (in the form of roles, strategies, tactics, sales, gross profit, average inventory, turns, and so on) that were set as part of Category Planning and/or Merchandise Financial Planning as a reference while defining the constraints for MSO and generating the results.

The Category Scorecard is presented on the POG hierarchy in MSO tasks, unlike in other tasks, such as Category Planning and Assortment Planning, where it is presented on the PROD hierarchy. The target plan information available on the PROD hierarchy must be transformed into the POG hierarchy.

The mapping between the PROD and POG hierarchies is maintained in Category Management Administration and is used to transform product hierarchy-based targets (from the Category Planning task and MFP application) into POG hierarchy-based targets.

For example, for a supermarket format store, in the product hierarchy, Juices is a single category or sub-category, but in the POG hierarchy based on the product packaging, it is divided into Bottled Juices and Tetra-pack Juices POG categories or POG sub-categories. In such a scenario, the mapping between the PROD and POG hierarchies needs to be defined in the Category Management Administration workbook.

Prior to starting this step:

- An approved category plan with various targets, roles, strategies, and tactics must be available.
- A merchandise financial plan must be available and must be imported into RCM.

- The POG to PROD hierarchy mapping must be defined in Category Management Administration.
- Like Sub-Category mapping must be done in Category Management Administration in case new sub-categories are introduced.

After completing this step:

- Proceed to the next step in this task, 1. Set Up and Review Optimization @Sub-Category View, to run MSO.

Custom Menu Option

Use the Transform PROD to POG Hierarchy custom menu to transform the category plan and merchandise financial plan from the PROD hierarchy to the POG hierarchy.

Note that all the activities in the MSO tasks are done on the POG hierarchy only. Therefore, there is a need to transform (or convert) PROD hierarchy-based targets (received from the Category Planning task and MFP application) to the POG hierarchy-based targets.

Review Category Scorecard @Sub-Category View

Use this view to review the approved category plan (targets, roles, strategies, and tactics) and merchandise financial plan targets. The targets are in the form of Sales R, Sales Units, Gross Profit R, Average Inventory, Turns, and so on, sourced from the Category Planning task (OP measures) and MFP application (MFP measures).

Roles, strategies, and tactics that come from the Category Plan provide direction for the MSO process. They reflect the importance of a sub-category in category management, which helps ascertain the amount of space that must be allocated to any sub-category under a department. Space tactics, in particular, suggest the required increase or decrease in space required for a sub-category.

The idea is to align the allocation of space to sub-categories in MSO to these business plans.

For example, the following table shows the role, strategies, and tactics assigned to a set of sub-categories under a department:

Department	Category	Role	Sub-Category	Strategy	Tactics	
					Assortment	Space
Beverages	Coffee	Destination	Ground	Cash Generating	Increase	Increase
			Instant	Profit Generating	Maintain	Maintain
			Single Serve	Excitement Generating	Maintain	Maintain
			Whole	Turf-Defending	Increase	Maintain
	Tea	Routine				
	Juice	Convenience				
	Beer and Cider	Occasional				

Per the preceding table, the ground coffee sub-category's space must be increased keeping the space the same (maintain - space tactics value) for all other sub-categories under the Coffee category. This should be kept in mind while defining the MSO run constraints.

The measures constituting a category plan and merchandise financial plan are available in the PROD hierarchy and must be mapped to the POG hierarchy in this view.

Run the Transform PROD to POG Hierarchy custom menu option after checking the WP Transform PROD to POG flag measure in order to populate the plan measures in this view at the POG hierarchy level.

Figure 6–5 shows an example of different measures sourced from the Category Planning task in RCM and the MFP application.

Figure 6–5 Review Category Scorecard @Sub-Category View

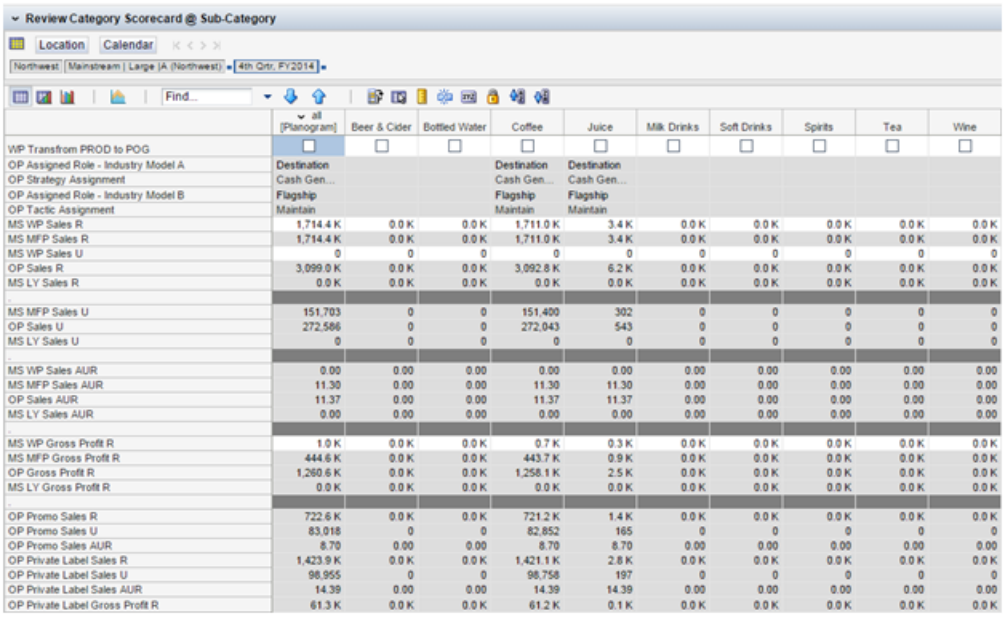


Table 6–1 lists the measures available in this view.

Table 6–1 Review Category Scorecard @Sub-Category View Measures

Label	Description
MS WP Transform PROD to POG	Flag measure that must be checked prior to running the Transform PROD to POG custom menu option.
OP Strategy Assignment	Strategy assigned to a sub-category or a category in the original plan in Category Planning. The strategy represents the overall approach to attain the assigned role to a category.
OP Assigned Role - Industry Model A	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.
OP Assigned Role - Industry Model B	Final role assigned to the category per Industry Model B in the approved working plan version of the category plan, known as the original plan.
OP Tactic Assignment	Approved and targeted tactics assignment to a sub-category at the trading area level in the category plan.

Table 6–1 (Cont.) Review Category Scorecard @Sub-Category View Measures

Label	Description
MS WP Sales R	Working plan's sales retail value defined in the POG hierarchy optimization for the POG Sub-Category. An LY version of this measure (MS LY Sales R) is also available.
MS WP Sales U	Working plan's sales units defined in the POG hierarchy optimization for the POG Sub-Category. An LY version of this measure (MS LY Sales U) is also available.
MS WP Sales AUR	Working plan's average unit retail value defined in the POG hierarchy for the POG Sub-Category. An LY version of this measure (MS LY Sales AUR) is also available.
MS WP Gross Profit R	Working plan's gross profit value defined in the POG hierarchy for POG Sub-Category. An LY version of this measure (MS LY Gross Profit R) is also available.
OP Sales R	Original plan assortment's (approved category plan's) sales retail value. It is used in assortment planning and MSO as the target sales retail value.
OP Sales U	Original plan assortment's (approved category plan's) sales units. It is used in assortment planning and MSO as the target sales units.
OP Gross Profit R	Original plan assortment's (approved category plan's) gross profit value. It is used in assortment planning and MSO as the target gross profit retail value.
OP Sales AUR	Original plan assortment's (approved category plan's) average unit retail value. It is used in Assortment Planning and MSO as the target average unit retail value.
OP Promo Sales R	Original plan's (approved category plan's) promotional sales retail value. It is used in Assortment Planning and MSO as the target promo sales retail value.
OP Promo Sales U	Original plan's (approved category plan's) promotional sales units. It is used in Assortment Planning and MSO as the target promo sales units.
OP Promo Sales AUR	Original plan's (approved category plan's) average unit retail value. It is used in Assortment Planning and MSO as the target average unit retail value.
OP Private Label Sales R	Original plan's (approved category plan's) sales retail value from private label products. It is used in Assortment Planning and MSO as the target sales retail value for private label products.
OP Private Label Sales U	Original plan's (approved category plan's) sales units from private label products. It is used in Assortment Planning and MSO as the target sales units for private label products.
OP Private Label Sales AUR	Original plan's (approved category plan's) average unit retail value from private label products. It is used in Assortment Planning and MSO as the target average unit retail value for private label products.
OP Private Label Gross Profit R	Original plan's (approved category plan's) gross profit retail value from private label products. It is used in Assortment Planning and MSO as the target gross profit retail value for private label products.
OP Avg Inv R	Original plan's (approved category plan's) average inventory retail value carried. It is used in Assortment Planning and MSO as the target average inventory retail value.

Table 6–1 (Cont.) Review Category Scorecard @Sub-Category View Measures

Label	Description
OP Turn	Original plan's (approved category plan's) turns. Turns represent the number of times the average inventory carried can be sold over in a specified period of time. This measure is used in Assortment Planning and MSO as the target average inventory retail value.
MS WP Sales C	Working plan's sales cost value defined for the POG Sub-Category. An LY version of this measure (MS LY Sales C) is also available.

Custom Menu

Use the Transform PROD to POG Hierarchy custom menu in this view to transform the PROD hierarchy-based plan (category plan and merchandise financial plan) measures to the respective POG hierarchy measures.

This custom menu uses the mapping defined between the PROD and POG hierarchies by the administrator in the Category Administration task to come up with POG-based plan measure values.

Note that the measures in this view are only populated after the custom menu runs.

Set Up and Review Optimization Step

Use this step to run MSO and review the optimization results.

MSO is used to derive and allocate optimum space to the sub-categories under a category in a store. An algorithm in the form of special expression ASOSpace is used through a custom menu trigger to identify the appropriate space and corresponding profit, while keeping the constraints set in this view under consideration. Space and Profit tables, containing data on space-to-profit variance based on historical data, are used by the algorithm and form the basis of the optimization results.

There are two types of MSO:

- Space-based: For a given set of space constraints, optimization recommends the maximum profit.
- Financial parameter-based: For a given set of gross profit targets, optimization recommends the optimum space.

MSO can be run at the store, store cluster, or trading area level for a set of POG sub-categories mapping to a POG department.

To run MSO and review the results:

1. Set the constraints for optimization mechanics:
    - Optimization Type and Target Alignment Type: There are two optimization types: Space-based and financial parameter-based. Space-based optimization type has the target alignment type of Less than or Equal to. For Financial parameter-based, the two options include Max Profit Up and Max Profit Down. The combined options include the following:
        - Space - Less than or Equal to
        - Financial - Max Profit Up
        - Financial - Max Profit Down

- Financial Target Metric and Optimization Method: The optimization can be based on the different financial target metrics, which include MFP Gross Profit R and OP Gross Profit R. There is one optimization method available: Optimal.

2. Set the space constraints:
   - Upper guard rail % or Upper guard rail space: Upper guard rail space is used in optimization to define the upper limit of space allocation for any sub-category, so as to keep the optimization results within an upper bound value of space. It can be defined as a percentage of the current space.
   - Lower guard rail % or Lower guard rail space: Similar to the upper guard rail, lower guard rail space is defined as the lower limit of space allocation for any sub-category and can also be defined as a percentage of current space.
   - Max and min space: Max and min space values represent the highest upper limit and lowest limit of space that can be made available to any sub-category. The optimization process picks the lower of the max space and upper guard rail space and the higher of the min space and lower guard rail space as inputs while setting the range of optimization results.
   - Current space, total available space, and space increments for POGs: Current space represents the space allocated to any sub-category in the current store layout. Total available space represents the space made available to the POG department to which a set of POG sub-categories map to in an the upcoming space plan. Space increments are based on the planogram specifications, which determine the minimum length by which current space can be changed.
3. Set the optimization scope per the business requirements:
   a. Select the sub-categories to be included in the optimization.
   b. Select the mandatory sub-categories. Mandatory sub-categories must definitely be part of the final assortment. Checking the mandatory flag for a sub-category ensures that it gets a higher priority in space allocation from the available space.
   c. Lock the current space for sub-categories.
4. After setting the previously mentioned constraints, run the Optimize Sub-Category custom menu.
5. Review the optimization results in the form of recommended space and respective gross profit by comparing them with the set space constraints and targets in the category scorecard.
6. Review the optimization results using the histogram formats.

Prior to starting this step:

- Review the targets in the Category Scorecard.
- Ensure that the space profit tables are populated.

After completing this step:

Proceed to the Approve Optimization Result step to approve the optimization results.

This step has the following views:

- 1. Set Up and Review Optimization @Sub-Category View
- 2. Review Space and Profit Histograms @Sub-Category View

Custom Menu Option

Use the Optimize Sub-Category custom menu to run the optimization at the sub-category level once all the constraints have been defined.

1. Set Up and Review Optimization @Sub-Category View

Use this view to do the following:

- Set the constraints for MSO for the sub-categories mapped to a department.
- Run MSO using the Optimize Sub-Category custom menu.
- Review the results from the optimization in the form of recommended space and gross profit retail.

Define the following constraints:

- Optimization type constraints: These constraints define the mechanics of MSO. The following measures must be defined: MS WP Optimization and Target Alignment Type, and MS WP Financial Target Metric.
- Space constraints: Space constraints define the range (upper and lower limits) of space allocation, current space of a sub-category, and total available space for the department to which the sub-categories maps. The measure list to be defined consists of the following: MS WP Total Available Space Linear Units, MS WP Space Increment, MS WP Current Space Linear Units, MS WP Min. Space, MS WP Max. Space, MS WP Lower Guard Rail %, MS WP Upper Guard Rail %, MS WP Lower Guard Rail Space, and MS WP Upper Guard Rail Space.

  The optimization algorithm triggered by the custom menu picks the following inputs when it comes to determining the range of space allocation:

  – The lower limit of the space allocation range is the higher value of the two measures: MS WP Max. Space and MS WP Upper Guard Rail Space.

  – The upper limit of space allocation range is the lower value of the two measures: MS WP Min. Space and MS WP Lower Guard Rail Space.
- Optimization Scope constraints: This set of measures is used to define the scope of MSO for the sub-categories under a department. The measures that must be defined here consist of the following flag measures: MS WP Include POG Sub-Category, MS WP Lock Space, and MS WP Mandatory.

  For details on the measures, see Table 6–2.

Display this view at the POG sub-category and POG department levels in outline view mode. The optimization can be run at the following levels:

- Store, cluster, or trading area level on the location hierarchy.
- Quarter, half year, or year level.

Figure 6–6 shows an example of the set constraints and derived optimization results at the POG department level.

Figure 6–6 1. Set Up and Review Optimization Parameters @Sub-Category View

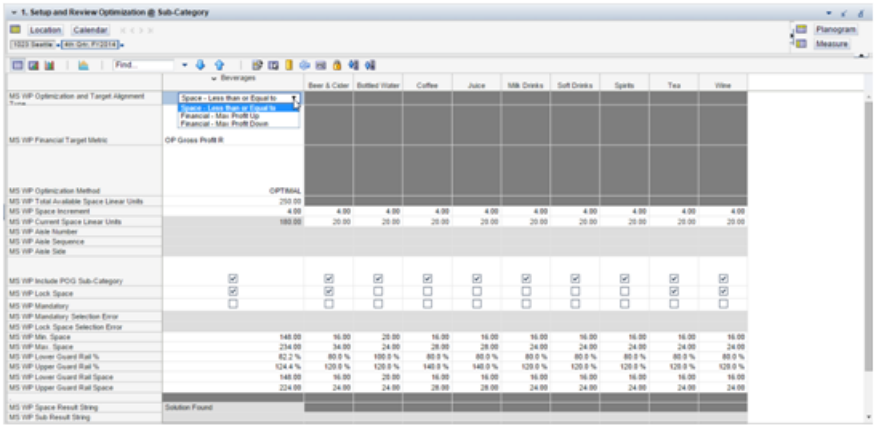


Table 6–2 lists the measures available in this view.

Table 6–2 1. Set Up and Review Optimization Parameters @Sub-Category View Measures

Label	Description
MS WP Optimization and Target Alignment Type	Used to define the type of MSO and target alignment from a drop-down selection. The following options are available for selection: Space - Less than or Equal to, Financial -Max Profit Up, and Financial - Max Profit Down.
MS WP Financial Target Metric	Used to assign the target metric to be used as the basis for MSO at the POG Sub-Category. The following options are available: MFP Gross Profit R and OP Gross Profit R.
MS WP Optimization Method	Method adopted by MSO is defined through this measure. There is one optimization method available: Optimal.
MS WP Total Available Space Linear Units	Represents the total available space in linear units for a POG department to which the POG sub-categories map for the upcoming space plan or the working plan.
MS WP Space Increment	Represents the incremental value of space in linear units by which the space should be increased or decreased for a POG Sub-Category. This is based on the predefined size of POGs for different sub-categories designed per the store layout, shelves, and fixture specs.
MS WP Current Space Linear Units	Represents the current space in linear units, assigned to a POG Sub-Category at a store.
MS WP Aisle Number	Used to identify the location or placement of a sub-category in a store. An aisle is a passage for customer to walk through. A store consists of multiple aisles with merchandise displayed on either side. This is first coordinate of the three coordinates used to identify the location of a sub-category on the store floor.
MS WP Aisle Sequence	Used to identify the position sequence of a sub-category in an aisle. This acts as the second coordinate in identifying the sub-category on the store floor. See the store layout diagram in Figure 6–7.
MS WP Aisle Side	Used to identify the side on which a sub-category is placed in an aisle while walking through the aisle in the direction of expected customer traffic movement. This acts as a third coordinate to identify a sub-category's location on the store floor. See the store layout diagram in Figure 6–7.

Table 6–2 (Cont.) 1. Set Up and Review Optimization Parameters @Sub-Category View Measures

Label	Description
MS WP Include POG Sub-Category	Flag measure used to mark the POG Sub-Categories which should participate in MSO for space allocation.
MS WP Lock Space	Flag measure used to lock space for a POG Sub-Category in the MSO run. It is used to maintain the current space allotted to the POG Sub-Category in the upcoming space plan or working plan. The current space of the locked POG Sub-Category is deducted from the total available space for the respective POG Department to calculate the effective total available space used for allocating space for the rest of the POG Sub-Categories participating in MSO.
MS WP Mandatory	Flag measure used to mark the mandatory POG Sub-Categories, which should be given higher priority in space allocation from the total available space by MSO.
MS WP Lock Space Selection Error	Used to present the error messages in case the Lock Space measure is checked for a POG Sub-Category without including it (through the Include flag measure) for an MSO run.
MS WP Mandatory Selection Error	Used to present the error messages in case the Mandatory measure is checked for a POG Sub-Category without including the sub-category (through the Include flag measure) for an MSO run.
MS WP Min. Space	Minimum amount of space that can be allocated to a POG Sub-Category.
MS WP Max. Space	Maximum amount of space that can be allocated to a POG Sub-Category.
MS WP Lower Guard Rail %	User-defined lower limit space percentage output for a POG Sub-Category required from an optimization run. It is expressed as an absolute percentage of current space of a POG Sub-Category. It is used to control the lower limit of recommended space output for a POG Sub-Category, from an optimization run, so as to keep it within the range per the business requirements.
MS WP Upper Guard Rail %	User-defined upper limit space percentage output for a POG Sub-Category required from an optimization run. It is expressed as an absolute percentage of the current space of a POG Sub-Category. It is used to control the upper limit of the recommended space output for a POG Sub-Category, from an optimization run, so as to keep it within the range per the business requirements.
MS WP Lower Guard Rail Space	User-defined lower limit space output for a POG Sub-Category required from the optimization run. It can be directly entered or calculated on the basis of MS WP Lower Guard Rail %. It is used to control the lower limit of the recommended space output from an optimization run, so as to keep it within the range per the business requirements.
MS WP Upper Guard Rail Space	User-defined upper limit space output for a POG Sub-Category expected from the optimization run. It can be directly entered or calculated on the basis of MS WP Upper Guard Rail %. It is used to control the upper limit of the recommended space output from an optimization run, so as to keep it within the range per the business requirements.
MS WP Space Result String	Used to present the error messages applicable at the aggregate level in an optimization run. For example: Max Capacity is invalid.

Table 6–2 (Cont.) 1. Set Up and Review Optimization Parameters @Sub-Category View Measures

Label	Description
MS WP Sub Result String	Used to present the specific error messages in the optimization run. It specifically points to the POG Sub-Category where some user-defined constraints are off-the-mark. For example: Invalid Min Max Constraints for a specific sub-category.
MS WP Recommended Space	Recommended space output for a sub-category from an MSO run corresponding to the recommended gross profit retail. The CP version of the measure is used to store the approved results.
MS WP Space Change	Difference between the recommended space and current space for a POG Sub-Category.
MS WP Recommended Gross Profit R	Recommended gross profit retail output for a POG Sub-Category from an MSO run corresponding to the recommended space. The CP version of the measure is used to store the approved results.
MS WP Gross Profit Change	Difference between the recommended gross profit and working plan gross profit retail for a POG Sub-Category.

The following diagram shows an example of a store layout. Table 6–3 describes the aisles in the diagram.

Figure 6–7 Store Layout Diagram

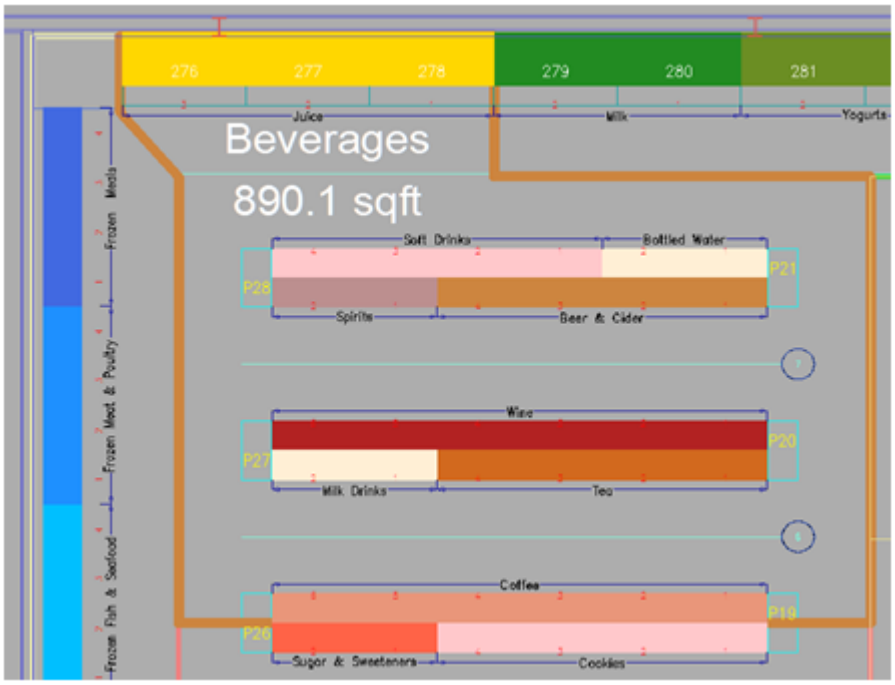


Table 6–3 Aisle Description of Store Layout Diagram

	Aisle Number	Aisle Position Sequence	Aisle Side
Bread	7	1	Right
Patisseries	7	1	Left
Cakes & Tarts	7	2	Left

Table 6–3 (Cont.) Aisle Description of Store Layout Diagram

	Aisle Number	Aisle Position Sequence	Aisle Side
Cleaning Tools & Gloves	6	1	Right
Cleaning	6	1	Left
Air Fresheners	5	1	Right
Household Sundries	5	2	Right
Food Storage	5	3	Right

Custom Menu Option

This view supports the Optimize Sub-Category custom menu, which is used to run MSO at the sub-category level. A set of sub-categories mapping to a department are allocated space using this custom menu. This custom menu uses an embedded special expression/API to recommend the most appropriate space and gross profit retail values in-line with the defined constraints and on the basis of the space profit tables.

Once the constraints are set, use this custom menu to run MSO to generate recommended space and gross profit retail values for the sub-categories.

2. Review Space and Profit Histograms @Sub-Category View

Use this view to review the MSO results in the form of histograms. Histograms represent a series of results in the form of cumulative recommended space and gross profit retail values. These results are derived by the special expression/API while allocating space to individual POG sub-categories from the total available space.

The histograms here graphically represent the relation and variation between space allocated and respective gross profit retail return for the POG sub-categories under a POG department.

Figure 6–8 represents a sample histogram for a set of optimization results.

Figure 6–8 2. Review Space and Profit Histograms @Sub-Category View

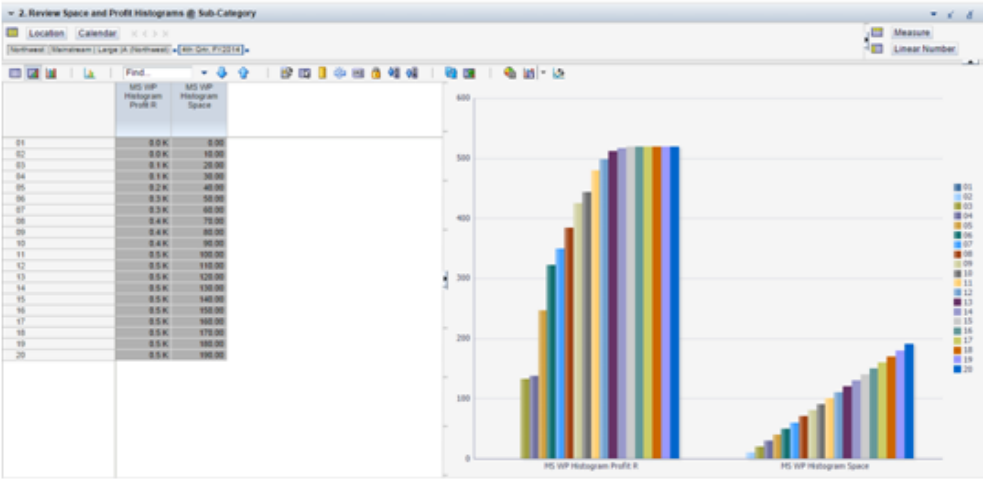


Table 6–4 lists the measures available in this view.

Table 6–4 2. Review Space and Profit Histograms @Sub-Category View Measures

Label	Description
MS WP Histogram Space	Cumulative recommended space output from an MSO run while allocating space to individual POG Sub-Categories under a department.
MS WP Histogram Profit R	Cumulative recommended gross profit retail output corresponding to the recommended space from an MSO run while allocating space to individual POG Sub-Categories under a department.

Approve Optimization Results Step

Use this step to approve the MSO results. Optimization results consist of the recommended space and gross profit retail value. Once approved, the optimization results are shared with the assortment planning process so that the assortments for the sub-categories can be planned in-line with the allocated space.

Prior to starting this step:

MSO must conducted and the results obtained from it, in-line with the targets.

After completing this step:

This is the last step in the MSO process. With the approval of the MSO results, the next step in the overall business process flow involves beginning the assortment planning process.

This step has one view.

Custom Menu Option

Use the Approve Sub-Category custom menu to approve the optimization results for the POG sub-categories.

Approve Optimization Results @Sub-Category View

Use this view to approve the optimization results from the MSO run. The optimization results consist of the recommended space and gross profit retail.

Mark the POG sub-categories that must be approved and run the Approve Sub-Category custom menu to complete the approval process. Once approved, the results stored in the working plan measures are copied to the CP version measures. Once approved, the optimization results are conveyed or passed onto the assortment planning task. These measures appear in the assortment planning scorecard view so as to ensure that the assortment plans being created for the sub-categories are in alignment to the space allocated to them.

Figure 6–9 Approve Optimization Results @Sub-Category View

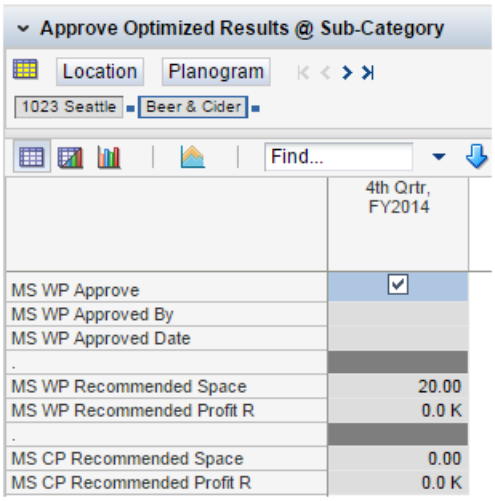


Table 6–5 lists the measures available in this view.

Table 6–5 Approve Optimization Results @Sub-Category View Measures

Label	Description
MS WP Recommended Space	Recommended space output for a POG Sub-Category from an MSO run corresponding to the recommended gross profit retail. The CP version of the measure (MS CP Recommended Space) is used to store the approved results.
MS WP Recommended Profit R	Recommended gross profit retail output for a POG Sub-Category from an MSO run corresponding to the recommended space. The CP version of the measure (MS CP Recommended Profit R) is used to store the approved results.
MS WP Approve	A Boolean flag measure which needs to be checked before running the Approve Sub-Category custom menu.
MS WP Approved By	User ID of the approver for the POG Sub-Category level optimization results.
MS WP Approved Date	The date on which the POG Sub-Category level optimization results were approved.

Custom Menu Option

Use the Approve Sub-Category custom menu to approve the optimization results for the POG sub-categories. On approval, the custom menu copies the optimization results stored in the WP measures to the CP version measures.

7

Assortment Planning Analysis Task

This chapter describes the Assortment Planning Analysis task. This task enables retailers to analyze their current assortment and past assortment (last year, last plan) from a performance perspective, consumer segment perspective, and market perspective.

Consumer insights are core to this task, using external market and consumer data. This task also provides visibility to the retailer's category versus competitors versus the market place as a whole. (Examples of external market data providers include Nielsen, Symphony IRI, Axciom, and FICO.)

The task facilitates analyzing current assortments, determining the appropriate market coverage, rationalizing (validation of necessary add, drop, and keep) the assortment, and quantifying the assortment decisions.

The task uses assortment clusters (or clusters) received from the Advanced Clustering (AC) solution, based on ORASE, to ensure that assortments are tailored to specific markets and primary consumer segments. Note that it is possible to feed these clusters from external sources as well. Stores are pre-clustered or grouped into assortment clusters based on various parameters like consumer segment profiles, store attributes, performance attributes, product attributes, and so on.

This task also takes present targets and recommendations from different sources in the category scorecard for alignment of assortment plans to them. These targets and recommendations consist of:

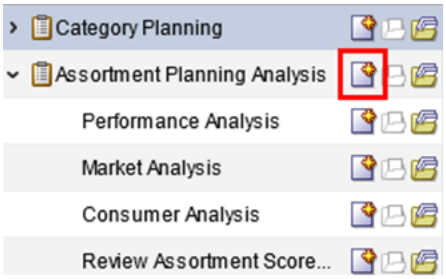
- Category roles, strategies, tactics, and category plan financial targets
- MFP targets
- MSO recommendations for space and gross profit

Create the Assortment Planning Analysis Workbook

To create the workbook:

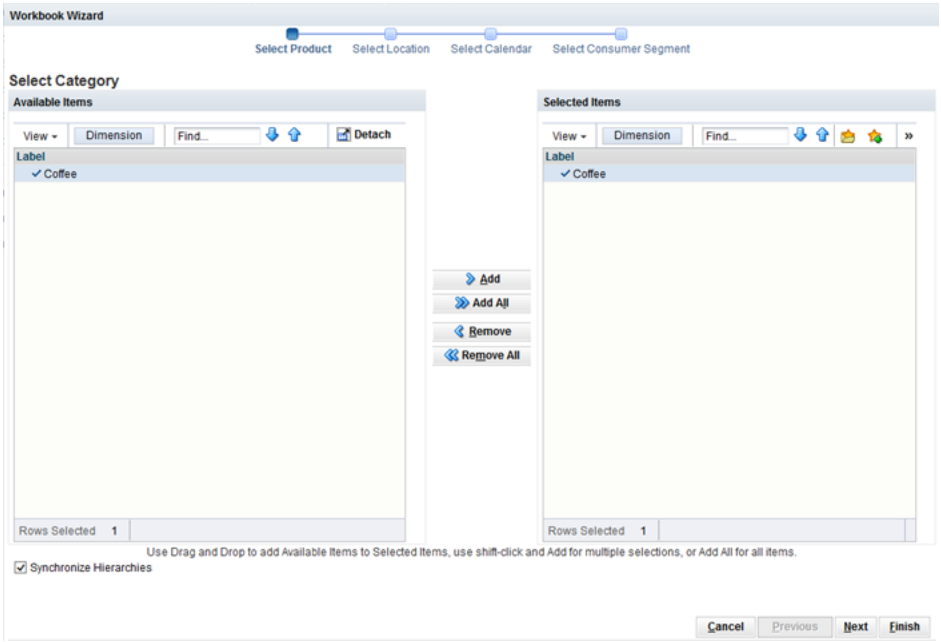
1. Select the **New Workbook** icon in the Assortment Planning Analysis task.

Figure 7–1 Assortment Planning Analysis Task



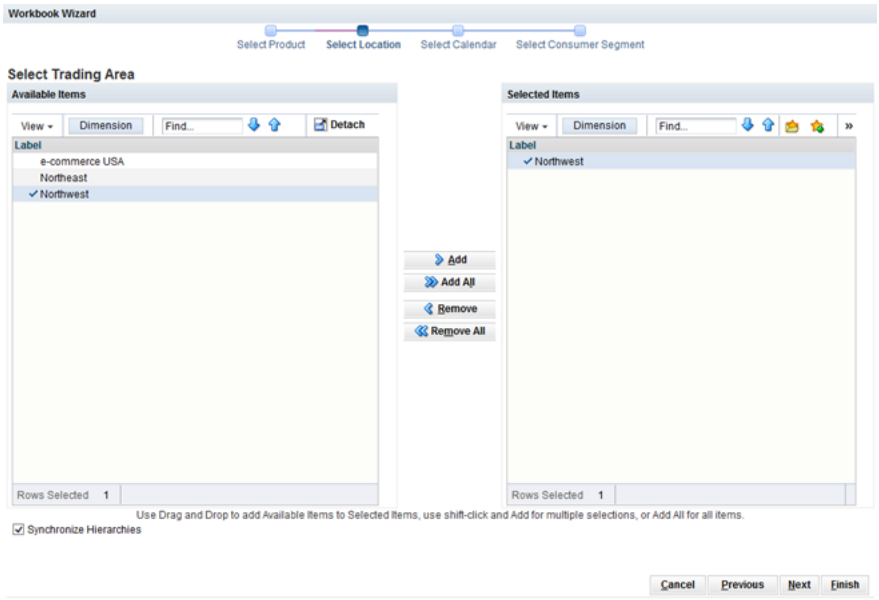
2. Select only one category and move it to the Selected Items box. Click **Next**.

Figure 7–2 Workbook Wizard Select Category Page



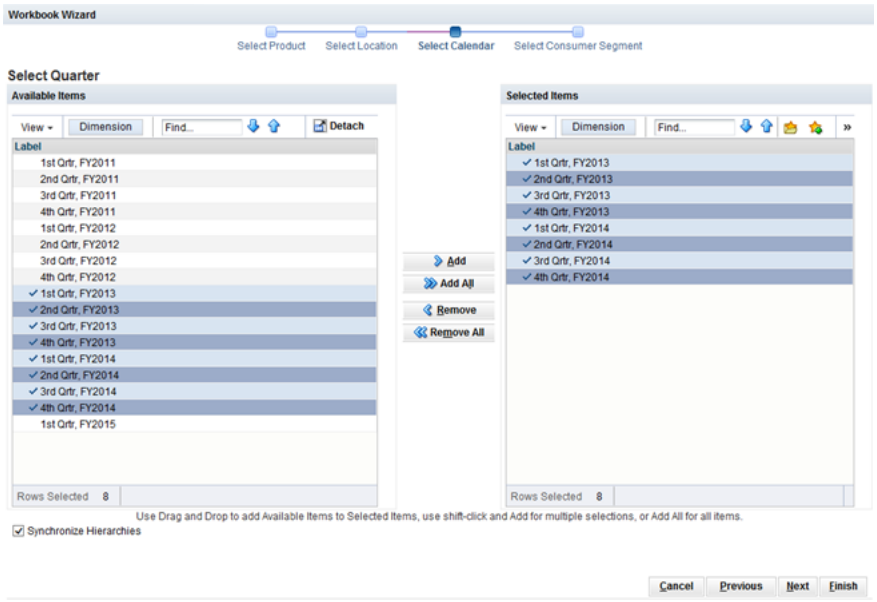
3. Select the trading areas and move them to the Selected Items box. Click **Next**.

Figure 7–3 Workbook Wizard Select Trading Area Page



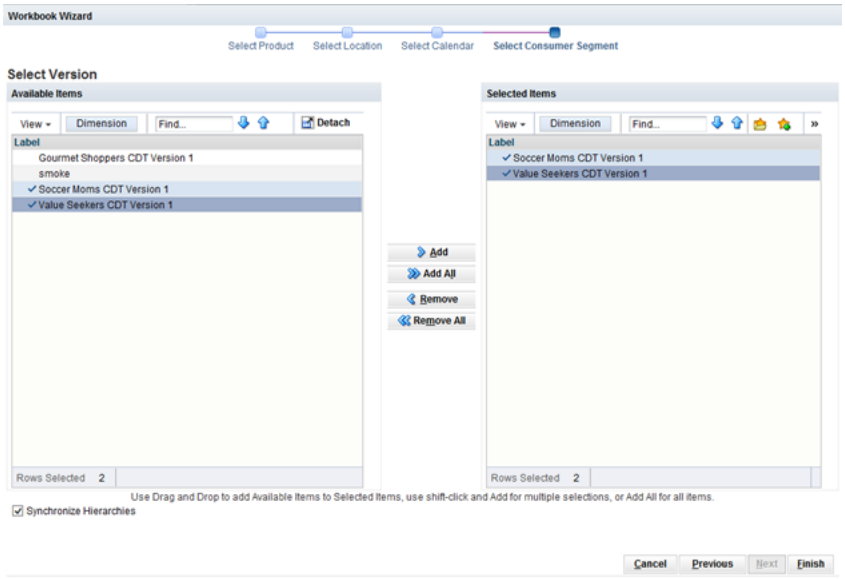
4. Select the quarters and move them to the Selected Items box. Click **Next**.

Figure 7–4 Workbook Wizard Select Quarter Page



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

Figure 7–5 Workbook Wizard Select Version Page



The workbook is created.

Performance Analysis Step

Performance Analysis presents cross-category quantitative analysis for a retailer's business. Use this step to analyze a category's performance based on historical sales and forecast, if available. SKU level analysis is available to gauge the performance at the lowest level in the assortment. Sub-category and category level analyses are available in quadrant analysis for cross-category performance comparisons.

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

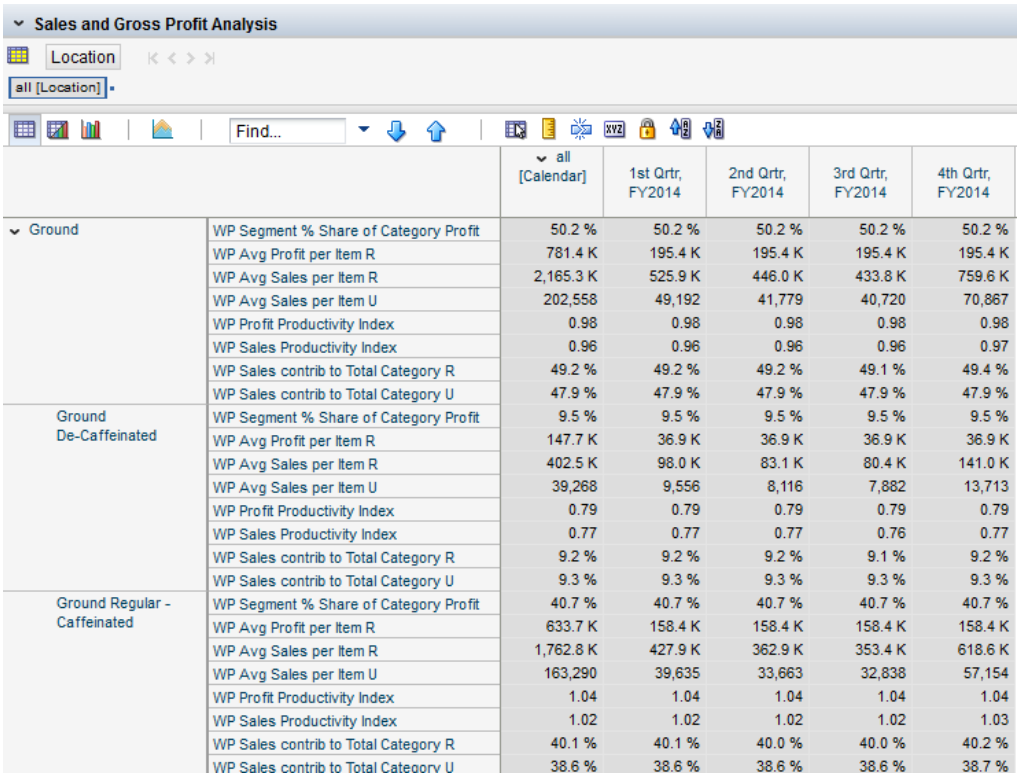
Sales and Gross Profit Analysis Tab

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 to the cluster level in this view. It represents actuals for elapsed periods and planned values for future periods.

Figure 7–6 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 7–1 lists the measures available in this view.

Table 7–1 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.
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	An index to average measure to gauge the relative profit productivity (or profit contribution) of a SKU or a sub-category within a category. It is calculated by dividing gross profit retail value per SKU with average gross profit retail value per SKU for the entire category.
WP Sales Productivity Index	An index to average measure to gauge the relative sales productivity (or sales contribution) of a SKU or a sub-category within a category compared to the rest of category's assortment. It is calculated by dividing gross profit retail value per SKU with average gross profit retail value per SKU for the entire category.
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 bubble chart.

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

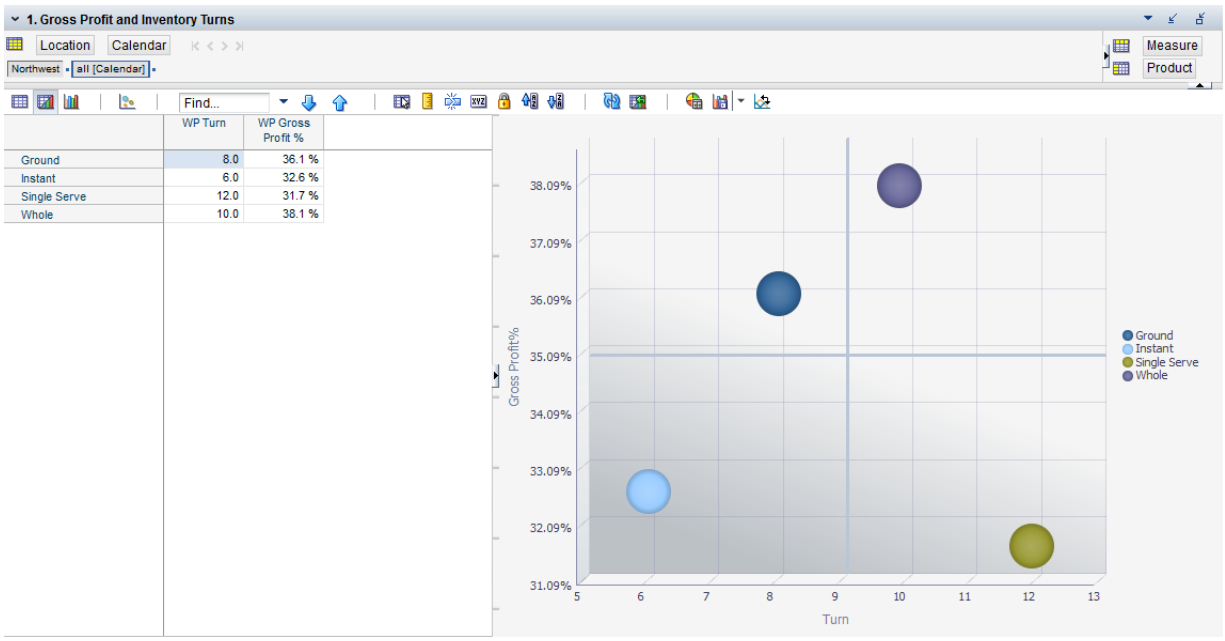


Table 7–2 lists the measures available in this view.

Table 7–2 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 working plan assortment.
WP Turn	Inventory turns in the working plan version of the category plan. It is the number of times the average inventory carried can be sold over a specified period of time. In other words, it reflects the speed of inventory movement.

2. Sales Revenue and Sales Units View

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

Figure 7–8 2. Sales Revenue and Sales Units View

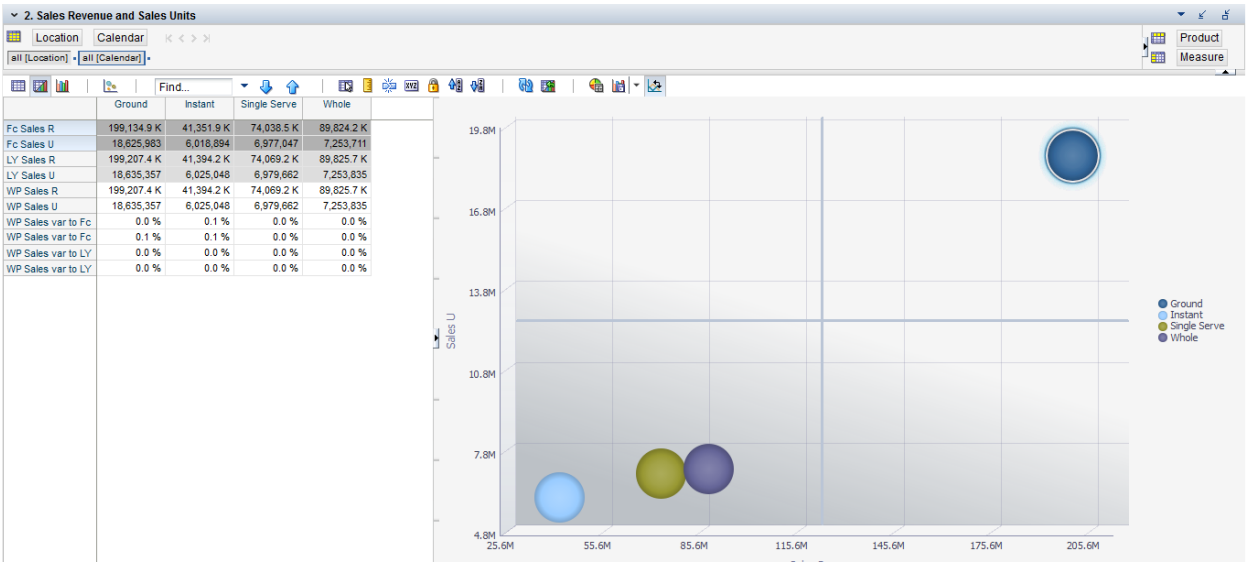


Table 7–3 lists the measures available in this view.

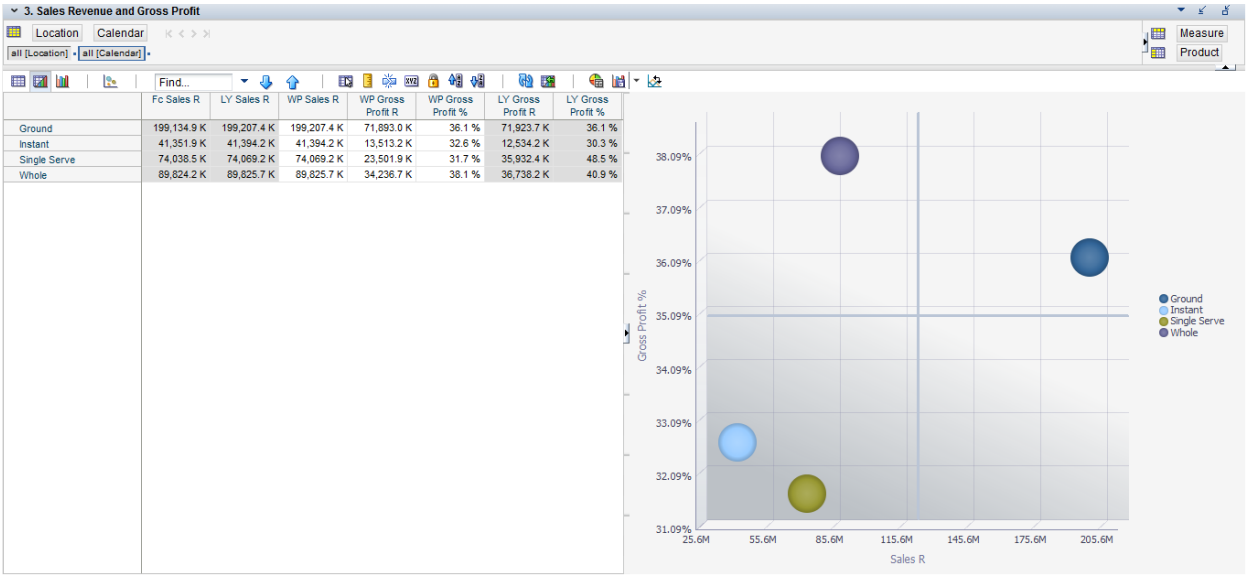
Table 7–3 2. Sales Revenue and Sales Units Measures

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.
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	Sales retail value's variance between working plan and forecast.
WP Sales var to Fc U	Sales units' variance between working plan and forecast.
WP Sales var to LY R	Sales retail value's variance between working plan and last year's actuals.
WP Sales var to LY U	Sales units' variance between working plan and 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 7–9 3. Sales Revenue and Gross Profit View



The chart shown in Figure 7–9 analyzes Sales R versus Gross Profit% for each sub-category in the Coffee category. Note that this analysis is possible at multiple product hierarchy levels. The chart indicates that the Ground Coffee sub-category is part of the top-right quadrant with high sales retail value and high gross profit percentage. In comparison, Whole Bean is in the top-left quadrant with high gross profit percentage and low sales retail value. The other two sub-categories, Instant and Single Serve, are part of the bottom-left quadrant with low sales retail value and gross profit percentage. It is important to note here that irrespective of the position of a sub-category in the quadrant chart, each sub-category has to play a part in category's (or retailer's) business, depending upon the respective role, strategies, and tactics assignment.

Table 7–4 lists the measures available in this view.

Table 7–4 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.

Table 7–4 (Cont.) 3. Sales Revenue and Gross Profit 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 %	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 7–10 4. Sales and Profit per Sq Ft View

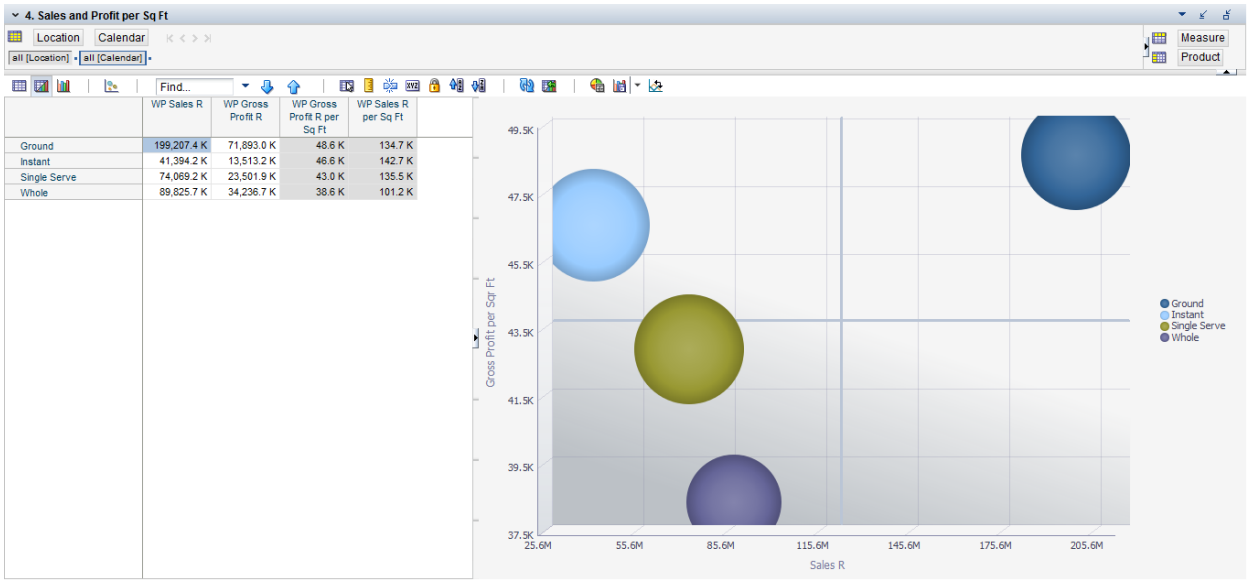


Table 7–5 lists the measures available in this view.

Table 7–5 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 they 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 space (area) allocated to the merchandise in square feet.

Table 7–5 (Cont.) 4. Sales and Profit per Square Foot 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 they 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 space (area) allocated to that particular merchandise in square feet.

Market Analysis Step

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

Market coverage is defined as the extent of sales covered by an assortment or a set of items. Market coverage is the percentage of the total sales of the market that the retailer's assortment covers. That is, the percentage market share of the overall combined market sales (say for a trading area) of the products in retailer's assortment represents the market coverage of retailer's assortment.

For example, a retailer can carry 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 percent, the market coverage of the retailer's assortment is 90 percent.

Market coverage based analysis is based on market data that 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 in relation to the market. It facilitates the determination of target market coverage for a retailer's assortment.

Key analyses under the Market Analysis step:

Fragmentation Analysis

- Provides insights concerning what percentage of SKUs make up certain pre-defined breakpoints, leveraging user-selected key performance indicators such as Sales U and Sales Retail.
- Helps answer the question: How many SKUs represent 50 percent of category sales, 75 percent of category sales, and so on. A highly fragmented category or sub-category indicates that the a large number of SKUs contribute to net category sales. A category or sub-category in which a small number of SKUs represent the majority of the category and sub-category sales is considered to have a low degree of fragmentation.
- Provides an understanding of how fragmented the category and sub-category sales are compared to the market.

Item Contribution Analysis

- An analogous concept is item contribution analysis, which can be considered the inverse way of examining the above information.
- Provides an explanation for the contribution of items to the category, leveraging user-selected key performance indicators such as Sales U and Retail.
- Helps identify the percentage of items contributing to 50 percent of the SKUs to category and sub-category sales, 75 percent, and so on. For example, 50 percent of SKUs contribute to 80 percent of sales.

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 Market Analysis Data View
  - 2. Performance Based Fragmentation Retail Data Analysis 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

Use this tab to define the measures for Performance Based Fragmentation Analysis, Item Contribution Analysis, Proliferation Analysis, and Accumulative Ranking Analysis. 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 percentage of sales and SKU count to identify the appropriate market coverage for WP assortment.

Figure 7–11 Set Breakpoints View

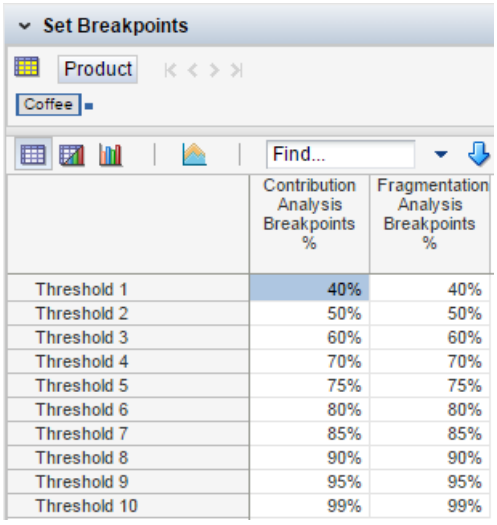


Table 7–6 lists the measures available in this view.

Table 7–6 Set Breakpoints Measures

Label	Definition
Contribution Analysis Breakpoints %	The user-defined breakpoints or thresholds for the count of items (in percentage points) for a category are defined in this measure to see the sales distribution across the complete range of SKUs in that category.
Fragmentation Analysis Breakpoints %	The user-defined breakpoints or thresholds for sales (in percentage points) for a category are defined in this measure to see the sales distribution 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 option 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 roles and versions in the drop-down selection such as LY and Forecast, LY Market and Current Market.

Figure 7–12 Set Performance Metric Driver View

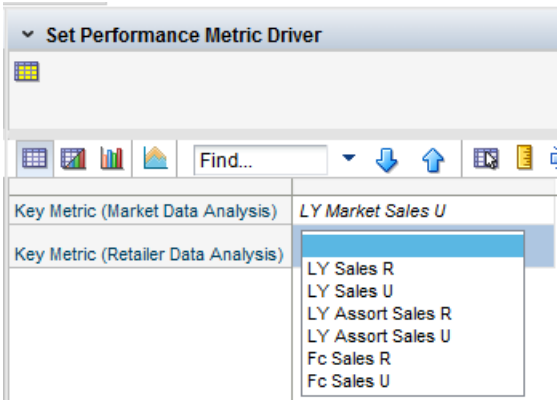


Table 7–7 lists the measures available in this view.

Table 7–7 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 is appropriate. For a transaction building category, the use of sales retail in the market is 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 is appropriate. For a transaction building category, the use of sales retail at the retailer is appropriate.

Performance Based Fragmentation Analysis Tab

Custom Menu Option

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 option.

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.

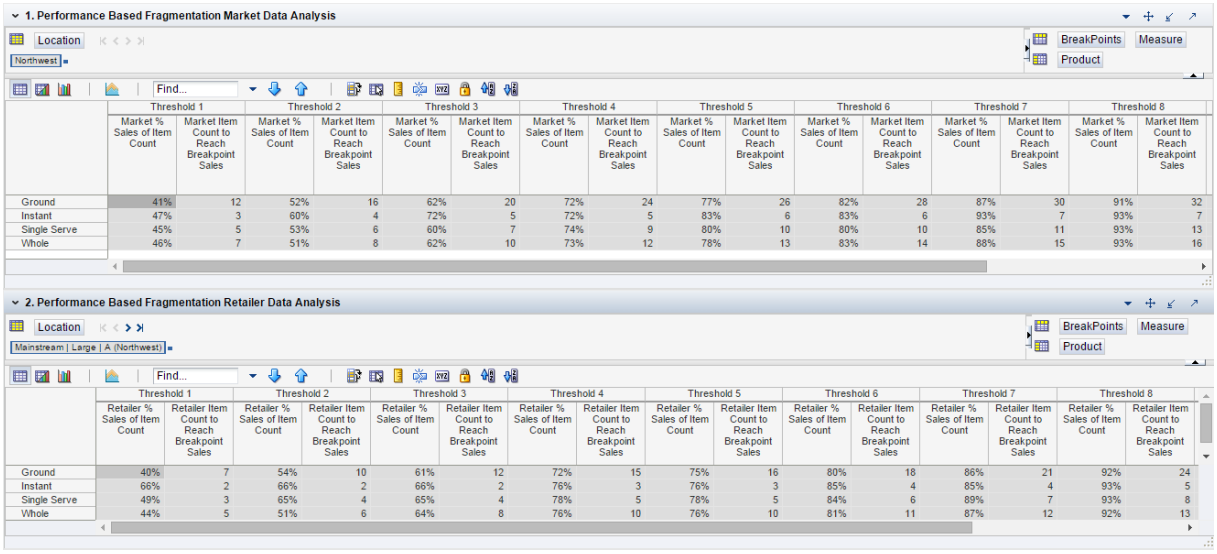
You can also view and compare the fragmentation of the category at the retailer compared to the fragmentation in the market to understand if the retailer's category sales are more or less fragmented than the market.

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 business context, for example, a trading area.

The following figure shows the views for this tab.

Figure 7–13 Performance-Based Fragmentation Analysis Tab



1. Performance Based Fragmentation Market Analysis 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 7–14 1. Performance Based Fragmentation Market Data Analysis View

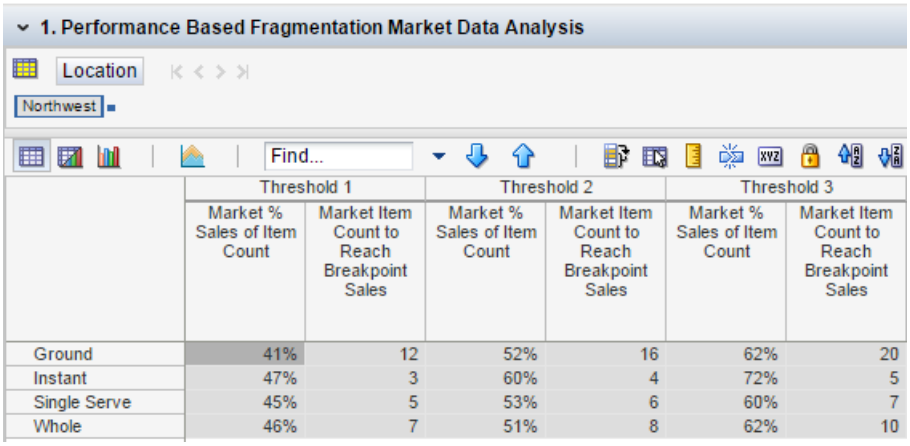


Table 7–8 lists the measures available in this view.

Table 7–8 1. Performance Based Fragmentation Market Data Analysis Measures

Label	Definition
Market % Sales of Item Count	Market coverage represented in percentage points by a set of items from the assortment. This is best viewed at the category level. Breakpoints are defined for this measure to view the fragmentation analysis.

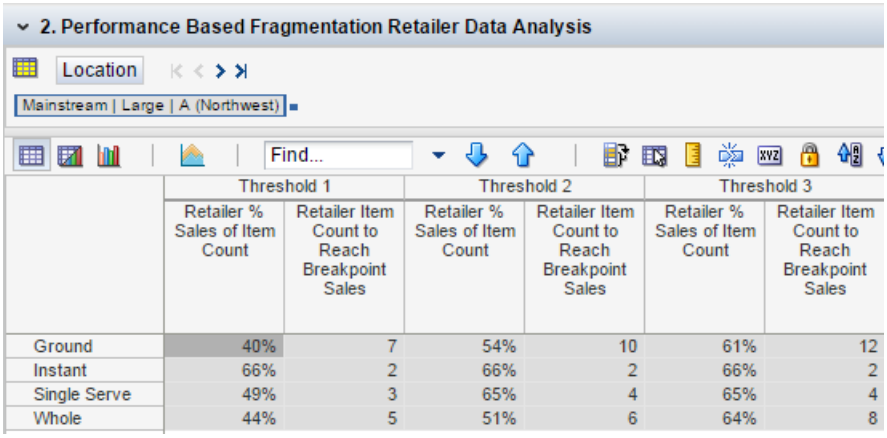
Table 7–8 (Cont.) 1. Performance Based Fragmentation Market Data Analysis Measures

Label	Definition
Market Item Count to Reach Breakpoint Sales	The number of SKUs required in the market (typically trading area) as a whole to reach a pre-set breakpoint percentage level sales of total market sales. For example in Figure 7–14, 12 SKUs contribute to 41 percent of market sales and 20 SKUs contribute to 62 percent of market sales of ground coffee.

2. Performance Based Fragmentation Retail Data Analysis 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 7–15 2. Performance Based Fragmentation Retailer Data Analysis View



	Threshold 1		Threshold 2		Threshold 3	
	Retailer % Sales of Item Count	Retailer Item Count to Reach Breakpoint Sales	Retailer % Sales of Item Count	Retailer Item Count to Reach Breakpoint Sales	Retailer % Sales of Item Count	Retailer Item Count to Reach Breakpoint Sales
Ground	40%	7	54%	10	61%	12
Instant	66%	2	66%	2	66%	2
Single Serve	49%	3	65%	4	65%	4
Whole	44%	5	51%	6	64%	8

Table 7–9 lists the measures available in this view.

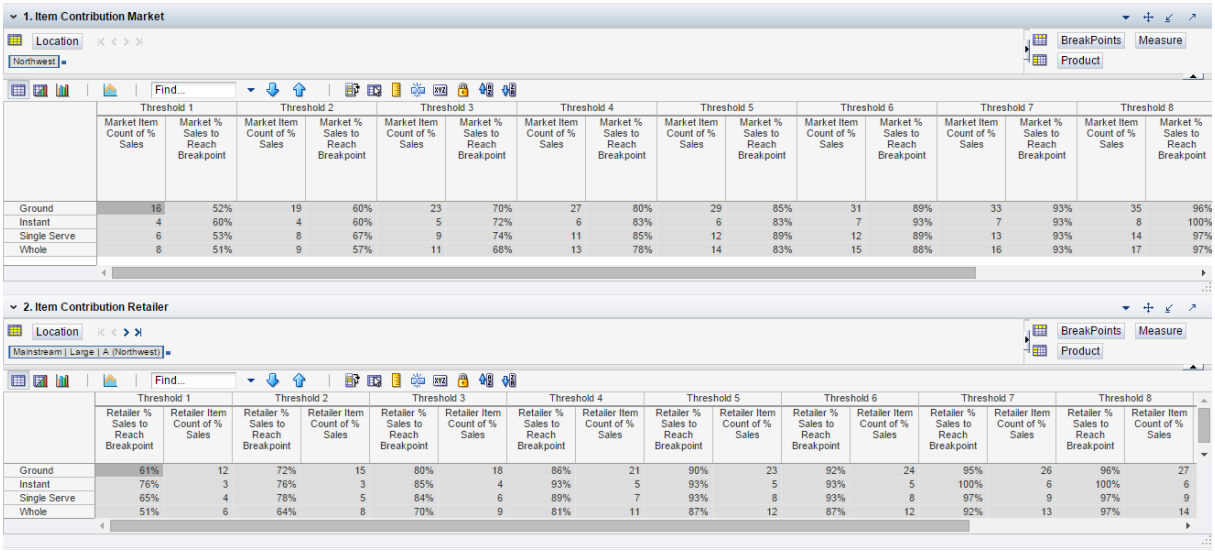
Table 7–9 2. Performance Based Fragmentation Retail Data Analysis Measures

Label	Definition
Retailer % Sales of Item Count	The contribution towards overall retail sales of the retailer represented in percentage figures by a set of items from the assortment. It is best viewed at the category level. The value of this measure should roughly align with the defined breakpoints.
Retailer Item Count to Reach Breakpoint Sales	The number of items required to reach a pre-set breakpoint percentage sales level of total retailer sales. For example in Figure 7–15, 7 SKUs contribute to 50 percent of retailer sales and 12 SKUs contribute to 61 percent of retailer sales for ground coffee.

Item Contribution Analysis Tab

Item contribution analyzes the contribution of items to category/sub-category sales. For example, what is the contribution of 50 percent of the top selling SKUs to the total category sales? Here the breakpoints apply to the percentage of SKUs instead of sales. Figure 7–16 shows the views for this tab.

Figure 7–16 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 7–17 1. Item Contribution Market View

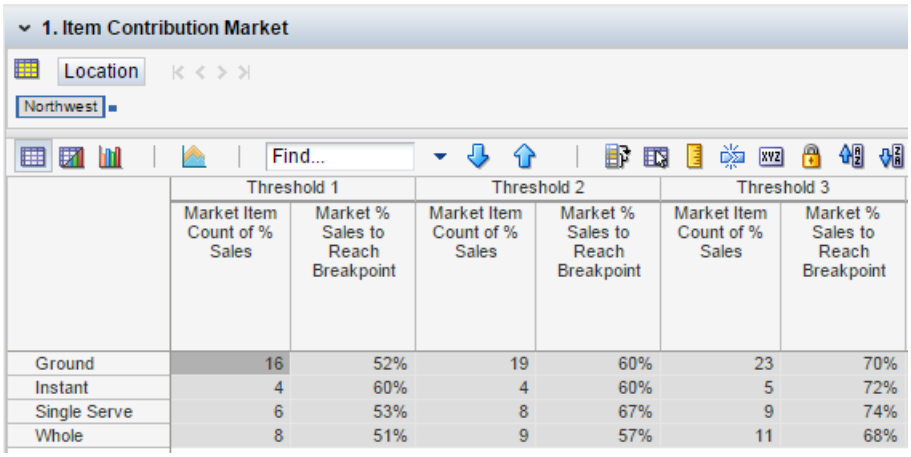


Table 7–10 1. Item Contribution Market Measures

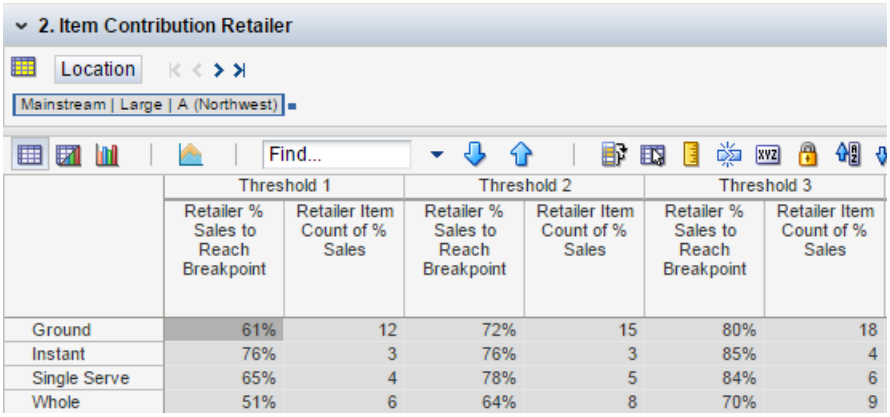
Label	Definition
Market Item Count % of Sales	Market coverage represented in percentage figures by a set of items from the assortment. This is best viewed at the category level. Breakpoints are defined for this measure to view the fragmentation analysis.
Market % Sales to Reach Breakpoint	The actual percentage of market sales (or market coverage in a trading area) reached to achieve the preset breakpoint sales level.

Table 7–10 lists the measures available in this view.

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 7–18 2. Item Contribution Retailer View



	Threshold 1		Threshold 2		Threshold 3	
	Retailer % Sales to Reach Breakpoint	Retailer Item Count of % Sales	Retailer % Sales to Reach Breakpoint	Retailer Item Count of % Sales	Retailer % Sales to Reach Breakpoint	Retailer Item Count of % Sales
Ground	61%	12	72%	15	80%	18
Instant	76%	3	76%	3	85%	4
Single Serve	65%	4	78%	5	84%	6
Whole	51%	6	64%	8	70%	9

Table 7–11 lists the measures available in this view.

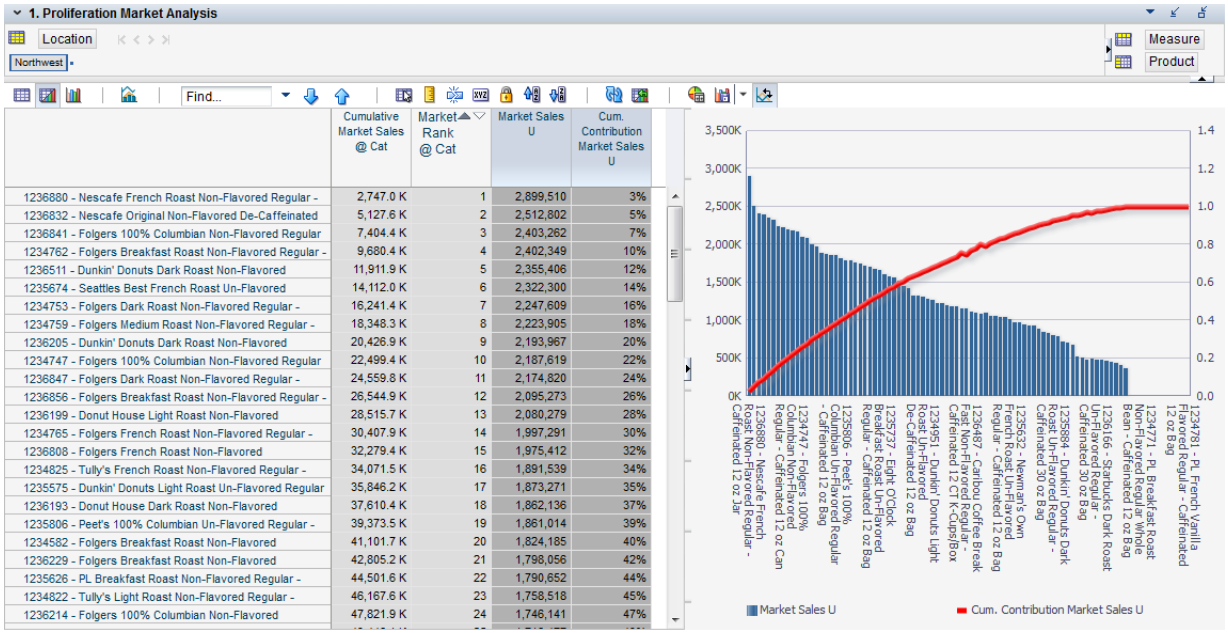
Table 7–11 2. Item Contribution Retailer Measures

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 percentage of SKU count.
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 7–19 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 7–20.

Figure 7–20 Creating an Extended Measure

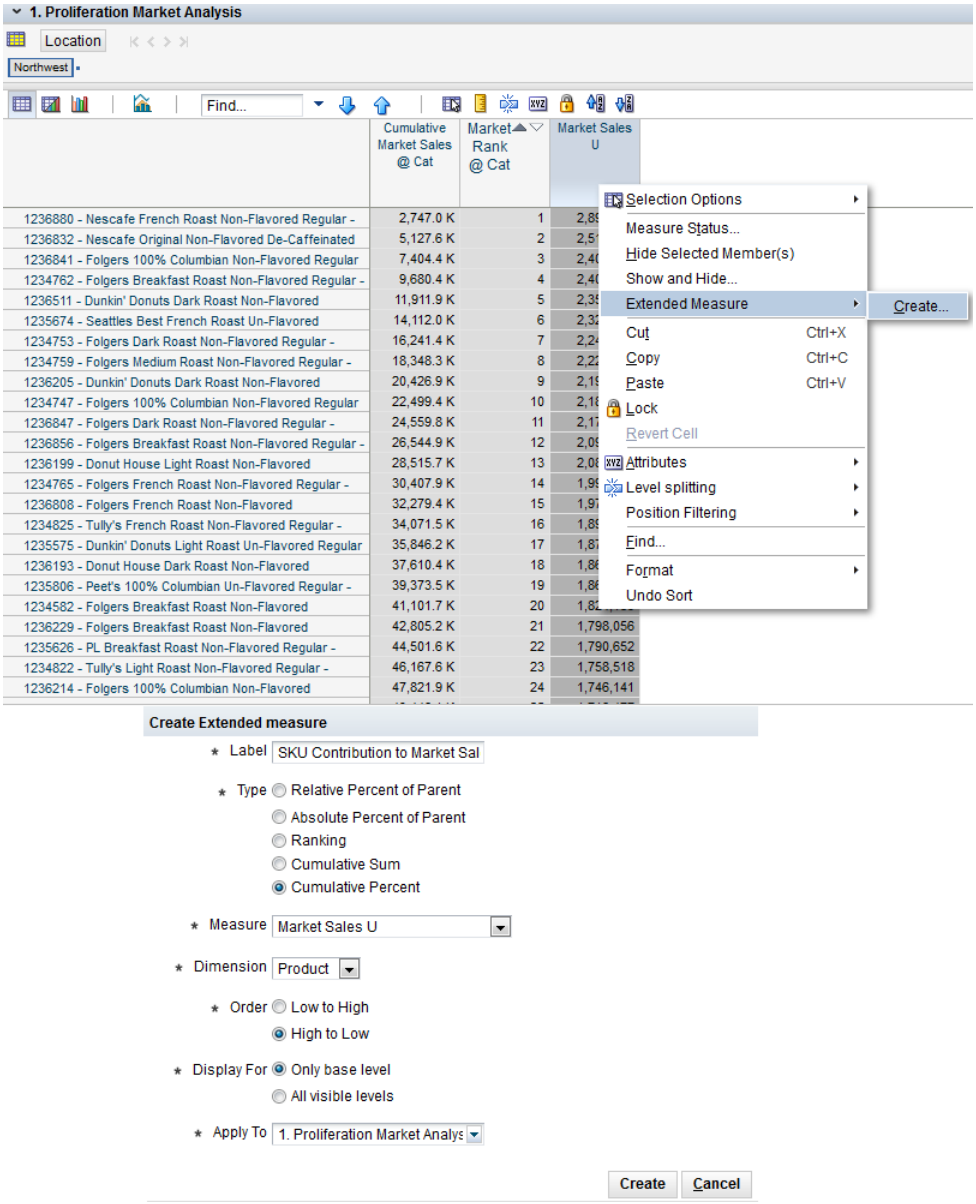
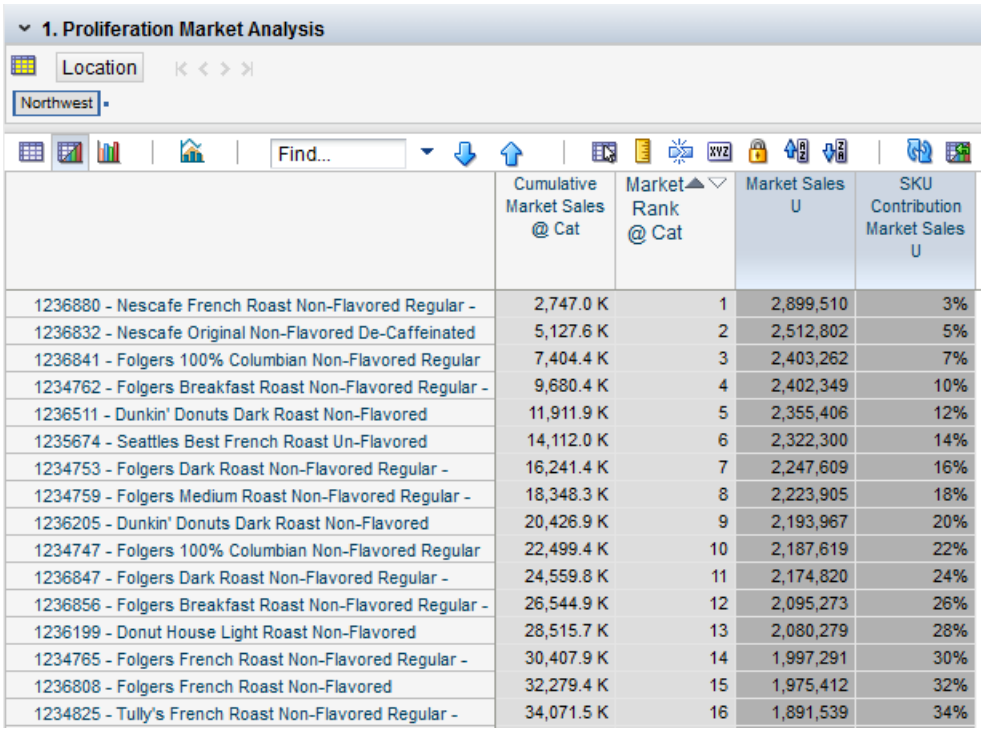


Figure 7–21 shows the Proliferation Market Analysis view updated with the extended measure.

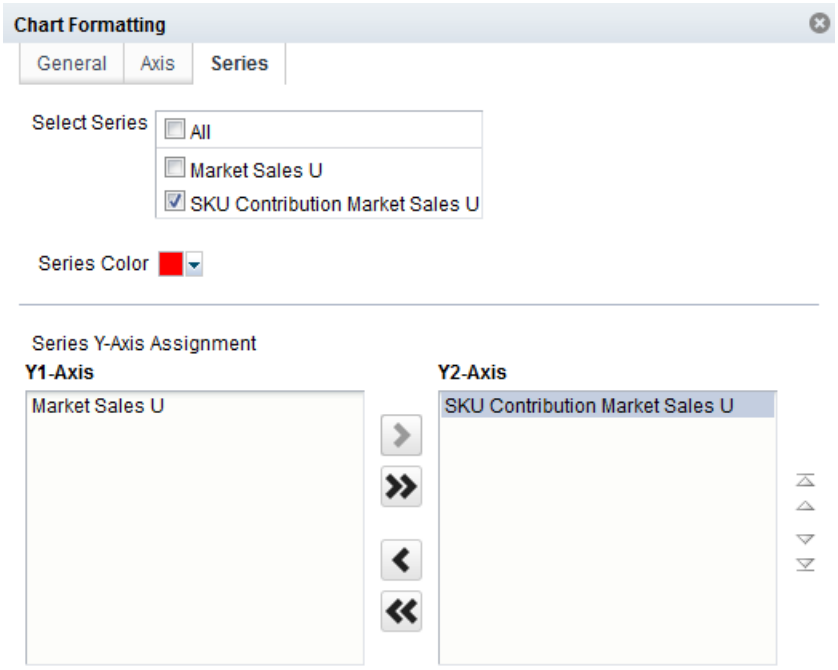
Figure 7–21 Proliferation Market Analysis View with Extended Measure



	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 7–22.

Figure 7–22 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 7–19.

Table 7–12 lists the measures available in this view.

Table 7–12 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 7–23 2. Proliferation Retailer Analysis View

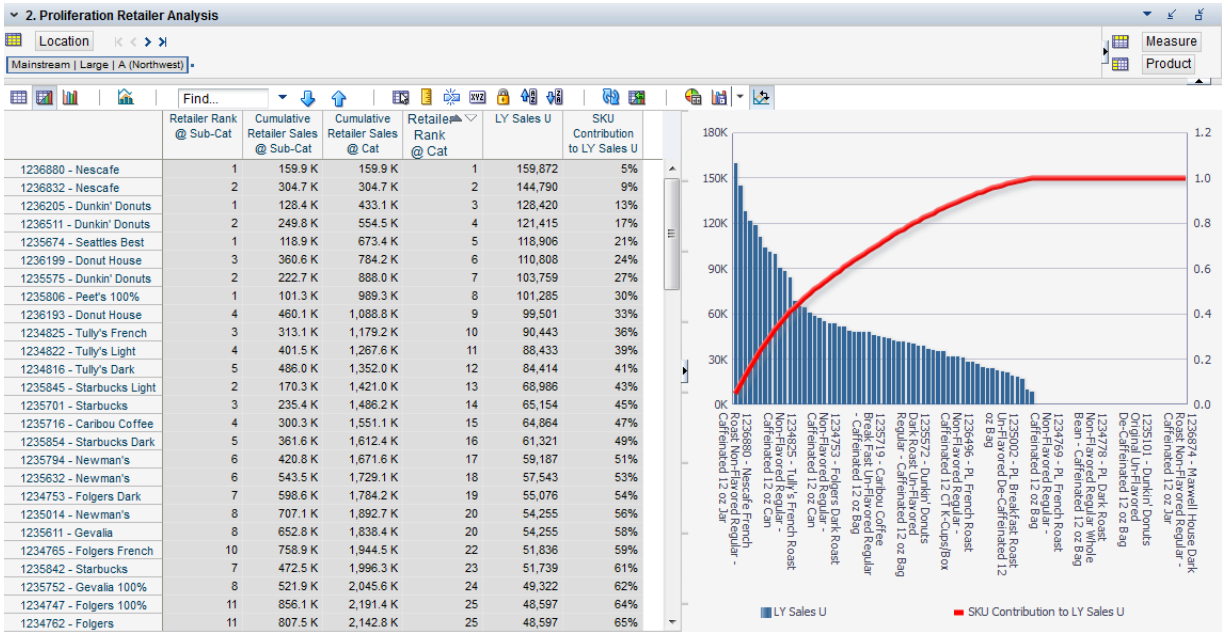


Table 7–13 lists the measures available in this view.

Table 7–13 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 7–13 (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.

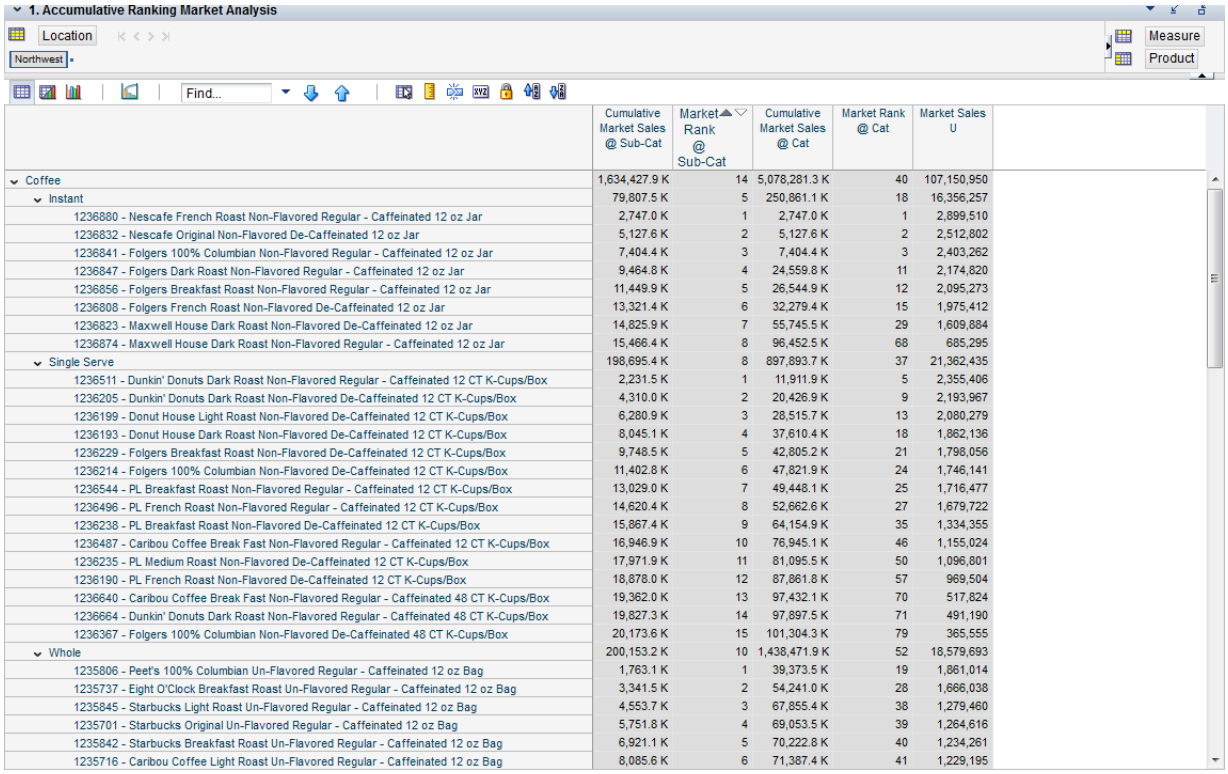
Accumulative Ranking Tab

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 7–24 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 7–14 lists the measures available in this view.

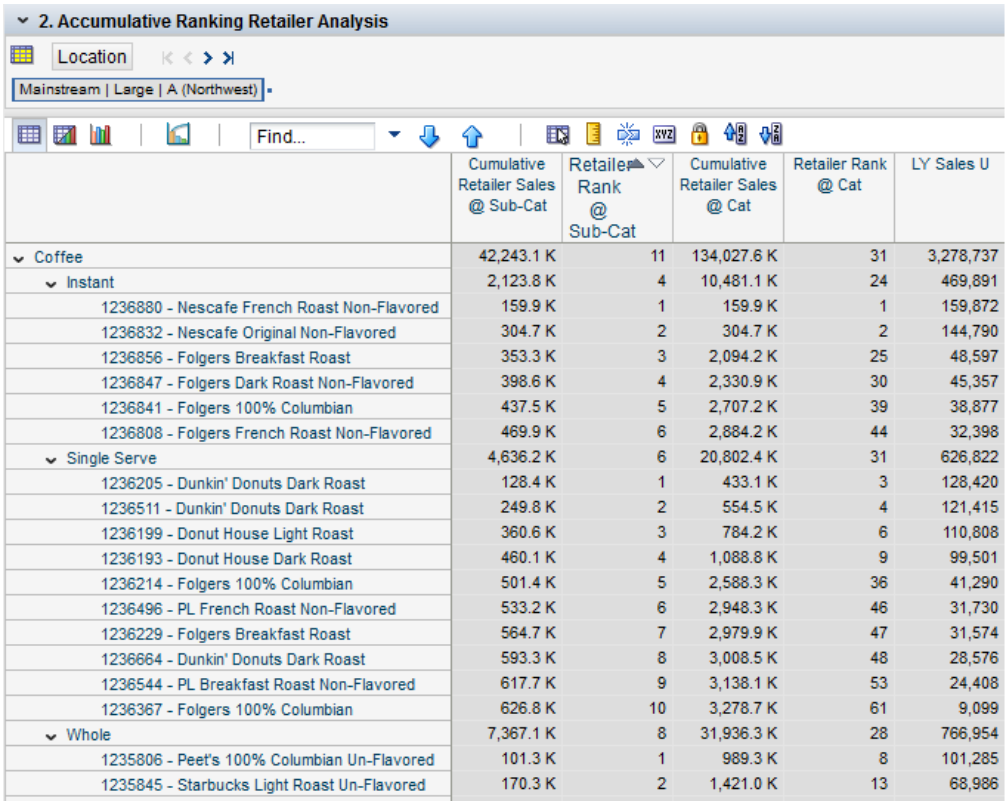
Table 7–14 1. Accumulative Market Analysis Measures

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 7–25 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 7–15 lists the measures available in this view.

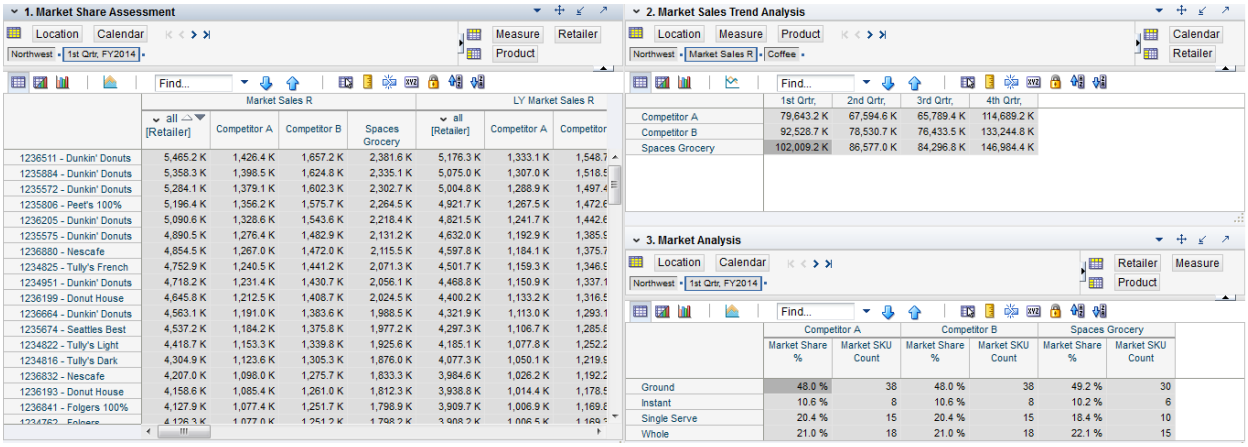
Table 7–15 2. Accumulative Ranking Retailer Analysis Measures

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. Figure 7–26 shows the views for this tab.

Figure 7–26 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 7–27 1. Market Share Assessment View

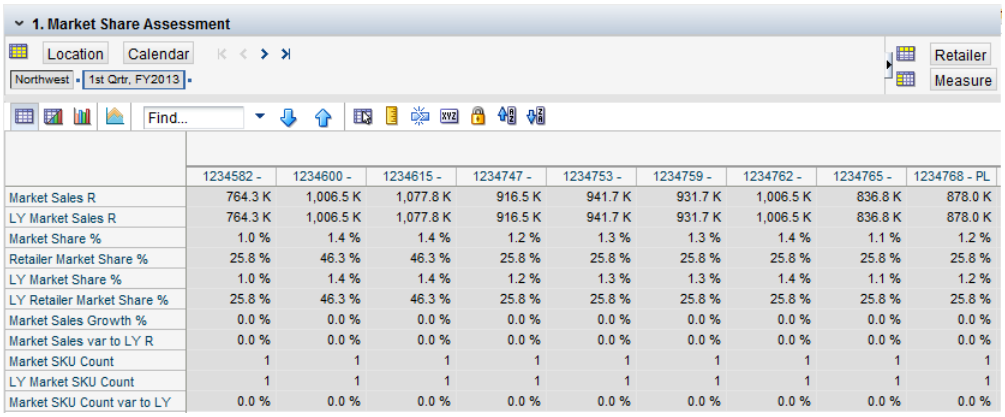


Table 7–16 lists the measures available in this view.

Table 7–16 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 7–16 (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 7–28 2. Market Sales Trend Analysis View

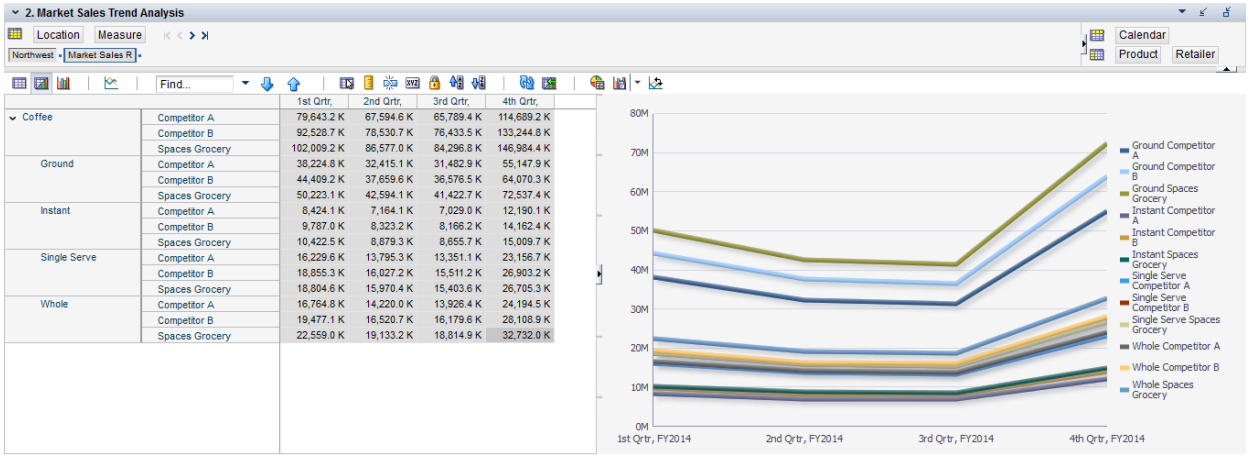


Table 7–17 lists the measures available in this view.

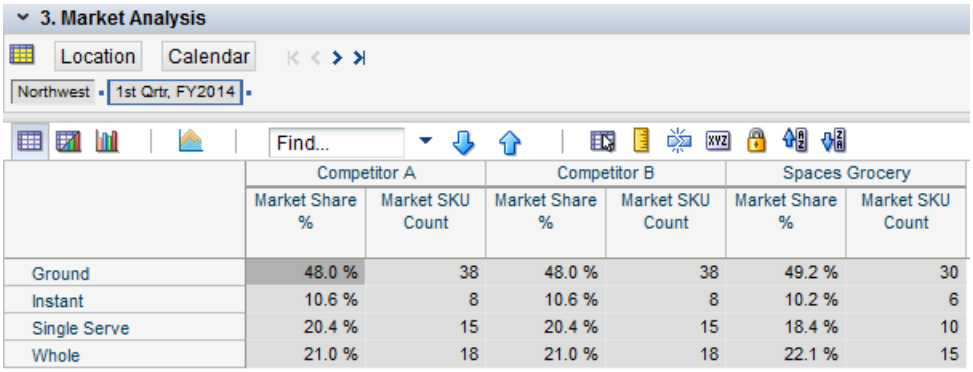
Table 7–17 2. Market Sales Trend Analysis Measures

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	Sales retail value's variance between working plan and last year's actuals.
WP Sales var to LY U	Sales units' variance between working plan and 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 7–29 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 7–18 lists the measures available in this view.

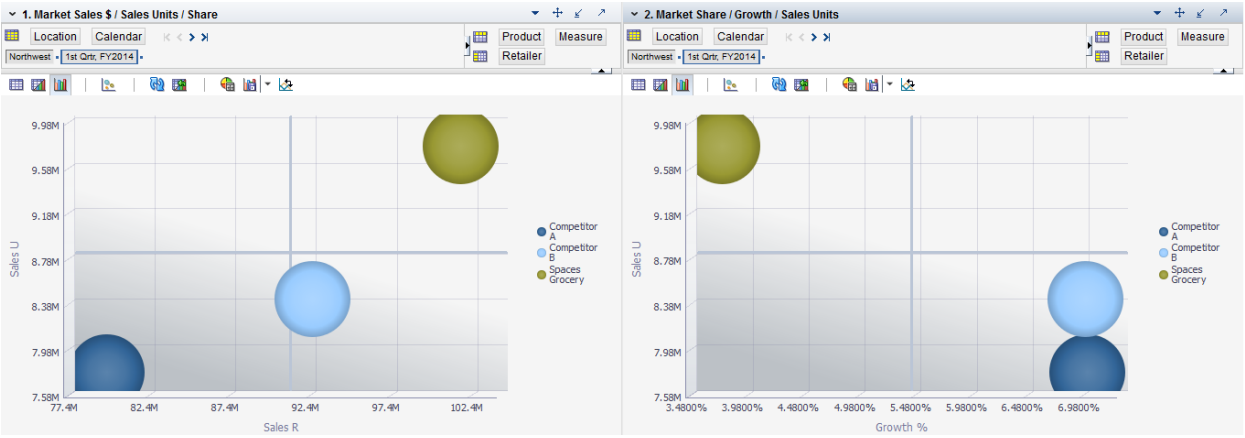
Table 7–18 3. Market Analysis Measures

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

Figure 7–30 shows the views for this tab.

Figure 7–30 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 Market Sales R, Market Sales Units and Market Share % 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 7–30.

Table 7–19 lists the measures available in this view.

Table 7–19 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 %, Market Growth, and Market 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 7–31 2. Market Share / Growth / Sales Units View

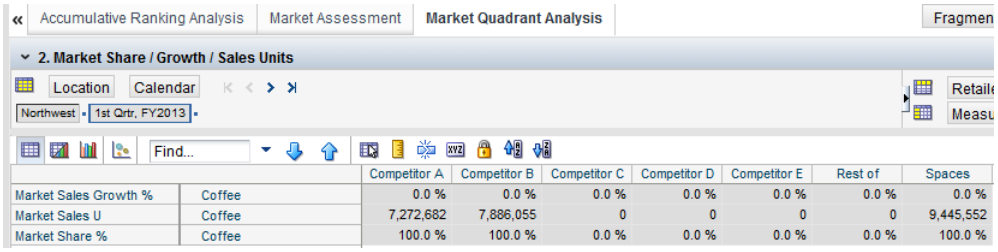


Table 7–20 lists the measures available in this view.

Table 7–20 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

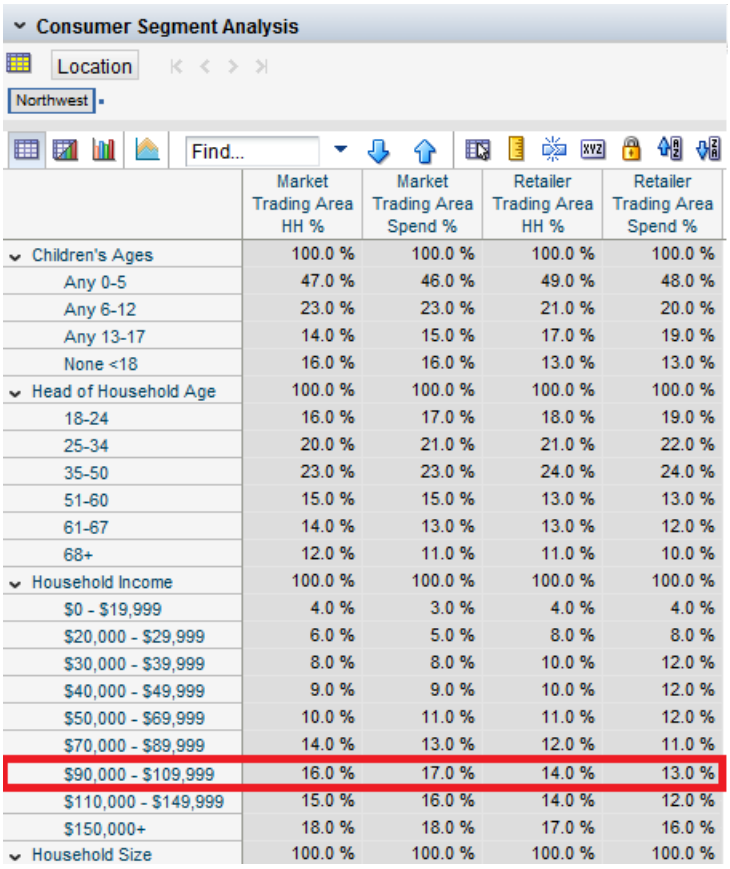
This tab has one view.

Consumer Segment Analysis View

Use this view to see the consumer segment 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 and 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 life stage attributes of the consumers shopping the market or trading area. In Figure 7–32, the consumers are profiled based on their children's ages, head of household age, household income, and

household size. Frequently, a combination of these attributes is used to develop life stage-based consumer segments such as Empty Nesters, Middle Aged Family, and so on.

Figure 7–32 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 percent of the market and they encompass 17 percent of the total spend in the market; however, they only represent 14 percent of the retailer's consumers and 13 percent of the spend at the retailer. So this could present an opportunity of growth for the retailer.

Table 7–21 lists the measures available in this view.

Table 7–21 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.

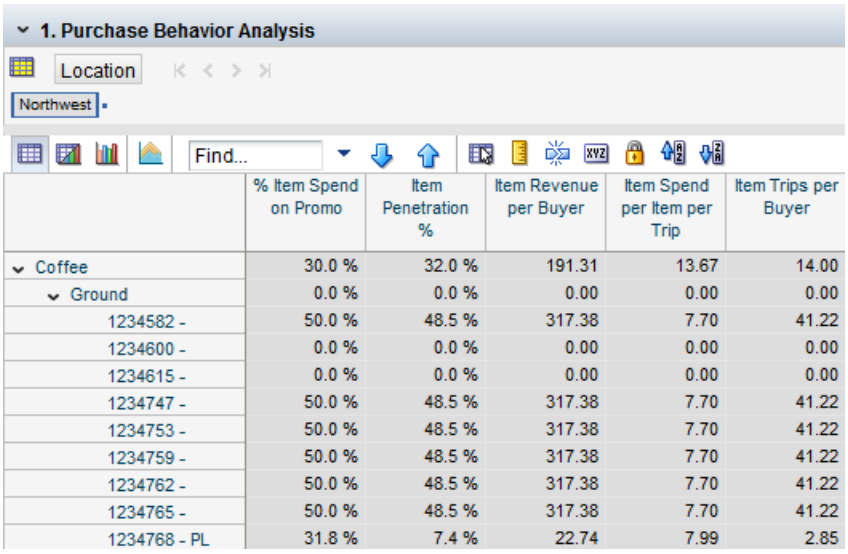
What is the Consumer Purchasing and How Loyal are They? Tab

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 7–33 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 7–22 lists the measures available in this view.

Table 7–22 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 trading area (market or region) that purchased an item or an item from a product group (such as a sub-category or a category) at least once within a given time frame. This is presented at the sub-category or category level.
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 have to product segments, brands, and individual SKUs within a given trading area.

Figure 7–34 2. Consumer Loyalty Analysis View

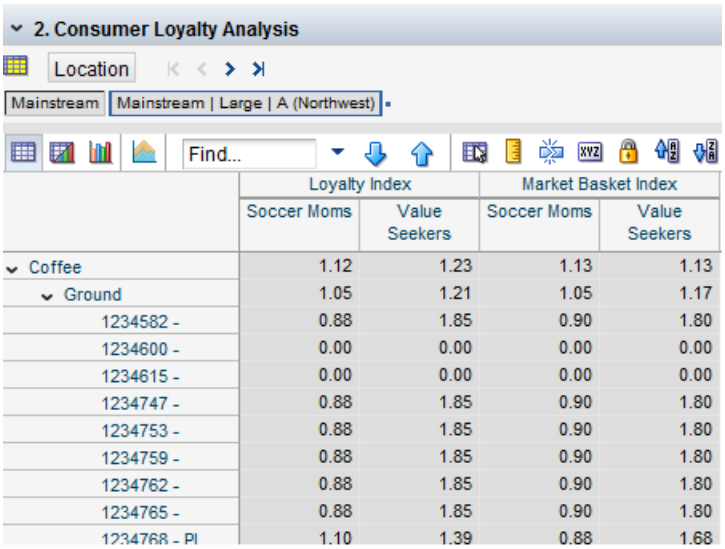


Table 7–23 lists the measures available in this view.

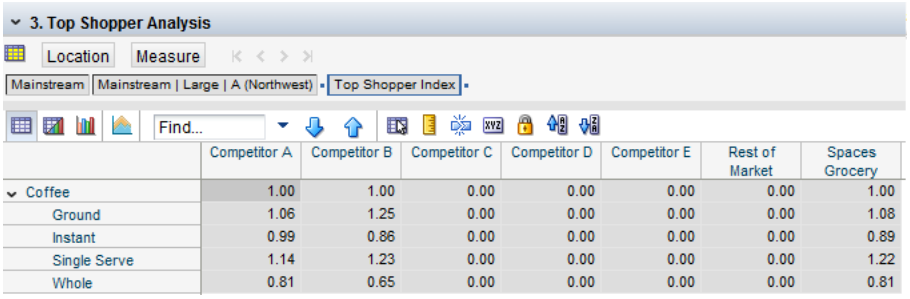
Table 7–23 2. Consumer Loyalty Analysis Measures

Label	Definition
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 percent 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 (TSI) of the retailer in relation to other retailers. A high value of TSI indicates that most of the top shoppers at the retailer purchase that particular sub-category. Refer to the measure definition for more details.

Figure 7–35 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 7–24 lists the measure available in this view.

Table 7–24 3. Top Shopper Analysis Measure

Label	Definition
Top Shopper Index	The sales volume of a sub-category generated by top shoppers at the retailer. It is pre-calculated and loaded into RCM. It is sourced from CRM solutions at the retailer. Top shoppers are the customers who are most loyal and bring a high volume of business to the retailer. In other words, these customers purchase very frequently at the retailer and contribute a significant share in retailer's business as per customer loyalty data. It is often used as a check before de-listing items or sub-categories from the assortment. If TSI is high, it means that top shoppers at the retailer buy the sub-category very often. It is calculated using an index-to-average method.

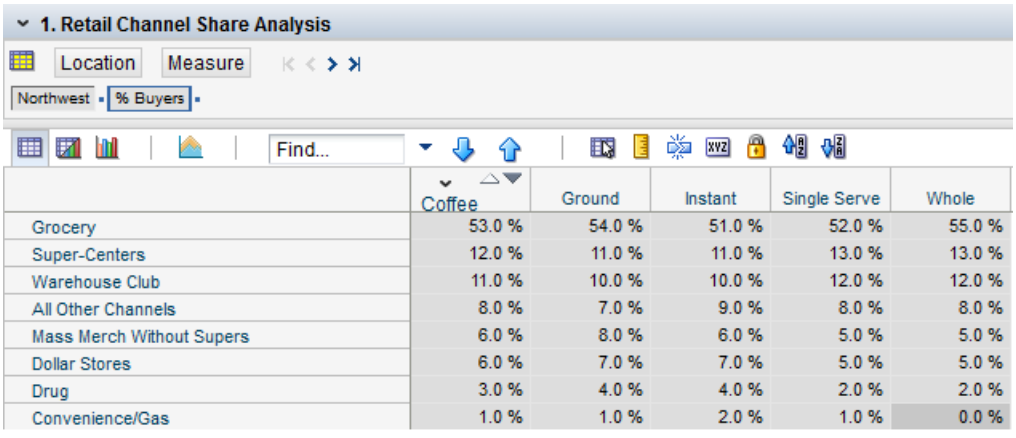
Where is the Consumer Purchasing? Tab

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, super-centers, warehouse clubs, and so on.

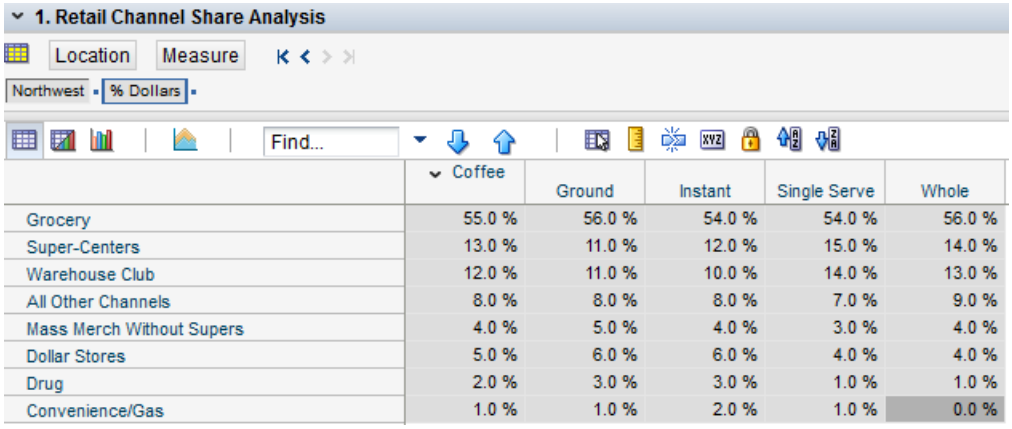
Figure 7–36 1. Retail Channel Share Analysis View



	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 7–36, a majority of the shoppers purchase their coffee at Grocery stores (53 percent), followed by Super Centers (12 percent), and then Warehouse Clubs (11 percent).

Figure 7–37 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 7–37 corresponds with the percentage of dollars spent at each channel on coffee, with Grocery stores being 55 percent of their total dollars spent followed by Super Centers at 13 percent, and so on.

Table 7–25 lists the measures available in this view.

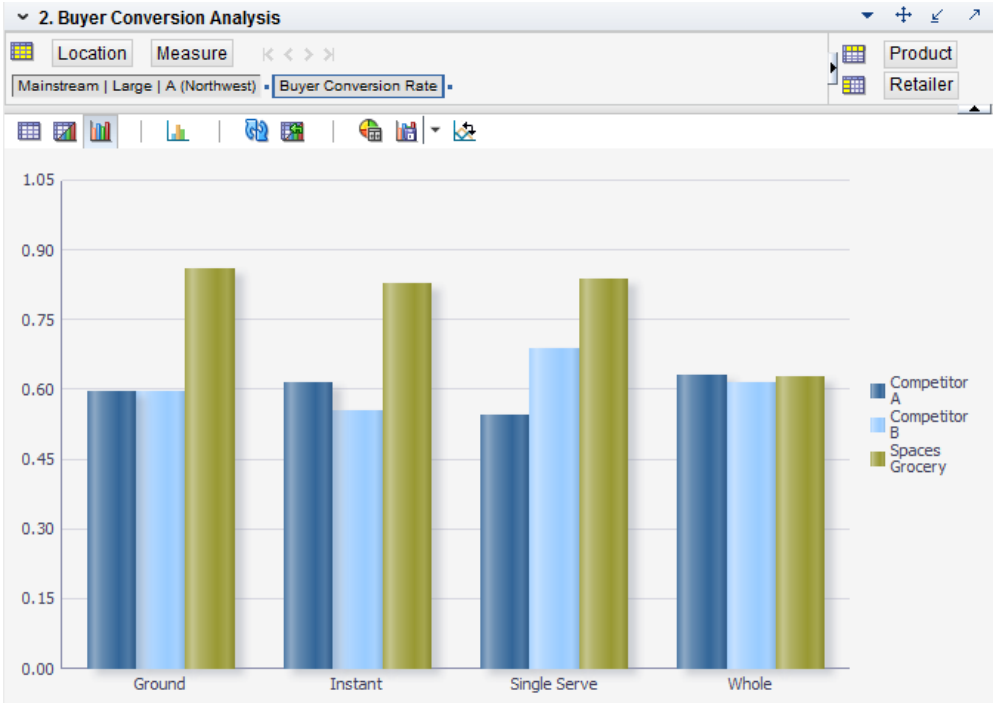
Table 7–25 1. Retail Channel Share Analysis Measures

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 buyer conversion rates consumers have to product segments (such as categories and sub-categories), brands, and individual SKUs within a trading area.

Figure 7–38 2. Buyer Conversion Analysis View



This view enables users to compare the retailer's buyer conversion rates to their competition. For example, in Figure 7–38, 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 7–26 lists the measure available in this view.

Table 7–26 2. Buyer Conversion Analysis Measure

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy at least an item from a product segment, such as a sub-category or a category, 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 7–39 1. Review Roles View

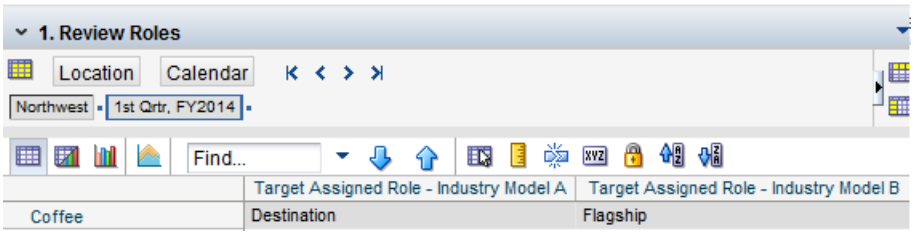


Table 7–27 lists the measures available in this view.

Table 7–27 1. Review Roles Measures

Label	Definition
Target Assigned Role - Industry Model A	Category Role (according to Industry Model A) as per approved category plan.
Target Assigned Role - Industry Model B	Category Role (according to Industry Model B) as per approved category plan.

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 7–40 2. Review Strategies View

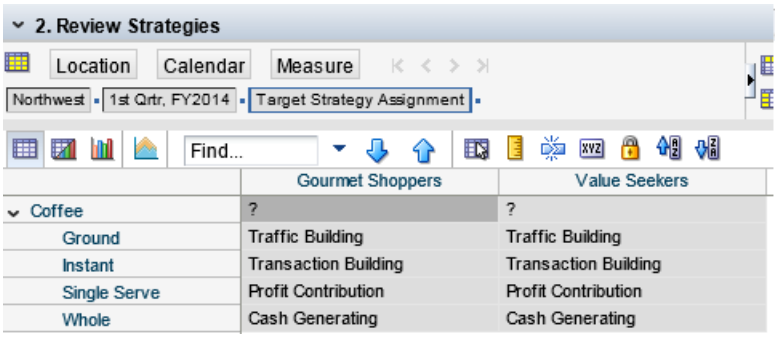


Table 7–28 2. Review Strategies Measure

Label	Definition
Target Strategy Assignment	Strategy assignment to a sub-category or category as per the approved category plan.

Table 7–28 lists the measure available in this view.

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 7–41 3. Review Tactics View

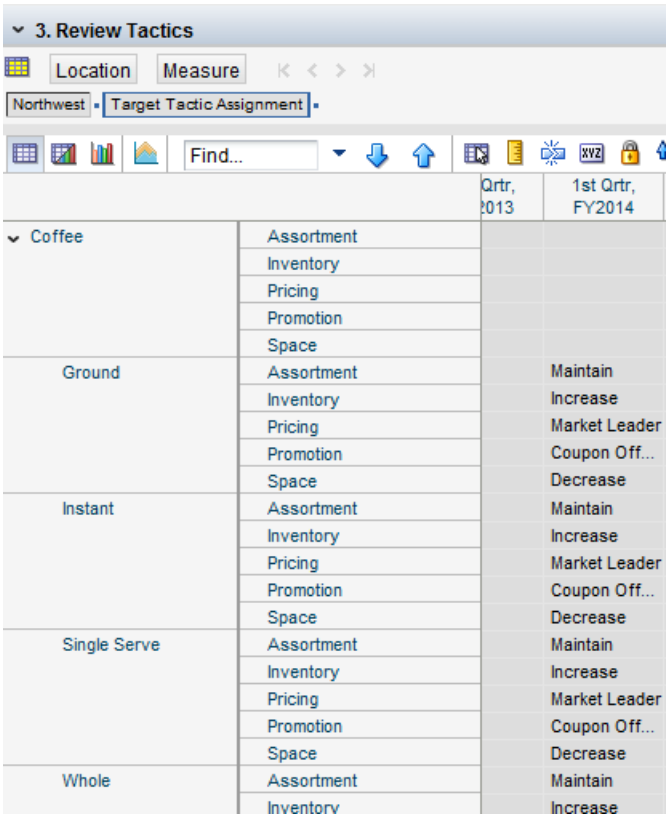


Table 7–29 lists the measure available in this view.

Table 7–29 3. Review Tactics Measure

Label	Definition
Target Tactic Assignment	Tactics assigned to a sub-category as per the approved category plan.

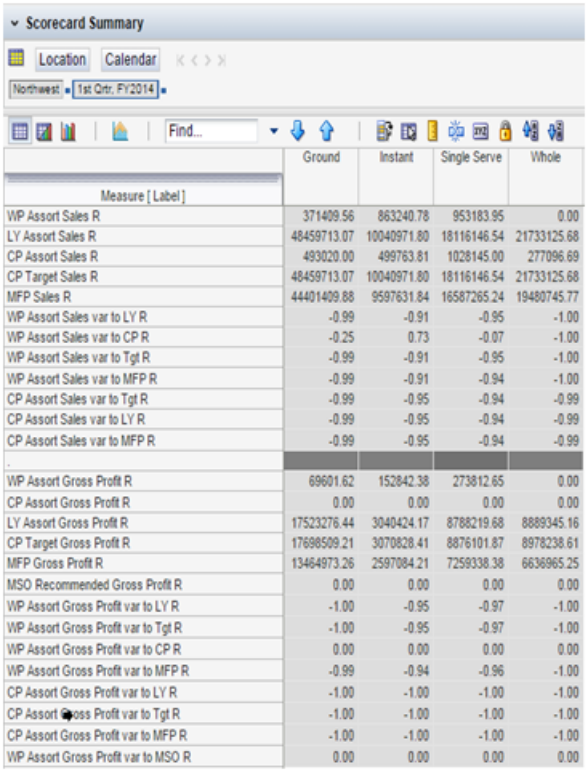
Review Category Scorecard Tab

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. These measures consist of targets from MFP, CP, and MSO results. MSO results consist of recommended space and profit for the sub-categories. Assortment plans are created in alignment with these measures.

Figure 7–42 Scorecard Summary View



Measure [Label]	Ground	Instant	Single Serve	Whole
WP Assort Sales R	371409.56	863240.78	953183.95	0.00
LY Assort Sales R	48459713.07	10040971.80	18116146.54	21733125.68
CP Assort Sales R	493020.00	499763.81	1028145.00	277096.69
CP Target Sales R	48459713.07	10040971.80	18116146.54	21733125.68
MFP Sales R	44401409.88	9597631.84	16587265.24	19480745.77
WP Assort Sales var to LY R	-0.99	-0.91	-0.95	-1.00
WP Assort Sales var to CP R	-0.25	0.73	-0.07	-1.00
WP Assort Sales var to Tgt R	-0.99	-0.91	-0.95	-1.00
WP Assort Sales var to MFP R	-0.99	-0.91	-0.94	-1.00
CP Assort Sales var to Tgt R	-0.99	-0.95	-0.94	-0.99
CP Assort Sales var to LY R	-0.99	-0.95	-0.94	-0.99
CP Assort Sales var to MFP R	-0.99	-0.95	-0.94	-0.99
WP Assort Gross Profit R	69601.62	152842.38	273812.65	0.00
CP Assort Gross Profit R	0.00	0.00	0.00	0.00
LY Assort Gross Profit R	17523276.44	3040424.17	8788219.68	8889345.16
CP Target Gross Profit R	17698509.21	3070828.41	8876101.87	8978238.61
MFP Gross Profit R	13464973.26	2597084.21	7259338.38	6636965.25
MSO Recommended Gross Profit R	0.00	0.00	0.00	0.00
WP Assort Gross Profit var to LY R	-1.00	-0.95	-0.97	-1.00
WP Assort Gross Profit var to Tgt R	-1.00	-0.95	-0.97	-1.00
WP Assort Gross Profit var to CP R	0.00	0.00	0.00	0.00
WP Assort Gross Profit var to MFP R	-0.99	-0.94	-0.96	-1.00
CP Assort Gross Profit var to LY R	-1.00	-1.00	-1.00	-1.00
CP Assort Gross Profit var to Tgt R	-1.00	-1.00	-1.00	-1.00
CP Assort Gross Profit var to MFP R	-1.00	-1.00	-1.00	-1.00
WP Assort Gross Profit var to MSO R	0.00	0.00	0.00	0.00

Table 7–30 lists the measures available in this view.

Table 7–30 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.
CP 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.
MFP Sales R	Merchandise Financial Plan's sales retail value.
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 (COGS).

Table 7–30 (Cont.) Scorecard Summary Measures

Label	Definition
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.
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.
CP 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.
MFP Gross Profit R	Merchandise Financial Plan's gross profit retail value.
MSO Recommended Gross Profit R	Recommended gross profit retail value from the MSO results at sub-category level.
MSO Recommended Space	Recommended space in linear units from the MSO results at sub-category level.
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' distribution and performance details.

Figure 7–43 Review Consumer Segments View

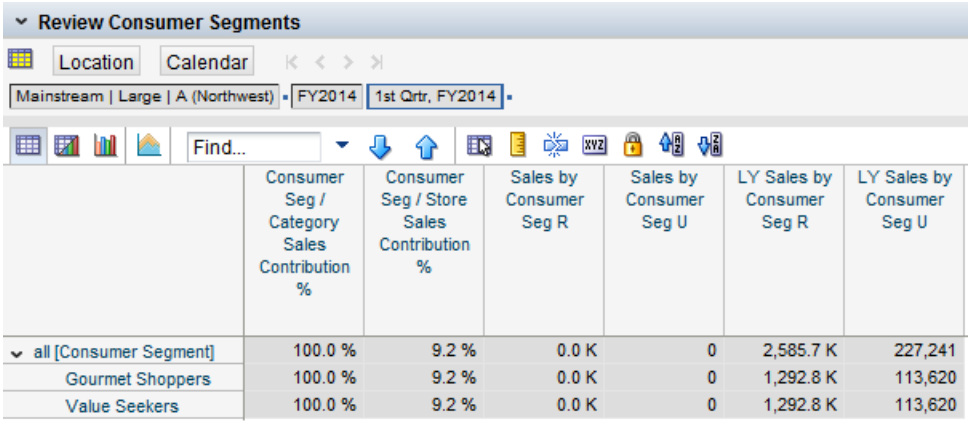


Table 7–31 lists the measures available in this view.

Table 7–31 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.
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.

After completing the Review Category Scorecard activities, continue with the Assortment Planning at Cluster Task.

8

Assortment Planning @ Cluster Task

The Assortment Planning @ Cluster task is used to create, adjust, optimize, and align assortment plans to financial targets or available space at the cluster level. Key features in this task include Item Priority Index (IPI) and Market Coverage-based methods that are used to generate initial assortments. SKU count and targets-based constraint options can be used to generate IPI assortments. Demand transference is used to fine-tune the assortments manually. The assortment improvement feature facilitates the automated optimization of assortments according to user-defined constraints. Incremental curves are used to arrive at an optimal assortment range by examining the cannibalization of sales between products in an assortment. In addition, users can leverage science-generated Customer Decision Trees (CDTs) to analyze their assortment. Integration with Assortment and Space Optimization (ASO) is leveraged to align assortments to the available space and finalize actionable, space-optimized assortments.

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

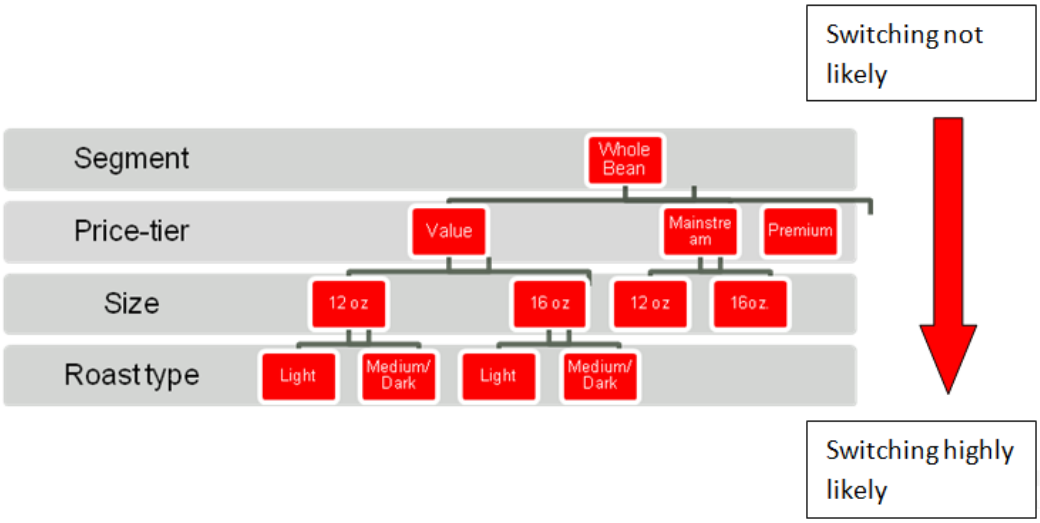
Once an assortment is planned using one of the described approaches, it is important to understand how these items interact with each other to impact overall category sales. Demand transference refers to the shift in demand from one SKU to others due to assortment changes. Dropping an easy squeeze 20 ounce (oz) Brand A ketchup from the assortment might result in a significant portion of the demand shifting to the 14 oz and the 32 oz Brand A ketchup easy squeeze. Some amount of the demand may shift to the 20oz Brand A ketchup - regular. However, if both the 20 oz and 14 oz Brand A

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.

CDTs represent the purchasing behavior of a given consumer segment. They represent the most important attributes driving the customer purchase behavior.

Figure 8–1 is an example of a CDT:

Figure 8–1 CDT Example



As mentioned previously, CDTs can be loaded into the solution from either 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.

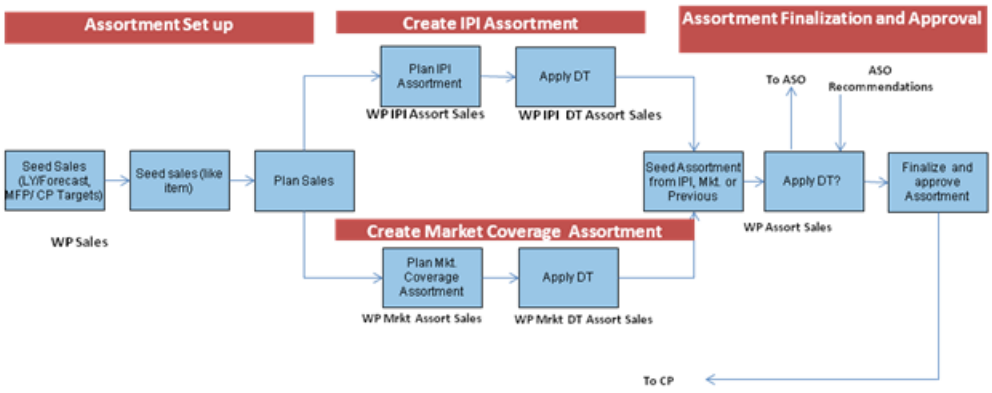
Task Flow

The Assortment Planning @ Cluster task has the following steps:

- Assortment Setup Step
- Manage IPI Assortment Step
- Manage Market Coverage Assortment Step
- Finalize Assortment for Space Optimization Step
- Import and Review ASO Results Step
- Accept ASO Results and Approve Assortment Step

Figure 8–2 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 8–2 Key Steps in Creating, Planning, and Approving Assortment Plans at Cluster



Assortment Planning Analysis Workbook

This task uses the Assortment Planning Analysis workbook. For information on creating the workbook, see Create the Assortment Planning Analysis Workbook in Chapter 7.

Assortment Setup Step

The process starts with seeding of the assortment plan from either Last Year, Forecast, or Target data (MFP or CP targets) data.

This step has the following tabs and views:

- Seed and Review Plan Sales Tab:
  - 1. Seed Sales View
  - 2. Review and Plan Sales View
- Create Placeholder Items Tab:
  - Create Placeholder Items View
- Like Item Mapping Tab:
  - 1. Use Retail Like Item View
  - 2. Use Market Like Item View
  - 3. Use Attribute Like Item View
  - 4. SKU Attribute Maintenance View
- Review Consumer Segment Status Tab:
  - Review Consumer Segments View
- Set IPI Weights 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 Assortment Constraints Tab:

  1. Select Eligible and Mandatory Items View

  2. Set IPI Constraints View

  3. Set Market Coverage Constraints View

Seed and Review Plan Sales Tab

Use the views under this tab to seed the working plan sales and review them against the targets.

Custom Menu Option

There is a custom menu option available called Seed Sales. Select the data source in the Seed Source measure from a drop-down selection. The choices are No Action, Forecast, Last Year MFP Target, and CP Target. The appropriate sales values are copied to working plan measures.

At any point in this step, you can run the Seed Sales custom menu option. This populates the sales retail and sales units' numbers in the working plan.

1. Seed Sales View

In the Seed Sales view, choose one of the following options from the drop-down list for the measure -WP Seed Sales: Last Year or Forecast, MFP Target, or CP (Category Plan) Target and execute the Seed Sales custom menu. This populates the WP Sales R and WP Sales U measures. The system computes various variance measures based on the variance of the WP Sales to Last Year, Forecasts, MFP Target, and CP Target.

The seeding option can be defined at the sub-category level, which populates the Working Plan (WP) at the SKU/Item level. This seeding operation seeds sales in WP Sales U and WP Sales R measures. Populating the Forecast Sales U and Forecast Sales R measures is accomplished by running the embedded forecast batch operation. See the *Oracle Retail Category Management Implementation Guide* for more information on this batch operation.

Figure 8–3 1. Seed Sales View

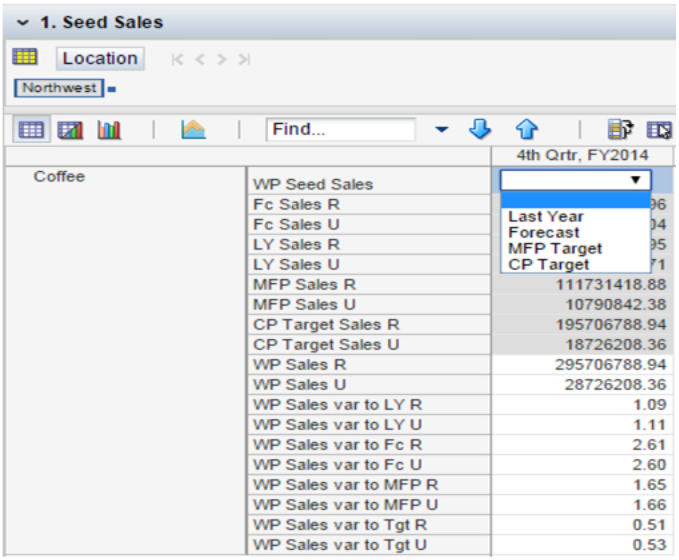


Table 8–1 lists the measures available in this view.

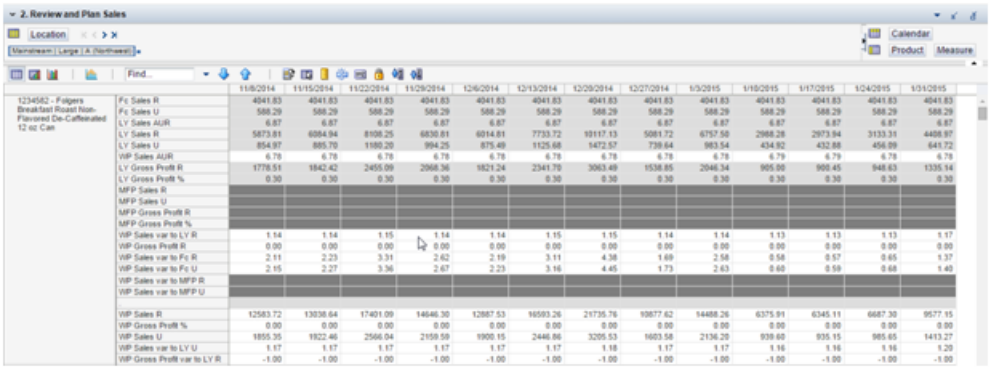
Table 8–1 1. Seed Sales Measures

Label	Definition
WP Seed Sales	Contains a drop-down list of options (including Last Year, Forecasts, MFP Target, and CP Target) from 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.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
MFP Sales U	Merchandise Financial Plan's Sales Units.
CP Target Sales R	Approved Category Plan's Target Sales Retail value.
CP Target Sales U	Approved Category Plan's Target 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. Similar measures are available for variance with MFP Target and CP Target: WP Sales var to MFP R and WP Sales var to Tgt R, respectively.
WP Sales var to LY U	Sales retail value's variance between working plan and last year's actuals. Similar measures are available for variance with MFP Target and CP Target: WP Sales var to MFP U and WP Sales var to Tgt U, respectively.
WP Sales var to Fc R	Sales retail value's variance between working plan and forecast.
WP Sales var to Fc U	Sales units' variance between working plan and 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 8–4 2. Review and Plan Sales View



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

Table 8–2 lists the measures available in this view.

Table 8–2 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. Similar measures are available for variance with Forecast, MFP Target, and CP Target: WP Sales var to Fc R, WP Sales var to MFP R, and WP Sales var to Tgt R respectively.
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	Sales retail value's variance between working plan and forecast
WP Sales var to Fc U	Sales units' variance between working plan and forecast. Similar measures are available for variance with Last Year, MFP Target and CP Target: WP Sales var to LY U, WP Sales var to MFP U, and WP Sales var to Tgt U, respectively.

Create Placeholder Items Tab

The next step in the process is to create new or placeholder items, if there is a business need. Placeholder items are created using Dynamic Product Maintenance (DPM) functionality in RPAS.

For each new item created dynamically using DPM functionality, a duplicate or cloned version of new item in the Right Hand Side (RHS) product hierarchy should be created. RHS stands for right-hand-side product hierarchy, with the normal product hierarchy being referred to as the Left Hand Side (LHS) product hierarchy. In RCM, the RHS hierarchy of an item is used to present demand transference calculations. The RHS Hierarchy is an RPAS concept used to display products on two axes in the same worksheet.

Care should be taken to ensure the new and placeholder item name on LHS exactly matches with the RHS item. Note that the Create Placeholder Items tab is only relevant for dynamically created placeholder items. DPM items and new items can also be generated through batch feeds, for which 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 a LHS product position and an RHS product hierarchy position.

Create Placeholder Items View

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

Figure 8–5 Create Placeholder Items View

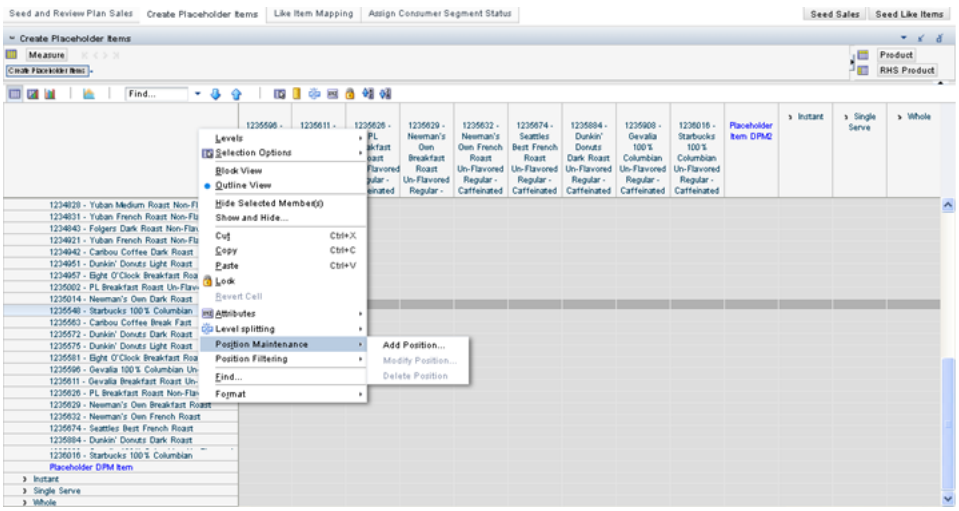


Table 8–3 lists the measure available in this view.

Table 8–3 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

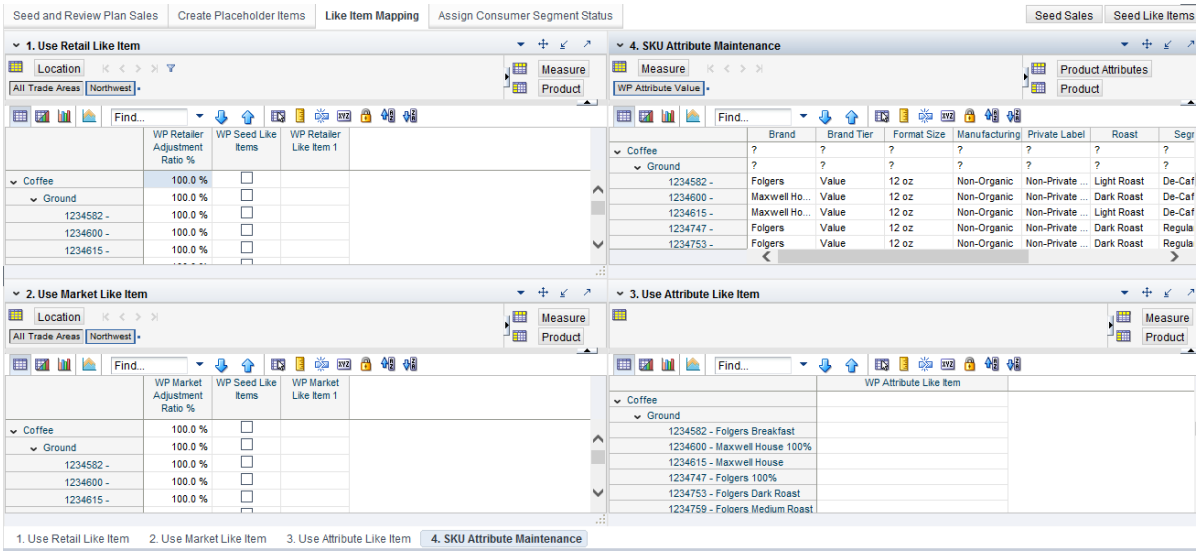
This tab enables users to set up new items to be considered in the assortment.

Custom Menu Option

The Seed Like Items custom menu is used to populate the new item's 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.

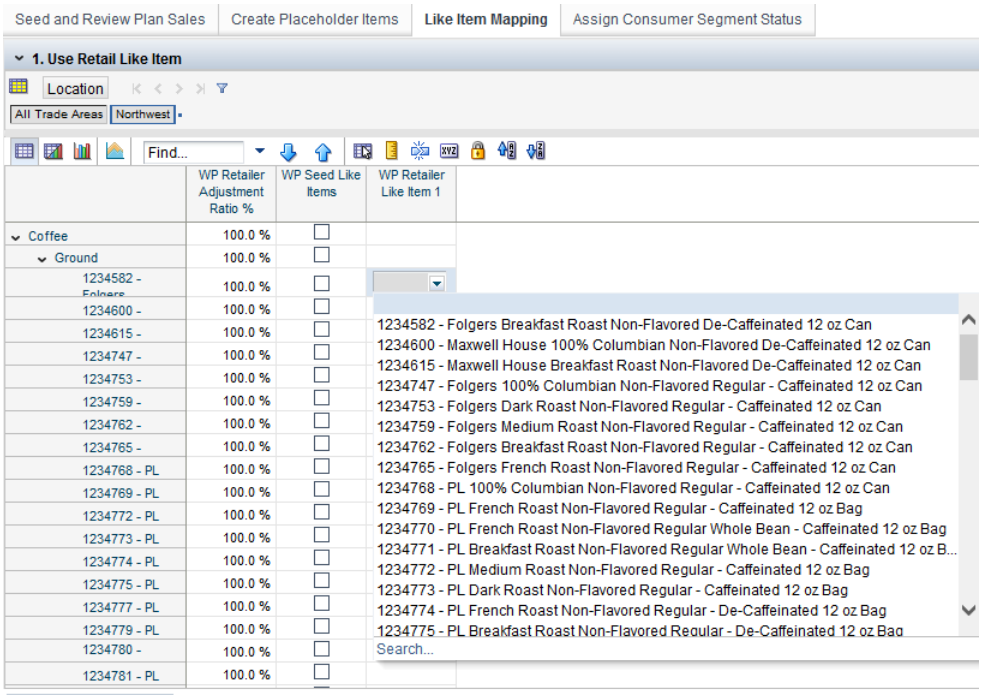
Figure 8–6 Like Item Mapping Step Initial Views



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 8–7 1. Use Retail Like Item View



Pick a like item for the new item without any historical data and then run the Seed Like Items custom menu. This copies the WP Sales and product attributes information from the Retailer Like Item to 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 action in the workflow to populate working plan sales and product attributes information of a new item or a placeholder item.

Table 8–4 lists the measures available in this view.

Table 8–4 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

Use this view to seed sales of the new item from a market like item. Specify an adjustment ratio to ensure sales are scaled to represent retailer's market share.

Figure 8–8 2. Use Market Like Item View

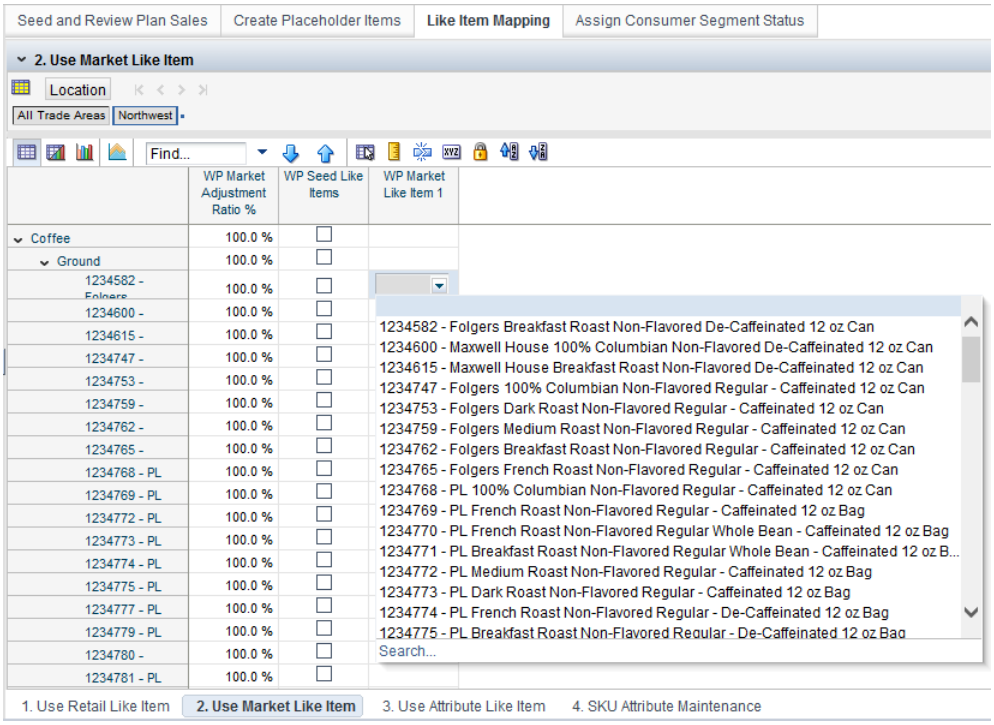


Table 8–5 lists the measures available in this view.

Table 8–5 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

Use this view to populate the product attributes of a new item or a placeholder item.

Figure 8–9 3. Use Attribute Like Item View

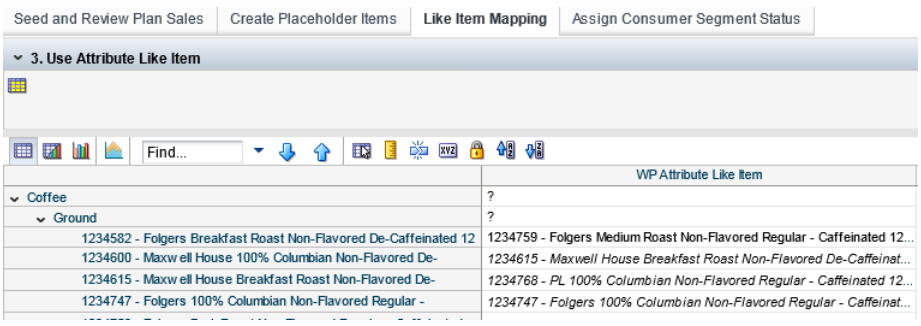


Table 8–6 lists the measure available in this view.

Table 8–6 3. Use Attribute Like Item Measure

Label	Definition
WP Attribute Like Item	This measure presents a drop-down list of items to choose from, using which attributes of the like item are copied over to the new item or placeholder item.

4. SKU Attribute Maintenance View

Modify and specify attributes for new items and placeholder items here. Setting up attribute information for new items is important, as this information is used to drive demand transference calculations as well as analyze assortment by CDTs. The scope of maintenance includes adding new attribute values and modifying existing mappings. National brands (Non-PL) and private label (PL) items can be differentiated from one another using SKU attribute maintenance.

Figure 8–10 4. SKU Attribute Maintenance View

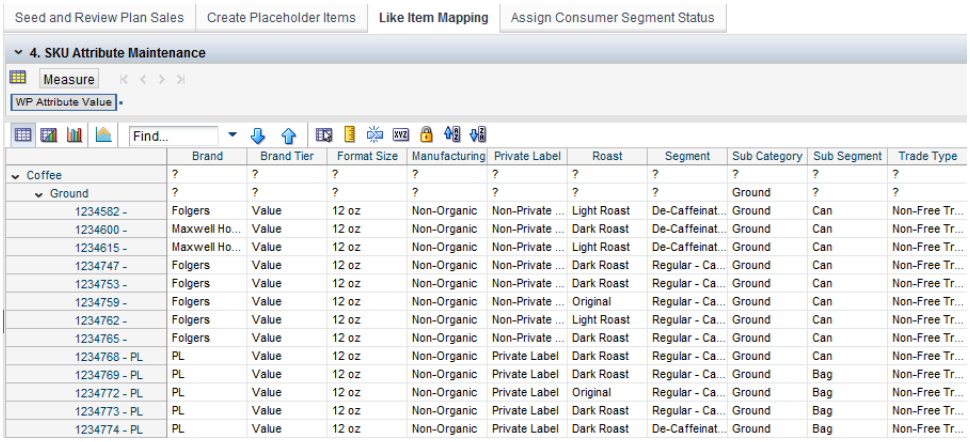


Table 8–7 lists the measure available in this view.

Table 8–7 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.

Review 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.

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 8–11 Review Consumer Segments View

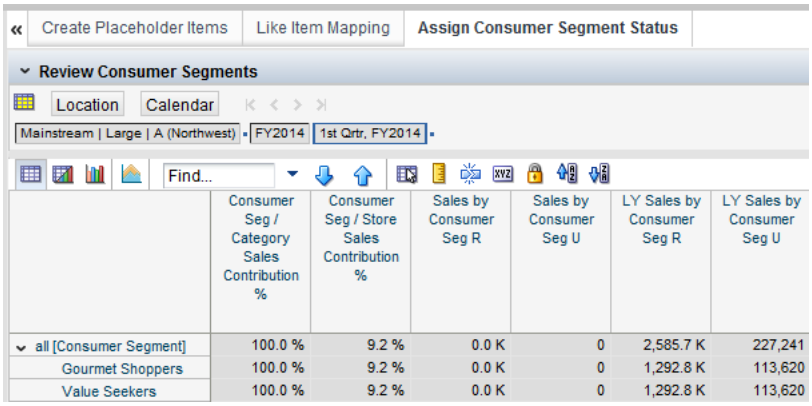


Table 8–8 lists the measures available in this view.

Table 8–8 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.

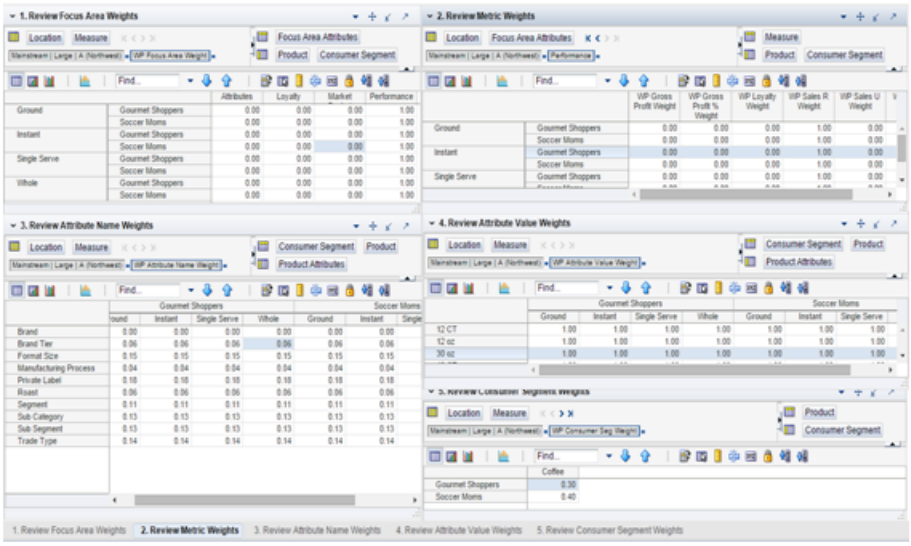
Set IPI Weights Tab

The following custom menu options are available:

- Seed IPI Weights – This custom menu option 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 option 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 this tab before running this custom menu option. The IPI scores are presented in the Review IPI Scores tab.

Figure 8–12 shows the views for this tab.

Figure 8–12 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 8–13 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.

Refer to Appendix A for more details on IPI calculations.

Figure 8–13 Best Practice for Focus Area Weights

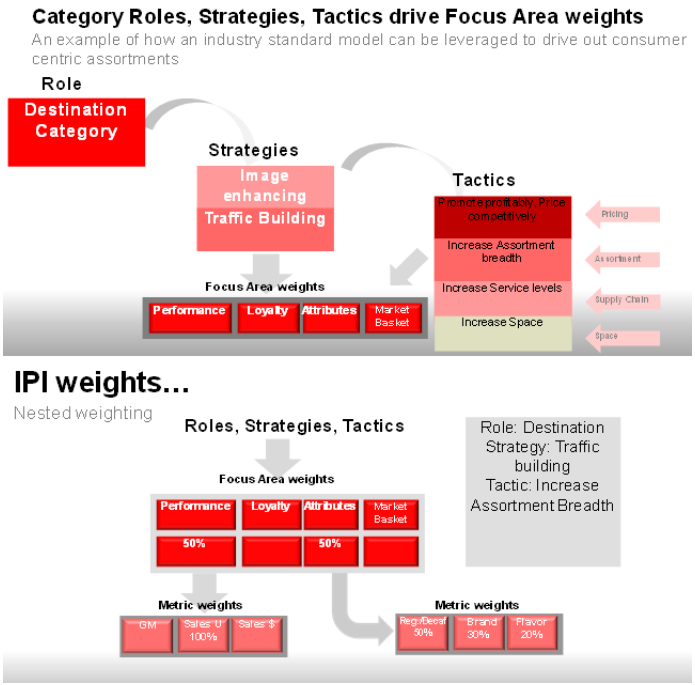


Table 8–9 shows the suggested default focus area weights.

Table 8–9 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 8–10 shows the associated default metric weights.

Table 8–10 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
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

Custom Menu Options

This tab has the following custom menu options:

- Seed IPI Weights
- Calc Cluster IPI Score

1. Review Focus Area Weights View

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

Refer to Appendix A for more details on IPI calculations.

Figure 8–14 1. Review Focus Area Weights and 2. Review Metric Weights Views

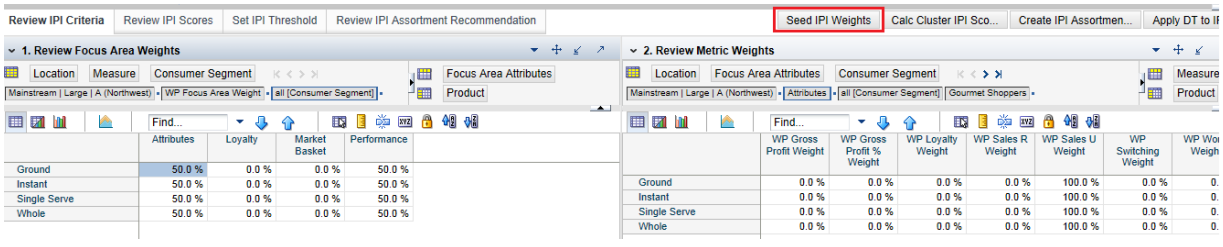


Table 8–11 lists the measure available in the Review Focus Area Weights view.

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 8–11 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 available in the application include Attribute, Loyalty, Market Basket, and Performance.

2. Review Metric Weights View

Use this view to review the metric weights and groupings. The seed IPI menu also pre-populates the metric weights based on the focus area. For an example of this view, see Figure 8–14.

Table 8–12 lists the measures available in the Review Metric Weights view.

Note: All metric weights are set per the focus area.

Table 8–12 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 8–10.
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 8–10.
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 8–10.

Table 8–12 (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 table shown in Table 8–10.
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 Attributes 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 8–15 3. Review Attribute Weights View

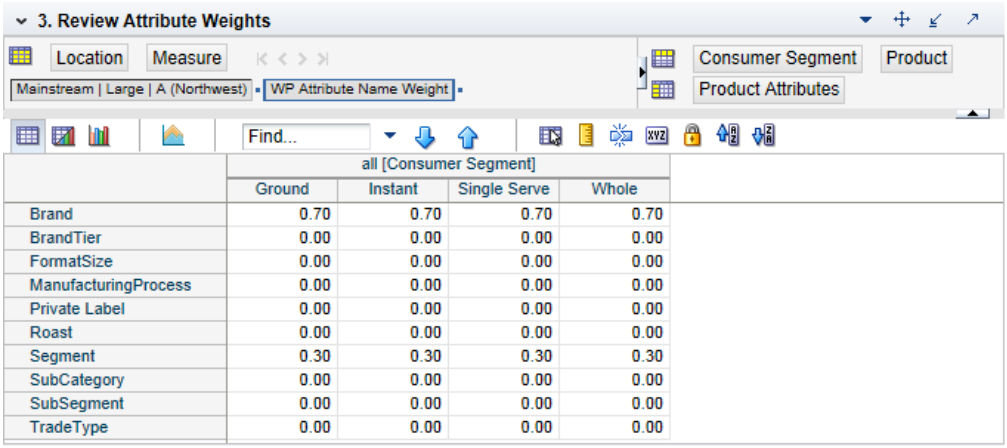


Figure 8–15 indicates that there is a 0.7 or 70 percent emphasis on brand and 0.3 or 30 percent emphasis on (Product) Segment.

Table 8–13 lists the measure available in this view.

Table 8–13 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 that the premium products get a higher priority than mainstream and value oriented brand-tiers.

Figure 8–16 4. Review Attribute Value Weights View

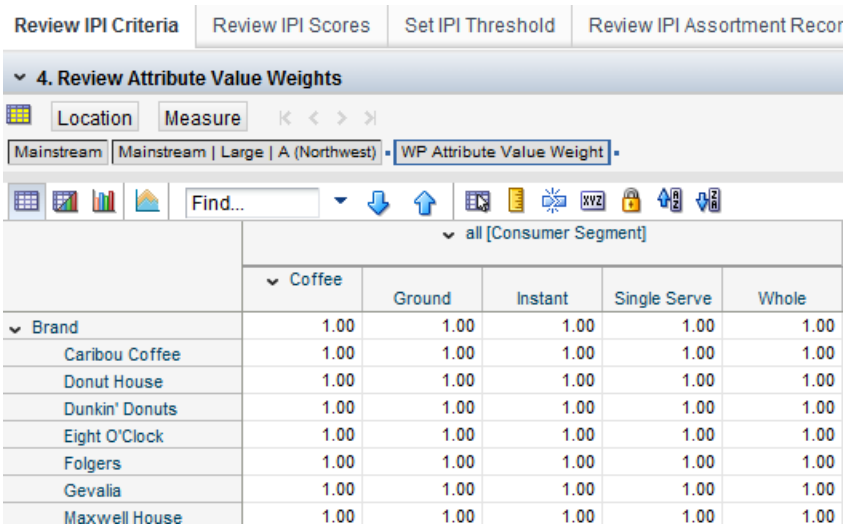


Table 8–14 lists the measure available in this view.

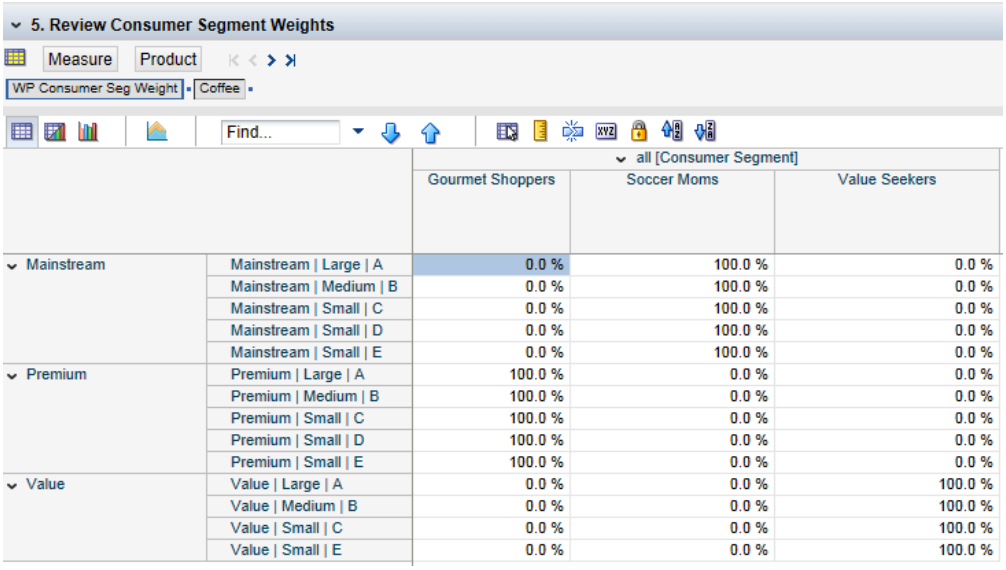
Table 8–14 4. Review Attribute Value Weights Measure

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 8–17 5. Review Consumer Segment Weights View



In the example shown in Figure 8–17, Mainstream store clusters have a 100 percent focus on Soccer Moms where as Premium store clusters have 100 percent 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 percent value of the IPI scores for Gourmet shoppers. Details of the IPI calculation logic is covered in the following sections.

Likewise, these weights drive the demand transference calculations. It is important to ensure these weights add up to 100 percent to ensure that the IPI and demand transference results are correct.

Table 8–15 lists the measures available in this view.

Table 8–15 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 percent 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 percent 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 percent emphasis on performance and 50 percent 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 percent 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 percent of the Performance IPI and 50 percent 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	Sales R	Performance Index to Average (IPI)	Starbucks Index to Average	Folgers Index to Average	Attribute IPI	IPI
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

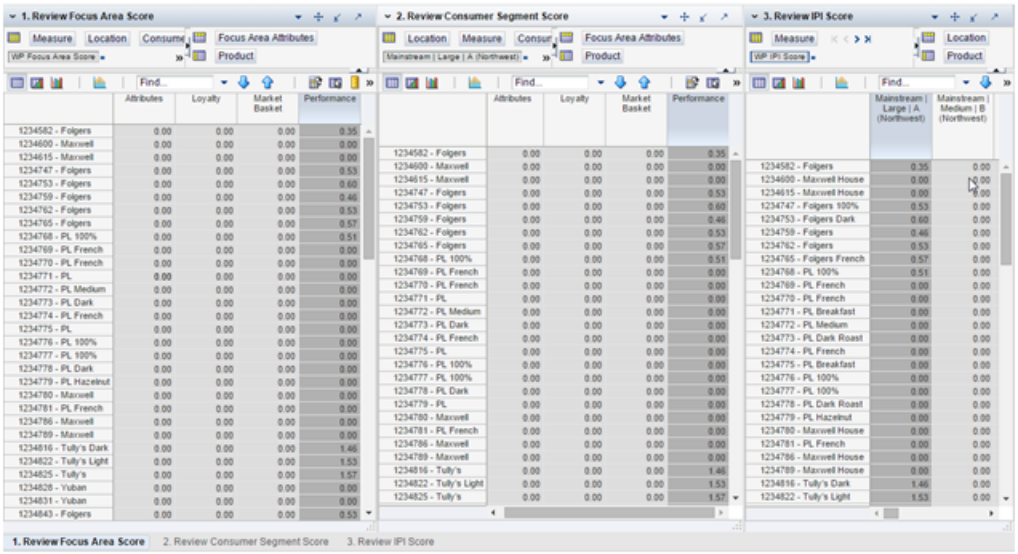
Thus, the resulting IPI score is a blend of top-selling SKUs by Sale R and top-selling SKUs within each brand (Starbucks and Folgers). The system used IPI scores to rationalize SKUs and recommend an assortment. The higher the IPI score, the more important the SKU is to the assortment.

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 8–18 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 Calc Cluster IPI Score custom menu option to populate values in the next few views.

Figure 8–19 1. Review Focus Area Score View

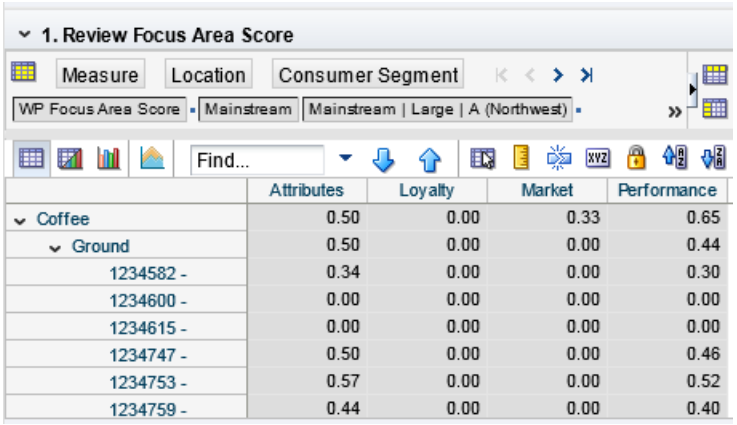


Table 8–16 lists the measure available in this view.

Table 8–16 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 8–20 2. Review Consumer Segment Score View

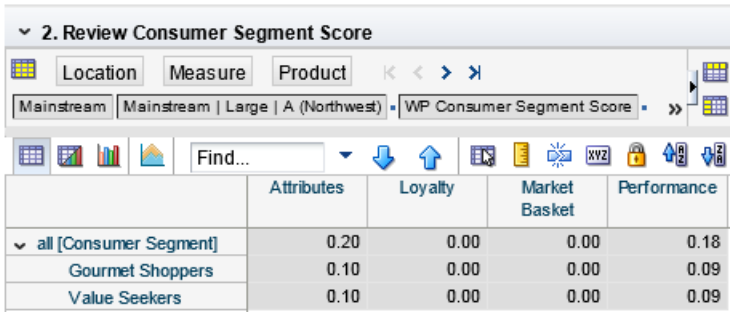


Table 8–17 lists the measure available in this view.

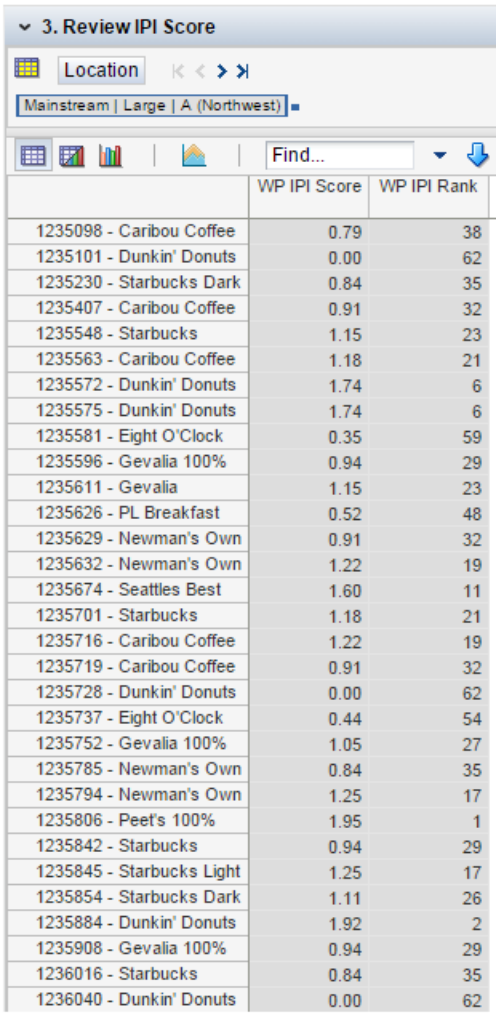
Table 8–17 2. Review Consumer Segment Score Measure

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.

Figure 8–21 3. Review IPI Scores View



	WP IPI Score	WP IPI Rank
1235098 - Caribou Coffee	0.79	38
1235101 - Dunkin' Donuts	0.00	62
1235230 - Starbucks Dark	0.84	35
1235407 - Caribou Coffee	0.91	32
1235548 - Starbucks	1.15	23
1235563 - Caribou Coffee	1.18	21
1235572 - Dunkin' Donuts	1.74	6
1235575 - Dunkin' Donuts	1.74	6
1235581 - Eight O'Clock	0.35	59
1235596 - Gevalia 100%	0.94	29
1235611 - Gevalia	1.15	23
1235626 - PL Breakfast	0.52	48
1235629 - Newman's Own	0.91	32
1235632 - Newman's Own	1.22	19
1235674 - Seattles Best	1.60	11
1235701 - Starbucks	1.18	21
1235716 - Caribou Coffee	1.22	19
1235719 - Caribou Coffee	0.91	32
1235728 - Dunkin' Donuts	0.00	62
1235737 - Eight O'Clock	0.44	54
1235752 - Gevalia 100%	1.05	27
1235785 - Newman's Own	0.84	35
1235794 - Newman's Own	1.25	17
1235806 - Peet's 100%	1.95	1
1235842 - Starbucks	0.94	29
1235845 - Starbucks Light	1.25	17
1235854 - Starbucks Dark	1.11	26
1235884 - Dunkin' Donuts	1.92	2
1235908 - Gevalia 100%	0.94	29
1236016 - Starbucks	0.84	35
1236040 - Dunkin' Donuts	0.00	62

Table 8–18 lists the measures available in this view.

Table 8–18 3. Review IPI Scores Measures

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

Set Assortment Constraints Tab

Now that 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 or draw the line, based on IPI scores, SKU count, and targets (MFP target/CP target).

Use the views under this tab to set the constraints for system-recommended assortments through the IPI and Market Coverage methods.

This tab has the following views:

1. Select Eligible and Mandatory Items View

2. Set IPI Constraints View

3. Set Market Coverage Constraints View

1. Select Eligible and Mandatory Items View

Use this view to set the assortment eligibility for items and select the mandatory items for assortment generation.

The Assortment Eligibility flag measure is used to define the set of items that should participate in the assortment generation process. Effectively, it is used to select the items that are eligible to be part of the assortment.

Note that if a workbook is built for multiple quarters and an item is marked as mandatory in one of the quarters only, then when aggregating the workbook or a specific worksheet to the year or half-year level, it will appear as a non-mandatory item. The aggregation for this measure on the calendar hierarchy is done with an **and** operation.

Figure 8–22 1. Select Eligible and Mandatory Items View

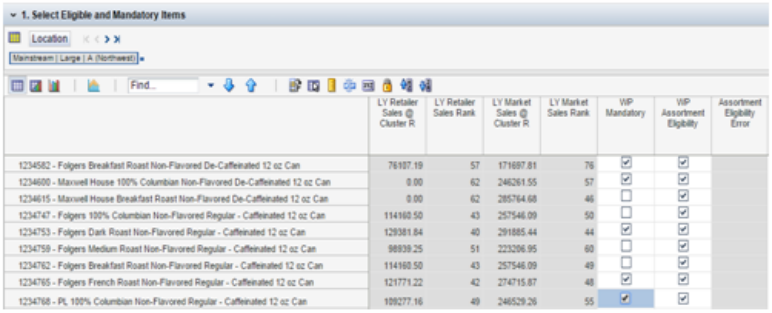


Table 8–19 lists the measures available in this view.

Table 8–19 1. Select Eligible and Mandatory Items View 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	A Boolean flag measure used to mark an item as mandatory in a working plan assortment.
WP Assortment Eligibility	A Boolean flag measure indicating whether an item is eligible to be part of the assortment.
Assortment Eligibility Error	This read-only measure is used to present the error in case mandatory items are selected without checking their assortment eligibility flag.

2. Set IPI Constraints View

Use this view to define the constraints for IPI assortment generation. Following are the four available constraint types:

- SKU Count: Use this option to create an IPI assortment by defining the assortment range in the form of the WP Core SKU Count and WP Core + Optn SKU Count measures in line with the available space for the category.

- IPI Thresholds: Use this option to create an IPI assortment by setting the IPI Cutoff Index for Core and Optional Items.
- MFP Target: Use this option to create an IPI assortment using MFP targets.
- CP Target: Use this option to create an IPI assortment using CP targets.

Check the WP Create IPI Assortment flag measure, set the required assortment constraints, and run the Create IPI Assortment @Cluster custom menu.

Optionally, the IPI Apply DT flag measure can be checked to dynamically calculate demand transference affected sales for the assortment being generated. When this option is used, ensure that the reference assortment (WP/CP or WP/LY) is selected under the measure IPI DT KAD Input for demand transference calculations.

Note the following:

- When IPI Constraint Type is selected as SKU Count, WP Core SKU Count and WP Core + Optn SKU Count must be defined.
- When IPI Constraint Type is selected as IPI Thresholds, WP IPI Assort Core Cutoff Index and WP IPI Assort Optn Cutoff Index must be defined.
- When either of the two targets is selected as IPI Constraint Type, then select the IPI Target Alignment and define % of IPI Target for Optn Items, as per business requirement.

For more details, refer to the measure definitions below.

Figure 8–23 2. Set IPI Constraints View

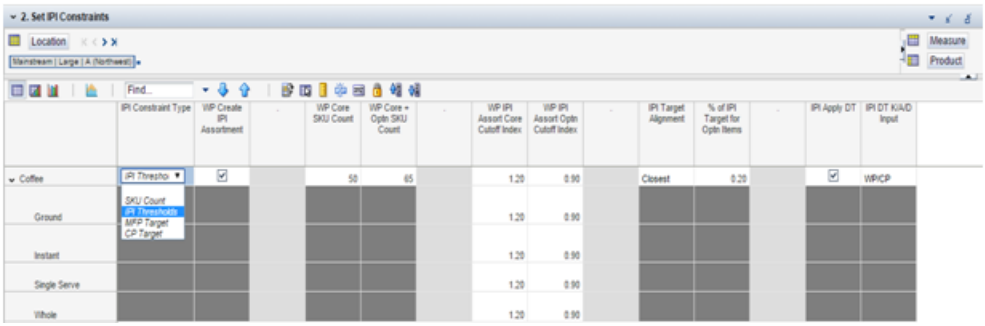


Table 8–20 lists the measures available in this view.

Table 8–20 2. Set IPI Constraints Measures

Label	Description
IPI Constraint Type	A drop-down measure used to select the constraint type to be used to generate the IPI assortment at the cluster level. The drop-down options are SKU Count, IPI Thresholds, MFP Target, and CP Target.
WP Create IPI Assortment	A Boolean measure that is required to be selected to generate a system-recommended IPI assortment towards a working plan assortment for the cluster.
WP Core SKU Count	The number of core items desired in the IPI Assortment for the cluster when using the SKU Count constraint type.
WP Core + Optn SKU Count	The sum of the core and optional items desired in the IPI assortment for the cluster when using the SKU Count constraint type.

Table 8–20 (Cont.) 2. Set IPI Constraints Measures

Label	Description
WP IPI Assort Core Cutoff Index	The IPI score for an eligible item to be classified as a core item when generating an IPI assortment at the cluster level using the IPI Thresholds constraint type.
WP IPI Assort Optn Cutoff Index	The IPI score for an eligible item to be classified as an optional item when generating an IPI assortment at the cluster level using the IPI Thresholds constraint type.
IPI Target Alignment	A drop-down measure used to set the alignment to the target plan measure when using the constraint types MFP Target and CP Target at the cluster level. The options in the drop-down are Over, Under, and Closest.
% of IPI Target for Optn Items	A percentage value defined to set the total sales retail value for the optional items over the assortment plan's sales retail value, when using the constraint types MFP Target and CP Target to derive the IPI assortment at the cluster level. This measure facilitates creation of optional items when using the target-constrained methods of IPI assortment generation.
IPI Apply DT	A Boolean flag measure required to be checked if demand transference needs to be applied dynamically to calculate the assortment plan sales while generating the IPI assortment at the cluster level. Demand Transference is applied for each addition of an item to the assortment to reach the assortment plan target.
IPI DT K/A/D Input	A drop-down measure used to provide a reference assortment input for demand transference calculations in the IPI assortment generation at the cluster level. The drop-down options are WP/LY (last year assortment) and WP/CP (current plan assortment).

3. Set Market Coverage Constraints View

Use this view to set the constraints necessary to generate a market coverage assortment. It can be viewed by category, sub-category, and segment for the purpose of setting the market coverage target.

Figure 8–24 3. Set Market Coverage Constraints View

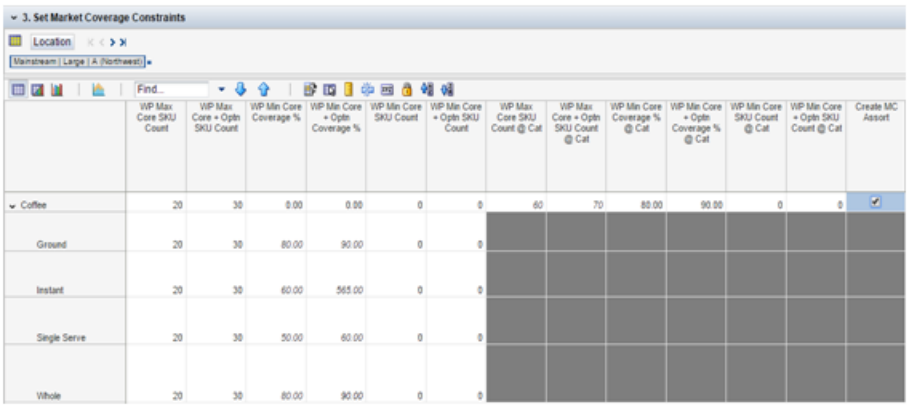


Table 8–21 lists the measures available in this view.

Table 8–21 3. Set Market Coverage Constraints 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.
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 percent means all SKUs that contribute to the top 80 percent 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 percent with a Min. Core Coverage% of 80 percent means all SKUs that contribute to the top 80 percent of the Market Sales Retail will be flagged as core and all SKUs contributing between 80 and 90 percent 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.

Manage IPI Assortment Step

Use this step to review, revise, and manage an IPI Assortment.

This step has the following tabs and views:

- Review IPI Assortment Recommendations Tab:

  1a. Review IPI Assortment Recommendation View

  1b. Review IPI DT Details View

  2. IPI Assortment Dashboard View
- Improve IPI Assortment Tab:

  1. Set Parameters for IPI Assortment Improvement View

  2. Review Improved IPI Assortment View
- IPI Ordered Incremental Curve Tab:

  View IPI Ordered Incremental Curve View

Custom Menu Options

The following custom menu options are available:

- Apply DT to IPI

  This custom menu is used to apply demand transference to an assortment, after making changes to the assortment mix, to see the shift in sales between items.
- Apply IPI Assortment Improvement

  This custom menu is used to apply assortment improvement to IPI assortments.
- Accept IPI Assortment Improvement

  This custom menu is used to accept assortment improvement recommendations for an IPI assortment. On acceptance, the assortment improvement recommendations are copied to the IPI assortment (IPI DT Assort type) measures.
- Calc IPI Incremental Curve

  This custom menu is used to generate an IPI-ordered incremental curve for an IPI assortment.

Review IPI Assortment Recommendations Tab

This tab has three 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 do what-if analysis by making assortment changes by marking the IPI core or 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 8–25 1a. Review IPI Assortment Recommendation View

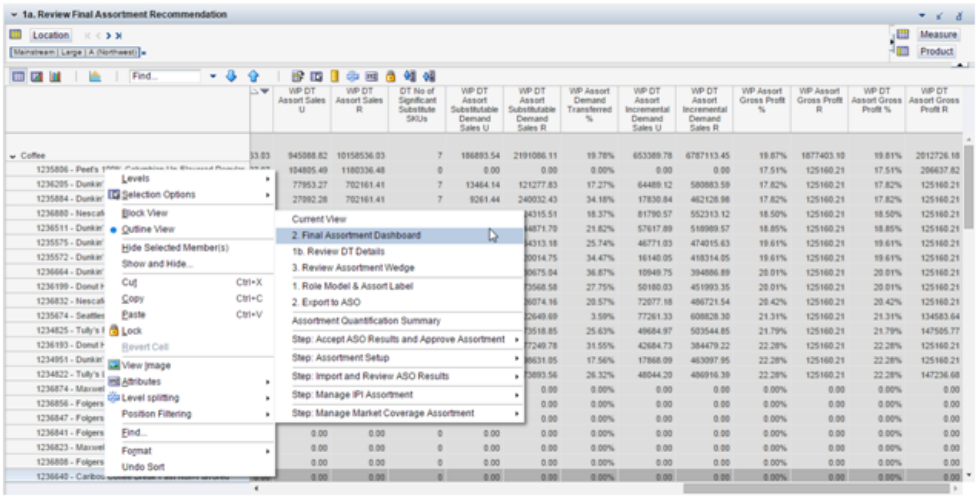


Table 8–22 lists the measures available in this view.

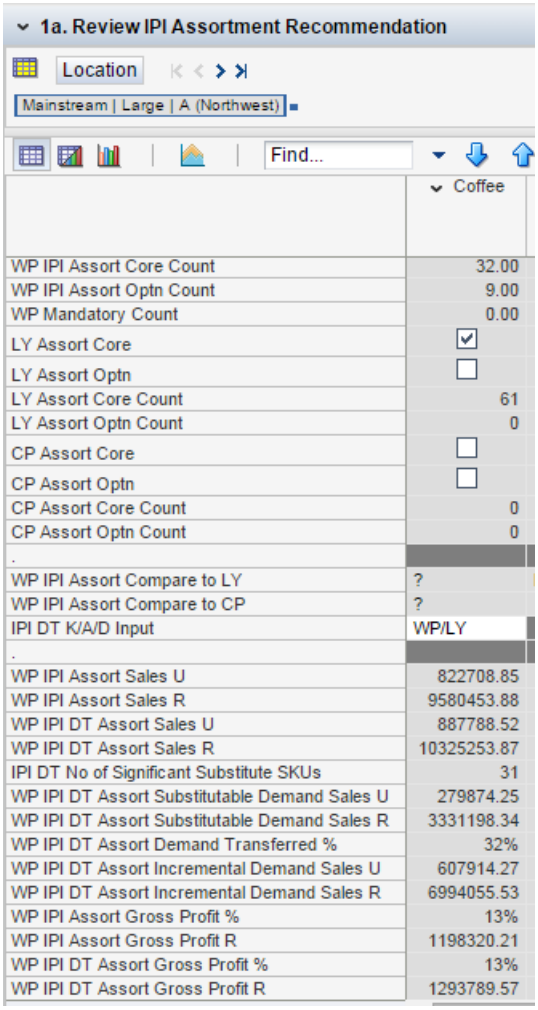
Table 8–22 1a. Review IPI Assortment Recommendation View Measures

Label	Definition
WP IPI Score	An item's final IPI score at the cluster level.
WP IPI Rank	An ordinal (sequential) rank assigned to an item at the cluster level on the basis of its respective IPI score.
WP Mandatory	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 Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an IPI assortment.
WP IPI Assort Optn	An editable Boolean measure indicating whether an item is an optional item in the IPI Assortment. It can be used to modify optional items in IPI assortment.
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 Assort 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 Assort 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 an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether 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.

Table 8–22 (Cont.) 1a. Review IPI Assortment Recommendation View Measures

Label	Definition
LY Assort Optn Count	The number of optional items in a last year's assortment.
CP Assort Core	A Boolean flag measure indicating whether an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether 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 8–26 1a. Review IPI Assortment Recommendation View 2

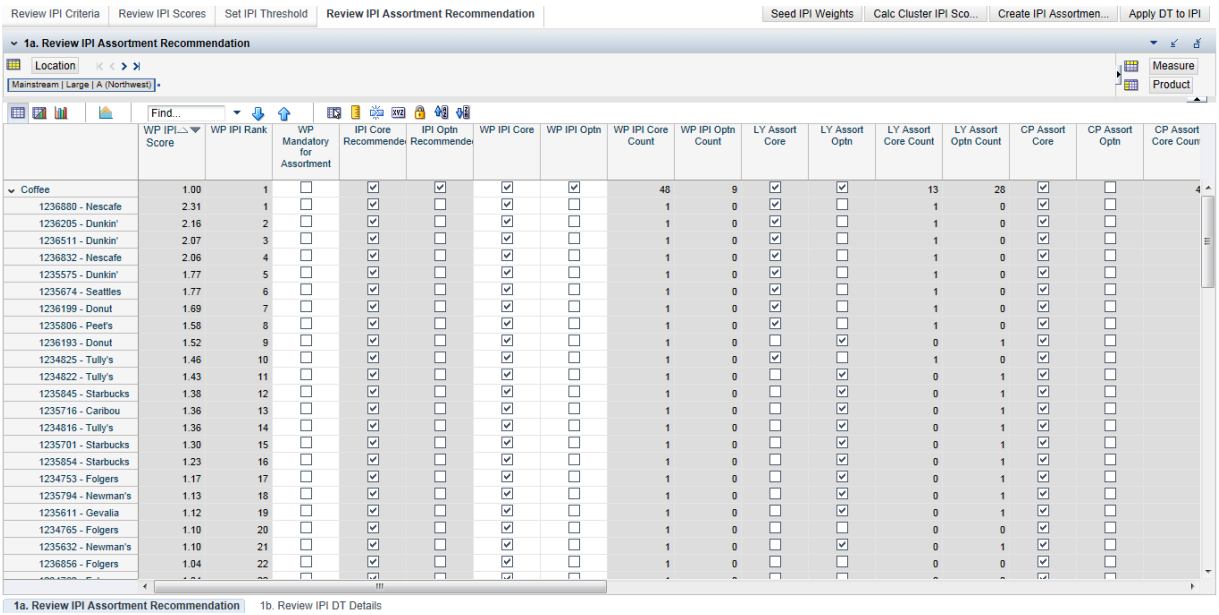


Note that in Figure 8–26 the measures dimension has been moved to y-axis to view the remaining measures in this view's default profile.

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

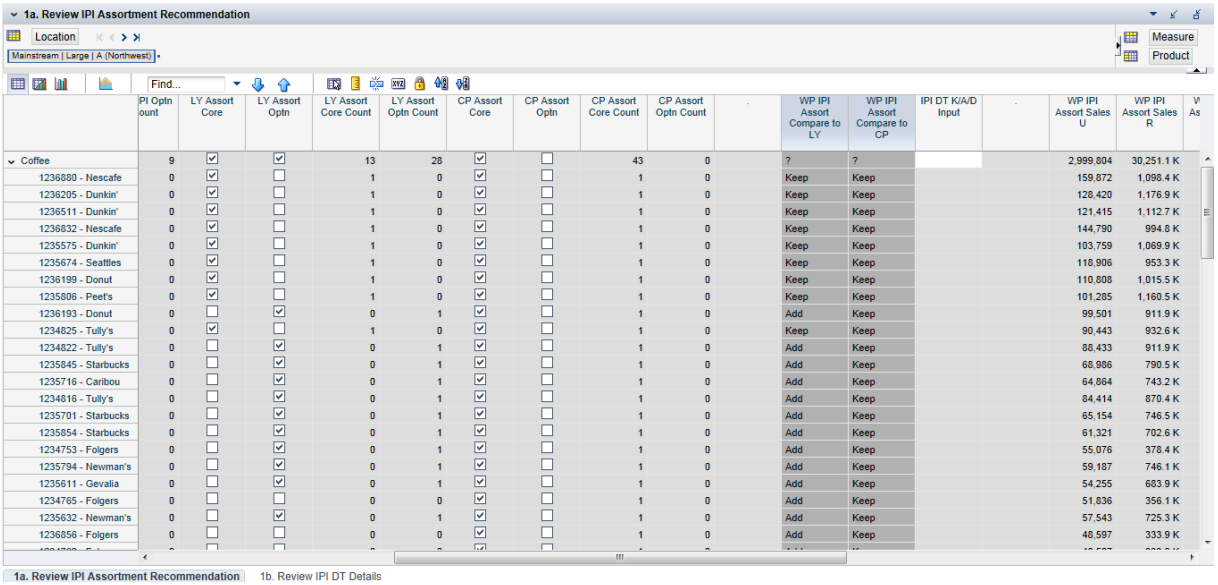
The first set of measures displays the core and optional SKUs being recommended by the IPI logic and also allows users to view the LY and CP values for the SKUs in comparison. Users can also view the core and optional SKUs counts for the IPI recommendation as well as CP and LY version of the core and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

Figure 8–27 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 8–28 1a. Review IPI Assortment Recommendation Example 2



Demand transference can be used to the see the shift in sales between items in an assortment and to gauge the overall impact on assortment sales with any manual changes made to the assortment.

Assortment changes can be made to the system-recommended assortment and demand transference can be applied to calculate the demand transference affected sales for the assortment. Assortment changes consist of adding new items as core items to the assortment or dropping the existing core items by un-checking their core flags.

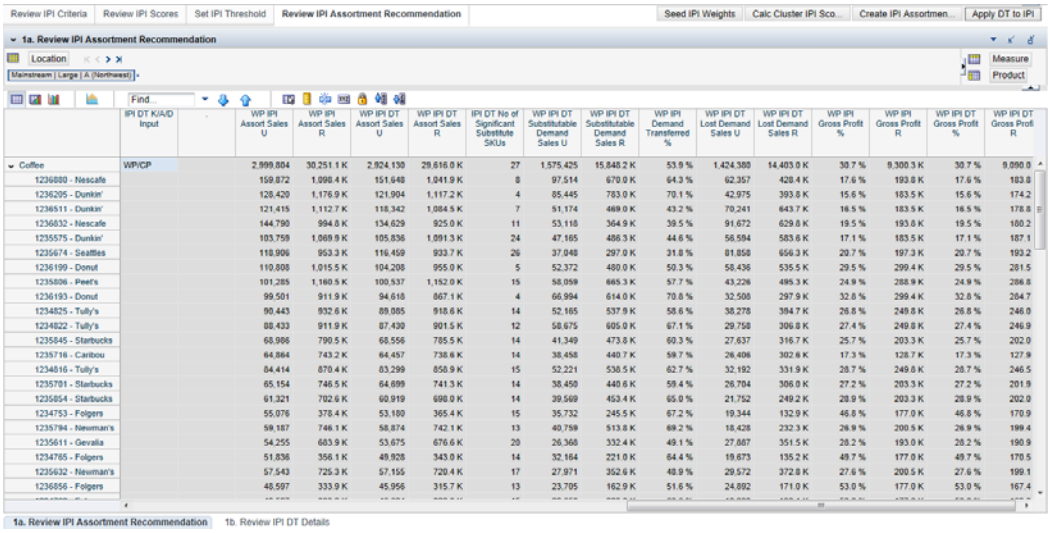
Demand transference is applied through the Apply DT to IPI custom menu.

Demand transference specific measures are used to see the impact of demand transference on planned assortments, which facilitates informed decision-making on assortment composition. For example, a high selling SKU may also be a highly substitutable SKU and, therefore, there is an option to replace it in the assortment.

DT can be applied on the planned assortment by first selecting IPI DT K/A/D input to specify the reference assortment, in the form of CP or LY assortments, which should be used for demand transference calculations.

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

Figure 8–29 1a. Review IPI Assortment Recommendation Example 3

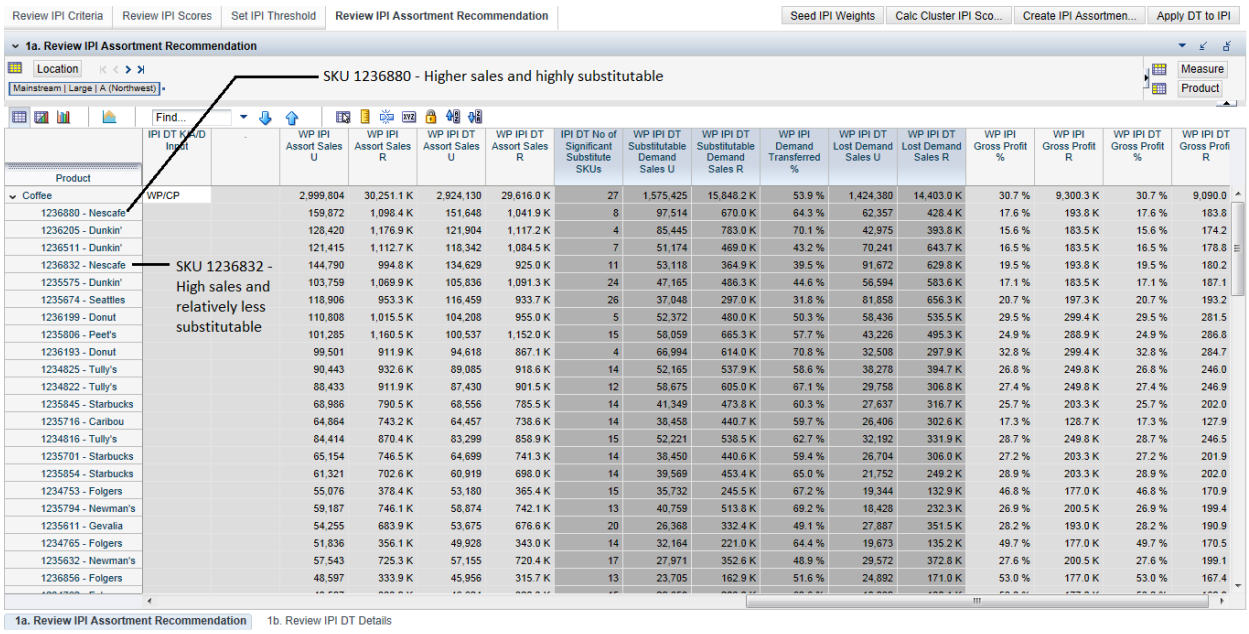


WP IPI DT Assort Sales has been updated to reflect the planned assortment. In the preceding example, the planned assortment change is a net increase in the number of SKUs (43 core SKUs in CP, 48 core SKUs in WP). The system has predicted how the added SKUs cannibalize the sales of existing SKUs and its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

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

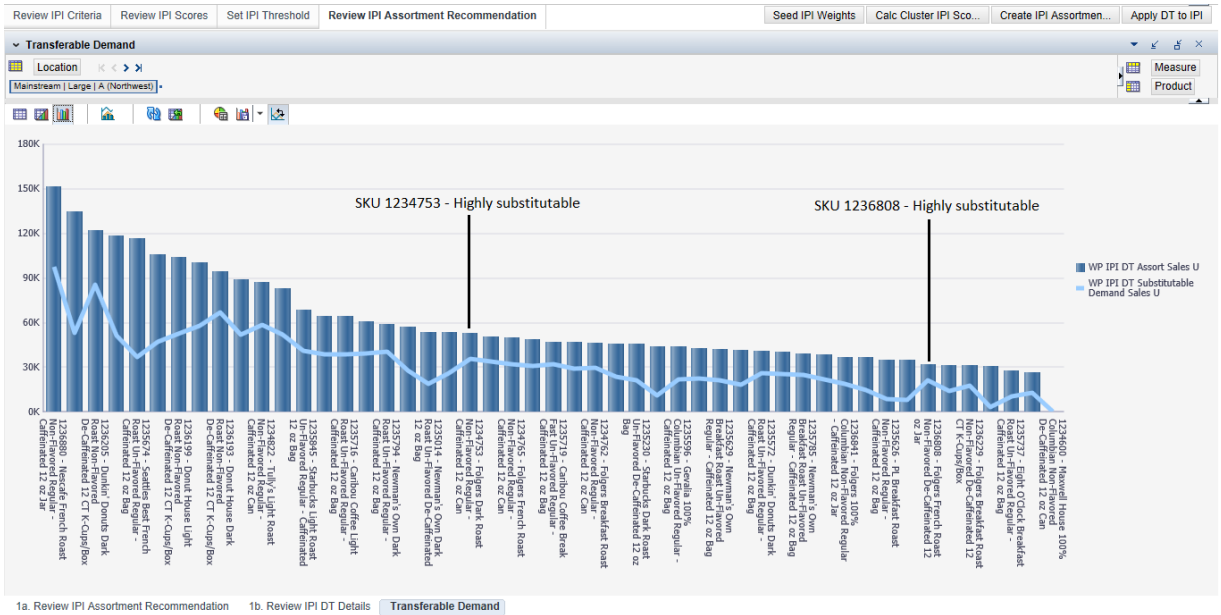
- If this SKU is to be dropped from the assortment, how much of the demand is transferred to other SKUs in the assortment and how much of the demand is lost.
- How many similar SKUs exist in the assortment that will absorb some of the demand, if this SKU is to be dropped.

Figure 8–30 1a. Review IPI Assortment Recommendation Example 4



This information can also be viewed in a graphical form as shown in Figure 8–31. This is a custom view created using the copy view option in RPAS to represent demand transference graphically.

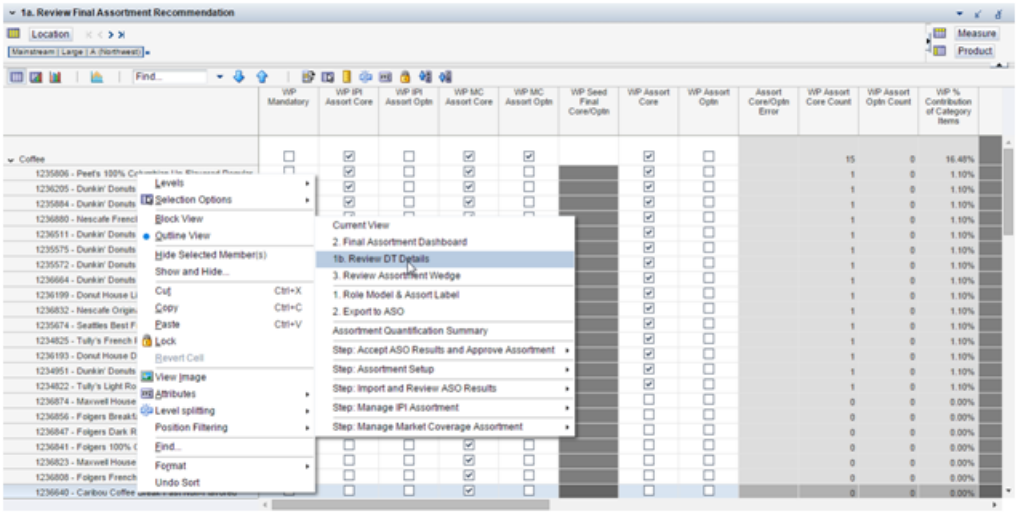
Figure 8–31 1a. Review IPI Assortment Recommendation Example 4 in Graphical Form



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 a significant portion 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 8–32 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 8–33 1a. Review IPI Assortment Recommendation

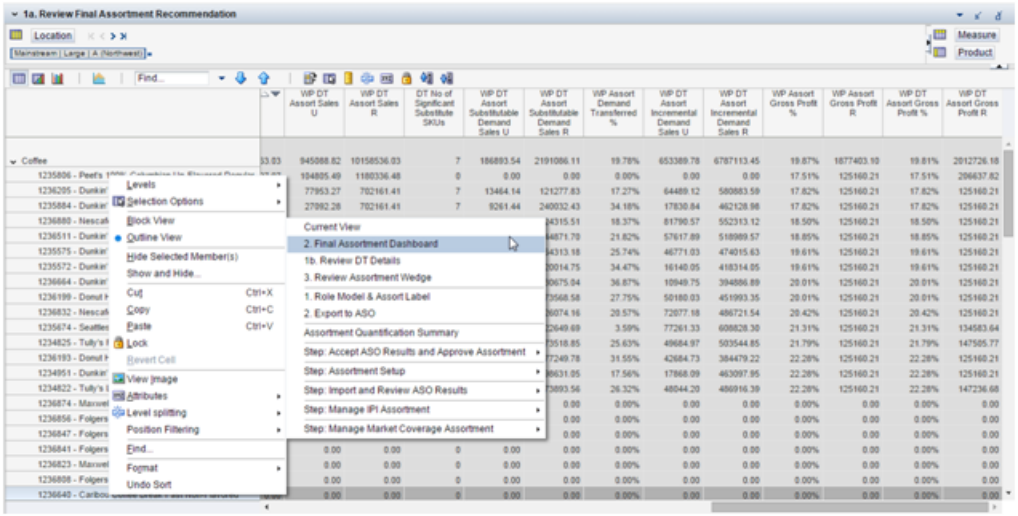


Figure 8–34 1b. Review IPI DT Details View

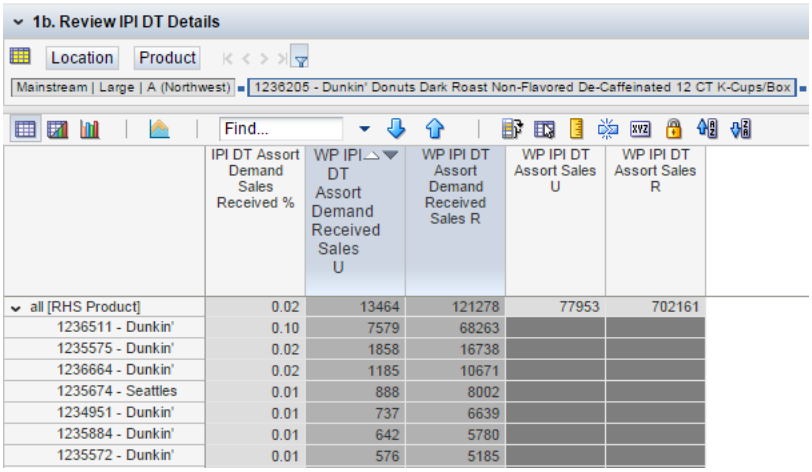


Table 8–23 lists the measures available in this view.

Table 8–23 1b. Review IPI DT Details Measures

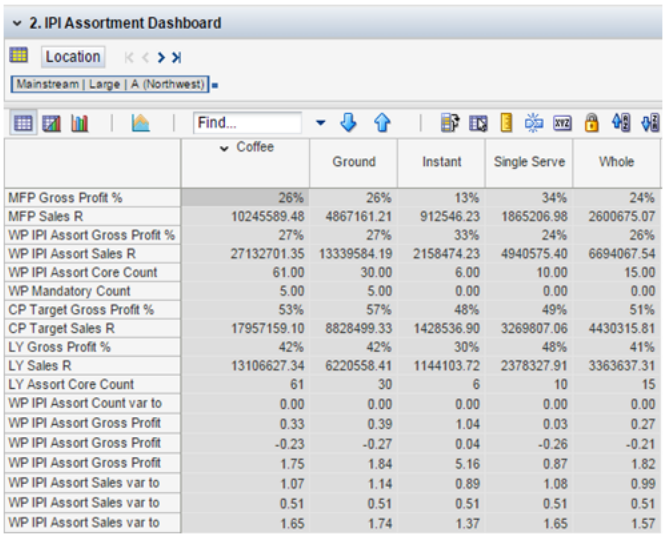
Label	Definition
IPI DT Demand Sales Received %	Refers to a percentage of total sales units of a SKU, getting transferred from it and being received by its respective substitute SKUs in an IPI-based assortment. It is expressed as a percentage of total sales of the SKUs.
WP IPI DT Assort Demand Received Sales U	Sales units that would be transferred to a substitute SKU (shown in the RHS hierarchy) from the SKU dropped (shown in the LHS hierarchy). For example, in the preceding view, if SKU 1236205 were to be dropped from the assortment, WP IPI DT Assort Demand Received Sales U for SKU 1236511 would be 7579 units.
WP IPI DT Assort Demand Received Sales R	Sales Retail value that would be transferred to a substitute SKU (shown in the RHS hierarchy) from the SKU dropped (shown in the LHS hierarchy). For example, in the preceding view, if SKU 1236205 were to be dropped from the assortment, WP IPI DT Assort Demand Received Sales R for SKU 1236511 would be 68263.
WP IPI DT Assort Sales U	The IPI assortment's net sales units after applying demand transference manually or through assortment improvement.
WP IPI DT Assort Sales R	The IPI assortment's net sales retail value after applying demand transference manually or through assortment improvement.

2. IPI Assortment Dashboard View

Use this view to review and compare the alignment of IPI assortment plan numbers to the set targets in the form of MFP and CP targets at the sub-category level and above:

- Assortment Plan numbers consist of measures presenting the Sales Retail, Sales Units, Gross Profit Retail, and Gross Profit %.
- Targets consist of MFP Sales R, MFP Sales U, MFP Gross Profit and MFP Gross Profit %

Figure 8–35 2. IPI Assortment Dashboard View



	Coffee	Ground	Instant	Single Serve	Whole
MFP Gross Profit %	26%	26%	13%	34%	24%
MFP Sales R	10245589.48	4867161.21	912546.23	1865206.98	2600675.07
WP IPI Assort Gross Profit %	27%	27%	33%	24%	26%
WP IPI Assort Sales R	27132701.35	13339584.19	2158474.23	4940575.40	6694067.54
WP IPI Assort Core Count	61.00	30.00	6.00	10.00	15.00
WP Mandatory Count	5.00	5.00	0.00	0.00	0.00
CP Target Gross Profit %	53%	57%	48%	49%	51%
CP Target Sales R	17957159.10	8828499.33	1428536.90	3269807.06	4430315.81
LY Gross Profit %	42%	42%	30%	48%	41%
LY Sales R	13106627.34	6220558.41	1144103.72	2378327.91	3363637.31
LY Assort Core Count	61	30	6	10	15
WP IPI Assort Count var to	0.00	0.00	0.00	0.00	0.00
WP IPI Assort Gross Profit	0.33	0.39	1.04	0.03	0.27
WP IPI Assort Gross Profit	-0.23	-0.27	0.04	-0.26	-0.21
WP IPI Assort Gross Profit	1.75	1.84	5.16	0.87	1.82
WP IPI Assort Sales var to	1.07	1.14	0.89	1.08	0.99
WP IPI Assort Sales var to	0.51	0.51	0.51	0.51	0.51
WP IPI Assort Sales var to	1.65	1.74	1.37	1.65	1.57

Table 8–24 lists the measures available in this view.

Table 8–24 2. IPI Assortment Dashboard View Measures

Label	Description
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit percentage.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
WP IPI Assort Gross Profit %	IPI Assortment's base gross profit percentage.
WP IPI Assort Sales R	IPI assortment's base sales retail value.
WP IPI Assort Core Count	The number of core items in the IPI assortment.
WP Mandatory Count	The number of items marked as mandatory.
CP Target Gross Profit %	Approve Category Plan's Gross Profit percentage.
CP Target Sales R	Approve Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Sales Retail value. Similar measures in other versions include: WP Sales R and CP Sales R.
LY Sales U	Last Year's Sales Units. Similar measures in other versions include: WP Sales U, CP Sales U.
LY Assort Core Count	The number of core items in last year's assortment. Similar measures in other versions include: CP Assort Core Count, WP Assort Core Count and LP Assort Core Count.
WP IPI Assort Gross Profit var to LY R	The variance in gross profit retail between the IPI assortment and last year assortment. Similar measures available with comparison to other planning measures include: WP IPI Assort Gross Profit var to CP R, WP IPI Assort Gross Profit var to MFP R, and WP IPI Assort Gross Profit var to Tgt R.
WP IPI Assort Sales var to LY R	The variance in sales retail value between the IPI assortment and last year assortment. Similar measures available with variance to other planning measures include: WP IPI Assort Sales var to CP R, WP IPI Assort Sales var to MFP R, and WP IPI Assort Sales var to Tgt R.

Table 8–24 (Cont.) 2. IPI Assortment Dashboard View Measures

Label	Description
WP IPI Assort Sales var to LY U	The variance in sales units between the IPI assortment and last year assortment. Similar measures available with variance to other planning measures include: : WP IPI Assort Sales var to CP U, WP IPI Assort Sales var to MFP U, and WP IPI Assort Sales var to Tgt U.
WP IPI DT Assort Sales var to LY U	The variance between the IPI assortment's demand transference affected sales units and last year assortment's sales units. Similar measures available with variation to other plan measures: WP IPI DT Assort Sales var to CP U, WP IPI DT Assort Sales var to MFP U, and WP IPI DT Assort Sales var to Tgt U.
WP IPI DT Assort Gross Profit var to LY R	The variance between the IPI assortment's demand transference affected gross profit value and last year assortment's gross profit retail value. Similar measures available with variation to other plan measures: WP IPI DT Assort Gross Profit var to CP R, WP IPI DT Assort Gross Profit var to MFP R, and WP IPI DT Assort Gross Profit var to Tgt R.
WP IPI DT Assort Private Label Sales var to LY U	The variance between the private label item's demand transference affected sales units in the IPI assortment and last year assortment. Similar measures available with variance to other planning measures: WP IPI Assort Private Label Sales var to CP U and WP IPI Assort Private Label Sales var to Tgt U.
WP IPI DT Assort Private Label Sales var to LY R	The variance between the private label item's demand transference affected sales retail value in the IPI assortment and last year assortment. Similar measures available with variance to other planning measures: WP IPI Assort Private Label Sales var to CP R and WP IPI Assort Private Label Sales var to Tgt R.
WP IPI DT Assort Private Label Gross Profit var to LY R	The variance between the private label item's demand transference affected gross profit retail values in the IPI assortment and last year assortment. Similar measures available with variance to other planning measures: WP IPI Assort Private Label Gross Profit var to CP R and WP IPI Assort Private Label Gross Profit var to Tgt R.

Improve IPI Assortment Tab

The assortment improvement process is used to improve the draft assortment plan or the initial assortment on different retail planning parameters such as Sales Units, Sales Retail, and Gross Profit Retail. In principle, assortment improvement automates the manual application of demand transference in the Review Assortment type views and widens its scope by considering all eligible items (Assortment Eligibility flag) in the assortment improvement operation. This includes items that are not part of the draft assortment. This feature provides an option to set the constraints on which assortment improvement must be performed by the system. This feature comes in handy to fine-tune assortment plans per the business requirement.

Assortment improvement provides the following modes (referred to as Improvement Operation) to better the assortment plan, which must be defined before running the assortment improvement operation:

- Add: This mode provides an option to add new items to the assortment to improve any of the three plan parameters: Sales Units, Sales Retail, and Gross Profit Retail. The system searches for the best available options by gauging the quantum of incremental sales for a new item brings to the assortment on addition. The number of items to be added to the assortment must be specified before running the assortment improvement operation.

- Remove: This operation provides an option to remove items from the assortment by looking for the items, which reduces the assortment plan numbers by a relatively minimal value for any of the three parameters set for improvement. The number of items to be removed must be specified.
- Swap: This provides an option to exchange or replace items in an assortment with eligible items outside the assortment to improve the assortment plan on the set parameter with the best available items. The assortment count remains the same in this operation.
- Add with Swap: This option facilitates the addition of eligible items to the assortment while simultaneously exchanging or replacing items in the assortment. The number of items to be added with swap must be set.
- Remove with Swap: This option facilitates the removal of items from the assortment while simultaneously exchanging or replacing items in the assortment. The number of items to be removed with the swap must be defined before applying assortment improvement.

The following parameters must be set before assortment improvement:

- Metric to Improve: Specify the parameters on which the assortment improvement operation must be performed: Sales Units, Sales Retail, and Gross Profit Retail.
- Number of SKUs to Add/Remove: Set the number of items that must be added or removed from the assortment if the improvement operation is Add, Remove, Add with Swap, or Remove with Swap.
- Max % Assortment to Swap: This measure is used to control the percentage of the assortment that can be swapped out during the assortment improvement operation. If the draft assortment is close to the final desired assortment, this parameter can be used to restrict the scope of assortment changes, thus fine-tuning the assortment without extensively searching for swap options. Restricting the scope of assortment changes can also make the assortment improvement operation run more quickly. To not have any restrictions, set the Max % to Swap to 100 percent.
- IPI K/A/D Input: The reference assortment, against which assortment changes to the working plan assortment are measured and demand transference is calculated, needs to be defined. The available options are Last Year Assortment (WP/LY) and Current Plan Assortment (WP/CP).
- Optimization Target: This is an optional setting. The target, to which the assortment improvement operation for the specified metric for improvement needs to align to, must be defined here. The available options are MFP targets and CP targets.

  Specifying a value for the optimization target option directs the assortment improvement operation to make changes in the assortment (either additions or removals) so the resulting assortment has a metric value at or above the target and also has a minimal number of items. If a target is specified, the number of SKUs to add/remove measure is ignored, since the operation determines the appropriate assortment size on its own. In effect, this user-defined assortment improvement parameter takes the highest precedence among all the set parameters. For example, if the Improve Operation is Add and Number of SKUs to Add/Remove = 5 and the Optimization Target is specified, the system will recommend an improved assortment on the basis of set Optimization Target only.

  Note:

- If both the Number of SKUs to Add/Remove and Optimization Target are defined, the improvement operation will keep adding/removing items until it reaches the Optimization Target. If the improvement operation does not reach the Optimization Target, the improvement operation will stop when it reaches the Number of SKUs to Add/Remove constraint.
- If an Optimization Target is not specified (option set to None), the improvement operation will stop when it reaches the Number of SKUs to Add/Remove.
- If Max % Assortment to Swap is defined with an Optimization Target, the Max % Assortment to Swap remains applicable unlike the Number of SKUs to Add/Remove.

Prior to Using Assortment Improvement Functionality:

- An approved category plan must be available. While using the option optimizing to target, category plan target (CP Target) can be used.
- MFP targets must be imported into RCM. While using the option of optimizing to target, MFP target can be used.
- An IPI assortment must be in place.
- Demand transference must be run on the IPI assortment to populate the demand transference measures.

After Completing This Activity:

View the incremental curve based on IPI ranking in the next tab.

1. Set Parameters for IPI Assortment Improvement View

Use this view to set the assortment improvement constraints.

Figure 8–36 1. Set Parameters for IPI Assortment Improvement View

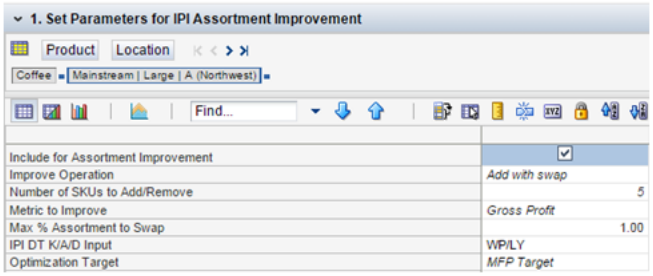


Table 8–25 lists the measures available in this view.

Table 8–25 1. Set Parameters for IPI Assortment Improvement View Measures

Label	Description
Include for Assortment Improvement	A Boolean measure that needs to be checked to run assortment improvement using the Apply IPI Assortment Improvement custom menu.
Improve Operation	A drop-down measure to select one of the five available options for Assortment Improvement: Add, Remove, Swap, Add with Swap, and Remove with Swap.

Table 8–25 (Cont.) 1. Set Parameters for IPI Assortment Improvement View Measures

Label	Description
Number of SKUs to Add/Remove	This measure is used to define the number of items to be added or removed from the assortment while performing assortment improvement using Add, Remove, Add with Swap, or Remove with Swap modes.
Metric to Improve	A drop-down measure to select the metric on which assortment improvement should be performed. The list of available measures consists of Sales Units, Sales Retail, and Gross Profit Retail.
Max % Assortment to Swap	This measure is used to define the scope of assortment improvement in terms of the percentage of the assortment's range or SKU count that can be swapped.
IPI DT K/A/D Input	This field provides an option to define the assortment with which the working plan assortment should be compared to calculate the Keep, Add, or Drop actions for it.
Optimization Target	This measure is used to define the target to which an assortment plan should align through the assortment improvement operation. The available options are: MFP Target or CP Target. Specifying an optimization target is optional. If it is defined, the specified Metric to Improve, along with the set Optimization Target, determines the metric to which assortment improvement is performed from the following possible combinations: MFP Sales Units, MFP Sales Retail, MFP Gross Profit Retail, CP Target Sales Units, CP Target Sales Retail, or CP Target Gross Profit Retail.

2. Review Improved IPI Assortment View

Use this view to review and compare improved assortment recommendations (Improved Sales U, Improved Sales R, Improved Gross Profit R, Improved Gross Profit %) per the set constraints against the IPI assortment (IPI DT Assort Sales U, IPI DT Assort Sales R, IPI DT Assort Gross Profit R, IPI DT Assort Gross Profit %). If the improved assortment plan meets the required improvement, accept it by checking WP Accept Results for Cluster and running the Accept IPI Assortment Improvement custom menu.

Accepting the assortment improvement results copies the improved assortment plan measures' values to the IPI DT Assort type measures.

The process of accepting an improved assortment also copies the Improved Assort Core measure values to WP IPI Assort Core. This may reset WP IPI Assort Optn for optional items if they have been recommended as core by assortment improvement operation. In addition, it calculates the substitutable demand measures for the accepted Improved Assortment by running demand transference in the background.

Custom Menu

The Apply IPI Assortment Improvement custom menu is used to generate IPI Assortment Improvement recommendations. These recommendations are presented in the Improved Assort type measures. Once the required IPI Assortment Improvement constraints have been set, check the Include for Assortment Improvement flag measure and run this custom menu to generate the assortment improvement recommendations.

Figure 8–37 2. Review Improved IPI Assortment View

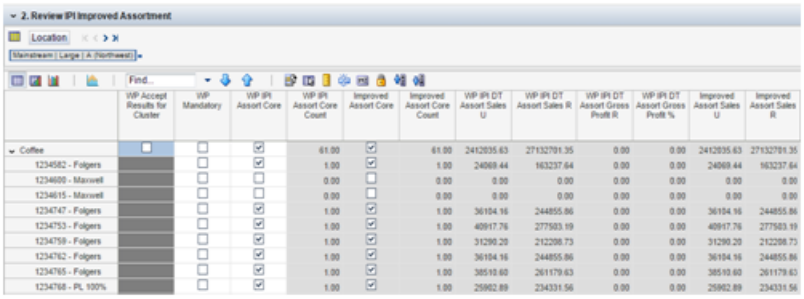


Table 8–26 lists the measures available in this view.

Table 8–26 2. Review Improved IPI Assortment View Measures

Label	Description
WP Accept Results for Cluster	A Boolean flag measure that needs to be checked to accept the assortment improvement results. Acceptance of assortment improvement results copies the assortment improvement recommended plan measures to the respective IPI DT measures.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster. Similar measures in other versions include: LY Mandatory, CP Mandatory, and LP Mandatory.
WP IPI Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an IPI assortment..
WP IPI Assort Core Count	The number of core items in the IPI assortment at the cluster level.
Improved Assort Core	A Boolean flag measure indicating whether an item is a core item in the improved assortment or assortment improvement recommended assortment.
Improved Assort Core Count	The number of core items in the improved assortment or assortment improvement recommended assortment.
WP IPI DT Assort Sales U	The IPI assortment's net sales units after applying demand transference manually or through assortment improvement.
WP IPI DT Assort Sales R	The IPI assortment's net sales retail value after applying demand transference manually or through assortment improvement.
WP IPI DT Assort Gross Profit R	The IPI assortment's net gross profit retail value after applying demand transference manually or through assortment improvement.
WP IPI DT Assort Gross Profit %	The IPI assortment's net gross profit percentage after applying demand transference manually or through assortment improvement.
Improved Assort Sales U	The improved assortment's (or Assortment Improvement recommended assortment's) sales units.
Improved Assort Sales R	The improved assortment's (or Assortment Improvement recommended assortment's) sales retail value.
Improved Assort Gross Profit R	The improved assortment's (or Assortment Improvement recommended assortment's) gross profit retail value.
Improved Assort Gross Profit %	The improved assortment's (or Assortment Improvement recommended assortment's) gross profit percentage.

Table 8–26 (Cont.) 2. Review Improved IPI Assortment View Measures

Label	Description
MFP Sales U	Merchandise Financial Plan's Sales Units.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
MFP Gross Profit R	Merchandise Financial Plan's Gross Profit Retail value.
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit Percentage value.
CP Target Sales U	Category Plan's target Sales Units.
CP Target Sales R	Category Plan's target Sales Retail value.
CP Target Gross Profit R	Category Plan's target Gross Profit Retail value.
CP Target Gross Profit %	Category Plan's target Gross Profit Retail Percentage value.
WP Assortment Eligibility	A Boolean flag measure indicating whether an item is eligible to be part of the assortment for the retailer to stock and sell.
WP Gross Profit %	Working Plan's Gross Profit Retail Percentage value at the cluster level.
WP Gross Profit R	Working Plan's Gross Profit Retail Value at the cluster level.
WP IPI Assort Sales R	The IPI assortment's Sales Retail value at the cluster level.
WP IPI Assort Sales U	The IPI assortment's Sales Units value at the cluster level.
WP IPI Assort Gross Profit %	The IPI assortment's Gross Profit retail percentage value at the cluster level.
WP IPI Assort Gross Profit R	The IPI assortment's Gross Profit Retail value at the cluster level.
WP IPI Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the IPI assortment at the cluster level.
WP IPI Assort Optn Count	The number of optional items in the IPI assortment at the cluster level.
WP Sales AUR	Working plan's Average Unit Retail value at the cluster level. It is calculated by dividing total Sales Retail Value by total Sales Units.
WP Sales R	Working Plan's Sales Retail Value at the cluster level.
WP Sales U	Working Plan's Sales Units at the cluster level.

IPI Ordered Incremental Curve Tab

This tab has one view.

View IPI Ordered Incremental Curve View

Use this view to ascertain an optimal assortment range through incremental curve based on IPI ranking. An incremental curve is generated in this view by running the Calc IPI Incremental Curve custom menu.

Incremental curves are used to gauge the correctness of the assortment range by looking at the substitutable and non-substitutable sales of items in an assortment. Incremental sales represent the unique or non-substitutable sales for any item in a given assortment. Incremental curve provides a visibility to the point where the cumulative incremental sales for the assortment flatten out and there is an overlap of sales between the SKUs (also referred to as cannibalization of sales). In effect, there is no significant increase to the assortment's sales with addition of new items. This helps the assortment planner to decide the quantum of substitutable sales that must be

planned in case a few SKUs are out of stock. In effect, it facilitates the derivation of an optimal assortment range by providing a visibility to the point at which cumulative incremental sales of an assortment plateau.

Custom Menu

The Calc Incremental Curve custom menu is used to generate an incremental curve based on IPI ordering, so as to derive an optimal assortment range.

Figure 8–38 View IPI Ordered Incremental Curve View

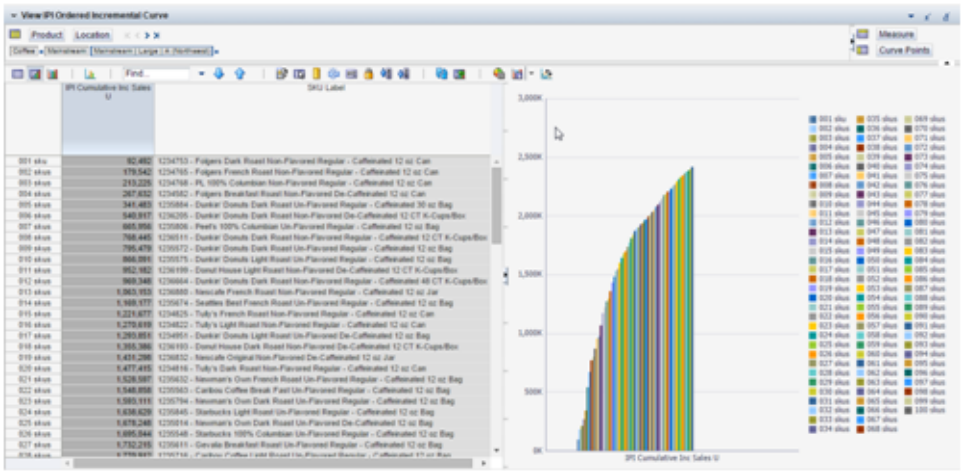


Table 8–27 lists the measures available in this view.

Table 8–27 View IPI Ordered Incremental Curve View Measures

Label	Description
IPI Cumulative Inc Sales U	The cumulative sum of the incremental sales units when the incremental curve is calculated using IPI ranking.
SKU Label	Item's label.

Manage Market Coverage Assortment Step

Market coverage is defined as the percentage of the total sales of the market that the retailer's assortment covers. In other words, if we look at the overall combined market sales (say for a trading area) of the products in retailer's assortment and put a percentage share to it, the assortment should represent the market coverage of retailer's assortment. For example, the retailer can be carrying 100 SKUS whose combined sales contribute to 90 percent of the overall market sales of that category so the market coverage of retailer's assortment is 90 percent. Similarly, target market coverage is the market coverage retailer is setting as a target.

Market coverage assortments are market-focused assortments. The Market Coverage Assortment generation method facilitates selection of the best selling SKUs in the market for the assortment. It is based on market ranking of SKUs, where market ranking depends on the market sales of SKUs. Market data from third parties like IRI and Nielsen is required for generating market coverage assortments.

Current market coverage of a retailer's assortment needs to be assessed and appropriate target market coverage needs to be set based on retailer's positioning in the market versus competition as well as set category roles, strategies, and tactics. The

market coverage assortment is available at the cluster level, and targets can be defined at the category or sub-category levels.

Use this step to review, revise, and manage a market coverage assortment at the cluster level by:

- Reviewing the recommended market coverage assortment
- Making changes and applying demand transference to fine-tune the assortment
- Reviewing the market coverage ordered incremental curve to derive an optimal assortment range

Note that the assortment constraints for market coverage assortment have been set in Assortment Setup step.

This step has the following tab and views:

- Review Market Coverage Assortment Recommendation Tab:

  1a. Review Market Coverage Assortment Recommendation View

  1b. Review Market Coverage DT Details

  2. Market Coverage Assortment Dashboard View
- Market Coverage Ordered Incremental Curve Tab

  View MC Ordered Incremental Curve View

Custom Menu Options

The following custom menu options are available:

- Apply DT to Market Coverage. This custom menu is used to apply and better understand the demand transference impact to the system-recommended market coverage-based assortment.
- Calc MC Incremental Curve. This custom menu is used to generate the incremental curve for the market coverage assortment based on market ranking of SKUs.

Review Market Coverage Assortment Recommendation Tab

This tab has three views.

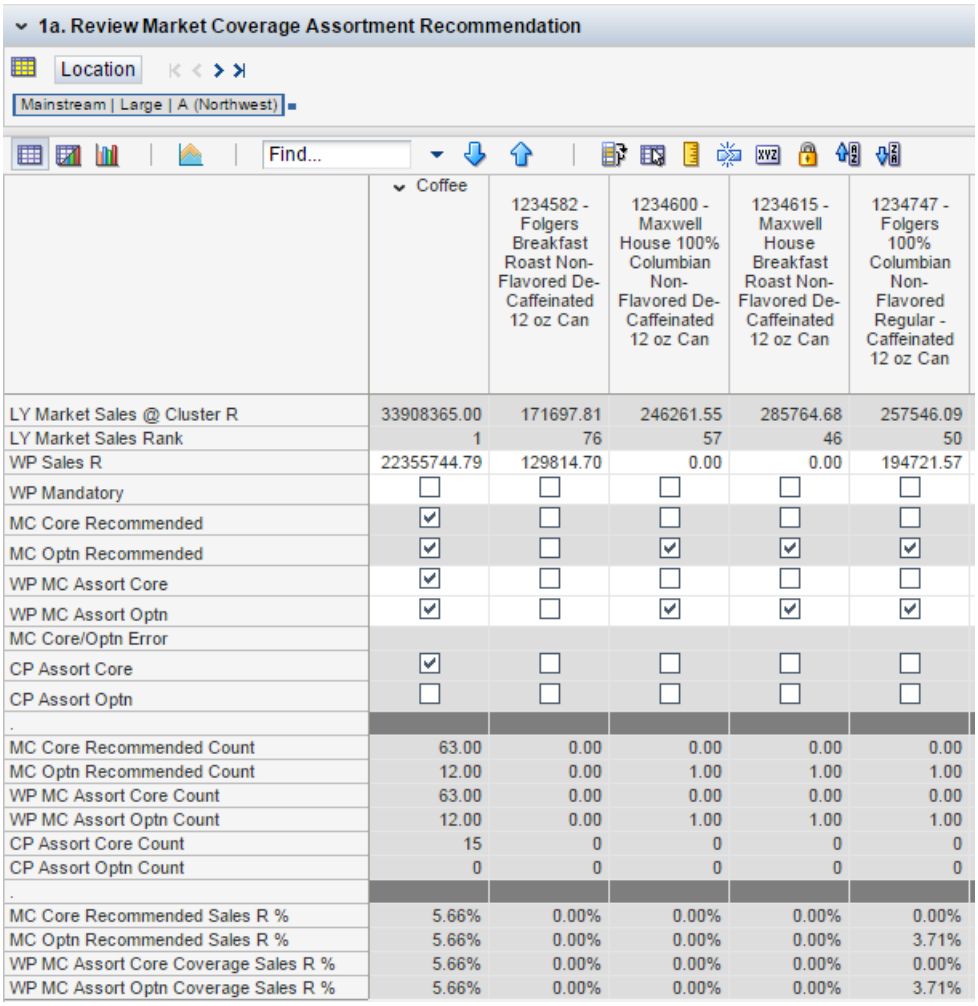
1a. Review Market Coverage Assortment Recommendation View

Use this view to review the system-recommended market coverage based assortment. This view also contains demand transference parameters and provides a facility to do what-if analysis by making assortment changes. Assortment changes are made by marking or un-marking the market coverage based Core or 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 assortment, CP assortment.

This view has four measure profiles:

- WP/CP
- WP/DT
- WP/LP
- WP/LY

Figure 8–39 1a. Review Assortment Recommendation WP/CP Measure Profile View



	Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can
LY Market Sales @ Cluster R	33908365.00	171697.81	246261.55	285764.68	257546.09
LY Market Sales Rank	1	76	57	46	50
WP Sales R	22355744.79	129814.70	0.00	0.00	194721.57
WP Mandatory	☐	☐	☐	☐	☐
MC Core Recommended	☑	☐	☐	☐	☐
MC Optn Recommended	☑	☐	☑	☑	☑
WP MC Assort Core	☑	☐	☐	☐	☐
WP MC Assort Optn	☑	☐	☑	☑	☑
MC Core/Optn Error					
CP Assort Core	☑	☐	☐	☐	☐
CP Assort Optn	☐	☐	☐	☐	☐
.					
MC Core Recommended Count	63.00	0.00	0.00	0.00	0.00
MC Optn Recommended Count	12.00	0.00	1.00	1.00	1.00
WP MC Assort Core Count	63.00	0.00	0.00	0.00	0.00
WP MC Assort Optn Count	12.00	0.00	1.00	1.00	1.00
CP Assort Core Count	15	0	0	0	0
CP Assort Optn Count	0	0	0	0	0
.					
MC Core Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%
MC Optn Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%
WP MC Assort Core Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%
WP MC Assort Optn Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%

Table 8–28 lists the measures available in this view.

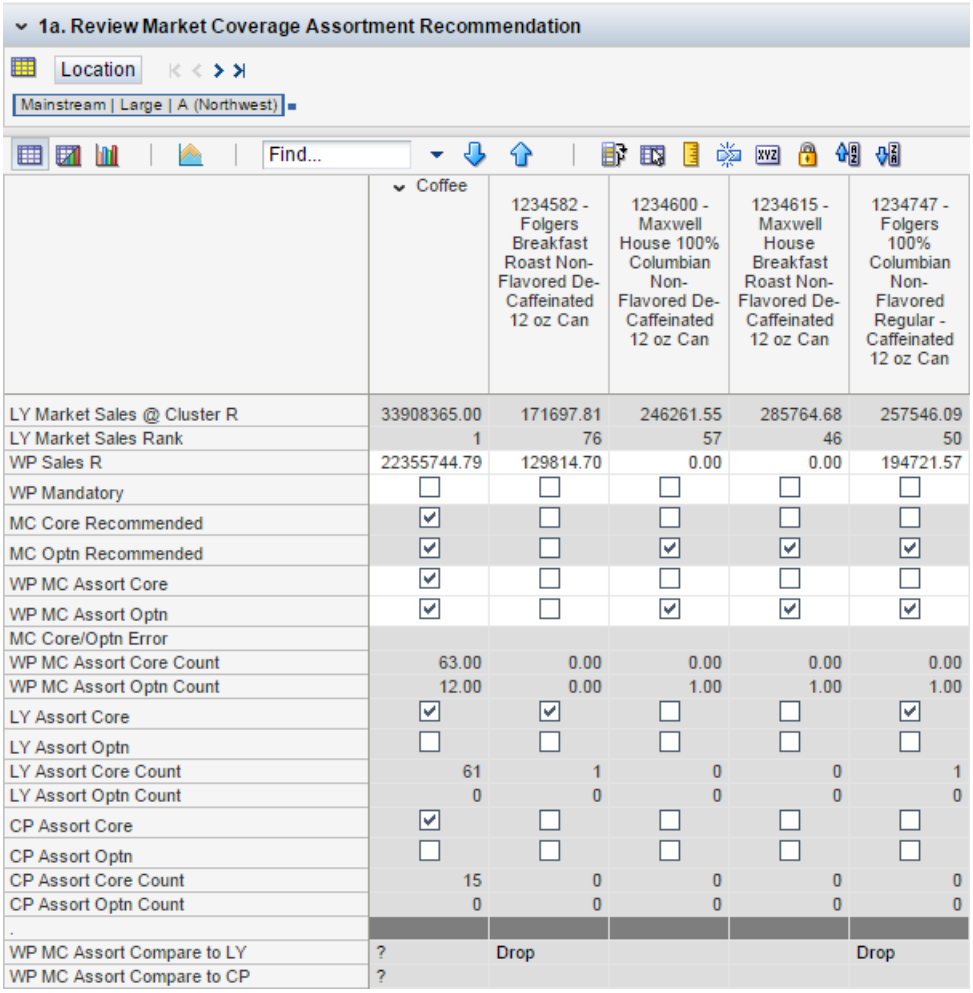
Table 8–28 1a. Review Assortment Recommendation WP/CP Measure Profile Measures

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.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
MC Core Recommended	A read-only Boolean measure indicating whether an item is an optional item in the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
MC Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item in the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.

Table 8–28 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile

Label	Definition
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a Market Coverage Assortment.
MC 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 an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the current plan assortment for the cluster.
MC Core Recommended Count	The number of core items in a Market Coverage Assortment per the MC Core Recommended measure.
MC Optn Recommended Count	The number of core items in a Market Coverage Assortment per the MC Optn Recommended measure.
WP MC Assort Core Count	The number of core items in a Market Coverage Assortment per the WP MC Assort Core measure.
WP MC Assort Optn Count	The number of optional items in a Market Coverage Assortment per the WP MC Assort Optn measure.
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.
MC Core Recommended Sales R %	Market Coverage provided by core SKUs in the recommended assortment (Market Coverage Assortment).
MC Optn Recommended Sales R %	Market Coverage provided by optional SKUs in the recommended assortment (Market Coverage Assortment).
WP MC Assort Core Coverage Sales R %	Market Coverage provided by the core SKUs per the Market Coverage Assortment.
WP MC Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the Market Coverage 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 8–40 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1



	Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can
LY Market Sales @ Cluster R	33908365.00	171697.81	246261.55	285764.68	257546.09
LY Market Sales Rank	1	76	57	46	50
WP Sales R	22355744.79	129814.70	0.00	0.00	194721.57
WP Mandatory	☐	☐	☐	☐	☐
MC Core Recommended	☑	☐	☐	☐	☐
MC Optn Recommended	☑	☐	☑	☑	☑
WP MC Assort Core	☑	☐	☐	☐	☐
WP MC Assort Optn	☑	☐	☑	☑	☑
MC Core/Optn Error					
WP MC Assort Core Count	63.00	0.00	0.00	0.00	0.00
WP MC Assort Optn Count	12.00	0.00	1.00	1.00	1.00
LY Assort Core	☑	☑	☐	☐	☑
LY Assort Optn	☐	☐	☐	☐	☐
LY Assort Core Count	61	1	0	0	1
LY Assort Optn Count	0	0	0	0	0
CP Assort Core	☑	☐	☐	☐	☐
CP Assort Optn	☐	☐	☐	☐	☐
CP Assort Core Count	15	0	0	0	0
CP Assort Optn Count	0	0	0	0	0
.					
WP MC Assort Compare to LY	?	Drop			Drop
WP MC Assort Compare to CP	?				

Table 8–29 lists the measures available in this view.

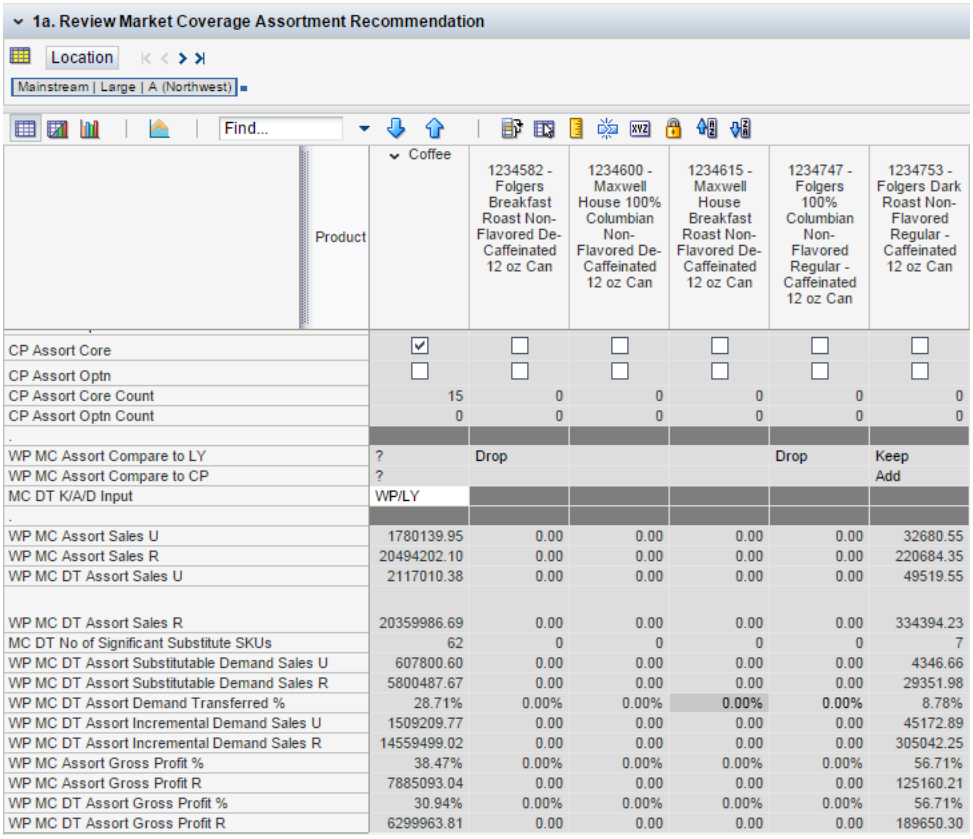
Table 8–29 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1 Measures

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.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
MC Core Recommended	The number of core items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.
MC Optn Recommended	The number of optional items per the Market Coverage calculations in a system-recommended Market Coverage based working plan assortment for the cluster.

Table 8–29 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a Market Coverage Assortment.
WP MC 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 MC Assort Core Count	The number of core items in a Market Coverage Assortment per the WP MC Assort Core measure.
WP MC Assort Optn Count	The number of optional items in a Market Coverage Assortment per the WP MC Assort Optn measure.
LY Assort Core	A Boolean flag measure indicating whether an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether 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 an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether 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 8–41 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2



Product	Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can	1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can
CP Assort Core	☑	☐	☐	☐	☐	☐
CP Assort Optn	☐	☐	☐	☐	☐	☐
CP Assort Core Count	15	0	0	0	0	0
CP Assort Optn Count	0	0	0	0	0	0
WP MC Assort Compare to LY	?	Drop			Drop	Keep
WP MC Assort Compare to CP	?					Add
MC DT K/A/D Input	WP/LY					
WP MC Assort Sales U	1780139.95	0.00	0.00	0.00	0.00	32680.55
WP MC Assort Sales R	20494202.10	0.00	0.00	0.00	0.00	220684.35
WP MC DT Assort Sales U	2117010.38	0.00	0.00	0.00	0.00	49519.55
WP MC DT Assort Sales R	20359986.69	0.00	0.00	0.00	0.00	334394.23
MC DT No of Significant Substitute SKUs	62	0	0	0	0	7
WP MC DT Assort Substitutable Demand Sales U	607800.60	0.00	0.00	0.00	0.00	4346.66
WP MC DT Assort Substitutable Demand Sales R	5800487.67	0.00	0.00	0.00	0.00	29351.98
WP MC DT Assort Demand Transferred %	28.71%	0.00%	0.00%	0.00%	0.00%	8.78%
WP MC DT Assort Incremental Demand Sales U	1509209.77	0.00	0.00	0.00	0.00	45172.89
WP MC DT Assort Incremental Demand Sales R	14559499.02	0.00	0.00	0.00	0.00	305042.25
WP MC Assort Gross Profit %	38.47%	0.00%	0.00%	0.00%	0.00%	56.71%
WP MC Assort Gross Profit R	7885093.04	0.00	0.00	0.00	0.00	125160.21
WP MC DT Assort Gross Profit %	30.94%	0.00%	0.00%	0.00%	0.00%	56.71%
WP MC DT Assort Gross Profit R	6299963.81	0.00	0.00	0.00	0.00	189650.30

Table 8–30 lists the measures available in this view.

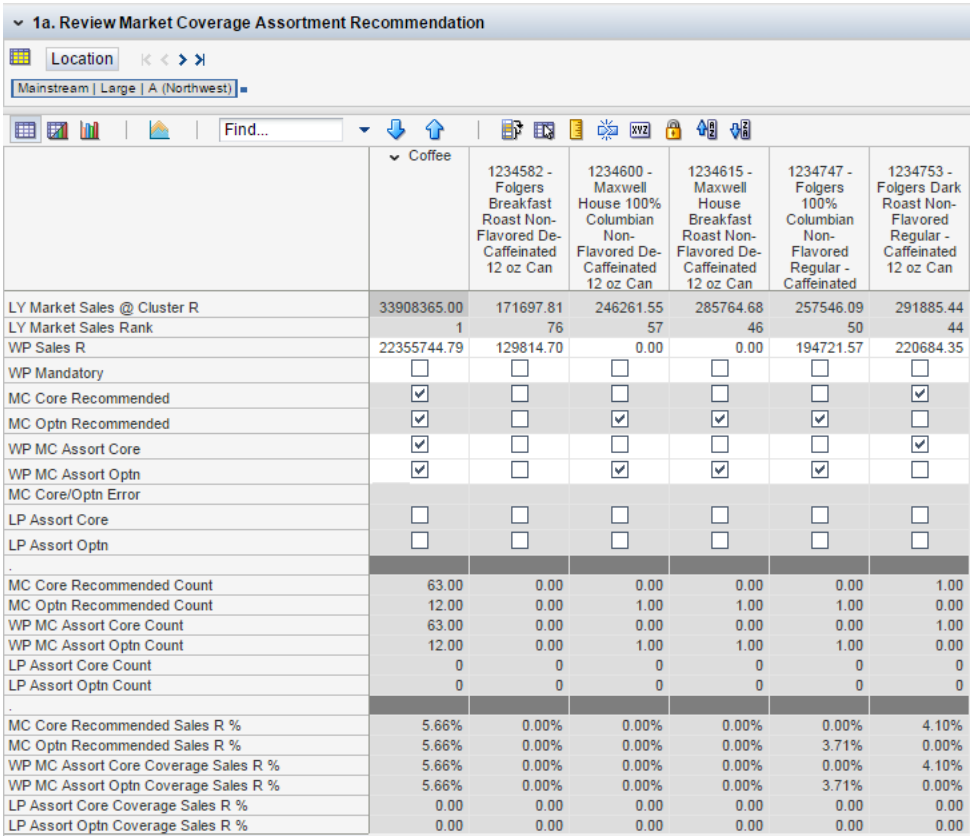
Table 8–30 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
WP MC 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 MC 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.
MC DT K/A/D Input	This field provides an option to the user to choose the reference assortment that 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 MC Assort Sales U	Sales Retail of an item present in the Market Coverage based assortment for a cluster.
WP MC Assort Sales R	Sales Units of an item present in the Market Coverage based assortment for a cluster.
WP MC DT Assort Sales U	Planned Sales Units with Demand Transference impact for the Market Coverage based assortment.
WP MC DT Assort Sales R	Planned Sales Retail with Demand Transference impact for the Market Coverage based assortment.

Table 8–30 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2 Measures

Label	Definition
MC DT No of Significant Substitute SKUs	Refers to the count of SKUs that 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 MC DT Substitutable Demand Sales U	Refers to the replaceable sales units of a SKU, in case it is dropped from a Market Coverage based assortment.
WP MC DT Substitutable Demand Sales R	Refers to the respective replaceable sales retail for substitutable sales dollars for a SKU in a Market Coverage based assortment.
WP MC 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 MC DT Incremental 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 MC DT Incremental 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 MC Assort Gross Profit %	The gross profit percentage value in a system-recommended market coverage assortment towards the working plan assortment.
WP MC Assort Gross Profit R	The gross profit retail value in a system-recommended market coverage assortment towards the working plan assortment.

Figure 8–42 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile View



	Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated	1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can
LY Market Sales @ Cluster R	33908365.00	171697.81	246261.55	285764.68	257546.09	291885.44
LY Market Sales Rank	1	76	57	46	50	44
WP Sales R	22355744.79	129814.70	0.00	0.00	194721.57	220684.35
WP Mandatory	☐	☐	☐	☐	☐	☐
MC Core Recommended	☑	☐	☐	☐	☐	☑
MC Optn Recommended	☑	☐	☑	☑	☑	☐
WP MC Assort Core	☑	☐	☐	☐	☐	☑
WP MC Assort Optn	☑	☐	☑	☑	☑	☐
MC Core/Optn Error						
LP Assort Core	☐	☐	☐	☐	☐	☐
LP Assort Optn	☐	☐	☐	☐	☐	☐
.						
MC Core Recommended Count	63.00	0.00	0.00	0.00	0.00	1.00
MC Optn Recommended Count	12.00	0.00	1.00	1.00	1.00	0.00
WP MC Assort Core Count	63.00	0.00	0.00	0.00	0.00	1.00
WP MC Assort Optn Count	12.00	0.00	1.00	1.00	1.00	0.00
LP Assort Core Count	0	0	0	0	0	0
LP Assort Optn Count	0	0	0	0	0	0
.						
MC Core Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%	4.10%
MC Optn Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%	0.00%
WP MC Assort Core Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%	4.10%
WP MC Assort Optn Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%	0.00%
LP Assort Core Coverage Sales R %	0.00	0.00	0.00	0.00	0.00	0.00
LP Assort Optn Coverage Sales R %	0.00	0.00	0.00	0.00	0.00	0.00

Table 8–31 lists the measures available in this view.

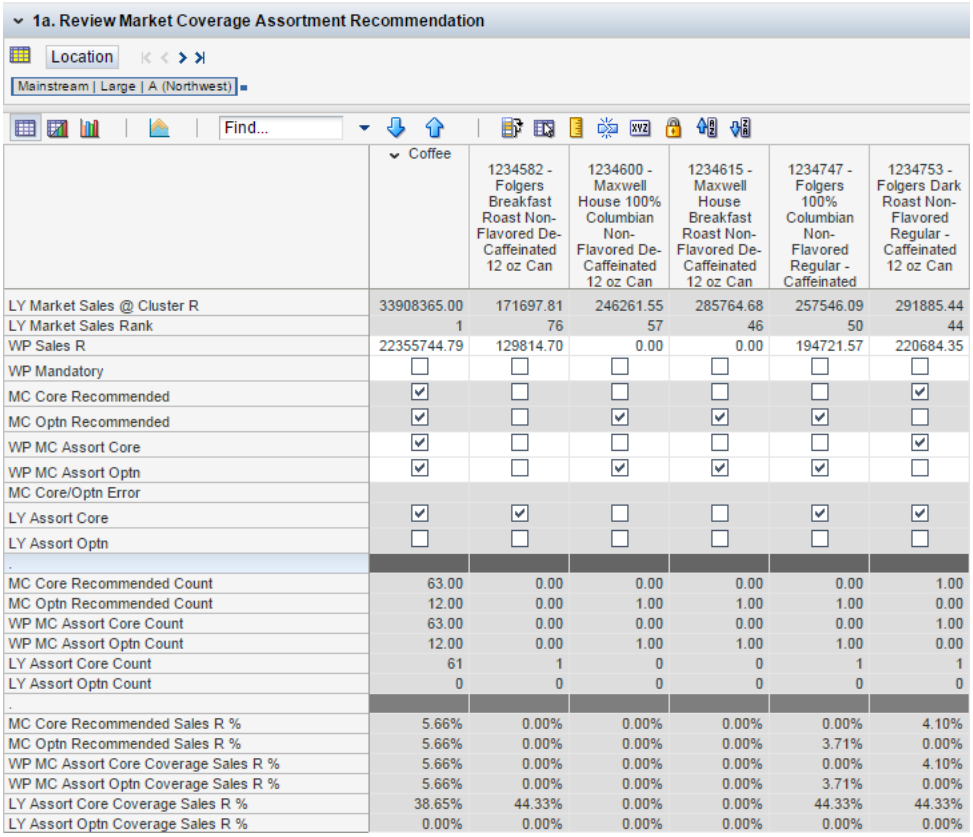
Table 8–31 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile Measures

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	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
MC Core Recommended	A read-only Boolean measure indicating whether an item is an optional item in the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user..
MC Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item in the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.

Table 8–31 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a Market Coverage Assortment.
MC 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 an item is an optional item in last plan's assortment for the cluster.
LP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in last plan's assortment for the cluster.
MC Core Recommended Count	The number of core items in a Market Coverage Assortment per the MC Core Recommended measure.
MC Optn Recommended Count	The number of core items in a Market Coverage Assortment per the MC Optn Recommended measure.
WP MC Assort Core Count	The number of core items in a Market Coverage Assortment per the WP MC Assort Core measure.
WP MC Assort Optn Count	The number of optional items in a Market Coverage Assortment per the WP MC Assort Optn measure.
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.
MC Core Recommended Sales R %	Market Coverage provided by core SKUs in the assortment recommended (Market Coverage Assortment).
MC Optn Recommended Sales R %	Market Coverage provided by optional SKUs in the assortment recommended (Market Coverage Assortment).
WP MC Assort 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 MC Assort 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 8–43 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile View



	Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated	1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can
LY Market Sales @ Cluster R	33908365.00	171697.81	246261.55	285764.68	257546.09	291885.44
LY Market Sales Rank	1	76	57	46	50	44
WP Sales R	22355744.79	129814.70	0.00	0.00	194721.57	220684.35
WP Mandatory	☐	☐	☐	☐	☐	☐
MC Core Recommended	☑	☐	☐	☐	☐	☑
MC Optn Recommended	☑	☐	☑	☑	☑	☐
WP MC Assort Core	☑	☐	☐	☐	☐	☑
WP MC Assort Optn	☑	☐	☑	☑	☑	☐
MC Core/Optn Error						
LY Assort Core	☑	☑	☐	☐	☑	☑
LY Assort Optn	☐	☐	☐	☐	☐	☐
.						
MC Core Recommended Count	63.00	0.00	0.00	0.00	0.00	1.00
MC Optn Recommended Count	12.00	0.00	1.00	1.00	1.00	0.00
WP MC Assort Core Count	63.00	0.00	0.00	0.00	0.00	1.00
WP MC Assort Optn Count	12.00	0.00	1.00	1.00	1.00	0.00
LY Assort Core Count	61	1	0	0	1	1
LY Assort Optn Count	0	0	0	0	0	0
.						
MC Core Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%	4.10%
MC Optn Recommended Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%	0.00%
WP MC Assort Core Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	0.00%	4.10%
WP MC Assort Optn Coverage Sales R %	5.66%	0.00%	0.00%	0.00%	3.71%	0.00%
LY Assort Core Coverage Sales R %	38.65%	44.33%	0.00%	0.00%	44.33%	44.33%
LY Assort Optn Coverage Sales R %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 8–32 lists the measures available in this view.

Table 8–32 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	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
MC Core Recommended	A read-only Boolean measure indicating whether an item is a core item per the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of the Market Coverage thresholds set by the user.
MC Optn Recommended	A read-only Boolean measure indicating whether an item is an optional item per the Market Coverage Assortment for the cluster. This measure is calculated by the system on the basis of Market Coverage thresholds set by the user.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.

Table 8–32 (Cont.) 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a Market Coverage Assortment.
MC 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 an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether an item is an optional item in last year's assortment for the cluster.
MC Core Recommended Count	The number of core items in a Market Coverage Assortment per the MC Core Recommended measure.
MC Optn Recommended Count	The number of core items in a Market Coverage Assortment per the MC Optn Recommended measure.
WP MC Assort Core Count	The number of core items in a Market Coverage Assortment per the WP MC Assort Core measure.
WP MC Assort Optn Count	The number of optional items in a Market Coverage Assortment per the WP MC Assort Optn measure.
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.
MC Core Recommended Sales R %	Market Coverage provided by core SKUs in the recommended assortment (Market Coverage Assortment).
MC Optn Recommended Sales R %	Market Coverage provided by optional SKUs in the recommended assortment (Market Coverage Assortment).
WP MC Assort Core Coverage Sales R %	Market Coverage provided by the core SKUs per the Market Coverage Assortment.
WP MC Assort 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 8–44 1b. Review Market Coverage DT Details View

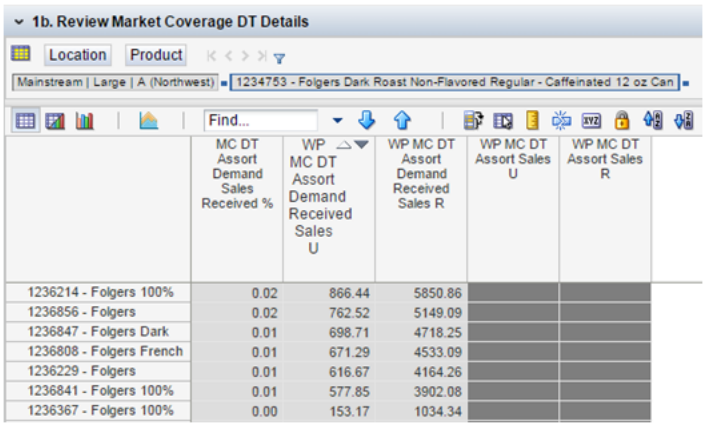


Table 8–33 lists the measures available in this view.

Table 8–33 1b. Review Market Coverage DT Details Measures

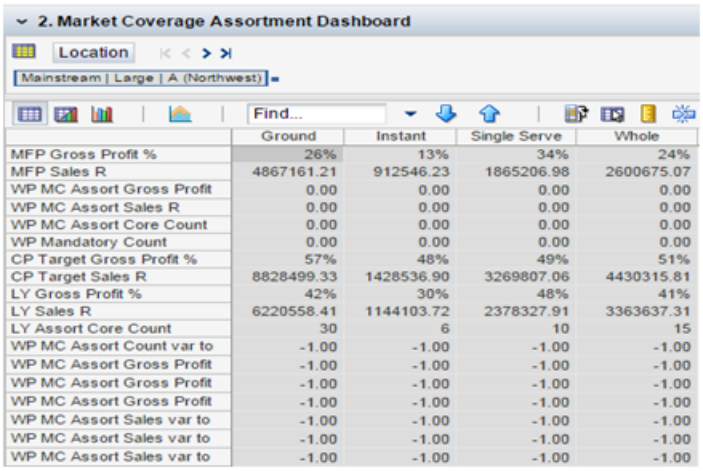
Label	Definition
Market Coverage DT Demand Sales Received %	Refers to a percentage of the total sales units of a SKU getting transferred from it and being received by its respective Substitute SKUs in a Market Coverage based working plan assortment for the cluster. It is expressed as a percentage of total sales of the SKU.
WP MC DT Assort Demand Received Sales U	Sales units that would be transferred to a substitute SKU (shown in the RHS hierarchy) from the SKU dropped (shown in the LHS hierarchy) in a Market Coverage Assortment.
WP MC DT Assort Demand Received Sales R	Sales Retail value that would be transferred to a substitute SKU (shown in the RHS hierarchy) from the SKU dropped (shown in the LHS hierarchy) in a Market Coverage Assortment.
WP MC DT Assort Sales U	The Market Coverage assortment's net sales units after applying demand transference manually or through assortment improvement.
WP MC DT Assort Sales R	The Market Coverage assortment's net sales retail value after applying demand transference manually or through assortment improvement.

2. Market Coverage Assortment Dashboard View

Use this view to review and compare the alignment of the market coverage assortment plan numbers to the set MFP and CP targets at the sub-category level and above:

- Assortment plan numbers consist of measures presenting the Sales Retail, Sales Units, Gross Profit Retail and Gross Profit %.
- Targets consist of MFP Sales R, MFP Sales U, MFP Gross Profit, and MFP Gross Profit %.

Figure 8–45 2. Market Coverage Assortment Dashboard View



	Ground	Instant	Single Serve	Whole
MFP Gross Profit %	26%	13%	34%	24%
MFP Sales R	4867161.21	912546.23	1865206.98	2600675.07
WP MC Assort Gross Profit	0.00	0.00	0.00	0.00
WP MC Assort Sales R	0.00	0.00	0.00	0.00
WP MC Assort Core Count	0.00	0.00	0.00	0.00
WP Mandatory Count	0.00	0.00	0.00	0.00
CP Target Gross Profit %	57%	48%	49%	51%
CP Target Sales R	8828499.33	1428536.90	3269807.06	4430315.81
LY Gross Profit %	42%	30%	48%	41%
LY Sales R	6220558.41	1144103.72	2378327.91	3363637.31
LY Assort Core Count	30	6	10	15
WP MC Assort Count var to	-1.00	-1.00	-1.00	-1.00
WP MC Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
WP MC Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
WP MC Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
WP MC Assort Sales var to	-1.00	-1.00	-1.00	-1.00
WP MC Assort Sales var to	-1.00	-1.00	-1.00	-1.00
WP MC Assort Sales var to	-1.00	-1.00	-1.00	-1.00

Table 8–34 lists the measures available in this view.

Table 8–34 2. Market Coverage Assortment Dashboard View Measures

Label	Description
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit percentage.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
WP MC Assort Gross Profit %	Market Coverage assortment's gross profit percentage.
WP MC Assort Sales R	Market Coverage assortment's sales retail value.
WP MC Assort Core Count	The number of core items in the Market Coverage assortment.
WP Mandatory Count	The number of items marked as mandatory.
CP Target Gross Profit %	Approve Category Plan's Gross Profit percentage.
CP Target Sales R	Approve Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Sales Retail value. Similar measures in other versions include: WP Sales R and CP Sales R.
LY Sales U	Last Year's Sales Units. Similar measures in other versions include: WP Sales U and CP Sales U.
LY Assort Core Count	The number of core items in last year's assortment. Similar measures in other versions include: CP Assort Core Count, WP Assort Core Count and LP Assort Core Count.
WP MC Assort Count var to LY	The variance in assortment count between the Market Coverage assortment and last year assortment.
WP MC Assort Gross Profit var to LY R	The variance in gross profit retail between the Market Coverage assortment and last year assortment. Similar measures available with comparison to other planning measures: WP MC Assort Gross Profit var to CP R, WP MC Assort Gross Profit var to MFP R, and WP MC Assort Gross Profit var to Tgt R.
WP MC Assort Sales var to LY R	The variance in sales retail value between the Market Coverage assortment and last year assortment. Similar measures available with variance to other planning measures: WP MC Assort Sales var to CP R, WP MC Assort Sales var to MFP R, and WP MC Assort Sales var to Tgt R.

Table 8–34 (Cont.) 2. Market Coverage Assortment Dashboard View Measures

Label	Description
WP MC Assort Sales var to LY U	The variance in sales units between the Market Coverage assortment and last year assortment. Similar measures available with variance to other planning measures: WP MC Assort Sales var to CP U, WP MC Assort Sales var to MFP U, and WP MC Assort Sales var to Tgt U.
WP MC DT Assort Sales var to LY U	The variance between the Market Coverage assortment's demand transference affected sales units and last year assortment's sales retail value. Similar measures available with variation to other plan measures: : WP MC DT Assort Sales var to CP U, WP MC DT Assort Sales var to MFP U, and WP MC DT Assort Sales var to Tgt U.
WP MC DT Assort Sales var to LY R	The variance between the Market Coverage assortment's demand transference affected sales retail value and last year assortment's sales retail value. Similar measures available with variation to other plan measures: WP MC DT Assort Sales var to CP R, WP MC DT Assort Sales var to MFP R, and WP MC DT Assort Sales var to Tgt R.
WP MC DT Assort Gross Profit var to LY R	The variance between the Market Coverage assortment's demand transference affected gross profit retail value and last year assortment's gross profit retail value. Similar measures available with variation to other plan measures: WP MC DT Assort Gross Profit var to CP R, WP MC DT Assort Gross Profit var to MFP R, and WP MC DT Assort Gross Profit var to Tgt R.
WP MC DT Assort Private Label Sales var to LY U	The variance between the private label item's demand transference affected sales units in the Market Coverage assortment and last year assortment. Similar measures available with variance to other planning measures: WP MC Assort Private Label Sales var to CP U and WP MC Assort Private Label Sales var to Tgt U.
WP MC DT Assort Private Label Sales var to LY R	The variance between the private label item's demand transference affected sales retail values in the Market Coverage assortment and last year assortment. Similar measures available with variance to other planning measures: WP MC Assort Private Label Sales var to CP R and WP MC Assort Private Label Sales var to Tgt R.
WP MC DT Assort Private Label Gross Profit var to LY R	The variance between the private label item's demand transference affected gross profit retail values in the Market Coverage assortment and last year assortment. Similar measures available with variance to other planning measures: WP MC Assort Private Label Gross Profit var to CP R and WP MC Assort Private Label Gross Profit var to Tgt R.

Market Coverage Ordered Incremental Curve Tab

This tab has one view.

View MC Ordered Incremental Curve View

Use this view to ascertain an optimal assortment range through incremental curve based on market coverage ranking. An incremental curve is generated in this view by running the Calc MC Incremental Curve custom menu.

Incremental curves are used to gauge the correctness of the assortment range by looking at the substitutable and non-substitutable sales of items in an assortment. Incremental sales represent the unique or non-substitutable sales for any item in a given assortment. Incremental curve provides a visibility to the point where the

cumulative incremental sales for the assortment flatten out and there is an overlap of sales between the SKUs (also referred to as cannibalization of sales). In effect, there is no significant increase to the assortment's sales with addition of new items. This helps the assortment planner to decide the quantum of substitutable sales that must be planned in case a few SKUs are out of stock. In effect, it facilitates the derivation of an optimal assortment range by providing a visibility to the point at which cumulative incremental sales of an assortment plateau.

Custom Menu

The Calc MC Incremental Curve custom menu is used to generate an incremental curve based on the market rank ordering for a market coverage assortment, so as to derive an optimal assortment range.

Figure 8–46 View MC Ordered Incremental Curve View

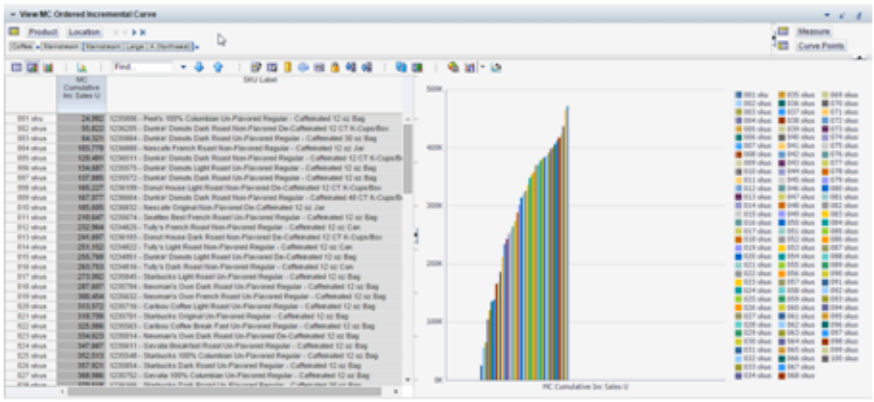


Table 8–35 lists the measures available in this view.

Table 8–35 View MC Ordered Incremental Curve View Measures

Label	Description
MC Cumulative Inc Sales U	The cumulative sum of incremental sales units when the incremental curve is calculated using Market Coverage ranking.
SKU Label	Item's label.

Finalize Assortment for Space Optimization Step

Use this step to finalize the assortment for space optimization. In this step, assortments are exported to ASO for space optimization. Space optimization aligns the assortment plans to the available space at the stores.

This step has the following tabs and views:

- Review Final Assortment Recommendation Tab:
  - 1a. Review Final Assortment Recommendation View
  - 1b. Review DT Details View
  - 2. Final Assortment Dashboard View
  - 3. Review Assortment Wedge View
- Assortment Quantification Summary Tab:
  - Assortment Quantification Summary View

- Export to ASO Tab:

  1. Role Model & Assort Label View

  2. Export to ASO View

Custom Menu Options

The following custom menu options are available:

- Seed Assortment

  This custom menu option is used to seed the core and optional items in the final assortment for space optimization at the sub-category or category level. The assortment can be seeded by the IPI Assortment, Market Coverage Assortment, Last Year (LY), Last Plan (LP), or Current Plan (CP) Assortment. Select the seeding options from a drop-down selection in the WP Seed Final Core/Optn measure before running this custom menu option.

- Apply DT to Final Assortment

  This custom menu option is used to apply demand transference to the final assortment. Assortment changes can accomplished by marking or un-marking the core and optional item flags. Before running this custom menu option, the user needs to select a reference assortment that the system uses to calculate the Keep/Add/Drop decisions. This reference assortment is selected in the DT Assort K/A/D measure that has two options in the list, WP/LY and WP/CP assortments.

- Export to ASO @ Cluster

  This custom menu is used to export assortment plan details and category plan data to ASO for space optimization at the cluster level.

- Export Updated Plans to ASO

  This custom menu is used to export modified or updated assortment plan numbers to ASO for an already exported assortment plan and the corresponding category plan data.

- Cancel ASO Export

  This custom menu can only be used to cancel exports to ASO, if the data previously exported has not been consumed by ASO from the HSA RDM due to interface issues or the assortment being in the queue for consumption. This custom menu only deletes the exported data from the RDM.

Review Final Assortment Recommendation Tab

This tab has four 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 can be used to populate the final assortment for space optimization with an IPI or market coverage 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 or market coverage through seeding options or manually use a mix of the two types of recommendations.

Figure 8–47 1a. Review Final Assortment Recommendation WP/CP Measure Profile View

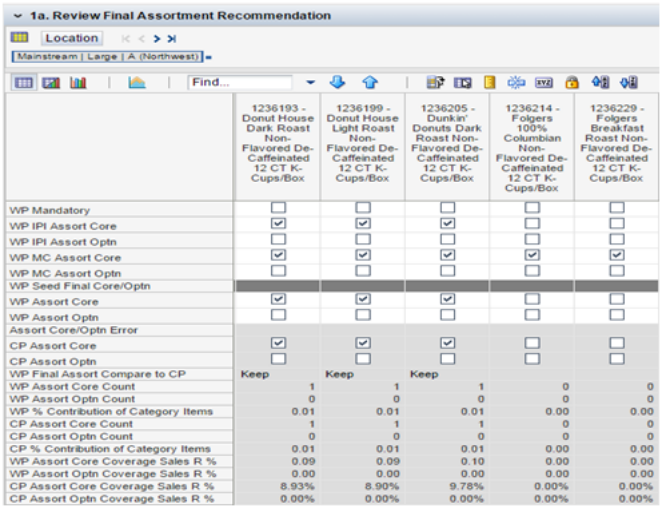


Table 8–36 lists the measures available in this view.

Table 8–36 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures

Label	Definition
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an assortment.
WP IPI Assort Optn	An editable Boolean measure indicating whether an item is an optional item in the IPI Assortment. It can be used to modify optional items.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a 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 option. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether 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.

Table 8–36 (Cont.) 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures

Label	Definition
CP Assort Core	A Boolean flag measure indicating whether an item is a core item in the current plan's assortment for the cluster.
CP Assort Optn	A Boolean flag measure indicating whether 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 8–48 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

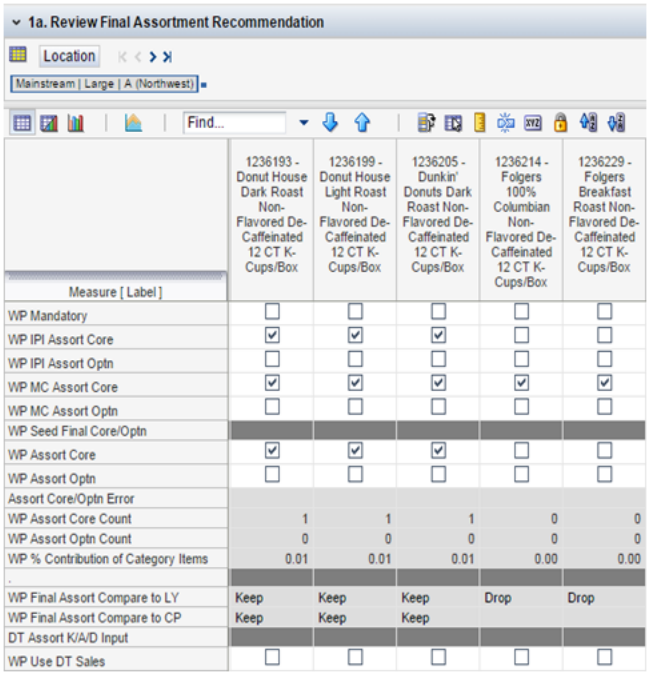


Table 8–37 lists the measures available in this view.

Table 8–37 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an IPI assortment.
WP IPI Assort Optn	An editable Boolean measure indicating whether an item is an optional item in the IPI Assortment. It can be used to modify optional items in IPI assortment.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Core Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a 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 option. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the cluster.

Table 8–37 (Cont.) 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures

Label	Definition
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). This measure can be used by checking it and clicking calc button to populate WP Assort Sales with DT Sales.

Figure 8–49 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2

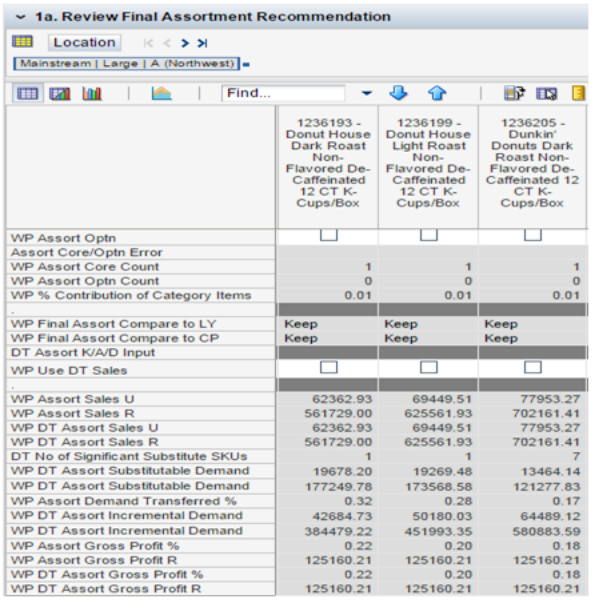


Table 8–38 lists the measures available in this view.

Table 8–38 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 that 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 that 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 that represents replaceable sales retail (substitutable sales retail) of an item/assortment in the working plan assortment for the cluster.
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 Assort Incremental Demand Sales U	The sales component of total sales units that 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 Assort Incremental Demand Sales R	The sales component of total sales retail that 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 8–50 1a. Review Final Assortment Recommendation WP/LP Measure Profile View

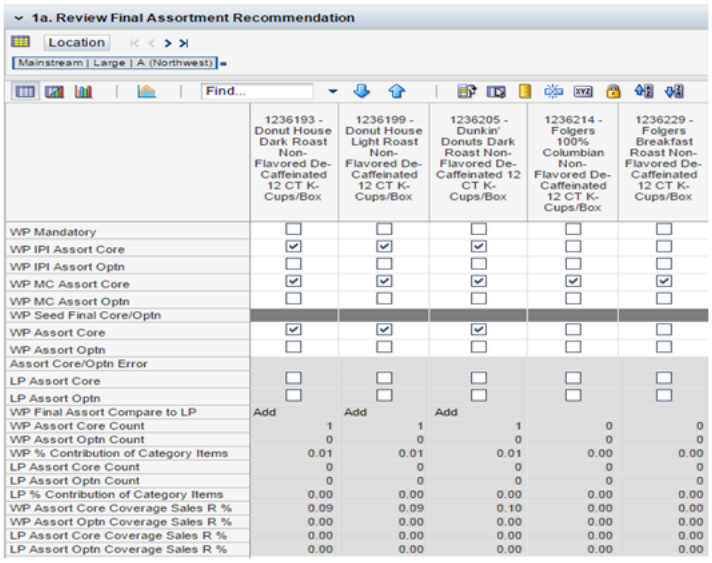


Table 8–39 lists the measures available in this view.

Table 8–39 1a. Review Final Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an IPI assortment.
WP IPI Assort Optn	An editable Boolean measure indicating whether an item is an optional item in the IPI Assortment. It can be used to modify optional items in an IPI assortment.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a 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 option. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether 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 an item is an optional item in last plan's assortment for the cluster.

Table 8–39 (Cont.) 1a. Review Final Assortment Recommendation WP/LP Measure Profile Measures

Label	Definition
LP Assort Optn	A Boolean flag measure indicating whether 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.
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 8–51 1a. Review Final Assortment Recommendation WP/LY Measure Profile View

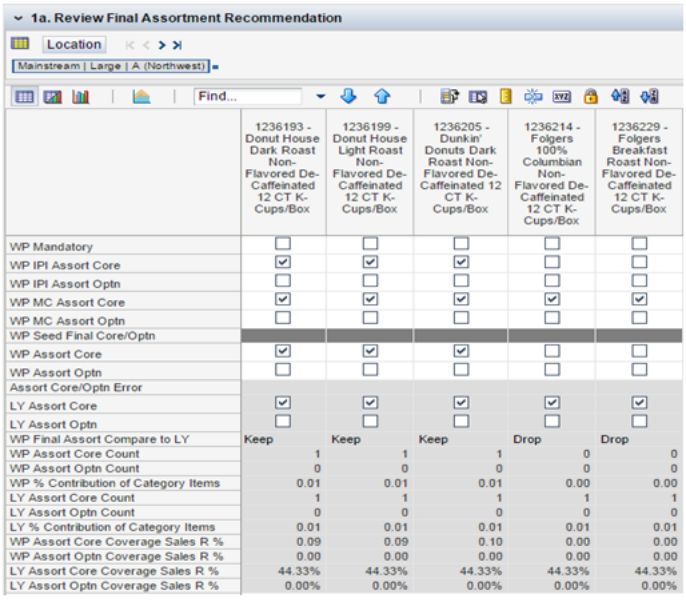


Table 8–40 lists the measures available in this view.

Table 8–40 1a. Review Final Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP IPI Assort Core	An editable Boolean measure indicating whether an item is a core item in the IPI Assortment. It can be used to change the core items in an IPI assortment
WP IPI Assort Optn	An editable Boolean measure indicating whether an item is an optional item in the IPI Assortment. It can be used to modify optional items in IPI assortment.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a 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 option. This measure is available at the sub-category level and above.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster.
WP Assort Optn	A Boolean flag measure indicating whether 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 an item is a core item in last year's assortment for the cluster.
LY Assort Optn	A Boolean flag measure indicating whether 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.
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.

Table 8–40 (Cont.) 1a. Review Final Assortment Recommendation WP/LY Measure Profile Measures

Label	Definition
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 8–52 1b. Review DT Details View

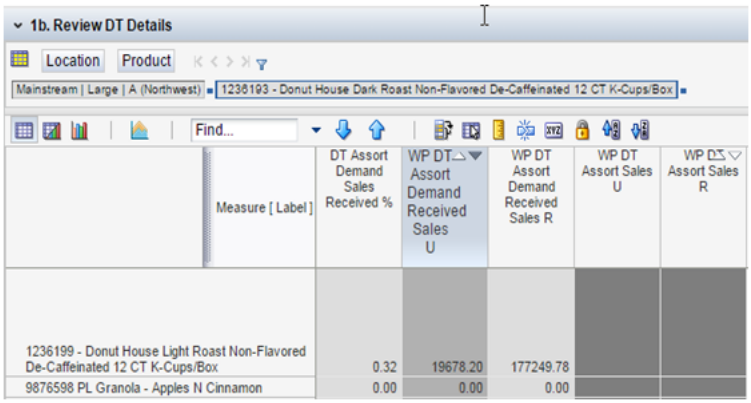


Table 8–41 lists the measures available in this view.

Table 8–41 1b Review DT Details Measures

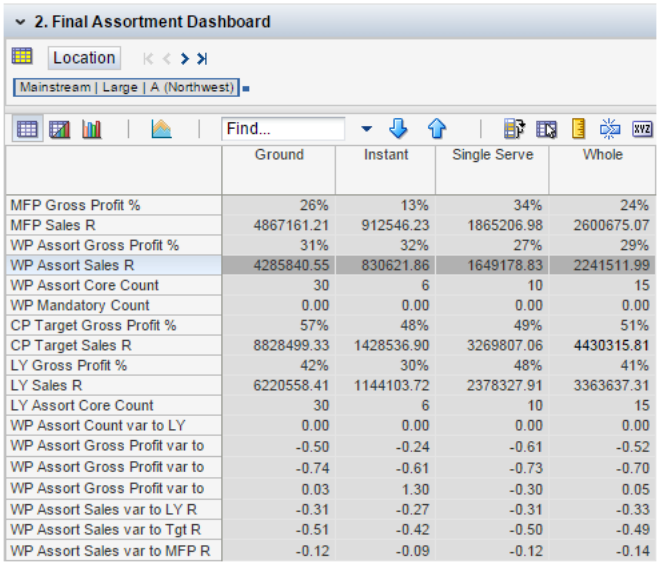
Label	Definition
DT Demand Sales Received %	Refers to a percentage of total sales units of a SKU, getting transferred from it and being received by its respective Substitute SKUs in an IC-based assortment. It is expressed as a percentage of total sales of the SKUs.
WP DT Demand Received Sales U	Sales units that would be transferred to the (RHS) SKU from the SKU if it were to be dropped from the assortment. Substitute SKUs are presented in the RHS product hierarchy.
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. Substitute SKUs are presented in the RHS product hierarchy.
WP DT Assort Sales U	The demand transference affected sales units of a SKU, which is used as a reference in calculating the demand received sales figures for its substitute SKUs in a store assortment. Substitute SKUs are presented in the RHS product hierarchy.
WP DT Assort Sales R	The demand transference affected sales retail value of a SKU, which is used as a reference in calculating the demand received sales figures for its substitute SKUs in a store assortment.

2. Final Assortment Dashboard View

Use this view to review and compare the alignment of final assortment plan numbers to the set targets in the form of MFP and CP targets at the sub-category level and above:

- Assortment plan numbers consist of measures presenting the Sales Retail, Sales Units, Gross Profit Retail, and Gross Profit %.
- Targets consist of MFP Sales R, MFP Sales U, MFP Gross Profit, and MFP Gross Profit %.

Figure 8–53 2. Final Assortment Dashboard View



	Ground	Instant	Single Serve	Whole
MFP Gross Profit %	26%	13%	34%	24%
MFP Sales R	4867161.21	912546.23	1865206.98	2600675.07
WP Assort Gross Profit %	31%	32%	27%	29%
WP Assort Sales R	4285840.55	830621.86	1649178.83	2241511.99
WP Assort Core Count	30	6	10	15
WP Mandatory Count	0.00	0.00	0.00	0.00
CP Target Gross Profit %	57%	48%	49%	51%
CP Target Sales R	8828499.33	1428536.90	3269807.06	4430315.81
LY Gross Profit %	42%	30%	48%	41%
LY Sales R	6220558.41	1144103.72	2378327.91	3363637.31
LY Assort Core Count	30	6	10	15
WP Assort Count var to LY	0.00	0.00	0.00	0.00
WP Assort Gross Profit var to	-0.50	-0.24	-0.61	-0.52
WP Assort Gross Profit var to	-0.74	-0.61	-0.73	-0.70
WP Assort Gross Profit var to	0.03	1.30	-0.30	0.05
WP Assort Sales var to LY R	-0.31	-0.27	-0.31	-0.33
WP Assort Sales var to Tgt R	-0.51	-0.42	-0.50	-0.49
WP Assort Sales var to MFP R	-0.12	-0.09	-0.12	-0.14

Table 8–42 lists the measures available in this view.

Table 8–42 2. Final Assortment Dashboard View Measures

Label	Description
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit percentage.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
WP Assort Gross Profit %	Working plan assortment's gross profit percentage.
WP Assort Sales R	Working plan assortment's sales retail value.
WP Assort Core Count	The number of core items in the working plan assortment.
WP Mandatory Count	The number of items marked as mandatory.
CP Target Gross Profit %	Approved Category Plan's Gross Profit percentage.
CP Target Sales R	Approved Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Sales Retail value. Similar measures in other versions include: WP Sales R and CP Sales R.
LY Sales U	Last Year's Sales Units. Similar measures in other versions include: WP Sales U and CP Sales U.

Table 8–42 (Cont.) 2. Final Assortment Dashboard View Measures

Label	Description
LY Assort Core Count	The number of core items in last year's assortment. Similar measures in other versions include: CP Assort Core Count, WP Assort Core Count, and LP Assort Core Count.
WP Assort Gross Profit var to LY R	The variance in gross profit retail between the working plan assortment and last year assortment. Similar measures available with comparison to other planning measures: WP Assort Gross Profit var to CP R, WP Assort Gross Profit var to MFP R, and WP Assort Gross Profit var to Tgt R.
WP Assort Sales var to LY R	The variance in sales retail value between the working plan assortment and last year assortment. Similar measures available with variance to other planning measures: WP Assort Sales var to CP R, WP Assort Sales var to MFP R, and WP Assort Sales var to Tgt R.
WP Assort Sales var to LY U	The variance in sales units between the working plan assortment and last year assortment. Similar measures available with variance to other planning measures: WP Assort Sales var to CP U, WP Assort Sales var to MFP U, and WP Assort Sales var to Tgt U.
WP DT Assort Sales var to LY U	The variance between the working plan assortment's demand transference affected sales units and last year assortment's sales units. Similar measures available with variation to other plan measures: WP DT Assort Sales var to CP U, WP DT Assort Sales var to MFP U, and WP DT Assort Sales var to Tgt U.
WP DT Assort Sales var to LY R	The variance between the working plan assortment's demand transference affected sales retail value and last year assortment's sales retail value. Similar measures available with variation to other plan measures: WP DT Assort Sales var to CP R, WP DT Assort Sales var to MFP R, and WP DT Assort Sales var to Tgt R.
WP DT Assort Gross Profit var to LY R	The variance between the IPI assortment's demand transference affected sales retail value and last year assortment's sales retail value. Similar measures available with variation to other plan measures: WP IPI DT Assort Gross Profit var to CP R, WP IPI DT Assort Gross Profit var to MFP R, and WP IPI DT Assort Gross Profit var to Tgt R.

3. Review Assortment Wedge View

Use this view to review and compare the assortments across different clusters under a trading area. It facilitates quick viewing and comparison of the product mix of assortments across various clusters.

Figure 8–54 3. Review Assortment Wedge View

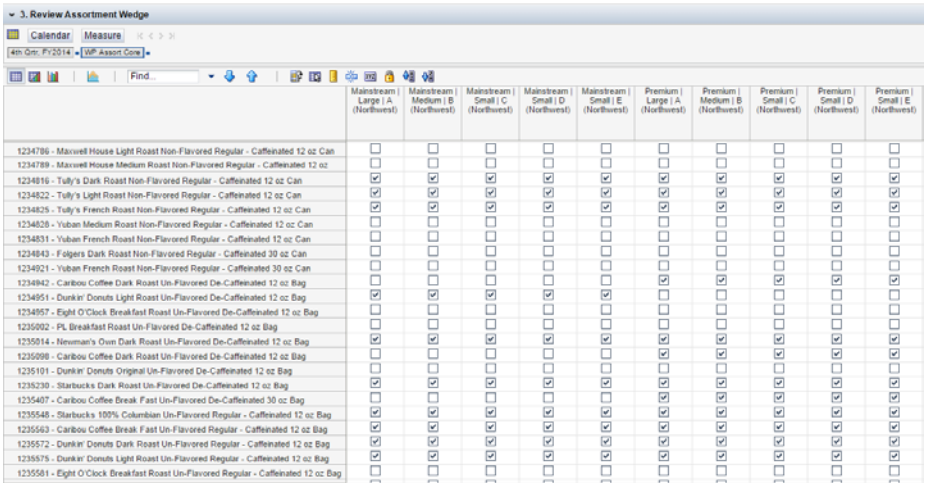


Table 8–43 lists the measures available in this view.

Table 8–43 3. Review Assortment Wedge View Measures

Label	Description
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster. Similar measures in other versions include: CP Assort Core, LY Assort Core, and LP Assort Core.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in the working plan assortment for the cluster. Similar measures in other versions include: CP Mandatory, LP Mandatory, and LY Mandatory.
WP Assort Carried	A Boolean flag measure indicating if an item is part of the working plan assortment. Similar measures in other versions include: CP Assort Carried, LP Assort Carried, and LY Assort Carried.
WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan assortment or the cluster. Similar measures in other version include: CP Assort Optn, LY Assort Optn, and LP Assort Optn.
WP IPI Assort Core	A Boolean flag measure indicating whether an item is a core item in the IPI assortment for the cluster. Similar measures in other versions include: CP IPI Assort Core, LY IPI Assort Core, and LP IPI Assort Core.
WP IPI Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the IPI assortment for the cluster. Similar measures in other versions include: CP IPI Assort Optn, LY IPI Assort Optn, and LP IPI Assort Optn.
WP MC Assort Core	An editable Boolean flag measure used to indicate whether an item is a core item or not as per a Market Coverage Assortment. Similar measures in other versions include: CP MC Assort Core, LY MC Assort Core, and LP MC Assort Core.
WP MC Assort Optn	An editable Boolean flag measure used to indicate whether an item is an optional item or not as per a Market Coverage Assortment. Similar measures in other versions include: CP MC Assort Optn, LY MC Assort Optn, and LP MC Assort Optn.

Table 8–43 (Cont.) 3. Review Assortment Wedge View Measures

Label	Description
WP Assort Sales R	The working plan assortment's sales retail value. Similar measures in other version include: CP Assort Sales R and LY Assort Sales R.
WP Assort Sales U	The working plan assortment's sales units. Similar measures in other version include: CP Assort Sales U and LY Assort Sales U.
WP Avg Inv R	The working plan assortment's average inventory retail value.
WP DT Assort Sales R	The working plan assortment's demand transference affected sales retail value.
WP DT Assort Sales U	The working plan assortment's demand transference affected sales units.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
MFP Sales U	Merchandise Financial Plan's Sales Units.
CP Target Sales R	Approved Category Plan's target sales retail value.
CP Target Sales U	Approved Category Plan's target sales units.
WP AS Combined Assort Sales R	The combined sales retail value in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions include: LY AS Combined Assort Sales R and CP AS Combined Assort Sales R.
WP AS Combined Assort Sales U	The combined sales units in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions include: LY AS Combined Assort Sales U and CP AS Combined Assort Sales U.

Assortment Quantification Summary Tab

This tab has one view.

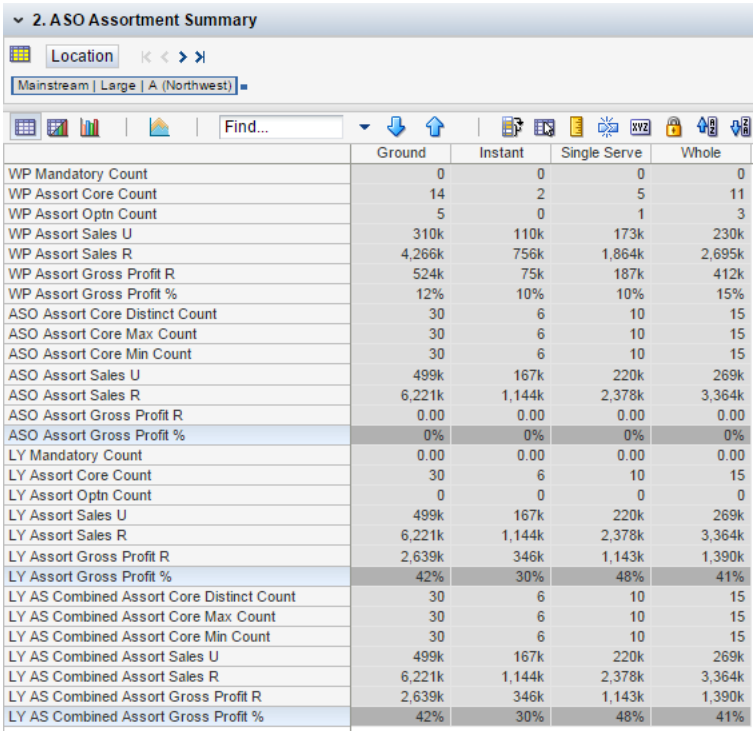
Assortment Quantification Summary View

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 three measure profiles:

- WP/CP
- WP/LY
- WP/Tgt

Figure 8–55 Assortment Quantification Summary WP/CP Measure Profile View



	Ground	Instant	Single Serve	Whole
WP Mandatory Count	0	0	0	0
WP Assort Core Count	14	2	5	11
WP Assort Optn Count	5	0	1	3
WP Assort Sales U	310k	110k	173k	230k
WP Assort Sales R	4,266k	756k	1,864k	2,695k
WP Assort Gross Profit R	524k	75k	187k	412k
WP Assort Gross Profit %	12%	10%	10%	15%
ASO Assort Core Distinct Count	30	6	10	15
ASO Assort Core Max Count	30	6	10	15
ASO Assort Core Min Count	30	6	10	15
ASO Assort Sales U	499k	167k	220k	269k
ASO Assort Sales R	6,221k	1,144k	2,378k	3,364k
ASO Assort Gross Profit R	0.00	0.00	0.00	0.00
ASO Assort Gross Profit %	0%	0%	0%	0%
LY Mandatory Count	0.00	0.00	0.00	0.00
LY Assort Core Count	30	6	10	15
LY Assort Optn Count	0	0	0	0
LY Assort Sales U	499k	167k	220k	269k
LY Assort Sales R	6,221k	1,144k	2,378k	3,364k
LY Assort Gross Profit R	2,639k	346k	1,143k	1,390k
LY Assort Gross Profit %	42%	30%	48%	41%
LY AS Combined Assort Core Distinct Count	30	6	10	15
LY AS Combined Assort Core Max Count	30	6	10	15
LY AS Combined Assort Core Min Count	30	6	10	15
LY AS Combined Assort Sales U	499k	167k	220k	269k
LY AS Combined Assort Sales R	6,221k	1,144k	2,378k	3,364k
LY AS Combined Assort Gross Profit R	2,639k	346k	1,143k	1,390k
LY AS Combined Assort Gross Profit %	42%	30%	48%	41%

Table 8–44 lists the measures available in this view.

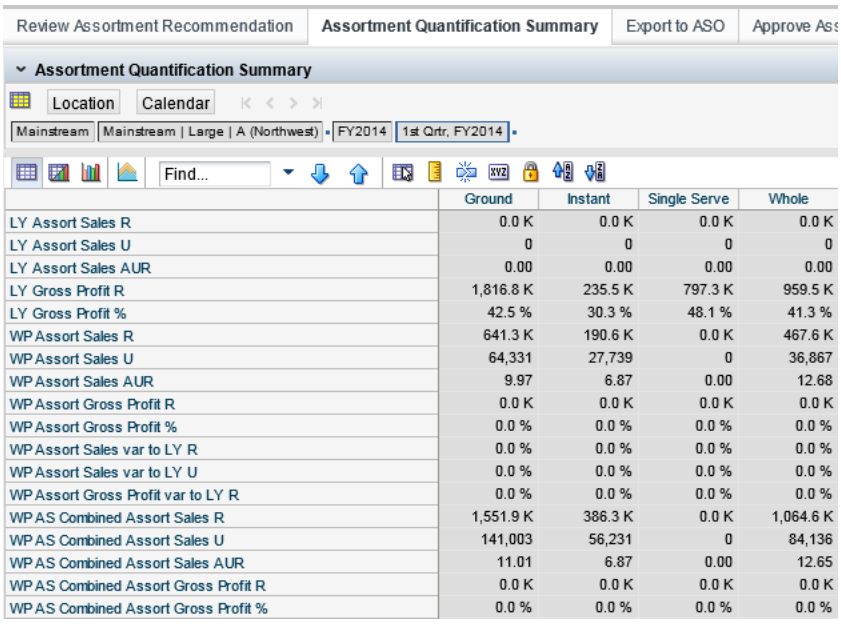
Table 8–44 Assortment Quantification Summary WP/CP Measure Profile Measures

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.

Table 8–44 (Cont.) Assortment Quantification Summary WP/CP Measure Profile

Label	Definition
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 8–56 Assortment Quantification Summary WP/LY Measure Profile View



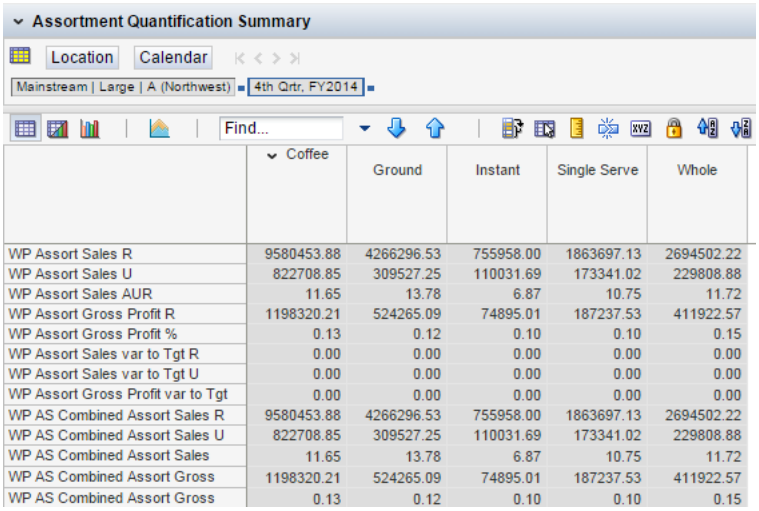
	Ground	Instant	Single Serve	Whole
LY Assort Sales R	0.0 K	0.0 K	0.0 K	0.0 K
LY Assort Sales U	0	0	0	0
LY Assort Sales AUR	0.00	0.00	0.00	0.00
LY Gross Profit R	1,816.8 K	235.5 K	797.3 K	959.5 K
LY Gross Profit %	42.5 %	30.3 %	48.1 %	41.3 %
WP Assort Sales R	641.3 K	190.6 K	0.0 K	467.6 K
WP Assort Sales 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 8–45 lists the measures available in this view.

Table 8–45 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.
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 8–57 Assortment Quantification Summary WP/Tgt Measure Profile View



	Coffee	Ground	Instant	Single Serve	Whole
WP Assort Sales R	9580453.88	4266296.53	755958.00	1863697.13	2694502.22
WP Assort Sales U	822708.85	309527.25	110031.69	173341.02	229808.88
WP Assort Sales AUR	11.65	13.78	6.87	10.75	11.72
WP Assort Gross Profit R	1198320.21	524265.09	74895.01	187237.53	411922.57
WP Assort Gross Profit %	0.13	0.12	0.10	0.10	0.15
WP Assort Sales var to Tgt R	0.00	0.00	0.00	0.00	0.00
WP Assort Sales var to Tgt U	0.00	0.00	0.00	0.00	0.00
WP Assort Gross Profit var to Tgt	0.00	0.00	0.00	0.00	0.00
WP AS Combined Assort Sales R	9580453.88	4266296.53	755958.00	1863697.13	2694502.22
WP AS Combined Assort Sales U	822708.85	309527.25	110031.69	173341.02	229808.88
WP AS Combined Assort Sales	11.65	13.78	6.87	10.75	11.72
WP AS Combined Assort Gross	1198320.21	524265.09	74895.01	187237.53	411922.57
WP AS Combined Assort Gross	0.13	0.12	0.10	0.10	0.15

Table 8–46 lists the measures available in this view.

Table 8–46 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.
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.

Table 8–46 (Cont.) Assortment Quantification Summary WP/Tgt Measure Profile

Label	Definition
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 tab has two views to fulfill the requirements of exporting assortment plan and category plan data to the ASO solution.

> **Note:** Before exporting to ASO, make sure that the store level assortment plan has been explicitly committed to RPAS DB.

Exported assortment plans are optimized in ASO based on the available space and recommendations are sent back to RCM.

RPAS-based Hybrid Storage Architecture (HSA) is used to provide a near real-time round-trip integration between RCM and ASO. The Oracle Database schema, RPAS Data Mart (RDM), is used to store data being exchanged between RCM and ASO.

Note, if there is an active export existing for a category, new exports cannot be made to ASO.

The import from ASO into RCM is accomplished in the next step, Import and Review ASO Results.

1. Role Model & Assort Label View

Use this view to select the category role assignment model for categories that must be exported to ASO at the cluster level.

Figure 8–58 1. Role Model & Assort Label View

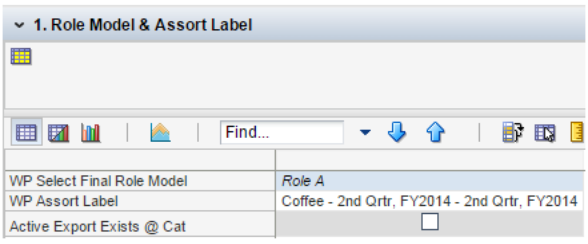


Table 8–47 lists the measures available in this view.

Table 8–47 1. Role Model & Assort Label Measures

Label	Definition
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 role assignment to categories, Model A and Model B.
WP Assort Label	The system-generated label (based on category and quarters) displayed for a working plan assortment being exported for assortment space optimization. This assortment label can also be user-defined.
Active Export Exists @Cat	This read-only Boolean measure indicates if there are any active exports present for the category, where the ASO results are expected back. ASO can accept only one export for a category at a time. If this Boolean measure is checked, the system will not allow an export from RCM to ASO.

2. Export to ASO View

Use this view to select the clusters for which assortment plan and category plan data (in the form of roles, strategies and tactics) must be exported to ASO for space optimization. Check the WP Export to ASO flag measure for the clusters and run the Export to ASO @Cluster custom menu.

Figure 8–59 2. Export to ASO View

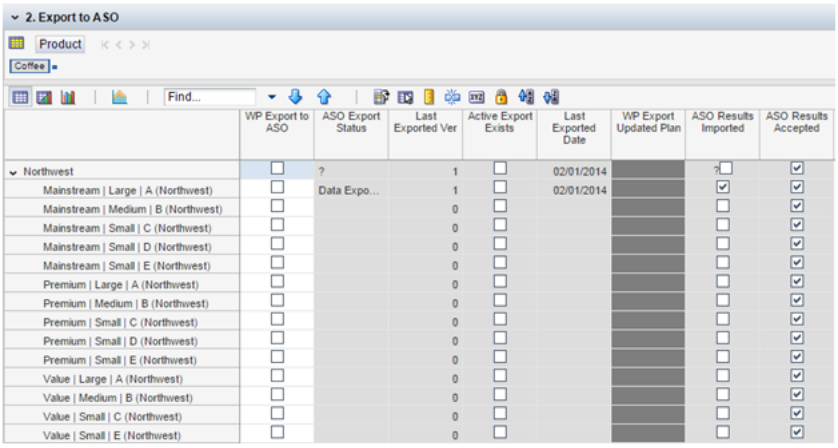


Table 8–48 lists the measures available in this view.

Table 8–48 2. Export to ASO Measures

Label	Definition
WP Export to ASO	A Boolean flag measure, at the cluster level, which needs to be checked before running the Export to ASO @Cluster custom menu.
ASO Export Status	This read-only measure is used to display the status of exports to ASO.

Table 8–48 (Cont.) 2. Export to ASO Measures

Label	Definition
Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization.
Active Exports Exists	This system-generated Boolean flag measure is used to identify the presence of any active exports for assortment space optimization for a product category, clusters under trading areas, and quarters for which the optimization results are yet to be imported.
Last Exported Date	The date on which an assortment plan was exported for assortment space optimization for the given trading areas, quarters, and product category.
WP Export Updated Plan	This Boolean flag measure is used to export updated or changed assortment plan numbers for an already exported assortment plan for space optimization at the category level. The Export Updated Plans to ASO custom menu is used to do the export after checking this flag measure.
ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific cluster and product category at least once. This measure remains checked if the imports have happened at least once.
ASO Results Accepted	This system-generated Boolean flag measure is used to indicate if the assortment space optimization results have been accepted at least once for a cluster and product category.

Custom Menus

Export to ASO @Cluster: This custom menu is used to export assortment plan details and category plan data to ASO for space optimization at the cluster level.

Export Updated Plans to ASO: This custom menu is used to export updated assortment plan numbers to ASO for an already exported assortment plan and corresponding category plan data.

Cancel ASO Export: This custom menu can only be used to cancel exports to ASO, if the data previously exported has not been consumed by ASO from the HSA RDM due to interface issues or the assortment being in the queue for consumption. This custom menu only deletes the exported data from the RDM.

Import and Review ASO Results Step

The process of space optimization of an assortment at the cluster level, through integration with ASO, consists of the following actions:

1. Export the cluster level assortment with a space optimization request.
2. Import the ASO results after the assortment's space optimization in ASO.
3. Review and compare the ASO results with the exported assortment as well as other versions of the assortment such as LY, CP, and LP.
4. Accept the ASO results and review the space-optimized assortment.

5. Formalize the placeholder items in the assortment.
6. Approve and finalize the space-optimized assortment for implementations.

Use this step to review and import ASO results, location-wise or space-wise, and compare them against the exported assortment plan and other versions of the assortment plan.

The previously exported assortment plan is space optimized in ASO and then the ASO recommended assortment, assortment plan, and space productivity information are exported back to RCM. This is a near real-time process, as the interface batch scripts are scheduled to run on a fixed interval of time. Once the exports are available from ASO, a custom menu is run to import the available ASO results from RDM into RCM workbooks.

Space productivity information is comprised of parameters, such as average service levels, stock cover in number of days, allocated space (number of facings, facings length), and so on.

Prior to starting this step:

- The assortment plan must be exported to ASO with a space optimization request.
- Space optimization for the exported assortment plan must be complete in ASO and the ASO results must be exported back to RCM.

After completing this step:

If ASO results are meeting the expectations, that is, they are in line with overall business plan objectives and targets, then proceed to the next step, Accept and Approve ASO Results.

This step has the following tabs and views:

- Import and Review ASO Results Tab:
  1. Import ASO Results View
  2. ASO Assortment Summary View
  3. ASO Assortment Details and Space Productivity View
- Import and Review ASO Results Tab:
  1. ASO Assortment by Location View
  2. ASO Assortment by Space View

Custom Menu Option

This step has one custom menu option.

Import ASO Results

This custom menu is used to import ASO results consisting of recommended assortment, assortment plan, and space productivity information.

Import and Review ASO Results Tab

This tab has three views.

1. Import ASO Results View

Use this view to import assortment space optimization results from ASO. Check the WP ASO Import flag measure at the all [Location] level and run the Import ASO Results custom menu. This will import all the available and relevant space optimization results from ASO stored in RPAS Data Mart (RDM). Relevant optimization results here refer to ASO results for the last export made to ASO from the respective workbook. The WP ASO Import flag measure is reset once the imports are completed successfully and the corresponding positions for the ASO Import Status flag measure are updated.

Figure 8–60 1. Import ASO Results View

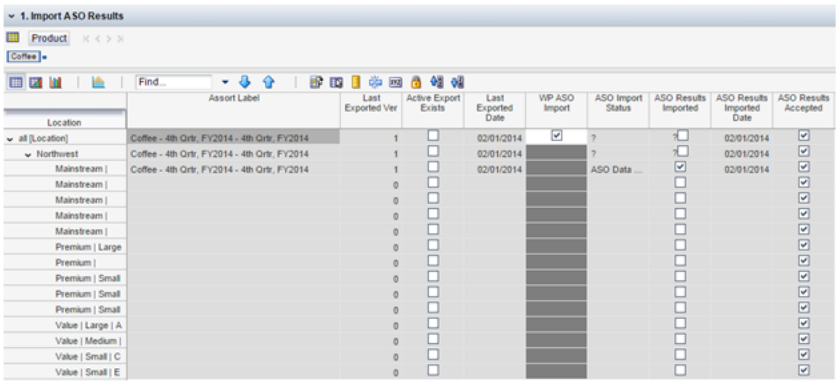


Table 8–49 lists the measures available in this view.

Table 8–49 1. Import ASO Results View Measures

Label	Description
Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization. It can be changed to a custom, user-entered assortment label.
Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas and quarters. Assortment Set Version is a sequential system generated number, representing the number of exports against a specific assortment set. Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization.
Active Export Exists	This system-generated Boolean flag measure is used to identify the presence of any active exports for assortment space optimization for a product category, clusters under trading areas, or quarters for which the optimization results are yet to be imported. This measure is reset to False once the ASO results are successfully imported.
Last Exported Date	The date on which an assortment plan was exported for assortment space optimization for the given trading areas, quarters, and product category.

Table 8–49 (Cont.) 1. Import ASO Results View Measures

Label	Description
WP ASO Import	This user-entered Boolean/flag measure is used to trigger the import of assortment space optimization results. This measure can be checked at the all locations level to import all the relevant (where active exports exist) and available optimization results for the workbook. Once the import is completed, this flag measure is reset.
ASO Import Status	This system-generated measure is used to indicate the successful import of assortment space optimization results for a specific cluster and product category. It is also used to present a warning message in case of the removal of a mandatory item in the space optimization results.
ASO Results Imported	This Boolean/flag measure is used to indicate the import of assortment space optimization results for a specific cluster and product category at least once. This measure remains checked, if the imports have happened at least once.
ASO Results Imported Date	The date on which the assortment space optimization results were imported.
ASO Results Accepted	This system-generated Boolean/flag measure is used to indicate, if the assortment space optimization results have been accepted at least once for a cluster and a product category.
Exported to ASO	This system-generated Boolean flag measure is used to indicate the successful export of assortment plans for space optimization at least once. It is not reset on successful import of optimization results.
Assort Set	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific category, trading areas, and quarters. On Assortment Finalization for implementation, the assortment set number is incremented by one for the clusters under the same trading areas. After an assortment is finalized for implementation, if more exports for space optimization are done to ASO, the Assort Set number is incremented by 1. It is also incremented by 1, in the case of cancellation of exported assortments.
ASO Results Accepted By	The user who has accepted the assortment space optimization results.
ASO Results Accepted Date	The date on which the assortment space optimization results were accepted.
Last Exported By	The user who last exported an assortment plan for space optimization.
Last Exported ID	The system-generated Assortment ID for an exported assortment plan for space optimization. It is a concatenation of the internal product category ID, quarter, and year for an assortment set.
ASO Results Imported By	The user who last imported assortment space optimization results.

Custom Menu

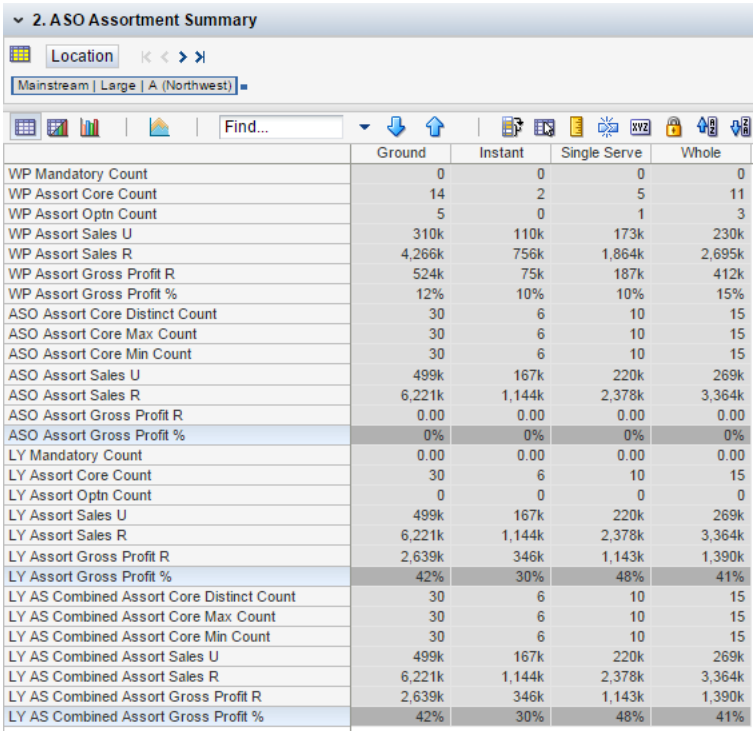
Use the Import ASO Results custom menu in this view to import the space optimization results from ASO. The WP ASO Import measure needs to be checked at the all [Location] level to run this custom menu.

2. ASO Assortment Summary View

Use this view to review and compare the summary of ASO recommended results with the exported working plan (WP), assortment plan for space optimization, current plan, and last year assortment plan at the cluster level.

The ASO recommended assortment plan is available at the SKU/Store level only. Several SKU count measures are used to present SKU/Store level information at the cluster level.

Figure 8–61 2. ASO Assortment Summary View



	Ground	Instant	Single Serve	Whole
WP Mandatory Count	0	0	0	0
WP Assort Core Count	14	2	5	11
WP Assort Optn Count	5	0	1	3
WP Assort Sales U	310k	110k	173k	230k
WP Assort Sales R	4,266k	756k	1,864k	2,695k
WP Assort Gross Profit R	524k	75k	187k	412k
WP Assort Gross Profit %	12%	10%	10%	15%
ASO Assort Core Distinct Count	30	6	10	15
ASO Assort Core Max Count	30	6	10	15
ASO Assort Core Min Count	30	6	10	15
ASO Assort Sales U	499k	167k	220k	269k
ASO Assort Sales R	6,221k	1,144k	2,378k	3,364k
ASO Assort Gross Profit R	0.00	0.00	0.00	0.00
ASO Assort Gross Profit %	0%	0%	0%	0%
LY Mandatory Count	0.00	0.00	0.00	0.00
LY Assort Core Count	30	6	10	15
LY Assort Optn Count	0	0	0	0
LY Assort Sales U	499k	167k	220k	269k
LY Assort Sales R	6,221k	1,144k	2,378k	3,364k
LY Assort Gross Profit R	2,639k	346k	1,143k	1,390k
LY Assort Gross Profit %	42%	30%	48%	41%
LY AS Combined Assort Core Distinct Count	30	6	10	15
LY AS Combined Assort Core Max Count	30	6	10	15
LY AS Combined Assort Core Min Count	30	6	10	15
LY AS Combined Assort Sales U	499k	167k	220k	269k
LY AS Combined Assort Sales R	6,221k	1,144k	2,378k	3,364k
LY AS Combined Assort Gross Profit R	2,639k	346k	1,143k	1,390k
LY AS Combined Assort Gross Profit %	42%	30%	48%	41%

Table 8–50 lists the measures available in this view.

Table 8–50 2. ASO Assortment Summary View Measures

Label	Description
WP Mandatory Count	The number of mandatory items in a working plan assortment for the cluster. Similar measures in other versions include: LY Mandatory Count, CP Mandatory Count, and LP Mandatory Count.
WP Assort Core Count	The number of core items in a working plan assortment for the cluster level. Similar measures in other versions include: LY Assort Core Count, CP Assort Core Count, and LP Assort Core Count.
WP Assort Optn Count	The number of optional items in a working plan assortment at the cluster level. Similar measures in other versions include: LY Assort Optn Count, CP Assort Optn Count, and LP Assort Optn Count.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Sales U and CP Assort Sales U.

Table 8–50 (Cont.) 2. ASO Assortment Summary View Measures

Label	Description
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster. Similar measure in other versions: LY Assort Sales R and CP Assort Sales R.
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. Similar measures in other versions include: LY Assort Gross Profit R and CP Assort Gross Profit R.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Gross Profit % and CP Assort Gross Profit %
ASO Assort Core Distinct Count	The number of unique or distinct core items in an ASO recommended assortment for the cluster. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in an ASO recommended assortment for the cluster. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Core Min Count	The minimum number of core items in a store under a cluster/trading area in an ASO recommended assortment for the cluster. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales U	The sales units in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales R	The sales retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit R	The gross profit retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit %	The gross profit retail percentage in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
LY AS Combined Assort Core Distinct Count	The combined number of unique or distinct core items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Core Distinct Count, CP AS Combined Assort Core Distinct Count, and LP AS Combined Assort Core Distinct Count.
LY AS Combined Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in last year's assortment, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Core Max Count, CP AS Combined Assort Core Max Count, and LP AS Combined Assort Core Max Count.
LY AS Combined Assort Core Min Count	The minimum number of core items in a store under a cluster/trading area in last year's assortment, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Core Min Count, CP AS Combined Assort Core Min Count, and LP AS Combined Assort Core Min Count.

Table 8–50 (Cont.) 2. ASO Assortment Summary View Measures

Label	Description
LY AS Combined Assort Sales U	The combined sales units in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Sales U and CP AS Combined Assort Sales U.
LY AS Combined Assort Sales R	The combined sales retail value in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Sales R and CP AS Combined Assort Sales R.
LY AS Combined Assort Gross Profit R	The combined gross profit retail value in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Gross Profit R and CP AS Combined Assort Gross Profit R.
LY AS Combined Assort Gross Profit %	The combined gross profit retail percentage in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Gross Profit % and CP AS Combined Assort Gross Profit %.
WP AS Combined Assort Optional Distinct Count	The combined number of unique or distinct optional items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Optn Distinct Count, CP AS Combined Assort Optn Distinct Count, and LP AS Combined Assort Optn Distinct Count.
WP AS Combined Assort Optional Max Count	The combined maximum number of optional items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Optn Max Count, CP AS Combined Assort Optn Max Count, and LP AS Combined Assort Optn Max Count.
WP AS Combined Assort Optional Min Count	The combined minimum number of optional items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Optn Min Count, CP AS Combined Assort Optn Min Count, and LP AS Combined Assort Optn Min Count.
WP AS Combined Assort Mandatory Distinct Count	The combined number of unique or distinct mandatory items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Mandatory Distinct Count, CP AS Combined Assort Mandatory Distinct Count, and LP AS Combined Assort Mandatory Distinct Count.
WP AS Combined Assort Mandatory Max Count	The combined maximum number of mandatory items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Mandatory Max Count, CP AS Combined Assort Mandatory Max Count, and LP AS Combined Assort Mandatory Max Count.

Table 8–50 (Cont.) 2. ASO Assortment Summary View Measures

Label	Description
WP AS Combined Assort Mandatory Min Count	The combined minimum number of mandatory items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions include: WP AS Combined Assort Mandatory Min Count, CP AS Combined Assort Mandatory Min Count, and LP AS Combined Assort Mandatory Min Count.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the planograms (POGs) in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions include: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO Assort Avg Days of Supply	The inventory (or stock cover) carried by a store, measured as the average number of days the inventory available at the store will last in the WP version of the assortment plan. This measure is part of the ASO result. Similar measures in different versions include: LY ASO Assort Avg Days of Supply, CP ASO Assort Avg Days of Supply, and CP ASO Assort Avg Days of Supply.
WP ASO Assort Avg Service Level	The average service level that represents the probability an item's availability at a store in the working plan assortment. This measure is an output from ASO. Similar measures in different versions include: LY ASO Assort Avg Service Level, CP ASO Assort Avg Service Level, and LP ASO Assort Avg Service Level.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions include: LY ASO Assort Facings Length, CP ASO Assort Facings Length, LP ASO Assort Facings Length.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO. Grouping of stores in the form of space clusters is done on the basis of POG length.
WP ASO POG Loc Count	The number of locations in which a particular planogram is used to display merchandise at a store per the working assortment's space optimization by ASO. This measure is an output from ASO.
WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment. Core items are part of the assortment. Similar measures in other versions include: LY Assort Carried, CP Assort Carried, and LP Assort Carried.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Core, CP Assort Core, and LP Assort Core.

Measure Profiles

The ASO Assortment Summary view is used to review and compare ASO results in relation to the exported assortment, in particular, and other versions (LY, LP and CP) of assortment plan. Combined measure profiles are used to capture assortment plan information when there are store level assortment plans under a cluster level assortment plan.

Combined WP/Combined CP: This profile is used to compare ASO results summary in relation to the combined working plan assortment with the combined current plan assortment.

Combined WP/Combined LP: This profile is used to compare the ASO results summary combined with the working plan assortment and last plan assortment.

Combined WP/Combined LY: This profile presents a comparison of ASO results summary in relation to the combined working plan assortment with the combined last year's assortment plan.

WP+LY+Combined LY: This is the default measure profile used to compare the ASO results summary in relation to a working plan assortment at the cluster level (which was exported to ASO), last year's assortment plan at the cluster level, and last year's combined assortment plan.

3. ASO Assortment Details and Space Productivity View

Use this view to review and compare the details of the ASO results comprised of the ASO recommended assortment, plan and space productivity information, the exported working plan assortment, other versions (LY, LP and CP), and their combined versions along with their space productivity information.

This view can be viewed at the space cluster level. A space cluster is a subset of store clusters used in assortment planning. It is a grouping of stores based on the POG (planogram) used by a SKU across the location hierarchy. Planograms are identified by the POG Length measure. POG Length is presented as a location hierarchy attribute and standard RPAS split view functionality is used to view this worksheet at a space cluster level. Refer to the RPAS user guide for more details on RPAS split view functionality.

Figure 8–62 3. ASO Assortment Details and Space Productivity View

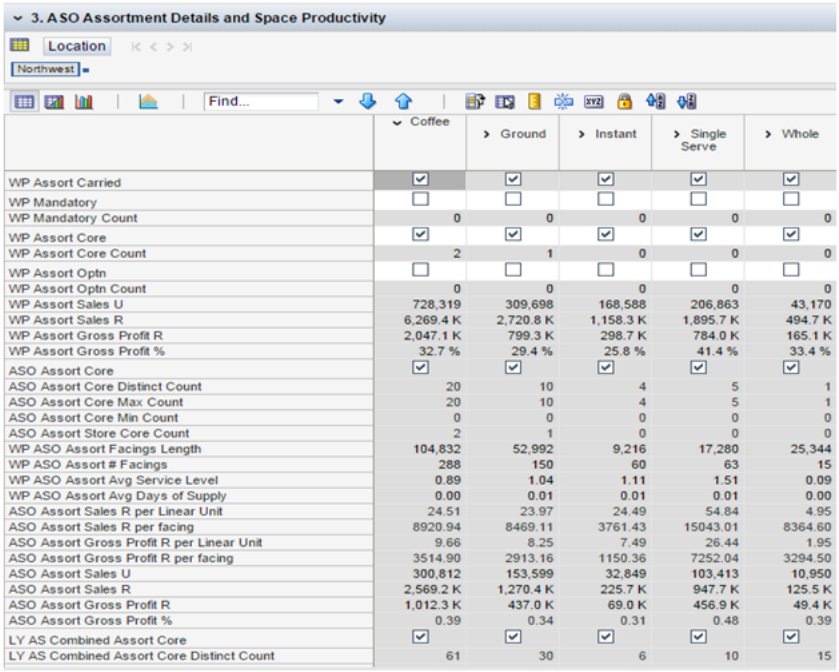


Table 8–51 lists the measures available in this view.

Table 8–51 3. ASO Assortment Details and Space Productivity View Measures

Label	Description
WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the cluster. Core items are part of the assortment. Similar measures in other versions include: LY Assort Carried, CP Assort Carried, and LP Assort Carried.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster.
WP Mandatory Count	The number of mandatory items in a working plan assortment for the cluster. Similar measures in other versions: LY Mandatory Count, CP Mandatory Count, and LP Mandatory Count.
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Core, CP Assort Core, and LP Assort Core.
WP Assort Core Count	The number of core items in a working plan assortment for the cluster level. Similar measures in other versions: LY Assort Core Count, CP Assort Core Count, and LP Assort Core Count.
WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Optn, CP Assort Optn, and LP Assort Optn.
WP Assort Optn Count	The number of optional items in a working plan assortment at the cluster level. Similar measures in other versions: LY Assort Optn Count, CP Assort Optn Count, and LP Assort Optn Count.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster. Similar measures in other versions: LY Assort Sales U and CP Assort Sales U.
WP Assort Sales R	The sales retail value in the working plan's assortment for the cluster. Similar measure in other versions: LY Assort Sales R and CP Assort Sales R.
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. Similar measures in other versions: LY Assort Gross Profit R and CP Assort Gross Profit R.
WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the cluster. Similar measures in other versions: LY Assort Gross Profit % and CP Assort Gross Profit %.
ASO Assort Core	A Boolean flag measure indicating whether an item is a core item in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Core Distinct Count	The number of unique or distinct core items in an ASO recommended assortment for the cluster. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in an ASO recommended assortment for the cluster. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Core Min Count	The minimum number of core items in a store under a cluster/trading area in an ASO recommended assortment for the cluster. Note that ASO results (recommendations) data is available at the SKU/Store level.

Table 8–51 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures

Label	Description
ASO Assort Store Core Count	The number of core items in a store in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions include: LY ASO Assort Facings Length, CP ASO Assort Facings Length, and LP ASO Assort Facings Length.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions include: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO Assort Min Service Level	The minimum of the average service level values among all the stores under the cluster in the working plan assortment. In general, high service levels are indicative of the fact that there are less stock-out situations, which is good for the business. Average service level data is supplied by ASO. Similar measures in different versions include: LY ASO Assort Min Service Level, CP ASO Assort Min Service Level, and LP ASO Assort Min Service Level.
WP ASO Assort Avg Service Level	The average service level that represents the probability an item's availability at a store in the working plan assortment. This measure is an output from ASO. In general, high service levels are indicative of the fact that there are less stock-out situations, which is good for the business. Similar measures in different versions include: LY ASO Assort Avg Service Level, CP ASO Assort Avg Service Level, and LP ASO Assort Avg Service Level.
WP ASO Assort Avg Days of Supply	The inventory (or stock cover) carried by a store, measured as the average number of days the inventory available at the store will last in the WP version of the assortment plan. This measure is part of the ASO result. Similar measures in different versions include: LY ASO Assort Avg Days of Supply, CP ASO Assort Avg Days of Supply, and CP ASO Assort Avg Days of Supply.
ASO Assort Sales R per Linear Unit	The sales retail value return per linear unit of facings length in the ASO recommended assortment.
ASO Assort Sales R per facing	The sales retail value return per facing in the ASO recommended assortment.
ASO Assort Gross Profit R per Linear Unit	The gross profit retail value return per linear unit in the ASO recommended assortment.
ASO Assort Gross Profit R per facing	The gross profit retail value return per facing in the ASO recommended assortment.
ASO Assort Sales U	The sales units in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales R	The sales retail value in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit R	The gross profit retail value in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.

Table 8–51 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures

Label	Description
ASO Assort Gross Profit %	The gross profit retail percentage in an ASO recommended assortment. Note that ASO results (recommendations) data is available at the SKU/Store level.
LY AS Combined Assort Core	A combined Boolean flag measure indicating whether an item is a core item in last year's assortment. It is calculated by taking into consideration the core flag measures both at the cluster level (LY Assort Core) and store level (AS LY Assort Core). Similar measures in other versions: WP AS Combined Assort Core, CP AS Combined Assort Core, and LP AS Combined Assort Core.
LY AS Combined Assort Core Distinct Count	The combined number of unique or distinct core items in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Core Distinct Count, CP AS Combined Assort Core Distinct Count, and LP AS Combined Assort Core Distinct Count. This type measure is known as a Combined Assort Core Distinct Count measure.
LY AS Combined Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in last year's assortment, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Core Max Count, CP AS Combined Assort Core Max Count, and LP AS Combined Assort Core Max Count.
LY AS Combined Assort Core Min Count	The minimum number of core items in a store under a cluster/trading area in last year's assortment, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Core Min Count, CP AS Combined Assort Core Min Count, and LP AS Combined Assort Core Min Count.
LY AS Combined Assort Sales U	The combined sales units in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Sales U and CP AS Combined Assort Sales U.
LY AS Combined Assort Sales R	The combined sales retail value in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Sales R and CP AS Combined Assort Sales R.
LY AS Combined Assort Gross Profit R	The combined gross profit retail value in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Gross Profit R and CP AS Combined Assort Gross Profit R.
LY AS Combined Assort Gross Profit %	The combined gross profit retail percentage in last year's assortment at the cluster level, taking into consideration both store level (ASLY) and cluster level (ACLY) measures. Similar measures in other versions: WP AS Combined Assort Gross Profit % and CP AS Combined Assort Gross Profit %.
LY AS Combined Assort Sales R per Linear Unit	The combined sales retail value return per linear unit of facings length in last year's assortment at the cluster level. It is calculated by dividing LY AS Combined Assort Sales R by LY ASO Assort Facings Length. Similar measures in other versions: WP AS Combined Assort Sales R per Linear Unit and CP AS Combined Assort Sales R per Linear Unit.

Table 8–51 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures

Label	Description
LY AS Combined Assort Sales R per facing	The combined sales retail value return per facing in last year's assortment at the cluster level. It is calculated by dividing LY AS Combined Assort Sales R by LY ASO Assort # Facings. Similar measures in other versions: WP AS Combined Assort Sales R per facing and CP AS Combined Assort Sales R per facing.
LY AS Combined Gross Profit R per Linear Unit	The combined gross profit retail value return per linear unit of facings length in last year's assortment at the cluster level. It is calculated by dividing LY AS Combined Gross Profit R by LY ASO Assort Facings Length. Similar measures in other versions: WP AS Combined Gross Profit R per Linear Unit and CP AS Combined Gross Profit R per Linear Unit.
LY AS Combined Gross Profit R per facing	The combined gross profit retail value return per facing in last year's assortment at the cluster level. It is calculated by dividing LY AS Combined Gross Profit R by LY ASO Assort # Facings. Similar measures in other versions: WP AS Combined Gross Profit R per facing and CP AS Combined Gross Profit R per facing.
LY Assort Sales R per Linear Unit	The sales retail value return per linear unit of facings length in last year's assortment at the cluster level. It is calculated by dividing LY Assort Sales R by LY ASO Assort Facings Length.
LY Assort Sales R per facing	The sales retail value return per linear unit of facings length in last year's assortment at the cluster level. It is calculated by dividing LY Assort Sales R by LY ASO Assort # Facings.
LY Assort Gross Profit R per Linear Unit	The gross profit retail value return per linear unit of facings length. It is calculated by dividing LY Gross Profit R by LY ASO Assort Facings Length.
LY Assort Gross Profit R per facing	The gross profit retail value return per facing. It is calculated by dividing LY Gross Profit R by LY ASO Assort # Facings.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO. The grouping of stores in the form of space clusters is done on the basis of POG length.
WP ASO POG Loc Count	The number of locations in which a particular planogram is used to display merchandise at a store per the working assortment's space optimization by ASO. This measure is an output from ASO.

Measure Profiles

The ASO Assortment Details and Space Productivity view is used to review details of the ASO results in the form of assortment plan and space productivity information. Combined measure profiles are used to capture assortment plan information when there are store level assortment plans under a cluster level assortment plan.

Combined WP/Combined CP: This presents a comparison of ASO assortment plan details and space productivity information in relation to the combined working plan assortment and combined current plan assortment.

Combined WP/Combined LP: This presents a comparison of ASO assortment plan details and space productivity information in relation to the combined working plan assortment and combined last plan assortment.

Combined WP/Combined LY: This presents a comparison of ASO assortment plan details and space productivity information in relation to the combined working plan assortment and combined last year's assortment plan.

WP/Combined LY: This is the default view measure profile. It presents a comparison of ASO assortment plan details and space productivity information in relation to the working plan assortment at the cluster level (which was exported to ASO) and combined last year's assortment plan.

ASO Assortment by Location and Space Tab

This tab has two views.

1. ASO Assortment by Location View

Use this view to review the ASO recommended assortment from a location-specific point of view. Compare the presence of an item across different locations under the trading area and cluster in the ASO recommended assortment in relation to the presence in the exported working plan assortment. This view includes the number of locations that an item is marked as mandatory, core, and optional in the working plan assortment (as well as many other versions of plan). Also included is the number of locations that an item is marked as core in the ASO recommended assortment

This view can be displayed at the space cluster level, which is a subset of the store clusters used in assortment planning. Space clusters is a grouping of stores based on the POG used by a SKU across the location hierarchy. Planograms are identified by the POG Length measure, which is presented as a location hierarchy attribute to view the assortment by space clusters.

Figure 8–63 1. ASO Assortment by Location View

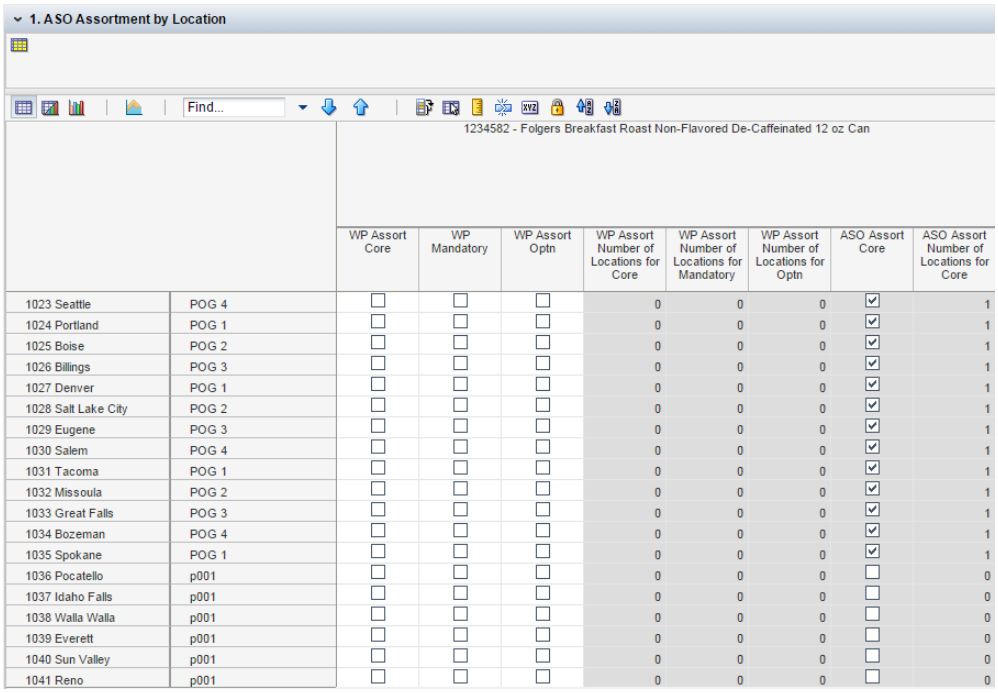


Table 8–52 lists the measures available in this view.

Table 8–52 1. ASO Assortment by Location View Measures

Label	Description
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster. Similar measures in other versions: LY Assort Core, CP Assort Core, and LP Assort Core.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster. Similar measures in other versions: LY Mandatory, CP Mandatory, and LP Mandatory.
WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the cluster. Similar measures in other versions: LY Assort Optn, CP Assort Optn, and LP Assort Optn.
WP Assort Number of Locations for Core	The number of locations at which an item is marked as core in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Core, CP Assort Number of Locations for Core, and LP Assort Number of Locations for Core.
WP Assort Number of Locations for Mandatory	The number of locations at which an item is marked as mandatory in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Mandatory, CP Assort Number of Locations for Mandatory, and LP Assort Number of Locations for Mandatory.
WP Assort Number of Locations for Optn	The number of locations at which an item is marked as optional in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Optn, CP Assort Number of Locations for Optn, and LP Assort Number of Locations for Optn.
ASO Assort Core	A Boolean flag measure indicating whether an item is a core item in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Number of Locations for Core	The number of locations at which an item is marked as core in the ASO recommended assortment.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO. The grouping of stores in the form of space clusters is done on the basis of POG length.
WP AS Combined Assort Core	A combined Boolean flag measure indicating whether an item is a core item in the working plan assortment. It is calculated by taking into consideration core flag measures both at the cluster level (WP Assort Core) and store level (AS WP Assort Core). Similar measures in other versions: LY AS Combined Assort Core, CP AS Combined Assort Core, and LP AS Combined Assort Core.
WP AS Combined Assort Optn	A combined Boolean flag measure indicating whether an item is an optional item in the working plan assortment. It is calculated by taking into consideration optional flag measures both at cluster level (WP Assort Optn) and store level (AS WP Assort Optn). Similar measures in other versions: LY AS Combined Assort Optn, CP AS Combined Assort Optn, and LP AS Combined Assort Optn.

Table 8–52 (Cont.) 1. ASO Assortment by Location View Measures

Label	Description
WP AS Combined Mandatory	A combined Boolean flag measure indicating whether an item is a mandatory item in the working plan assortment. It is calculated by taking into consideration mandatory flag measures both at the cluster level (WP Assort Mandatory) and store level (AS WP Assort Mandatory). Similar measures in other versions: LY AS Combined Assort Mandatory, CP AS Combined Assort Mandatory, and LP AS Combined Assort Mandatory.
WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment. Core items are part of the assortment. Similar measures in other versions: LY Assort Carried, CP Assort Carried, and LP Assort Carried.
WP AS Combined Assort Carried	A combined Boolean flag measure indicating whether an item is part of the working plan assortment. Core items are part of the assortment. It is calculated by taking into consideration core flag measures both at the cluster level (WP Assort Core) and store level (AS WP Assort Core). Similar measures in other versions: LY Assort Carried, CP Assort Carried, and LP Assort Carried.
AS WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the store. Core items are part of the assortment. Similar measures in other versions: AS LY Assort Carried, AS CP Assort Carried, and AS LP Assort Carried.
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Core, AS CP Assort Core, and AS LP Assort Core.
AS WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Optn, AS CP Assort Optn, and AS LP Assort Optn.
AS WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the store. Similar measures in other versions: AS LY Mandatory, AS CP Mandatory, and AS LP Mandatory.

Measure Profiles

The ASO Assortment by Location view is used to review the ASO assortment, location-wise. Combined measure profiles are used to capture the assortment plan information when there are exception store level assortment plans under a cluster level assortment plan.

Combined CP/ASO: This measure profile presents an ASO recommended assortment with the combined current plan assortment for location-wise comparison.

Combined LP/ASO: This measure profile presents an ASO recommended assortment with the combined last plan assortment for a location-wise comparison.

Combined LY/ASO: This measure profile presents an ASO recommended assortment with the combined last year assortment for a location-wise comparison.

Combined WP/ASO: This measure profile presents an ASO recommended assortment with the combined working plan assortment for a location-wise comparison.

WP/ASO: This is the default measure profile. It presents an ASO recommended assortment with the working plan assortment (exported assortment to ASO) for a location-wise comparison.

2. ASO Assortment by Space View

Use this view to review the space allocated to an item across different locations under the trading area and cluster in an ASO recommended assortment. It also presents a comparison of space allocated to an item with other versions of the assortment such as, CP, LP, and LY.

This view can be viewed at the space cluster level, which is a subset of store clusters used in assortment planning. A space cluster is a grouping of stores based on the POG used by a SKU across the location hierarchy. Planograms are identified by the POG Length measure.

Figure 8–64 2. ASO Assortment by Space View

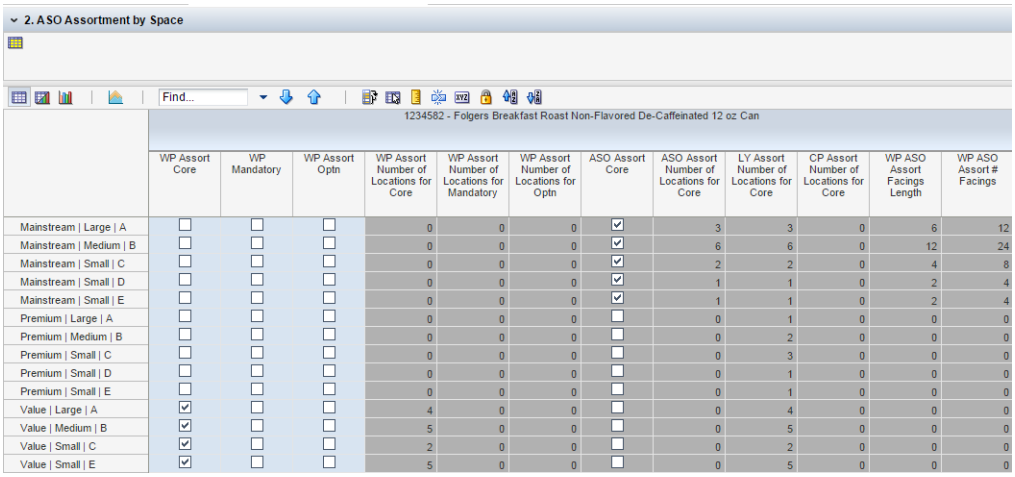


Table 8–53 lists the measures available in this view.

Table 8–53 2. ASO Assortment by Space View Measures

Label	Description
WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the cluster. Similar measures in other versions: LY Assort Core, CP Assort Core, and LP Assort Core.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the cluster. Similar measures in other versions: LY Mandatory, CP Mandatory, and LP Mandatory.
WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the cluster. Similar measures in other versions: LY Assort Optn, CP Assort Optn, and LP Assort Optn.
WP Assort Number of Locations for Core	The number of locations at which an item is marked as core in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Core, CP Assort Number of Locations for Core, and LP Assort Number of Locations for Core.
WP Assort Number of Locations for Mandatory	The number of locations at which an item is marked as mandatory in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Mandatory, CP Assort Number of Locations for Mandatory, and LP Assort Number of Locations for Mandatory.

Table 8–53 (Cont.) 2. ASO Assortment by Space View Measures

Label	Description
WP Assort Number of Locations for Optn	The number of locations at which an item is marked as optional in the working plan assortment. Similar measures in other versions: LY Assort Number of Locations for Optn, CP Assort Number of Locations for Optn, and LP Assort Number of Locations for Optn.
ASO Assort Core	A Boolean flag measure indicating whether an item is a core item in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Number of Locations for Core	The number of locations at which an item is marked as core in the ASO recommended assortment.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measure in different versions: LY ASO Assort Facings Length, CP ASO Assort Facings Length, and LP ASO Assort Facings Length.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measure in different versions: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO. The grouping of stores in the form of space clusters is done on the basis of POG length.
WP AS Combined Assort Core	A combined Boolean flag measure indicating whether an item is a core item in the working plan assortment. It is calculated by taking into consideration core flag measures both at the cluster level (WP Assort Core) and store level (AS WP Assort Core). Similar measures in other versions: LY AS Combined Assort Core, CP AS Combined Assort Core, and LP AS Combined Assort Core.
WP AS Combined Assort Optn	A combined Boolean flag measure indicating whether an item is an optional item in the working plan assortment. It is calculated by taking into consideration optional flag measures both at the cluster level (WP Assort Optn) and store level (AS WP Assort Optn). Similar measures in other versions: LY AS Combined Assort Optn, CP AS Combined Assort Optn, and LP AS Combined Assort Optn.
WP AS Combined Mandatory	A combined Boolean flag measure indicating whether an item is a mandatory item in the working plan assortment. It is calculated by taking into consideration mandatory flag measures both at the cluster level (WP Assort Mandatory) and store level (AS WP Assort Mandatory). Similar measures in other versions: LY AS Combined Assort Mandatory, CP AS Combined Assort Mandatory, and LP AS Combined Assort Mandatory.
WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment. Core items are part of the assortment. Similar measures in other versions: LY Assort Carried, CP Assort Carried, and LP Assort Carried.

Table 8–53 (Cont.) 2. ASO Assortment by Space View Measures

Label	Description
WP AS Combined Assort Carried	A combined Boolean flag measure indicating whether an item is part of the working plan assortment. Core items are part of the assortment. It is calculated by taking into consideration core flag measures both at the cluster level (WP Assort Core) and store level (AS WP Assort Core). Similar measures in other versions: LY Assort Carried, CP Assort Carried, and LP Assort Carried.

Measure Profiles

The ASO Assortment by Space view is used to review space allocated to items in the ASO recommended assortment. Combined measure profiles are used to capture assortment plan information when there are store level assortment plans under a cluster level assortment plan.

Combined WP/ASO/CP/LY: This measure profile is used to view and compare the space information of the combined working plan assortment, ASO assortment, current plan assortment, and last year's assortment.

WP/ASO/CP/LY: This is the default measure profile. It is used to view and compare space information of the working plan assortment, ASO assortment, current plan assortment, and last year's assortment.

Accept ASO Results and Approve Assortment Step

Use this step to accept ASO results, review the space optimized assortment, approve it, and finalize it for implementation.

Prior to starting this step:

The ASO results should have been imported and reviewed in the previous step.

After completing this step:

Space optimized assortments are finalized for implementation under this step. If there is a need for store-level assortments under a cluster, prior to approving an assortment under this step, the next step is to go to Assortment Planning @Store.

This step has the following tabs and views:

- Accept ASO Results and Review Assortment Tab:

  1. Accept ASO Results View

  2. Review Space Optimized Assortment View

- Approve Assortment Tab:

  Approve Assortment View

- Finalize Assortment for Implementation Tab:

  Finalize Assortment for Implementation View

Custom Menu Options

This step has the following custom menu options.

Accept ASO Results

This custom menu is used to accept ASO results after importing and reviewing them.

Approve Assortment @Cluster

This custom menu is used approve an assortment at the cluster level.

Finalize Assortment to ASO

This custom menu is used to finalize the assortment for space optimization.

Accept ASO Results and Review Assortment Tab

This tab has two views.

1. Accept ASO Results View

Use this view to accept ASO results, which have been reviewed in the previous step and been found to be in line with the business requirements. Review the clusters for the ASO results that have been imported. Check the WP Accept flag measure for clusters, where ASO results must be accepted, choose the required option in WP Accept Type from the drop-down selection, and run the custom menu Accept ASO Results. The two options for accepting ASO results are:

- ASO Assortment and Plan: This option is used to copy the ASO recommended assortment plan, as it is, into the store level measures.
- ASO Assortment only: This option is used to copy only the assortment (product-mix) from the ASO results. The assortment plan numbers are then derived by applying demand transference using the difference between the original working plan exported for space optimization and the ASO recommended assortment as the basis for the calculation.

Figure 8–65 1. Accept ASO Results View

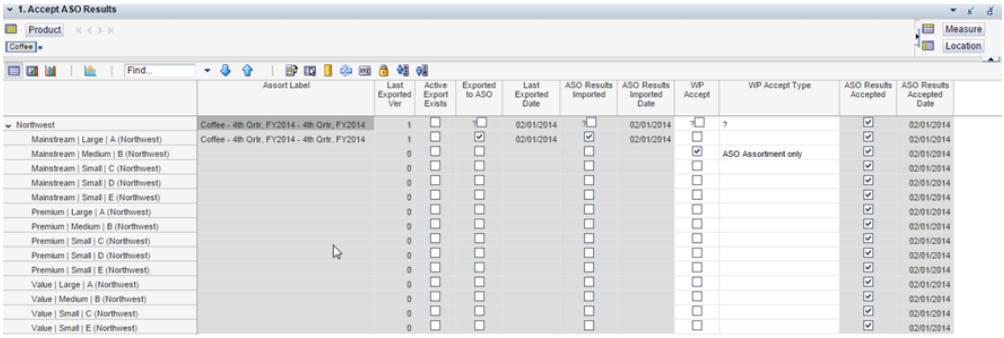


Table 8–54 lists the measures available in this view.

Table 8–54 1. Accept ASO Results View Measures

Label	Description
Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization.

Table 8–54 (Cont.) 1. Accept ASO Results View Measures

Label	Description
Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. the assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. The Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization.
Last Active Export	A Boolean measure used to indicate if there are any active exports, where the assortment space optimization results are expected.
Exported to ASO	A Boolean measure used to indicate if an assortment has been exported to ASO for space optimization.
Last Exported Date	The date on which an assortment was last exported to ASO.
ASO Results Imported	A Boolean measure used to indicate if ASO results have been imported.
ASO Results Imported Date	The date on which ASO results were imported.
WP Accept	A Boolean flag measure that needs to be marked to run the Accept ASO Results custom menu.
WP Accept Type	A drop-down measure used to enter the accept type before running the Accept ASO Results custom menu. There are two options available: ■ ASO Assortment only: Used to accept only the ASO assortment recommendation. ■ ASO Assortment and Plan: Used to accept both the ASO assortment and plan recommendation.
ASO Results Accepted	A Boolean measure used to indicate if ASO results have been accepted.
ASO Results Accepted Date	The date on which ASO results were accepted.

Custom Menus

Use the Accept ASO Results custom menu to accept the ASO results. The ASO results can be accepted in two ways:

- ASO Assortment and Plan: This option is used to copy the ASO recommended assortment plan, as it is, into the store level measures.
- ASO Assortment only: This option is used to copy only the assortment (product-mix) from the ASO results. The assortment plan numbers are derived by applying demand transference for the difference between the original working plan exported for space optimization and the ASO recommended assortment.

2. Review Space Optimized Assortment View

Use this view to review the space-optimized assortment and its space productivity information, after accepting the ASO results, and compare it with different versions of the assortment plans such as, LY, CP, and LP.

The ASO results are available at the SKU/Store level and, on acceptance, are stored in the store level measures (AS WP), which is referred to as the space optimized

assortment. Space productivity information is also updated to the working plan measures as part of acceptance.

Combined measures are used to present the assortment plan information at the cluster level by capturing this information from both cluster level measures and store level measures. Store level measures provide specific information about assortments for stores, whose assortments have been planned on an exceptional basis.

This view can be viewed at the space cluster level, which is a subset of store clusters used in assortment planning. Space clusters is the grouping of stores based on the POG used by a SKU across the location hierarchy. Planograms are identified by the POG Length measure. POG Length is presented as a location hierarchy attribute to view the assortment by space clusters.

Figure 8–66 2. Review Space Optimized Assortment View

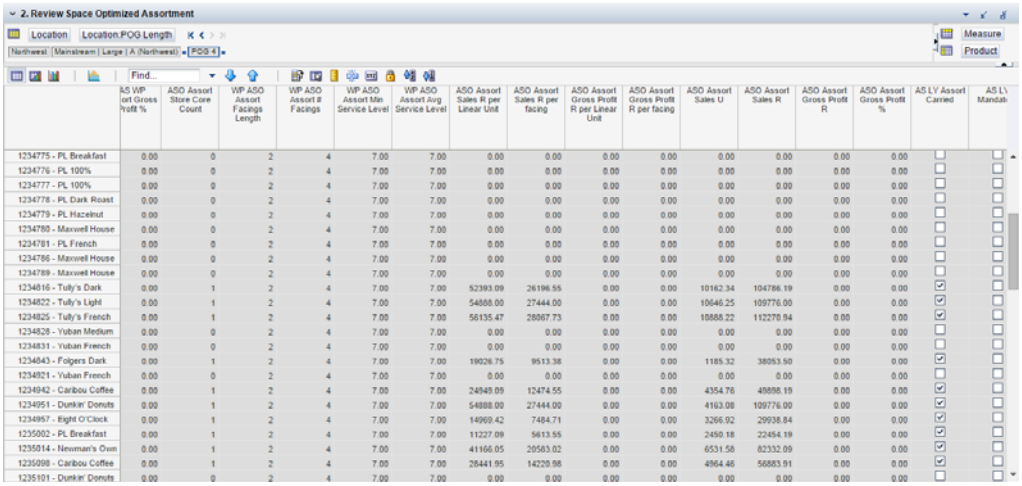


Table 8–55 lists the measures available in this view.

Table 8–55 2. Review Space Optimized Assortment View Measures

Label	Description
AS WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the store. Core items are part of the assortment. Similar measures in other versions: AS LY Assort Carried, AS CP Assort Carried, and AS LP Assort Carried.
AS WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the store. Similar measures in other versions: AS LY Mandatory, AS CP Mandatory, and AS LP Mandatory.
AS WP Mandatory Count	The number of mandatory items in a working plan assortment for the store. Similar measures in other versions: AS LY Mandatory Count, AS CP Mandatory Count, and AS LP Mandatory Count.
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Core, AS CP Assort Core, and AS LP Assort Core.
AS WP Assort Core Count	The number of core items in a working plan assortment for the store. Similar measures in other versions: AS WP Assort Core Count, AS WP Assort Core Count, and AS WP Assort Core Count.

Table 8–55 (Cont.) 2. Review Space Optimized Assortment View Measures

Label	Description
AS WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Optn, AS CP Assort Optn, and AS LP Assort Optn.
AS WP Assort Optn Count	The number of optional items in a working plan assortment at the store level. Similar measures in other versions: AS LY Assort Optn Count, AS CP Assort Optn Count, and AS LP Assort Optn Count
AS WP Assort Sales U	The sales units in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Sales U and AS CP Assort Sales U.
AS WP Assort Sales R	The sales retail value in the working plan's assortment for the store. Similar measures in other versions: AS LY Assort Sales R and AS CP Assort Sales R.
AS WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the store. Gross Profit Retail is the difference between Sales Retail and Cost of Goods Sold. Similar measures in other versions: AS LY Assort Gross Profit R and AS CP Assort Gross Profit R.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan's assortment for the store. Similar measures in other versions: AS LY Assort Gross Profit % and AS CP Assort Gross Profit %.
ASO Assort Store Core Count	The number of core items in a store in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions: LY ASO Assort Facings Length, CP ASO Assort Facings Length, and LP ASO Assort Facings Length.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO. Similar measures in different versions: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO Assort Min Service Level	The minimum of the average service level values among all the stores under the cluster in the working plan assortment. In general, high service levels are indicative of the fact that there are less stock-out situations, which is good for the business. Average service level data is supplied by ASO. Similar measures in different versions include: LY ASO Assort Min Service Level, CP ASO Assort Min Service Level, and LP ASO Assort Min Service Level.
WP ASO Assort Avg Service Level	The average service level that represents the probability an item's availability at a store in the working plan assortment. This measure is an output from ASO. In general, high service levels are indicative of the fact that there are less stock-out situations, which is good for the business. Similar measures in different versions include: LY ASO Assort Avg Service Level, CP ASO Assort Avg Service Level, and LP ASO Assort Avg Service Level.
ASO Assort Sales R per Linear Unit	The sales retail value return per linear unit of facings length in the ASO recommended assortment.

Table 8–55 (Cont.) 2. Review Space Optimized Assortment View Measures

Label	Description
ASO Assort Sales R per facing	The sales retail value return per facing in the ASO recommended assortment.
ASO Assort Gross Profit R per Linear Unit	The gross profit retail value return per linear unit in the ASO recommended assortment.
ASO Assort Gross Profit R per facing	The gross profit retail value return per facing in the ASO recommended assortment.
ASO Assort Sales U	The sales units in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales R	The sales retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit R	The gross profit retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit %	The gross profit retail percentage in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
AS LY Assort Sales R per Linear Unit	The sales retail return per linear unit of facings length in last year's assortment at the store level. It is calculated by dividing AS LY Assort Sales R by LY ASO Assort Facings Length. Similar measures in other versions: AS WP Assort Sales R per Linear Unit, and AS CP Assort Sales R per Linear Unit.
AS LY Assort Sales R per facing	The sales retail return per facing in last year's assortment at the store level. It is calculated by dividing AS LY Assort Sales R by LY ASO Assort # Facings. Similar measures in other versions: AS WP Assort Sales R per facing, CP AS Assort Sales R per facing.
AS LY Assort Gross Profit R per Linear Unit	The gross profit retail return per linear unit of facings length in last year's assortment at the store level. It is calculated by dividing AS LY Gross Profit R by LY ASO Assort Facings Length. Similar measures in other versions: AS WP Assort Gross Profit R per Linear Unit and AS CP Assort Gross Profit R per Linear Unit.
AS LY Assort Gross Profit R per facing	The gross profit retail return per facing in last year's assortment at the store level. It is calculated by dividing AS LY Assort Gross Profit R by LY ASO Assort # Facings. Similar measures in other versions: AS WP Assort Gross R per Facing and CP AS Assort Gross Profit R per Facing.
WP AS Combined Assort Core	A combined Boolean flag measure indicating whether an item is a core item in the working plan assortment. It is calculated by taking into consideration the core flag measures both at the cluster level (WP Assort Core) and store level (AS WP Assort Core). Similar measures in other versions: LY AS Combined Assort Core, CP AS Combined Assort Core, and LP AS Combined Assort Core.
WP AS Combined Assort Core Distinct Count	The combined number of unique or distinct core items in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Core Distinct Count, CP AS Combined Assort Core Distinct Count, and LP AS Combined Assort Core Distinct Count.

Table 8–55 (Cont.) 2. Review Space Optimized Assortment View Measures

Label	Description
WP AS Combined Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in the working plan assortment, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Core Max Count, CP AS Combined Assort Core Max Count, LP AS Combined Assort Core Max Count.
WP AS Combined Assort Core Max Count	The maximum number of core items in a store under a cluster/trading area in the working plan assortment, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Core Max Count, CP AS Combined Assort Core Max Count, and LP AS Combined Assort Core Max Count.
WP AS Combined Assort Core Min Count	The minimum number of core items in a store under a cluster/trading area in the working plan assortment, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Core Min Count, CP AS Combined Assort Core Min Count, and LP AS Combined Assort Core Min Count.
WP AS Combined Assort Sales U	The combined sales units in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Sales U and CP AS Combined Assort Sales U.
WP AS Combined Assort Sales R	The combined sales retail value in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Sales R and CP AS Combined Assort Sales R.
WP AS Combined Assort Gross Profit R	The combined gross profit retail value in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Gross Profit R and CP AS Combined Assort Gross Profit R.
WP AS Combined Assort Gross Profit %	The combined gross profit retail percentage in the working plan assortment at the cluster level, taking into consideration both store level (ASWP) and cluster level (ACWP) measures. Similar measures in other versions: LY AS Combined Assort Gross Profit % and CP AS Combined Assort Gross Profit %.
WP AS Combined Assort Sales R per Linear Unit	The combined sales retail value return per linear unit of facings length in the working plan assortment at the cluster level. It is calculated by dividing WP AS Combined Assort Sales R by WP ASO Assort Facings Length. Similar measures in other versions: LY AS Combined Assort Sales R per Linear Unit and CP AS Combined Assort Sales R per Linear Unit.
WP AS Combined Assort Sales R per facing	The combined sales retail value return per facing in the working plan assortment at the cluster level. It is calculated by dividing WP AS Combined Assort Sales R by WP ASO Assort # Facings. Similar measures in other versions: LY AS Combined Assort Sales R per facing and CP AS Combined Assort Sales R per facing.
WP AS Combined Gross Profit R per Linear Unit	The combined gross profit retail value return per linear unit of facings length in the working plan assortment at the cluster level. It is calculated by dividing WP AS Combined Gross Profit R by WP ASO Assort Facings Length. Similar measures in other versions: LY AS Combined Gross Profit R per Linear Unit and CP AS Combined Gross Profit R per Linear Unit.

Table 8–55 (Cont.) 2. Review Space Optimized Assortment View Measures

Label	Description
LY AS Combined Gross Profit R per facing	The combined gross profit retail value return per facing in the working plan assortment at the cluster level. It is calculated by dividing WP AS Combined Gross Profit R by WP ASO Assort # Facings. Similar measures in other versions: LY AS Combined Gross Profit R per facing and CP AS Combined Gross Profit R per facing
WP ASO Assort Avg Days of Supply	The inventory (or stock cover) carried by a store, measured as the average number of days the inventory available at the store will last in the WP version of the assortment plan. This measure is part of the ASO result. Similar measure in different versions: LY ASO Assort Avg Days of Supply, CP ASO Assort Avg Days of Supply, and CP ASO Assort Avg Days of Supply.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO. The grouping of stores in the form of space clusters is done on the basis of POG length.
WP Mandatory Count	The number of mandatory items in a working plan assortment for the cluster. Similar measures in other versions: LY Mandatory Count, CP Mandatory Count, and LP Mandatory Count.
AC WP Mandatory	Reference Boolean measure used in the store level views to view the items marked as mandatory in the working plan assortment at the cluster level. Similar measures in other versions: AC LY Mandatory, AC CP Mandatory, and AC LP Mandatory.
AC WP Mandatory Count	Reference measure used in the store level views to view the number of items marked as mandatory in the working plan assortment at the cluster level. Similar version in other measures: AC LY Mandatory, AC CP Mandatory, and AC LP Mandatory.

Measure Profiles

Cluster - Combined WP/Combined CP: This measure profile is applicable when you look at the view at the cluster level on the location hierarchy. It presents a comparison of the combined working plan for the space optimized assortment with the combined current plan assortment.

Cluster - Combined WP/Combined LP: This measure profile is applicable when you look at the view at the cluster level on the location hierarchy. It presents a comparison of the combined working plan of the space optimized assortment with the combined last plan assortment.

Store - WP/CP: This measure profile is applicable when you look at the view at the store level on the location hierarchy. It presents a comparison of the working plan for the space optimized assortment with the current plan assortment.

Store - WP/LP: This measure profile is applicable when you look at the view at the store level on the location hierarchy. It presents a comparison of the working plan for the space optimized assortment with the last plan assortment.

Store - WP/LY: This measure profile is applicable when you look at the view at the store level on the location hierarchy. It presents a comparison of the working plan for the space optimized assortment with the last year assortment.

WP/LY: This measure profile is useful to compare a cluster level assortment without any store exceptions with the space-optimized assortment.

Approve Assortment Tab

This tab has one view.

Approve Assortment View

Use this view to approve the assortment by checking the WP Approve to CP measure in two ways:

- The Space Optimized Assortment can be approved by checking the Use ASO Results Boolean flag measure. The Space Optimized Assortment is the ASO recommended assortment that is stored in store-level measures (AS WP type measures).
- The cluster level assortment that was originally exported for space optimization to ASO can be approved by un-checking the Use ASO Results flag measure.

Note that in case Assortment Space Optimization (through integration with ASO) functionality is not being used for a category's assortment plan, then keep the Use ASO Results flag unchecked to approve the assortment.

Prior to approving the assortment, the placeholder items, which are part of the assortment, must be formalized. Formalization is done through a batch process and the workbook needs to be re-built once formalization is complete for the formalized items to reflect in the views. For information on formalization, see Chapter 3.

Figure 8–67 Approve Assortment View

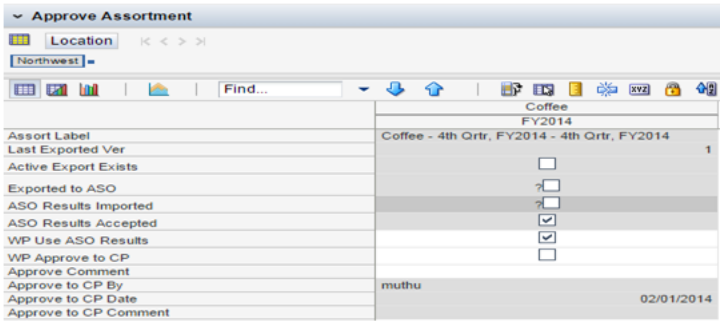


Table 8–56 lists the measures available in this view.

Table 8–56 Approve Assortment View Measures

Label	Description
Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization.
Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization.
Last Active Export	A Boolean measure used to indicate if there are any active exports, where the assortment space optimization results are expected.

Table 8–56 (Cont.) Approve Assortment View Measures

Label	Description
Exported to ASO	This system-generated Boolean/flag measure is used to indicate the successful export of assortment plans for space optimization. It is not reset on successful import of optimization results.
ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific cluster and product category at least once. This measure remains checked if the imports have happened at least once.
ASO Results Accepted	This system-generated Boolean flag measure is used to indicate if the assortment space optimization results have been accepted at least once for a cluster and a product category.
WP Use ASO Results	This Boolean flag measure provides an option to choose accepted ASO results while approving an assortment. If this Boolean flag measure is checked, the accepted ASO results (in Store level - AS WP measures) are approved, otherwise, the assortment plan that was exported (in Cluster level - ACWP measures) is approved.

Custom Menu

Use the Approve Assortment @Cluster custom menu in this view to approve the assortment. It runs the approval process in two ways:

- Approve the space optimized assortment: If the WP Use ASO Results measure is checked, it approves the assortment in the store level measures, where the space optimized assortment details are populated.
- Approve the originally exported assortment for space optimization: If the WP Use ASO Results measure is not checked, it approves the assortment at the cluster level measures.

Finalize Assortment for Implementation Tab

This tab has one view.

Finalize Assortment for Implementation View

Use this view to finalize the assortment for implementation. All clusters and stores, in the case of store level assortment plans, must be approved for the assortment to be finalized for implementation. On finalization, formalization information is exported to ASO and a signal is sent to ASO to go ahead with the implementation at the stores through a space management system.

Figure 8–68 Finalize Assortment for Implementation View

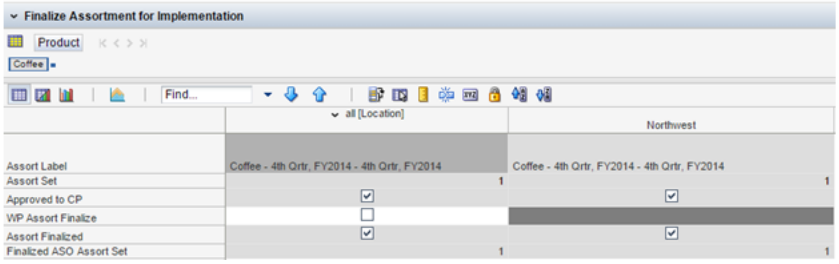


Table 8–57 lists the measures available in this view.

Table 8–57 Finalize Assortment for Implementation View Measures

Label	Description
Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization.
Assort Set	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific category, trading areas, and quarters. On the assortment finalization for implementation, the assortment set number is incremented by 1 for the clusters under the same trading areas.
Approved to CP	A Boolean flag measure used to indicate if an assortment has been approved.
WP Assort Finalize	A Boolean flag measure that needs to be checked before running the custom menu to finalize the assortment.
Assort Finalized	A Boolean flag measure used to indicate if the assortment has been finalized.
Finalized ASO Assort Set	The assortment set number that has been finalized in ASO.
Finalized Assort Set	The assortment set that was last finalized.

Note: The Finalized ASO Assort Set measure confirms finalization of the assortment in ASO. This data is made visible in the workbook by refreshing the workbook or rebuilding the workbook after the batch process has been completed in RCM and ASO.

Custom Menus

Use the Finalize Assort to ASO custom menu to finalize the assortment for implementation. Formalization information for the placeholder items, in the form of formalized items to placeholder items mapping information is sent to ASO as part of the finalization process. It also signals ASO to go ahead with the implementation of the assortment at the stores through a space management system.

9

Assortment Planning @ Store Task

Assortment Planning @ Store task is used to create, adjust, and align assortment plans to financial targets or available space at the store level. This task enables a retailer to create assortment plans at the store level using the Item Priority Index (IPI) method.

IPI assortments are system-recommended assortments created on the basis of user-defined constraints and thresholds. IPI scores are calculated prior to the creation of store level IPI assortments. The IPI score is calculated using an index-to-average method taking into consideration user-defined retail performance metrics weights, product attribute weights, and consumer segment weights. User-defined assortment constraints in an IPI assortment generation (such as IPI thresholds, SKU count, and target constraints) can be used to create target-aligned and space-aligned assortments. This feature provides a semi-automated method to create custom assortments as per business requirements.

Demand transference can be applied manually to the IPI assortments, enabling planners to identify the shift in sales between different items in the assortments.

Assortment plans for a store provide the retailer with the flexibility to address store-specific assortment requirements. It can be helpful to plan assortments for stores that are different from the rest of the cluster in terms of business and consumer profiles, for example, flagship stores in a retail chain.

This task also facilitates space optimization of assortment plans at the store level through integration with the Assortment and Space Optimization (ASO) solution.

This task has the following steps:

- Assortment Setup Step
- Manage IPI Assortment Step
- Finalize Assortment for Space Optimization Step
- Import and Review ASO Results Step
- Accept ASO Results and Approve Assortment Step

Assortment Planning Analysis Workbook

This task uses the Assortment Planning Analysis workbook. For information on creating the workbook, see Create the Assortment Planning Analysis Workbook in Chapter 7.

Assortment Setup Step

Before going to the Assortment Setup step in Assortment Planning @ Store task, ensure the working plan (WP) sales have been seeded in the Seed and Review Plan Sales tab under Assortment Planning at Cluster task.

Use this step to compute the IPI of each SKU at the store level.

This step has the following tabs and views:

- Set IPI Weights 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 Assortment Constraints Tab:
  1. Select Eligible and Mandatory Items View
  2. Set IPI Constraints View

Custom Menu Options

The following custom menu options are available:

- Calc Store IPI Score

  This custom menu option is used to calculate the IPI scores for the items at the store level based on the user-defined weights. Weights should be defined per the business requirements in the Set IPI Weights tab before running this custom menu option. The IPI scores are shown in the Review IPI Scores tab.

- Create IPI Assortment @ Store

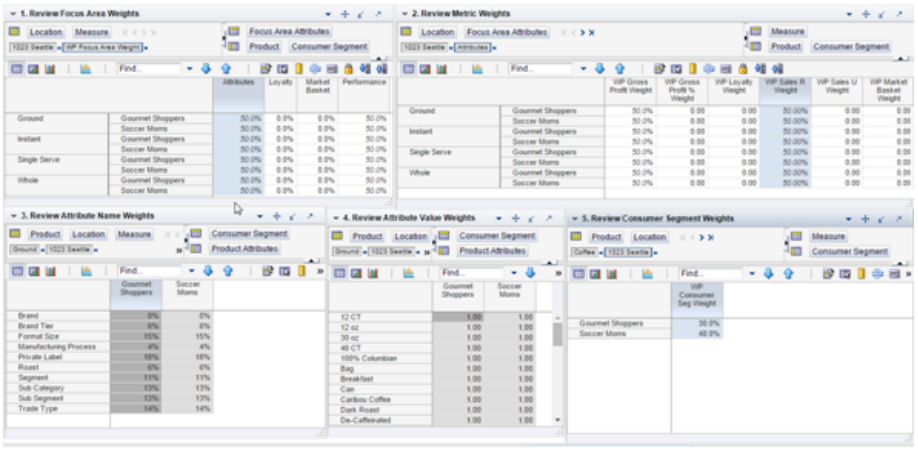
  This custom menu option is used to create an IPI Assortment based on the IPI scores generated by the Calc Store IPI Score custom menu option and IPI thresholds set by the user in the Set Assortment Constraints tab.

Set IPI Weights Tab

This tab contains views used to set the IPI weights for IPI score calculations at the store level. Once all the required IPI weights have been set, run the Calc Store IPI Score custom menu to calculate the IPI score shown in the next tab.

The following figure shows the views for this tab.

Figure 9–1 Set IPI Weights Tab Views



1. Review Focus Area Weights View

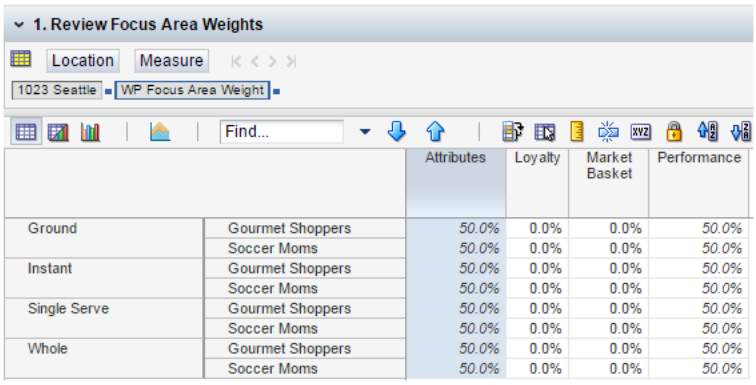
Use this view to review each strategy and focus area. A weight is assigned to each metric. In addition to these values being editable here, they can also be seeded with values set in IPI Setup (Admin) and assignments made in Category Planning. For more information, see Chapter 4.

Use this view to review focus area weights. Focus areas are used to identify specific sets of business parameters, which are important in generating IPI assortments for a category. Focus areas consist of attributes, loyalty, market basket, and performance. A weight can be assigned to required focus areas. Focus area weights help the user define what areas are of focus for the category. This includes:

- How important is the breadth and variety of product attributes?
- How important is a focus on loyalty for this category?
- Overall performance
- Market basket information

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

Figure 9–2 1. Review Focus Area Weights View



		Attributes	Loyalty	Market Basket	Performance
Ground	Gourmet Shoppers	50.0%	0.0%	0.0%	50.0%
	Soccer Moms	50.0%	0.0%	0.0%	50.0%
Instant	Gourmet Shoppers	50.0%	0.0%	0.0%	50.0%
	Soccer Moms	50.0%	0.0%	0.0%	50.0%
Single Serve	Gourmet Shoppers	50.0%	0.0%	0.0%	50.0%
	Soccer Moms	50.0%	0.0%	0.0%	50.0%
Whole	Gourmet Shoppers	50.0%	0.0%	0.0%	50.0%
	Soccer Moms	50.0%	0.0%	0.0%	50.0%

Table 9–1 lists the measure available in this view.

Table 9–1 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 at the store level.

2. Review Metric Weights View

Use this view to review the metric weights and groupings.

Figure 9–3 2. Review Metric Weights View

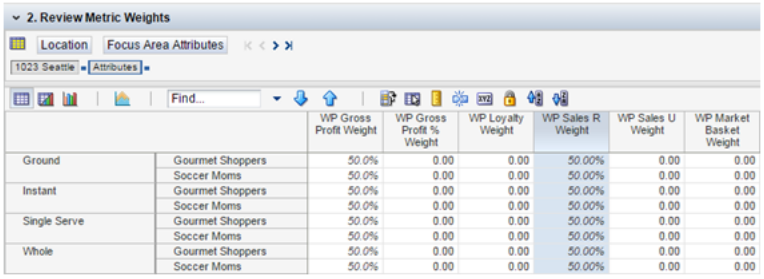


Table 9–2 lists the measure available in this view.

Table 9–2 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 8–10.
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 8–10.
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 8–10.
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 shown in Table 8–10.

Table 9–2 (Cont.) 2. Review Metric Weights Measures

Label	Definition
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 9–4 3. Review Attribute Name Weights View

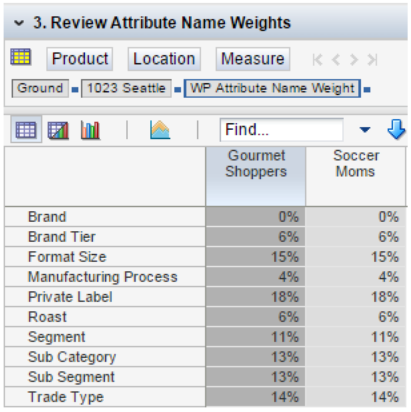


Table 9–3 lists the measure available in this view.

Table 9–3 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 store. 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 9–5 4. Review Attribute Value Weights View

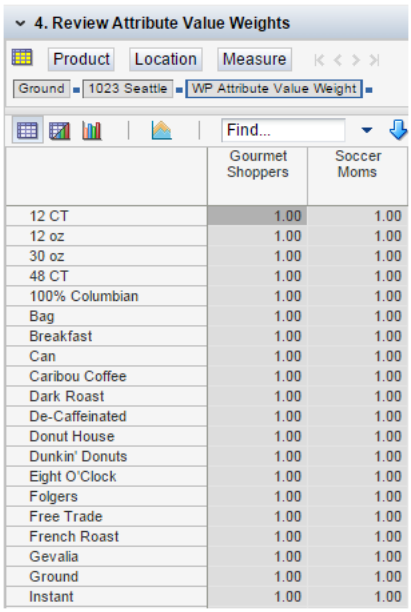


Table 9–4 lists the measure available in this view.

Table 9–4 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 store. 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 note the seeded consumer segment weights set within the administration area of the solution and modify them, if required. Consumer segment weights are used in IPI calculations.

Figure 9–6 5. Review Consumer Segment Weights View

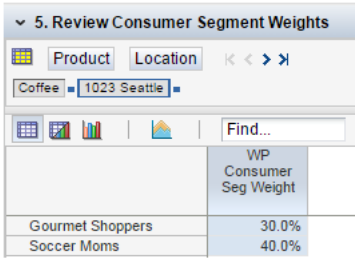


Table 9–5 lists the measures available in this view.

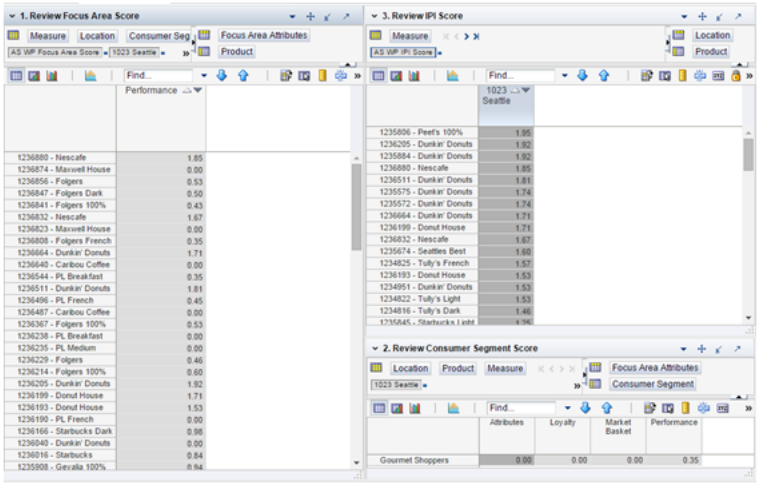
Table 9–5 5. Review Consumer Segment Weights Measures

Label	Definition
WP Consumer Seg Weight	The user-defined percentage weight to a consumer segment within a store. 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 representing sales within the store.

Review IPI Scores Tab

This tab has three views. The following figure shows these views.

Figure 9–7 Review IPI Scores Tab View



1. Review Focus Area Score View

Use this view to review the IPI focus area scores at the store level:

- 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 focus area is an IPI computed as a composite IPI based on the relative weight of the metrics.

Figure 9–8 1. Review Focus Area Score View

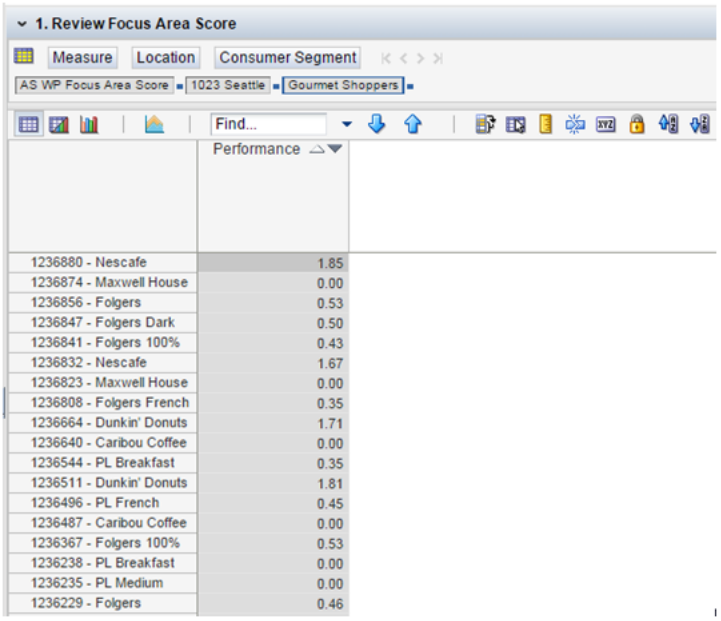


Table 9–6 lists the measure available in this view.

Table 9–6 1. Review Focus Area IPI Scores Measure

Label	Definition
AS WP Focus Area Score	An item's IPI score at the store level for a specific focus area.

2. Review Consumer Segment Score View

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

Figure 9–9 2. Review Consumer Segment Score View

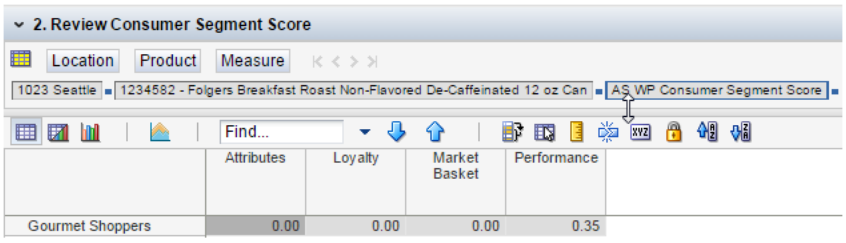


Table 9–7 lists the measure available in this view.

Table 9–7 2. Review Consumer Segment Score Measure

Label	Definition
AS WP Consumer Segment Score	An item's consumer segment level IPI score at the store level.

3. Review IPI Score View

Use this view to see the IPI scores at the store level.

Figure 9–10 3. Review IPI Score View

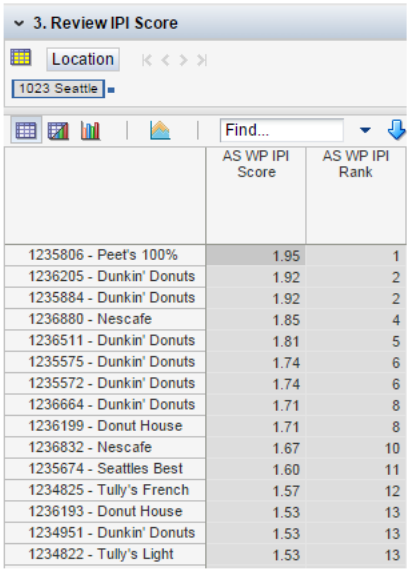


Table 9–8 lists the measures available in this view.

Table 9–8 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 Assortment Constraints Tab

Now that 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 or draw the line, based on IPI scores, SKU count, and targets (MFP target/CP target).

Use the views under this tab:

- To select the eligible, mandatory items for the assortment at the store level.
- To set the constraints for system-recommended IPI assortments.

1. Select Eligible and Mandatory Items View

Use this view to set the assortment eligibility for items and select the mandatory items for assortment generation at the store level.

The Assortment Eligibility flag measure is used to define the set of items that should participate in the assortment generation process. Effectively, it is used to select the items that are eligible to be part of the assortment. The WP Mandatory flag is used to define which items must be part of the assortment.

Note that if a workbook is built for multiple quarters and an item is marked as mandatory in one of the quarters only, then when aggregating the workbook or a specific worksheet to the year or half-year level, it will appear as a non-mandatory item. The aggregation for this measure on the calendar hierarchy is done with an **and** operation.

Figure 9–11 1. Select Eligible and Mandatory Items View

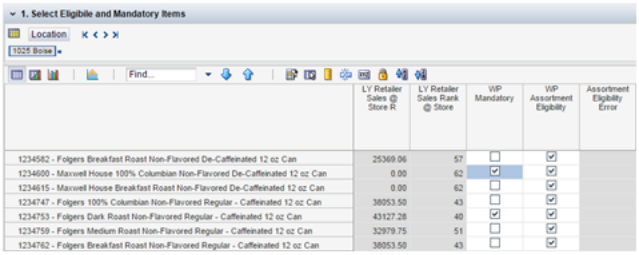


Table 9–9 lists the measures available in this view.

Table 9–9 1. Select Eligible and Mandatory Items Measures

Label	Definition
LY Retailer Sales @ Store R	Last year's sales for the retailer at the store level.
LY Retailer Sales Rank	An ordinal rank assigned on the basis of the LY Retailer Sales R of an item within a product category.
WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment.
WP Assortment Eligibility	A Boolean flag measure indicating whether an item is eligible to be part of the assortment for the retailer to stock and sell.
Assortment Eligibility Error	This read-only measure is used to present the error in case mandatory items are selected without checking their assortment eligibility flag.

2. Set IPI Constraints View

Use this view to define the constraints for IPI assortment generation at the store level. These are applied at the category level except IPI Thresholds that can be applied at the sub-category level. Following are the four available constraint types available:

- SKU Count: Use this option to create an IPI assortment for the store by defining the assortment range in the form of the WP Core SKU Count and WP Core + Optn SKU Count measures in line with the available space for the category.
- IPI Thresholds: Use this option to create an IPI assortment for the store by setting the IPI Cutoff Index for Core and Optional Items measure.
- MFP Target: Use this option to create an IPI assortment for the store, using MFP targets.
- CP Target: Use this option to create an IPI assortment for the store, using CP targets.

Optionally, demand transference can be applied dynamically in assortment creation by checking the AS IPI Apply DT flag measure and specifying IPI DT K/A/D Input measure as either WP/CP or WP/LY (to signify the reference assortment). Note that

- When AS IPI Constraint Type is selected as SKU Count, AS WP Core SKU Count and AS WP Core + Optn SKU Count must be defined.
- When IPI Constraint Type is selected as IPI Thresholds, AS WP IPI Assort Core Cutoff Index and AS WP IPI Assort Optn Cutoff Index must be defined.
- When either of the two targets is selected as IPI Constraint Type, then select the AS IPI Target Alignment and define AS % of IPI Target for Optn Items, as per business requirements.

For more details, refer to the measure definitions below.

Figure 9–12 2. Set IPI Constraints View

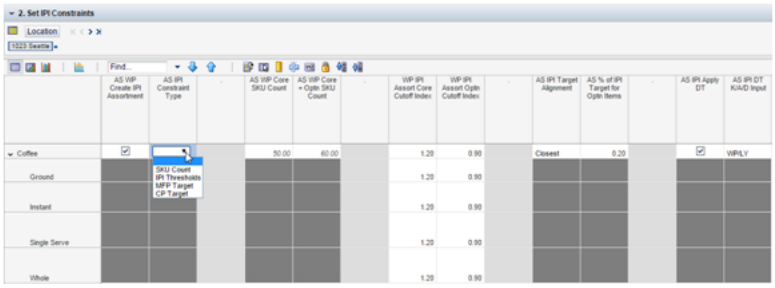


Table 9–10 lists the measures available in this view.

Table 9–10 2. Set IPI Constraints Measures

Label	Definition
AS WP Create IPI Assortment	A Boolean measure that is required to be selected to generate a system-recommended IPI assortment towards a working plan assortment for the store.
AS IPI Constraint Type	A drop-down measure used to select the constraint type to be used to generate an IPI assortment at the store level. The drop-down options consist of SKU Count, IPI Thresholds, MFP Target, and CP Target.
AS WP Core SKU Count	The number of core items desired in an IPI assortment for the store when using the SKU Count constraint type.
AS WP Core + Optn SKU Count	The sum of the core and optional items desired in an IPI assortment for the store when using the SKU Count constraint type.
AS WP IPI Assort Core Cutoff Index	The IPI score for an eligible item to be classified as a core item in generating an IPI assortment at the store level using the IPI Thresholds constraint type.
AS WP IPI Assort Optn Cutoff Index	The IPI score for an eligible item to be classified as an optional item in generating an IPI assortment at the store level using the IPI Thresholds constraint type.
AS IPI Target Alignment	A drop-down measure used to set the alignment to the target plan measure when using the constraint types, MFP Target and CP Target, at the store level. The options in the drop-down are Over, Under, and Closest.
AS % of IPI Target for Optn Items	A percentage value defined to set the total sales retail value for the optional items over the assortment plan's sales retail value, when using the constraint types, MFP Target and CP Target, to derive the IPI assortment at the store level. This measure facilitates the creation of optional items when using the target-constrained methods of IPI assortment generation.
AS IPI Apply DT	A Boolean flag measure required to be checked if demand transference must be applied dynamically to calculate the assortment plan sales retail value while generating the IPI assortment at the store level. Demand Transference is applied simultaneously at every step, when items are added, one at a time, to reach the targeted assortment plan.

Table 9–10 (Cont.) 2. Set IPI Constraints Measures

Label	Definition
AS IPI DT K/A/D Input	A drop-down measure used to provide a reference assortment input for demand transference calculations in the IPI assortment generation at the store level. The drop-down options are: WP/LY (last year assortment) and WP/CP (current plan assortment).

Manage IPI Assortment Step

Use this step to review the store-level IPI assortments and apply demand transference for further fine-tuning.

This step has the following tabs and views:

- Review Assortment Recommendation Tab:

  1a. Review Assortment Recommendation @ Store View

  1b. Review DT Details @ Store View

  3. IPI Assortment Dashboard @ Store View

Custom Menu Options

The following custom menu options are available:

- Apply DT to Store Assortment

  This custom menu option is used to apply demand transference to the final assortment for the store, enabling the planner to understand how sales and gross profit measures vary with changes to the assortment in the form of Add/Keep/Drop decisions. Assortment changes can be accomplished by marking or un-marking the core and optional item flags. Before running this custom menu option, the user must select a reference assortment that the system uses to calculate the Keep/Add/Drop decisions. This reference assortment is selected in the AS DT Assort K/A/D measure that has two options in the list, WP/LY and WP/CP assortments.

- Seed AC Core /Optional

  This custom menu option 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 must select the appropriate assortment options from a drop-down selection in the AS WP Seed AC Core/Optn measure before running this custom menu. This measure is available at the sub-category level and above.

Review Assortment Recommendation Tab

This tab has three views.

1a. Review Assortment Recommendation @ Store 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. The measures in this view are presented using two figures (Figure 9–13 and Figure 9–14) and two measure definition tables (Table 9–11 and Table 9–12). Note that the figures from the application have been pivoted, with Measure dimension on the y-axis and

Product dimension on the x-axis, to showcase the list the measures available in this view.

Figure 9–13 1a. Review Assortment Recommendation @ Store View 1

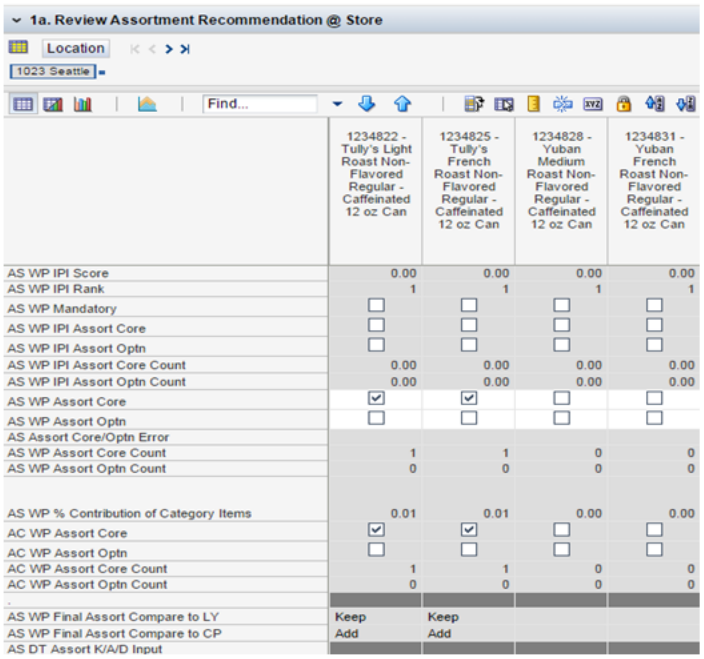


Table 9–11 lists the measures available in this view.

Table 9–11 1a. Review Assortment Recommendation @ Store 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 WP IPI Assort Core	A read-only Boolean measure indicating whether an item is a core item 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 WP IPI Assort Optn	A read-only Boolean measure indicating whether an item is an optional item per the 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 WP IPI Assort Core 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.
AS WP IPI Assort Optn 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 9–11 (Cont.) 1a. Review Assortment Recommendation @ Store View 1 Measures

Label	Definition
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan assortment for the store.
AS WP Assort Optn	A Boolean flag measure indicating whether 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 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 9–14 1a. Review Assortment Recommendation @ Store View 2

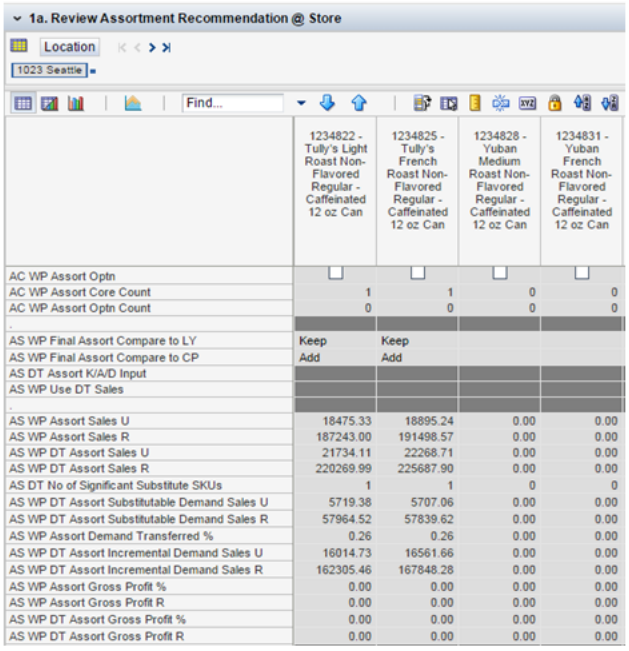


Table 9–12 lists the measures available in this view.

Table 9–12 1a. Review Assortment Recommendation @ Store 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 that can absorb the significant chunk of substitutable demand of a SKU in a working plan store assortment.
AS WP DT Assort 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 Assort 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 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 Assort Incremental 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 Assort Incremental 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.

Table 9–12 (Cont.) 1a. Review Assortment Recommendation @ Store View 2 Measures

Label	Definition
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 9–15 1b. Review DT Details @ Store View

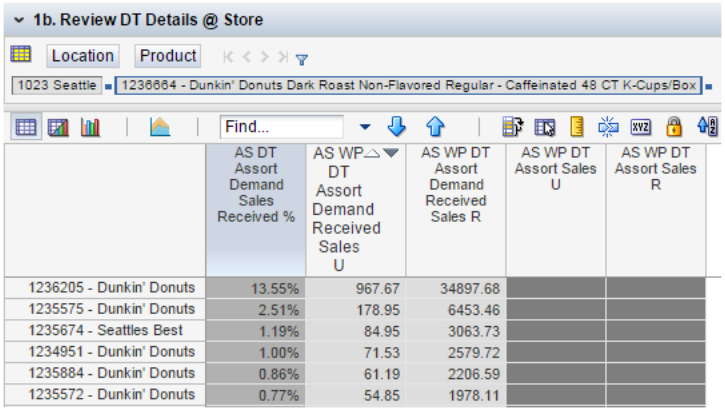


Table 9–13 lists the measures available in this view.

Table 9–13 1b. Review DT Details@ Store Measures

Label	Definition
AS DT Assort Demand Sales Received %	Refers to the percentage of transferred sales units from the SKU dropped to the substitute SKUs in a store assortment.
AS WP DT Assort Demand Received Sales U	Refers to the sales units received by substitute SKU, from another SKU that is dropped from the store assortment. The sum of AS WP DT Assort Demand Received Sales U for substitute SKUs is equal to the demand transferred from the dropped SKU. Substitute SKUs are presented in the RHS product hierarchy.
AS WP DT Assort Demand Received Sales R	Refers to the sales retail value received by substitute SKU, from another SKU that is dropped from the store assortment. Substitute SKUs are presented in the RHS product hierarchy.
AS WP DT Assort Sales U	The demand transference affected sales units of a SKU, which is used as a reference in calculating the demand received sales figures for its substitute SKUs in a store assortment.
AS WP DT Assort Sales R	The demand transference affected sales retail value of a SKU, which is used as a reference in calculating the demand received sales figures for its substitute SKUs in a store assortment.

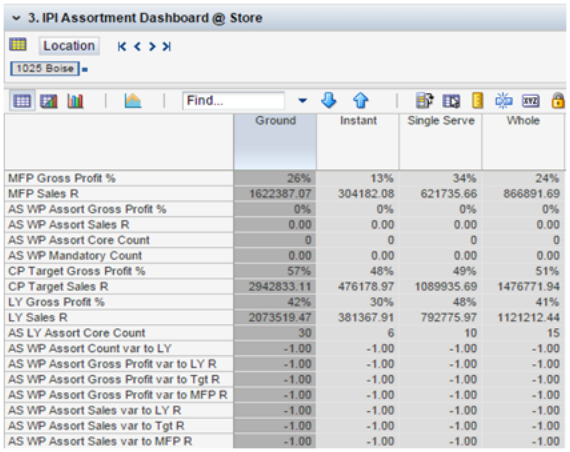
3. IPI Assortment Dashboard @ Store View

Use this view to review and compare the alignment of IPI assortment plan numbers at the store level to the set MFP and CP targets at the sub-category level and above:

- Assortment Plan numbers consist of measures presenting the Sales Retail, Sales Units, Gross Profit Retail, and Gross Profit %.

- Targets consist of MFP Sales R, MFP Sales U, MFP Gross Profit, and MFP Gross Profit %.

Figure 9–16 3. IPI Assortment Dashboard @ Store View



	Ground	Instant	Single Serve	Whole
MFP Gross Profit %	26%	13%	34%	24%
MFP Sales R	1622387.07	304182.08	621735.66	866891.69
AS WP Assort Gross Profit %	0%	0%	0%	0%
AS WP Assort Sales R	0.00	0.00	0.00	0.00
AS WP Assort Core Count	0	0	0	0
AS WP Mandatory Count	0.00	0.00	0.00	0.00
CP Target Gross Profit %	57%	48%	49%	51%
CP Target Sales R	2942833.11	476178.97	1089935.69	1476771.94
LY Gross Profit %	42%	30%	48%	41%
LY Sales R	2073519.47	381367.91	792775.97	1121212.44
AS LY Assort Core Count	30	6	10	15
AS WP Assort Count var to LY	-1.00	-1.00	-1.00	-1.00
AS WP Assort Gross Profit var to LY R	-1.00	-1.00	-1.00	-1.00
AS WP Assort Gross Profit var to Tgt R	-1.00	-1.00	-1.00	-1.00
AS WP Assort Gross Profit var to MFP R	-1.00	-1.00	-1.00	-1.00
AS WP Assort Sales var to LY R	-1.00	-1.00	-1.00	-1.00
AS WP Assort Sales var to Tgt R	-1.00	-1.00	-1.00	-1.00
AS WP Assort Sales var to MFP R	-1.00	-1.00	-1.00	-1.00

Table 9–14 lists the measures available in this view.

Table 9–14 3. IPI Assortment Dashboard @ Store View Measures

Label	Description
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit percentage.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
AS WP Assort Gross Profit %	IPI Assortment's base gross profit percentage for the store.
AS WP Assort Sales R	The IPI assortment's base sales retail value for the store.
AS WP Assort Core Count	The number of core items in an IPI assortment for the store.
AS WP Mandatory Count	The number of items marked as mandatory for the store.
CP Target Gross Profit %	Approve Category Plan's Gross Profit percentage.
CP Target Sales R	Approve Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Sales Retail value. Similar measures in other versions include: WP Sales R and CP Sales R.
AS LY Assort Core Count	The number of core items in last year's assortment for the store. Similar measures in other versions include: CP Assort Core Count, WP Assort Core Count, and LP Assort Core Count.
AS WP Assort Count var to LY	The variance in the assortment count between the IPI assortment and last year assortment at the store level.
AS WP Assort Gross Profit var to LY R	The variance in gross profit retail between the IPI assortment and last year assortment at the store level. Similar measures available with comparison to other planning measures include: AS WP IPI Assort Gross Profit var to CP R, AS WP IPI Assort Gross Profit var to MFP R, and AS WP IPI Assort Gross Profit var to Tgt R.

Table 9–14 (Cont.) 3. IPI Assortment Dashboard @ Store View Measures

Label	Description
AS WP IPI Assort Sales var to LY R	The variance in sales retail value between the IPI assortment and last year assortment at the store level. Similar measures available with variance to other planning measures include: AS WP IPI Assort Sales var to CP R, AS WP IPI Assort Sales var to MFP R, and AS WP IPI Assort Sales var to Tgt R.
AS WP IPI Assort Sales var to LY U	The variance in sales units between the IPI assortment and last year assortment. Similar measures available with variance to other planning measures include: WP IPI Assort Sales var to CP U, WP IPI Assort Sales var to MFP U, and WP IPI Assort Sales var to Tgt U.
AS WP IPI DT Assort Sales var to LY U	The variance between the IPI assortment's demand transference affected sales units and last year assortment's sales units at the store level. Similar measures available with variation to other plan measures include: AS WP IPI DT Assort Sales var to CP U, AS WP IPI DT Assort Sales var to MFP U, and AS WP IPI DT Assort Sales var to Tgt U.
AS WP IPI DT Assort Gross Profit var to LY R	The variance between the IPI assortment's demand transference affected gross profit value and last year assortment's gross profit retail value at the store level. Similar measures available with variation to other plan measures include: WP IPI DT Assort Gross Profit var to CP R, WP IPI DT Assort Gross Profit var to MFP R, and WP IPI DT Assort Gross Profit var to Tgt R.
AS WP IPI DT Assort Private Label Sales var to LY U	The variance between the private label item's demand transference affected sales units in the IPI assortment and last year assortment at the store level. Similar measures available with variance to other planning measures include: AS WP IPI Assort Private Label Sales var to CP U and AS WP IPI Assort Private Label Sales var to Tgt U.
AS WP IPI DT Assort Private Label Sales var to LY R	The variance between the private label item's demand transference affected sales retail value in the IPI assortment and last year assortment at the store level. Similar measures available with variance to other planning measures include: WP IPI Assort Private Label Sales var to CP R and WP IPI Assort Private Label Sales var to Tgt R.
AS WP IPI DT Assort Private Label Gross Profit var to LY R	The variance between the private label item's demand transference affected gross profit retail values in the IPI assortment and last year assortment at the store level. Similar measures available with variance to other planning measures include: AS WP IPI Assort Private Label Gross Profit var to CP R and AS WP IPI Assort Private Label Gross Profit var to Tgt R.

Finalize Assortment for Space Optimization Step

Use this step to finalize the assortment for space optimization at the store level. In this step, store level assortments are exported to ASO for space optimization. Space optimization aligns the assortment plans to the available space at the stores.

This step has the following tabs and views:

- Assortment Quantification Summary Tab:

  Assortment Quantification Summary View

  Final Assortment Dashboard @ Store View

- Export to ASO Tab:

  1. Role Model & Assort Label View

2. Export to ASO @Store View

Custom Menu Options

This step has two custom menu options:

- Export to ASO @ Store

  This custom menu option is used to export assortment plan details of the store to ASO.

- Export Updated Plans to ASO

  This custom menu is used to export updated assortment plan numbers to ASO for an already exported assortment plan and corresponding category plan data.

- Cancel ASO Export

  This custom menu can only be used to cancel exports to ASO if the data previously exported has not been consumed by ASO from the HSA RDM due to interface issues or the assortment being in the queue for consumption. This custom menu only deletes the exported data from the RDM.

Assortment Quantification Summary Tab

This tab has two views.

Assortment Quantification Summary View

Use this view to review the targets being achieved by the assortment finalized for the store. This view contains measures such as plan measures for Sales Units, Sales R, Gross Profit, Gross Profit %, and so on.

Figure 9–17 Assortment Quantification Summary WP/CP Measure Profile View

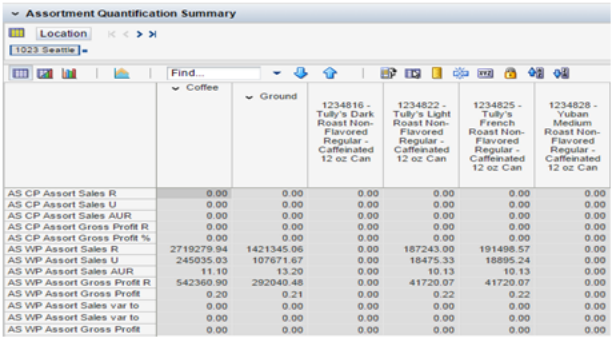


Table 9–15 lists the measures available in this view.

Table 9–15 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.

Table 9–15 (Cont.) Assortment Quantification Summary WP/CP Measure Profile

Label	Definition
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 store. 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 store.
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.
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 9–18 Assortment Quantification Summary WP/LY Measure Profile View

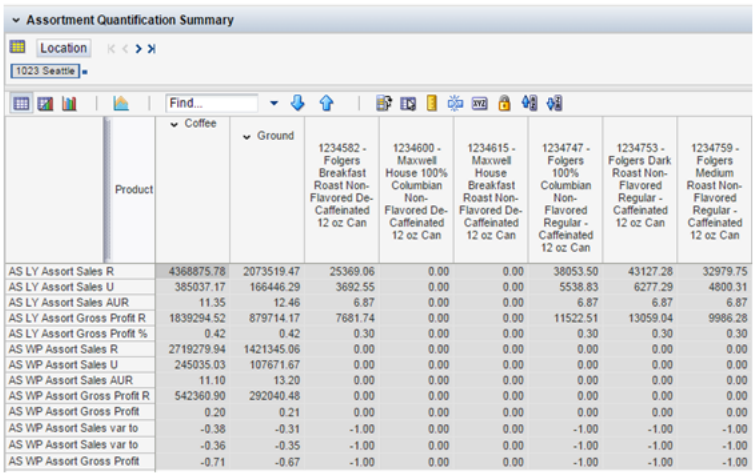


Table 9–16 lists the measures available in this view.

Table 9–16 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.

Table 9–16 (Cont.) Assortment Quantification Summary WP/LY Measure Profile

Label	Definition
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.
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.

Measure Profiles

This view has two measure profiles:

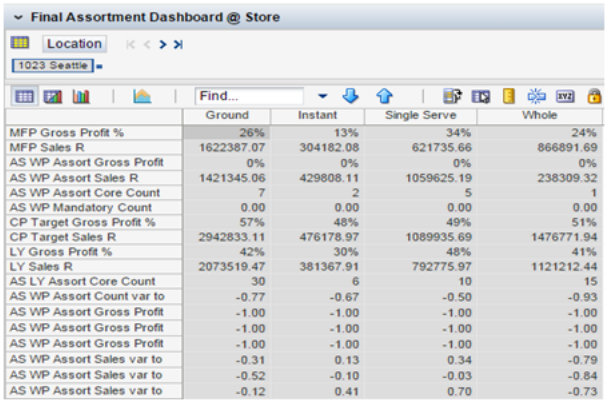
- WP/CP: This measure profile is used to view the working assortment at the store level in comparison to the current plan assortment.
- WP/LY: This measure profile is used to view the working assortment at the store level in comparison to the last year assortment.

Final Assortment Dashboard @ Store View

Use this view to review and compare the alignment of the final assortment plan numbers at the store level to the set MFP and CP targets at the sub-category level and above:

- Assortment Plan numbers consist of measures presenting Sales Retail, Sales Units, Gross Profit Retail, and Gross Profit %.
- Targets consist of MFP Sales R, MFP Sales U, MFP Gross Profit, and MFP Gross Profit %.

Figure 9–19 Final Assortment Dashboard @ Store View



	Ground	Instant	Single Serve	Whole
MFP Gross Profit %	26%	13%	34%	24%
MFP Sales R	1622387.07	304182.08	621735.66	866891.69
AS WP Assort Gross Profit	0%	0%	0%	0%
AS WP Assort Sales R	1421345.06	429808.11	1059625.19	238309.32
AS WP Assort Core Count	7	2	5	1
AS WP Mandatory Count	0.00	0.00	0.00	0.00
CP Target Gross Profit %	57%	48%	49%	51%
CP Target Sales R	2942833.11	476178.97	1089935.69	1476771.94
LY Gross Profit %	42%	30%	48%	41%
LY Sales R	2073519.47	381367.91	792775.97	1121212.44
AS LY Assort Core Count	30	6	10	15
AS WP Assort Count var to	-0.77	-0.67	-0.50	-0.93
AS WP Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
AS WP Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
AS WP Assort Gross Profit	-1.00	-1.00	-1.00	-1.00
AS WP Assort Sales var to	-0.31	0.13	0.34	-0.79
AS WP Assort Sales var to	-0.52	-0.10	-0.03	-0.84
AS WP Assort Sales var to	-0.12	0.41	0.70	-0.73

Table 9–17 lists the measures available in this view.

Table 9–17 Final Assortment Dashboard @ Store View Measures

Label	Description
MFP Gross Profit %	Merchandise Financial Plan's Gross Profit percentage.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
AS WP Assort Gross Profit %	The working plan assortment's gross profit percentage for the store.
AS WP Assort Sales R	The working plan assortment's sales retail value.
AS WP Assort Core Count	The number of core items in the working plan assortment for the store.
AS WP Mandatory Count	The number of items marked as mandatory for the store.
CP Target Gross Profit %	Approve Category Plan's Gross Profit percentage.
CP Target Sales R	Approve Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Sales Retail value. Similar measures in other versions include: WP Sales R and CP Sales R.
AS LY Assort Core Count	The number of core items in last year's assortment for the store. Similar measures in other versions include: AS CP Assort Core Count, AS WP Assort Core Count, and AS LP Assort Core Count.
AS WP Assort Count var to LY	The variances in assortment count between the working plan assortment and last year assortment at the store level.
AS WP Assort Gross Profit var to LY R	The variance in gross profit retail between the working plan assortment and last year assortment at the store level. Similar measures available with comparison to other planning measures: AS WP Assort Gross Profit var to CP R, AS WP Assort Gross Profit var to MFP R, and AS WP Assort Gross Profit var to Tgt R.
AS WP Assort Sales var to LY R	The variances in sales retail value between the working plan assortment and last year assortment. Similar measures available with variance to other planning measures: WP Assort Sales var to CP R, WP Assort Sales var to MFP R, and WP Assort Sales var to Tgt R.

Table 9–17 (Cont.) Final Assortment Dashboard @ Store View Measures

Label	Description
AS WP Assort Sales var to LY U	The variance in sales units between the working plan assortment and last year assortment at the store level. Similar measures available with variance to other planning measures: AS WP Assort Sales var to CP U, AS WP Assort Sales var to MFP U, and AS WP Assort Sales var to Tgt U.
WP DT Assort Sales var to LY U	The variance between the store level working plan assortment's demand transference affected sales units and store level last year assortment's sales units. Similar measures available with variation to other plan measures: AS WP DT Assort Sales var to CP U, AS WP DT Assort Sales var to MFP U, and AS WP DT Assort Sales var to Tgt U.
WP DT Assort Sales var to LY R	The variance between the store level working plan assortment's demand transference affected sales retail value and store level last year assortment's sales retail value. Similar measures available with variation to other plan measures: AS WP DT Assort Sales var to CP R, AS WP DT Assort Sales var to MFP R, and AS WP DT Assort Sales var to Tgt R.
WP DT Assort Gross Profit var to LY R	The variance between the IPI assortment's demand transference affected sales retail value and last year assortment's sales retail value. Similar measures available with variation to other plan measures: WP IPI DT Assort Gross Profit var to CP R, WP IPI DT Assort Gross Profit var to MFP R, and WP IPI DT Assort Gross Profit var to Tgt R.

Export to ASO Tab

This tab has two views used to fulfill the requirements of exporting assortment plan and category plan data to ASO at the store level.

> **Note:** Before exporting to ASO, make sure that the assortment plan has been explicitly committed to RPAS DB.

Exported assortment plans are optimized to the available space in ASO and recommendations are sent back to RCM.

HSA is used to provide a near real-time round-trip integration between RCM and ASO. The Oracle database schema, RDM, is used to store data being exchanged between RCM and ASO.

Import from ASO into RCM is done in the next step, Import and Review ASO Results.

1. Role Model & Assort Label View

Use this view to select the role assignment model to the categories that must be exported to ASO at the store level.

Figure 9–20 1. Role Model & Assort Label View

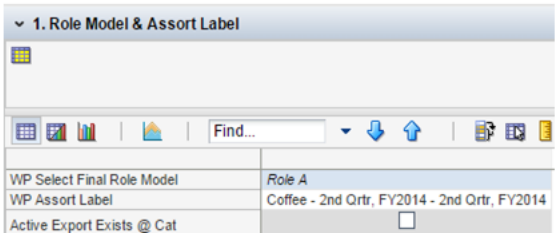


Table 9–18 lists the measures available in this view.

Table 9–18 1. Role Model & Assort Label Measures

Label	Definition
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.
WP Assort Label	The system-generated label (based on category and quarters) displayed for a working plan assortment being exported for assortment space optimization. This assortment label can also be user-defined.
Active Export Exists @Cat	This read-only Boolean measure indicates if there are any active exports present for the category, where the ASO results are expected back. ASO can only accept one export for a category at a time.

2. Export to ASO @Store View

Use this view to select the stores for which the assortment plan and category plan data must be exported to ASO for space optimization. Check the AS WP Export to ASO flag measure for the stores and run the Export to ASO @Store custom menu.

Figure 9–21 2. Export to ASO @Store View

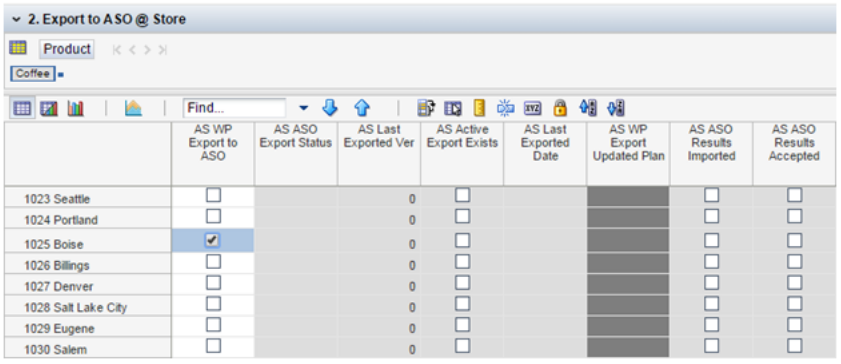


Table 9–19 lists the measures available in this view.

Table 9–19 2. Export to ASO @Store Measures

Label	Definition
AS WP Export to ASO	A Boolean flag measure at the store level that must be checked before running the Export to ASO @Store custom menu.

Table 9–19 (Cont.) 2. Export to ASO @Store Measures

Label	Definition
AS ASO Export Status	This read-only measure is used at the store level to display the status of exports to ASO.
AS Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. The AS Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization at the store level.
AS Active Exports Exists	This system-generated Boolean flag measure is used at the store level to identify the presence of any active exports for assortment space optimization for a product category, clusters, and stores under trading areas for which the optimization results are yet to be imported.
AS Last Exported Date	The date on which an assortment plan at the store level was exported for assortment space optimization for the given trading areas, quarters, and product category.
AS WP Export Updated Plan	This Boolean flag measure must be checked to export updated or changed assortment plan numbers for an already exported assortment plan for space optimization at the store. The Export Updated Plan custom menu is used to do this export after checking this flag measure.
AS ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific store and product category at least once. This measure remains checked if the import has happened at least once.
AS ASO Results Accepted	This system-generated Boolean flag measure is used to indicate if the assortment space optimization results have been accepted at least once for a store and product category.
Assort Set	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific category, trading areas, and quarters. On the assortment finalization for implementation, the assortment set number is incremented by 1 for the stores under the same trading areas.
AS Exported to ASO	This system-generated Boolean flag measure is used to indicate the successful export of assortment plans for space optimization for a store. It is not reset on the successful import of optimization results.
AS WP Cancel ASO Export	This flag measure must be checked to delete the previous exports stored in RDM tables at the store level by running the Cancel ASO Export custom menu.
AS Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization at the store level.
Assort ID	The system-generated assortment ID for the exported assortment plan for space optimization at the store level. It is a concatenation of the internal product category ID, quarter, and year for identifying an assortment set.

Table 9–19 (Cont.) 2. Export to ASO @Store Measures

Label	Definition
AS Last Exported ID	The system-generated assortment ID for the last exported assortment plan for space optimization at the store level. It is a concatenation of the internal product category ID, quarter, and year for identifying an assortment set.

Import and Review ASO Results Step

The process of space optimization of an assortment at the store level is similar to that at the cluster level and consists of the following actions:

1. Export the store level assortment with a space optimization request.
2. Import the ASO results at the store level after assortment space optimization in ASO.
3. Review and compare the ASO results with the exported assortment and other versions of the assortment such as, LY, CP and LP.
4. Accept the ASO results and review the space optimized assortment.
5. Formalize the placeholder items in the assortment.
6. Approve and finalize the space optimized assortment for implementation.

Use this step to review and import ASO results, location-wise or space-wise, and compare them against the exported assortment plan and other versions of the assortment plan.

The previously exported assortment plan is space optimized in ASO and then the ASO recommended assortment, assortment plan, and space productivity information are exported back to RCM. Once the exports are available from ASO, a custom menu is run to import the available ASO results.

Space productivity information is comprised of parameters, such as average service levels, stock cover in number of days, allocated space in the form of number of facings, facings length, and so on.

Prior to starting this step:

- The assortment plan must be exported to ASO from Assortment Planning @Store task.
- Space optimization for the exported assortment plan must be complete in ASO and the ASO results must be exported back to RCM.

After completing this step:

If ASO results are meeting the expectations (that is, they are in line with the overall business plan objectives and targets) then proceed to the next step, Accept and Approve ASO Results.

This step has the following tabs and views:

- Import and Review ASO Results Tab:
  - 1. Import ASO Results @ Store View
  - 2. ASO Assortment @ Store Summary View
  - 3. ASO Assortment Details and Space Productivity @ Store View

Custom Menu Option

This step has one custom menu option.

Import ASO Results

This custom menu is used to import the ASO results consisting of the recommended assortment, assortment plan, and space productivity information.

Import and Review ASO Results Tab

This tab has three views.

1. Import ASO Results @ Store View

Use this view to import the assortment space optimization results from ASO. Check the AS WP ASO Import flag measure at the all [Location] level and run the Import ASO Results custom menu. This will import all the available and relevant space optimization results from ASO stored in RDM (RPAS Data Mart). Relevant optimization results here refer to ASO results for the last export made to ASO from the respective workbook. The AS WP ASO Import flag measure is reset once the imports are completed successfully and the corresponding positions for the AS ASO Import Status flag measure are updated.

Figure 9–22 1. Import ASO Results @ Store View

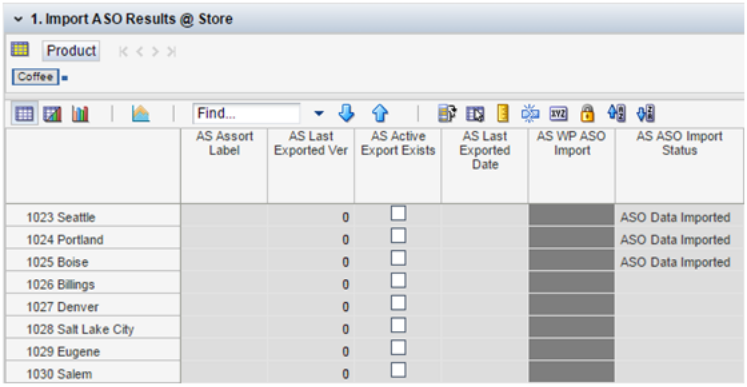


Table 9–20 lists the measures available in this view.

Table 9–20 1. Import ASO Results @ Store View Measures

Label	Description
AS Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization at the store level.
AS Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and the corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. The AS Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization at the store level.

Table 9–20 (Cont.) 1. Import ASO Results @ Store View Measures

Label	Description
AS Active Export Exists	This system-generated Boolean flag measure is used at the store level to identify the presence of any active exports for assortment space optimization for a product category, clusters, and stores under trading areas, for which the optimization results are yet to be imported.
AS Last Exported Date	The date on which an assortment plan at the store level was last exported for assortment space optimization for the given trading areas, quarters, and product category.
AS WP ASO Import	This user-entered Boolean flag measure is used to trigger the import of assortment space optimization results at the store level. This measure can be checked at the all (locations) level to import all the relevant (where active exports exist) and available optimization results for the workbook. Once the import is completed, this flag measure is reset.
AS ASO Import Status	This system-generated measure is used to indicate the successful import of assortment space optimization results for a specific store and product category. It is also used to present a warning message in the case of removal of a mandatory item in the space optimization results.
AS ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific store and product category at least once. This measure remains checked, if the import have happened at least once.
AS ASO Results Imported Date	The date on which the assortment space optimization results were imported for a store under a trading area.
AS ASO Results Accepted	This system-generated Boolean flag measure is used to indicate if the assortment space optimization results have been accepted at least once for a store and product category.
AS Exported to ASO	This system-generated Boolean flag measure is used to indicate the successful export of assortment plans for space optimization for a store. It is not reset on successful import of optimization results.
Assort Set	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific category, trading areas, and quarters. On the assortment finalization for implementation, the assortment set number is incremented by 1 for the clusters under the same trading areas.
AS ASO Results Accepted By	The user who accepted the assortment space optimization results for the store.
AS ASO Results Accepted Date	The date on which the assortment space optimization results were accepted for the store.
AS Last Exported By	The user who last exported an assortment plan for space optimization for the store.
AS Last Exported ID	System-generated assortment ID for the last exported assortment plan for space optimization at the store level. It is a concatenation of the internal product category ID, quarter, and year for identifying an assortment set.
AS ASO Results Imported By	The user who last imported the assortment space optimization results at the store level.

Custom Menu

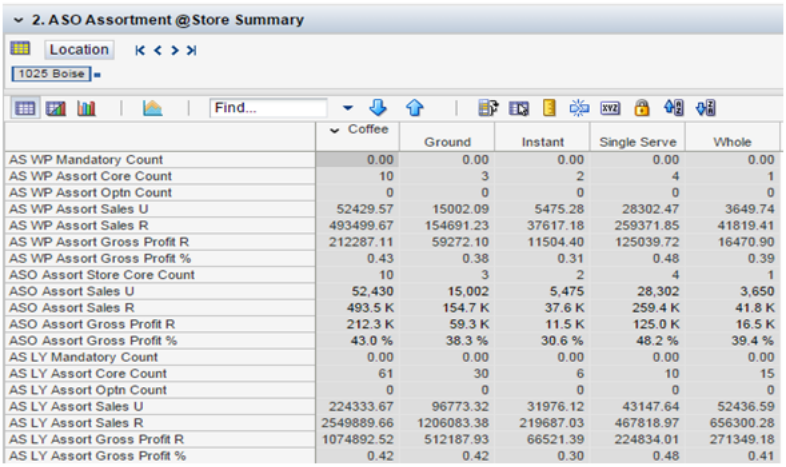
Use the Import ASO Results custom menu in this view to import the space optimization results from ASO comprised of the ASO recommended assortment, assortment plan, and space productivity information. The ASO results are available at the SKU/Store level. The AS WP ASO Import measure must be checked at the all (locations) level to run this custom menu.

2. ASO Assortment @ Store Summary View

Use this view to review and compare the summary of ASO recommended results with the exported working plan version of the assortment plan (WP), current plan, and last year assortment plan at the store level.

The ASO recommended assortment plan is available only at the SKU/Store level.

Figure 9–23 2. ASO Assortment @ Store Summary View



	Coffee	Ground	Instant	Single Serve	Whole
AS WP Mandatory Count	0.00	0.00	0.00	0.00	0.00
AS WP Assort Core Count	10	3	2	4	1
AS WP Assort Optn Count	0	0	0	0	0
AS WP Assort Sales U	52429.57	15002.09	5475.28	28302.47	3649.74
AS WP Assort Sales R	493499.67	154691.23	37617.18	259371.85	41819.41
AS WP Assort Gross Profit R	212287.11	59272.10	11504.40	125039.72	16470.90
AS WP Assort Gross Profit %	0.43	0.38	0.31	0.48	0.39
ASO Assort Store Core Count	10	3	2	4	1
ASO Assort Sales U	52,430	15,002	5,475	28,302	3,650
ASO Assort Sales R	493.5 K	154.7 K	37.6 K	259.4 K	41.8 K
ASO Assort Gross Profit R	212.3 K	59.3 K	11.5 K	125.0 K	16.5 K
ASO Assort Gross Profit %	43.0 %	38.3 %	30.6 %	48.2 %	39.4 %
AS LY Mandatory Count	0.00	0.00	0.00	0.00	0.00
AS LY Assort Core Count	61	30	6	10	15
AS LY Assort Optn Count	0	0	0	0	0
AS LY Assort Sales U	224333.67	96773.32	31976.12	43147.64	52436.59
AS LY Assort Sales R	2549889.66	1206083.38	219687.03	467818.97	656300.28
AS LY Assort Gross Profit R	1074892.52	512187.93	66521.39	224834.01	271349.18
AS LY Assort Gross Profit %	0.42	0.42	0.30	0.48	0.41

Table 9–21 lists the measures available in this view.

Table 9–21 2. ASO Assortment @ Store Summary View Measures

Label	Description
AS WP Mandatory Count	The number of mandatory items in a working plan assortment for the store. Similar measures in other versions include: AS LY Mandatory Count, AS CP Mandatory Count, and AS LP Mandatory Count.
AS WP Assort Core Count	The number of core items in a working plan assortment for the store. Similar measures in other versions include: AS LY Assort Core Count, AS CP Assort Core Count, and AS LP Assort Core Count.
AS WP Assort Optn Count	The number of optional items in a working plan assortment at the store. Similar measures in other versions include: AS LY Assort Optn Count, AS CP Assort Optn Count, and AS LP Assort Optn Count.
AS WP Assort Sales U	The sales units in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Sales U and AS CP Assort Sales U.
AS WP Assort Sales R	The sales retail value in the working plan assortment for the store. Similar measure in other versions: AS LY Assort Sales R and AS CP Assort Sales R.

Table 9–21 (Cont.) 2. ASO Assortment @ Store Summary View Measures

Label	Description
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. Similar measures in other versions include: AS LY Assort Gross Profit R and AS CP Assort Gross Profit R
AS WP Assort Gross Profit %	The gross profit percentage in a working plan assortment for the store. Similar measures in other versions include: AS LY Assort Gross Profit % and AS CP Assort Gross Profit %.
ASO Assort Store Core Count	The number of core items in a store in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales U	The sales units in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales R	The sales retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit R	The gross profit retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit %	The gross profit retail percentage in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
AS WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the store. Core items are part of the assortment. Similar measures in other versions include: AS LY Assort Carried, AS CP Assort Carried, and AS LP Assort Carried.
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Core, AS CP Assort Core, and AS LP Assort Core.
AS WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the store.

Measure Profiles

ASO Assortment Summary @Store view is used to review and compare the ASO results in relation to the exported assortment plan, in particular, and other version assortments at the store level.

WP/CP: This profile is used to compare the ASO results summary in relation to the exported working plan assortment and current plan assortment at the store level.

WP/LP: This profile is used to compare the ASO results summary in relation to the exported working plan assortment and last plan assortment at the store level.

WP/LY: This profile presents a comparison of the ASO results summary in relation to the exported working plan assortment and last year's assortment plan at the store level.

3. ASO Assortment Details and Space Productivity @ Store View

Use this view to review and compare the details of the ASO results comprised of the ASO recommended assortment, plan, and space productivity information with the

exported working plan assortment and other versions (LY, LP, and CP) at the store level, along with their respective space productivity information. This view is viewed at the store level.

Figure 9–24 3. ASO Assortment @ Store Details and Space Productivity View

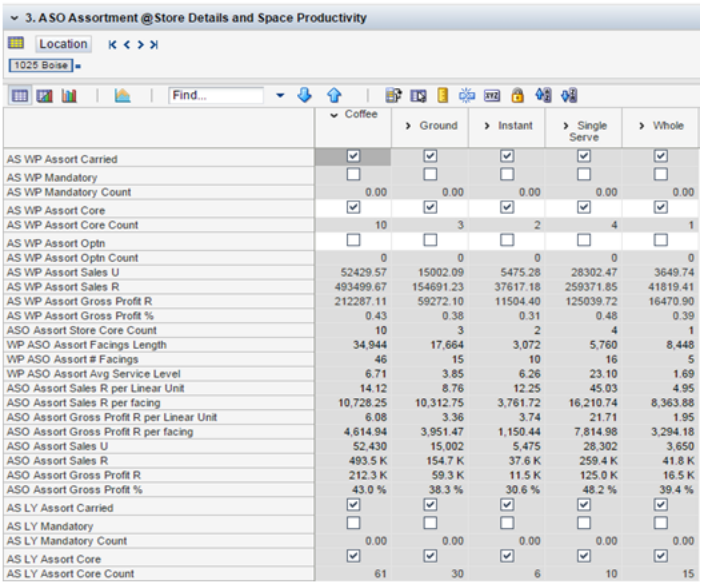


Table 9–22 lists the measures available in this view.

Table 9–22 3. ASO Assortment @ Store Details and Space Productivity View Measures

Label	Description
AS WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the store. Core items are part of the assortment. Similar measures in other versions include: AS LY Assort Carried, AS CP Assort Carried, and AS LP Assort Carried.
AS WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the store.
AS WP Mandatory Count	The number of mandatory items in a working plan assortment for the store. Similar measures in other versions include: AS LY Mandatory Count, AS CP Mandatory Count, and AS LP Mandatory Count.
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Core, AS CP Assort Core, and AS LP Assort Core.
AS WP Assort Core Count	The number of core items in a working plan assortment for the store. Similar measures in other versions include: AS LY Assort Core Count, AS CP Assort Core Count, AS LP Assort Core Count.
AS WP Assort Optn	A Boolean flag measure indicating whether an item is an optional item in the working plan's assortment for the store. Similar measures in other versions include: AS LY Assort Optn, AS CP Assort Optn, and AS LP Assort Optn.

Table 9–22 (Cont.) 3. ASO Assortment @ Store Details and Space Productivity View

Label	Description
AS WP Assort Optn Count	The number of optional items in a working plan assortment at the store. Similar measures in other versions include: AS LY Assort Optn Count, AS CP Assort Optn Count, and AS LP Assort Optn Count.
AS WP Assort Sales U	The sales units in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Sales U and AS CP Assort Sales U.
AS WP Assort Sales R	The sales retail value in the working plan assortment for the store. Similar measure in other versions include: AS LY Assort Sales R and AS CP Assort Sales R.
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. Similar measures in other versions include: AS LY Assort Gross Profit R and AS CP Assort Gross Profit R.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan assortment for the store. Similar measures in other versions include: AS LY Assort Gross Profit % and AS CP Assort Gross Profit %.
ASO Assort Store Core Count	The number of core items in a store in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO at the SKU/Store level. Similar measures in different versions include: LY ASO Assort Facings Length, CP ASO Assort Facings Length, and LP ASO Assort Facings Length.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO at the SKU/Store level. Similar measures in different versions include: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO Assort Avg Service Level	The average service level that represents the probability of an item's availability at a store in the working plan assortment. This measure is an output from ASO at the SKU/Store level. Similar measure in different versions include: LY ASO Assort Avg Service Level, CP ASO Assort Avg Service Level, and LP ASO Assort Avg Service Level.
WP ASO Assort Avg Days of Supply	The inventory (or stock cover) carried by a store, measured as the average number of days the inventory available at the store will last in the WP version of the assortment plan. This measure is part of the ASO result. Similar measure in different versions include: LY ASO Assort Avg Days of Supply, CP ASO Assort Avg Days of Supply, and CP ASO Assort Avg Days of Supply.
ASO Assort Sales R per Linear Unit	The sales retail value return per linear unit of facings length in the ASO recommended assortment.
ASO Assort Sales R per facing	The sales retail value return per facing in the ASO recommended assortment.
ASO Assort Gross Profit R per Linear Unit	The gross profit retail value return per linear unit in the ASO recommended assortment.
ASO Assort Gross Profit R per facing	The gross profit retail value return per facing in the ASO recommended assortment.

Table 9–22 (Cont.) 3. ASO Assortment @ Store Details and Space Productivity View

Label	Description
ASO Assort Sales U	The sales units in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Sales R	The sales retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit R	The gross profit retail value in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.
ASO Assort Gross Profit %	The gross profit retail percentage in an ASO recommended assortment. Note that the ASO results (recommendations) data is available at the SKU/Store level.

Measure Profiles

The ASO Assortment @Store Details and Space Productivity view is used to review the details of the ASO results in the form of assortment plan and space productivity information at the store level.

WP/CP: This measure profile presents a comparison of the ASO assortment plan details and space productivity information in relation to the exported working plan assortment and current plan assortment at the store level.

WP/LP: This measure profile presents a comparison of the ASO assortment plan details and space productivity information in relation to the exported working plan assortment and last plan assortment at the store level.

WP/LY: This measure profile presents a comparison of the ASO assortment plan details and space productivity information in relation to the working plan assortment and last year's assortment plan at the store level.

Accept ASO Results and Approve Assortment Step

Use this step to accept the ASO results, review the space optimized assortment, approve it, and finalize it for implementation.

Prior to starting this step:

The ASO results should have been imported and reviewed in the previous step.

After completing this step:

Store-specific space optimized assortments can be accepted, approved, and finalized for implementation in this step. This is the process flow for continuous planning business scenario, where store assortments are re-planned during a planning period.

If store-specific assortment plans are being created as part of major-line review, the next step is to go back to the step, Accept ASO Results and Approve Assortment under Assortment Planning @Cluster task, to review the overall assortment plan for the cluster. Combined measures are used to present the overall assortment plan information at the cluster level when store level assortment plans have been planned under the cluster.

The space-optimized assortments are finalized for implementation under this step.

This step has the following tabs and views:

- Accept ASO Results and Review Assortment Tab:

  1. Accept ASO Results @ Store View

  2. Review Space Optimized Assortment @ Store View

- Approve Assortment Tab:

  Approve Assortment @ Store View

- Finalize Assortment for Implementation Tab:

  Finalize Assortment for Implementation View

Custom Menu Options

This step has the following custom menu options:

Accept ASO Results

This custom menu is used to accept the ASO results after importing and reviewing them.

Approve Assortment @Store

This custom menu is used approve an assortment at the store level.

Finalize Assort to ASO

This custom menu is used to finalize the assortment for space optimization.

Accept ASO Results and Review Assortment Tab

This tab has two views.

1. Accept ASO Results @ Store View

Use this view to accept the ASO results, which have been reviewed in the previous step and been found to be in line with the business requirements. Review the stores for which the ASO results have been imported. Check the AS WP Accept flag measure for stores, where the ASO results need to be accepted, choose the required option in the WP Accept Type measure from the drop-down selection, and run the Accept ASO Results custom menu. The following options are available for accepting ASO results:

- ASO Assortment and Plan: This option is used to copy the ASO recommended assortment plan, as it is, into the store level measures.
- ASO Assortment only: This option is used to copy only the assortment (product-mix) or assortment from the ASO results. The assortment plan numbers are then derived by applying demand transference using the difference between the original working plan exported at the store level for space optimization and the ASO recommended assortment as the basis for the calculation.

Figure 9–25 1. Accept ASO Results @ Store View

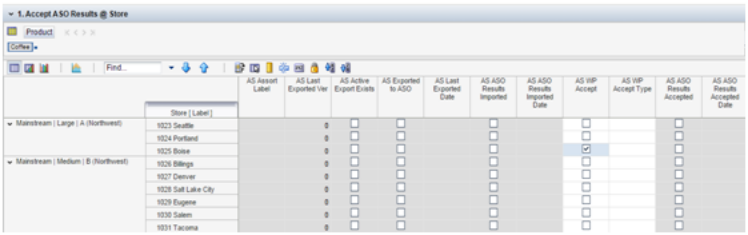


Table 9–23 lists the measures available in this view.

Table 9–23 1. Accept ASO Results @ Store View Measures

Label	Description
AS Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization at the store level.
AS Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. AS Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization at the store level.
AS Active Export Exists	This system-generated Boolean flag measure is used at the store level to identify the presence of any active exports for assortment space optimization for a product category, clusters, and stores under trading areas, for which the optimization results are yet to be imported.
AS Exported to ASO	This system-generated Boolean flag measure is used to indicate the successful export of assortment plans for space optimization for a store. It is not reset on the successful import of optimization results.
AS Last Exported Date	The date on which an assortment plan at the store level was last exported for assortment space optimization for the given trading areas, quarters, and product category.
AS ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific store and product category, at least once. This measure remains checked if the imports have happened at least once.
AS ASO Results Imported Date	The date on which the assortment space optimization results were imported for a store under a trading area.
AS WP Accept	A Boolean flag measure that must be checked for a store to run the Accept ASO Results custom menu.
AS WP Accept Type	A drop-down measure used to enter the accept type before running the Accept ASO Results custom menu at the store level. There are two available options: ■ ASO Assortment only: Used to accept only the ASO assortment recommendation. ■ ASO Assortment and Plan: Used to accept both the ASO assortment and plan recommendations.

Table 9–23 (Cont.) 1. Accept ASO Results @ Store View Measures

Label	Description
AS ASO Results Accepted	A Boolean measure used to indicate if the ASO results have been accepted for a store.
AS ASO Results Accepted Date	The date on which the ASO results were accepted at the store level.

Custom Menus

Use the Accept ASO Results custom menu to accept the ASO results. The ASO results can be accepted in two ways by selecting an option from the AS WP Accept Type measure:

- ASO Assortment and Plan: This option is used to copy the ASO recommended assortment plan, as it is, into the store level measures.
- ASO Assortment only: This option is used to copy only the product-mix or assortment from the ASO results. The assortment plan numbers are then derived by applying demand transference using the difference between the original working plan exported for space optimization and the ASO recommended assortment as the basis for the calculation.

2. Review Space Optimized Assortment @ Store View

Use this view to review the space-optimized assortment and its space productivity information at the store level after accepting the ASO results. Compare this information with different versions of the assortment plans such as, LY, CP, and LP.

The ASO results are available at the SKU/Store level and, on acceptance, are stored in the store level measures (AS WP type measures). The accepted ASO recommended assortment is referred to as the space-optimized assortment. Space productivity information is also updated to the working plan measures as part of the acceptance of the ASO results.

Figure 9–26 2. Review Space Optimized Assortment @ Store View

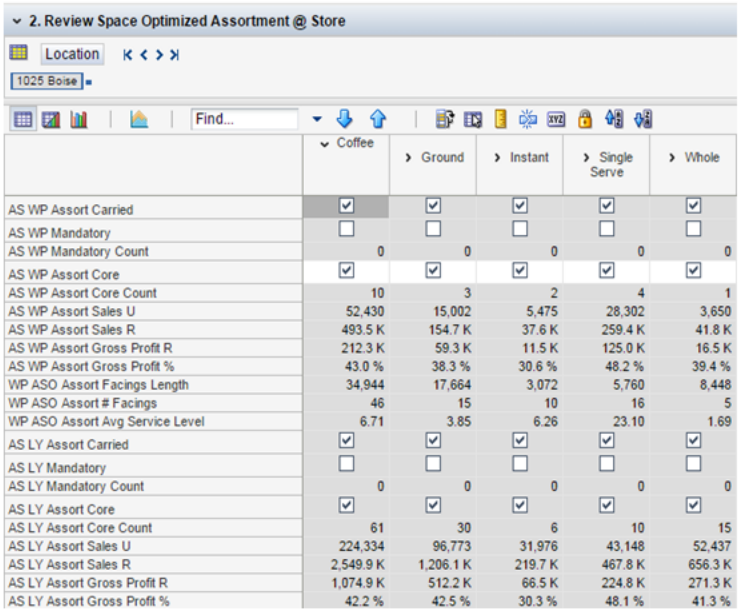


Table 9–24 lists the measures available in this view.

Table 9–24 2. Review Space Optimized Assortment @ Store View Measures

Label	Description
AS WP Assort Carried	A Boolean flag measure indicating whether an item is part of the working plan assortment for the store. Core items are part of the assortment. Similar measures in other versions include: AS LY Assort Carried, AS CP Assort Carried, and AS LP Assort Carried.
AS WP Mandatory	A Boolean flag measure used to mark an item as mandatory in a working plan assortment for the store. Similar measures in other versions include: AS LY Mandatory, AS CP Mandatory, and AS LP Mandatory.
AS WP Mandatory Count	The number of mandatory items in a working plan assortment for the store. Similar measures in other versions include: AS LY Mandatory Count, AS CP Mandatory Count, and AS LP Mandatory Count.
AS WP Assort Core	A Boolean flag measure indicating whether an item is a core item in the working plan's assortment for the store. Similar measures in other versions include: AS LY Assort Core, AS CP Assort Core, and AS LP Assort Core.
AS WP Assort Core Count	The number of core items in a working plan assortment for the store. Similar measures in other versions include: AS WP Assort Core Count, AS WP Assort Core Count, and AS WP Assort Core Count.
AS WP Assort Sales U	The sales units in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Sales U and AS CP Assort Sales U.
AS WP Assort Sales R	The sales retail value in the working plan assortment for the store. Similar measures in other versions include: AS LY Assort Sales R and AS CP Assort Sales R.
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. Similar measures in other versions include: AS LY Assort Gross Profit R and AS CP Assort Gross Profit R.
AS WP Assort Gross Profit %	The gross profit percentage in a working plan assortment for the store. Similar measures in other versions include: AS LY Assort Gross Profit % and AS CP Assort Gross Profit %.
WP ASO Assort Facings Length	The length of the number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO at the SKU/Store level. Similar measure in different versions include: LY ASO Assort Facings Length, CP ASO Assort Facings Length, and LP ASO Assort Facings Length.
WP ASO Assort # Facings	The number of facings allotted to a SKU in the POGs in a store layout after the working plan assortment's space optimization by ASO. This measure is an output from ASO at the SKU/Store level. Similar measure in different versions include: LY ASO Assort # Facings, CP ASO Assort # Facings, and LP ASO Assort # Facings.
WP ASO Assort Avg Service Level	The average service level that represents the probability of an item's availability at a store in the working plan assortment. This measure is an output from ASO at the SKU/Store level. Similar measure in different versions include: LY ASO Assort Avg Service Level, CP ASO Assort Avg Service Level, and LP ASO Assort Avg Service Level.

Table 9–24 (Cont.) 2. Review Space Optimized Assortment @ Store View Measures

Label	Description
AS LY Assort Sales R per Linear Unit	The sales retail return per linear unit of facings length in last year's assortment at the store level. It is calculated by dividing AS LY Assort Sales R by LY ASO Assort Facings Length. Similar measures in other versions include: AS WP Assort Sales R per Linear Unit and AS CP Assort Sales R per Linear Unit.
AS LY Assort Sales R per facing	The sales retail return per facing in last year's assortment at the store level. It is calculated by dividing AS LY Assort Sales R by LY ASO Assort # Facings. Similar measures in other versions include: AS WP Assort Sales R per facing and CP AS Assort Sales R per facing.
AS LY Assort Gross Profit R per Linear Unit	The gross profit retail return per linear unit of facings length in last year's assortment at the store level. It is calculated by dividing AS LY Gross Profit R by LY ASO Assort Facings Length. Similar measures in other versions include: AS WP Assort Gross Profit R per Linear Unit and AS CP Assort Gross Profit R per Linear Unit.
AS LY Assort Gross Profit R per facing	The gross profit retail return per facing in last year's assortment at the store level. It is calculated by dividing AS LY Assort Gross Profit R by LY ASO Assort # Facings. Similar measures in other versions include: AS WP Assort Gross R per facing and CP AS Assort Gross Profit R per facing.
WP ASO Assort Avg Days of Supply	The inventory (or stock cover) carried by a store, measured as the average number of days the inventory available at the store will last in the WP version of the assortment plan. This measure is part of the ASO result. Similar measures in different versions include: LY ASO Assort Avg Days of Supply, CP ASO Assort Avg Days of Supply, and CP ASO Assort Avg Days of Supply.
WP ASO POG Length	The length of the POG in which a SKU is merchandised at the store per the working plan assortment's space optimization by ASO. This measure is an output from ASO at the SKU/Store level. The grouping of stores in the form of space clusters is done on the basis of POG length.
AS WP Mandatory Count	The number mandatory items in a working plan assortment for the cluster. Similar measures in other versions include: LY Mandatory Count and CP Mandatory Count, LP Mandatory Count.

Measure Profiles

WP/CP: This measure profile presents a comparison of the working plan for the space optimized assortment with the current plan assortment at the store level.

WP/LP: This measure profile presents a comparison of the working plan for the space optimized assortment with the last plan assortment at the store level.

WP/LY: This measure profile presents a comparison of the working plan for the space optimized assortment with the last year assortment at the store level.

Approve Assortment Tab

This tab has one view.

Approve Assortment @ Store View

Use this view to approve the store level assortment by checking the AS WP Approve to CP for a store measure.

Prior to approving the assortment, the placeholder items, which are part of the assortment, must be formalized by Category Management Admin after the item has been formalized in RMS or an MDM system. For more details, see "Placeholder and Formalized Items Step" in Chapter 3.

Figure 9–27 Approve Assortment @ Store View

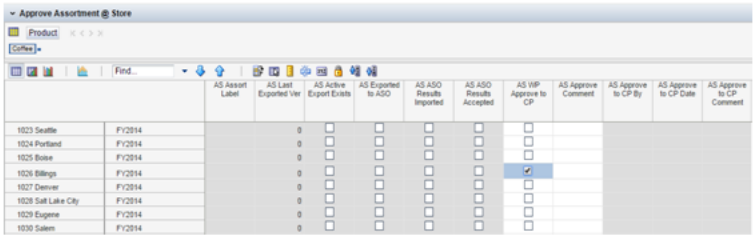


Table 9–25 lists the measures available in this view.

Table 9–25 Approve Assortment @ Store View Measures

Label	Description
AS Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization at the store level.
AS Last Exported Ver	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific product category, trading areas, and quarters. Assortment Set Version is a sequential system-generated number, representing the number of exports against a specific assortment set. AS Last Exported version is a system-generated number for an assortment set, used to identify the last assortment plan exported for space optimization at the store level.
AS Active Exports Exist	A Boolean measure used to indicate if there are any active exports for a store where the assortment space optimization results are expected.
AS Exported to ASO	This system-generated Boolean flag measure is used to indicate the successful export of assortment plans for space optimization for a store. It is not reset on successful import of optimization results.
AS ASO Results Imported	This Boolean flag measure is used to indicate the import of assortment space optimization results for a specific store and product category, at least once. This measure remains checked if the imports have happened at least once.
AS ASO Results Accepted	This system-generated Boolean flag measure is used to indicate if the assortment space optimization results have been accepted at least once for a store and product category.
AS WP Approve to CP	A Boolean flag measure that must be checked before running the Approve ASO Results @Store custom menu to approve the assortment.

Custom Menu

Use the Approve Assortment @Store custom menu in this view to approve the assortment.

Finalize Assortment for Implementation Tab

This tab has one view.

Finalize Assortment for Implementation View

Use this view to finalize the assortment for implementation. On finalization, the formalization information is exported to ASO and a signal is sent to ASO to go ahead with the implementation at the stores through a space management system.

Figure 9–28 Finalize Assortment for Implementation View

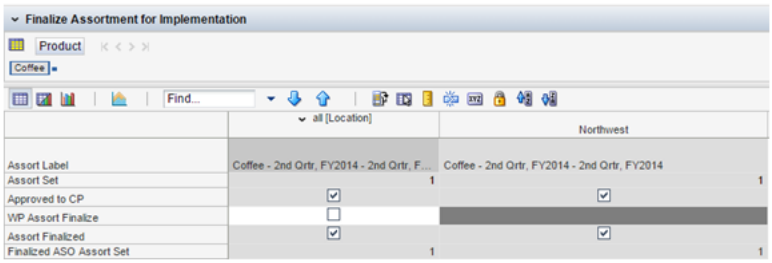


Table 9–26 lists the measures available in this view.

Table 9–26 Finalize Assortment for Implementation Measures

Label	Description
Assort Label	The system-generated label displayed for a working plan assortment that was last exported for assortment space optimization.
Assort Set	Assortment plans exported for space optimization are identified by the assortment set and corresponding version. Assortment set is a sequential system-generated number assigned to an assortment plan exported for a specific category, trading areas, and quarters. On assortment finalization for implementation, the assortment set number is incremented by 1 for the clusters under the same trading areas.
Approved to CP	A Boolean flag measure used to indicate if an assortment has been approved.
WP Assort Finalize	A Boolean flag measure that must be checked before running the custom menu to finalize the assortment.
Assort Finalized	A Boolean flag measure used to indicate if the assortment has been finalized.
Finalized ASO Assort Set	The Assort Set Number that has been finalized.
Finalized Assort Set	The assortment set that was last finalized.

A

Appendix: Additional Topics

This appendix provides additional information on the following topics:

- Roles, Strategies, and Tactics in Category Planning
- Workflows/Day in the Life
- IPI in Assortment Planning
- Demand Transference in Assortment Planning

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.

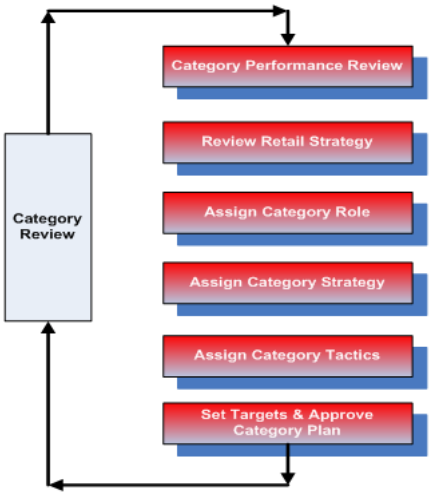
Overview

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.

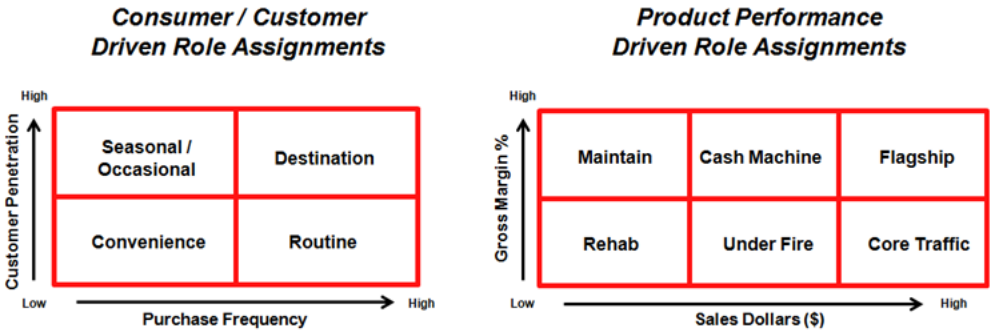
Figure A–1 Category Planning Application Workflow



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 you want.

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.

- **Item Penetration:** Penetration is a measure of item, brand, or category popularity. The number of people who buy a specific category of goods at least once at the retailer is divided by the number of people who buy this category in the market as a whole. This is specifically in a retailer's business context. Alternatively, in a market context, the definition is the number of people who buy a specific category of goods at least once divided by the total number of customers or buyers in the market. Item penetration in a market context 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 at a retailer. 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. Purchase frequency can also be viewed in a market context, where it is defined as the number of times a category is brought on an average per year across the market.

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 **item 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.

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 you want. The strategies and their characteristics are listed in Table A–1.

Table A–1 Category Strategies and their Characteristics

Category Strategies	Characteristics	Purchase Dynamics	Measures and View	Example
Traffic Building	Attracting customers to the store, aisle, and category	High share, frequently purchased, high percent of sales	WP Sales contribute to Market Sales by Consumer Seg R, Purchase Frequency, WP Sales by Consumer Seg R and Fc Sales R in Identify Traffic Builders view	Whole coffee as a traffic building sub-category for a retailer (Retailer A) with a grocery retail chain specializing in hot beverages like tea and coffee to cater the original taste from tea/coffee gardens. This serves as a unique selling proposition to the target consumer segments such as gourmet shoppers, who are looking for authentic whole coffee beans of different varieties.
Transaction Building	Enlarging the size of the average purchase	Higher ring-up, impulse purchase	Purchase Frequency and Transaction Size with Category in Identify Transaction Builders view	Ground coffee as a transaction building sub-category for Retailer A, catering to the consumer segments, such as value seekers, who are looking for authentic coffee but have little free time.
Profit Generating	Yielding profits	Higher gross margin, higher turns	Measures: WP Gross Profit by Consumer Seg R in Identify Profit Generators view	Whole coffee with many private label SKUs and direct sourcing from coffee estates, as a profit generating sub-category with higher margins for a a retailer with a hypermarket chain (Retail-er B), which presents a limited range of merchandise in coffee in relation to a speciality retailer like Retailer A.
Cash Generating	Producing cash flow	Higher turns, frequently purchased	Measures: WP Turn, Purchase Frequency and WP Sales by Consumer Seg U in Identify Cash Generators view	Instant coffee as a cash-generating sub-category for a supermarket retailer with staple food as the main attraction to customers, with coffee playing the role of a convenience category.

Table A–1 (Cont.) Category Strategies and their Characteristics

Category Strategies	Characteristics	Purchase Dynamics	Measures and View	Example
Excitement Generating	Generating interest and enthusiasm among consumers	Impulse, life-style oriented, seasonal	LY Sales by Consumer Seg R, Fc Sales R and WP Sales by Consumer Seg R in Identify Excitement Generators view	Single serve coffee as excitement-generating sub-category in a hypermarket retail chain (Retailer B) in a market where the working population is relatively important target consumer segment.
Image Enhancing	Strengthening the view of the retailer held by the consumer	Frequently purchased, highly promoted, impulse, unique items, seasonal	Purchase Frequency, WP Sales by Consumer Seg R, WP Promo Sales contrib to Sales by Consumer Seg R and Fc Sales R in Identify Image Enhancers view	Instant coffee as a image enhancing sub-category for the speciality retailer, Retailer A, so as to have a complete range of SKUs in coffee product category to serve the need of wide spectrum of customers looking for variety in coffee.
Turf Defending	Positioning the category strongly versus competitors	Used by retailers to draw traditional customer base	WP Turn, Purchase Frequency & WP Sales by Consumer Seg U in Identify Turf-Defenders view	Ground and whole as turf depending sub-categories for retailer (Retailer C) who specializes in coffee and presents a wide variety in its product range.

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 option 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. 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 and MSO task.

Applying Roles, Strategies, and Tactics in Assortment Planning and Macro Space Optimization

Roles, strategies, and tactics are all visible in Assortment Planning and Macro Space Optimization @ Sub-Category. 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 role. 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 that best align with the different Category Management strategies, as well as some suggested values for each. These can be used to help drive IPI 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 option 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%)
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%)

Table A–3 (Cont.) Focus Areas and Metrics for Strategies

Strategy	Weights	Attributes	Loyalty	Market Basket	Performance
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, and then creating an assortment in assortment planning and optionally optimizing that for space in ORASE.

Category Planning Process

- Create store assortment clusters for coffee using the Advanced Clustering solution of ORASE 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."

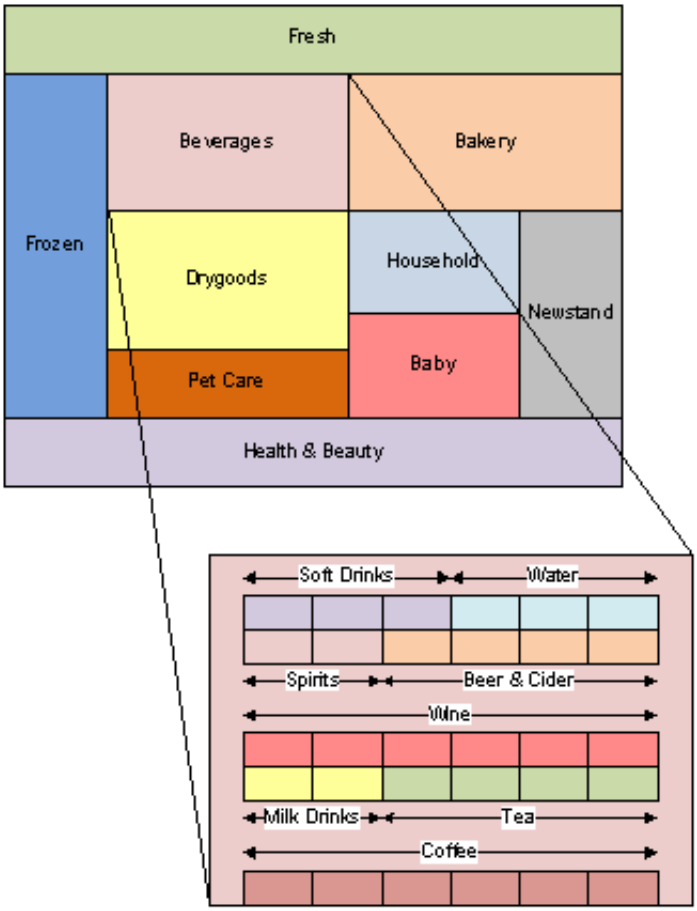
Category Planning Workflow

1. Define the Retail Strategy, which is the big picture view of the shoppers, trading area, and competition to assess the overall business opportunity in the market..
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 IPI based assortment generation in assortment planning.
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.
6. Approve category/sub-category plans to share it with Macro Space Optimization and Assortment Planning.

Macro Space Optimization Process

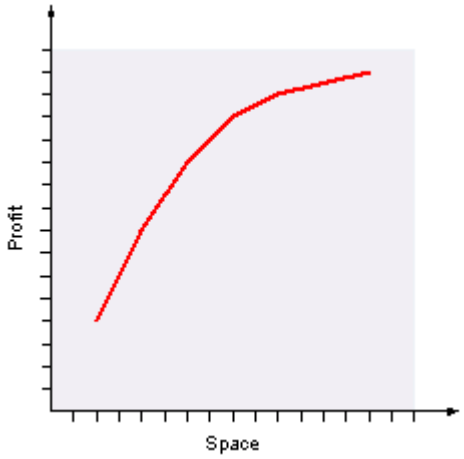
Macro Space Optimization (MSO) helps determine how best to balance space in order to maximize profit, either at the department level or the subcategory/planogram level.

Figure A–3 MSO Process



The optimization leverages space elasticity curves that define the expected profit that will be generated for differing amounts of space.

Figure A–4 Space Elasticity Curve



These curves can also be used in reverse to answer the question: "How much space do I need to meet my financial target?" The curves are held as space-profit tables within the system and must be defined before MSO can be used.

Macro Space Optimization Process

- Admin setup
  - Define POG hierarchy; it can be sourced from space planning system.
  - Import current space information from space planning systems like Macro Space Management system (MSM).
  - Set up space elasticity curve data.
  - Map product and POG hierarchies.
- Macro Space Optimization at Department level
  - Review financial targets from MFP and CP.
  - Set optimization constraints.
  - Run macro space optimization and review the results.
  - Approve optimization results, which must be shared with space planning systems like MSM.
- Macro Space Optimization at Sub-Category level
  - Review roles, strategies, and tactics, along with financial targets (from MFP and CP).
  - Set optimization constraints.
  - Run macro space optimization and review the results.
  - Approve optimization results, which are shared with Assortment Planning tasks (MSM).

Macro Space Optimization Workflow

- Admin setup
  1. Given POG hierarchy information is setup as part of foundation data, import current space information from MSM. Current space information consists of:
     - Current store size
     - Current department sizes
     - Total available linear space for each department
     - Current space for each planogram subcategory
     - Subcategory/POG adjacency information
  2. Set up data space elasticity curve data in Manage MSO Tables at both department and sub-category level.
  3. Map product and POG hierarchies in POG and PROD Hierarchy Mapping at both department and sub-category level.
- Macro Space Optimization at Department level
  1. Review financial targets from MFP and CP on product and POG hierarchy in Review Category Scorecard at department level.
  2. Review current space information and set macro space optimization constraints in Setup and Review Optimization @Dept. Following constraints need to be defined:
     - Lower and upper guard rails for space to be allocated to departments.

- Minimum and maximum space values for departments.
- Space increments for each department.
- Optimization and Target Alignment type. Options available here include Space - less than or equal to, Financial - max profit up, and Financial - max profit down.
- Selecting departments that participate in optimization using Include POG department flag measure.
- Locking current space for those departments that need to keep their current space intact.
- Selecting Mandatory departments.

3. Run optimization using Optimize Dept custom menu.
4. Review optimization results in the form of recommended space and gross profit.
5. Review optimization results in the form of histograms in the form histograms in Review Space and Profit Histograms @ Dept.
6. Approve optimization results, which need to be shared with MSM and kept as reference in optimization at the sub-category level.

- Macro Space Optimization at the Sub-Category level

1. Based on optimization results at the department level, estimate the linear space available to department that is being optimized.
2. Review financial targets from MFP and CP on product and POG hierarchy in Review Category Scorecard at sub-category level.
3. Review current space information and set macro space optimization constraints in Setup and Review Optimization @Sub-Category. The following constraints need to be defined:
   - Lower and upper guard rails for space to be allocated to departments.
   - Minimum and maximum space values for sub-categories.
   - Space increments for each sub-category.
   - Optimization and Target Alignment type. Options available here include Space - less than or equal to, Financial - max profit up, and Financial - max profit down.
   - Selecting sub-categories that participate in optimization using Include POG department flag measure.
   - Optional: Locking current space for those sub-categories that need to keep their current space intact.
   - Optional: Locking current space for those sub-categories that need to keep their current space intact.
   - Optional: Selecting Mandatory sub-categories.
4. Review optimization results in the form of recommended space and gross profit.
5. Review optimization results in the form of histograms in the form histograms in Review Space and Profit Histograms @ Sub-Category.

6. Approve optimization results, which are shared with Assortment Planning tasks. These results also must be shared with MSM.

Assortment Planning Process

- Review various analysis in Assortment Planning at SKU/Cluster or Store level.
- View the category scorecard to review the targets from Category Planning (CP), Macro Space Optimization (MSO) and Merchandise Financial Planning (MFP). CP and MFP provide financial targets. MSO provides space and gross profit targets.
- In Assortment Planning, develop an assortment for each of the store assortment clusters. Assortments can also be created at the store level.
- 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.
  - Run Assortment Improvement to better the assortment on assortment-mix, sales and gross profit and further fine-tune it to the set targets.
  - Review the incremental curve based on IPI ranking to arrive at an optimum assortment range
  - Export preliminary assortment to ORASE or retailer's own space optimization process.

Assortment Planning Workflow

Before following the step-wise process detailed below, complete the following two actions:

- Review performance analysis, market analysis and consumer analysis under Assortment Planning Analysis to get a an understanding of how category's assortment has fared in the past.
- Review the targets from CP, MSO and MFP in Review Category Scorecard.

1. Set up the assortment:
   a. Seed the assortment plan using one of the fo.llowing options: LY, Forecast, MFP targets, or CP targets
   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:

      Based 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. Select eligible and mandatory items.

   e. Set thresholds for core and optional assortment using one of the available options in the form of IPI threshold values, SKU Count, or Financial Targets (MFP or CP Target).

   f. Generate the IPI-based assortment recommendation and run Demand Transference.

   g. 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 and map them 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 MFP 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 option 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 option 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. Use the Assortment Improvement functionality to better the assortment using any of the following options:

   a. Improve the assortment on SKU count in lines with space allocated to the category.

   b. Or improve the assortment on sales and gross profit to align with the targets.

   c. Or improve the assortment to the set targets in the form of CP and MFP targets by directly using the optimization to target option. This option is used when there is a marked difference between assortment plan numbers and set targets.

6. Review the incremental curve based on IPI ranking to assess the assortment range and make corrections using assortment improvement feature as detailed in step 5.

7. Perform a final comparison against plan targets.

8. Repeat for other clusters.

9. Compare the draft assortment across clusters and make adjustments as needed.

10. Export the draft assortments to ASO for space optimization.

11. Optimize the assortment plans to available space in ASO and export back optimization recommendations in the form of ASO results consisting of recommended assortment plan and space productivity information.

12. Import ASO results into RCM.

13. Compare ASO recommended assortment with the exported assortment and other versions of assortment plan like LY, CP and LP.

14. Review if the recommended assortment and space productivity information meets the expectations and aligns with the set targets.

15. Accept ASO results if the recommended assortment plan is in line with the set targets.

16. Formalize placeholder SKUs in the assortment, if any.

17. Approve and finalize the cluster-level plan assortment for implementation, which signals ASO to go ahead with the implementation. ASO then sends POG information for the category to space planning systems like MSM.

18. Optional: Adjust assortment for stores:

    a. Repeat Steps 2 to 5 at the store level for the stores you want.

    b. Review store-level assortments against each other and the cluster.

19. Follow a similar procedure as at the cluster level to optimize the store level assortments to the available space by exporting assortment plans to ASO, optimizing assortment plans in ASO, importing ASO results into RCM, accepting them, and approving and finalizing them.

20. Review the approved assortment and assortment plan in the Assortment and CP scorecards.

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 ASO.
- 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:

  - Use attribute weights and attribute values to emphasize the brand.
  - Use performance weights to give importance to items with higher revenue and gross margin.
  - Select eligible and mandatory items to ensure higher presence of desired brands with higher revenue and gross margin.
    * Ensure higher presence of desired brands in the eligible items set.
    * Ensure key brand items are marked as mandatory.
  - Set core and optional assortment constraints in the form of IPI thresholds.

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:
    * Use attribute weights and attribute values for the private brand.
    * Optional: Use performance weights for revenue and gross margin.
    * Select eligible and mandatory items.

      Ensure higher presence of private label items in the eligible items set.

      Ensure key private label items are marked as mandatory.
    * Set core and optional assortment constraints in the form of IPI thresholds.

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:
    * Use loyalty weights, varied by consumer segment.
    * Set higher consumer segment weight to target consumer segments.
    * Select eligible and mandatory items.

      Ensure higher presence of items that are most frequently bought by target con-sumer segments in the eligible items set.

      Ensure items with high top shoppers' index are marked as mandatory.
    * Set core and optional assortment constraints in the form of IPI thresholds.

- 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:
  - Use 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:
    * Select eligible or mandatory items.

      Ensure higher presence of popular market items in the eligible items set.

      Ensure key market items are marked as mandatory
    * 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 ORASE 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:
  - Use CDTs to set attribute value weights.
  - Use strategies to seed focus area weights.
  - Leverage the Advanced Clustering solution of ORASE to group stores into optimal clusters using attributes such as seasonality, price elasticity, format, and demographics.
  - Create an IPI-based assortment using IPI thresholds, and then review the assortment plan on the basis of incremental curve and make changes to it using assortment improvement functionality. The objective is to derive an assortment with an optimal assortment range in the available space and arrive at the best product-mix based on advanced science recommendations:

* Create an IPI assortment with IPI thresholds as assortment constraints.
* Review the incremental curve for the IPI assortment to arrive at an appropriate assortment range (number of SKUs).
* Use add/remove/swap options in assortment improvement to derive a product-mix in lines with the assortment range suggested by the incremental curve. This would take into consideration all SKUs that are eligible to be part of the assortment.
* Use optimization to target option in assortment improvement in conjunction with add/remove/swap options to arrive at an assortment plan, which is in line with the set targets.

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 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 and Macro Space Optimization."

- IPI Assortment Constraints (SKU Count, IPI Scores, MFP Target, CP Target) 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, Assortment Setup, and then Set IPI Weights.

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 option 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 and Macro Space Optimization."

   To set the weights manually or adjust the weights:

   a. If weighting by performance:

      Set the Performance focus area weight.

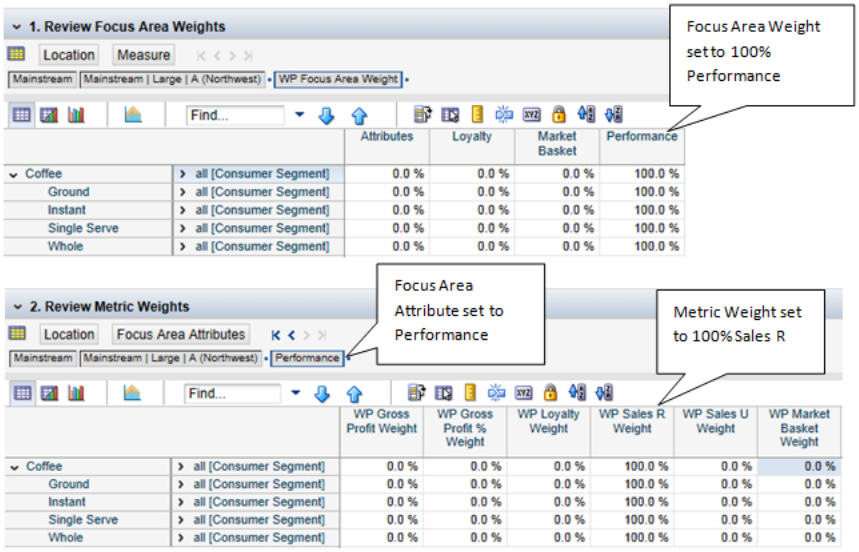
      Set the metric weights for the Performance focus area attributes.

      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–5 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–6 Weighting by Attributes

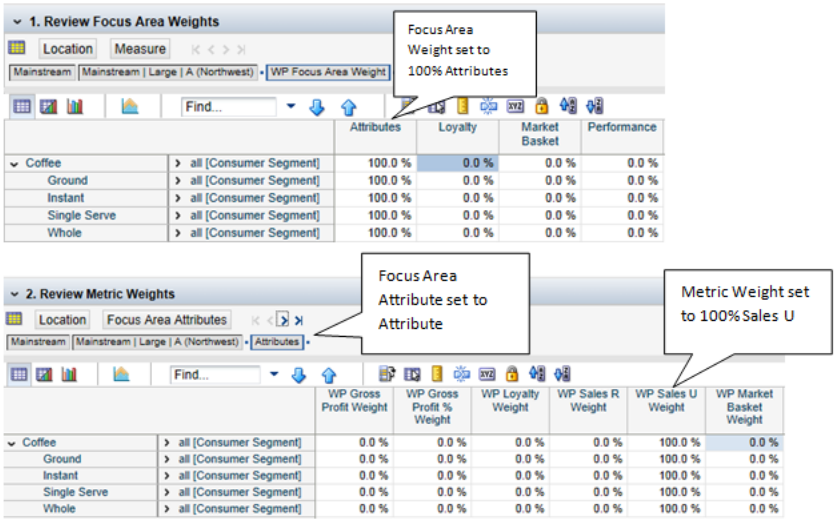


Figure A–7 Weighting by Attributes - Attribute Name Weights Settings

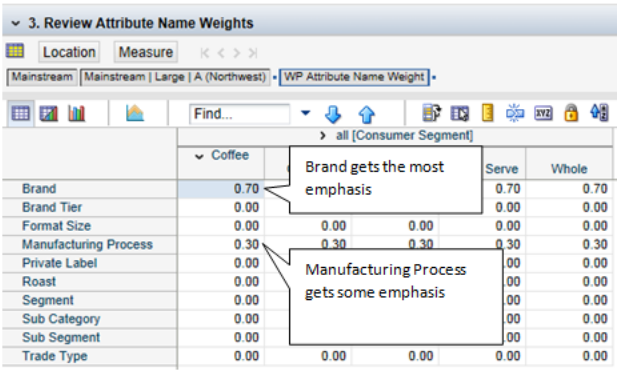
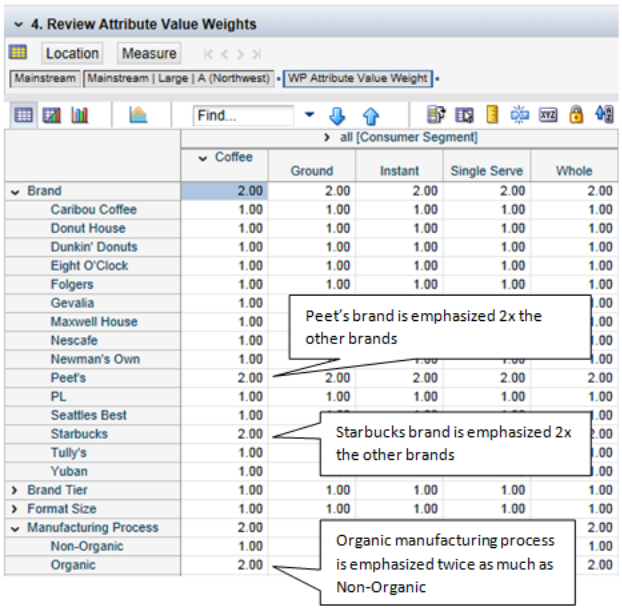


Figure A–8 Weighting by Attributes - Attribute Value Weights Settings



c. If weighting by loyalty:

Set the Loyalty focus area weight.

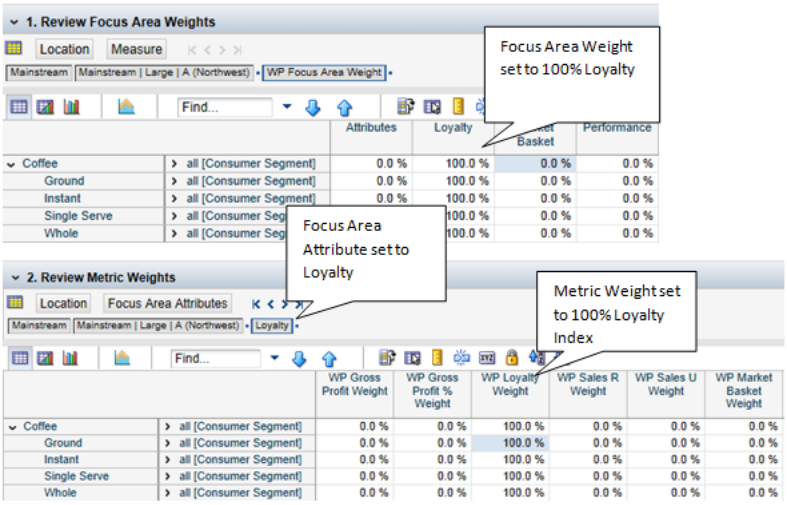
Set metric weights for the Loyalty focus area attributes.

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–9 Weighting by Loyalty



d. If weighting by market basket:

Set the Market Basket focus area weight.

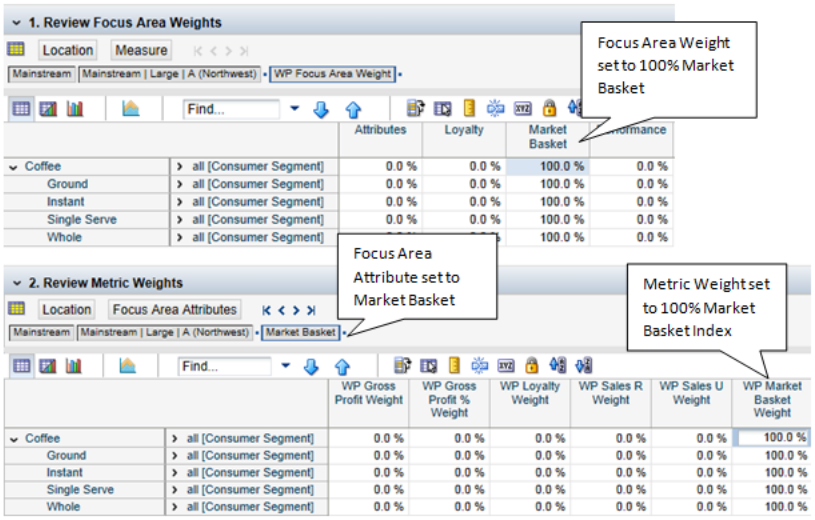
Set the metric weights for the Market Basket focus area attributes.

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–10 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 option.
6. Review the IPI Scores in Assortment Setup:
   - 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 needed, and recalculate.
8. Select eligible SKUs to be part of the assortment and mandatory SKUs for the assortment in Assortment Setup, Set Assortment Constraints.
9. Set assortment constraints in Assortment Setup. These constraints are the boundaries for the set of SKUs that will become part of the core and optional assortments. There are several different ways to constrain the IPI assortment.

- SKU Count - Number of SKUs that can fit into the space allotted for this category (set at category level).
- IPI Threshold - Cut-off point for the IPI score for SKUs to be included in the assortment. These can be set at the category and/or sub-category level.
- Targets - The targets from Category Planning and MFP can be used to constrain the assortment plan. When using this constraint, the Target Alignment drives the decision to go over, under or closest to the target, and to specify a percentage of the target for Optional SKUs. This is set at the Category level.

10. Specify whether or not to apply Demand Transference, using the IPI Apply DT measure on Set IPI Constraints. If creating the assortment for the first time, the reference assortment, specified using the IPI DT K/A/D measure, should be set to WP/LY. If there is already a CP assortment, then either WP/CP or WP/LY can be used. Applying demand transference in assortment creation updates overall sales and margin of the assortment based on shift in sales between similar SKUs for each SKU addition in the process of meeting set assortment constraints. This facilitates creation of demand transference adjusted draft assortment plans. See "Demand Transference in Assortment Planning" for details on this functionality.
11. Run the Create IPI Assortment custom menu option.
12. View the IPI assortment in the Review IPI Assortment Recommendation view under the Manage IPI Assortment step.
13. 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–11 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–12 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–13 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–14 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.

Before setting IPI assortment specific constraints, define eligible and mandatory items. Marking an item as eligible qualifies it to participate in the assortment generation process while marking an item as mandatory ensures that is part of all system recommended assortments.

IPI assortment constraints can then be defined using one of the following options:

- IPI Score Thresholds: 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.

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.

- SKU Count: The number of core and (core + optional) SKUs required in an assortment can be set as constraints at the category level.
- Targets: Financial targets from Merchandise Financial Planning (MFP) and Category Planning (CP) can be used as well.

In addition, while constraining the IPI assortment using targets, the number of items required as optional items in the assortment can be defined as a percentage of the target parameter's (MFP or CP) sales retail value.

Eligible and mandatory items are set in Select Eligible and Mandatory Items View under Set Assortment Constraints tab. IPI assortment constraints are set in Set IPI Constraints view under the same tab.

Note: Core items are those that must be included in the assortment. Optional items are those that 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 assortment constraints in the form of IPI thresholds, SKU count, or targets. In Set IPI Constraints view, check the Create IPI Assortment box and run the Create IPI Assortment @ Cluster custom menu option. RCM produces a recommended assortment, which can be overridden.

IPI Example 3 - Applying Constraints

Example 3 shows a simple example of constraining the items 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.

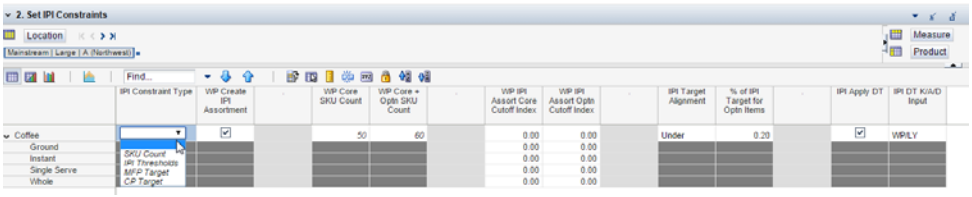
WP IPI Core Cutoff Index - 0.99

Figure A–15 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*	

The previous example illustrates using IPI thresholds to create an IPI assortment. Note that, as shown in the following figure, assortment constraints can be defined using SKU count and targets option as well.

Figure A–16 Setting IPI Constraints



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. Demand Transference can be applied at the time of assortment generation while constraining it to set financial targets, SKU count or IPI thresholds. Demand Transference is applied to the assortment with every addition of SKU to meet the set assortment targets.
- Assortment range review using an Incremental Curve. An incremental curve based on demand transference science depicts the point at which cumulative incremental sales flatten out for an assortment, resulting in very marginal increase in assortment sales with addition of new SKUs to it. This helps in deciding upon an optimum assortment range for the category.
- 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.
- Assortment Improvement. Assortment Improvement feature is also referred to as Assortment Optimization and is based on the concept of demand transference. It's an attempt to automate application of demand transference to the assortment and increasing its scope to include all eligible SKUs in improving the assortment. It can be used to improve the assortment on SKU count, sales, gross profit and to align the assortment to set targets from Category Planning (CP) and Merchandise Financial Planning (MFP). Refer to the section Improve IPI Assortment Tab under Manage IPI Assortment Step in Chapter 8 for more details.

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:

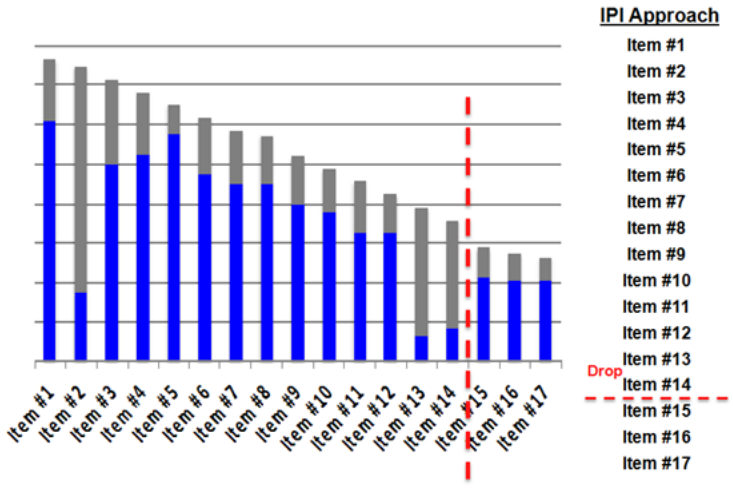
- Provides insight into the uniqueness of a SKU's demand.
- Used to derive a system-recommended assortment based on Incremental Curve.
- Provides optimal fine-tuning of assortments to get the right mix of merchandise.
- Provides an insight into whether the assortment is over-assorted (too many similar 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.

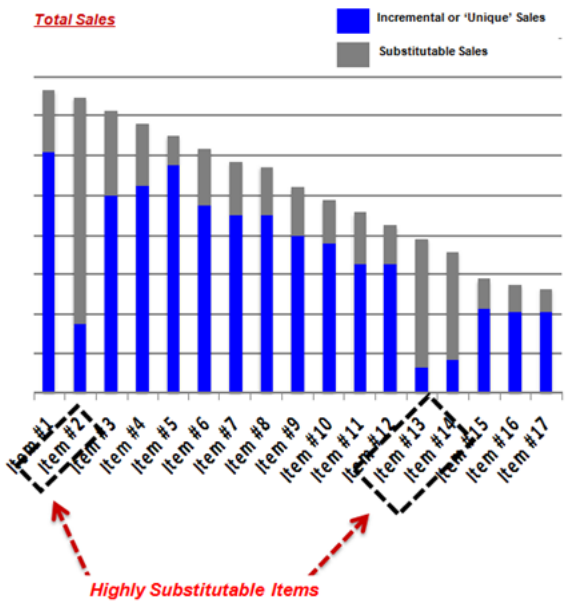
The Assortment Planner has created an assortment containing 17 items, and needs to drop three items from the assortment based on available space. Each bar in the chart in Figure A–17 represents an item that made it into an IPI assortment. The height of the bar represents planned sales. Without the benefit 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–17 IPI Approach to Editing an Assortment



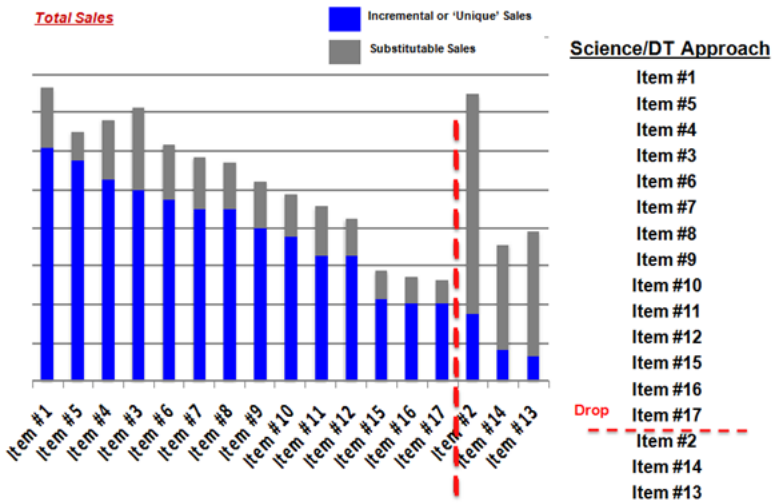
However, with the insight of Demand Transference, the Assortment Planner can take a more scientific approach to editing the assortment. The next step is to not just look at the planned sales of the items in the assortment, but at how much of that demand is substitutable or will be retained in the overall assortment if an item is dropped, and how much of the demand is incremental or unique to an item. Consider Figure A–18. 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–18 Assessing Substitutability and Incrementality



In Figure A–19, 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–19 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

Demand Transference can be applied in Category Management when creating an assortment or after creating an assortment. Demand Transference is used to fine-tune the assortment. It facilitates decision-making when it comes to deciding upon the items to be added or dropped from 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 and use demand transference in assortment planning. The measure names will vary depending on which assortment creation method was used (IPI versus Market Coverage). The measure names listed in the following steps are generic and do not include the assortment creation descriptions.

Option 1: Apply DT During Assortment Creation

1. Specify whether or not to apply Demand Transference, using the Apply DT measure in Set Constraints.
2. If creating the assortment for the first time, the reference assortment, specified using the DT K/A/D measure, should be set to WP/LY. If there is already a CP assortment, then either WP/CP or WP/LY can be used.
3. Run the custom menu to create the assortment.

Option 2: Apply DT After Assortment Creation

1. Select a reference assortment using the picklist in the DT K/A/D Input measure, which is used to derive Keep/Add/Drop decisions in demand transference calculations.
2. Run the appropriate custom menu option to apply Demand Transference to the working plan assortment.

Review DT Results

1. 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 measures account for the sales gained/lost due to similar/dissimilar items in the assortment.
2. To make Keep/Drop decisions:
   - Review the Substitutable Demand measures to understand what portion of the demand would get transferred to other items in the assortment.
   - Review the Incremental Demand (Non-Substitutable 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).
3. Add/ Drop items by checking/ un-checking the boxes in the WP Core and WPOptn measures. Run the DT custom menu option 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 (LHS Hierarchy)to view the dropped SKU. The RHS Product SKUs that have values in the Demand Received measures are the recipient SKUs.

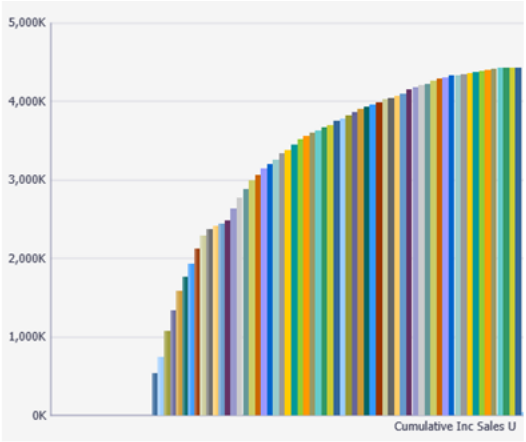
4. Monitor the impact on sales and gross profit measures after each DT run to evaluate DT impact and the assortment plan's alignment with the targets.

Incremental Curve-Based Assortment Review

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. The SKUs in an incremental curve are ordered on the basis of IPI ranking for IPI assortments and market ranks (market sales based rank) for market coverage based assortments.

Figure A–20 Cumulative Incremental Sales



Prerequisites for Incremental Curve-Based Assortment Review

The following prerequisites are required for reviewing 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:
  - An IPI assortment or a Market Coverage assortment should be available.

- An LY assortment should be in place, which is used as a reference assortment for Keep, Add, and Drop comparisons while calculating cumulative incremental sales.

Reviewing an Assortment Based on the Incremental Curve

Assortment plans can be reviewed using Incremental Curves. Incremental Curves facilitate ascertaining an optimum assortment range on the basis of cumulative incremental sales for the assortment and item ranking (IPI rank or Market ranks):

- For IPI assortments, see Manage IPI Assortment - IPI Ordered Incremental Curve.
- For Market Coverage assortments, see Manage Market Coverage Assortment - Market Coverage Ordered Incremental Curve Incremental Curves are most easily viewed in a graph.

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.

Table A–4 (Cont.) Demand Transference Glossary

Measure/Term	Definition
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%.
Incremental Demand (Incremental Demand Sales U/R)	Refers to the unique demand which a SKU brings to an assortment. When dropping the SKU from the assortment, the Incremental Demand reflects the irreplaceable amount of the Demand that does not get transferred to other SKUs in the assortment. In other words, Incremental Demand is the lost demand component of the overall demand. For example, the Assortment Planner needs to drop one ground decaffeinated coffee SKU from the assortment. The SKU from Brand X has a lower Incremental 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 + Incremental Demand. See the glossary entry: Substitutable Demand (Substitutable Demand Sales U/R)
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.
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 + Incremental Demand
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 option 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 + Incremental Demand See the glossary entry: Baseline Demand

Glossary

80/20 rule

Based on Pareto's principle, a rule of thumb used by retailers that typically 20 percent of SKUs typically perform 80 percent of the volume.

ACV weighted distribution

The percent of the annual value sales (All Commodity Volume) represented by the stores where at least one unit of a particular SKU was sold.

affinities

The relationship between items or groups of items in the basket of a customer. Types of affinities include cannibalization (product A reduces sales of product B) and halo (when you sell product A, more of product B sells).

API

Application Programming Interface, set of routines, protocols, and tools for building software applications.

Application Programming Interface (API)

see **Application Programming Interface (API)**.

ASO

Assortment and Space Optimization, the alignment of assortment plans to available space at the stores based on advanced science. This helps improve assortment space productivity and fill rates. Integration with ASO is utilized to perform assortment space optimization.

Assortment and Space Optimization (ASO)

see **ASO**.

assortment changes

A change of the product-mix of the assortment. Generally, this is referred to as Keep, Add & Drop decisions. In the application, it is done by marking or un-marking the Core and Optional SKU flag.

assortment finalization for implementation

Once the assortment plan has been space optimized using the integration with ASO, it is reviewed, accepted, approved, and then finalized for implementation. This signals ASO to go ahead with the implementation of the assortment plan by collaborating with space planning solutions.

assortment finalization for space optimization

The finalization of the system-recommended assortment (IPI and Market Coverage Assortments) after changes have been made to it as per business requirements before it is exported to ASO for space optimization.

assortment improvement

Demand transference-based automated assortment optimization on key retail parameters such as sales and gross profit.

assortment quantification

Obtaining a gauge of the assortment plan numbers in the form of sales, gross profit, and inventory parameters.

average days of supply

The average inventory (or stock cover) carried by a store, measured as the number of days the average inventory available at the store will last.

baseline demand

Before any changes are made to the assortment and DT is applied, the demand or the sales units of items being projected for a given assortment is referred to as baseline demand. Baseline measures in the application,appear with labels of the type, " 'XYZ' Assort Sales U/R", " 'XYZ' Assort Gross Profit R/%" where XYZ = IPI, Market Coverage. For final assortment level measures, the baseline measures are simply labeled as "WP Assort Sales U/R" and "WP Assort Gross Profit R/%".

cannibalization

The cannibalization of sales in an assortment is based on the concept of overlapping sales between different items in the assortment that have similar product attributes. For example, if a new item is added to the assortment that is similar to many existing items in the assortment, the sales of existing items will be reduced, as some of their baseline sales will be absorbed by the new added item.

category

A distinct, measurable, and manageable group of products and services that consumers perceive to be interrelated and/or substitutable in meeting a consumer need.

category buyer conversion

Of the customers who shop at a store or a retailer, the percentage that buys the category.

category definition

A distinct set of items with similar product attributes that form a group or category in the product hierarchy. Basically, consumers group together brands, types, and individual SKUs in a way that is significant to them and enables them to differentiate between SKUs to meet their needs. This forms the basis for the category definition in consumer-centric category management.

category growth

Target growth percent for the category compared to last year as defined in category planning.

category role

Represent the importance and function of a product category in a retailer's business from a big picture perspective or in the larger scheme of things. Category roles are assigned on the basis of the industry models, model A and model B. Examples include destination and convenience categories.

category share

The share of a sub-category, compared to the category as a whole.

category strategy

Strategies suggest the overall approach for achieving the required category role. Strategies are assigned on the basis of qualitative and cross-category quantitative analysis based on specific retail parameters. Examples include: Cash Generating, Transaction Building, and Traffic Building Strategy.

category structure

See **CDT**.

category tactic

Tactics are a set of activities used to attain the set strategy for a sub-category or category. Areas where tactics are applied include assortment, inventory, pricing, promotion, and space. For example, maintaining inventory and increasing the assortment or adjusting shelving and capacity are some of tactics that can be applied. The assignment of roles, strategies, and tactics fulfills a critical need in retail business planning, which is to organize the whole business, consisting of numerous product categories, in a manner that maximizes sales and profits and produces optimum business results.

CDT

Consumer Decision Tree, the relationship of product segments to one another in terms of perceived consumer importance. Structure implies a hierarchical relationship among the segments. A consumer makes a specific judgment first, proceeds to the second most important decision, proceeds to the third decision, and so on.

consumer decision tree (CDT)

see **CDT**.

consumer segment

A consumer profile that meets certain demographic and psychographic parameters. Retailers derive different types of profiles of consumers they want to target and then map their stores to the specific consumer segments.

conversion

Percentage of visitors to a store who purchase a specific category.

current space

Space allocated to different levels of product and POG hierarchy as per the current store layout.

demand

Typically, demand refers to sales units or volume of sales. However, it is also used to refer to sales revenues (Sales R in the application). To derive values of demand transference measures, all the calculations are first done at the sales units' level.

Demand can be recorded sales, actuals, or expected sales or forecast. Forecast is typically a future prediction. However, the use of demand in demand transference is similar to a forecast or is in the context of a future time-frame.

demand received %

A percentage of the total sales units of a SKU, transferred from it and received by its substitute SKUs, when it is dropped from the assortment. It is expressed as a percentage of total sales of the SKU.

Note the following:

Substitutable Demand (%, Sales U, Sales R) = Sum of Demand Transferred to Substitute SKUs (%, Sales U, Sales R)

Demand Transferred % = Sum of substitute SKUs' Demand Received% presented in DT Details /Distribution

Aso known as "demand sales received %".

demand transference

The shift in sales between SKUs in an assortment with any changes made to the product-mix.

demand transferred %

The percentage of baseline demand of the SKU that is transferred to its substitute SKUs in the assortment when it is dropped.

DT SKU cut-off %

The percentage of substitutable demand of a parent SKU that the user wants to see in the application or in the views (Review Assortment type and Review DT Details). This threshold value is defined as the percentage of substitutable demand (substitutable demand sales). No. of Significant Substitute SKUs is calculated on the basis of DT SKU Cut-Off %. It can be defined at the base intersection of a sub-category, trading area intersection. The requirement for this measure derives form the substitutable sales that are transferred to substitute SKUs that have a tapering effect post a threshold value. The user does not need information about the insignificant substitutable demand's distribution.

hardline retailer

A retailer who sells merchandise such as hardware, housewares, automotive, electronics, sporting goods, health and beauty aids, or toys.

halo

An increase in the sales of one item from its baseline sales when another item is on promotion. Retail Analytics calculates this metric in conjunction with affinity items. When item A, which Item B has affinity to, is promoted, any positive impact on item B's sales during this promotion period is referred to as halo.

household panel data

Product purchase behavior data collected from a panel of households that are projected to represent a targeted area (such as a region, local market, or total country). All purchases are captured at the point-of-sale or in-home using handheld scanners. Captured sales conditions may include pricing, trade channel, display, feature, and so on. Data suppliers then mine the data to provide insight into consumer purchase behaviors.

incremental demand

The irreplaceable sales of an SKU, in cases where it is dropped from the assortment. In other words, a quantum of sales is lost and is not transferred to other SKUs in the assortment. For example, 30 percent of the sale of Orange Juice - 12 Fl Oz is lost.

In general, these measures are linked to each other by the following equation:

Total Demand = Substitutable Demand + Incremental Demand

Or

Total Sales = Substitutable Sales + Incremental Sales

Also known as lost demand sales U/R

incremental sales

The demand transference applicability to an assortment. Conceptually, incremental sales are the unique sales that a SKU brings into an assortment (in other words, the irreplaceable sales or lost demand or lost sales). Cumulative incremental sales are used to derive the incrementality curve.

index

When comparing metrics, the common approach is to express the data as an index versus the average of all SKUs in a segment.

IPI

A system calculated metric which determines the item or sub-category's overall relative importance.

item performance index (IPI)

See **IPI**.

key take away

Test field where user comments that can be saved for each task.

loyalty card data

Data captured through loyalty cards for a particular retailer. Retailers mine the data of their loyalty card holders in order to understand who their profitable customers are, what they buy, how often they buy, and which products and attributes they are loyal to. Also known as frequent shopper data.

Macro Space Managment (MSM)

see **MSM**.

Macro Space Optimization

see **MSO**.

market basket

A focus area used in calculating IPI scores. It refers to customer purchases (or customer's basket or basket in general). It is concerned with analyzing the product (SKU) mix, the number of baskets over a period of time, the value of the basket bought, and a category or sub-category’s contribution to a customer's basket.

market basket data

Data about the total transaction (such as market basket) that SKUs are a part of. This type of information provides insight into the halo and cannibalization effects of items that are purchased, which items are typically found in high basket rings, and so on.

market coverage

The percentage of total market sales that is generated by SKUs in retailer's assortment. For example, the retailer can be carrying 100 SKUs whose combined sales represents 90 percent of the market or 90 percent of market coverage.

market data

Retail and consumer data provided to retailers and their suppliers by third-party syndicated data suppliers. This data reflects all retailers as a whole.

market loyalty data

Data supplied to retailers by syndicated data suppliers, such as Nielsen or Symphony IRI, that represents loyalty metrics associated with consumers within a particular trading area. Market loyalty represents consumer loyalty within the market.

market share

The percentage of sales volume (amounts or units) that a particular category, product segment, or item contributes to all the sales volume in the market.

Master Data Management (MDM)

see **MDM**.

MDM

Master Data Management, the system used to maintain business foundation data such as product hierarchies, calendar hierarchies, and location hierarchies.

MSM

Macro Space Management, the system used to plan store space.

MSO

Macro Space Optimization, used to allocate optimum space to different levels of the product/POG hierarchy. It is conducted at the department and sub-category level in the application.

no. of significant substitute SKUs

Substitutable demand requires the presence of similar SKUs in the assortmnt that can absorb the substitutable demand. For example, the No. of Significant SKUs' measure is 3. The API (Java libraries) is used to calculate this parameter and, as part of this process, the substitute SKUs are also identified.

Oracle Retail Advanced Science Engine (ORASE)

see **ORASE**.

Oracle Retail Category Management

see **RCM**.

Oracle Retail Merchandising System

see **RMS**.

ORASE

Oracle Retail Advanced Science Engine, an application that

planogram (POG)

see **POG**.

POG

Planogram, an object ...

POG hierarchy

Defines the way products are physically merchandised in a store. Three levels of the POG hierarchy are defined in the application: POG Department, POG Category, and POG Sub-Category.

point of sale system (POS)

see **POS**.

POS

Point of sale system,...

product segment

Individual groups of products that are segregated by consumers. For example, in the pet care category, consumers tend to segregate products into groups for dog, cat, and aquatic food. They may further divide dog food products into food and accessories and food into dry, canned, and soft and moist types.

RCM

Oracle Retail Category Management, an application...

RMS

Oracle Retail Merchandising System, an application...

sales volume

The amount of sales. It can refer to sales units sold or sales revenue.

SBU

Strategic Business Unit. In a gamut of product categories that a retailer's stocks and sells, Category Management practice recommends an approach to manage each category as a strategic business unit.

segment shopper index

The percentage of a segment’s shoppers represented by the targeted consumer households (demographic), divided by the percentage of shoppers that the same demographic represents of all shoppers in the market place. A retailer can use this information to discriminate in favor of segments having the greatest appeal or importance to their target consumer.

service level

The probability that an item is available at a store.

SKU

Stock keeping unit, the lowest level at which inventory can be measured.

SKU contribution analysis

The amount that a particular SKU contributes to the overall business of the product segment or category as a whole. Business can be measured in the form of sales units or sales revenue.

SKU fragmentation analysis

Used to view the distribution of sales across a retailer's assortment or a list of SKUs selling in the market for a category.

SKU proliferation analysis

Used to view the cumulative sales of an assortment against the SKU count.

spending index

Compares what the buyer spends at the retailer or in the market. It is calculated using an index to average method by dividing a consumer segment's spend by the average consumer segment spend.

stock keeping unit

see **SKU**.

strategic business unit (SBU)

see **SBU**.

store cluster

Grouping of stores based on parameters such as consumer segment, store size, and store performance.

substitutable demand (also referred to as substitutable demand Sales U/R)

Replaceable sales of a SKU, in situations where it is dropped from the assortment. That is, substitutable demand is transferred to substitute SKUs in the assortment. For example, if Brand A Orange Juice - No Pulp - 12 Fl Oz is dropped from an assortment, 70 percent of its sales will get transferred to similar SKUs in the assortment, including Brand B - No pulp - 12 Fl Oz, Brand C 13.5 Fl Oz, and Private Label 14 Fl Oz. More SKUs Can be included in this list, but a significant amount of this demand is transferred is absorbed by these three SKUs.

target market coverage

The market coverage being targ.eted for a category's assortment plan by the retailer

top shopper index

Represents the tier-1 of loyal customers, as determined by the retailers' loyalty solutions.

total market share

See **ACV weighted distribution**.

trading area

A geographic region consisting of customers for a retailer, as defined by syndicated data providers or by the retailers, that produces significant business and has distinctive business traits and trends.

updated demand

Updated demand (or updated only) measures are always used in combination with baseline demand measures to differentiate between the demand before DT is applied and after DT is applied. Once the additions and deletions are completed for a given assortment and DT is applied to the assortment's projected sales units, this new projected demand is referred to as updated demand or DT affected demand. DT affected measures are presented in the application with the following measure label format and syntax: "WP XYZ DT Assort Sales U/R", WP XYZ DT Gross Profit R/% where XYZ= IPI, Market Coverage. For final assortment level measures, the updated measures are labeled as "WP DT Assort Sales U/R"and "WP DT Assort Gross Profit R/%".

Also know as DT affected demand.