

Oracle® Retail Category Management Planning and Optimization/Macro Space Optimization

Release Notes

Release 15.0.3

June 2017

The Oracle Retail Category Management Planning and Optimization (CMPO) and Macro Space Optimization (MSO) applications collectively support the development of category plans, optimization of total store/department/aisle space allocation, and creation of customer-centric and targeted assortments with optimized product assignments. Processes broadly follow the traditional eight-step Category Management business process, with the inclusion of the consumer segment perspective across various points in the process flow. Most importantly, the application provides a structured, measured set of activities designed to achieve specific business objectives:

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

The CMPO application consists of the following tasks:

- **Category Planning:** Used to analyze a retailer's business across product categories and within a category, from a market, competition, and consumer perspective. Category Planning is used to set business targets and assign roles, strategies, and tactics for individual product categories at the trading area level.
- **Assortment Planning Analysis:** Used to analyze an assortment's historic performance from a cross-category perspective of the retailer's business, market, competition, and consumer information 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 back to the overall category-level objectives.
- **Assortment Planning @ Cluster:** Used to create assortment plans using Item Priority Index (IPI) and market coverage-based methods.
- **Assortment Planning @ Store:** Used to create, adjust, review, and approve custom Assortment Plans at the store level utilizing IPI-based assortments.

Note: When Assortment Planning @ Cluster or Assortment Planning @ Store is paired with the Oracle Retail Customer Decision Tree and Demand Transference Science Cloud Service, the techniques of Demand Transference, Assortment Improvement, and Incremental Curve may be used to fine tune and optimize draft assortments. Integration with the Oracle Retail Assortment and Space Optimization Science Cloud Service may be utilized to align assortments to the space available for optimal space productivity.

The MSO application consists of the following tasks:

- 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, fixtures, and merchandising techniques, thereby facilitating the efficient utilization of the available space by the retailer.
- Macro Space Optimization @Sub-Category: Used to allocate optimal space to different sub-categories under a department to efficiently use the available space at this level. This helps in determining the planogram design and merchandising method at the sub-category level.

Following are the key highlights of the CMPO application:

- Provides a best practice methodology for category management.
- Efficient consolidation of internal / external data sources, providing actionable insights for customer, channel, and competitive analysis.
- Define and communicate category roles, strategies, and tactics.
- Create and manage optimized assortments at the national, cluster, vendor/brand, and store level.
- Integrates with macro and micro space optimization solutions; maximizing return on space while reconciling with strategic plans.
- Leverage science-based approaches to create local / customer centric assortments.
- Use Customer Decision Trees / Consumer Decision Trees within the assortment process to validate the assortment.
- Application of SKU level Demand Transference Models to predict SKU interaction; enabling the creation of the optimal assortment.
- Conduct What-if Optimization.

Note that the previously mentioned activities, part of the Category Management Planning and Optimization application, are performed at different levels of the product and location hierarchies. This facilitates the customized ability to refine assortments based on cluster and/or store specific needs.

Following are the key highlights of the MSO application:

- Determine the optimal space to allocate to departments, categories, sub-categories, and/or planograms.
- Drive out space reallocation trade-offs at the store or store group level.

- Consolidate multiple data sources, including store layout details, to provide needed insights to create accurate and actionable results.
- What-if capabilities provide the ability to evaluate the impacts of adding or removing space.
- Leverage space and/or financial constraints as the basis for space optimization.
- Leverage algorithms specifically developed by Oracle data scientists to identify and measure the diminishing return on space to produce elasticities specific to each product area.
- Available score-carding to easily assess the impacts to the recommended results.

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

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

Hardware and Software Requirements

See the *Oracle Retail Category Management Planning and Optimization/Macro Space Optimization Installation Guide* for the hardware and software requirements.

Noteworthy Defect Fixes

The following noteworthy defect fixes are included in this release:

| Affected Component | Fixed Issue/Defect | Defect Number |
|--------------------|--|--------------------|
| ASO Import/Export | CMPO sends all items to ASO even if an item is not a core, optional, or mandatory item. However, ASO is not processing any dropped items so loading those increases the volume and processing of exports in both sides. CMPO is modified to not export dropped items by default. It is a configurable option to export all items. | 25675765, 26130975 |
| ASO Import/Export | There is a check in place to ensure all items/store sent to ASO are received back during import. But if any issues happen in batch and some items are dropped, the ASO import will not be considered complete and it will abort further processing. To avoid this, the Import ASO custom menu is modified to consider the assortment as received if even one item within the category (for each store/quarter) is received back from ASO. | 25712456 |

| Affected Component | Fixed Issue/Defect | Defect Number |
|----------------------------|--|--|
| Domain Build | DRTYSLsC was loaded with Unit Cost. It is changed to be loaded with direct cost values. Users can load it with the COGS value to get the correct Gross Margin. | 26130961 |
| Scripts | The import_so.ksh and export_so.ksh scripts are changed to allow the import of the finalized assortment from ASO. | 25697779, 25870382, 25891765, 25904315, 25912145 |
| Workbook | The cluster start and end dates generated by export_so.ksh showed only the start and end dates of the first quarter, even though the assortment was created for multiple quarters. This issue is resolved by calculating at cluster for the end date instead of the quarter level. | 25773707 |
| Workbook | The IPI Incremental Curve was not getting generated if the customer included customer segments without any sales in the workbook. This is resolved by generating the Incremental Curve even if there are any customer segments present without any sales data. | 25614980 |
| Workbook | The Cancel Assortment process is modified to allow cancelling an assortment set and assortment versions. Cancelling assortments is also allowed if users include elapsed quarters in the workbook. | 25788856, 25870323 |
| Workbook | ASO Exports may include items with assortment errors. Additional validation is added to not export assortments to ASO if there are any assortment errors. | 25807537 |
| Workbook | If there are elapsed and unelapsed quarters in the workbook, the WP Mandatory flag was being reset after pressing the calculate button. This issue is addressed by setting the aggregation method to <i>or</i> ; this the same method used for similar flags. | 25891989 |
| Workbook | Mandatory and Eligibility flags are made editable for the entire workbook, even if elapsed quarters are present in the workbook. Also, assortment eligibility validations occur only against unelapsed quarters since users cannot edit elapsed quarter values. | 25945992, 26037817, 26222567 |
| Workbook | Actualization of CP measures in Assortment Planning is removed to ensure users can still refer to their old approved plan values. | 26037839 |
| Workbook Build Performance | The CM Admin workbook was very slow due to workbook building for all data. A wizard is added to build that workbook only for selected categories. | 26130955 |
| Workbook Build Performance | Performance issue occurred due to all product attributes getting loaded into the workbook. The issue is addressed by adding a pre-range mask at the class/attribute value level. It is set in batch or the admin workbook and filters only attribute values for category within a workbook. A new pre-range measure ADWPAttrValB needs to be initialized during domain upgrades from previous versions by running the cm_batch.ksh script once. | 25299928, 25697930 |

Known Issue

The following table contains a known issue that has identified for the current release:

| Affected Component | Known Issue/Defect | Defect Number |
|--------------------|--|---------------|
| Domain Build | During installation on HPUX, the domain build fails while running batch calculations due to a data lock issue that can occur when running batch calculations in parallel mode. | 26278911 |

Related Documentation

For more information, see the following document in the Oracle Retail Category Management Planning and Optimization/Macro Space Optimization 15.0.3 documentation set:

- *Oracle Retail Category Management Planning and Optimization/Macro Space Optimization Installation Guide*

For more information about Batch Script Architecture, see the documents in the Oracle Retail Batch Script Architecture documentation set.

Previous Releases

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

Documentation Accessibility

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

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