

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

User Guide for the RPAS Fusion Client

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# Contents

<b>Send Us Your Comments</b> .....	xxvii
<b>Preface</b> .....	xxix
Audience .....	xxix
Documentation Accessibility .....	xxix
Related Documents .....	xxix
Customer Support .....	xxx
Review Patch Documentation .....	xxx
Improved Process for Oracle Retail Documentation Corrections .....	xxx
Oracle Retail Documentation on the Oracle Technology Network .....	xxx
Conventions .....	xxx
<b>1 Introduction</b>	
<b>Category Management Activities</b> .....	1-3
<b>Solution Task Flows</b> .....	1-4
<b>Category Management Planning and Optimization/Macro Space Optimization Process Flow</b> .....	1-8
<b>Advanced Science Cloud Services</b> .....	1-9
<b>Data Requirements in the CMPO/MSO Applications</b> .....	1-11
Required Data .....	1-13
Key Take Aways .....	1-14
User Roles .....	1-14
<b>Plan and Measure Roles and Versions</b> .....	1-15
<b>Custom Menu Options</b> .....	1-19
<b>Copy View Option</b> .....	1-20
<b>Getting Started</b> .....	1-20
<b>2 CDT Editor Task</b>	
Create the CDT Editor Workbook .....	2-2
CDT Meta Data Step .....	2-4
Custom Menu Option .....	2-4
<b>3 Category Management Administration Task</b>	
Create the Category Management Administration Workbook .....	3-1
CDT Maintenance Step .....	3-2

Delete CDTs View .....	3-2
Select CDT Version View .....	3-3
<b>Attribute Maintenance Step</b> .....	3-4
Attribute Value Maintenance View .....	3-4
Category Attribute Mapping View .....	3-5
SKU Attribute Maintenance View .....	3-6
<b>IPI Setup Step</b> .....	3-7
1. Assign Focus Area Weights View .....	3-8
2. Assign Metric Weights View .....	3-8
3. Assign Attribute Name Weights View .....	3-9
4. Assign Attribute Value Weights View .....	3-10
5. Assign Consumer Segment Weights View .....	3-11
<b>Consumer Segment Step</b> .....	3-12
Assign Consumer Segment Status View .....	3-12
<b>Set Default Tactics Step</b> .....	3-13
Set Default Tactics View .....	3-13
Space Related Tactics View .....	3-14
<b>Calendar Mapping Step</b> .....	3-15
Quarter Mapping View .....	3-15
Week Mapping View .....	3-16
<b>Assign DT SKU Cutoff Step</b> .....	3-16
Assign DT SKU Cutoff View .....	3-16
<b>Manage MSO Tables Step</b> .....	3-17
Manage MSO Tables @Dept View .....	3-18
Manage MSO Tables @Sub-Category View .....	3-18
<b>Like Sub-Category Mapping Step</b> .....	3-19
Like Sub-Category Mapping View .....	3-19
<b>POG and PROD Hierarchy Mapping Step</b> .....	3-21
POG and PROD Hierarchy Mapping @Dept View .....	3-21
POG and PROD Hierarchy Mapping @Sub-Category View .....	3-22
<b>Placeholder and Formalized Items Step</b> .....	3-22
Placeholder and Formalized Items View .....	3-23

## 4 Category Planning Task

<b>Create the Category Planning Workbook</b> .....	4-2
<b>Category Performance Review Step</b> .....	4-4
Scorecard Summary View .....	4-5
<b>Review Retail Strategy Step</b> .....	4-7
1. Analyze Target Shoppers View .....	4-7
2. Analyze Trading Area Opportunity View .....	4-9
3. Analyze Competition View .....	4-10
<b>Assign Category Role Step</b> .....	4-11
Analyze Market Share and Growth Tab .....	4-14
1. Analyze Market Share and Growth View .....	4-14
2. Analyze Sales Trends View .....	4-16
3. Analyze Profit Contribution View .....	4-17
4. Analyze Value Share View .....	4-18

Analyze Consumer Spend Tab.....	4-19
5. Analyze Cross Category Spending View .....	4-19
6. Analyze Spend Versus Frequency View .....	4-20
7. Analyze Consumer Purchase Behavior View .....	4-21
8. Analyze Category Buyer Conversion View .....	4-22
9. Analyze Consumer Segment Cross Category Spending View .....	4-23
Quadrant Analysis Tab .....	4-24
Mkt Share / Growth / Category Size .....	4-25
Mkt Share / Growth / Sales View .....	4-26
Retailer Share / Growth / Category Size View .....	4-26
Retailer Share / Growth / Sales View .....	4-27
Analyze and Assign Category Role - Industry Model A Tab .....	4-28
1. Analyze Historic Performance - Industry Model A View .....	4-29
2. Analyze Forecasted Performance - Industry Model A View.....	4-30
3. Assign Category Roles - Industry Model A View .....	4-31
Analyze and Assign Category Role - Industry Model B Tab .....	4-32
1. Analyze Historic Performance - Industry Model B View .....	4-33
2. Analyze Forecasted Performance - Industry Model B View .....	4-34
3. Assign Category Roles - Industry Model B View .....	4-35
<b>Assign Category Strategies Step</b> .....	4-36
1. Assign Strategies View .....	4-37
2. Identify Cash Generators View .....	4-38
3. Identify Excitement Generators View .....	4-39
4. Identify Image Enhancer View.....	4-40
5. Identify Profit Generators View .....	4-40
6. Identify Traffic Builders View .....	4-41
7. Identify Transaction Builders View.....	4-42
8. Identify Turf-Defenders View .....	4-43
<b>Assign Category Tactics Step</b> .....	4-44
Review Category Performance to Role Tab .....	4-45
1. Review Category / Sub-Category Performance View .....	4-46
2. Review Price and Promo Effectiveness View .....	4-46
3. Review Average Movement View.....	4-48
4. Review Space Effectiveness View.....	4-49
Assign Category Tactics Tab .....	4-50
Assign Category Tactics View.....	4-50
<b>Set Targets and Approve Category Plan Step</b> .....	4-51
Scorecard Summary View.....	4-52
Seed Sales Tab .....	4-54
Review Sales View .....	4-54
Seed Sales View .....	4-55
Set Sales and Profit Targets Tab .....	4-55
1. Set Sales and Profit Targets View .....	4-55
2. Set Promo Sales Targets View .....	4-57
3. Set Private Label Targets View .....	4-59
Set Inventory Targets Tab .....	4-62
Set Inventory Targets View .....	4-62

Approve Tab .....	4-63
Approve Assortment Strategies, Tactics, and Scorecard View .....	4-63

## 5 Macro Space Optimization @Dept Task

<b>Introduction to Macro Space Optimization</b> .....	5-1
<b>Create the Macro Space Optimization @Dept Workbook</b> .....	5-5
<b>Review Category Scorecard Step</b> .....	5-7
Custom Menu Option.....	5-8
Review Category Scorecard @Dept View.....	5-8
<b>Set Up and Review Optimization Step</b> .....	5-10
Custom Menu Option.....	5-12
1. Set Up and Review Optimization @ Dept View .....	5-12
2. Review Space and Profit Histograms @Dept View .....	5-15
<b>Approve Optimization Results Step</b> .....	5-16
Custom Menu Option.....	5-16
Approve Optimization Results @Dept View .....	5-17

## 6 Macro Space Optimization @Sub-Category Task

<b>Create the Macro Space Optimization @Sub-Category Workbook</b> .....	6-1
<b>Review Category Scorecard Step</b> .....	6-3
Custom Menu Option.....	6-4
Review Category Scorecard @Sub-Category View .....	6-4
Custom Menu .....	6-7
<b>Set Up and Review Optimization Step</b> .....	6-7
Custom Menu Option.....	6-9
1. Set Up and Review Optimization @Sub-Category View .....	6-9
Custom Menu Option.....	6-13
2. Review Space and Profit Histograms @Sub-Category View .....	6-13
<b>Approve Optimization Results Step</b> .....	6-14
Custom Menu Option.....	6-14
Approve Optimization Results @Sub-Category View.....	6-14
Custom Menu Option.....	6-15

## 7 Assortment Planning Analysis Task

<b>Create the Assortment Planning Analysis Workbook</b> .....	7-2
<b>Performance Analysis Step</b> .....	7-5
Sales and Gross Profit Analysis Tab.....	7-5
Sales and Gross Profit Analysis View .....	7-5
Performance Quadrant Analysis Tab.....	7-7
1. Gross Profit and Inventory Turns View .....	7-7
2. Sales Revenue and Sales Units View .....	7-8
3. Sales Revenue and Gross Profit View .....	7-9
4. Sales and Profit per Sq Ft View.....	7-10
<b>Market Analysis Step</b> .....	7-11
Custom Menu Option.....	7-12
Fragmentation Analysis.....	7-12

Set Breakpoint and Performance Drivers Tab.....	7-12
Set Breakpoints View.....	7-12
Set Performance Metric Driver View .....	7-13
Performance Based Fragmentation Analysis Tab .....	7-14
1. Performance Based Fragmentation Market Analysis Data View .....	7-15
2. Performance Based Fragmentation Retail Data Analysis View .....	7-16
Item Contribution Analysis Tab.....	7-16
1. Item Contribution Market View .....	7-17
2. Item Contribution Retailer View .....	7-18
Proliferation Analysis Tab .....	7-18
1. Proliferation Market Analysis View.....	7-22
2. Proliferation Retailer Analysis View.....	7-22
Accumulative Ranking Tab .....	7-23
1. Accumulative Ranking Market Analysis View .....	7-23
2. Accumulative Ranking Retailer Analysis View .....	7-24
Market Assessment Tab .....	7-25
1. Market Share Assessment View.....	7-25
2. Market Sales Trend Analysis View .....	7-26
3. Market Analysis View .....	7-27
Market Quadrant Analysis Tab.....	7-28
1. Market Sales \$ / Sales Units / Share View .....	7-28
2. Market Share / Growth / Sales Units View .....	7-29
<b>Consumer Analysis Step</b> .....	7-29
Who is the Consumer? Tab.....	7-30
Consumer Segment Analysis View .....	7-30
What is the Consumer Purchasing and How Loyal are They? Tab.....	7-31
1. Purchase Behavior Analysis View.....	7-32
2. Consumer Loyalty Analysis View.....	7-32
3. Top Shopper Analysis View .....	7-33
Where is the Consumer Purchasing? Tab.....	7-34
1. Retail Channel Share Analysis View .....	7-34
2. Buyer Conversion Analysis View.....	7-36
<b>Review Assortment Scorecard Step</b> .....	7-36
Category Roles, Strategies, and Tactics Tab .....	7-37
1. Review Roles View .....	7-37
2. Review Strategies View.....	7-38
3. Review Tactics View.....	7-38
Review Category Scorecard Tab .....	7-39
Scorecard Summary View .....	7-39
Review Consumer Segments Tab .....	7-40
Review Consumer Segments View .....	7-40

## 8 Assortment Planning @ Cluster Task

Clusters and Trading Areas.....	8-1
Item Priority Index Assortment.....	8-1
Market Coverage Assortment .....	8-2
CDTs and Demand Transference.....	8-2

<b>Assortment and Space Optimization Cloud Service</b> .....	8-3
<b>Task Flow</b> .....	8-3
<b>Assortment Planning Analysis Workbook</b> .....	8-3
<b>Assortment Setup Step</b> .....	8-4
Custom Menu Options.....	8-5
Seed and Review Plan Sales Tab.....	8-6
1. Seed Sales View.....	8-6
2. Review and Plan Sales View.....	8-7
Create Placeholder Items Tab.....	8-9
Create Placeholder Items View.....	8-9
Like Item Mapping Tab.....	8-9
1. Use Retail Like Item View.....	8-10
2. Use Market Like Item View.....	8-11
3. Use Attribute Like Item View.....	8-12
4. SKU Attribute Maintenance View.....	8-12
Review Consumer Segment Status Tab.....	8-13
Review Consumer Segments View.....	8-13
Set IPI Weights Tab.....	8-14
Focus Area Weights.....	8-15
1. Review Focus Area Weights View.....	8-17
2. Review Metric Weights View.....	8-18
3. Review Attribute Weights View.....	8-19
4. Review Attribute Value Weights View.....	8-20
5. Review Consumer Segment Weights View.....	8-20
Examples of IPI Calculations.....	8-22
Example 1: Performance-Based IPI.....	8-22
Example 2: Performance and Attribute-Based IPI.....	8-23
Review IPI Scores Tab.....	8-24
1. Review Focus Area Score View.....	8-25
2. Review Consumer Segment Score View.....	8-25
3. Review IPI Scores View.....	8-26
Set Assortment Constraints Tab.....	8-26
1. Select Eligible and Mandatory Items View.....	8-27
2. Set IPI Constraints View.....	8-27
3. Set Market Coverage Constraints View.....	8-29
<b>Manage IPI Assortment Step</b> .....	8-31
Custom Menu Options.....	8-31
Review IPI Assortment Recommendations Tab.....	8-32
1a. Review IPI Assortment Recommendation View.....	8-32
1b. Review IPI DT Details View.....	8-39
2. IPI Assortment Dashboard View.....	8-40
Improve IPI Assortment Tab.....	8-42
1. Set Parameters for IPI Assortment Improvement View.....	8-44
2. Review Improved IPI Assortment View.....	8-45
IPI Ordered Incremental Curve Tab.....	8-47
View IPI Ordered Incremental Curve View.....	8-47
<b>Manage Market Coverage Assortment Step</b> .....	8-48

Custom Menu Options .....	8-49
Review Market Coverage Assortment Recommendation Tab .....	8-49
1a. Review Market Coverage Assortment Recommendation View .....	8-50
1b. Review Market Coverage DT Details .....	8-57
2. Market Coverage Assortment Dashboard View .....	8-58
Market Coverage Ordered Incremental Curve Tab .....	8-60
View MC Ordered Incremental Curve View .....	8-60
<b>Finalize Assortment for Space Optimization Step .....</b>	<b>8-61</b>
Custom Menu Options .....	8-62
Review Final Assortment Recommendation Tab .....	8-62
1a. Review Final Assortment Recommendation View .....	8-62
1b. Review DT Details View .....	8-67
2. Final Assortment Dashboard View .....	8-68
3. Review Assortment Wedge View .....	8-70
Assortment Quantification Summary Tab .....	8-72
Assortment Quantification Summary View .....	8-72
Export to ASO Tab .....	8-75
1. Role Model & Assort Label View .....	8-75
2. Export to ASO View .....	8-76
<b>Import and Review ASO Results Step .....</b>	<b>8-78</b>
Custom Menu Option .....	8-78
Import ASO Results .....	8-79
Import and Review ASO Results Tab .....	8-79
1. Import ASO Results View .....	8-79
2. ASO Assortment Summary View .....	8-81
3. ASO Assortment Details and Space Productivity View .....	8-85
ASO Assortment by Location and Space Tab .....	8-90
1. ASO Assortment by Location View .....	8-90
2. ASO Assortment by Space View .....	8-93
<b>Accept ASO Results and Approve Assortment Step .....</b>	<b>8-95</b>
Custom Menu Options .....	8-96
Accept ASO Results .....	8-96
Approve Assortment @Cluster .....	8-96
Finalize Assortment to ASO .....	8-96
Accept ASO Results and Review Assortment Tab .....	8-96
1. Accept ASO Results View .....	8-96
2. Review Space Optimized Assortment View .....	8-98
Approve Assortment Tab .....	8-103
Approve Assortment View .....	8-103
Finalize Assortment for Implementation Tab .....	8-105
Finalize Assortment for Implementation View .....	8-105

## 9 Assortment Planning @ Store Task

Assortment Planning Analysis Workbook .....	9-1
Assortment Setup Step .....	9-2
Prior to starting this step: .....	9-2
After completing this step: .....	9-2

Custom Menu Option.....	9-2
Set IPI Weights Tab.....	9-3
1. Review Focus Area Weights View .....	9-3
2. Review Metric Weights View .....	9-4
3. Review Attribute Name Weights View .....	9-5
4. Review Attribute Value Weights View.....	9-6
5. Review Consumer Segment Weights View .....	9-7
Review IPI Scores Tab .....	9-8
1. Review Focus Area Score View .....	9-8
2. Review Consumer Segment Score View.....	9-9
3. Review IPI Score View .....	9-9
Set Assortment Constraints Tab.....	9-10
1. Select Eligible and Mandatory Items View .....	9-10
2. Set IPI Constraints View .....	9-11
Custom Menus .....	9-13
<b>Manage IPI Assortment Step .....</b>	<b>9-13</b>
Prior to starting this step:.....	9-13
After completing this step:.....	9-13
Custom Menu Options .....	9-13
Review Assortment Recommendation Tab.....	9-14
1a. Review Assortment Recommendation @ Store View .....	9-14
1b. Review DT Details @ Store View.....	9-17
3. IPI Assortment Dashboard @ Store View .....	9-18
<b>Finalize Assortment for Space Optimization Step .....</b>	<b>9-20</b>
Custom Menu Options .....	9-20
Assortment Quantification Summary Tab .....	9-20
Assortment Quantification Summary View.....	9-21
Final Assortment Dashboard @ Store View .....	9-22
Export to ASO Tab .....	9-24
1. Role Model & Assort Label View .....	9-24
2. Export to ASO @Store View .....	9-25
<b>Import and Review ASO Results Step.....</b>	<b>9-26</b>
Custom Menu Option.....	9-27
Import ASO Results.....	9-27
Import and Review ASO Results Tab .....	9-27
1. Import ASO Results @ Store View.....	9-27
2. ASO Assortment @ Store Summary View.....	9-29
3. ASO Assortment Details and Space Productivity @ Store View.....	9-31
<b>Accept ASO Results and Approve Assortment Step .....</b>	<b>9-34</b>
Custom Menu Options .....	9-35
Accept ASO Results and Review Assortment Tab.....	9-35
1. Accept ASO Results @ Store View.....	9-35
2. Review Space Optimized Assortment @ Store View .....	9-37
Approve Assortment Tab.....	9-39
Approve Assortment @ Store View.....	9-39
Finalize Assortment for Implementation Tab .....	9-40
Finalize Assortment for Implementation View .....	9-41

## A Appendix: Additional Topics

<b>Roles, Strategies, and Tactics in Category Planning</b> .....	A-1
Overview .....	A-1
Roles .....	A-2
Industry Model A .....	A-2
Industry Model B .....	A-3
Strategies .....	A-4
Tactics .....	A-6
Applying Roles, Strategies, and Tactics in Assortment Planning and Macro Space Optimization	A-7
<b>Workflows/Day in the Life</b> .....	A-9
Category Reset .....	A-9
Category Planning Process .....	A-9
Category Planning Workflow .....	A-10
Macro Space Optimization Process .....	A-10
Assortment Planning Process .....	A-14
Assortment Planning Workflow .....	A-14
Continuous Planning .....	A-17
Retailer Category Management Areas of Emphasis and Assortment Planning .....	A-17
Brand, Profit, and Space-Aware .....	A-17
Private Label .....	A-18
Customer-Centric Retailer .....	A-18
Market-Focused Retailer .....	A-19
Curious Retailer .....	A-19
<b>IPI in Assortment Planning</b> .....	A-20
Prerequisites for Creating an IPI Assortment .....	A-20
Creating an IPI Assortment .....	A-20
Understanding the IPI Calculations .....	A-25
IPI Example 1 - Performance (Sales) .....	A-25
IPI Example 2 - Performance (Sales 50% and Margin 50%) .....	A-26
Assortment Constraints .....	A-27
IPI Example 3 - Applying Constraints .....	A-28
Troubleshooting .....	A-29
<b>Demand Transference in Assortment Planning</b> .....	A-30
Overview .....	A-30
Benefits .....	A-31
Demand Transference Example .....	A-31
Applying Demand Transference to an Assortment .....	A-33
Prerequisites for Applying Demand Transference .....	A-33
Applying Demand Transference to an Assortment .....	A-34
Incremental Curve-Based Assortment Review .....	A-35
Prerequisites for Incremental Curve-Based Assortment Review .....	A-35
Reviewing an Assortment Based on the Incremental Curve .....	A-36
Demand Transference Glossary .....	A-36



## List of Figures

1-1	Category Planning Task Flow .....	1-4
1-2	Assortment Planning Analysis Task Flow .....	1-5
1-3	Assortment Planning@ Cluster Task Flow .....	1-6
1-4	Assortment Planning @ Store Task Flow .....	1-7
1-5	Macro Space Optimization @Dept Task Flow .....	1-7
1-6	Macro Space Optimization @Sub-Category Task Flow .....	1-8
1-7	Category Management Planning and Optimization/Macro Space Optimization Process Flow 1-9	
1-8	Business Roles Involved in Category Management Planning and Optimization/Macro Space Optimization Processes 1-15	
1-9	Category Management Planning and Optimization Version Flow .....	1-18
1-10	Example of Custom Menu Options .....	1-19
2-1	Detergent Product Category .....	2-2
2-2	CDT Editor Task .....	2-2
2-3	Workbook Wizard Select Category Page .....	2-3
2-4	Workbook Wizard Select Trading Area Page .....	2-3
2-5	Workbook Wizard Select Consumer Segment Page .....	2-4
2-6	CDT Meta Data View .....	2-4
3-1	Category Management Administration Task .....	3-2
3-2	Workbook Wizard Select Department Page .....	3-2
3-3	Delete CDTs View .....	3-3
3-4	Select CDT Version View .....	3-4
3-5	Attribute Value Maintenance View .....	3-5
3-6	Category Attribute Mapping View .....	3-6
3-7	SKU Attribute Maintenance View .....	3-6
3-8	1. Assign Focus Area Weights View .....	3-8
3-9	2. Assign Metric Weights View .....	3-9
3-10	3. Assign Attribute Name Weights View .....	3-10
3-11	4. Assign Attribute Value Weights View .....	3-11
3-12	5. Assign Consumer Segment Weights View .....	3-12
3-13	Assign Consumer Segment Status View .....	3-13
3-14	Set Default Tactics View .....	3-14
3-15	Space Related Tactics View .....	3-14
3-16	Quarter Mapping View .....	3-15
3-17	Week Mapping View .....	3-16
3-18	Assign DT SKU Cutoff View .....	3-17
3-19	Manage MSO Tables @Dept View .....	3-18
3-20	Manage MSO Tables @Sub-Category View .....	3-19
3-21	Like Sub-Category Mapping View .....	3-20
3-22	POG and PROD Hierarchy Mapping @Dept View .....	3-21
3-23	POG and PROD Hierarchy Mapping @Sub-Category View .....	3-22
3-24	Placeholder and Formalized Items View .....	3-23
4-1	Category Planning Task .....	4-2
4-2	Workbook Wizard Select Location Page .....	4-3
4-3	Workbook Wizard Select Periods Page .....	4-3
4-4	Workbook Wizard Select Category Page .....	4-4
4-5	Scorecard Summary View .....	4-5
4-6	1. Analyze Target Shoppers .....	4-8
4-7	2. Analyze Trading Area Opportunity View .....	4-9
4-8	3. Analyze Competition View .....	4-11
4-9	1. Analyze Market Share and Growth Tab Views .....	4-14
4-10	1. Analyze Market Share and Growth View (Market Measure Profile) .....	4-15
4-11	1. Analyze Market Share and Growth View (Retailer Measure Profile) .....	4-16
4-12	2. Analyze Sales Trends View .....	4-17

4-13	3. Analyze Profit Contribution View .....	4-18
4-14	4. Analyze Value Share View .....	4-18
4-15	Analyze Consumer Spend Tab Views .....	4-19
4-16	5. Analyze Cross Category Spending View .....	4-20
4-17	6. Analyze Spend vs. Frequency View .....	4-21
4-18	7. Analyze Consumer Purchase Behavior .....	4-22
4-19	8. Analyze Category Buyer Conversion View .....	4-23
4-20	9. Analyze Consumer Segment Cross Category Spending View .....	4-24
4-21	Quadrant Analysis Views .....	4-25
4-22	Market Share / Growth / Category Size View .....	4-25
4-23	Mkt Share / Growth / Sales View .....	4-26
4-24	Retailer Share / Growth / Category Size View .....	4-27
4-25	Retailer Share / Growth / Sales View .....	4-27
4-26	Analyze and Assign Category Roles - Industry Model A Tab Views .....	4-29
4-27	1. Analyze Historic Performance Role - Industry Model A View .....	4-30
4-28	2. Analyze Forecasted Performance - Industry Model A View .....	4-31
4-29	3. Assign Category Roles - Industry Model A View .....	4-32
4-30	Analyze and Assign Category Role - Industry Model B Tab Views .....	4-33
4-31	1. Analyze Historic Performance Role - Industry Model B View .....	4-34
4-32	2. Analyze Forecasted Performance - Industry Model B View .....	4-34
4-33	3. Assign Category Roles - Industry Model B View .....	4-35
4-34	1. Assign Strategies View .....	4-38
4-35	2. Identify Cash Generators View .....	4-38
4-36	3. Identify Excitement Generators View .....	4-39
4-37	4. Identify Image Enhancer View .....	4-40
4-38	5. Identify Profit Generators View .....	4-41
4-39	6. Identify Traffic Builders View .....	4-42
4-40	7. Identify Transaction Builders View .....	4-43
4-41	8. Identify Turf-Defenders View .....	4-44
4-42	Review Category Performance to Role Tab Views .....	4-45
4-43	1. Review Category / Sub-Category Performance View .....	4-46
4-44	2. Review Price and Promo Effectiveness View .....	4-47
4-45	3. Review Average Movement View .....	4-49
4-46	4. Review Space Effectiveness View .....	4-49
4-47	Assign Category Tactics View .....	4-50
4-48	Scorecard Summary Sales Measure Profile View .....	4-52
4-49	Review Sales View .....	4-54
4-50	1. Set Sales and Profit Targets View .....	4-56
4-51	2. Set Promo Sales Targets View .....	4-58
4-52	3. Set Private Label Targets View .....	4-60
4-53	Set Inventory Targets View .....	4-62
4-54	Approve Assortment Strategies .....	4-63
5-1	Category Management Planning and Optimization/Macro Space Optimization Process Flow 5-2	
5-2	Planogram and Product Shelves in a Store .....	5-3
5-3	Macro Space Optimization Process Flow .....	5-5
5-4	Macro Space Optimization @Dept Task .....	5-6
5-5	Workbook Wizard Select Domain or Departments Page .....	5-6
5-6	Workbook Wizard Select Quarter Page .....	5-7
5-7	Workbook Wizard Select Trading Area Page .....	5-7
5-8	Review Category Scorecard @Dept View .....	5-9
5-9	1. Set Up and Review Optimization @ Dept View .....	5-13
5-10	2. Review Space and Profit Histograms @Dept View .....	5-16
5-11	Approve Optimization Results @Dept View .....	5-17
6-1	Macro Space Optimization @Sub-Category Task .....	6-1

6-2	Workbook Wizard Select Domain or Departments Page.....	6-2
6-3	Workbook Wizard Select Quarter Page.....	6-2
6-4	Workbook Wizard Select Trading Area Page.....	6-3
6-5	Review Category Scorecard @Sub-Category View.....	6-5
6-6	1. Set Up and Review Optimization Parameters @Sub-Category View.....	6-10
6-7	Store Layout Diagram.....	6-12
6-8	2. Review Space and Profit Histograms @Sub-Category View.....	6-13
6-9	Approve Optimization Results @Sub-Category View.....	6-15
7-1	Assortment Planning Analysis Task.....	7-2
7-2	Workbook Wizard Select Category Page.....	7-3
7-3	Workbook Wizard Select Trading Area Page.....	7-3
7-4	Workbook Wizard Select Quarter Page.....	7-4
7-5	Workbook Wizard Select Version Page.....	7-4
7-6	Sales and Gross Profit Analysis View.....	7-6
7-7	1. Gross Profit and Inventory Turns View.....	7-7
7-8	2. Sales Revenue and Sales Units View.....	7-8
7-9	3. Sales Revenue and Gross Profit View.....	7-9
7-10	4. Sales and Profit per Sq Ft View.....	7-10
7-11	Set Breakpoints View.....	7-13
7-12	Set Performance Metric Driver View.....	7-14
7-13	Performance-Based Fragmentation Analysis Tab.....	7-15
7-14	1. Performance Based Fragmentation Market Data Analysis View.....	7-15
7-15	2. Performance Based Fragmentation Retailer Data Analysis View.....	7-16
7-16	Item Contribution Analysis Tab Views.....	7-17
7-17	1. Item Contribution Market View.....	7-17
7-18	2. Item Contribution Retailer View.....	7-18
7-19	1. Proliferation Analysis Market View.....	7-19
7-20	Creating an Extended Measure.....	7-20
7-21	Proliferation Market Analysis View with Extended Measure.....	7-21
7-22	Chart Formatting Options.....	7-21
7-23	2. Proliferation Retailer Analysis View.....	7-22
7-24	1. Accumulative Ranking Market Analysis View.....	7-23
7-25	2. Accumulative Ranking Retailer Analysis View.....	7-24
7-26	Market Assessment Tab Views.....	7-25
7-27	1. Market Share Assessment View.....	7-25
7-28	2. Market Sales Trend Analysis View.....	7-26
7-29	3. Market Analysis View.....	7-27
7-30	Market Quadrant Analysis Tab Views.....	7-28
7-31	2. Market Share / Growth / Sales Units View.....	7-29
7-32	Consumer Segment Analysis View.....	7-31
7-33	1. Purchase Behavior Analysis View.....	7-32
7-34	2. Consumer Loyalty Analysis View.....	7-33
7-35	3. Top Shopper Analysis View.....	7-34
7-36	1. Retail Channel Share Analysis View.....	7-35
7-37	1. Retail Channel Share Analysis View.....	7-35
7-38	2. Buyer Conversion Analysis View.....	7-36
7-39	1. Review Roles View.....	7-37
7-40	2. Review Strategies View.....	7-38
7-41	3. Review Tactics View.....	7-38
7-42	Scorecard Summary View.....	7-39
7-43	Review Consumer Segments View.....	7-40
8-1	CDT Example.....	8-2
8-2	Key Steps in Creating, Planning, and Approving Assortment Plans at Cluster.....	8-3
8-3	1. Seed Sales View.....	8-6
8-4	2. Review and Plan Sales View.....	8-8

8-5	Create Placeholder Items View .....	8-9
8-6	Like Item Mapping Step Initial Views .....	8-10
8-7	1. Use Retail Like Item View .....	8-10
8-8	2. Use Market Like Item View .....	8-11
8-9	3. Use Attribute Like Item View .....	8-12
8-10	4. SKU Attribute Maintenance View .....	8-13
8-11	Review Consumer Segments View .....	8-14
8-12	Review IPI Criteria Tab Views .....	8-15
8-13	Best Practice for Focus Area Weights.....	8-16
8-14	1. Review Focus Area Weights and 2. Review Metric Weights Views .....	8-17
8-15	3. Review Attribute Weights View .....	8-19
8-16	4. Review Attribute Value Weights View.....	8-20
8-17	5. Review Consumer Segment Weights View .....	8-21
8-18	Review IPI Scores Tab View .....	8-24
8-19	1. Review Focus Area Score View .....	8-25
8-20	2. Review Consumer Segment Score View.....	8-25
8-21	3. Review IPI Scores View.....	8-26
8-22	1. Select Eligible and Mandatory Items View .....	8-27
8-23	2. Set IPI Constraints View .....	8-28
8-24	3. Set Market Coverage Constraints View.....	8-30
8-25	1a. Review IPI Assortment Recommendation View .....	8-32
8-26	1a. Review IPI Assortment Recommendation View 2.....	8-35
8-27	1a. Review IPI Assortment Recommendation Example 1.....	8-36
8-28	1a. Review IPI Assortment Recommendation Example 2.....	8-36
8-29	1a. Review IPI Assortment Recommendation Example 3.....	8-37
8-30	1a. Review IPI Assortment Recommendation Example 4.....	8-38
8-31	1a. Review IPI Assortment Recommendation Example 4 in Graphical Form .....	8-38
8-32	1a. Review IPI Assortment Recommendation Example 5.....	8-39
8-33	1a. Review IPI Assortment Recommendation .....	8-39
8-34	1b. Review IPI DT Details View .....	8-40
8-35	2. IPI Assortment Dashboard View .....	8-41
8-36	1. Set Parameters for IPI Assortment Improvement View.....	8-44
8-37	2. Review Improved IPI Assortment View .....	8-46
8-38	View IPI Ordered Incremental Curve View.....	8-48
8-39	1a. Review Assortment Recommendation WP/CP Measure Profile View .....	8-50
8-40	1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1 8-54	
8-41	1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2 8-55	
8-42	1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile View 8-56	
8-43	1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile View 8-57	
8-44	1b. Review Market Coverage DT Details View .....	8-57
8-45	2. Market Coverage Assortment Dashboard View .....	8-58
8-46	View MC Ordered Incremental Curve View .....	8-61
8-47	1a. Review Final Assortment Recommendation WP/CP Measure Profile View .....	8-63
8-48	1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures. 8-65	
8-49	1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2.....	8-66
8-50	1a. Review Final Assortment Recommendation WP/LP Measure Profile View .....	8-66
8-51	1a. Review Final Assortment Recommendation WP/LY Measure Profile View .....	8-67
8-52	1b. Review DT Details View .....	8-68
8-53	2. Final Assortment Dashboard View .....	8-69
8-54	3. Review Assortment Wedge View.....	8-70

8-55	Assortment Quantification Summary WP/CP Measure Profile View .....	8-72
8-56	Assortment Quantification Summary WP/LY Measure Profile View.....	8-74
8-57	Assortment Quantification Summary WP/Tgt Measure Profile View.....	8-75
8-58	1. Role Model & Assort Label View .....	8-76
8-59	2. Export to ASO View .....	8-76
8-60	1. Import ASO Results View.....	8-79
8-61	2. ASO Assortment Summary View.....	8-81
8-62	3. ASO Assortment Details and Space Productivity View.....	8-86
8-63	1. ASO Assortment by Location View .....	8-91
8-64	2. ASO Assortment by Space View.....	8-93
8-65	1. Accept ASO Results View.....	8-97
8-66	2. Review Space Optimized Assortment View .....	8-98
8-67	Approve Assortment View.....	8-104
8-68	Finalize Assortment for Implementation View .....	8-105
9-1	Set IPI Weights Tab Views.....	9-3
9-2	1. Review Focus Area Weights View .....	9-4
9-3	2. Review Metric Weights View .....	9-4
9-4	3. Review Attribute Name Weights View .....	9-6
9-5	4. Review Attribute Value Weights View.....	9-7
9-6	5. Review Consumer Segment Weights View .....	9-7
9-7	Review IPI Scores Tab View .....	9-8
9-8	1. Review Focus Area Score View .....	9-9
9-9	2. Review Consumer Segment Score View.....	9-9
9-10	3. Review IPI Score View .....	9-10
9-11	1. Select Eligible and Mandatory Items View .....	9-11
9-12	2. Set IPI Constraints View .....	9-12
9-13	1a. Review Assortment Recommendation @ Store View 1.....	9-14
9-14	1a. Review Assortment Recommendation @ Store View 2.....	9-16
9-15	1b. Review DT Details @ Store View.....	9-17
9-16	3. IPI Assortment Dashboard @ Store View.....	9-18
9-17	Assortment Quantification Summary WP/CP Measure Profile View .....	9-21
9-18	Assortment Quantification Summary WP/LY Measure Profile View.....	9-22
9-19	Final Assortment Dashboard @ Store View .....	9-22
9-20	1. Role Model & Assort Label View .....	9-24
9-21	2. Export to ASO @Store View .....	9-25
9-22	1. Import ASO Results @ Store View.....	9-28
9-23	2. ASO Assortment @ Store Summary View.....	9-30
9-24	3. ASO Assortment @ Store Details and Space Productivity View.....	9-32
9-25	1. Accept ASO Results @ Store View.....	9-35
9-26	2. Review Space Optimized Assortment @ Store View .....	9-37
9-27	Approve Assortment @ Store View.....	9-40
9-28	Finalize Assortment for Implementation View .....	9-41
A-1	Category Planning Application Workflow .....	A-2
A-2	Category Management Industry Standards - Consumer/Customer .....	A-2
A-3	Category Management Industry Standards - Product Performance.....	A-3
A-4	MSO Process .....	A-11
A-5	Space Elasticity Curve.....	A-11
A-6	Weighting by Performance.....	A-21
A-7	Weighting by Attributes .....	A-22
A-8	Weighting by Attributes - Attribute Name Weights Settings .....	A-22
A-9	Weighting by Attributes - Attribute Value Weights Settings.....	A-23
A-10	Weighting by Loyalty .....	A-23
A-11	Weighting by Market Basket.....	A-24
A-12	IPI Example 1 - Performance Sales .....	A-26
A-13	IPI Example 2 Step 1 .....	A-26

A-14	IPI Example 2 Step 2 .....	A-27
A-15	IPI Example 2 Step 3 .....	A-27
A-16	IPI Example 3 - Applying Constraints .....	A-29
A-17	Setting IPI Constraints.....	A-29
A-18	IPI Approach to Editing an Assortment .....	A-31
A-19	Assessing Substitutability and Incrementality .....	A-32
A-20	Assortment Resorted Based on Incremental Sales .....	A-33
A-21	Cumulative Incremental Sales .....	A-35



## List of Tables

1-1	Types of Data .....	1-11
1-2	Example of Roles .....	1-14
1-3	Description of Measure Components .....	1-15
1-4	Category Management Roles .....	1-16
1-5	Category Management Versions .....	1-16
3-1	Delete CDTs Measures .....	3-3
3-2	Select CDT Version Measures .....	3-4
3-3	Attribute Value Maintenance Measure.....	3-5
3-4	Category Attribute Mapping Measure .....	3-6
3-5	SKU Attribute Maintenance Measure .....	3-7
3-6	1. Assign Focus Area Weights Measure .....	3-8
3-7	2. Assign Metric Weights Measures .....	3-9
3-8	3. Assign Attribute Name Weights Measure .....	3-10
3-9	4. Assign Attribute Value Weight Measure .....	3-11
3-10	5. Assign Consumer Segment Weights Measure.....	3-12
3-11	Assign Consumer Segment Status Measure .....	3-13
3-12	Set Default Tactics Measure .....	3-14
3-13	Space Related Tactics Measure .....	3-15
3-14	Quarter Mapping Measure.....	3-16
3-15	Week Mapping Measures .....	3-16
3-16	Assign DT SKU Cutoff Measure .....	3-17
3-17	Manage MSO Tables @Dept View Measures.....	3-18
3-18	Manage MSO Tables @Sub-Category View Measures .....	3-19
3-19	Like Sub-Category Mapping View Measures.....	3-20
3-20	POG and PROD Hierarchy Mapping @Dept View Measures.....	3-22
3-21	POG and PROD Hierarchy Mapping @Sub-Category View Measures.....	3-22
3-22	Placeholder and Formalized Items View Measures.....	3-23
4-1	Scorecard Summary Measures.....	4-5
4-2	1. Analyze Target Shoppers Measures.....	4-8
4-3	2. Analyze Trading Area Opportunity Measures .....	4-10
4-4	3. Analyze Competition Measures .....	4-11
4-5	1. Analyze Market Share and Growth Measures (Market Measure Profile).....	4-15
4-6	1. Analyze Market Share and Growth Measures (Retailer Measure Profile).....	4-16
4-7	2. Analyze Sales Trends Measures .....	4-17
4-8	3. Analyze Profit Contribution Measures.....	4-18
4-9	4. Analyze Value Share Measures .....	4-19
4-10	5. Analyze Cross Category Spending Measures.....	4-20
4-11	6. Analyze Spend Vs. Frequency Measures .....	4-21
4-12	7. Analyze Consumer Purchase Behavior Measures .....	4-22
4-13	8. Analyze Category Buyer Conversion Measure .....	4-23
4-14	9. Analyze Consumer Segment Cross Category Spending Measures.....	4-24
4-15	Mkt Share / Growth / Category Size Measures .....	4-25
4-16	Mkt Share / Growth / Sales Measures.....	4-26
4-17	Retailer Share / Growth / Category Size Measures.....	4-27
4-18	Retailer Share / Growth / Sales Measures .....	4-28
4-19	1. Analyze Historic Performance - Industry Model A Measures.....	4-30
4-20	2. Analyze Forecasted Performance - Industry Model A Measures.....	4-31
4-21	3. Assign Category Roles - Industry Model A Measures .....	4-32
4-22	1. Analyze Historic Performance - Industry Model B Measures .....	4-34
4-23	2. Analyze Forecasted Performance - Industry Model B Measures.....	4-35
4-24	3. Assign Category Roles - Industry Model B Measures.....	4-35
4-25	Category Strategies and Purchase Dynamics .....	4-36
4-26	1. Assign Strategies Measures .....	4-38

4-27	2. Identify Cash Generators Measures .....	4-39
4-28	3. Identify Excitement Generators Measures .....	4-39
4-29	4. Identify Image Enhancer Measures.....	4-40
4-30	5. Identify Profit Generators Measure.....	4-41
4-31	6. Identify Traffic Builders Measures.....	4-42
4-32	7. Identify Transaction Builders Measures.....	4-43
4-33	8. Identify Turf-Defenders Measure.....	4-44
4-34	1. Review Category / Sub-Category Performance Measures.....	4-46
4-35	2. Review Price and Promo Effectiveness Measures.....	4-47
4-36	3. Review Average Movement Measure.....	4-49
4-37	4. Review Space Effectiveness Measures.....	4-49
4-38	Assign Category Tactic Measure .....	4-51
4-39	Scorecard Summary Sales Measure Profile Measures.....	4-52
4-40	Review Sales Measures .....	4-54
4-41	Seed Sales Measures .....	4-55
4-42	1. Set Sales and Profit Targets Measures .....	4-56
4-43	2. Set Promo Sales Targets Measures .....	4-58
4-44	3. Set Private Label Targets Measures.....	4-60
4-45	Set Inventory Targets Measures.....	4-62
4-46	Approve Assortment Strategies, Tactics, and Scorecard Measures .....	4-63
5-1	Review Category Scorecard @Dept View Measures.....	5-9
5-2	1. Set Up and Review Optimization @ Dept View Measures.....	5-13
5-3	2. Review Space and Profit Histograms @Dept View Measures.....	5-16
5-4	Approve Optimization Results @Dept View Measures .....	5-17
6-1	Review Category Scorecard @Sub-Category View Measures .....	6-5
6-2	1. Set Up and Review Optimization Parameters @Sub-Category View Measures .....	6-10
6-3	Aisle Description of Store Layout Diagram.....	6-12
6-4	2. Review Space and Profit Histograms @Sub-Category View Measures.....	6-14
6-5	Approve Optimization Results @Sub-Category View Measures .....	6-15
7-1	Sales and Gross Profit Analysis Measures .....	7-6
7-2	1. Gross Profit and Inventory Turns Measures.....	7-8
7-3	2. Sales Revenue and Sales Units Measures.....	7-8
7-4	3. Sales Revenue and Gross Profit Measures .....	7-10
7-5	4. Sales and Profit per Square Foot Measures.....	7-10
7-6	Set Breakpoints Measures.....	7-13
7-7	Select Performance Metric Driver Measures.....	7-14
7-8	1. Performance Based Fragmentation Market Data Analysis Measures.....	7-16
7-9	2. Performance Based Fragmentation Retail Data Analysis Measures .....	7-16
7-10	1. Item Contribution Market Measures.....	7-17
7-11	2. Item Contribution Retailer Measures.....	7-18
7-12	1. Proliferation Market Analysis Measures .....	7-22
7-13	2. Proliferation Retailer Analysis Measures .....	7-22
7-14	1. Accumulative Market Analysis Measures .....	7-23
7-15	2. Accumulative Ranking Retailer Analysis Measures.....	7-24
7-16	1. Market Share Assessment Measures.....	7-25
7-17	2. Market Sales Trend Analysis Measures.....	7-26
7-18	3. Market Analysis Measures .....	7-28
7-19	1. Market Sales \$ / Sales Units / Share Measures.....	7-29
7-20	2. Market Share / Growth / Sales Units Measures.....	7-29
7-21	Consumer Segment Analysis Measures .....	7-31
7-22	1. Purchase Behavior Analysis Measures .....	7-32
7-23	2. Consumer Loyalty Analysis Measures .....	7-33
7-24	3. Top Shopper Analysis Measure.....	7-34
7-25	1. Retail Channel Share Analysis Measures .....	7-35
7-26	2. Buyer Conversion Analysis Measure.....	7-36

7-27	1. Review Roles Measures.....	7-37
7-28	2. Review Strategies Measure.....	7-38
7-29	3. Review Tactics Measure.....	7-38
7-30	Scorecard Summary Measures.....	7-39
7-31	Review Consumer Segments Measures.....	7-41
8-1	1. Seed Sales Measures .....	8-7
8-2	2. Review and Plan Sales Measures.....	8-8
8-3	Create Placeholder Items Measure .....	8-9
8-4	1. Use Retail Like Item Measures.....	8-11
8-5	2. Use Market Like Item Measures .....	8-12
8-6	3. Use Attribute Like Item Measure .....	8-12
8-7	4. SKU Attribute Maintenance Measure.....	8-13
8-8	Review Consumer Segments Measures.....	8-14
8-9	Possible Default Focus Area Weights .....	8-16
8-10	Associated Default Metric Weights.....	8-17
8-11	1. Review Focus Area Weights Measure .....	8-18
8-12	2. Review Metric Weights Measures .....	8-18
8-13	3. Review Attribute Weights Measure .....	8-20
8-14	4. Review Attribute Value Weights Measure.....	8-20
8-15	5. Review Consumer Segment Weights Measures.....	8-21
8-16	1. Review Focus Area Scores Measure.....	8-25
8-17	2. Review Consumer Segment Score Measure.....	8-25
8-18	3. Review IPI Scores Measures.....	8-26
8-19	1. Select Eligible and Mandatory Items View Measures .....	8-27
8-20	2. Set IPI Constraints Measures.....	8-28
8-21	3. Set Market Coverage Constraints Measures .....	8-30
8-22	1a. Review IPI Assortment Recommendation View Measures .....	8-33
8-23	1b. Review IPI DT Details Measures .....	8-40
8-24	2. IPI Assortment Dashboard View Measures.....	8-41
8-25	1. Set Parameters for IPI Assortment Improvement View Measures.....	8-44
8-26	2. Review Improved IPI Assortment View Measures .....	8-46
8-27	View IPI Ordered Incremental Curve View Measures.....	8-48
8-28	1a. Review Assortment Recommendation WP/CP Measure Profile Measures .....	8-50
8-29	1b. Review Market Coverage DT Details Measures .....	8-58
8-30	2. Market Coverage Assortment Dashboard View Measures .....	8-58
8-31	View MC Ordered Incremental Curve View Measures .....	8-61
8-32	1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures ..	8-63
8-33	1b Review DT Details Measures .....	8-68
8-34	2. Final Assortment Dashboard View Measures .....	8-69
8-35	3. Review Assortment Wedge View Measures.....	8-70
8-36	Assortment Quantification Summary WP/CP Measure Profile Measures.....	8-72
8-37	1. Role Model & Assort Label Measures.....	8-76
8-38	2. Export to ASO Measures.....	8-77
8-39	1. Import ASO Results View Measures.....	8-79
8-40	2. ASO Assortment Summary View Measures.....	8-81
8-41	3. ASO Assortment Details and Space Productivity View Measures.....	8-86
8-42	1. ASO Assortment by Location View Measures .....	8-91
8-43	2. ASO Assortment by Space View Measures.....	8-94
8-44	1. Accept ASO Results View Measures.....	8-97
8-45	2. Review Space Optimized Assortment View Measures .....	8-99
8-46	Approve Assortment View Measures.....	8-104
8-47	Finalize Assortment for Implementation View Measures .....	8-105
9-1	1. Review Focus Area Weights Measure .....	9-4
9-2	2. Review Metric Weights Measures .....	9-4
9-3	3. Review Attribute Name Weights Measure .....	9-6

9-4	4. Review Attribute Value Weights Measure.....	9-7
9-5	5. Review Consumer Segment Weights Measures.....	9-8
9-6	1. Review Focus Area IPI Scores Measure.....	9-9
9-7	2. Review Consumer Segment Score Measure.....	9-9
9-8	3. Review IPI Score Measures.....	9-10
9-9	1. Select Eligible and Mandatory Items Measures .....	9-11
9-10	2. Set IPI Constraints Measures.....	9-12
9-11	1a. Review Assortment Recommendation @ Store View 1 Measures .....	9-14
9-12	1a. Review Assortment Recommendation @ Store View 2 Measures .....	9-16
9-13	1b. Review DT Details@ Store Measures .....	9-17
9-14	3. IPI Assortment Dashboard @ Store View Measures .....	9-18
9-15	Assortment Quantification Summary Measures .....	9-21
9-16	Final Assortment Dashboard @ Store View Measures .....	9-23
9-17	1. Role Model & Assort Label Measures.....	9-24
9-18	2. Export to ASO @Store Measures.....	9-25
9-19	1. Import ASO Results @ Store View Measures.....	9-28
9-20	2. ASO Assortment @ Store Summary View Measures.....	9-30
9-21	3. ASO Assortment @ Store Details and Space Productivity View Measures.....	9-32
9-22	1. Accept ASO Results @ Store View Measures.....	9-36
9-23	2. Review Space Optimized Assortment @ Store View Measures .....	9-37
9-24	Approve Assortment @ Store View Measures.....	9-40
9-25	Finalize Assortment for Implementation Measures .....	9-41
A-1	Category Strategies and their Characteristics.....	A-5
A-2	Category Planning Tactics .....	A-7
A-3	Focus Areas and Metrics for Strategies.....	A-8
A-4	Demand Transference Glossary.....	A-36



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Oracle Retail Category Management Planning and Optimization / Macro Space  
Optimization User Guide for the RPAS Fusion Client, Release 16.0

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# Preface

This document describes the Oracle Retail Category Management Planning and Optimization / Macro Space Optimization 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 Planning and Optimization / Macro Space Optimization. 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 Planning and Optimization / Macro Space Optimization Release 16.0 documentation set:

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

For more information about Oracle Retail Predictive Application Server (RPAS) and Batch Script Architecture (BSA), see the RPAS documentation set.

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

## Review Patch Documentation

When you install the application for the first time, you install either a base release (for example, 16.0) or a later patch release (for example, 16.0.1). 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.

This process will prevent delays in making critical corrections available to customers. For the customer, it means that before you begin installation, you must verify that you have the most recent version of the Oracle Retail documentation set. Oracle Retail documentation is available on the Oracle Technology Network at the following URL:

<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.

If a more recent version of a document is available, that version supersedes all previous versions.

## Oracle Retail Documentation on the Oracle Technology Network

Oracle Retail product documentation is available on the following web site:

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

(Data Model documents are not available through Oracle Technology Network. You can obtain these documents through My Oracle Support.)

## Conventions

The following text conventions are used in this document:

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



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## 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 promotional offers, which define a customer's in-store, in-channel experience. In effect, these are the critical factors which determine a retailer's success.

Conceptually, Category Management practice consists of the following actions:

1. Understand and assess the retailer's business:
  - Market-place analysis: Market analysis involving the assessment of consumer demographics, psychographics, market structure, and key market forces to gauge the business potential of individual product categories and business as a whole.
  - Product and consumer analysis: Category level and cross-category performance analysis with consumer segment level insights at various points to understand the intricacies of the retailer's business, identify the target consumer segments contributing to the retailer's business, and shape the category and assortment plans accordingly.
  - Competitor analysis: Assessment of the retailer's standing in the market in comparison to the competition.
2. Review/confirm the retailer's business strategy and assign category specific roles, strategies, and tactics to support it.
3. Create sales, gross profit, and inventory plans for national brands and private labels. Determine pricing, promotion, assortment, space, inventory, and supplier strategies/tactics for product categories in the form of category plans.
4. Allocate optimal space at the macro (department/sub-category level) and micro-levels (SKU level) per the retailer's business strategy.
5. Create customer-centric assortment plans targeting specific consumer segments that define the product-mix and business targets for product categories.

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

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provides a structured, measured set of activities designed to achieve specific business objectives.

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:** Assortment plans are created 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.

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**Note:** When 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.

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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 solution:

- Provide 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 customized Category Management planning across the retail chain.

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 re-allocation 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; providing the ability to evaluate the impacts of adding or removing space
- Leverage space and/or financial constraints as the basis for space optimization
- Leverage built for purpose science to identify and measure the diminishing return on space to produce elasticities specific to each product area
- Available scorecarding to easily assess the impacts the recommended results

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

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## 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](#).

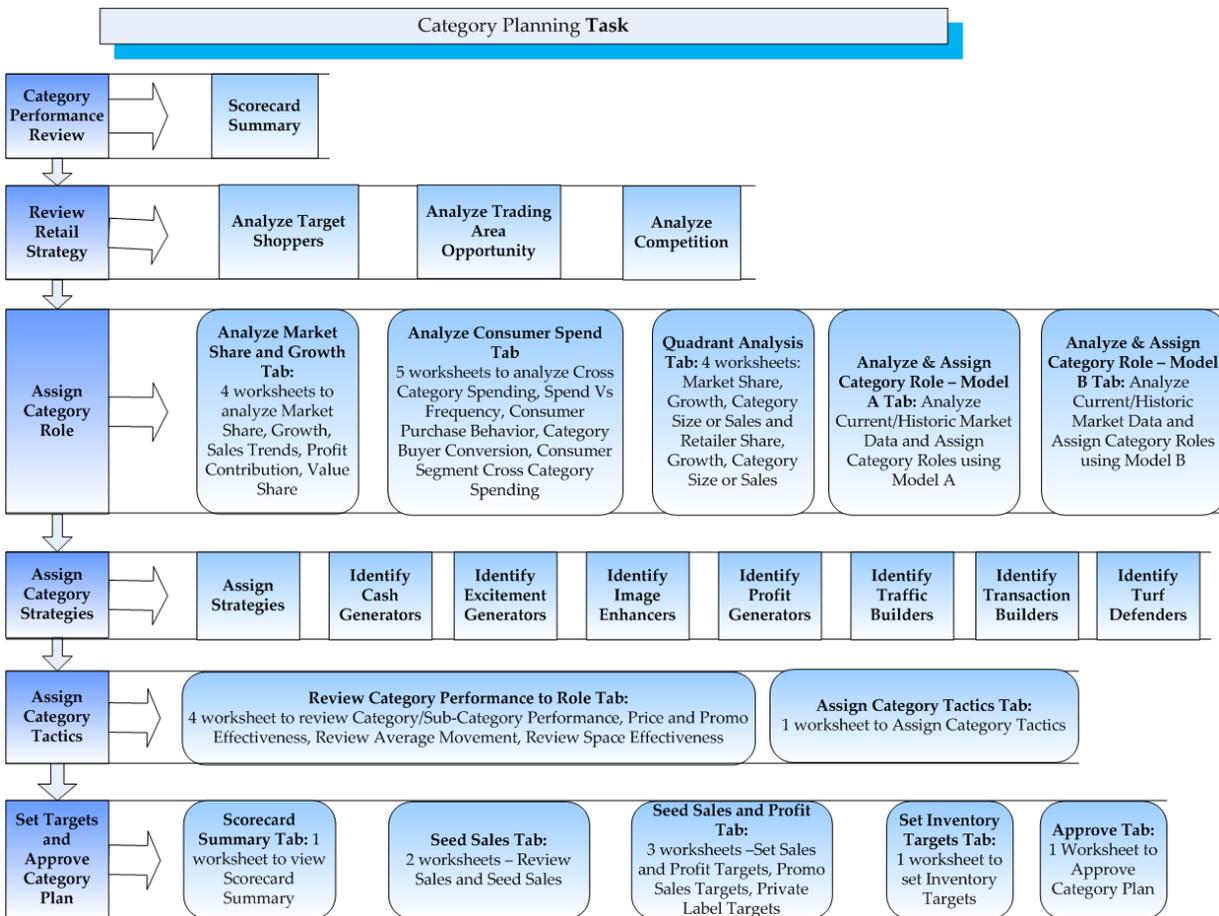
- CDT Editor Task

For more information, see [Chapter 2](#).

## 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 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 1–2 Assortment Planning Analysis Task Flow

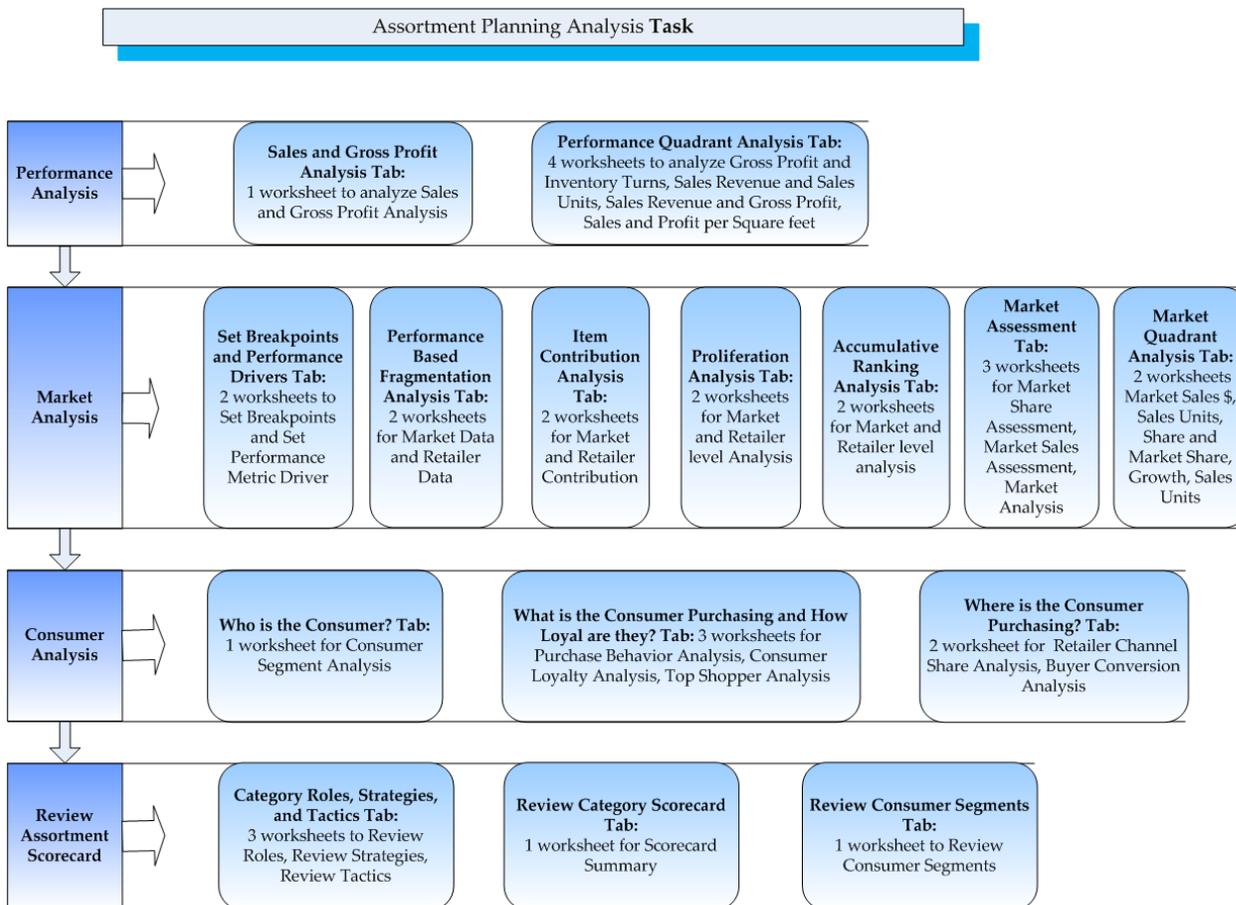


Figure 1–3 illustrates the task flow for the Assortment Planning @ Cluster task. This task begins with the assortment setup for the assortment planning, which involves the seeding of working plans, setting assortment eligible and mandatory items, and the defining of the assortment constraints to generate system-recommended assortments using:

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

Figure 1-3 Assortment Planning@ Cluster Task Flow

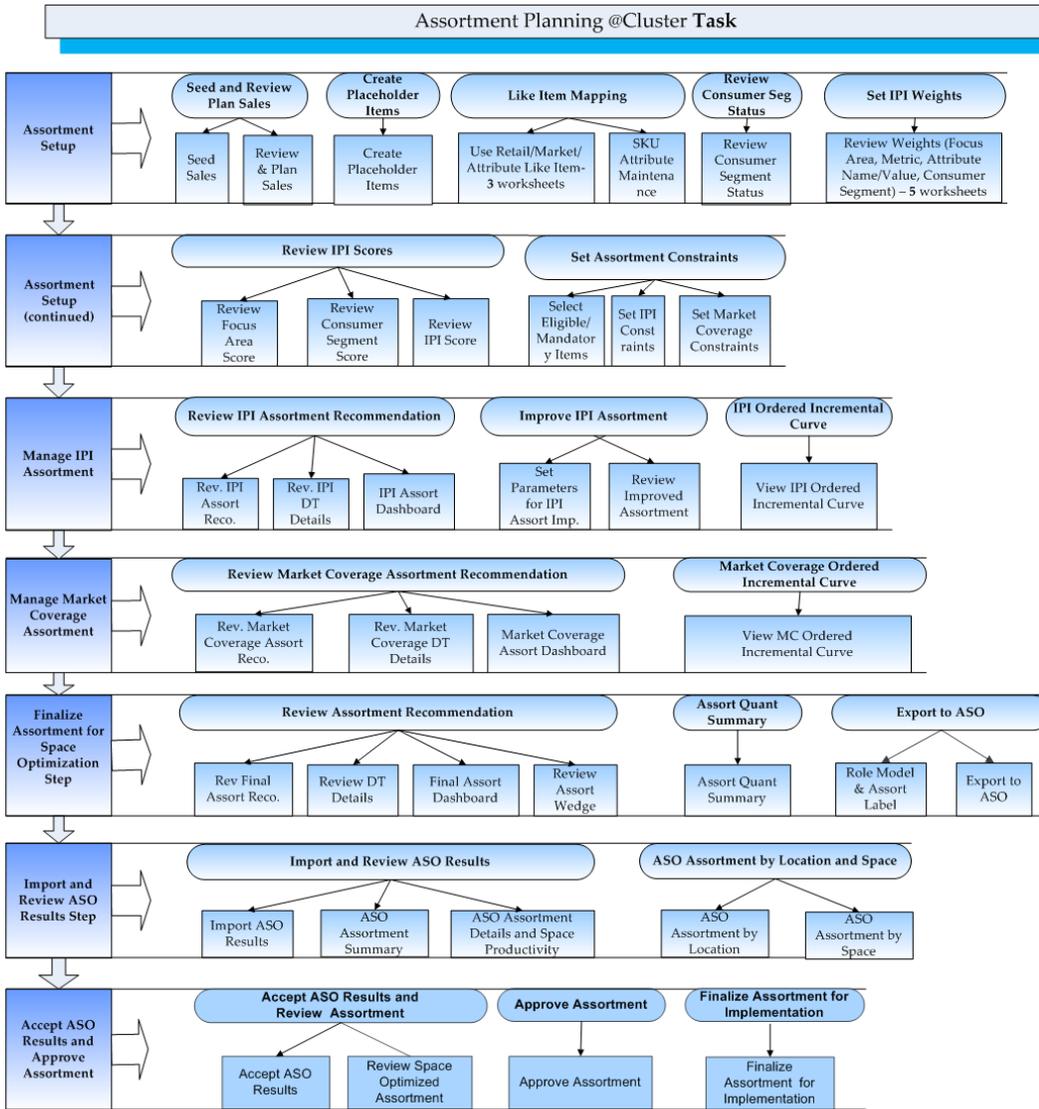


Figure 1-4 illustrates the task flow for the Assortment Planning @ Store task. Store level assortment plans can be created using the IPI-based assortment generation method and space optimized assortments derived under this task.

Figure 1-4 Assortment Planning @ Store Task Flow

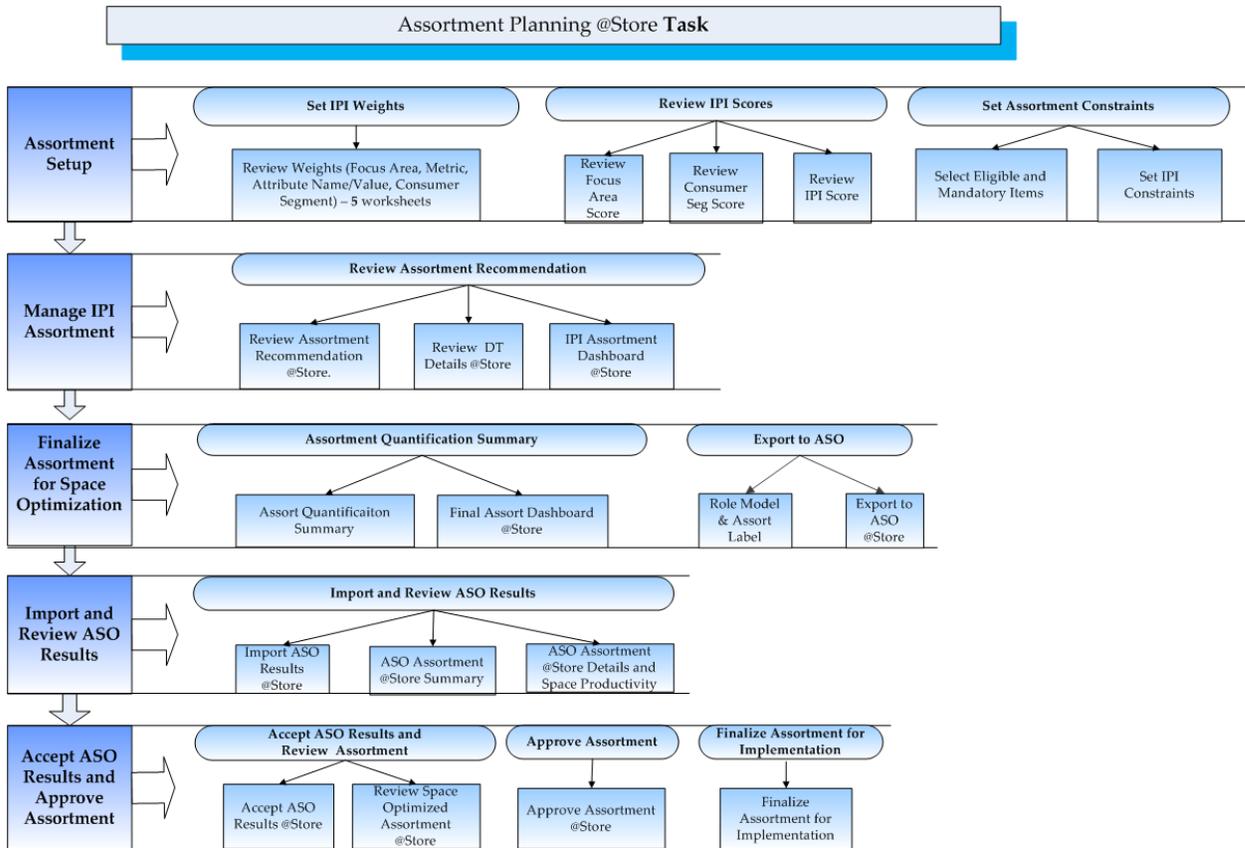


Figure 1-5 illustrates the task flow for the Macro Space Optimization @Dept task. This task presents category scorecard review, setup and review of optimization results, and approval of MSO results at the POG department level.

Figure 1-5 Macro Space Optimization @Dept Task Flow

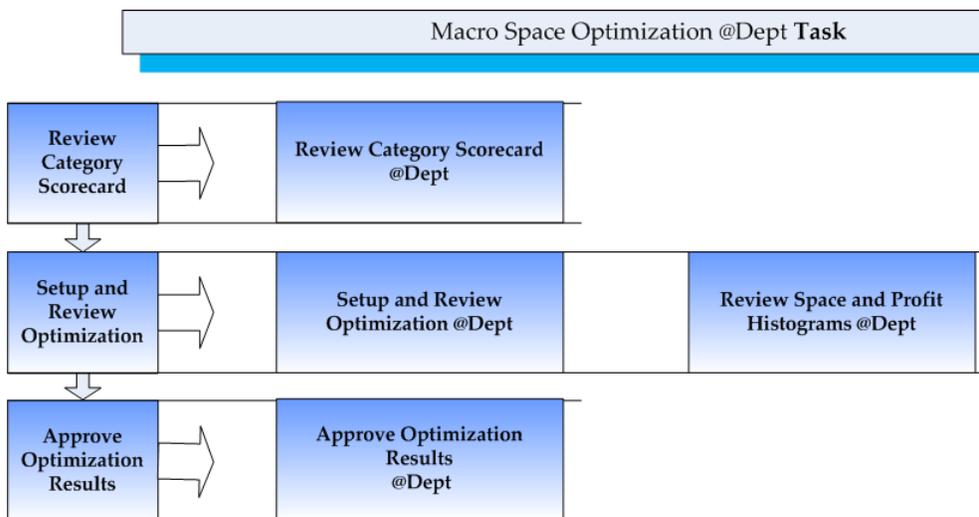
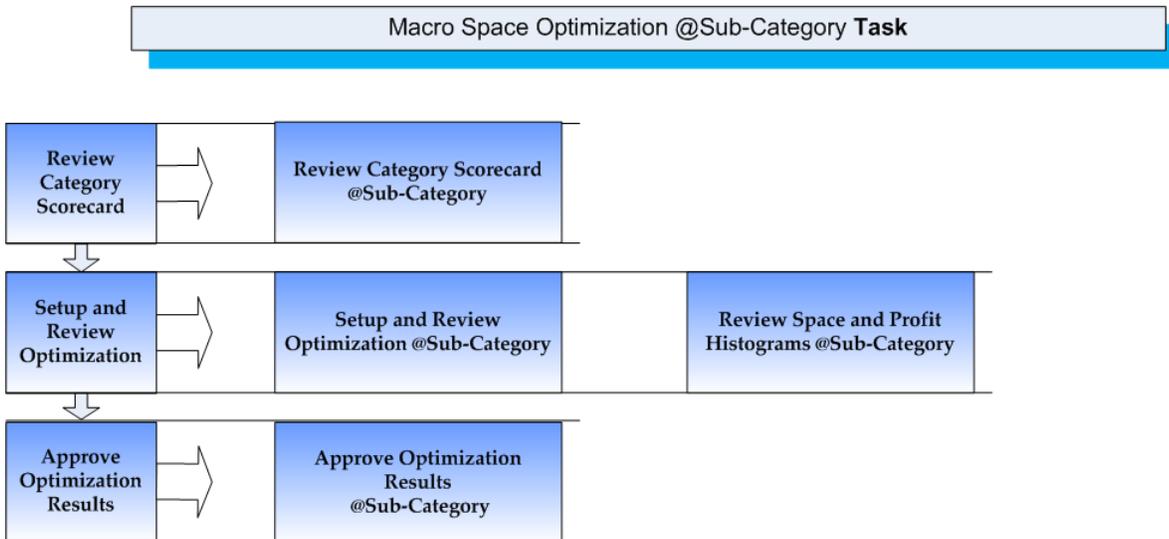


Figure 1-6 illustrates the task flow for the Macro Space Optimization @Sub-Category task. This task presents category scorecard review, setup and review of optimization results, and approval of MSO results at the POG sub-category level.

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



## Category Management Planning and Optimization/Macro Space Optimization Process Flow

Figure 1–7 depicts the overall process flow within the CMPO/MSO applications and data exchange with other applications. Broadly, the process flow consists of the following steps:

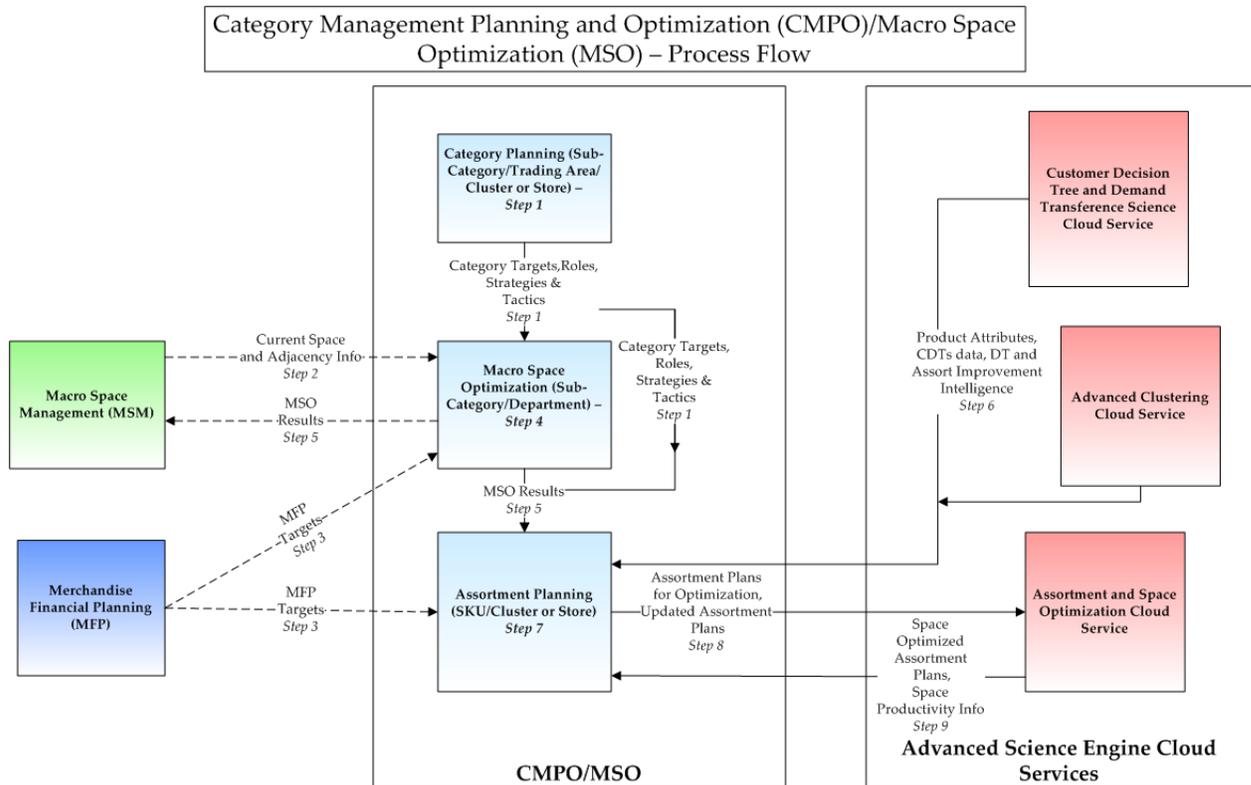
1. Create and approve category plans and share them with the Macro Space Optimization (MSO) and Assortment Planning and Optimization modules.
2. Import current space and adjacency information from a space management system, such as Macro Space Management (MSM). Currently, this is custom integration done during implementation.
3. Import MFP targets into the Assortment Planning and MSM modules. Currently, this is custom integration done during implementation.
4. Perform MSO.
5. Share the MSO outputs with a space management system, such as, MSM and the Assortment Planning module. Currently, this is custom integration done during implementation.
6. Import clusters, product attributes, CDTs, Demand Transference (DT), and Assortment Improvement intelligence from the available Advanced Science Cloud Services.

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**Note:** The Advanced Science Cloud Service inputs are not required as part of implementation.

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7. Create Assortment Plans.
8. Export Assortment Plans to the Oracle Retail Assortment and Space Optimization (ASO) Cloud Service. Note, this step is optional.
9. Import space-optimized assortments from the ASO Cloud Service. Review, accept, approve, and finalize the assortment plans. Note, this step is optional.

**Figure 1–7 Category Management Planning and Optimization/Macro Space Optimization Process Flow**

## Advanced Science Cloud Services

This section covers CMPO's integration with the Advanced Science Cloud Services (referred to as ORASE). CMPO is integrated with the Advanced Science Cloud Services and sources key information, which is used in the Category Management process flow.

Within CMPO, the Advanced Science Cloud Services may be used for the following:

- Used to generate assortment clusters leveraging the Advanced Clustering (AC) Cloud Service.
- Used to create Customer Decision Trees (CDTs), and Demand Transference (DT) science parameters; leveraging the Customer Decision Tree and Demand Transference (CDT/DT) Science Cloud Service.
- Used to optimize shelf/fixture space; leveraging the Assortment and Space Optimization (ASO) Cloud Service.

The Advanced Science Cloud Services, through its specialized set of applications, derives key insights data by deep data mining rich historical business data. Imports from the cloud respective cloud services provide powerful insights about the retail business, bring efficiencies into the assortment planning process, and facilitate quick and effective decision making. In effect, CMPO's integration with the Advanced Science Cloud Services sets the stage for advanced science-based category management practice.

Key integration points with the Advanced Science Cloud Services 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 CMPO to source assortment clusters from the Advanced Clustering Cloud Services is that both the applications must be sharing a common location hierarchy, that is, in terms of stores to trading areas mapping. The AC Cloud Service 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 AC, assortment clusters can also be sourced from the retailer's legacy system or any other external application.

On the location hierarchy, store clusters or clusters are sets of stores under a trading area. It is important to note, clusters can vary across product categories in CMPO, meaning different product categories can have different grouping of stores (or different clusters).

- **Import and Export of Product Attributes:** Product attributes, or simply attributes, consist of attribute names and attribute values at the SKU/item level.

This information can come from a variety of sources. In order to take full advantage of the features in CMPO, a common set of attributes should be used in the preparation of Consumer Decision Trees (CDTs), Demand Transference (DT), and Assortment Space Optimization (ASO). In effect, they must all "speak the same language" in order to work together.

One possible scenario for a common set of attributes involves the generation of attributes in the Customer Decision Tree and Demand Transference (CDT/DT) Science Cloud Service. In this scenario, the cloud service 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. The process of creating and importing the attributes into CMPO provides the common set of attributes needed for CDTs, DT, and ASO.

CMPO 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 the Science Cloud Service. This serves to keep both the applications in synch in terms of product attributes.

- **Import of Consumer Decision Trees (CDTs):** 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 leveraging the CDT/DT Science Cloud Service 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 CMPO directly from a legacy system or any application at the retailer. These CDTs can be directly sourced from third-party sources such as suppliers or providers of syndicated market data. CDTs can also be manually created in CMPO using the CDT Editor.

- **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. The CDT/DT Science Cloud Service 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 the ASO Cloud Service:** ASO is a specialized application used for optimizing assortments to the available space. CMPO 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 CMPO.

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

## Data Requirements in the CMPO/MSO Applications

The CMPO/MSO applications have 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, Acxiom, 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 CMPO 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	<p>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.</p> <p>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.</p>

**Table 1–1 (Cont.) Types of Data**

<b>Data</b>	<b>Description</b>
Retailer Data	This data consists of the retailer's actuals data and foundation data, such as, product and locations information. Actuals are stored in the form of various measures/parameters for sales, gross profit, and inventory. Product information, consisting of product hierarchy, product attributes, products, and location information, in the form of a location hierarchy is sourced from RMS or an MDM system.
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	<p>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.</p> <p>Market basket is a focus area in IPI calculations used to derive an assortment plan.</p> <p>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.</p>
Customer and Market Loyalty Data	<p>Customer loyalty data represents loyalty metrics associated with consumers within a particular trading area towards specific retailers or a particular retailer.</p> <p>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.</p> <p>Customer and market loyalty data is supplied to retailers by syndicated data suppliers, such as Nielsen, Symphony IRI, and NPD.</p>
Loyalty Card/Program Data	<p>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.</p> <p>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.</p>

The data described in [Table 1–1](#) is required to leverage the full functionality of the CMPO application, particularly category planning and assortment planning tasks. It is possible to leverage the CMPO 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 Cloud Services 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, hardlines, 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 concept in Oracle Retail Planning and Optimization applications. It is defined as a specific geographic area used by a retail chain to view, plan, and manage its business and compare it with the competitors. It is sometimes referred to as a market. For the geographic area 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, the 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 companies, such as Nielsen, 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 the Advanced Clustering Cloud Service.
- Product hierarchies
- Location hierarchies
- Product attribute names and attribute values
- Market scan data
- Retailer POS data
- Space-related data
- Retailer loyalty data
- Market basket data
- CDTs

- DT input parameters

In the generally available version of the solution, CDT and DT inputs are imported from the CDT/DT Science Cloud Service.

## 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.

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**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.

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

**Table 1–2 Example of Roles**

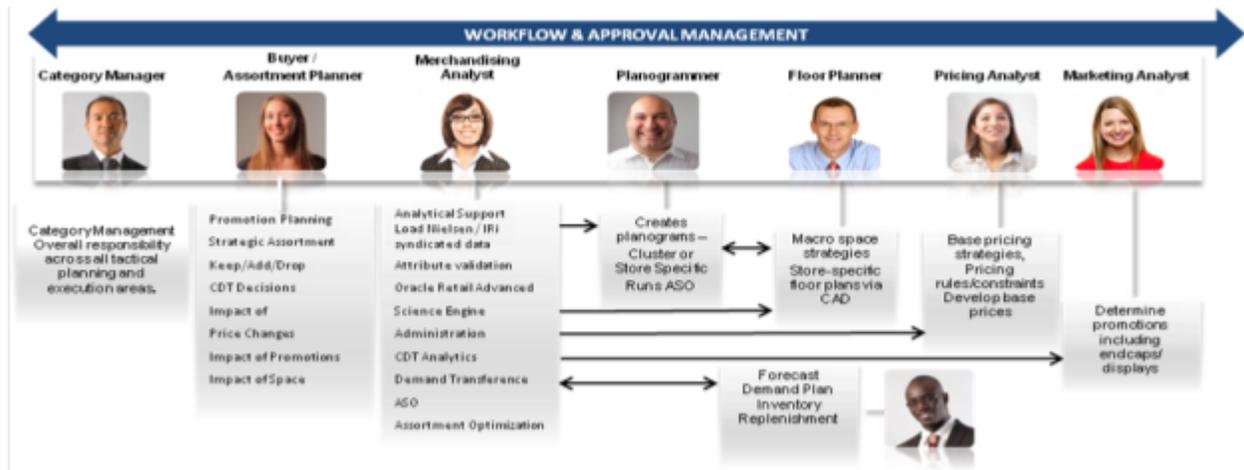
Role	Application	Description
Category Manager	Category Planning	Analyzes category performance and compares with competition. Determines the roles, strategies, and tactics. Responsible for meeting financial targets.
Buyer / Assortment Planner	Assortment Planning	Selects the optimal assortment for each 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, CDT/DT Cloud Service administration, CDT Analytics, DT, and assortment optimization.
Planogrammer	ASO Cloud Service and POG Software	Ensures that the assortment can fit within the allocated space, and adds the art to the planogram.
Floor Planner	MSO and a space management system, such as MSM	Uses space targets to define department sizes.

**Table 1–2 (Cont.) Example of Roles**

Role	Application	Description
Merchandiser	MSO and a space management system, such as MSM	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 in the CMPO/MSO applications.

**Figure 1–8 Business Roles Involved in Category Management Planning and Optimization/Macro Space Optimization Processes**



## Plan and Measure Roles and Versions

The CMPO/MSO applications are RPAS-based applications. In RPAS-based applications, measures are parameters used to gauge, plan and manage business. Measures 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 CMPO/MSO.
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.

**Table 1–3 (Cont.) Description of Measure Components**

Component	Description
Metric	This component describes the nature of the information in a measure. Typical examples are sales, profit, inventory turn, and so on.
Unit of Measure	The unit of measure represents the data format, integer, decimal number, date, text, and so on.

Some of the commonly used roles are listed in [Table 1–4](#).

**Table 1–4 Category Management Roles**

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

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.

**Table 1–5 (Cont.) Category Management Versions**

<b>Version</b>	<b>Description</b>	<b>Notes</b>
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.
LU	Lookup	Usually, measures that are part of an intermediate step in a calculation.
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.

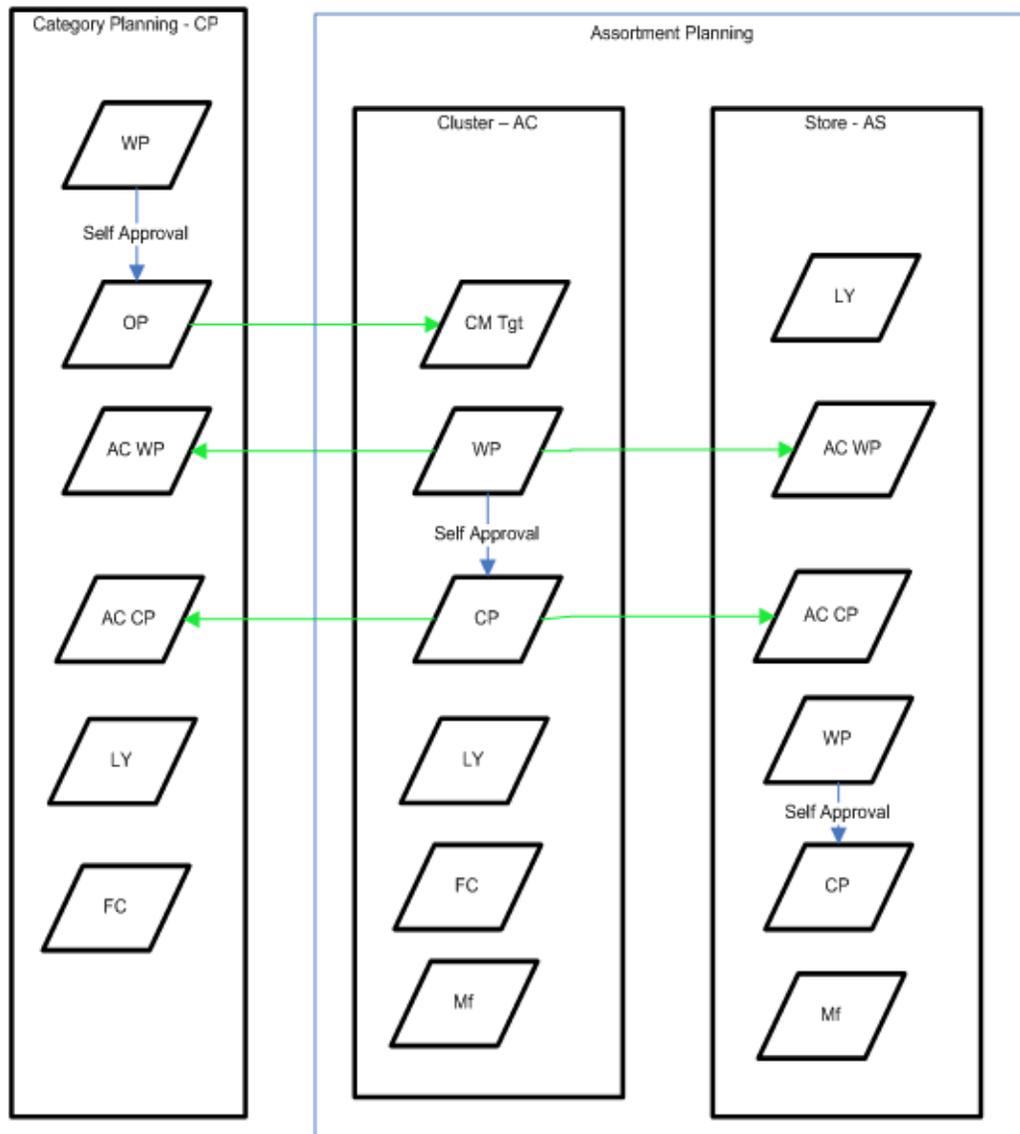
If, store level measure values are populated for a store location, then combined measure information is calculated using them; otherwise, cluster level measure values are used to calculate the combined measure value from that location. Combined measure information is aggregated from store/SKU level and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

Figure 1–9 shows how data flows through the CMPO application.

**Figure 1–9 Category Management Planning and Optimization 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 the corresponding ACOP role/version measures, which are used to present CP targets information at the cluster level. In Figure 1–9, 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, ACWPSIsR and ACWPSIsU 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.

Assortment Planning also uses information generated from Macro Space Optimization. This exchange, while important, is not shown in [Figure 1-9](#), due to the fact that while MSO has its own role, it is not part of the macro version flow in CMPO. MSO specific measures are approved as ACCP versions.

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.

## 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**

		1st Qtr, FY 2014
Ground	Fc Sales R	48,543.8K
	Fc Sales U	4,538,509
	LY Sales R	48,384.5K
	LY Sales U	4,525,630
	WP Sales R	55,000.0K

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.

## Getting Started

Before using the CMPO/MSO applications, 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*.

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## 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. CMPO 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:

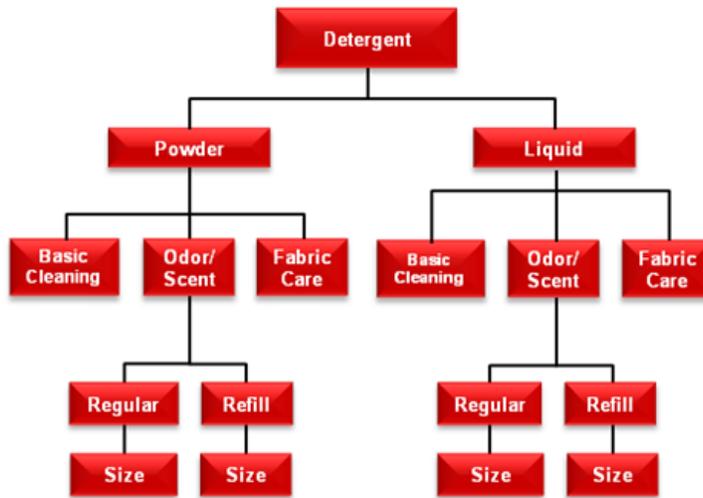
- **Market Structure:** A method to identify the product attributes that influence a customer's buying decision. These product attributes define the competitive relationship between the products under a sub-category.
- **Preference Segmentation:** Identifies and divides the market into unique customer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

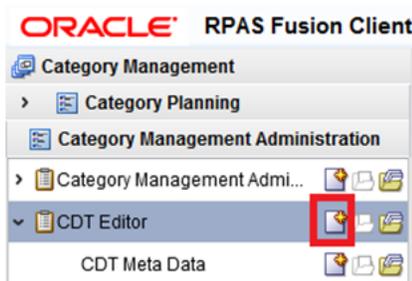
- [CDT Meta Data Step](#)

## 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**

Workbook Wizard

Product Location Consumer Segment

**Select Category**

Available Items

View - Dimension Find... [Icons] Detach

Label

- Baby Food
- Canned Vegetables
- ✓ Coffee
- Cookies
- Juice
- Pasta
- Salty Snacks

Rows Selected 1

**Selected Category**

Selected Items

View - Dimension Find... [Icons] »

Label

- ✓ Coffee

Rows Selected 1

Use Drag and Drop to add Available Items to Selected Items, use shift-click and Add for multiple selections, or Add All for all items.

Synchronize Hierarchies

Cancel Previous Next Finish

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

**Figure 2–4 Workbook Wizard Select Trading Area Page**

Workbook Wizard

Product Location Consumer Segment

**Select Trading Area**

Available Items

View - Dimension Find... [Icons] Detach

Label

- e-commerce USA
- Northeast
- ✓ Northwest
- Southeast
- Southwest

Rows Selected 1

**Selected Trading Area**

Selected Items

View - Dimension Find... [Icons] »

Label

- ✓ Northwest

Rows Selected 1

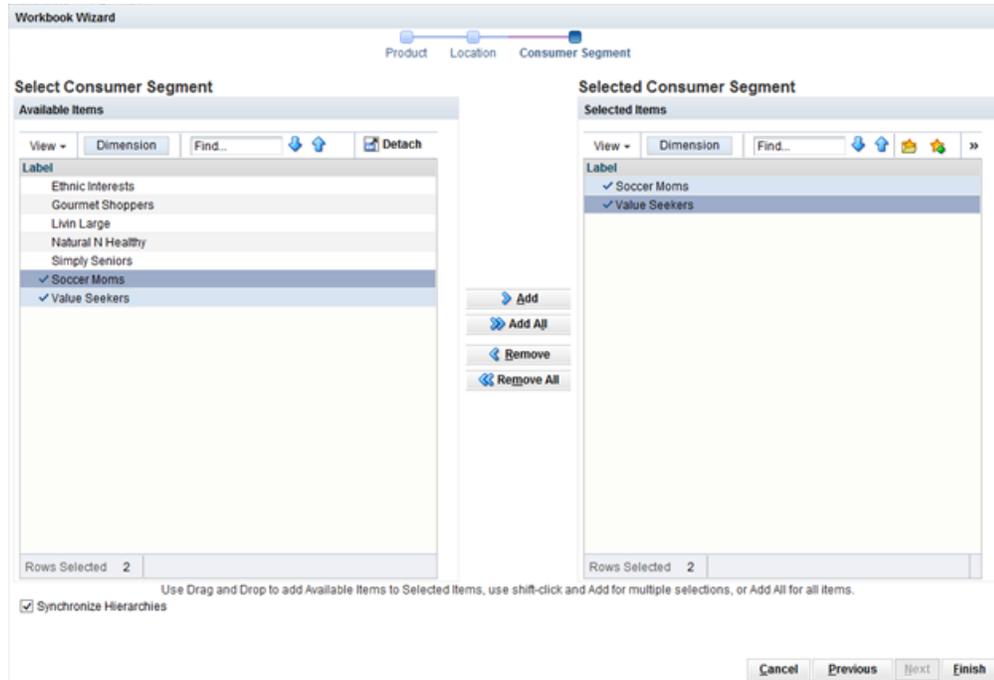
Use Drag and Drop to add Available Items to Selected Items, use shift-click and Add for multiple selections, or Add All for all items.

Synchronize Hierarchies

Cancel Previous Next Finish

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

**Figure 2–5 Workbook Wizard Select Consumer Segment Page**

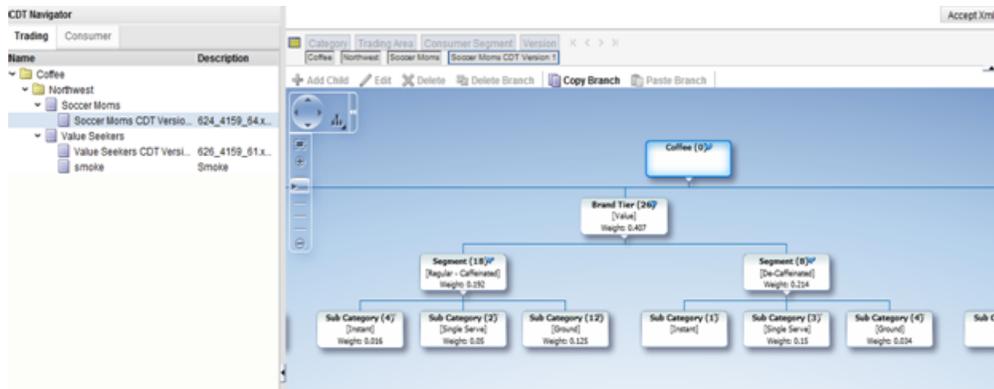


The workbook is created.

## 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](#).



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## 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:

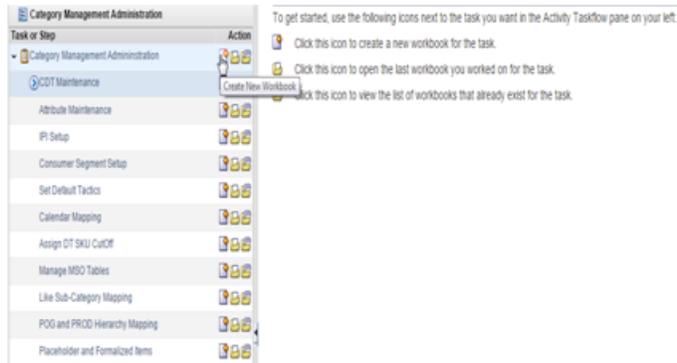
- [CDT Maintenance Step](#)
- [Attribute Maintenance Step](#)
- [IPI Setup Step](#)
- [Consumer Segment Step](#)
- [Set Default Tactics Step](#)
- [Calendar Mapping Step](#)
- [Assign DT SKU Cutoff Step](#)
- [Manage MSO Tables Step](#)
- [Like Sub-Category Mapping Step](#)
- [POG and PROD Hierarchy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

### Create the Category Management Administration Workbook

To create the workbook:

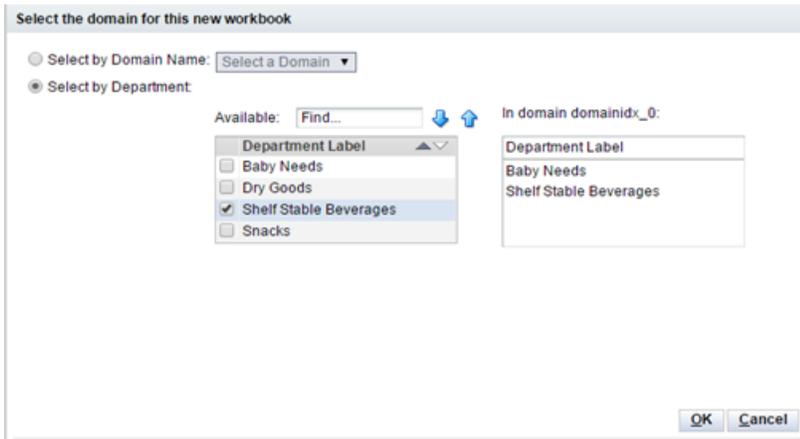
1. Select the **New Workbook** icon in the Category Management Administration task.

**Figure 3–1 Category Management Administration Task**



2. Select the required Departments and click **OK**.

**Figure 3–2 Workbook Wizard Select Department Page**



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 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/deleteCdt.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 Assortment Planning tasks.
- CDT Editor will not show the deleted CDTs in the menu.

**Figure 3–3 Delete CDTs View**

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

**Table 3–1 Delete CDTs Measures**

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/deleteCdt.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 3–4 Select CDT Version View**

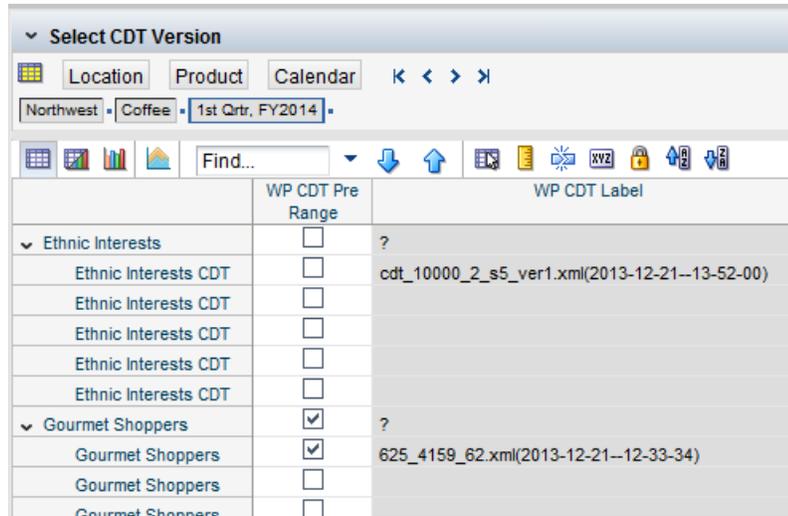


Table 3–2 lists the measures available in this view.

**Table 3–2 Select CDT Version Measures**

Label	Definition
WP CDT Pre Range	Boolean measure used to check the CDT versions which should appear in the Assortment Planning workflow.
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 CMPO 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.

Product Attribute values can be used to distinguish SKUs in an assortment based on the features. This facilitates planning, measuring, and managing a category's business in an efficient manner.

Right-click an Attribute Value position and use the position maintenance option (DPM functionality) to maintain new product attribute values (attribute value) mapping to a product attribute name (attribute name).

**Figure 3–5 Attribute Value Maintenance View**

		Attribute Value
▼ Brand	Caribou Coffee	Caribou Coffee
	Donut House	Donut House
	Dunkin' Donuts	Dunkin' Donuts
	Eight O'Clock	Eight O'Clock
	Folgers	Folgers
	Gevalia	Gevalia
	Maxwell House	Maxwell House
	Nescafe	Nescafe
	Newman's Own	Newman's Own
	Peet's	Peet's
	PL	PL
	Seattles Best	Seattles Best
	Starbucks	Starbucks
▼ Brand Tier	Mainstream	Mainstream
	Premium	Premium
	Value	Value
▼ Format Size	12 CT	12 CT
	12 oz	12 oz

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

**Table 3–3 Attribute Value Maintenance Measure**

Label	Definition
Attribute Value	Used to store the product attribute values for a specific attribute name. For example, under the Brand attribute name, Folgers is an attribute value.

## Category Attribute Mapping View

Use this 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 3–6 Category Attribute Mapping View**

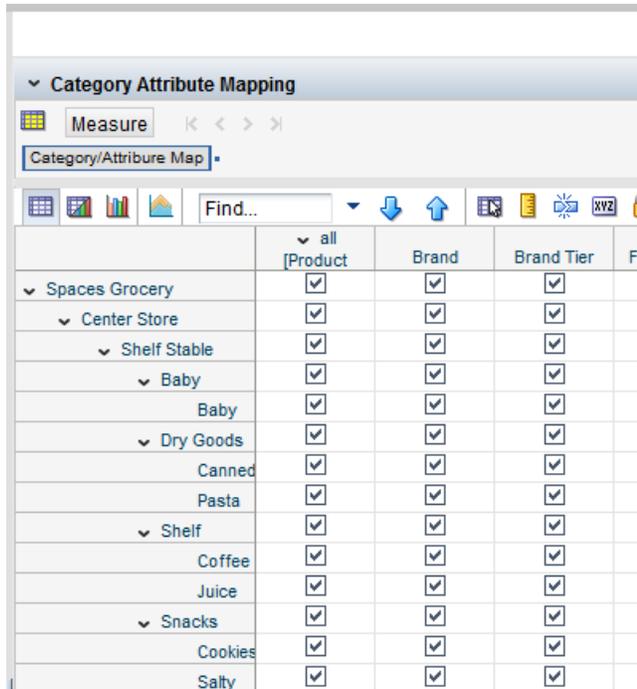


Table 3–4 lists the measure available in this view.

**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 this 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 3–7 SKU Attribute Maintenance View**

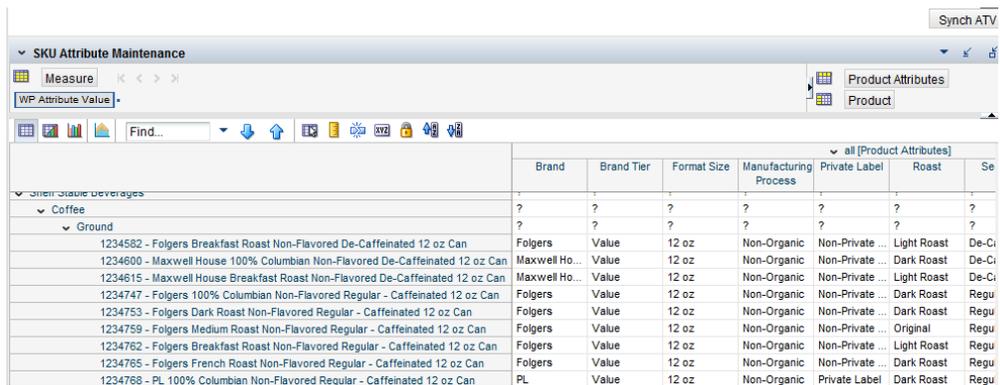


Table 3–5 lists the measure available in this view.

**Table 3–5 SKU Attribute Maintenance Measure**

Label	Definition
WP Attribute Value	The attribute value mapped to an attribute name defining product features or characteristics. Attribute values map to attribute names and attribute names map to the product/SKU. 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.

Commit the workbook to ensure that the defined/modified attribute values appear across different views in the application.

## IPI Setup Step

Use this step to review and set the Item Priority Index (IPI) weights. IPI scores are calculated for eligible SKUs based on the set IPI weights, across geographies and channels for a product category. IPI score constraints are then applied to generate a system recommended IPI assortment.

IPI weights are a set of criteria used to define the type of assortment desired by the category manager. They consist of focus areas for the category's business (such as Performance, Market Basket, Loyalty, and Product Attributes) and target consumer segment's for the assortment plan. These focus areas are further defined using specific metrics/measures. The Product Attributes focus area is defined by assigning weights to attribute names and attribute values.

There are five types of IPI weights: Focus Area weights, Metric weights, Attribute Name weights, Attribute Value weights, and Consumer Segment weights.

The weights set here can be used to seed IPI weights in the Assortment Planning workflow. In effect, these IPI weights are used to generate custom IPI assortments in Assortment Planning tasks at the cluster and store level. These weights are pre-populated here to match a retailer's specific assortment requirements at a high level. They can be modified in Assortment Planning tasks (by the Assortment Planner) to achieve category-specific assortment objectives.

Weights used in IPI calculations are directly determined by the strategy assigned to a sub-category/category. They can be modified by the administrator per business requirements. Note, roles, strategies, and tactics are assigned to categories and sub-categories in the Category Planning task. 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

Use this view to set weights for focus areas, which are used in IPI score calculations at the SKU/Item level. These weights should add up to 100 percent in order to keep the IPI scores within a narrow range of values.

Focus areas represent the different perspectives of looking at an assortment's 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. In line, there are four focus areas presented in the application: Attributes, Loyalty, Market Basket, and Performance.

Focus areas are used as levers to generate a custom assortment plan by assigning weights to them per the targeted assortment requirements.

**Figure 3–8 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

Use this view to set the mix of weights for different retail metrics for a focus area. Metrics are measures (or parameters) used to define a focus area. Weights can be assigned to different metrics according to the relative importance or emphasis that needs to be given to them to define a specific focus area.

These weights should add up to 100 percent in order to keep the IPI scores within a narrow range of values. They are then used in conjunction with focus area weights (and other IPI weights detailed in the following sections) in IPI score calculations of a SKU/Item.

**Figure 3–9 2. Assign Metric Weights View**

		Sales R Weight	Sales U Weight	Gross Profit Weight	Gross Profit % Weight	Loyalty Weight	Market Basket Weight
all [Consumer Segment]   Ethnic Interests   Cash Generating							
Find...							
	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 assigned by the administrator to the sales retail metric/measure for a specific focus area, which is used in IPI score calculations.
Sales U Weight	The percentage of weight assigned by the administrator to the sales units' metric/measure for a specific focus area, which is used in IPI score calculations.
Gross Profit Weight	The percentage of weight assigned by the administrator to the gross profit retail metric/measure for a specific focus area, which is used in IPI score calculations.
Gross Profit % Weight	The percentage of weight assigned by the administrator to the gross profit retail percent metric for a specific focus area, which is used in IPI score calculations.
Loyalty Weight	The percentage of weight assigned by the administrator to the loyalty index (metric/measure) for a specific focus area, which is used in IPI score calculations.  Loyalty index (metric/measure) here represents how loyal consumers are to a particular sub-category/category.
Market Basket Weight	The percentage of weight assigned by the administrator to the market basket index (metric/measure) for a specific focus area, which is used in IPI score calculations.  Market Basket index here represents the relative presence of the sub-category/category in a consumer's basket (or consumer's purchase).

### 3. Assign Attribute Name Weights View

Use this view to set the numeric weights to a products's Attribute Names, if the focus area Attributes has been assigned a weight.

Assign positive rational number ratios between different attribute names per the assortment-mix requirements. 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 with the required mix of product attributes.

These weights directly influence the assortment mix on the basis of the relative weights assigned 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 3–10 3. Assign Attribute Name Weights View**

		all [Consumer Segment]	Ethnic Interests	Gourmet Shoppers	Live 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 numeric weight assigned to a specific Attribute Name to be used in IPI calculations.

#### 4. Assign Attribute Value Weights View

Use this view to set the numeric weights for the product's Attribute Values, if the focus area Attributes and respective Attribute Name to which this Attribute Value belongs have been assigned a weight. For more information on attribute value weights, see [Appendix A](#).

Attribute Value weight is used in a SKU's/Item's IPI score calculations. IPI scores that get calculated are directly proportional to the Attribute Value weights being assigned here. In general, 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 3–11 4. Assign Attribute Value Weights View**

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

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

**Table 3–9 4. Assign Attribute Value Weight Measure**

Label	Definition
Attribute Value Weight	The numeric weight assigned to a specific Attribute Value to be used in IPI calculations.

## 5. Assign Consumer Segment Weights View

Use this view to set percentage weights to different consumer segments buying at the retailer. 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 3–12 5. Assign Consumer Segment Weights View**

		Consumer Seg Weight
Coffee	Simply Seniors	0.0 %
	Soccer Moms	40.0 %
	Value Seekers	30.0 %
	Ethnic Interests	0.0 %
	Gourmet Shoppers	30.0 %
	Livin Large	0.0 %
	Natural N Healthy	0.0 %
	Simply Seniors	0.0 %
	Soccer Moms	40.0 %
	Value Seekers	30.0 %

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 percentage of weight assigned by the administrator to a specific consumer segment, which is used in IPI calculations and in deriving a customized assortment to target consumer segments.

## Consumer Segment Step

This step has one view:

- [Assign Consumer Segment Status View](#)

### Assign Consumer Segment Status View

Use this view to assign primary consumer segments (or target consumer segments, in other words) to a category and store cluster.

The strategies exported along with assortment plans to the Assortment and Space Optimization (AS) solution in ORASE, for space optimization of assortment plans to the available space, are identified using the primary consumer segments defined here. Note, roles, strategies, and tactics are assigned to categories/sub-categories in the Category Planning task.

When store clusters are imported from the Advanced Clustering (AC) solution in ORASE, the primary consumer segments should be updated in this view.

**Figure 3–13 Assign Consumer Segment Status View**

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

**Table 3–11 Assign Consumer Segment Status Measure**

Label	Definition
WP Consumer Seg Status	<p>This measure is used to indicate the primary or target consumer segment for a category and store cluster combination. Primary or target consumer segment is the most important set of consumers for retailer's business in a particular market.</p> <p><b>Note:</b> Associate appropriate primary/target consumer segments to the store clusters so that correct strategies can be exported to ASO for space optimization of assortment. For more details on this for a cluster, see "Export to ASO Tab" in Chapter 8. For the details for a store, see "Export to ASO Tab" in Chapter 9.</p>

## Set Default Tactics Step

The Set Default Tactics step has two views:

- [Set Default Tactics View](#)
- [Space Related Tactics View](#)

Tactics are used in the Category Planning task to define actions that need to be executed in line with the roles and strategies assigned to a category/sub-category to achieve the desired assortment plans. Use these views to assign tactics' values for each tactical area:

- Assortment
- Inventory
- Pricing
- Promotion
- Space

Entries made in this table appear in the drop-down lists of values for tactics used in the Category Planning task.

### Set Default Tactics View

Use this view to maintain the superset of tactics values for a tactical area in a retailer's business such as assortment, pricing, space, and so on. Tactics are the possible approaches/actions suggested in the category plan for a specific tactical area. For example, in the area of assortment, tactic values could be *expand the assortment* or

increase private labels (PL). Tactics are assigned at the sub-category level in a category plan in line with the roles and strategies assigned to a respective category/sub-category to achieve set business targets.

**Figure 3–14 Set Default Tactics View**

		Assortment	Inventory	Pricing	Promotion	Space
WP Tactic Values	01	Maintain	Maintain	Market	Aggressive	Maintain
	02	Decrease	Increase	Meet	Promote	Increase
	03	Increase	Decrease	Be within X%	Coupon	Decrease
	04	Refresh -	Increase PL	Loyalty	Seasonal	Change
	05	Increase PL		Maintain	Tailor Offers	Adjust
	06	Decrease PL		Increase	Funded	
	07	Expand Sub-		Decrease		
	08					
	09					
	10					

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

**Table 3–12 Set Default Tactics Measure**

Label	Definition
WP Tactic Values	List of tactics' values defined by the administrator, which is 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. They are assigned in alignment with the roles and strategies assigned to categories/sub-categories.

### Space Related Tactics View

Use this 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**

	WP Tactic Values
Assortment	<input checked="" type="checkbox"/>
Inventory	<input type="checkbox"/>
Pricing	<input type="checkbox"/>
Promotion	<input type="checkbox"/>
Space	<input checked="" type="checkbox"/>

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

**Table 3–13 Space Related Tactics Measure**

Label	Definition
WP Tactic Values	A Boolean measure used to check the list of tactics' values applicable for space related tactics. The list of tactics' values for different tactical areas such as Assortment, Inventory, Pricing, Promotion, and Space, defined in the Set Default Tactics view can be checked here.

## Calendar Mapping Step

This step has two views:

- [Quarter Mapping View](#)
- [Week Mapping View](#)

Use these views to assign and validate the last year's quarter or week mapping. By default, the loaded file maps the last year's quarters/weeks congruently to this year's quarters/weeks. The mapping for any quarter or week can be reassigned in this step. This view is typically a 1-to-1 TY/LY mapping, however, it is very useful in situations such as where a week 53 is part of the calendar.

### Quarter Mapping View

Use this view to assign and validate the last year's quarter mapping. By default, the loaded file maps last year's quarters congruently to this year's quarters, meaning, first quarter of last year is mapped to the first quarter of this year, second quarter of last year is mapped to second quarter of this year and so on. The mapping for any quarter can be reassigned in this workbook.

**Figure 3–16 Quarter Mapping View**

		LY Quarter Mapping
▼ FY2011	1st Qtr, FY2011	q1_2012
	2nd Qtr, FY2011	q2_2012
	3rd Qtr, FY2011	q3_2012
	4th Qtr, FY2011	q4_2012
▼ FY2012	1st Qtr, FY2012	q1_2013
	2nd Qtr, FY2012	q2_2013
	3rd Qtr, FY2012	q3_2013
	4th Qtr, FY2012	q4_2013
▼ FY2013	1st Qtr, FY2013	q1_2014
	2nd Qtr, FY2013	q2_2014
	3rd Qtr, FY2013	q3_2014
	4th Qtr, FY2013	q4_2014
▼ FY2014	1st Qtr, FY2014	q1_2015
	2nd Qtr, FY2014	q1_2015
	3rd Qtr, FY2014	q1_2015
	4th Qtr, FY2014	q1_2015
▼ FY2015	1st Qtr, FY2015	

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

**Table 3–14 Quarter Mapping Measure**

Label	Definition
LY Quarter Mapping	The administrator uses this text measure to map this year's quarters to last year's quarters.

## Week Mapping View

Use this view to assign and validate the last year week mapping. By default, the loaded file maps last year's weeks congruently to this year's weeks, meaning, first week of last year is mapped to the first week of this year, second week of last year is mapped to second week of this year and so on. The mapping for any week can be reassigned in this workbook.

**Figure 3–17 Week Mapping View**

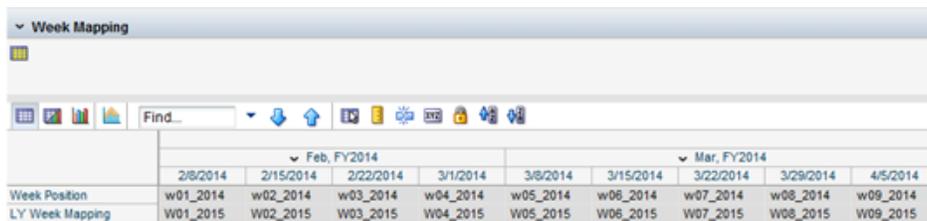


Table 3–15 lists the measures available in this view.

**Table 3–15 Week Mapping Measures**

Label	Definition
Week Position	Week position measure used to indicate the last year's week number.
LY Week Mapping	The administrator uses this text measure to map this year's weeks to last year's weeks.

## Assign DT SKU Cutoff Step

Use this step to define the demand transference cutoff percentage to taper the insignificant demand being transferred from a SKU to its substitute SKUs in the assortment. It is used to determine the significant number of SKUs to which demand is transferred. The DT SKU Cutoff focuses how many SKUs are impacted by the DT process.

This step has one view.

## Assign DT SKU Cutoff View

Use this view to define DT SKU Cutoff at the sub-category/cluster level. For more details, see the definition of DT SKU Cutoff % in Table 3–16.

**Figure 3–18 Assign DT SKU Cutoff View**

	All Trade Areas	e-commerce USA	Northeast	Northwest	Southeast	Southwest
Shelf Stable Grocery	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Baby Needs	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Dry Goods	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Shelf Stable	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Coffee	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Ground	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Instant	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Single	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Whole	90.0 %	100.0 %	100.0 %	90.0 %	100.0 %	100.0 %
Juice	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Snacks	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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

**Table 3–16 Assign DT SKU Cutoff Measure**

Label	Definition
DT SKU Cutoff %	<p>The upper limit of the substitutable demand of a SKU, defined in percentage points, used to taper the insignificant demand being transferred from the SKU to its substitute SKUs. 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 many substitute SKUs.</p> <p>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.</p> <p>If there is no tapering effect in substitutable demand, then it is best to keep DT Cut-Off % at 100%.</p>

## 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 known as space profit tables and space profit elasticity curves, which are derived through an analytical engagement at the time of implementation.

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.

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 Space Square Units and MD WP POG Gross Profit R. This can be any performance metric. [Figure 3–19](#) shows an example of this view, displaying the space profit table information for a POG Department.

**Figure 3–19** Manage MSO Tables @Dept View

[Table 3–17](#) lists the measures available in this view.

**Table 3–17** Manage MSO Tables @Dept View Measures

Label	Description
MD WP POG Space 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 3–20](#) shows an example of this view presenting the space profit table information for a POG sub-category.

**Figure 3–20 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 3–18 lists the measures available in this view.

**Table 3–18 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 3–21 Like Sub-Category Mapping View**

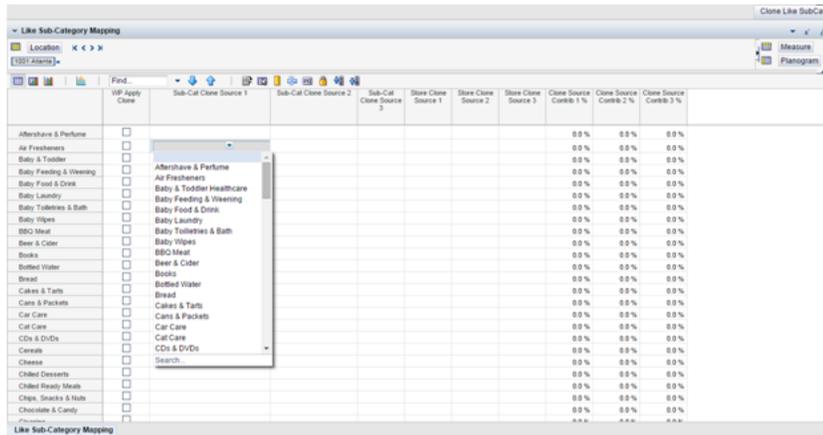


Table 3–19 lists the measures available in this view.

**Table 3–19 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.
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 3–22 POG and PROD Hierarchy Mapping @Dept View**

	Baby Needs		Dry Goods		Shelf Stable Beverages		Snacks	
	Distribution	POG/PROD	Distribution	POG/PROD	Distribution	POG/PROD	Distribution	POG/PROD
Baby	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Bakery	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Beverages	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Drygoods	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Fresh	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Frozen	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Health & Beauty	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Household	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Household	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>
Pet Care	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>	0.0%	<input type="checkbox"/>

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

**Table 3–20 POG and PROD Hierarchy Mapping @Dept View Measures**

Label	Description
MD WP 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 3–23 POG and PROD Hierarchy Mapping @Sub-Category View**

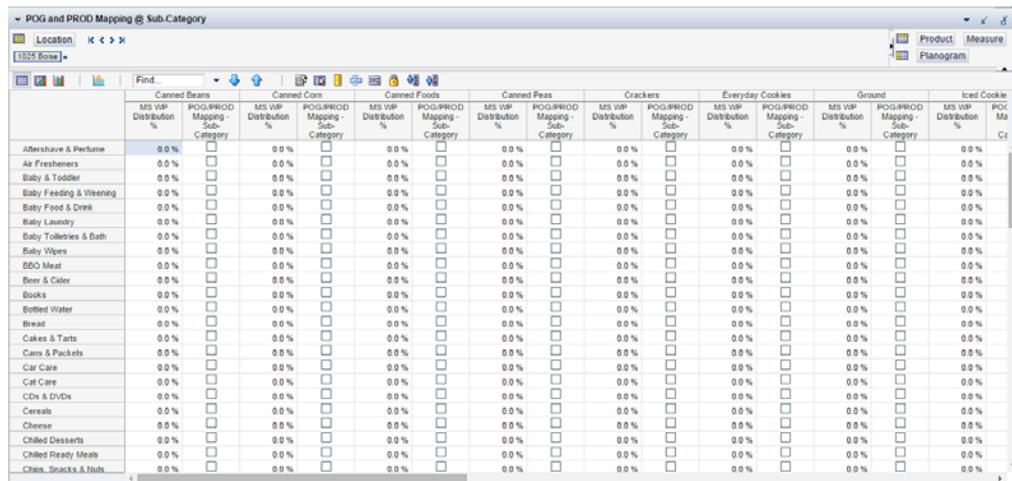


Table 3–21 lists the measures available in this view.

**Table 3–21 POG and PROD Hierarchy Mapping @Sub-Category View Measures**

Label	Description
MS WP 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 CMPO. Formalization information consisting of mapping between the DPM position number (or placeholder item number) and formalized item number needs to be shared with CMPO.

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 3–24 Placeholder and Formalized Items View**

	Placeholder Item	Placeholder Item Label	Formalized Item	Formalized Item Label
543211 Boudins - Loaf White				
543212 Boudins - Loaf Wheat				
543213 Boudins - Loaf Sourdough				
543214 Boudins - Sourdough Round				
543215 Boudins - Baguette White				
543216 Rudis - Loaf White				
543217 Rudis - Loaf Wheat				
543218 Rudis - Loaf Cinnamon Raisin				
543219 Nature's Own - Loaf White				
543220 Nature's Own - Loaf Wheat				
543221 Nature's Own - Loaf Honey Wheat				
543222 Nature's Own - Loaf Multigrain				

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

**Table 3–22 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.

**Table 3–22 (Cont.) Placeholder and Formalized Items View Measures**

<b>Label</b>	<b>Description</b>
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 CMPO.
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 CMPO.

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## Category Planning Task

The Category Planning task forms the basis for Category Management and is used to 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 in the market, its position in relation to the 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 promotions-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 efficient allocation of resources to available business opportunities. It is conducted at the trading area level in the application, which is the 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, loaded as part of the domain setup
- Forecast data from Oracle Retail Demand Forecasting (RDF) or any other forecasting solution
- Actuals data for the retailer's business sourced from a Point-of-Sale (POS) solution
- Market and household panel data from external sources (market research companies), such as Nielsen, Symphony, and IRI to get a market and consumer perspective of the business
- Data from CRM solutions and BI solutions, such as Oracle Retail Insights (RI), pre-computed or aggregated and not required to be recomputed within Category Planning

**Measure Versions and Profiles:**

**Measure versions:** In Category Planning task, while WP (Working Plan) and LY (Last Year) are standard RPAS measure versions, note that Original Plan (OP) version is used to store the approved category plan information. Thus, an original plan (OP) represents an approved category plan and provides targets to the Macro Space Optimization and Assortment Planning tasks. Also important to note, that in the in-season context, when the planning period has elapsed (partly or fully), WP version measures are updated with the respective actuals.

**Measure profiles:** Many views in the workflow present a list of measure profiles to select from, which facilitates viewing a specific set of measures (or measure versions) in that view. Measure profiles can be accessed by selecting the Measures dimension tab in the view, which opens a pop-up window with a list of measures available in the view. On the top-right in this pop-up window, there is a drop-down selection menu available to select different measure profiles.

## Create the Category Planning Workbook

To create the workbook:

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

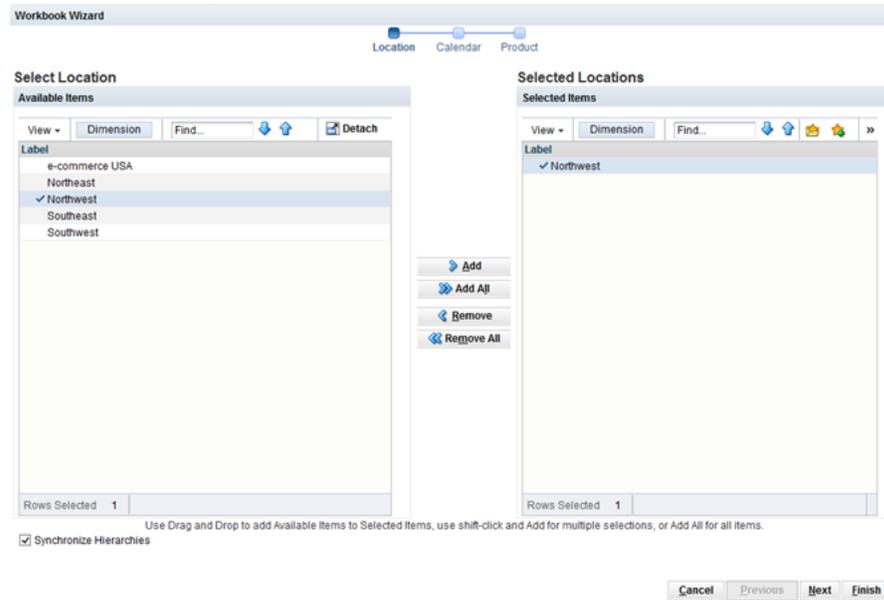
**Figure 4–1 Category Planning Task**

Task or Step	Action
Category Planning	  
Category Performance Review	  
Review Retail Strategy	  
Assign Category Role	  
Assign Category Strategies	  
Assign Category Tactics	  
Set Targets and Approve Category Plan	  

The workbook wizard opens.

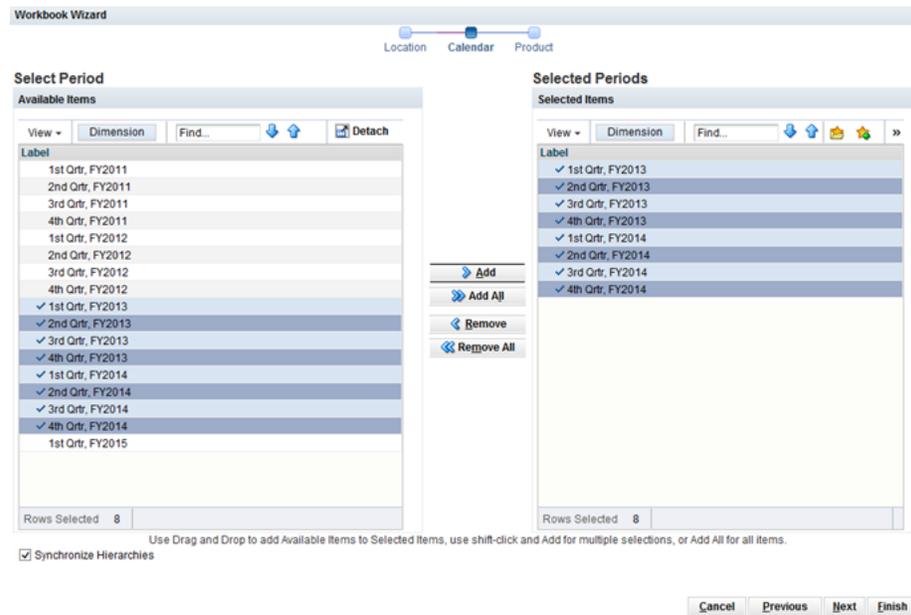
2. Select one location and move it to the Selected Items box. Click **Next**.

**Figure 4–2 Workbook Wizard Select Location Page**

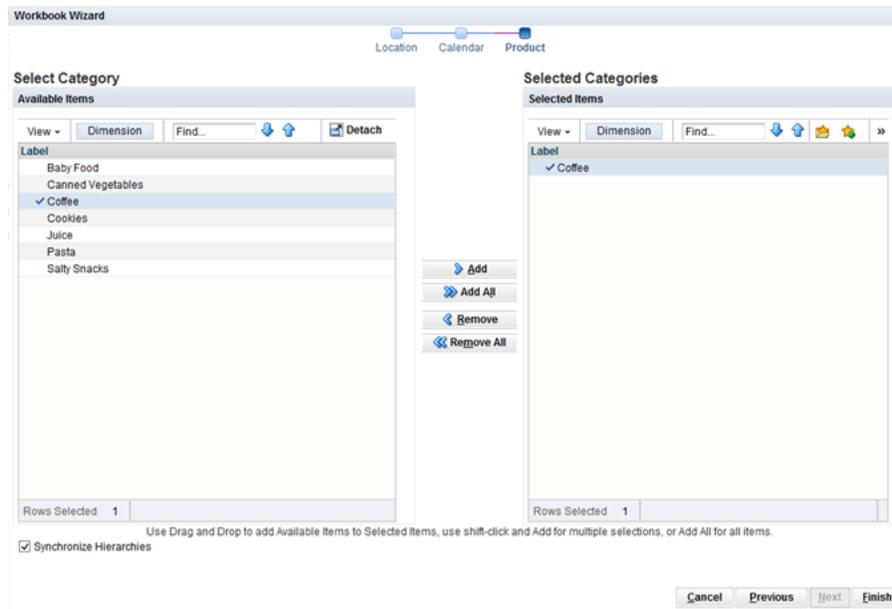


3. Select the calendar periods and move them to the Selected Items box. Click **Next**.

**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 to assess the performance of a category and sub-category against the targets set for an 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 plan 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). Note that WP measures are updated with actuals data once it is available.

### Prior to starting this step:

- The required data setup for the Category Planning task, as part of application installation, and the Category Management Administration task should be completed. This includes setting up of consumer segment data, tactics data, and calendar mapping data.
- Actuals data (sales, gross profit, and inventory measures), forecast data, loyalty data, market data, and consumer data should be uploaded before beginning this task.

### After completing this step:

Once the category scorecard has been reviewed and a good understanding of the category's business has been developed, go to the next step to review the retail strategy to be applied in category planning.

This step has one view:

[Scorecard Summary View](#)

## Scorecard Summary View

Use this view to assess the performance of categories and their respective sub-categories in relation to the approved category plans. This assessment can be done at different levels, including, overall category sales, promotional sales, and private label sales level.

Figure 4–5 Scorecard Summary View

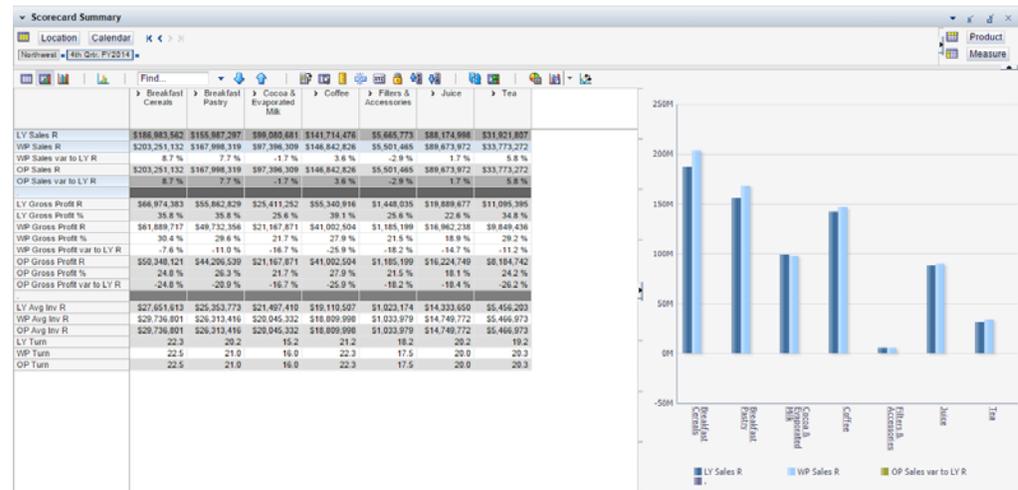


Table 4–1 lists the measures available in the Scorecard Summary View.

Table 4–1 Scorecard Summary Measures

Label	Definition
LY Sales R	Last year's sales retail value actuals from the merchandise. Similar measures in other versions include: WP Sales R and OP Sales R.
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 in other versions include: OP Sales var to LY R.
LY Gross Profit R	Last year's gross profit retail value actuals from the merchandise. Similar measures in other versions include: WP Gross Profit R, OP Gross Profit R.
LY Gross Profit %	Last year's gross profit percentage actuals from the merchandise. Similar measures in other versions include: WP Gross Profit %, OP Gross Profit %.
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. Similar measures in other versions include: OP Gross Profit var to LY R.
WP Gross Profit var to LY %	The working plan's gross profit retail value's variance to last year's gross profit retail value actuals. Similar measures in other versions include: OP Gross Profit var to LY %.

**Table 4-1 (Cont.) Scorecard Summary Measures**

<b>Label</b>	<b>Definition</b>
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. Similar measures in other versions include: WP Avg Inv R, OP Avg Inv R.
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, typically a planning period. It reflects the speed of inventory movement. Similar measures in other versions include: WP Turn, OP Turn.
LY Promo Sales R	Last year's promotional sales retail value actuals. Similar measures in other versions include: WP Promo Sales R, OP Promo Sales R.
LY Promo Sales contrib to LY Sales R	Promotional sales retail contribution percentage to the overall sales retail in last year's actuals. Similar measures in other versions include: WP Promo Sales contrib to WP Sales R, OP Promo Sales contrib to OP Sales R.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year's actuals. Similar measures in other versions include: OP Promo Sales var to LY R.
LY Private Label Sales R	Sales retail value from private label merchandise per last year's actuals. Similar measures in other versions include: WP Private Label Sales R, OP Private Label Sales R.
LY Private Label Sales contrib to LY Sales R	Last year's sales retail contribution percentage of private label merchandise to the overall sales retail in last year's actuals. Similar measures in other versions include: WP Private Label Sales contrib to WP Sales R, OP Private Label Sales contrib to OP Sales R.
WP Private Label Sales var to LY R	The working plan's private label merchandise's sales retail value's variance to the same in last year's actuals. Similar measures in other versions include: OP Private Label Sales var to LY R.
LY Private Label Gross Profit R	Last year's gross profit retail value actuals from private label merchandise. Similar measures in other versions include: WP Private Label Gross Profit R, OP Private Label Gross Profit R.
LY Private Label Gross Profit %	Last year's gross profit percentage actuals from private label merchandise. Similar measures in other versions include: WP Private Label Gross Profit %, OP Private Label Gross Profit %.
WP Private Label Gross Profit var to LY R	The working plan's private label items' gross profit retail value's variance to the same in last year plan's actuals. Similar measures in other versions include: OP Private Label Gross Profit var to LY R.

### Measure Profiles

The Scorecard Summary view contains three measure profiles, which provide a comparison between last year actuals (LY), working plan version of the category plan (WP), and original plan (OP) or approved category plan:

- Sales - Overall sales and gross profit information for national brands and private labels.

- Promo Sales - Promotional sales in relation to overall sales.
- Private Label Sales - Sales and gross profit from private label merchandise.

## 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 in the market and its position in relation to 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?

### Prior to starting this step:

- Last year's actuals in pre-season planning context and in-season actuals (if applicable) should have been reviewed in the previous step, Category Performance Review.
- Syndicated data (including household panel data and consumer profile data) from market research companies (third parties) should have been uploaded.

### After completing this step:

Once the retail strategy has been reviewed in this step by studying consumer profile data, potential business opportunity and retailer's standing in relation to the competition for the trading area, go to the next step, Assign Category Role, to analyze the performance of categories in detail from different perspectives (such as market share, growth, and consumer spend) and assign roles to categories using standard industry models.

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 with their relative distribution, contribution, and spend in the market in relation to 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 is presented 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](#). The application examples of trading area in the GA data include Northwest and Northeast regions of the US.)

**Figure 4–6 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 4–2 lists the measures available in this view. The data is loaded from Household Panel data.

**Table 4–2 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 specific demographic or psychographic parameters criteria being met.
Retailer Trading Area HH %	The percentage of market households that shop at the retailer and belong to a particular consumer segment profile based on specific demographic or psychographic parameters criteria being met.

**Table 4–2 (Cont.) 1. Analyze Target Shoppers Measures**

Label	Definition
Retailer HH diff Market HH	The difference between Retailer HH % and Market HH % for a particular consumer segment profile based on specific demographic or psychographic parameters criteria being met. In general, for the retailer's target consumer segment profile, a positive value is a good sign.
Market Trading Area Spend %	Markets' spend percentage produced by a particular consumer segment profile based on specific demographic or psychographic parameters criteria being met. This measure provides the spread of overall spend in the market. It takes into consideration the overall market sales.
Retailer Trading Area Spend %	Spend percentage of the overall spend at the retailer produced by a specific consumer segment profile based on specific demographic or psychographic parameters criteria being met. 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 for a particular consumer segment profile based on specific demographic or psychographic parameters criteria being met. In general, for the retailer's target consumer segment profile, a positive value is a good sign.
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 identify whether target shoppers offer a good business opportunity by comparing select metrics representing buying behavior and patterns for different consumer segments shopping in the trading area.

This view is presented at the following levels:

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

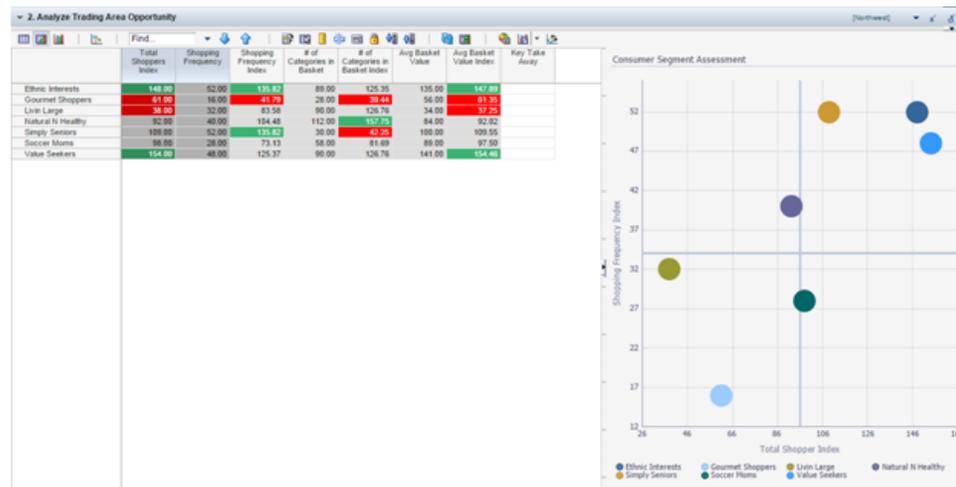
**Figure 4–7 2. Analyze Trading Area Opportunity View**

Table 4–3 lists the measures available in this view. The data is loaded from Household Panel data.

**Table 4–3 2. Analyze Trading Area Opportunity Measures**

<b>Label</b>	<b>Definition</b>
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, which is typically a planning period as specified in the workbook build.
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. It facilitates identification of consumer segments which purchase most frequently.
# of Categories in Basket	The number of product categories with at least one item in a basket (customer's purchases or customer's basket).
# 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 from a consumer segment'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 is presented at the following levels:

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

Figure 4–8 3. Analyze Competition View

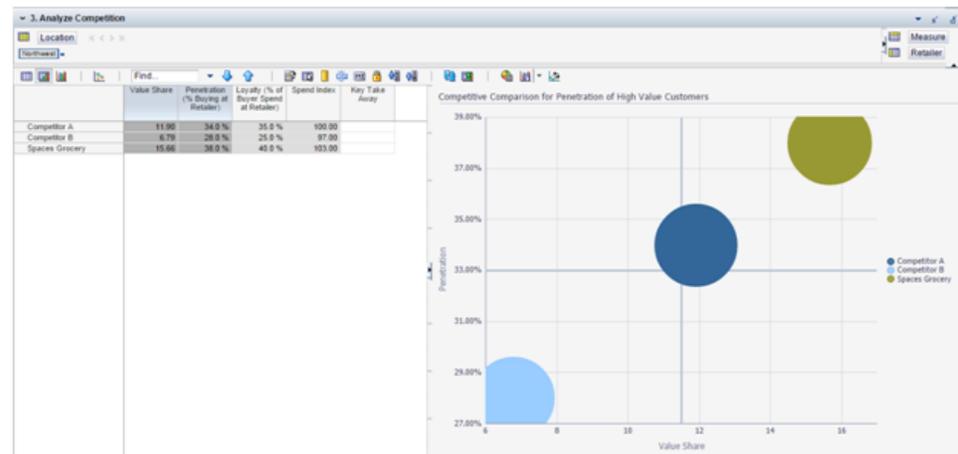


Table 4–4 lists the measures available in this view. The measures are loaded from Household Panel data.

Table 4–4 3. Analyze Competition Measures

Label	Definition
Value Share	A metric used to gauge the share of a retailer in the 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) * (Loyalty Index) * (Spending Index).
Penetration (% Buying at Retailer)	The percentage of households, out of the overall households, buying at the retailer.
Loyalty (% of Buyer Spend at Retailer)	The share of annual category requirements that the consumer is able to satisfy with a single retailer. For example, if a consumer makes ten purchases annually in a given category, three of which are made from retailer A, retailer A would have a 30% loyalty, (3/10 = 30%). This measure enables the retailer to identify its loyal customer base in the market. A sizeable loyal customer base for the retailer is a reflection of a healthy business.
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 align with overall macro-retail business objectives set by the top management. This brings a sense of clarity, harmony, and synchronization among different product categories that are part of the retailer's portfolio and avoids a situation of overlapping sales or resource allocation conflicts between them. It helps the retailer in clearly defining business targets for individual product categories and meeting them through appropriate assortments in line with 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. A category role represents the importance and function of a product category in a retailer's business in the larger scheme of things. Role assignment delivers two primary benefits:

- Creates greater consumer value by managing categories by their relative importance to the consumers.
- Maximizes Return on Investment (ROI) through well-organized, optimal allocation of shelf space, marketing budgets, and the category manager's time.

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 the Assortment Planning and Macro Space Optimization 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 the Category Manager's discretion is very important in the assignment of category roles.

This step initially presents market insights highlighting the market shares, growth, value shares, trends, and so on, and then presents 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?

**Prior to starting this step:**

- Retailer's last year's actuals, in-season actuals should be uploaded.
- Retailer's loyalty data should be uploaded.
- Syndicated data (including household panel data and market data) from market research companies (third parties) should be uploaded.
- Previous two steps, Review Category Scorecard and Review Retail Strategy, should be completed.

**After completing this step:**

Once a role has been assigned to a category, move to the next step to assign strategies to the sub-categories mapped to the category.

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](#)

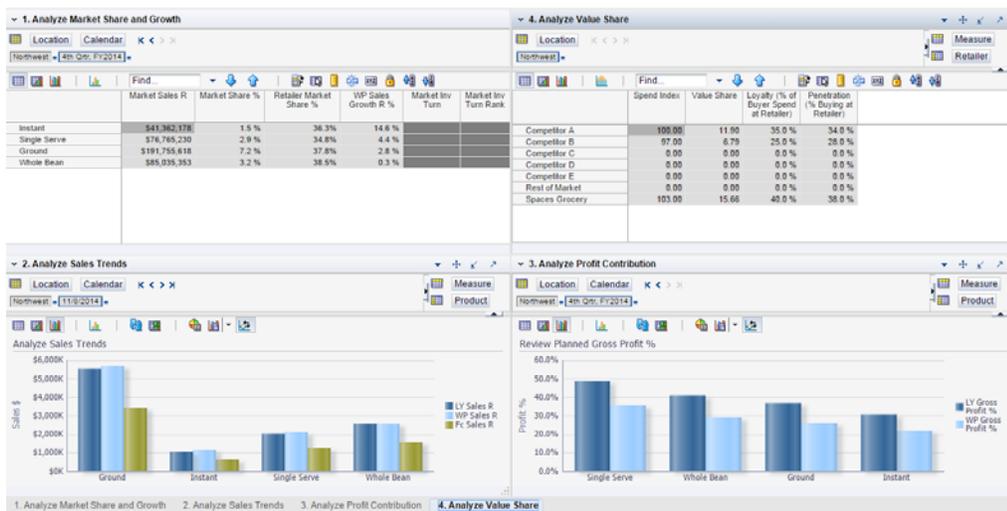
- 9. Analyze Consumer Segment Cross Category Spending View
  - **Quadrant Analysis Tab:**
    - Mkt Share / Growth / Category Size
    - Mkt Share / Growth / Sales View
    - Retailer Share / Growth / Category Size View
    - Retailer Share / Growth / Sales View
  - **Analyze and Assign Category Role - 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.

The following figure shows the four views for this tab.

**Figure 4–9 1. Analyze Market Share and Growth Tab Views**



### 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.

This view is presented at the following levels:

- Category
- Trading Area
- Quarter

**Figure 4–10 1. Analyze Market Share and Growth View (Market Measure Profile)**

	Market Sales R	Market Share %	Retailer Market Share %	WP Sales Growth R %	Market Inv Turn	Market Inv Turn Rank
Instant	\$41,362,178	1.5 %	36.3%	14.6 %		
Single Serve	\$76,765,230	2.9 %	34.8%	4.4 %		
Ground	\$191,755,618	7.2 %	37.8%	2.8 %		
Whole Bean	\$85,035,353	3.2 %	38.5%	0.3 %		

Table 4–5 lists the measures available in this view. The measures are loaded from market scan competitive data.

**Table 4–5 1. Analyze Market Share and Growth Measures (Market Measure Profile)**

Label	Definition
Market Sales R	The sales retail value from the merchandise sold in the market, typically at the trading area level or above. This information is sourced from third parties providing syndicated data such as, Nielsen, IRI, and so on, on a quarterly basis.
Market Share %	The 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 %	Retailer's sales retail value share of the overall market for a sub-category or a category.
WP Sales Growth R %	Growth rate of sales retail value in working plan version of the category plan.
Market Inv Turn	This measure reflects the market's (typically, trading area level or above) average inventory turns, 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's inventory turns is 22 times a year, it means that, on average, the retailer sells the average inventory that it carries, 22 times a year.
Market Inv Turn Rank	An ordinal rank assigned to a product segment (sub-category, category, and so on) on the basis of its Market Inv Turns.

**Figure 4–11 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 4–6 lists the measures available in this view. The measures are loaded from retailer scan competitive data.

**Table 4–6 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. Similar measures in other versions include: WP Sales R, Fc Sales R, and OP Sales R.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in CMPO by using Automated Exponential Smoothing (AutoES) libraries sourced from RDF. AutoES libraries are embedded in CMPO. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
LY Gross Profit R	Last year's gross profit retail value actuals from the merchandise. Similar measures in other versions include: WP Gross Profit R and OP Gross Profit R.
LY Gross Profit %	Last year's gross profit percentage actuals from the merchandise. Similar measures in other versions include: WP Gross Profit % and OP Gross Profit %.

The Analyze Market Share and Growth view contains two measure profiles:

- **Market:** This measure profile consists of a set of measures that present the market share and growth trends at the trading area level.
- **Retailer:** This measure profile consists of a set of measures that highlight the sales and margins trends in the retailer's own business.

## 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 is presented at the following levels:

- Week
- Sub-Category
- Trading Area

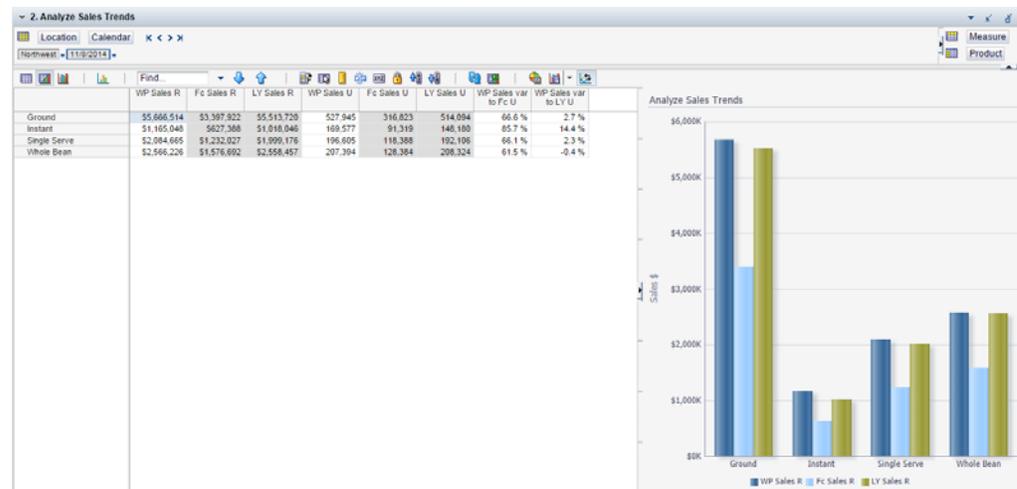
**Figure 4–12 2. Analyze Sales Trends View**

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

**Table 4–7 2. Analyze Sales Trends Measures**

Label	Definition
LY Sales R	Last year's sales retail value actuals from the merchandise. Similar measures in other versions include: WP Sales R, Fc Sales R and OP Sales R.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
LY Sales U	Last year's sales units' actuals from the merchandise. Similar measures in other versions include: WP Sales U, Fc Sales U, OP Sales U.
Fc Sales U	Forecasted sales retail units for a specific time period. It is generated in CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.
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 is presented at the following levels:

- Trading Area
- Sub-Category
- Quarter

**Figure 4–13 3. Analyze Profit Contribution View**

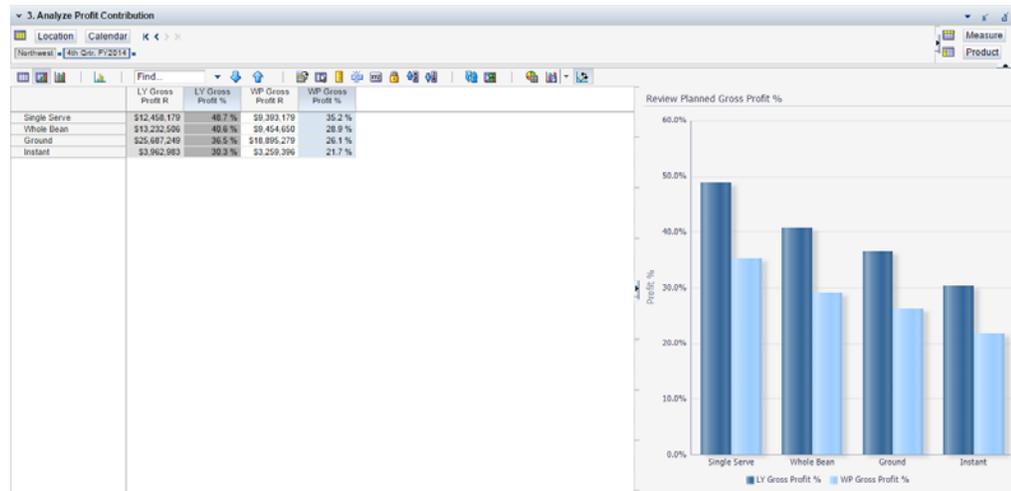


Table 4–8 lists the measures available in this view.

**Table 4–8 3. Analyze Profit Contribution Measures**

Label	Definition
LY Gross Profit R	Last year's gross profit retail value actuals from the merchandise. Similar measures in other versions include: WP Gross Profit R, OP Gross Profit R.
LY Gross Profit %	Last year's gross profit percentage actuals from the merchandise. Similar measures in other versions include: WP Gross Profit %, OP Gross Profit %.

**4. Analyze Value Share View**

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

**Figure 4–14 4. Analyze Value Share View**

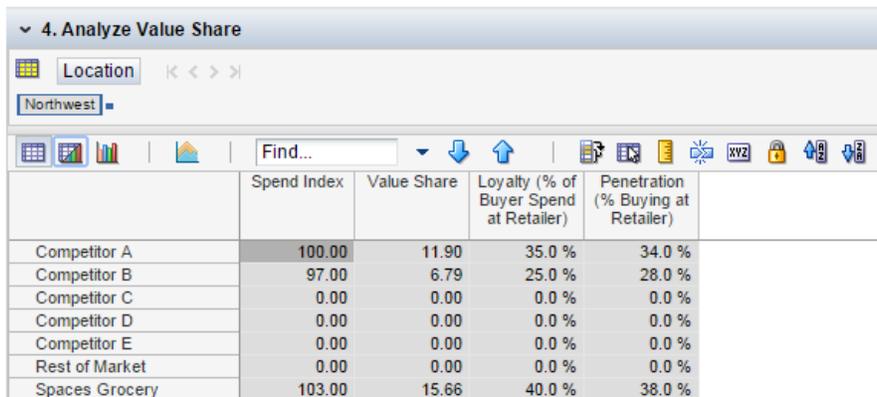


Table 4–9 lists the measures available in this view.

**Table 4–9 4. Analyze Value Share Measures**

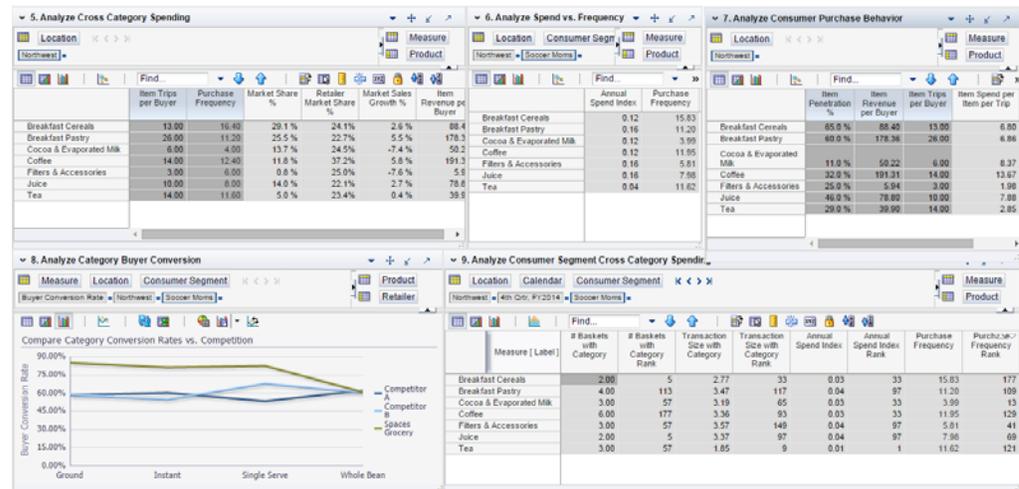
Label	Definition
Spend Index	An index value based on the spend percentage of the consumers, or market as a whole, attracted by the retailer compared to the average spend percentage at the other retailers competing in the market. It is calculated by the index-to-average method.
Value Share	A metric used to gauge the share of a retailer in the 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. It is calculated using the following formula: (Penetration) * (Loyalty Index) * (Spending Index).
Loyalty (% of Buyer Spend at Retailer)%	The share of annual category requirements that the consumer is able to satisfy with a single retailer. For example, if a consumer makes ten purchases annually in a given category, three of which are made from retailer A, retailer A would have a 30% loyalty, (3/10 = 30%). This measure enables the retailer to identify its loyal customer base in the market. A sizeable loyal customer base for the retailer is a reflection of a healthy business.
Penetration (% Buying at Retailer)	The percentage of households, out of the overall households in the market, 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.

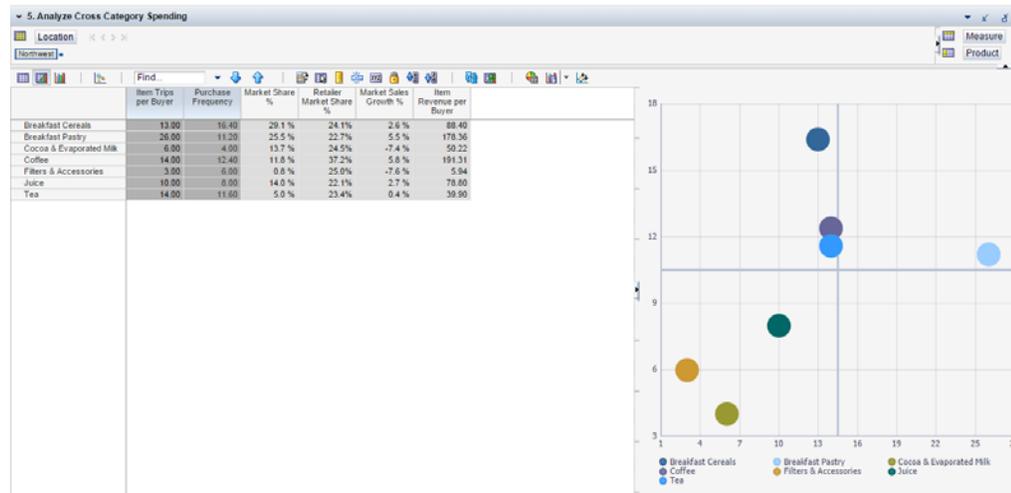
**Figure 4–15 Analyze Consumer Spend Tab Views**



## 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 4–16 5. Analyze Cross Category Spending View**



The view is presented at the following levels:

- Category
- Trading Area

Table 4–10 lists the measures available in this view. The measures are loaded from Household Panel data.

**Table 4–10 5. Analyze Cross Category Spending Measures**

Label	Definition
Item Trips per Buyer	The average number of times a customer makes a shopping trip for any item from a product segment, such as a category, in a given time period (planning period duration based on workbook build).
Purchase Frequency	The total number of times any item from a specific product segment, such as a category, is purchased in a given time period (planning period based on the workbook build).
Market Share %	The percentage of market sales retail value 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, the percentage of a department's sales generated by a category.
Retailer Market Share %	The retailer's sales retail value's (sales revenue) share percentage out of the overall market sales retail value for a particular a product segment, such as a category.
Market Sales Growth %	The growth rate in sales retail value of a product segment, such as a category, for the entire market compared to the previous time period.
Item Revenue per Buyer	Average sales retail value of an item from a product segment, such as a category, per customer 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 is presented at the following levels:

- Consumer Segment
- Category
- Trading Area

**Figure 4–17 6. Analyze Spend vs. Frequency View**

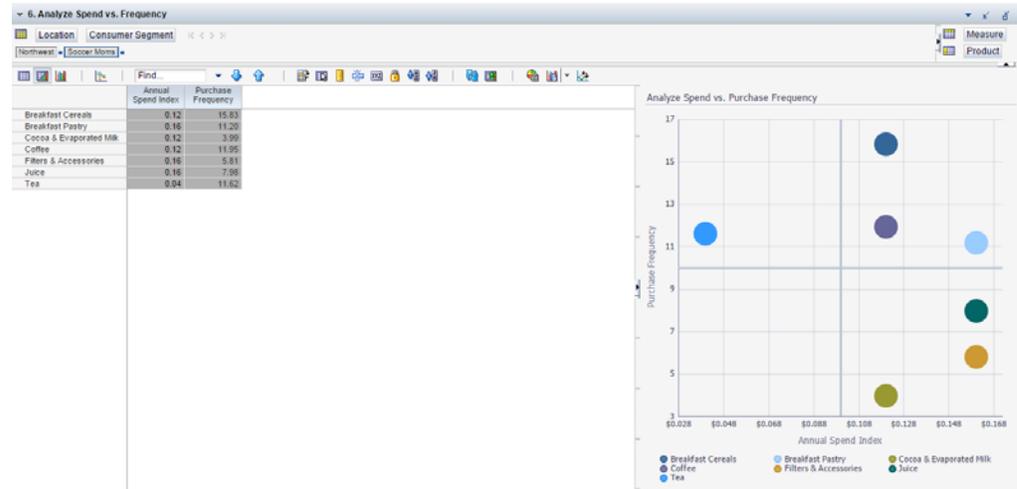


Table 4–11 lists the measures available in this view. The measures are loaded from market scan and retailer data.

**Table 4–11 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, by dividing the spend of a product category by the average spend of all the categories. This measure is presented at the consumer segment level.
Purchase Frequency	The total number of times any item from a specific product segment, such as a category, is purchased in a given time period (planning period duration based on workbook build). It can be viewed at the consumer segment level in this view.

## 7. Analyze Consumer Purchase Behavior View

Use this view to analyze consumer purchase behavior across categories.

This view is presented at the following levels:

- Category
- Trading Area

**Figure 4–18 7. Analyze Consumer Purchase Behavior**

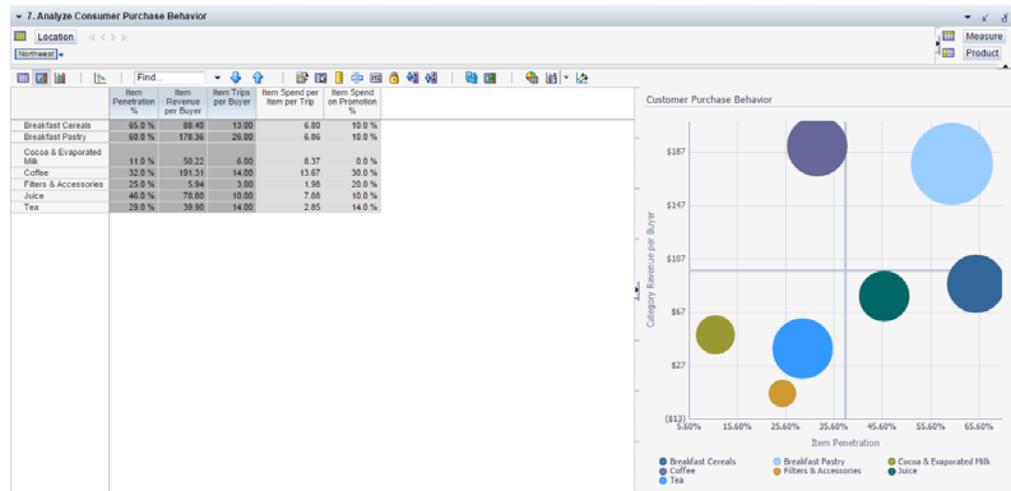


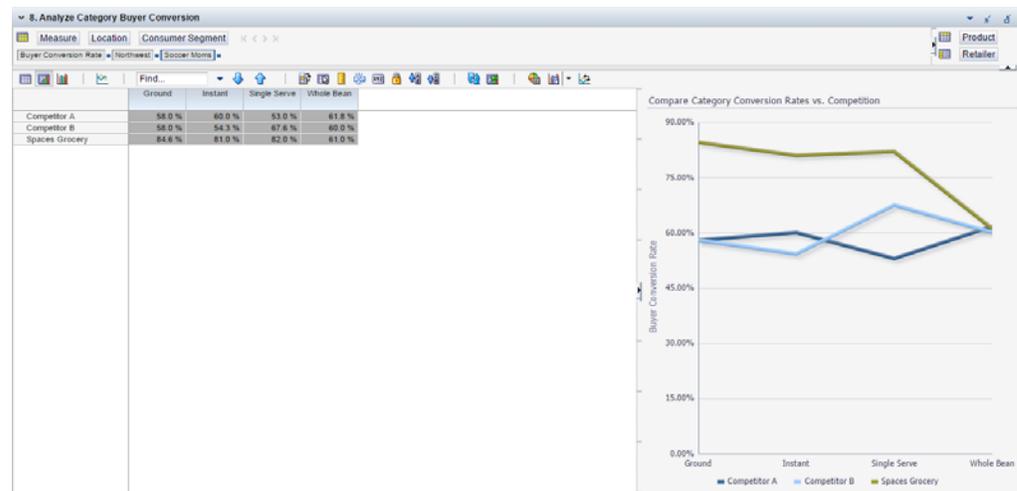
Table 4–12 lists the measures available in this view.

**Table 4–12 7. Analyze Consumer Purchase Behavior Measures**

Label	Definition
Item Penetration %	The percentage of households from a trading area (market or region) that purchased any item from a product segment (such as a category) at least once within a given time period (planning period duration based on workbook build).
Item Revenue per Buyer	The average sales retail value of an item from a product segment, such as a category, per customer or shopper.
Item Trips per Buyer	The average number of times a customer makes a shopping trip for any item from a product segment, such as a category in a given time period (planning period duration based on workbook build).
Item Spend per Item per Trip	The average spend (retail sales value) on an item from a product segment, such as a category, per customer trip.
Item Spend on Promotion %	The average percentage (share) of sales generated by any item, from a product segment, such as a category, when put on promotions, out of the overall sales retail value from that category.

**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 4–19 8. Analyze Category Buyer Conversion View**

This view is presented at the following levels:

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

Table 4–13 lists the measure available in this view.

**Table 4–13 8. Analyze Category Buyer Conversion Measure**

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy an item from a product segment, such as a category or category, out of the total shoppers who shop at the retailer in a specific trading area.

### 9. Analyze Consumer Segment Cross Category Spending View

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

The view is presented at the following levels:

- Category
- Quarter
- Consumer Segment
- Trading Area

**Figure 4–20 9. Analyze Consumer Segment Cross Category Spending View**

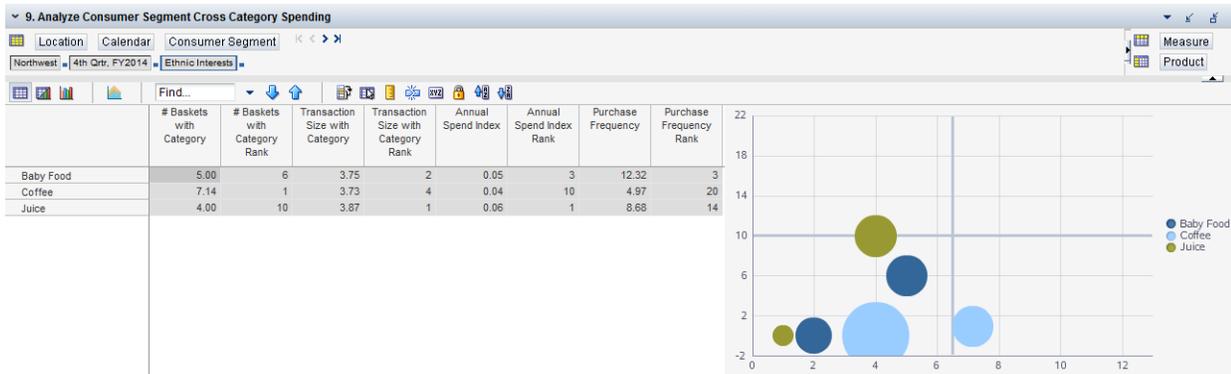


Table 4–14 lists the measures available in this view. The measures are loaded from market scan and retailer data.

**Table 4–14 9. Analyze Consumer Segment Cross Category Spending Measures**

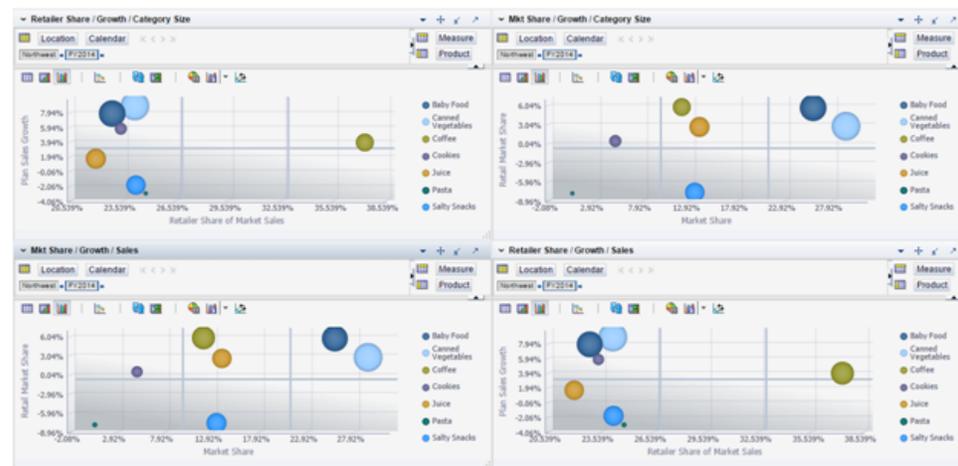
Label	Definition
# Baskets with Category	The number of baskets (customer purchases or customer baskets) that contain at least one item from the product category. This measure is available at the consumer segment level.
# Baskets with Category Rank	An ordinal rank (sequential rank) assigned to a product category based in the # Baskets with Category measure.
Transaction Size with Category	The average basket share's sales retail 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 by dividing the spend of a product category by the average spend of all the 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 any item from a specific product segment, such as a category, is purchased in a given time period (planning period duration based on workbook build). It can be viewed at the consumer segment level in this view.
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 4–21 shows those views.

Figure 4–21 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 4–22 Market Share / Growth / Category Size View

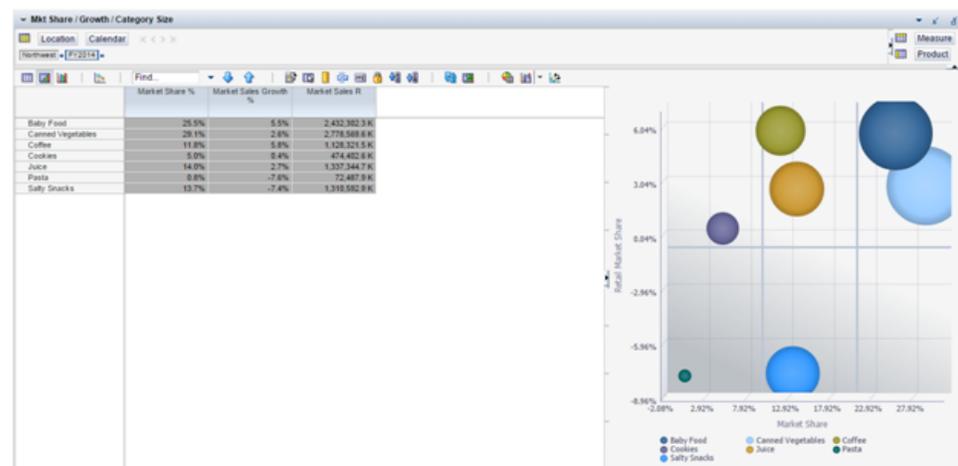


Table 4–15 lists the measure available in this view. The measure is loaded from market scan and retailer data.

Table 4–15 Mkt Share / Growth / Category Size Measures

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 a department's sales generated by a category.
Market Share Growth %	The rate at which the market share percentage is growing for a sub-category or category.

**Table 4–15 (Cont.) Mkt Share / Growth / Category Size Measures**

Label	Definition
Market Sales R	The sales retail value from the merchandise sold 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 4–23 Mkt Share / Growth / Sales View**

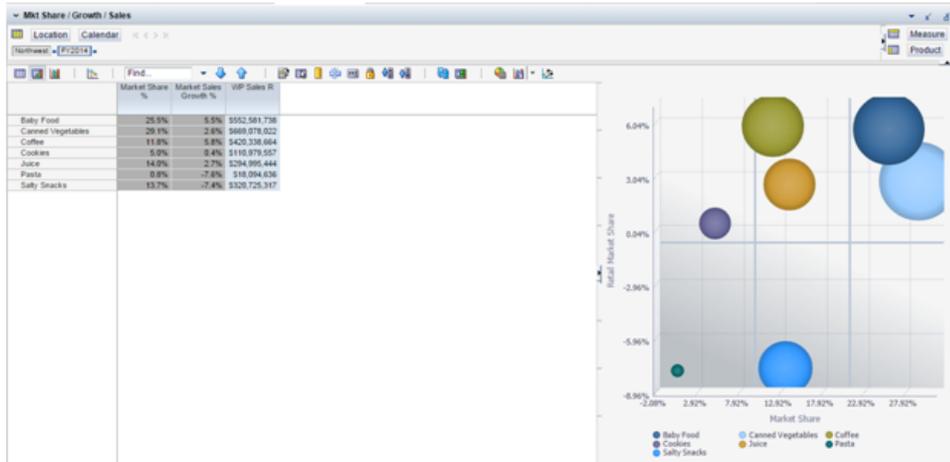


Table 4–16 lists the measures available in this view. The measures are loaded from market scan and retailer data.

**Table 4–16 Mkt Share / Growth / Sales Measures**

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's (sales revenue) share percentage out of the overall market sales retail value for a particular a product segment, such as a category.
WP Sales R	The sales retail value from the merchandise in the working plan version of the category plan.

**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.

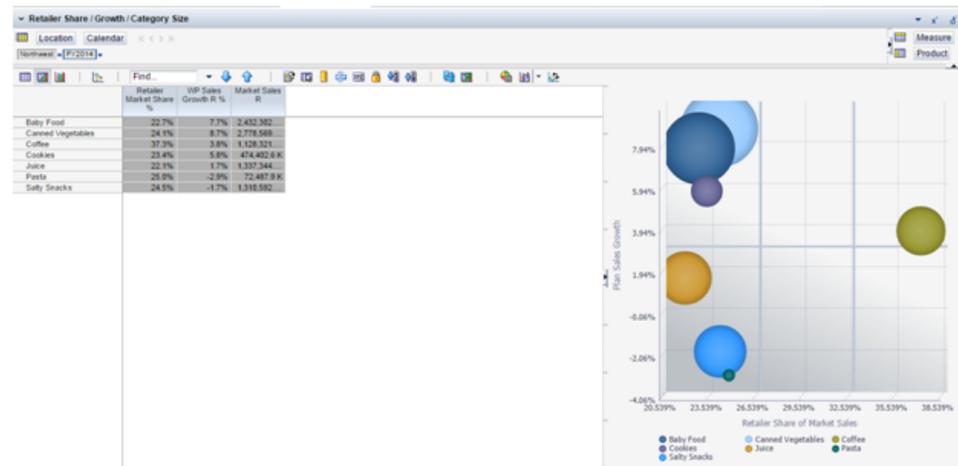
**Figure 4–24 Retailer Share / Growth / Category Size View**

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

**Table 4–17 Retailer Share / Growth / Category Size Measures**

Label	Definition
Retailer Market Share %	The retailer's sales retail value's (sales revenue) share percentage out of the overall market sales retail value for a particular a product segment, such as a category.
WP Sales Growth R%	The sales retail value's growth rate in the working plan version of the category plan.
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 syndicated data from third parties 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.

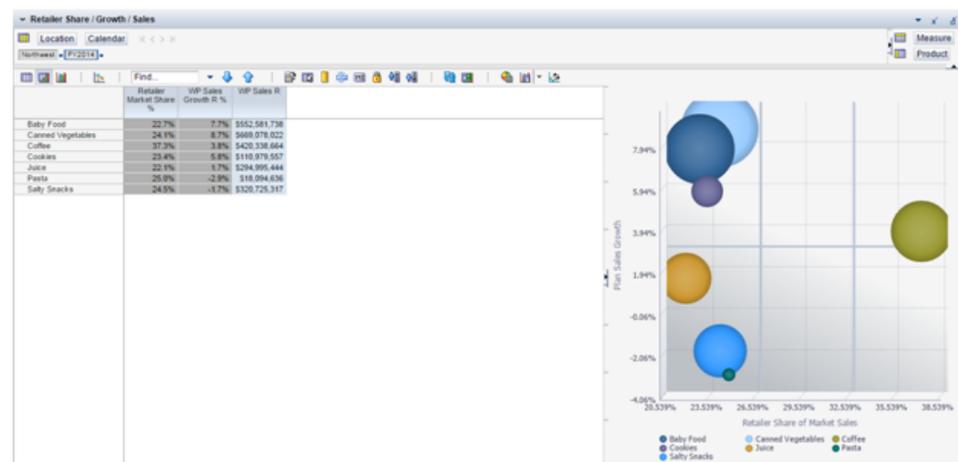
**Figure 4–25 Retailer Share / Growth / Sales View**

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

**Table 4–18 Retailer Share / Growth / Sales Measures**

Label	Definition
Retailer Market Share %	The retailer's sales retail value's (sales revenue) share percentage out of the overall market sales retail value for a particular a product segment, such as a category.
WP Sales Growth R%	The sales retail value's growth rate in the working plan version of the category plan.
WP Sales R	The sales retail value from the merchandise sold 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.

## Analyze and Assign Category Role - Industry Model A Tab

Roles are assigned at the category level in the product hierarchy based on cross-category quantitative analysis that considers consumer, retailer's business performance, and the marketplace. CMPO presents two popular industry models used in role assignment to categories. One of the two models needs to be selected and adopted for category role assignments.

Use this tab to analyze and assign a role to each category, based on Industry Model A. It is important to note that role assignment through this model can be based on either retailer-specific or market-specific data, which can be historic actuals data or forecast 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.

Model A assigns a role to a category, based on a consumer perception of a category's importance in the retailer's portfolio of product 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 presented in the first two views is sourced from the retailer's point-of-sale solution (POS) or third parties, such as Nielsen, in the form of household panel data. Forecast data can also be used for role assignment, and is sourced from RDF and third parties. Model A requires a bubble-chart plot of Item Penetration (on the x-axis), Purchase Frequency (on the y-axis) for individual categories, and Sales Retail value (on the z-axis in the form of bubble-size). Roles are defined based on the relative position and size of categories on the bubble-chart. Details on specific role definitions are presented in the following section.

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.

Note that category roles can be assigned on a quarterly basis, however, the examples in the application examples are presented at an yearly level.

Category roles pre-defined in Industry Model A consist of the following:

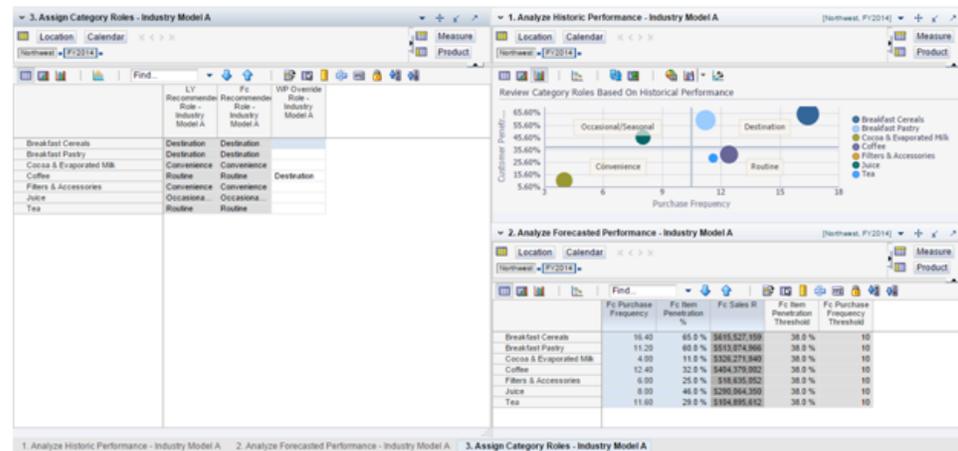
- Destination
- Routine
- Occasional / Seasonal
- Convenience

This tab has three views. They are presented at the following levels:

- Quarter (lowest level in the calendar hierarchy)
- Category
- Trading Area

Figure 4–26 shows the views for this tab.

**Figure 4–26 Analyze and Assign Category Roles - Industry Model A Tab Views**



### 1. Analyze Historic Performance - Industry Model A View

Use this view to review role recommendations for categories by Industry Model A based on historical data:

- **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, 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 4–27 1. Analyze Historic Performance Role - Industry Model A View**

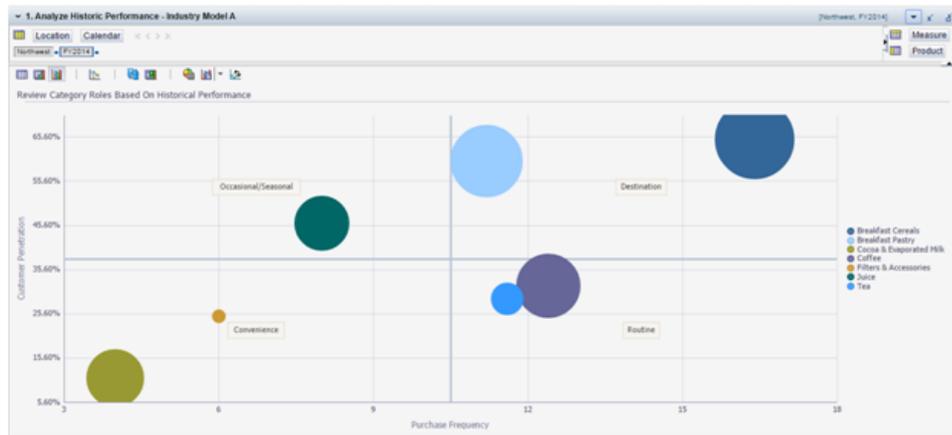


Table 4–19 lists the measures available in this view. The measures are loaded from market scan and retailer data.

**Table 4–19 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 percentage 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 any item from a specific product segment, such as a category, was purchased in the last year (LY) planning period, 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 review role recommendations for categories by Industry Model A based on forecast data. Similar to the previous view, it plots the charts based on forecasted values for item penetration percentage, purchase frequency, and sales retail value.

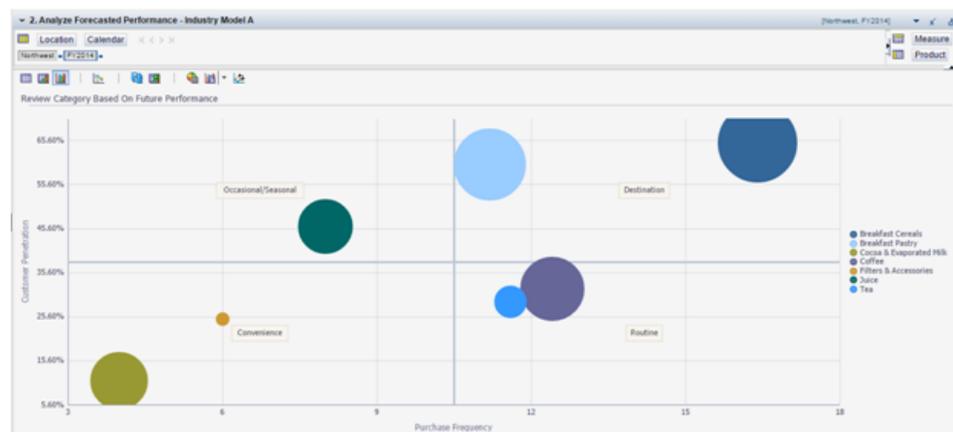
**Figure 4–28 2. Analyze Forecasted Performance - Industry Model A View**

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

**Table 4–20 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 any item from a product segment, such as a product category, at least once in the respective planning period at the retailer. This measure is sourced from a third party, such as Nielsen. Note that the forecasted item penetration percentage 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 any item from a specific product segment, such as a category, is expected to be purchased in a future planning period at the retailer. This measure is sourced from a third party, such as Nielsen, or some external system and loaded into CMPO. 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 CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. 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 or forecasted performance per Industry Model A. The roles recommended by Model A can be overridden based on the category manager's discretion and judgment on expected business. These roles drive the preset weights, which are specified in the Category Management Administration task, to help drive the assortment plan recommendations that best align with them.

**Figure 4–29 3. Assign Category Roles - Industry Model A View**

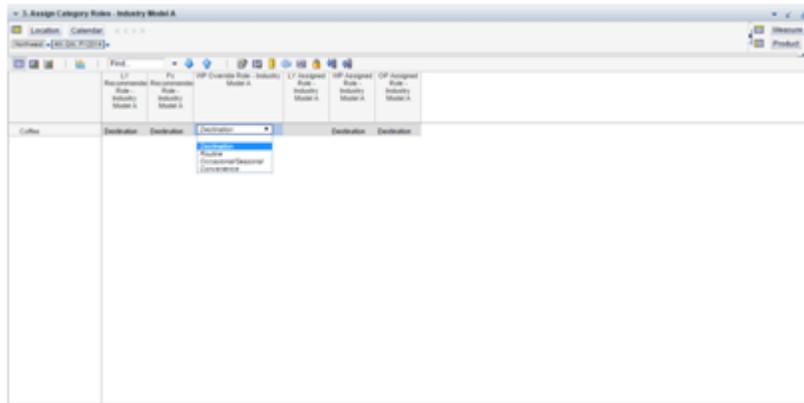


Table 4–21 lists the measures available in this view.

**Table 4–21 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 role recommendations are based on the mentioned role definitions per Industry Model A. Similar measures in other versions include: Fc Recommended Role - Industry Model A.
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 of roles.
WP Assigned Role - Industry Model A	The role assigned to a category per Industry Model A in last year's category plan. Similar measures in other versions include: LY Assigned Role - Industry Model A and OP Assigned Role - Industry Model A.

### 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 in trying to assess its relative importance among the retailer's portfolio of categories. It is important to note that role assignment through this model is based on retailer-specific data, which can be historic actuals data or forecast data. The historic data is sourced from the retailer's POS data aggregated to the category level and forecast data is sourced from applications such as RDF.

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.

Category roles defined using Industry Model B:

- **Flagship:** Flagship categories are identified by their high sales and high gross margin. The objective of such categories is to increase sales, maintain margin or maintain sales, and increase margin.
- **Cash Machine:** Cash Machine categories are represented by high sales and medium gross margin. The objective is to increase sales, 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.

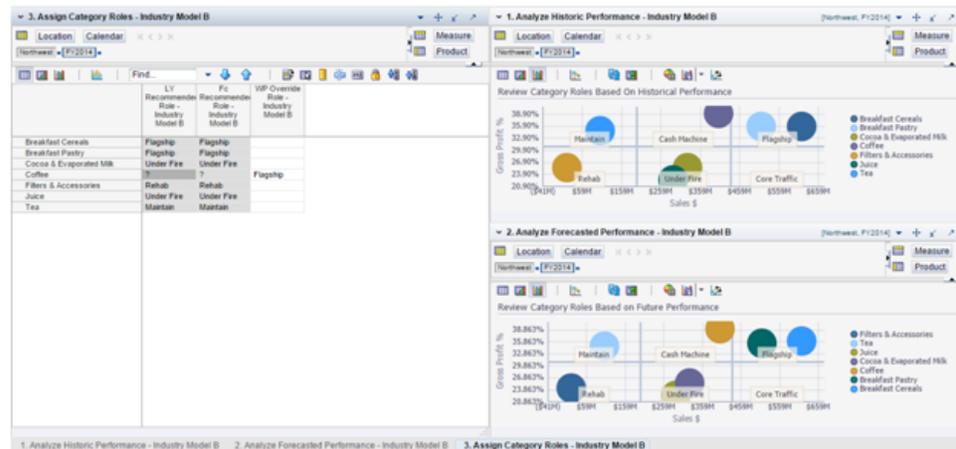
Note that the category roles can be assigned on a quarterly basis, however, the examples are presented at a yearly level.

This tab has three views. They are presented at the following levels:

- Quarter (lowest level in the calendar hierarchy)
- Category
- Trading Area

Figure 4–31 shows the views for this tab.

**Figure 4–30 Analyze and Assign Category Role - Industry Model B Tab Views**



## 1. Analyze Historic Performance - Industry Model B View

Use this view to review role recommendations for categories by Industry Model B based on historical data. The coordinates of a category in the chart form the basis of the role assignment to categories. This information is best viewed as a bubble chart.

**Figure 4–31 1. Analyze Historic Performance Role - Industry Model B View**

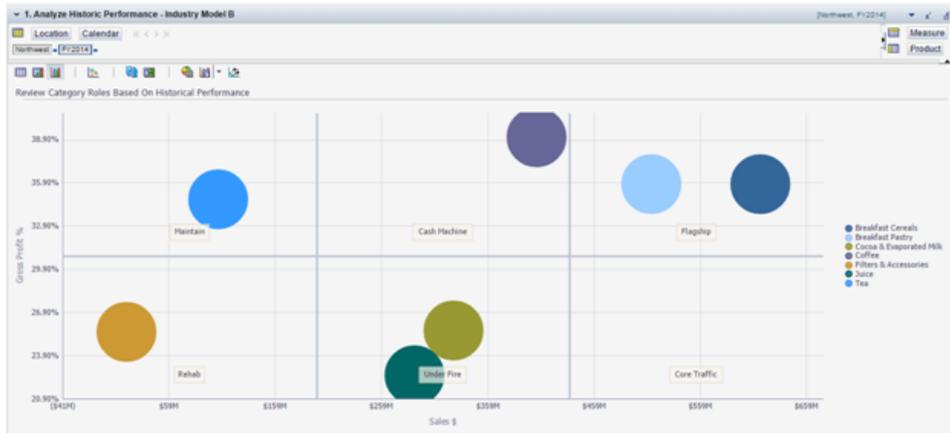


Table 4–22 lists the measures available in this view. The measures are loaded from market scan and retailer data.

**Table 4–22 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 actuals from the merchandise.

**2. Analyze Forecasted Performance - Industry Model B View**

Use this view to review role recommendations for categories by Industry Model B based on forecast data. Similar to the previous view, it provides a facility to determine the roles for a category based on forecasted data for sales retail value and gross profit margin %. The coordinates of a category in the chart form the basis of assignment of roles to categories. Six roles can be assigned using Industry Model B: Flagship, Cash Machine, Maintain, Core Traffic, Under Fire, and Rehab.

**Figure 4–32 2. Analyze Forecasted Performance - Industry Model B View**



Table 4–23 lists the measures available in this view. The measures are loaded from market scan and retailer data.



## Assign Category Strategies Step

Strategies suggest the overall approach to achieve the assigned role to a product 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. They are assigned on the basis of specific analysis of historical or forecast data at a specific consumer segment level or overall consumer segment level. Note that the category manager's discretion is crucial in assigning strategies to the sub-categories/categories.

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 the assortment planning (Assortment Planning @Cluster and Assortment Planning @Store) 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 CMPO, 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 in the application and the respective purchase dynamics' parameters used to identify them.

Note that strategies at best can be assigned at the quarterly level, however, the application image examples are presented at a yearly level.

**Table 4–25 Category Strategies and Purchase Dynamics**

Category Strategy	Purchase Dynamic
<b>Traffic Builder</b> - Attracting customers to the store, aisle, and category	High share, frequently purchased, high percentage of sales
<b>Transaction Builder</b> - Enlarging the size of the average purchase	Higher ring-up, impulse purchase
<b>Profit Generating</b> - Yielding profits	Higher gross margin, higher turns
<b>Cash Generating</b> - Producing cash flow	Higher turns, frequently purchased
<b>Excitement Creating</b> - Generating interest and enthusiasm among consumers	Impulse, lifestyle oriented, seasonal
<b>Image Enhancing</b> - Strengthening the view of the retailer held by the customer	Frequently purchased, highly promoted, impulse, unique items, seasonal
<b>Turf Defending</b> - Positioning the category strongly versus competitors	Used by retailers to draw traditional customer base

### Prior to starting this step:

- Category role assignment should be complete.
- Required data for identifying strategies in the form of syndicated data (including household panel data and market data) and retailer's actuals data should have been uploaded.

**After completing this step:**

Once strategies have been assigned to the sub-categories, move to the next step to assign tactics to them.

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](#)

All the views under this step, except Identify Transaction Builders, are presented at the following levels:

- Sub-Category
- Consumer Segment
- Quarter
- Trading Area

The exception, in the case of the Identify Transaction Builders view, is that the lowest level of the product hierarchy is category.

Also, note in the Identify Turf-Defenders view, there is an additional dimension presented in the form of Retailer, which is used to present information specific to the retailer and its competitors.

## 1. Assign Strategies View

Use this view to assign strategies to sub-categories in line with the respective category role based on the subsequent views in this step. Strategies are assigned on the basis of specific performance parameters (as highlighted above) and the discretion of the category manager based on expected business and market conditions.

Category strategies form the basis of IPI values calculations in Assortment Planning. These strategies drive the preset focus area weights used in IPI calculations, which are specified in the Category Management Administration task, to help drive the assortment recommendations that best align with the category's role.

In effect, 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 4–34 1. Assign Strategies View**

	WP Assigned Role - Industry Model A	WP Strategy Assignment
> Breakfast Cereals	Destination	Profit Contribution
> Breakfast Pastry	Destination	Transaction Building
> Coffee	Destination	Cash Generating
Ground		Cash Generating
Instant		Cash Generating
Single Serve		Cash Generating
Whole Bean		Cash Generating

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

**Table 4–26 1. Assign Strategies Measures**

Label	Definition
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. Similar measures in other versions include: LY Strategy Assignment and OP Strategy Assignment.

## 2. Identify Cash Generators View

Use this view to identify cash generating sub-categories by plotting purchase frequency against inventory turns with sales units 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 chart, qualify for this strategy.

**Figure 4–35 2. Identify Cash Generators View**

	WP Turn	Purchase Frequency	WP Sales by Consumer Seg U
> Baby Food		10.43	4,120,592
> Canned Vegetables		15.65	5,022,554
> Coffee			
Ground			549,352
Instant			177,793
Single Serve			206,725
Whole			212,322
> Cookies		10.50	1,523,160
> Juice		7.28	2,036,326
> Pasta		5.60	520,100
> Satty Snacks		3.22	3,231,943

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

**Table 4–27 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. It reflects the speed of inventory movement.
Purchase Frequency	The total number of times any item from a product segment, such as a category, is purchased in a given time period (planning period duration based on workbook build).
WP Sales by Consumer Seg U	The sales units generated by a consumer segment. It is used to identify excitement generating sub-categories in this view.

### 3. Identify Excitement Generators View

Use this view to identify excitement generating sub-categories by viewing the sales revenue trends:

- 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 cannot be entirely determined systematically. They are left to the discretion and judgment of the category manager.

This information is best viewed as a column chart. The example presented in the figure below is not at the lowest levels of product and consumer segment hierarchy. Product dimension is presented at the category level and consumer segment dimension is presented at the all consumer segment level.

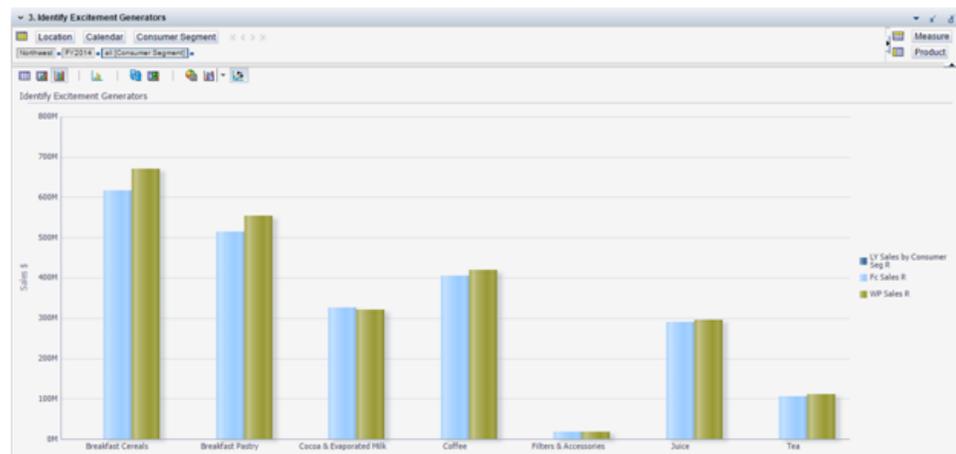
**Figure 4–36 3. Identify Excitement Generators View**

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

**Table 4–28 3. Identify Excitement Generators Measures**

Label	Definition
LY Sales by Consumer Seg R	The sales retail value contribution by a consumer segment to a product segment, such as a sub-category, per last year's actuals. Similar measures in other versions include: WP Sales by Consumer Seg R.

**Table 4–28 (Cont.) 3. Identify Excitement Generators Measures**

Label	Definition
Fc Sales R	Forecast sales retail value for a specific time period in the future. It is generated in CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.

#### 4. Identify Image Enhancer View

Use this view to identify image enhancing sub-categories through quadrant analysis, where purchase-frequency is plotted against promo sales contribution to the overall sales, with overall sales revenue on the z-axis. This information is best viewed as a bubble chart. Sub-categories, in the top right corner, are flagged as an excellent fit and so on.

**Figure 4–37 4. Identify Image Enhancer View**

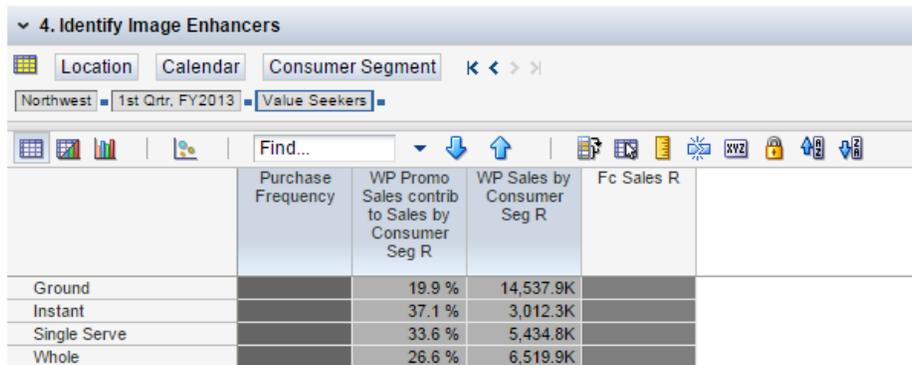


Table 4–29 lists the measures available in this view.

**Table 4–29 4. Identify Image Enhancer Measures**

Label	Definition
Purchase Frequency	The total number of times any item from a product segment, such as a category, is purchased in a given time period (planning period duration based on workbook build).
Wp Sales by Consumer Seg R	The sales retail value contribution by a consumer segment to a product segment, such as a sub-category, in the working plan version of the category plan. Similar measures in other versions include: LY Sales by Consumer Seg R.
WP Promo Sales contrib to Sales by Consumer Seg R	The contribution percentage of promotional sales retail to the overall sales retail at the consumer segment level. Similar measures in other versions include: LY Promo Sales contrib to Sales by Consumer Seg R.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. 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 identify profit generating sub-categories by comparing the gross profit value or gross profit percentage of each sub-category, consumer segment wise.

Fitment can be excellent versus good versus poor based on predefined thresholds. This information is best viewed as a column chart. Note that the example presented in the figure below, product hierarchy dimension is presented at the category level in place of sub-category.

**Figure 4–38 5. Identify Profit Generators View**

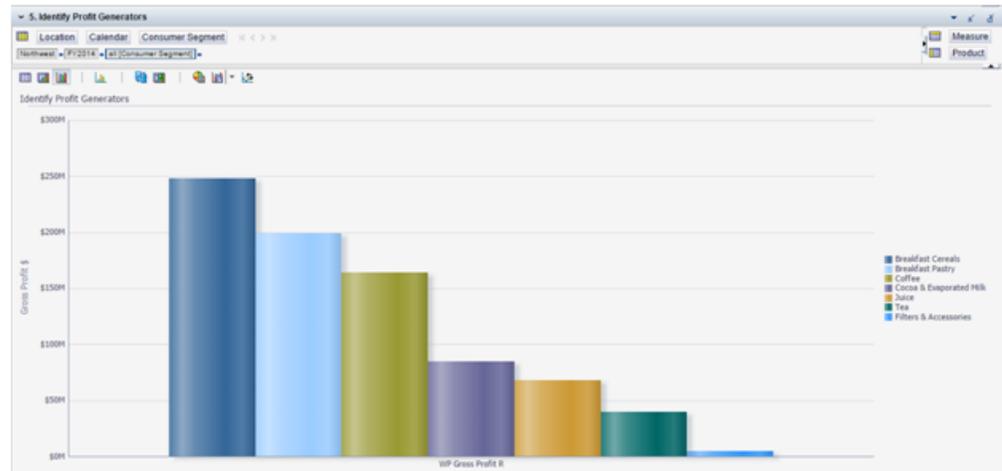


Table 4–30 lists the measures available in this view.

**Table 4–30 5. Identify Profit Generators Measure**

Label	Definition
WP Gross Profit by Consumer Seg R	The gross profit retail value from a consumer segment. Similar measures in other versions include: LY Gross Profit by Consumer Seg R.

## 6. Identify Traffic Builders View

Use this view to identify traffic building sub-categories by plotting a bubble chart between market sales retail value and 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.

Note that the example presented in the figure below, product hierarchy dimension is presented at the category level in place of sub-category.

**Figure 4–39 6. Identify Traffic Builders View**

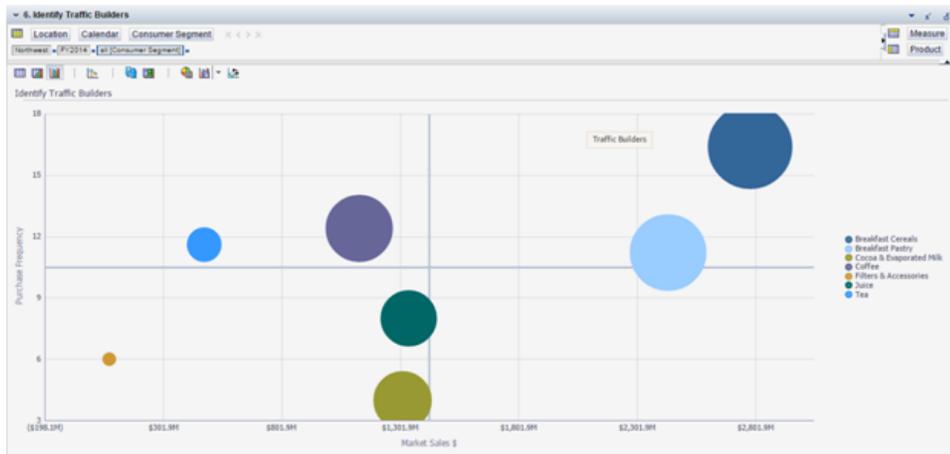


Table 4–31 lists the measures available in this view.

**Table 4–31 6. Identify Traffic Builders Measures**

Label	Definition
WP Sales contrib to Market Sales by Consumer Seg R	Sales retail contribution percentage of a consumer segment to overall market sales retail value. Similar measures in other versions include: LY Sales contrib to Market Sales by Consumer Seg R.
Purchase Frequency	The total number of times any item from a product segment, like a category, is purchased in a given time period (planning period duration based on workbook build).
WP Sales by Consumer Seg R	The sales retail value contribution by a consumer segment to a product segment, such as a sub-category, in the working plan version of the category plan.
Fc Sales R	Forecasted sales retail value for a specific time period. It is generated in CMPO by using AutoES libraries sourced from RDF. AutoES libraries are embedded in CMPO. AutoES uses historic data to generate these forecasts. It can be scheduled periodically through batch jobs.

## 7. Identify Transaction Builders View

Use this view to identify transaction building categories by plotting a bubble chart between shopping frequency and shopper's basket size. Categories in the top right corner qualify for this strategy.

This view exists at the following levels:

- Category
- Consumer Segment
- Trading Area

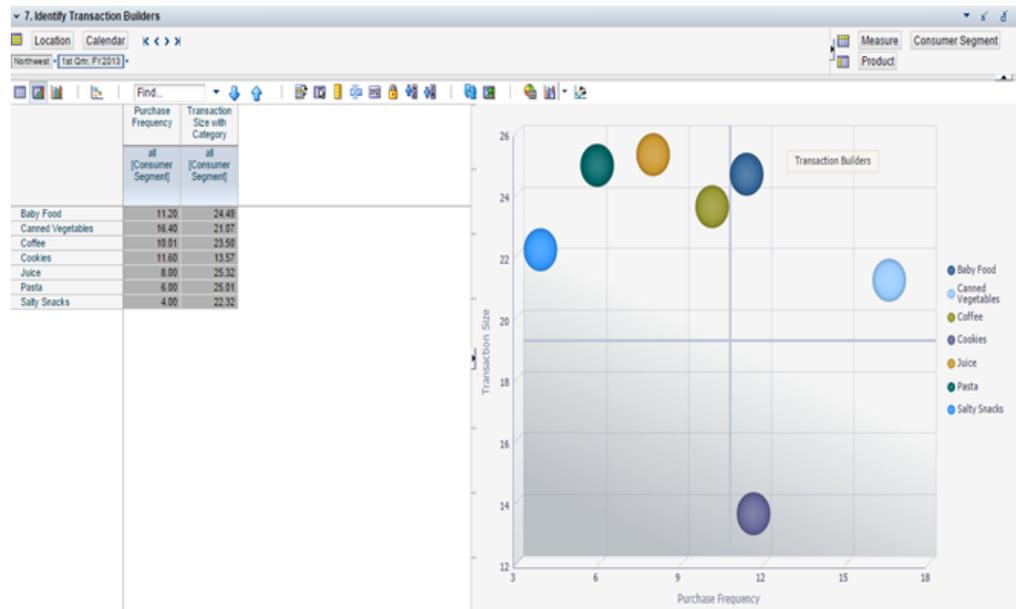
**Figure 4–40 7. Identify Transaction Builders View**

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

**Table 4–32 7. Identify Transaction Builders Measures**

Label	Definition
Purchase Frequency	The total number of times any item from a product segment, such as a category, is purchased in a given time period (planning period duration based on workbook build).
Transaction Size with Category	The average basket value from a particular product category in a customer's basket.

## 8. Identify Turf-Defenders View

Use this view to identify turf-defenders by plotting buyer conversion rates of the retailer against its competitors. 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
- Trading Area

**Figure 4–41 8. Identify Turf-Defenders View**

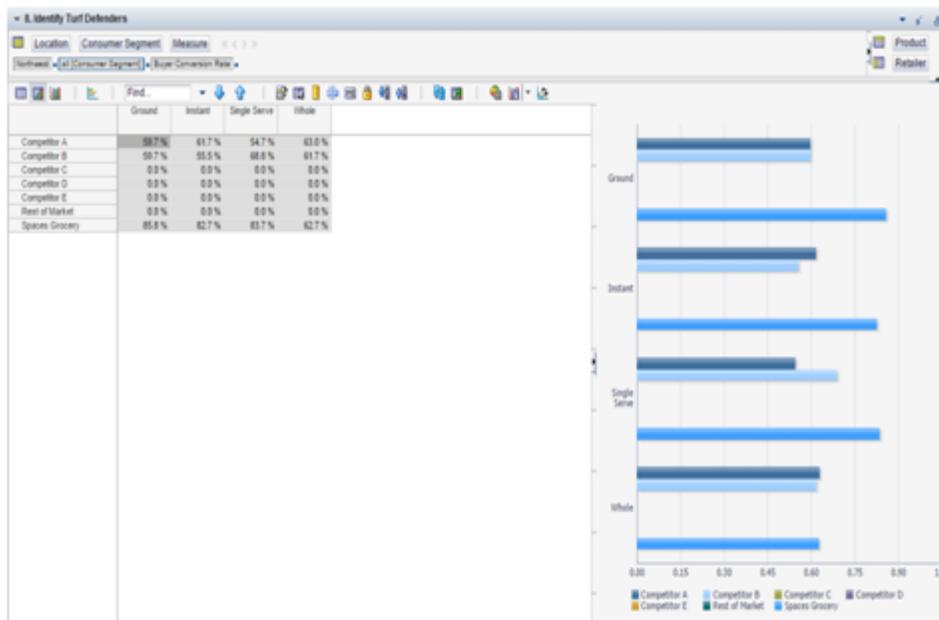


Table 4–33 lists the measure available in this view.

**Table 4–33 8. Identify Turf-Defenders Measure**

Label	Definition
Buyer Conversion Rate	Percentage of shoppers who buy any item from a specific product segment, such as a sub-category, out of the total shoppers at the retailer in a trading area.

## 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.

Tactics, along with roles, strategies, and category plan targets, are shared with the Assortment Planning and MSO tasks to be used as a reference or set of guidelines.

Use this step to assess the business from an assortment, space, price, promotion, and inventory perspective. The analyses presented in this step are used to identify and prioritize business opportunities. This step is also used to assign new tactics and view historical tactics. 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

The analyses in this step try to answer 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?

#### Prior to starting this step:

- Last year actuals (LY) and in-season actuals data (WP) should be loaded.
- Retailer's data related to pricing, promotions, and space productivity should be loaded.
- Tactic values for different tactical areas (such as assortment, space) should be loaded in the Category Management Administration task.
- Syndicated data (including household panel data and market data) from market research companies (third parties) should be loaded.

#### After completing this step:

Once tactics have been assigned to the sub-categories, move to the next step to set and approve sales, profit, and inventory targets in the category plan.

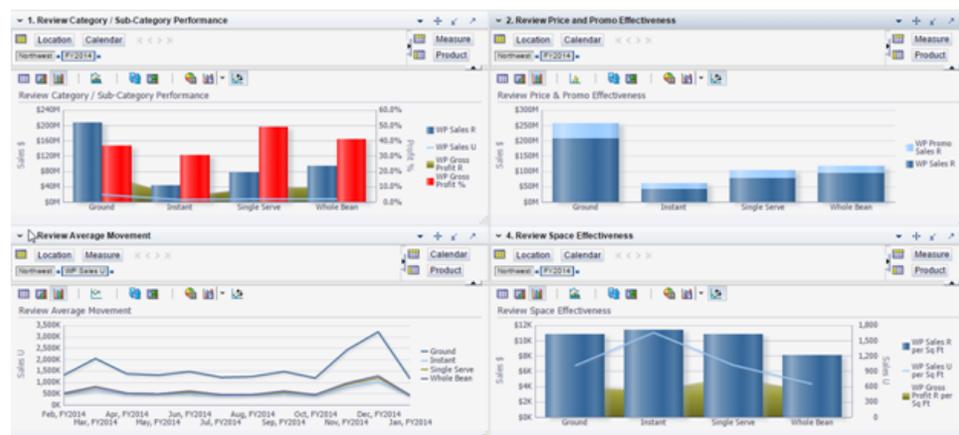
This step has the following tabs and views:

- [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 4–42](#) shows the views for this tab.

**Figure 4–42 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 4–34 lists the measures available in this view.

Figure 4–43 1. Review Category / Sub-Category Performance View

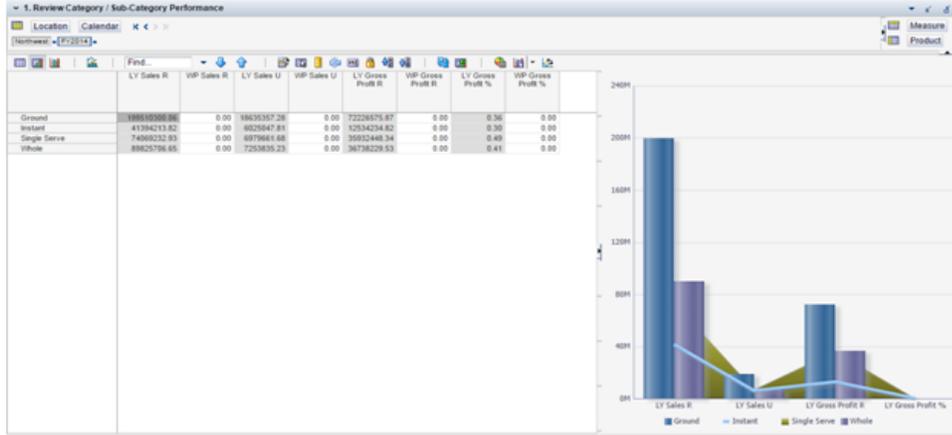


Table 4–34 1. Review Category / Sub-Category Performance Measures

Label	Definition
LY Sales R	Last year's sales retail value actuals from the merchandise. Similar measures in other versions include: WP Sales R.
LY Sales U	Last year's sales units' actuals from the merchandise. Similar measures in other versions include: WP Sales U.
LY Gross Profit R	Last year's gross profit retail value actuals from the merchandise. Similar measures in other versions include: WP Gross Profit R.
LY Gross Profit %	Last year's gross profit percentage actuals from the merchandise. Similar measures in other versions include: WP Gross Profit % and OP Gross Profit %.

### 2. Review Price and Promo Effectiveness View

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

The view exists at the following levels:

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

**Figure 4–44 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 4–35 lists the measures available in this view.

**Table 4–35 2. Review Price and Promo Effectiveness Measures**

Label	Definition
LY Sales AUR	Last year's average unit retail value for any item in a product segment, such as a sub-category. It reflects the average selling price of a product segment based on last year's actuals of the retailer. Similar measures in other versions include: WP Sales AUR and OP Sales AUR.
LY Market Sales AUR	Last year's market average unit retail value from a product segment, such as sub-category, based on the market sales actuals for the trading area. It is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis. Similar measures in other versions include: Market Sales AUR.
Market Sales AUR	Average unit retail value of any item from a product segment, such as a sub-category, calculated from market sales actuals (typically for a trading area). It is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis.
LY Sales AUR to Market Index	The ratio of last year's average unit retail value at the retailer to that of the market. Similar measures in other versions include: WP Sales AUR to Market Index.
WP Sales AUR to Market Index	The ratio of average unit retail value at the retailer in the working plan version of the category plan to that of the market.
LY Promo Sales AUR	Last year's average unit retail value from promotional sales of a product segment, such as a sub-category. Similar measures in other versions include: WP Promo Sales AUR.

**Table 4–35 (Cont.) 2. Review Price and Promo Effectiveness Measures**

<b>Label</b>	<b>Definition</b>
LY Market Promo Sales AUR	Last year's average unit retail value of any item in a product segment, such as a sub-category, from its promotional sales actuals in the market (trading area). This data is sourced from third-party syndicate data suppliers. Similar measures in other versions include: Market Promo Sales AUR.
Market Promo Sales AUR	Average unit retail value of any item in a product segment, such as a sub-category, from its promotional sales in the market (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	The ratio between last year's average unit retail from promotional sales at the retailer to that of the market. Similar measures in other versions include: WP Promo Sales AUR to Market Index.
WP Promo Sales AUR to Market Index	The ratio of average unit retail value from promotional sales at the retailer in the working plan version of the category plan to that of the market.
LY Sales R	Last year's sales retail value actuals from the merchandise. Similar measures in other versions include: WP Sales R and OP Sales R.
LY Promo Sales R	Last year's promotional sales retail value actuals. Similar measures in other versions include: WP Promo Sales R and OP Promo Sales R.
LY Market Sales R	Last year's sales retail value actuals from a product segment, such as a sub-category, in the market (trading area). This information is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis. Similar measures in other versions include: Market Sales R.
Market Sales R	The sales retail value from a product segment, such as a sub-category, in the market (trading area). 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 from a product segment, such as a sub-category, for the market (trading area). This information is sourced from third parties providing syndicated data such as Nielsen, IRI, and so on, on a quarterly basis. Similar measures in other versions include: Market Promo Sales R.
Market Promo Sales R	Promotional sales retail from a product segment, such as a sub-category, for the market (trading area). 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. Similar measures in other versions include: WP Gross Profit R and OP Gross Profit R.
LY Gross Profit %	Last year's gross profit percentage actuals from the merchandise. Similar measures in other versions include: WP Gross Profit % and OP Gross Profit %.

### 3. Review Average Movement View

This view presents average sales movement of a sub-category, over a period of time. It can be used to identify the seasonality of the merchandise and review the effect of promotions on it. This information is best seen as a line chart.

**Figure 4–45 3. Review Average Movement View**

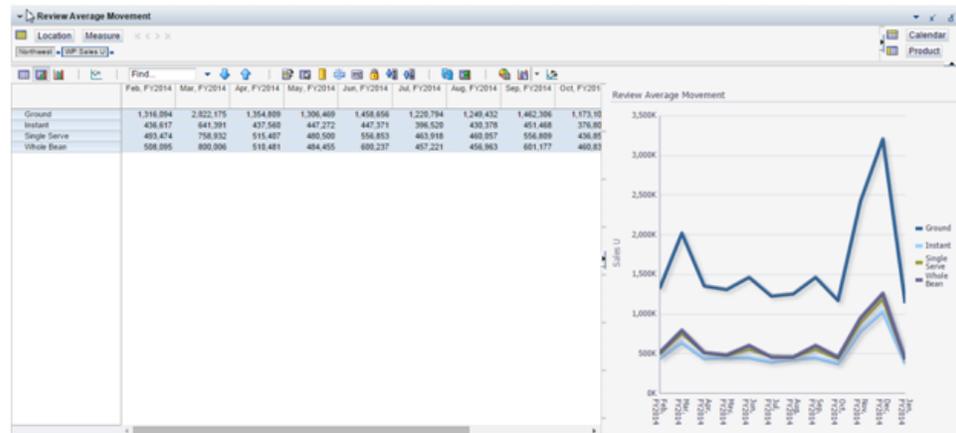


Table 4–36 lists the measure available in this view.

**Table 4–36 3. Review Average Movement Measure**

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

#### 4. Review Space Effectiveness View

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

**Figure 4–46 4. Review Space Effectiveness View**

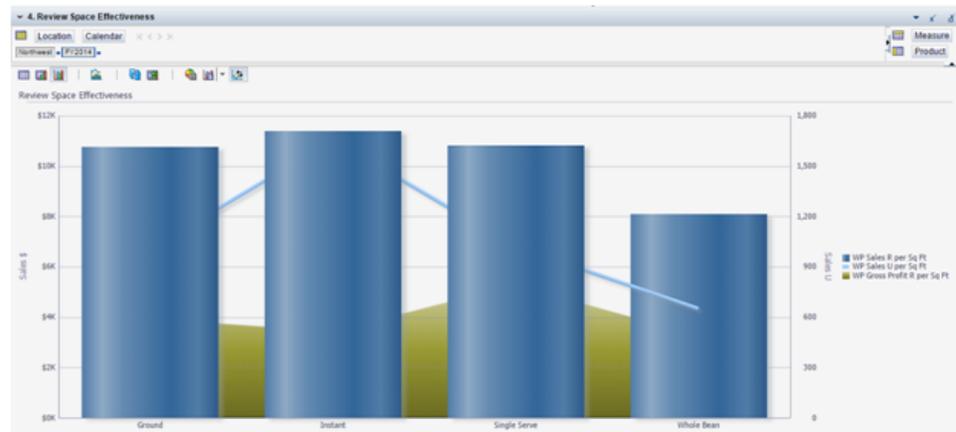


Table 4–37 lists the measures available in this view.

**Table 4–37 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 category.
Total #of Facings	The number of facings allocated to a sub-category or category.

**Table 4–37 (Cont.) 4. Review Space Effectiveness Measures**

Label	Definition
Total Shelf Capacity	The total number of units' of a sub-category's or a category's merchandise that can fit into the space allocated to it.
WP Sales R per Sq Ft	The sales retail value per square feet for a product segment, such as a sub-category, in the working plan version of the category plan. It is calculated by dividing sales retail value by the area (or space in square feet) allocated to that particular segment.
WP Sales U per Sq Ft	The sales units per square feet for a product segment, such as a sub-category, in the working plan version of the category plan. It is calculated by dividing sales units by the area (or space in square feet) allocated to that particular segment.
WP Gross Profit R per Sq Ft	The gross profit retail value per square feet for a product segment, such as a sub-category, in the working plan version of the category plan. It is calculated by dividing gross profit retail value by the area (or space in square feet) allocated to that particular segment.
WP Sales contrib to Total Category R	The contribution percentage of a sub-category's sales retail value to the category.
WP Sales contrib to Total Category U	The contribution percentage of a sub-category's sales units to the category.
WP Gross Profit contrib to Total Category R	The contribution percentage of a sub-category's gross profit retail value to the category.

### 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 by selecting a value from the drop-down list. Tactics are assigned per the role and strategy assigned to the product category and sub-category. They are a set of actions to be implemented to achieve the set role and strategy. These actions are assigned to a sub-category in the form of changes to assortment or product-mix, inventory-holding, pricing of products, type of promotions to be run, and the space that needs to be allocated.

Appropriate assignment and thorough implementation of tactics determines the success of the category plan in achieving the desired business results.

**Figure 4–47 Assign Category Tactics View**

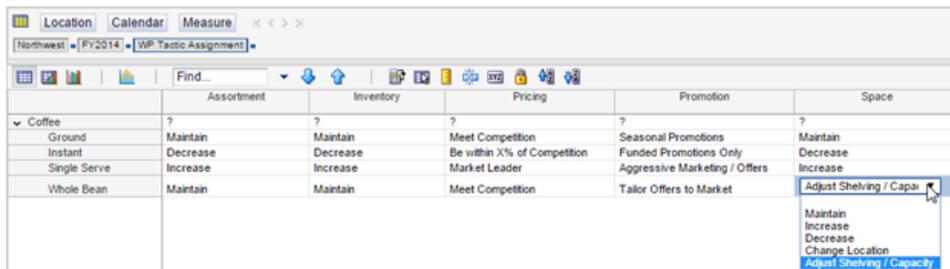


Table 4–38 lists the measure available in this view.

**Table 4–38 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 which brings a change to 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 targets in terms of various retail business measures such as sales, gross profit, and inventory parameters at the category and sub-category level. This step also provides a facility to initially seed the category plan sales using LY data using the Seed Sales custom menu option. These targets are further defined as Private Label Targets and Promo Sales Targets.

On approval, the category plan is shared with the Assortment Planning and MSO tasks in the form of target (Tgt) measures. In the Category Planning task, the approved category plan is stored as an Original Plan (OP).

This step also contains a dashboard view to see performance against targets during in-season (WP actuals in relation to OP plan versions) and benchmark them against last year's actuals (LY data).

### Prior to starting this step:

- Last year's actuals in pre-season planning context and in-season actuals (if applicable) should have been reviewed in the previous step - Category Performance Review.
- Roles, strategies, and tactics have been assigned to the category and its sub-categories.

### After completing this step:

Once an approved category plan with roles, strategies, tactics, and targets is in place, move to the Macro Space Optimization tasks to allocate space at the department and sub-category level.

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](#)

**Custom Menu Options**

This step has two custom menu:

- **Seed Sales:** This custom menu is used to seed sales in the working plan version of the category plan from last year's actuals.
- **Approve OP:** This custom menu is used to approve a working plan version of the category plan. The approved category plan is called Original Plan (OP).

**Scorecard Summary View**

Use this view to assess the performance of categories and their respective sub-categories in relation to the approved category plans. This assessment can be done at different levels, including, overall category sales, promotional sales, and private label sales level.

**Figure 4–48 Scorecard Summary Sales Measure Profile View**

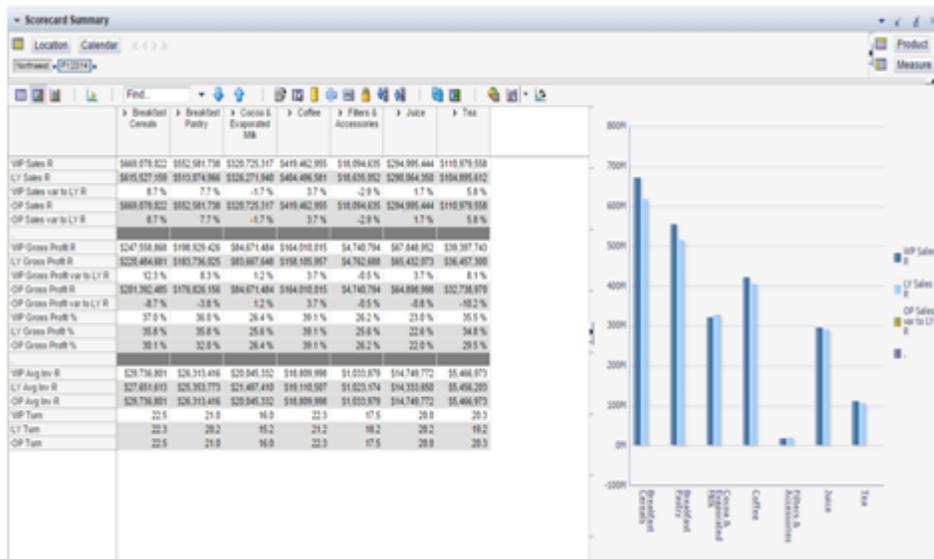


Table 4–39 lists the measures available in the Sales Measure Profile View.

**Table 4–39 Scorecard Summary Sales Measure Profile Measures**

Label	Definition
WP Sales R	The sales retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales R and OP Sales R.
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 in other versions include: OP Sales var to LY R.
WP Gross Profit R	The gross profit retail value from the merchandise in category plan's working plan version. Similar measures in other versions include: LY Gross Profit R and OP Gross Profit R.

**Table 4–39 (Cont.) Scorecard Summary Sales Measure Profile Measures**

<b>Label</b>	<b>Definition</b>
WP Gross Profit %	The gross profit percentage from the merchandise in category plan's working plan version. Similar measures in other versions include: LY Gross Profit % and OP Gross Profit %.
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. Similar measures in other versions include: OP Gross Profit var to LY R.
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. 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 or monthly basis to get an understanding of the money invested in inventory or buying merchandise. Similar measures in other versions include: LY Avg Inv R and OP Avg Inv R.
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. It reflects the speed of inventory movement. Similar measures in other versions include: LY Turn, OP Turn.
WP Promo Sales R	Promotional sales retail value in the working plan version of the category plan. Similar measures in other versions include: LY Promo Sales R and OP Promo Sales R.
WP Promo Sales contrib to WP Sales R	The promotional sales retail contribution percentage to the overall sales retail in the working plan version of the category plan. Similar measures in other versions include: LY Promo Sales contrib to LY Sales R and OP Promo Sales contrib to OP Sales R.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year's actuals. Similar measures in other versions include: OP Promo Sales var to LY R.
WP Private Label Sales R	Sales retail value from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales R and OP Private Label Sales R.
WP Private Label Sales contrib to WP Sales R	The sales retail value contribution of private label merchandise to the overall sales retail value, in percentage points, in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales contrib to LY Sales R and OP Private Label Sales contrib to OP Sales R.
WP Private Label Sales var to LY R	Variance of private label sales retail value in the working plan version of the category plan to the same in last year's actuals. Similar measures in other versions include: OP Private Label Sales var to LY R.
WP Private Label Gross Profit R	The gross profit retail value from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Gross Profit R and OP Private Label Gross Profit R.
WP Private Label Gross Profit %	The gross profit retail percentage from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Gross Profit % and OP Private Label Gross Profit %.

**Table 4–39 (Cont.) Scorecard Summary Sales Measure Profile Measures**

Label	Definition
WP Private Label Gross Profit var to LY R	Variance of private label gross profit retail value in the working plan version of the category plan to the same in last year's actuals. Similar measures in other versions include: OP Private Label Gross Profit var to LY R.

**Measure Profiles**

The Scorecard Summary view contains three measure profiles, which provide a comparison between last year actuals (LY), working plan version of the category plan (WP), and original plan (OP) or approved category plan:

- Sales - Overall sales and gross profit information for national brands and private labels.
- Promo Sales - Promotional sales in relation to overall sales.
- Private Label Sales - Sales and gross profit from private label merchandise.

**Seed Sales Tab**

This tab is used to seed and review sales.

**Review Sales View**

Use this view to review sales actuals. In the pre-season planning context, last year's sales need to be reviewed before seeding the working plan sales of the category plan.

**Figure 4–49 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 4–40 lists the measures available in this view.

**Table 4–40 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 sales in working plan version of the category plan with LY actuals. Check the Boolean flag measure, WP Seed Sales, and run the Seed Sales custom menu. Seeded sales can then be modified manually using variance measures in the subsequent views to arrive at the final category plan targets.

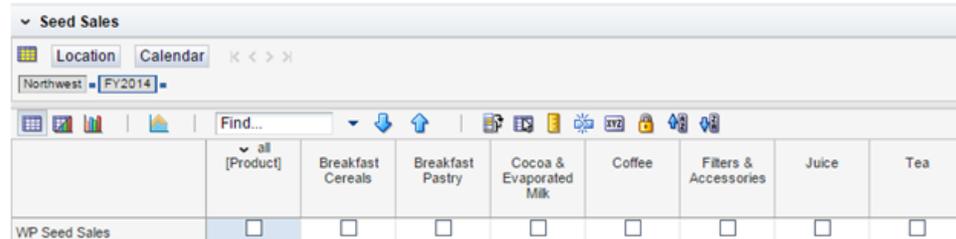


Table 4–41 lists the measures available in this view.

**Table 4–41 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 sales in the working plan version of the category plan from LY Sales.
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.

### Custom Menu

Seed Sales: This custom menu is used to populate the working plan version of the category plan using last year's sales' actuals.

## Set Sales and Profit Targets Tab

This tab has three views to set the sales and profit targets in the category plan at different levels:

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 overall sales and profit targets for the merchandise at the sub-category level in the working plan version of the category plan. Variance measures can be used in setting private label targets.

Figure 4–50 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 4–42 lists the measures available in this view.

Table 4–42 1. Set Sales and Profit Targets Measures

Label	Definition
WP Sales R	Sales retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales R and FC Sales R, OP Sales R.
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.
WP Sales contrib to Product R	The sales retail contribution percentage of a specific product segment, such as a sub-category, to its parent product segment in the product hierarchy, such as a category in the working plan version of the category plan. Similar measures in other versions include: LY Sales contrib to Product R.
WP Sales contrib to Location R	The sales retail contribution percentage of a specific product segment, such a sub-category, to a specific location, such as a trading area, in the working plan version of the category plan. Similar measures in other versions include: LY Sales contrib to Location R.
WP Sales U	Sales retail units' from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales U, Fc Sales U, and OP Sales U.

**Table 4–42 (Cont.) 1. Set Sales and Profit Targets Measures**

<b>Label</b>	<b>Definition</b>
WP Sales AUR	Average unit retail value for any item in a product segment, such as a sub-category, in the working plan version of the category plan. It reflects the average selling price of a sub-category. Similar measures in other versions include: LY Sales AUR, Fc Sales AUR, and OP Sales AUR.
WP Sales Var to LY U	The working plan's sales units' variance to the same in last year's actuals.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit R and OP Gross Profit R.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit R and OP Gross Profit R.
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.
WP Sales R per Sq Ft	Sales retail value per square feet for a product segment, such as a sub-category, in the working plan version of the category plan. It is calculated by dividing sales retail value by the area (or space in square feet) allocated to that particular segment. Similar measures in the other versions include: LY Sales R per Sq Ft.
WP Gross Profit R per Sq Ft	The gross profit retail value per square feet for a product segment, such as a sub-category, in the working plan version of the category plan. It is calculated by dividing gross profit retail value by the area (or space in square feet) allocated to that particular segment. Similar measures in the other versions include: LY Gross Profit R per Sq Ft.

## 2. Set Promo Sales Targets View

Use this view to set the promotional sales targets for the merchandise at the sub-category level. These targets are set in the working plan version of the category plan. Contribution measures can be used in setting private label targets.

**Figure 4–51 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	29,506.5 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 4–43 lists the measures available in this view.

**Table 4–43 2. Set Promo Sales Targets Measures**

Label	Definition
WP Sales R	Sales retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales R, FC Sales R, and OP Sales R.
WP Promo Sales R	Promotional sales retail value in the working plan version of the category plan. Similar measures in the other versions include: LY Promo Sales R and OP Promo Sales R.
WP Promo Sales contrib to WP Sales R	The promotional sales retail contribution percentage to the overall sales retail in the working plan version of the category plan. Similar measures in the other versions include: LY Promo Sales contrib to LY Sales R.
WP Promo Sales var to LY R	The working plan's promotional sales retail value's variance to the same in last year's actuals.
WP Sales U	Sales retail units' from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales U, Fc Sales U, and OP Sales U.

**Table 4–43 (Cont.) 2. Set Promo Sales Targets Measures**

<b>Label</b>	<b>Definition</b>
WP Sales AUR	Average unit retail value for any item in a product segment, such as a sub-category, in the working plan version of the category plan. It reflects the average selling price of a sub-category. Similar measures in other versions include: LY Sales AUR, Fc Sales AUR, and OP Sales AUR.
WP Promo Sales U	Promotional sales units in the working plan version of the category plan. Similar measures in the other versions include: LY Promo Sales U.
WP Promo Sales AUR	The average unit retail value from promotional sales of a product segment, such as a sub-category, in the working plan version of the category plan. Similar measures in other versions include: LY Promo Sales AUR.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit % and OP Gross Profit %.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit % and OP Gross Profit %.
WP Assort SKU Count	The total number of SKUs in the working plan version assortment of the category plan for the trading area. Similar measures in other versions include: LY Assort SKU Count and CP Assort SKU Count.
WP Assort Promo SKU Count	The number of SKUs to be put on promotion in the working plan version assortment of the category plan for the trading area. Similar measures in other versions include: LY Assort Promo SKU Count and OP Assort Promo SKU Count.
WP Assort Promo SKU contrib to WP Assort SKU Count	The contribution percentage in terms of number of SKUs put on promotion out of the total number of SKUs in the working plan version assortment of the category plan for the trading area. Similar measures in other versions include: LY Assort Promo SKU contrib to LY Assort SKU Count and CP Assort Promo SKU contrib to CP Assort SKU Count.
CP Assort SKU Count	The total number of SKUs in the current plan's assortment for the trading area.
CP Assort Promo SKU Count	The number of SKUs put on promotion in the current plan assortment for the trading area.
CP Assort Promo SKU contrib to CP Assort SKU Count	The contribution percentage in terms of the number of SKUs put on promotion out of the total number of SKUs in the current plan version assortment of the category plan for the trading area.

### 3. Set Private Label Targets View

Use this view to set the sales and profit targets for the private label merchandise at the sub-category level. These targets are set in the working plan version of the category plan. Contribution and variance measures can be used in setting private label targets.

Figure 4–52 3. Set Private Label Targets View

	Ground	Instant	Single Serve	Whole
LY Sales R	98,274.8 K	48,384.5 K	10,041.0 K	21,733.1 K
LY Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K
LY Private Label Sales contrib to LY Sales R	8.1 %	9.7 %	0.0 %	18.0 %
FC Sales R	98,597.2 K	48,543.8 K	10,053.1 K	21,828.3 K
WP Sales R	98,274.8 K	48,384.5 K	10,041.0 K	21,733.1 K
WP Private Label Sales R	7,950.1 K	4,694.5 K	0.0 K	3,255.6 K
WP Private Label Sales contrib to WP Sales R	8.1 %	9.7 %	0.0 %	18.0 %
WP Private Label Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %
LY Sales U	9,445,555	4,525,630	1,461,492	1,704,738
LY Sales AUR	10.40	10.69	6.87	10.63
LY Private Label Sales U	866,323	511,543	0	354,780
FC Sales U	9,473,370	4,538,509	1,463,256	1,710,222
FC Sales AUR	10.41	10.70	6.87	10.63
WP Sales U	9,445,555	4,525,630	1,461,492	1,704,738
LY Private Label Sales AUR	9.18	9.18	0.00	9.18
WP Sales AUR	10.40	10.69	6.87	10.63
WP Private Label Sales U	866,323	511,543	0	354,780
WP Private Label Sales AUR	9.18	9.18	0.00	9.18
LY Gross Profit R	26,896.8 K	11,245.7 K	3,040.4 K	5,177.2 K
LY Gross Profit %	27.4 %	23.2 %	30.3 %	28.6 %
LY Private Label Gross Profit R	3,942.3 K	2,244.2 K	0.0 K	1,898.1 K
LY Private Label Gross Profit %	49.6 %	47.8 %	0.0 %	52.2 %
WP Gross Profit R	29,586.5 K	12,370.3 K	3,344.5 K	5,694.9 K
LY Private Label Gross Profit contrib to LY Gross Profit R	14.7 %	20.0 %	0.0 %	32.8 %
WP Gross Profit %	30.1 %	25.6 %	33.3 %	31.4 %
WP Private Label Gross Profit R	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 %
WP Private Label Gross Profit contrib to WP Gross Profit R	0.0 %	0.0 %	0.0 %	0.0 %
WP Private Label Gross Profit var to LY R	-100.0 %	-100.0 %	0.0 %	-100.0 %
LY Assort SKU Count	0	0	0	0
LY Assort Private Label SKU Count	0	0	0	0
LY Assort Private Label SKU contrib to LY Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %
WP Assort SKU Count	0	0	0	0
WP Assort Private Label SKU Count	0	0	0	0
WP Assort Private Label SKU contrib to WP Assort SKU Count	0.0 %	0.0 %	0.0 %	0.0 %

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

Table 4–44 3. Set Private Label Targets Measures

Label	Definition
WP Sales R	Sales retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales R, FC Sales R, and OP Sales R.
WP Private Label Sales R	Sales retail value from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales R and OP Private Label Sales R.
WP Private Label Sales contrib to WP Sales R	The sales retail value contribution percentage of private label merchandise to the overall sales retail value in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales contrib to LY Sales R.
WP Private Label Sales var to LY R	Variance in sales retail value from private label merchandise in the working plan version of the category plan to last year's actuals.

**Table 4–44 (Cont.) 3. Set Private Label Targets Measures**

<b>Label</b>	<b>Definition</b>
WP Sales U	Sales retail units from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Sales U, Fc Sales U, and OP Sales U.
WP Sales AUR	Average unit retail value for any item in a product segment, such as a sub-category, in the working plan version of the category plan. It reflects the average selling price of a sub-category. Similar measures in other versions include: LY Sales AUR, Fc Sales AUR, and OP Sales AUR.
WP Private Label Sales U	Sales retail units from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales U and OP Private Label Sales U.
WP Private Label Sales AUR	Average unit retail value of any private label item in a product segment, such as a sub-category in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Sales AUR and OP Private Label Sales AUR.
WP Gross Profit R	The gross profit retail value from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit R and OP Gross Profit R.
WP Gross Profit %	The gross profit percentage from the merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Gross Profit R and OP Gross Profit R.
WP Private Label Gross Profit R	The gross profit retail value from private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Gross Profit R and OP Private Label Gross Profit R.
WP Private Label Gross Profit %	The gross profit retail percentage of private label merchandise in the working plan version of the category plan. Similar measures in other versions include: LY Private Label Gross Profit % and OP Private Label Gross Profit %.
WP Private Label Gross Profit contrib to WP Gross Profit R	The gross profit retail contribution percentage of private label items to the overall gross profit retail of the working plan of the category plan. Other measures in similar versions include: LY Private Label Gross Profit contrib to LY Gross Profit R.
WP Private Label Gross Profit var to LY R	Variance of private label gross profit retail value in the working plan version of the category plan to the same in last year's actuals. Similar measures in other versions include: OP Private Label Gross Profit var to LY R.
WP Assort SKU Count	The total number of SKUs in the working plan version assortment of the category plan for the trading area. Similar measures in other versions include: LY Assort SKU Count and CP Assort SKU Count.
WP Assort Private Label SKU Count	The number of private label SKUs in the working plan version assortment of the category plan for the trading area. Similar measures in other versions include: LY Assort Private Label SKU Count and CP Assort Private Label SKU Count.
WP Assort Private Label SKU contrib to WP Assort SKU Count	The contribution percentage in terms of the number of private label SKUs to the total number of SKUs in the working plan version of the category plan. Similar measures in other versions include: LY Assort Private Label SKU contrib to LY Assort SKU Count and CP Assort Private Label SKU contrib to CP Assort SKU Count.

**Table 4–44 (Cont.) 3. Set Private Label Targets Measures**

Label	Definition
CP Assort SKU Count	The total number of SKUs in the current plan version assortment of the category plan for the trading area.
CP Assort Private Label SKU Count	The number of private label SKUs in the current plan assortment of the category plan for the trading area.
CP Assort Private Label SKU contrib to CP Assort SKU Count	The contribution percentage in terms of number of private label SKUs to the total number of SKUs in the current plan version assortment of the category plan for the trading area.

## Set Inventory Targets Tab

This tab has one view to set the inventory targets in the category plan.

### Set Inventory Targets View

Use this view to set the inventory targets at the sub-category level.

**Figure 4–53 Set Inventory Targets View**

	Coffee	Ground	Instant	Single Serve	Whole
LY Avg Inv R	8,662.5 K	4,264.5 K	881.4 K	1,596.8 K	1,919.8 K
WP Avg Inv R	56,789.0 K	14,197.3 K	14,197.3 K	14,197.3 K	14,197.3 K
OP Avg Inv R	56,789.0 K	14,197.3 K	14,197.3 K	14,197.3 K	14,197.3 K
LY Turn	58.0	58.1	58.4	57.7	58.1
WP Turn	8.9	17.4	3.6	6.5	7.9
OP Turn	1.7	3.4	0.7	1.3	1.5

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

**Table 4–45 Set Inventory Targets Measures**

Label	Definition
WP Avg Inv R	Average inventory retail value or stock retail value to be carried by a product segment, such as a sub-category, at any point in time in a given planning period, per the working plan version of the category plan. It represents an average retail value of merchandise bought, received, and carried by the retailer before it gets sold at any point in time. It is calculated on a weekly or monthly basis to get an understanding of the money invested in inventory or buying merchandise. Similar measures in other versions include: LY Avg Inv R and OP Avg Inv R.
WP Turn	Inventory turns of a product segment, such as a sub-category, in the working plan version of the category plan. It is the number of times the average inventory carried can be sold over a planning period. In other words, it reflects the speed of inventory movement. Similar measures in other versions include: LY Turn and OP Turn.

## Approve Tab

Use this tab to approve the category plan.

### Approve Assortment Strategies, Tactics, and Scorecard View

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. Enter approval comments, as required. Commit the workbook changes.

On approval, the working plan version category plan targets, roles, strategies, and tactics get copied to the Original Plan (OP) version of the category plan, which is directly committed to the database. The approved category plan or original plan is shared with the Assortment Planning and Macro Space Optimization tasks in the form of targets. It is time-stamped and includes user information.

This view exists at the following hierarchy levels or higher:

- Category
- Trading Area
- Quarter

**Figure 4–54 Approve Assortment Strategies**

	WP Approve to OP	WP Approve to OP Comment
▼ all [Product]	<input type="checkbox"/>	
Breakfast Cereals	<input type="checkbox"/>	
Breakfast Pastry	<input type="checkbox"/>	
Cocoa & Evaporated	<input type="checkbox"/>	
Coffee	<input type="checkbox"/>	
Filters & Accessories	<input type="checkbox"/>	
Juice	<input type="checkbox"/>	
Tea	<input type="checkbox"/>	

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

**Table 4–46 Approve Assortment Strategies, Tactics, and Scorecard Measures**

Label	Definition
WP Approve to OP	A Boolean measure that needs to be checked to approve a working plan version of the category plan. The approved category plan version is known as original plan (OP).
WP Approve to OP Comment	A free text field to enter the approver's comments, which are shared along with the approved category plan.
WP Approve OP Date	The date of approval of a working plan version of the category plan.
WP Approve to OP By	The approver's ID used to approve a working plan version of the category plan.



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## 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 the Category Management process to allocate optimum space to a department or sub-category. Just as with merchandise buying budgets, space is a key resource. It has a cost associated to it and needs to be used efficiently.

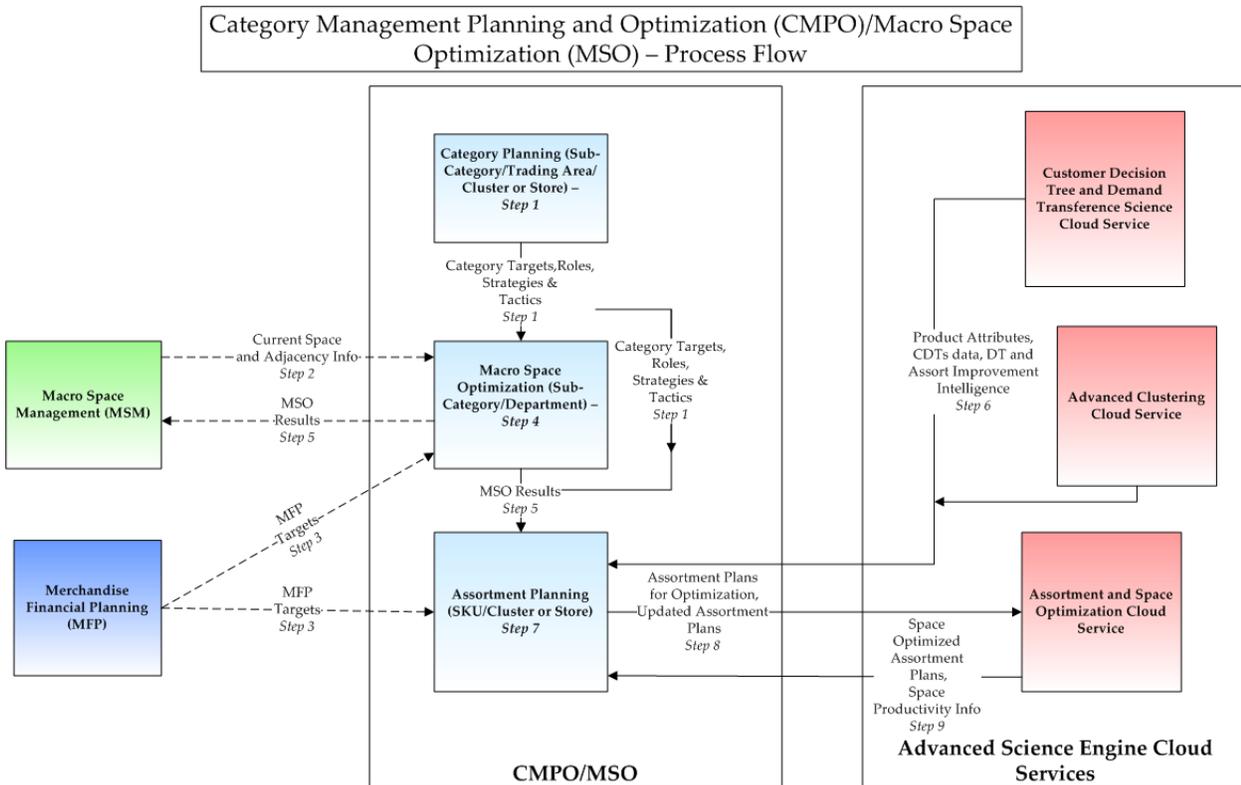
In the context of MSO, space refers to the floor area, fixture-space, and shelf-space at the stores used to display merchandise in the selling area. The unit of measure for space can be linear units (feet, meters, and so on), square units (square feet, square meters, and so on), or cubic units (cubic 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 Planning and Optimization/Macro Space Optimization 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 through an analytical engagement at the time of implementation.

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.

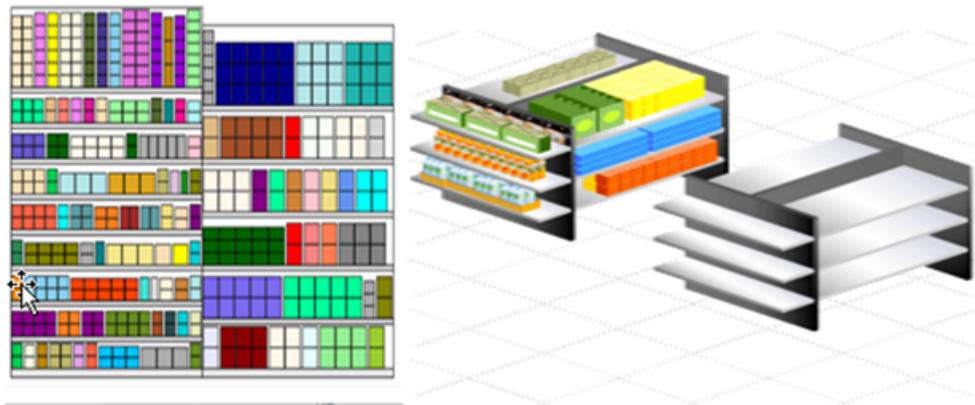
For more information on Space Profit tables, see "[Manage MSO Tables Step](#)" in [Chapter 3](#).

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 electronics 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, the ASO Cloud Service 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 meters). 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:

- 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.

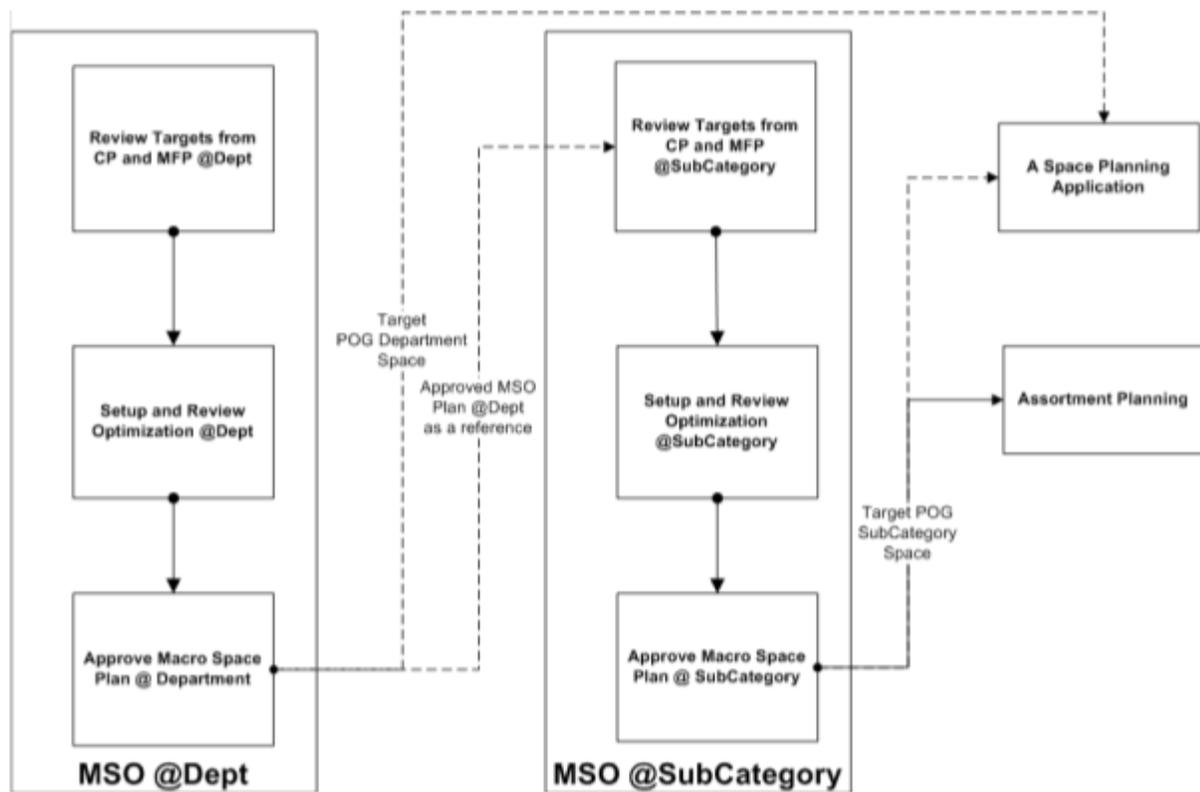
In general, the MSO process at both the POG department and POG sub-category levels consists of the following steps:

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:

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 Cloud Service process.

Figure 5–3 Macro Space Optimization Process Flow



This task has the following steps:

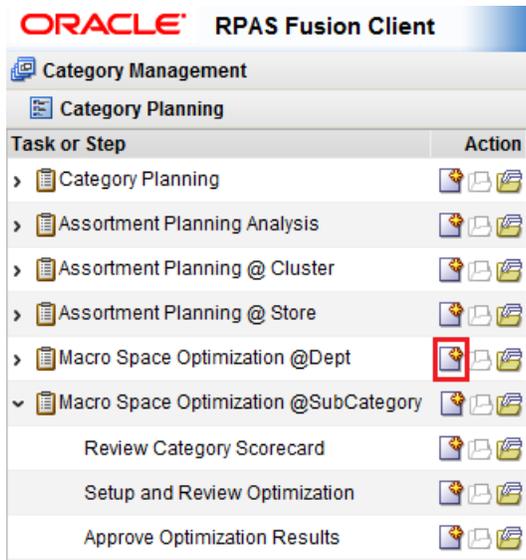
- [Review Category Scorecard Step](#)
- [Set Up and Review Optimization Step](#)
- [Approve Optimization Results Step](#)

## Create the Macro Space Optimization @Dept Workbook

To create the workbook:

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

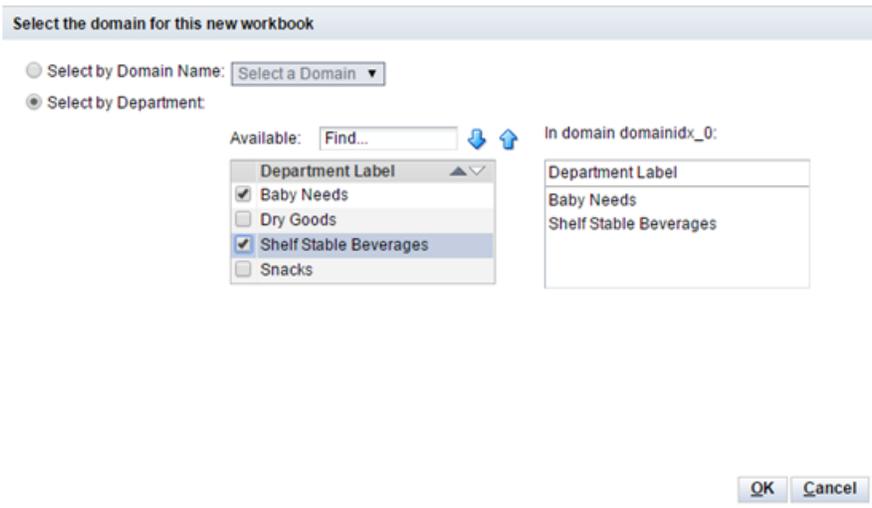
**Figure 5–4 Macro Space Optimization @Dept Task**



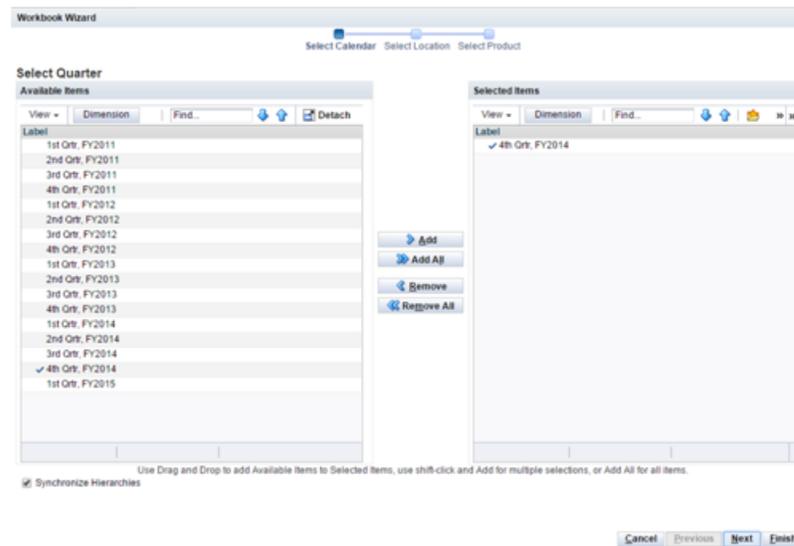
The workbook wizard opens.

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

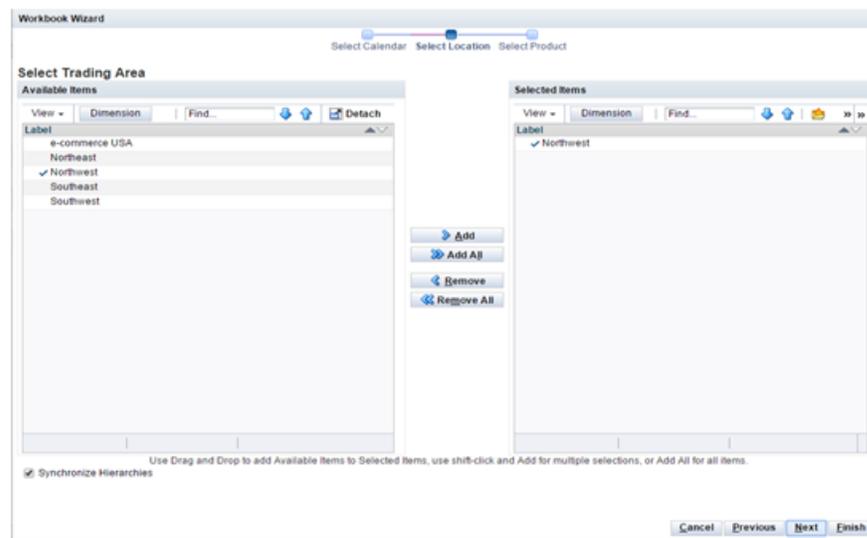
**Figure 5–5 Workbook Wizard Select Domain or Departments Page**



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 CMPO.
- 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 CMPO and MFP application.

**Figure 5–8 Review Category Scorecard @Dept View**

	Baby	Bakery	Beverages	Drygoods	Fresh	Frozen	Health & Beauty	Household	Newsstand	Pet Care
WP Transform PROD to POG	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
MD WP Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
MD MFP Sales R	0.0 K	0.0 K	195,514.5 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Sales R	0.0 K	0.0 K	181,536.1 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
MD LY Sales R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
MD WP Sales U	0	0	0	0	0	0	0	0	0	0
MD MFP Sales U	0	0	34,405,491	0	0	0	0	0	0	0
OP Sales U	0	0	17,420,399	0	0	0	0	0	0	0
MD LY Sales U	0	0	0	0	0	0	0	0	0	0
MD WP Sales AUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MD MFP Sales AUR	0.00	0.00	5.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OP Sales AUR	0.00	0.00	10.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MD LY Sales AUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MD WP Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
MD MFP Gross Profit R	0.0 K	0.0 K	45,687.5 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Gross Profit R	0.0 K	0.0 K	69,410.9 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
MD LY Gross Profit R	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Promo Sales R	0.0 K	0.0 K	43,110.1 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Promo Sales U	0	0	5,434,174	0	0	0	0	0	0	0
OP Promo Sales AUR	0.00	0.00	7.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OP Private Label Sales R	0.0 K	0.0 K	83,836.1 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K
OP Private Label Sales U	0	0	6,683,018	0	0	0	0	0	0	0
OP Private Label Sales AUR	0.00	0.00	12.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OP Private Label Gross Profit R	0.0 K	0.0 K	-0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K	0.0 K

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**

<b>Label</b>	<b>Description</b>
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 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**

<b>Label</b>	<b>Description</b>
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**

<b>Label</b>	<b>Description</b>
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. The Recommended Space for a Locked POG Department is the Current Space for that Department.
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. The Recommended Gross Profit for Locked POG Departments is the Profit from the POG Profit table that corresponds to the closest POG Space table entry to that locked department's Current Space.

### **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**

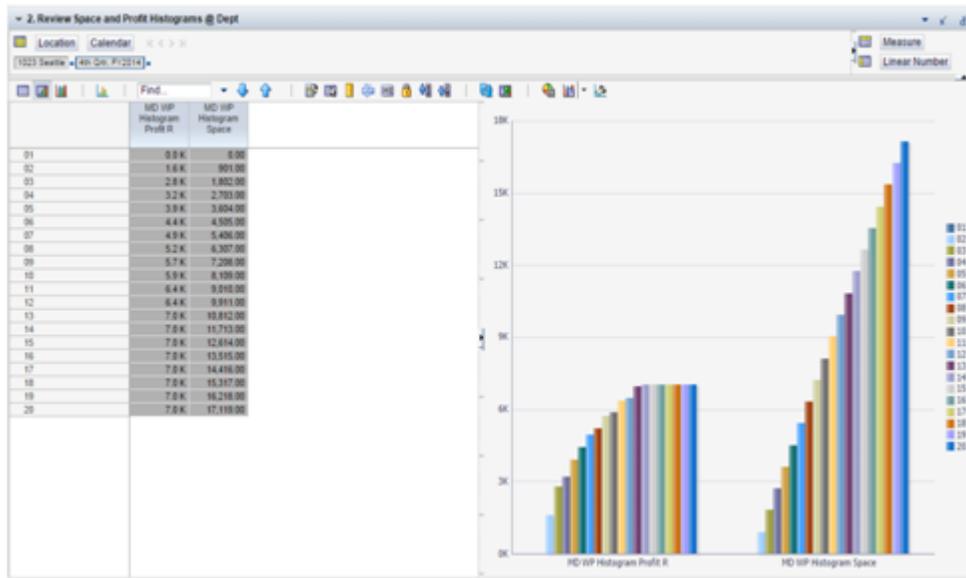


Table 5–3 lists the measures available on this view.

**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.

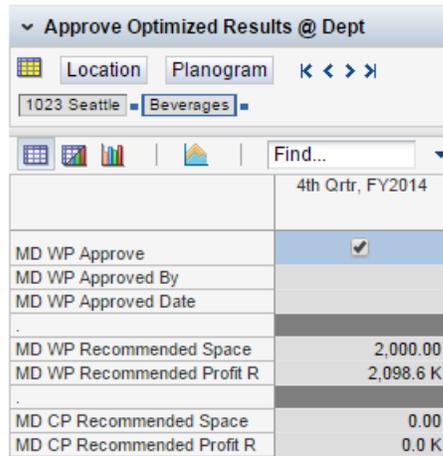
## Approve Optimization Results @Dept View

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**



4th Qtr, FY2014	
MD WP Approve	<input checked="" type="checkbox"/>
MD WP Approved By	
MD WP Approved Date	
MD WP Recommended Space	2,000.00
MD WP Recommended Profit R	2,098.6 K
MD CP Recommended Space	0.00
MD CP Recommended Profit R	0.0 K

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.



## 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.

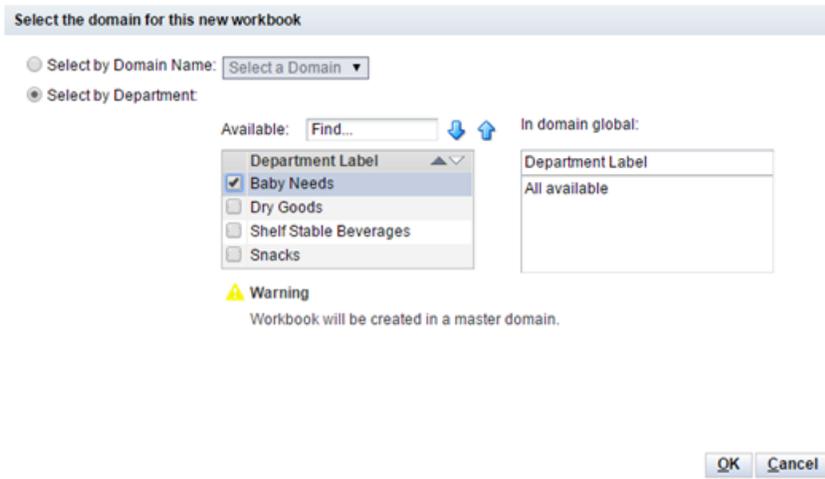
**Figure 6–1** Macro Space Optimization @Sub-Category Task



The workbook wizard opens.

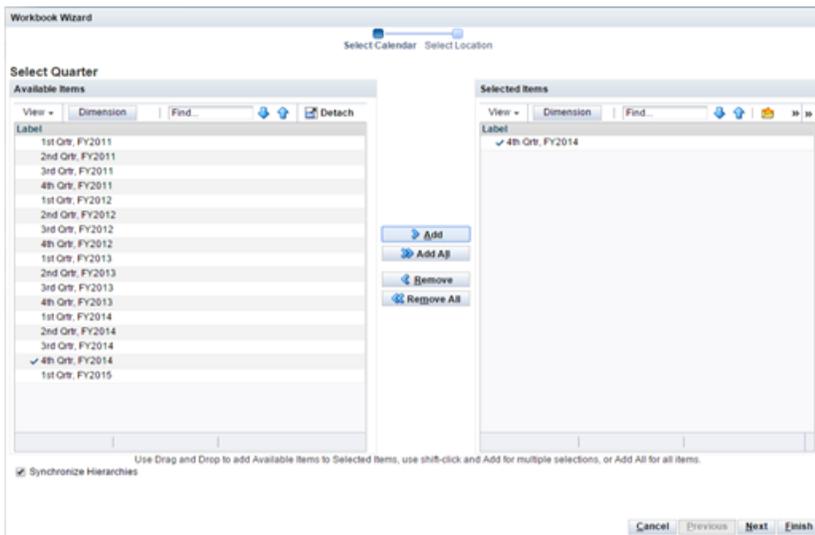
2. Select the domain name or departments and move it to the Selected Items box. Click **Next**.

**Figure 6–2 Workbook Wizard Select Domain or Departments Page**

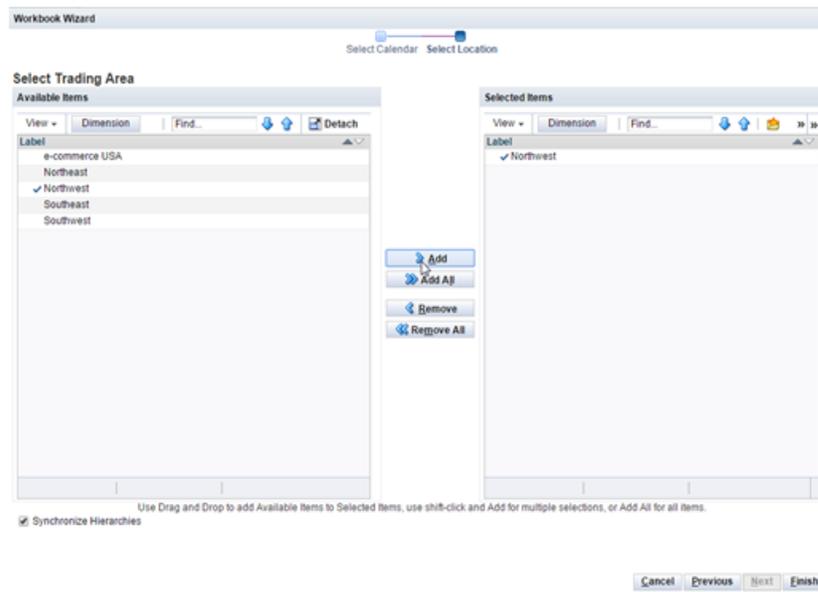


3. Select the quarter and move it to the Selected Items box. Click **Next**.

**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 CMPO.

- 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

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 CMPO and the MFP application.

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

	all (Planogram)	Beer & Cider	Bottled Water	Coffee	Juice	Milk Drinks	Soft Drinks	Spirits	Tea	Wine
WP Transform PROD to POG	<input type="checkbox"/>									
OP Assigned Role - Industry Model A	Destination			Destination		Destination				
OP Strategy Assignment	Cash Gen...			Cash Gen...		Cash Gen...				
OP Assigned Role - Industry Model B	Flagship			Flagship		Flagship				
OP Tactic Assignment	Maintain			Maintain		Maintain				
MS WP Sales R	1,714.4 K	0.0 K	0.0 K	1,711.0 K	3.4 K	0.0 K				
MS MFP Sales R	1,714.4 K	0.0 K	0.0 K	1,711.0 K	3.4 K	0.0 K				
MS WP Sales U	0	0	0	0	0	0	0	0	0	0
OP Sales R	3,099.0 K	0.0 K	0.0 K	3,092.8 K	6.2 K	0.0 K				
MS LY Sales R	0.0 K									
MS MFP Sales U	151,703	0	0	151,400	302	0	0	0	0	0
OP Sales U	272,566	0	0	272,043	543	0	0	0	0	0
MS LY Sales U	0	0	0	0	0	0	0	0	0	0
MS WP Sales AUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS MFP Sales AUR	11.30	0.00	0.00	11.30	11.30	0.00	0.00	0.00	0.00	0.00
OP Sales AUR	11.37	0.00	0.00	11.37	11.37	0.00	0.00	0.00	0.00	0.00
MS LY Sales AUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS WP Gross Profit R	1.0 K	0.0 K	0.0 K	0.7 K	0.3 K	0.0 K				
MS MFP Gross Profit R	444.6 K	0.0 K	0.0 K	443.7 K	0.9 K	0.0 K				
OP Gross Profit R	1,260.6 K	0.0 K	0.0 K	1,258.1 K	2.5 K	0.0 K				
MS LY Gross Profit R	0.0 K									
OP Promo Sales R	722.6 K	0.0 K	0.0 K	721.2 K	1.4 K	0.0 K				
OP Promo Sales U	83,018	0	0	82,852	165	0	0	0	0	0
OP Promo Sales AUR	8.70	0.00	0.00	8.70	8.70	0.00	0.00	0.00	0.00	0.00
OP Private Label Sales R	1,423.9 K	0.0 K	0.0 K	1,421.1 K	2.8 K	0.0 K				
OP Private Label Sales U	98,955	0	0	98,758	197	0	0	0	0	0
OP Private Label Sales AUR	14.39	0.00	0.00	14.39	14.39	0.00	0.00	0.00	0.00	0.00
OP Private Label Gross Profit R	61.3 K	0.0 K	0.0 K	61.2 K	0.1 K	0.0 K				

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**

<b>Label</b>	<b>Description</b>
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**

<b>Label</b>	<b>Description</b>
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 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**

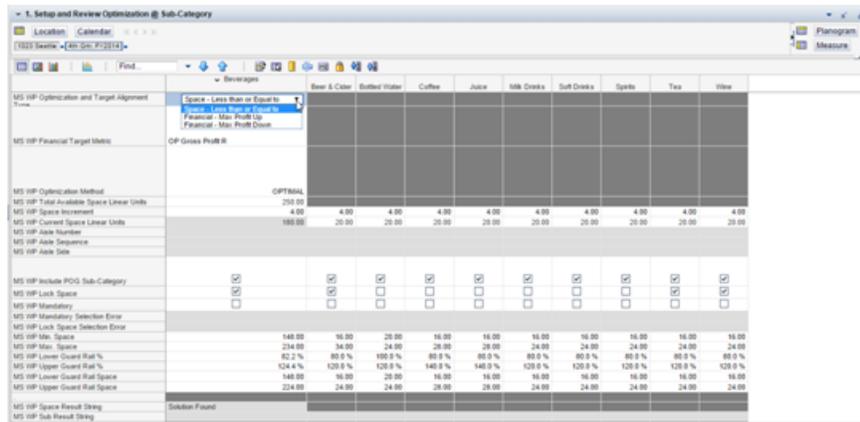


Table 6–2 lists the measures available in this view.

**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 <a href="#">Figure 6–7</a> .
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 <a href="#">Figure 6–7</a> .

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

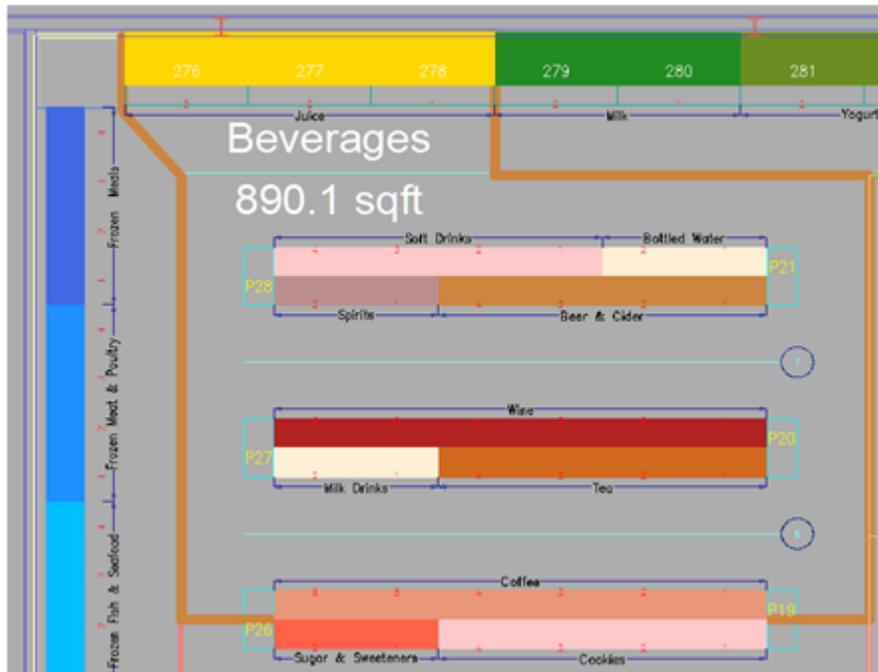
<b>Label</b>	<b>Description</b>
MS WP Include POG Sub-Category	Flag measure used to mark the POG Sub-Categories which should participate in MSO for space allocation.
MS WP Lock Space	Flag measure used to lock space for a POG Sub-Category in the MSO run. It is used to maintain the current space allotted 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. The Recommended Space for a Locked POG Sub-Category is the Current Space for that Sub-Category.
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. The Recommended Gross Profit for Locked POG Sub-Category is the Profit from the POG Profit table that corresponds to the closest POG Space table entry to that locked sub-category's Current Space.

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

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

	Aisle Number	Aisle Position Sequence	Aisle Side
Patisseries	7	1	Left
Cakes & Tarts	7	2	Left
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 recommends 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 allocate 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**

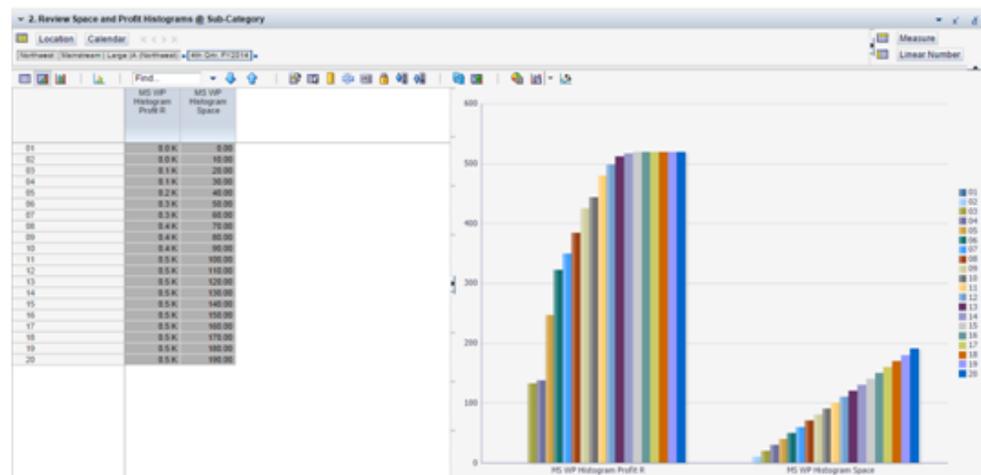


Table 6–4 lists the measures available in this view.

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

<b>Label</b>	<b>Description</b>
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 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. 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**

Approve Optimized Results @ Sub-Category	
Location	Planogram
1023 Seattle	Beer & Cider
4th Qtr, FY2014	
MS WP Approve	<input checked="" type="checkbox"/>
MS WP Approved By	
MS WP Approved Date	
MS WP Recommended Space	20.00
MS WP Recommended Profit R	0.0 K
MS CP Recommended Space	0.00
MS CP Recommended Profit R	0.0 K

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.



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## 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, consumer segment, and market perspective.

Consumer insights, based on household panel data and customer loyalty data, are core to this task. This task also presents a comparison of the retailer's performance in relation to competitors and the market place as a whole.

Household panel data and market data is sourced from external market providers such as include Nielsen, Symphony IRI, Acxiom, and FICO.

This task facilitates the following:

- Analyzing current assortments
- Determining the appropriate market coverage for assortments
- Rationalizing the assortment by validating necessary add, drop, and keep assortment decisions
- Quantifying the assortment decisions

Assortment clusters (or simply referred to as clusters), received from the Advanced Clustering (AC) Cloud Service, ensure that assortments are tailored to specific markets and primary/target consumer segments. Stores are pre-clustered or grouped into assortment clusters based on various parameters such as consumer segment profiles, store attributes, performance attributes, product attributes, and so on.

Note that it is possible to feed these clusters from external sources as well.

This task also presents targets and recommendations from different sources in the form of the following:

- Category roles, strategies, tactics, and category plan financial targets from the Category Planning task.
- MFP targets from the Oracle Retail Merchandise Financial Planning (MFP) solution.
- Allocated space and gross profit recommendations from the Macro Space Optimization @Sub-Category task.

Key analyses under this step:

- Fragmentation Analysis:
  - Provides an insight into the distribution or spread of sales in relation to SKU count, presented per pre-defined breakpoints. Sales units and sales retail value can be selected as key performance indicators.

- Helps answer the question: How many SKUs represent 50% of category sales, 75% of category sales, and so on. A highly fragmented category or sub-category indicates that 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 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:**
  - Item contribution analysis is similar to fragmentation analysis, but is an inverse of it.
  - It considers a certain percentage of items from the assortment, based on pre-defined breakpoints, and looks at the corresponding sales contribution. Again, sales units and sales retail value can be selected as key performance indicators.
  - It helps identify the percentage of items contributing to 50% of category sales or 75% of category sales and so on. For example, 50 percent of SKUs contribute to 80 percent of sales.

## Create the Assortment Planning Analysis Workbook

To create the workbook:

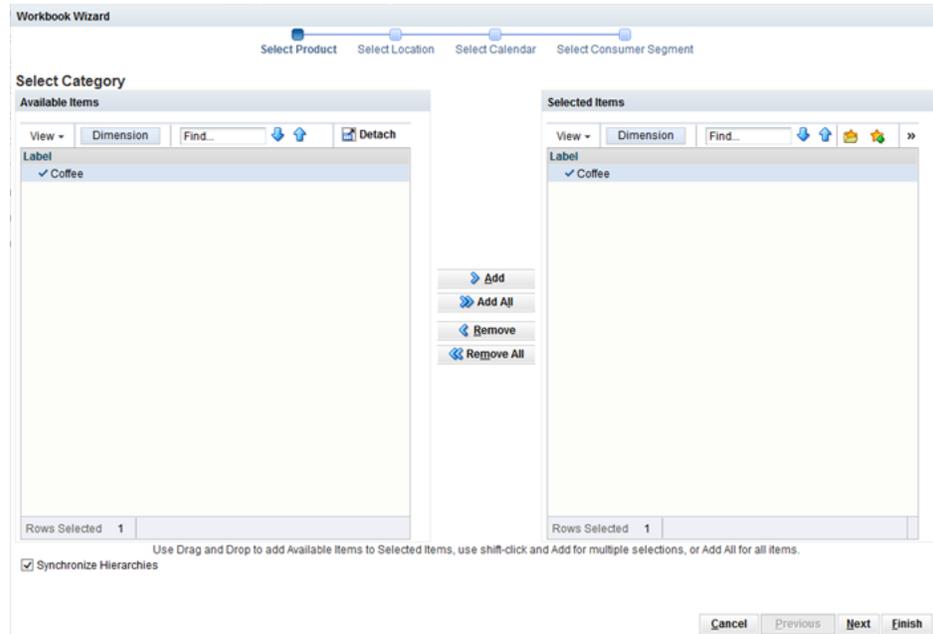
1. Select the **New Workbook** icon in the Assortment Planning Analysis task.

**Figure 7-1 Assortment Planning Analysis Task**



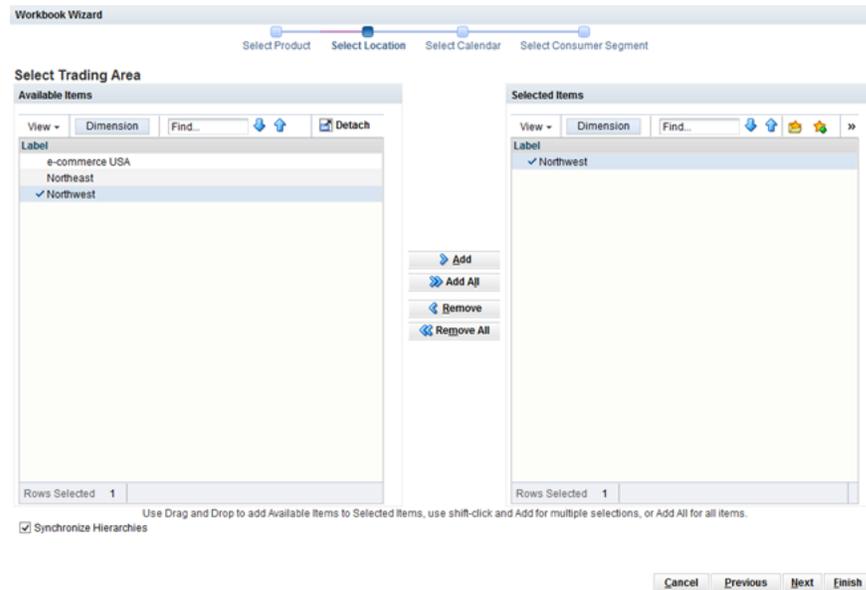
2. Select only one category and move it to the Selected Items box. Click **Next**.

**Figure 7–2 Workbook Wizard Select Category Page**



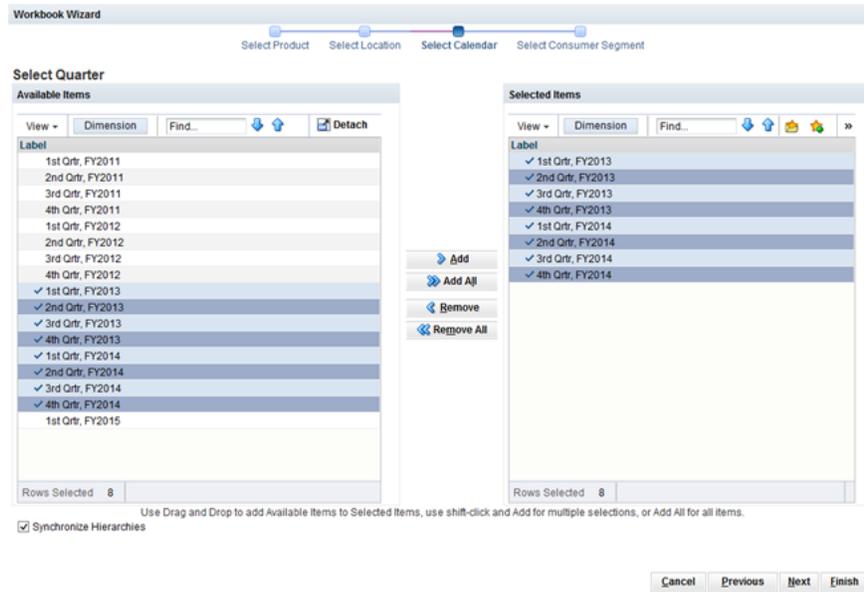
3. Select the trading areas and move them to the Selected Items box. Click **Next**.

**Figure 7–3 Workbook Wizard Select Trading Area Page**



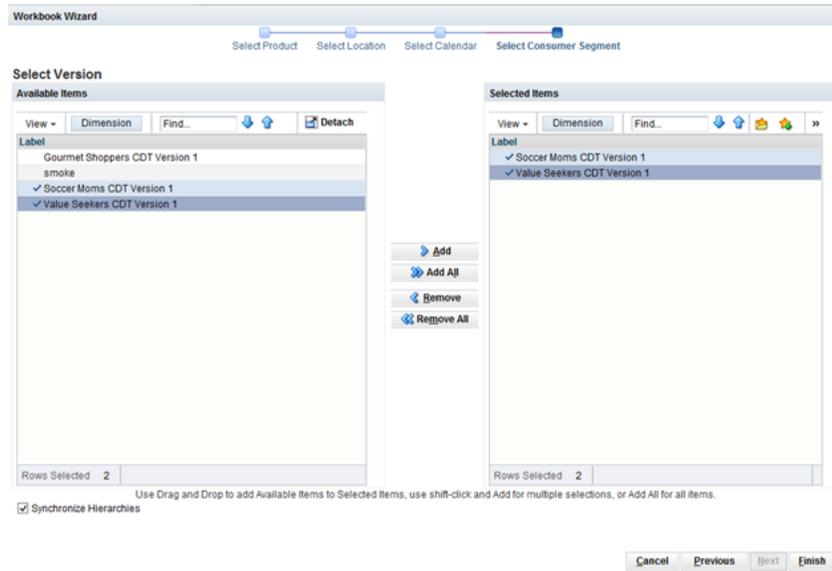
4. Select the quarters and move them to the Selected Items box. Click **Next**.

**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.

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**Note:** Three tasks in the workflow, Assortment Planning Analysis, Assortment Planning @Cluster, and Assortment Planning @Store, share the same workbook.

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## 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 forecasts, 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.

### Prior to starting this step:

- Retailer's actuals data should be uploaded in the form of LY data and WP data (specifically in the in-season planning context).
- An approved category plan and macro space optimization recommendations should be in place.
- MFP targets from Merchandise Financial Planning should have been imported.
- Customer Decision Trees (CDTs) should be set up in the Category Management Administration task.

### After completing this step:

Once performance analyses of retailer's business has been completed, move to the Market Analysis step.

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 of each product (item/SKU) or product segment (sub-category or a CDT segment) to its respective category at the cluster level and above. Actuals data for elapsed periods (WP data in the in-season context and LY data) and planned values for future periods are presented in this view.

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**Note:** [Figure 7-6](#) is presented on a CDT hierarchy.

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**Figure 7-6 Sales and Gross Profit Analysis View**

		all [Calendar]	1st Qtr, FY2014	2nd Qtr, FY2014	3rd Qtr, FY2014	4th Qtr, 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 or a CDT segment) towards the overall gross profit of the category. Similar measures in other versions include: LY Segment % Share of Category Profit and CP Segment % Share of Category Profit.
WP Avg. Profit per Item R	The average gross profit retail per item in the working plan assortment for the cluster. Similar measures in other versions include: LY Avg. Profit per Item R and CP Avg. Profit per Item R.
WP Avg. Sales per Item R	The average sales retail per item in the working plan assortment for the cluster. Similar measures in other versions include: LY Avg. Sales per Item R and CP Avg. Sales per Item R.
WP Avg. Sales per Item U	The average sales units per item in the working plan assortment for the cluster. Similar measures in other versions include: LY Avg. Sales per Item U and CP Avg. Sales per Item U.
WP Profit Productivity Index	An index to average measure to gauge the relative profit productivity (or profit contribution) of a SKU or a product segment (sub-category or a CDT segment) within a category's working plan assortment compared to the rest. It is calculated by dividing gross profit retail value per SKU with average gross profit retail value per SKU for the entire category. Similar measures in other versions include: LY Profit Productivity Index and CP Profit Productivity Index.

**Table 7-1 (Cont.) Sales and Gross Profit Analysis Measures**

Label	Definition
WP Sales Productivity Index	An index to average measure to gauge the relative sales productivity (or sales contribution) of a SKU or a product segment (sub-category or a CDT segment) within a category's working plan assortment compared to the rest. It is calculated by dividing gross profit retail value per SKU with average gross profit retail value per SKU for the entire category. Similar measures in other versions include: LY Sales Productivity Index and CP Sales Productivity Index.
WP Sales contrib to Total Category R	The sales retail value contribution percentage of an item or a product segment (like a sub-category or a CDT segment) to the category in the working plan assortment. Similar measures in other versions include: LY Sales contrib to Total Category R and CP Sales contrib to Total Category R.
WP Sales contrib to Total Category U	The sales units' contribution percentage of an item or a product segment (such as a sub-category or a CDT segment) to the category in the working plan assortment. Similar measures in other versions include: LY Sales contrib to Total Category U and CP Sales contrib to Total Category U.

## 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**

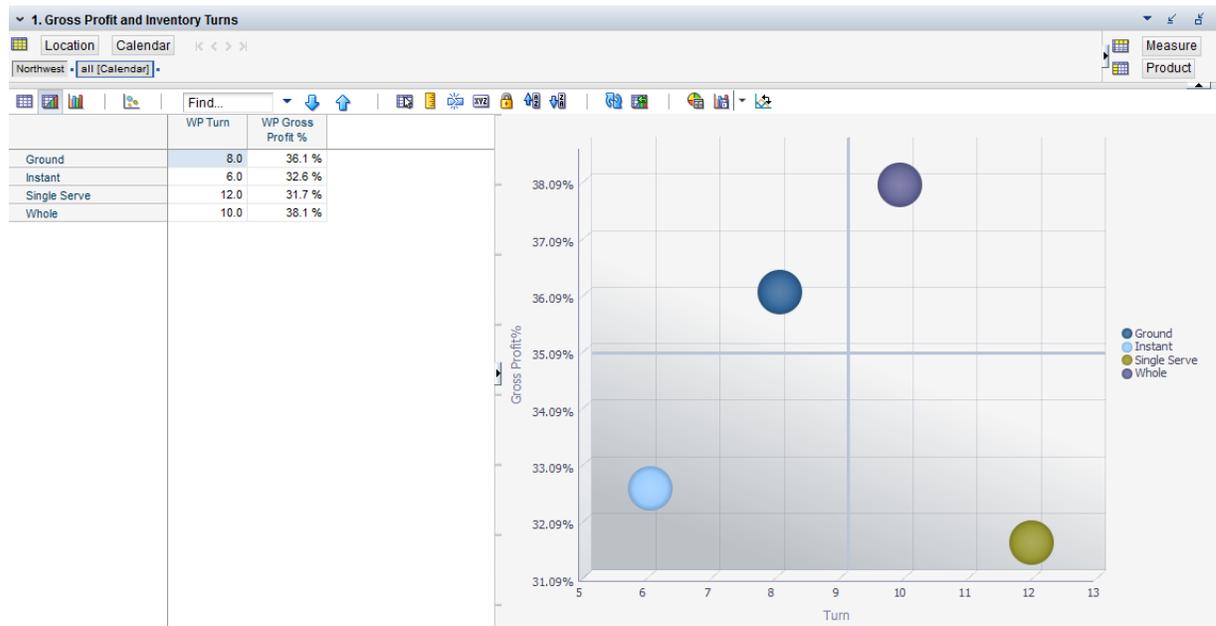


Table 7-2 lists the measures available in this view.

**Table 7-2 1. Gross Profit and Inventory Turns Measures**

Label	Definition
CP Target Gross Profit %	The gross profit percentage for a sub-category or category at the trading area level in the approved and targeted category plan.
CP Target Turn	The inventory turns for a sub-category or category at the trading area level in the approved and targeted 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. Similar measures in other versions include: LY Gross Profit % and CP Gross Profit %.
WP Turn	The 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. Similar measures in other versions include: LY Turn and CP Turn.

## 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**

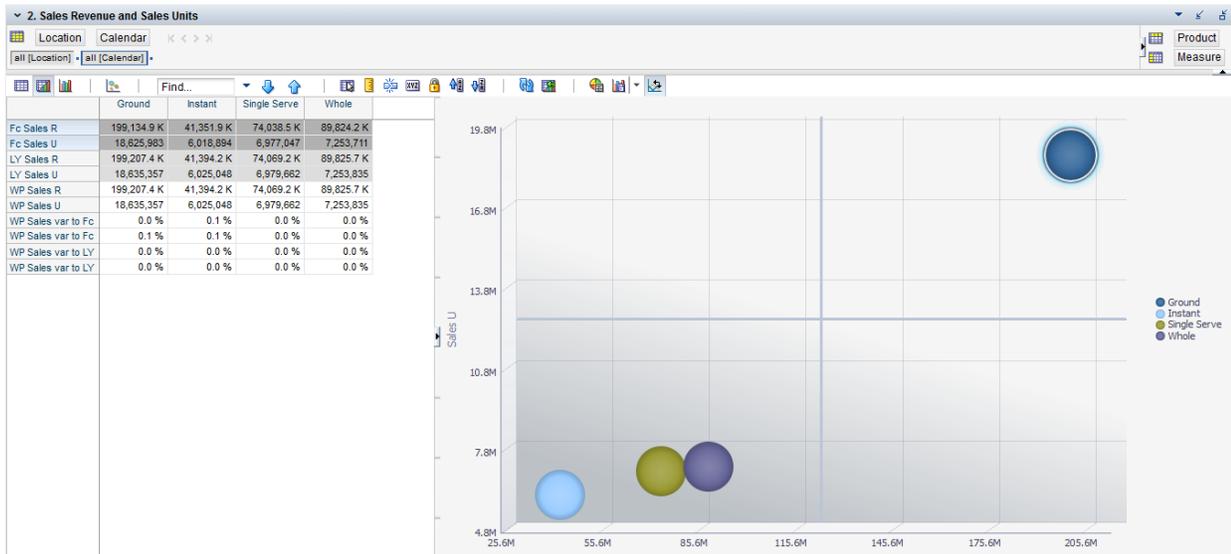


Table 7-3 lists the measures available in this view.

**Table 7-3 2. Sales Revenue and Sales Units Measures**

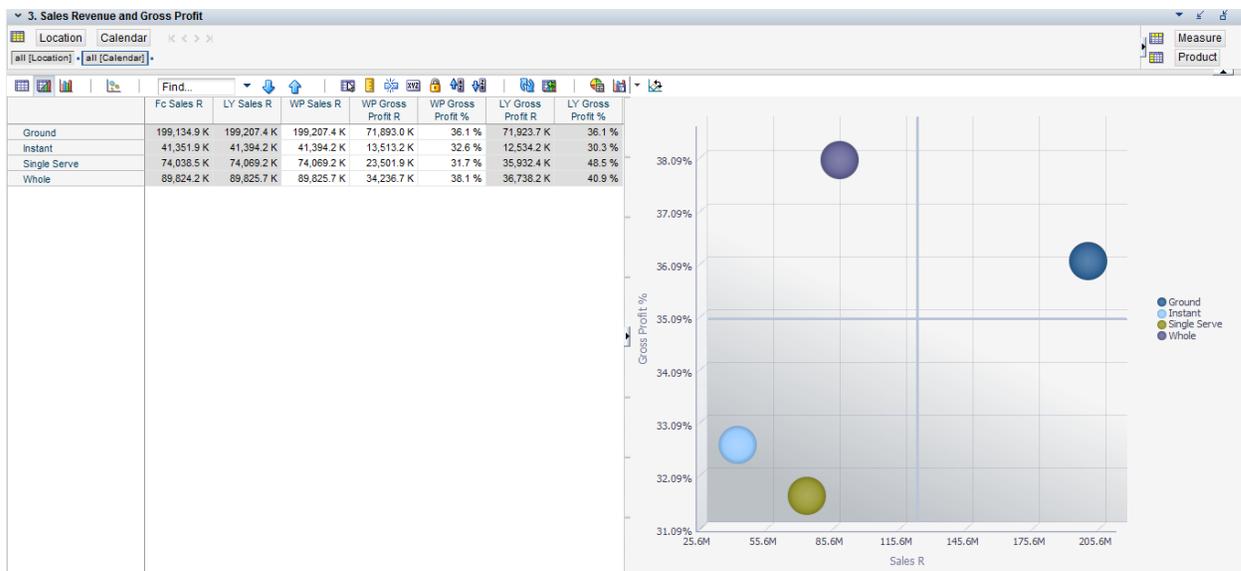
Label	Definition
WP Sales R	The working plan assortment's sales retail value. This measure is different from the WP Assort Sales R measure, as it reflects the sales retail value for all items irrespective of whether or not they are part of the working plan assortment. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.

**Table 7-3 (Cont.) 2. Sales Revenue and Sales Units Measures**

Label	Definition
WP Sales U	The working plan assortment's 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 they are part of the working plan assortment. Similar measures in other versions include: LY Sales U, Fc Sales U, and CP Sales U.
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 the category's (or retailer's) business per their role, strategies, and tactics in the category plan.

[Table 7-4](#) lists the measures available in this view.

**Table 7-4 3. Sales Revenue and Gross Profit Measures**

Label	Definition
WP Sales R	The working plan assortment's 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. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.
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. Similar measures in other versions include: LY Gross Profit R and CP Gross Profit R.
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 they are part of the working plan assortment. Similar measures in other versions include: LY Gross Profit % and CP Gross Profit %.

**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**

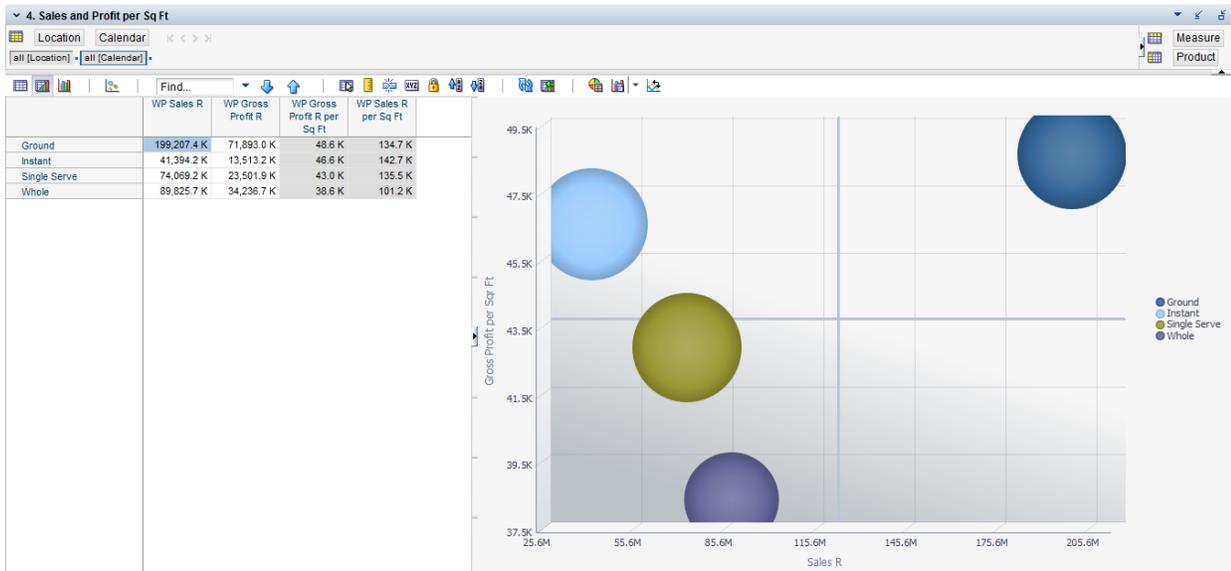


Table 7-5 lists the measures available in this view.

**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. Similar measures in other versions include: LY Gross Profit R and CP Gross Profit R.

**Table 7–5 (Cont.) 4. Sales and Profit per Square Foot Measures**

<b>Label</b>	<b>Definition</b>
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 space (area) allocated to the merchandise in square feet.
WP Sales R	The working plan assortment's 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. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.
WP Sales R per Sq Ft	The working plan assortment's sales retail return per square feet. It is calculated by dividing the 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 product hierarchy or by CDTs.

Market coverage is defined as the extent of market sales covered by an assortment or a set of items. Market coverage is the market share percentage of the overall sales generated in the market by products in the 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 or overall 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 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 of the retailer's assortment to that of the market as a whole. It facilitates the determination of target market coverage for the retailer's assortment.

### **Prior to starting this step:**

- Required syndicate market data from third parties should be uploaded.
- Retailer's item level sales data should be uploaded.

### **After completing this step:**

Once different analyses presented in this step have been reviewed, move to the Consumer Analysis step.

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

## Custom Menu Option

This step has one custom menu option.

### Fragmentation Analysis

This custom menu is run once the thresholds and performance metrics have been set, to populate the results of fragmentation analysis.

## 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.

Also, 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. In effect, this view provides a facility to do what-if analysis for a specific percentage of sales and SKU count to identify the appropriate market coverage for the assortment plan.

**Figure 7–11 Set Breakpoints View**

	Contribution Analysis Breakpoints %	Fragmentation Analysis Breakpoints %
Threshold 1	40%	40%
Threshold 2	50%	50%
Threshold 3	60%	60%
Threshold 4	70%	70%
Threshold 5	75%	75%
Threshold 6	80%	80%
Threshold 7	85%	85%
Threshold 8	90%	90%
Threshold 9	95%	95%
Threshold 10	99%	99%

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 level 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. The selection is done from a drop-down list of measures available for the retail and market levels. The measures for Sales Retail and Sales Units are available in different roles and versions in the drop-down selection such as LY and Forecast, LY Market, and Current Market.

Once key metrics have been selected, run the Fragmentation Analysis custom menu to populate data.

**Figure 7–12 Set Performance Metric Driver View**

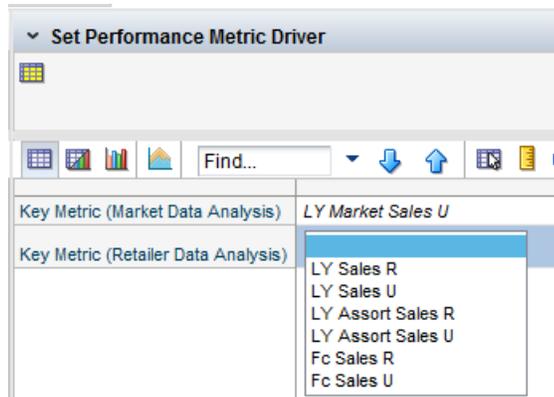


Table 7–7 lists the measures available in this view.

**Table 7–7 Select Performance Metric Driver Measures**

Label	Definition
Key Metric (Market Data Analysis)	<p>The market data measure used in fragmentation and contribution analysis.</p> <p>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.</p>
Key Metric (Retailer Data Analysis)	<p>The retailer data measure used in fragmentation and contribution analysis.</p> <p>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.</p>

**Custom Menu Option**

The Fragmentation Analysis custom menu is run once the thresholds and performance metrics have been set, to populate the results of fragmentation analysis.

**Performance Based Fragmentation Analysis Tab**

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.

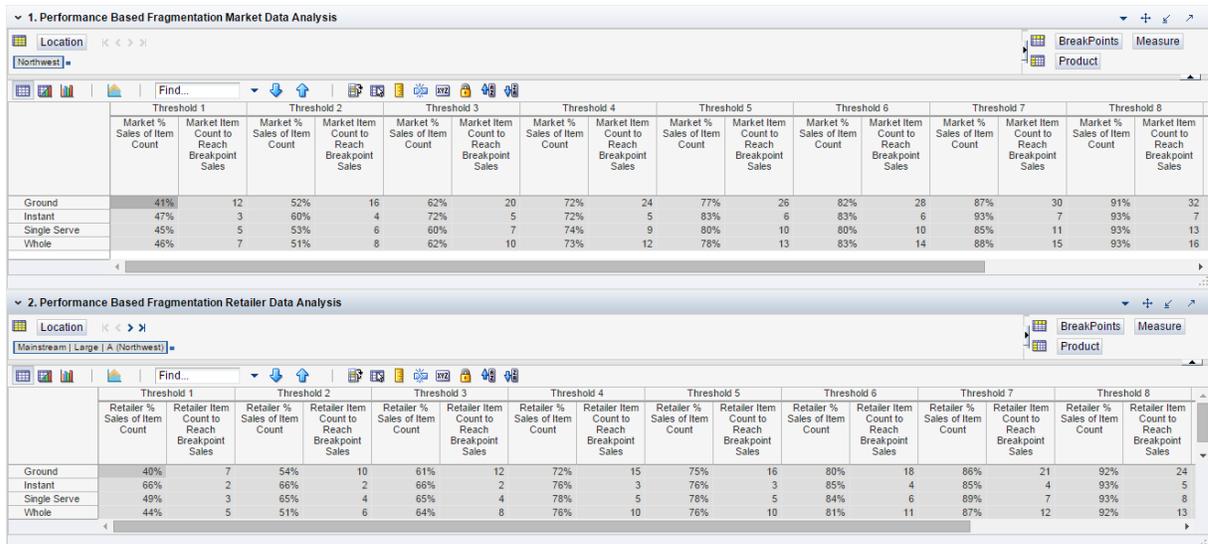
View and compare the fragmentation of the category at the retailer compared to the fragmentation in the market (trading area) to see the difference in their spread.

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 both in retailer's business context and market's (trading area) business context.

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 generate to a specific percentage (predefined thresholds) of market sales in a product segment, such as a category. This gives visibility to the spread or distribution of sales across SKUs selling in the market as a whole.

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

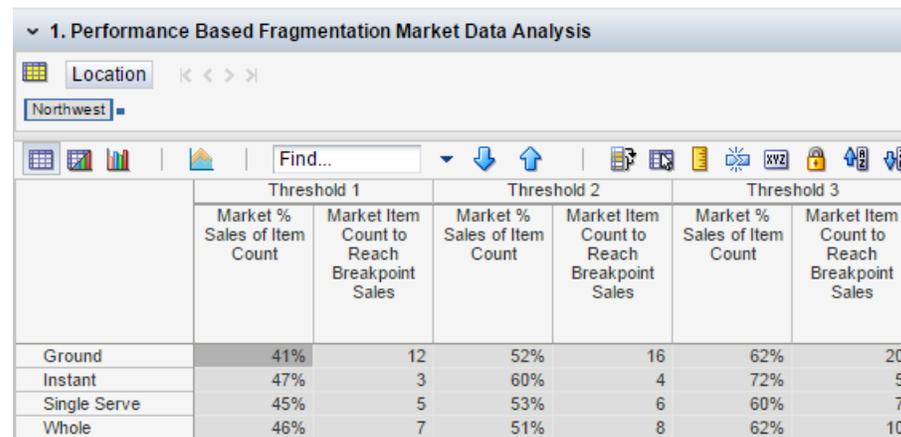


Table 7–8 lists the measures available in this view.

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

Label	Definition
Market % Sales of Item Count	Market share percentage of a set of items from the market's (trading area) assortment. This is best viewed at the category level. Breakpoints are defined for this measure to view the fragmentation analysis.
Market Item Count to Reach Breakpoint Sales	The number of items required from the market's (trading area) assortment to reach a preset breakpoint/threshold percentage of market sales for the product segment, such as a sub-category or category. For example in <a href="#">Figure 7–14</a> , 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 generate a specific percentage of retailer's sales (predefined thresholds) for a product segment, such as a category. This gives a visibility to the spread or distribution of sales across SKUs in retailer's assortment.

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

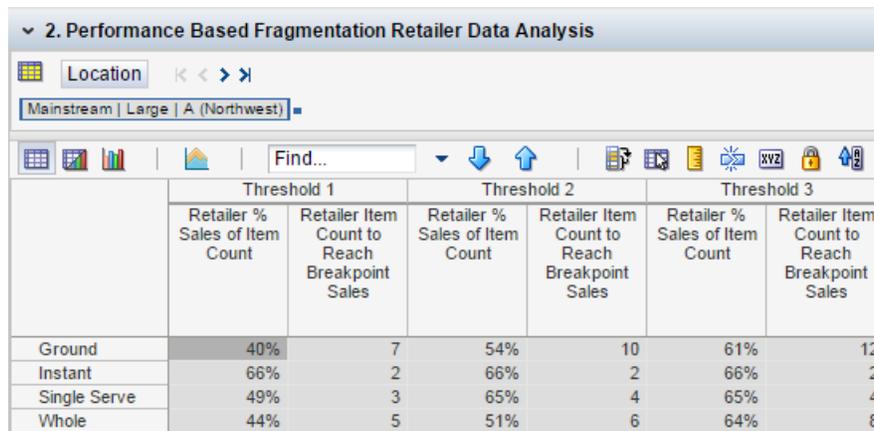


Table 7–9 lists the measures available in this view.

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

Label	Definition
Retailer % Sales of Item Count	The sales contribution percentage by a set of items to the overall sales of a product segment (such as a category) at the retailer. 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 preset breakpoint percentage sales level of total retailer sales for a product segment, such as a sub-category or category. For example in <a href="#">Figure 7–15</a> , 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**

This tab is used to analyze 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**

	Threshold 1		Threshold 2		Threshold 3		Threshold 4		Threshold 5		Threshold 6		Threshold 7		Threshold 8	
	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint
Ground	16	52%	19	60%	23	70%	27	80%	29	85%	31	89%	33	93%	35	96%
Instant	4	60%	4	60%	5	72%	6	83%	6	83%	7	93%	7	93%	8	100%
Single Serve	6	53%	8	67%	9	74%	11	85%	12	89%	12	89%	13	93%	14	97%
Whole	8	51%	9	57%	11	68%	13	78%	14	83%	15	88%	16	93%	17	97%

**2. Item Contribution Retailer**

	Threshold 1		Threshold 2		Threshold 3		Threshold 4		Threshold 5		Threshold 6		Threshold 7		Threshold 8	
	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	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	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	86%	21	90%	23	92%	24	95%	26	96%	27
Instant	76%	3	76%	3	85%	4	93%	5	93%	5	93%	5	100%	6	100%	6
Single Serve	65%	4	78%	5	84%	6	89%	7	93%	8	93%	8	97%	9	97%	9
Whole	51%	6	64%	8	70%	9	81%	11	87%	12	87%	12	92%	13	97%	14

### 1. Item Contribution Market View

Use this view to analyze the contribution of items to total market sales of a product segment (such as a category or sub-category), based on the user-selected performance metric.

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

**1. Item Contribution Market**

	Threshold 1		Threshold 2		Threshold 3	
	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint	Market Item Count of % Sales	Market % Sales to Reach Breakpoint
Ground	16	52%	19	60%	23	70%
Instant	4	60%	4	60%	5	72%
Single Serve	6	53%	8	67%	9	74%
Whole	8	51%	9	57%	11	68%

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

**Table 7–10 1. Item Contribution Market Measures**

Label	Definition
Market Item Count % of Sales	Item count of a set of items contributing to specific market share percentage. This is best viewed at the category level.

**Table 7–10 (Cont.) 1. Item Contribution Market Measures**

Label	Definition
Market % Sales to Reach Breakpoint	The market share percentage achieved by a set of items (based on predefined thresholds) from the market's assortment.

**2. Item Contribution Retailer View**

Use this view to analyze the sales contribution of a set of items to retailer's total sales for a product segment (such as a category or sub-category) based on the user-selected performance metric.

**Figure 7–18 2. Item Contribution Retailer View**

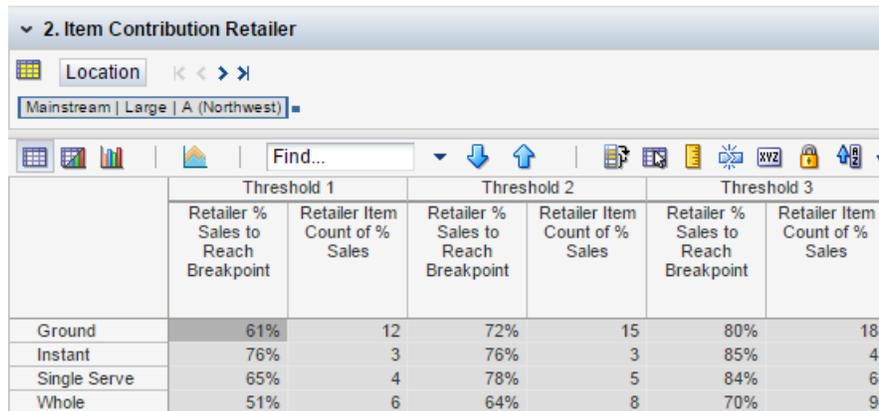


Table 7–11 lists the measures available in this view.

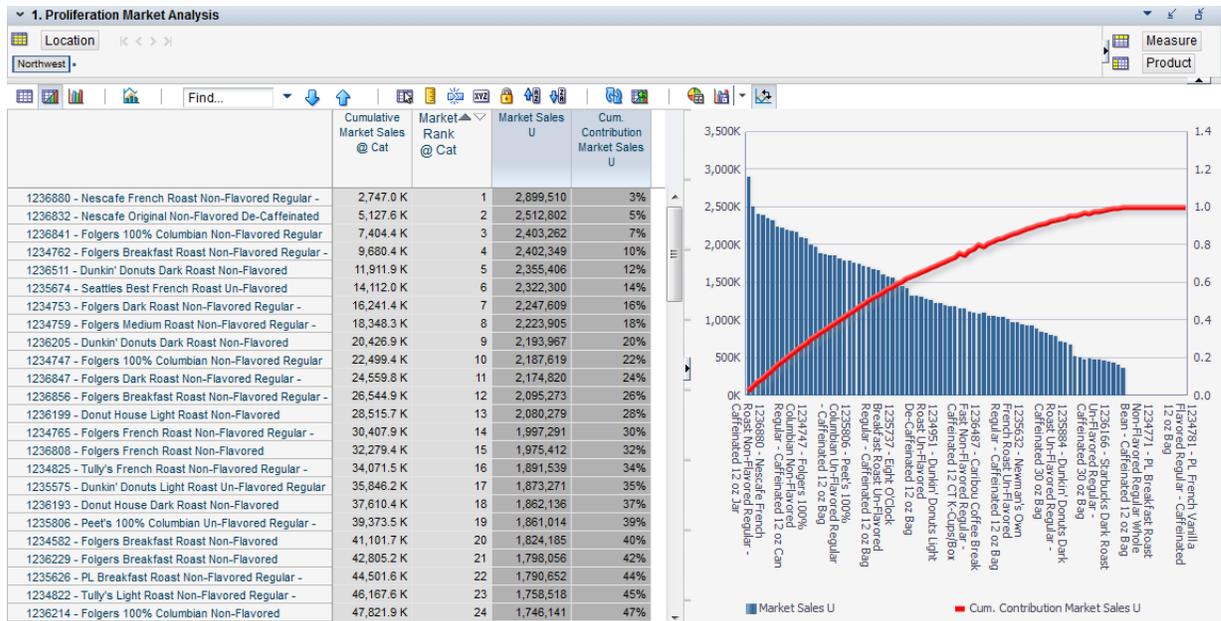
**Table 7–11 2. Item Contribution Retailer Measures**

Label	Definition
Retailer % Sales to Reach Breakpoint	The sales contribution percentage of a set of items (based on predefined thresholds) to the overall sales at the retailer for a product segment, such as a category or sub-category. Note the thresholds are expressed as a percentage of total item count.
Retailer Item Count of % Sales	Item count for a specific sales contribution percentage (where the thresholds are expressed as a percentage of the retailer's assortment's total item count).

**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

The screenshot shows the '1. Proliferation Market Analysis' window. At the top, there is a 'Location' dropdown set to 'Northwest'. Below this is a toolbar with various icons and a 'Find...' search box. The main area contains a table with columns for product names, 'Cumulative Market Sales @ Cat', 'Market Rank @ Cat', and 'Market Sales U'. A context menu is open over the table, with the 'Extended Measure' option selected, which has opened a sub-menu with a 'Create...' button. Below the table, the 'Create Extended measure' dialog box is visible, with the following settings:

- \* Label: SKU Contribution to Market Sal
- \* Type:  Relative Percent of Parent,  Absolute Percent of Parent,  Ranking,  Cumulative Sum,  Cumulative Percent
- \* Measure: Market Sales U
- \* Dimension: Product
- \* Order:  Low to High,  High to Low
- \* Display For:  Only base level,  All visible levels
- \* Apply To: 1. Proliferation Market Analy

Buttons for 'Create' and 'Cancel' are at the bottom right of the dialog.

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

**Figure 7-21 Proliferation Market Analysis View with Extended Measure**

1. Proliferation Market Analysis				
Location: Northwest				
	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**

**Chart Formatting** ✕

General | **Axis** | Series

Select Series

- All
- Market Sales U
- SKU Contribution Market Sales U

Series Color ■ ▼

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Series Y-Axis Assignment

**Y1-Axis**

Market Sales U

➤

➤➤

➤➤➤

➤➤➤➤

**Y2-Axis**

SKU Contribution Market Sales U

⏏

⏏

⏏

⏏

### 1. Proliferation Market Analysis View

Use this view to analyze the cumulative contribution of items towards the overall market sales. Cumulative market actual sales are presented against the item count. 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	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.
Cumulative Market Sales @ Cat	

### 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**

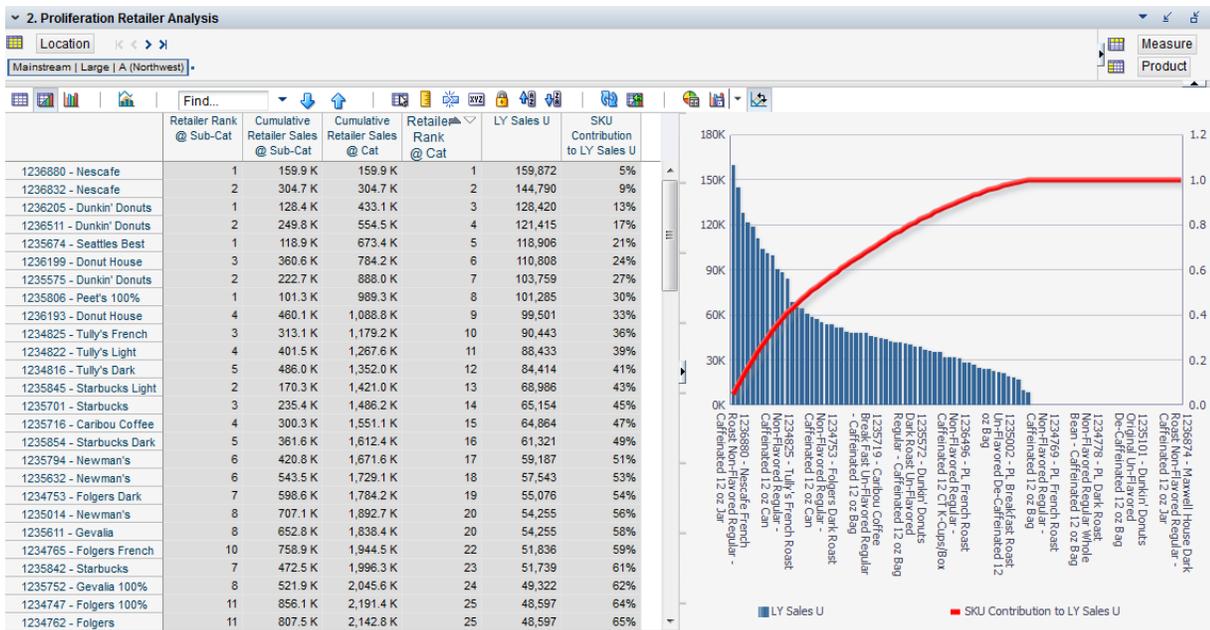


Table 7-13 lists the measures available in this view.

**Table 7-13 2. Proliferation Retailer Analysis Measures**

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

## Accumulative Ranking Tab

Accumulative ranking analysis provides a view of the cumulative sales of a category and sub-category compared with the rank of an item (within sub-category or category) based on its sales contribution. It facilitates comparison of the rank of an item in the sub-category to its rank in the 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
<b>Coffee</b>	1,634,427.9 K	14	5,078,281.3 K	40	107,150,950
<b>Instant</b>	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
<b>Single Serve</b>	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
1236840 - 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
<b>Whole</b>	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. Similar measure at the category level: Cumulative Market Sales @ Cat.

**Table 7–14 (Cont.) 1. Accumulative Market Analysis Measures**

Label	Definition
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. Similar measure at the category level: Market Rank @ Cat.

**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.

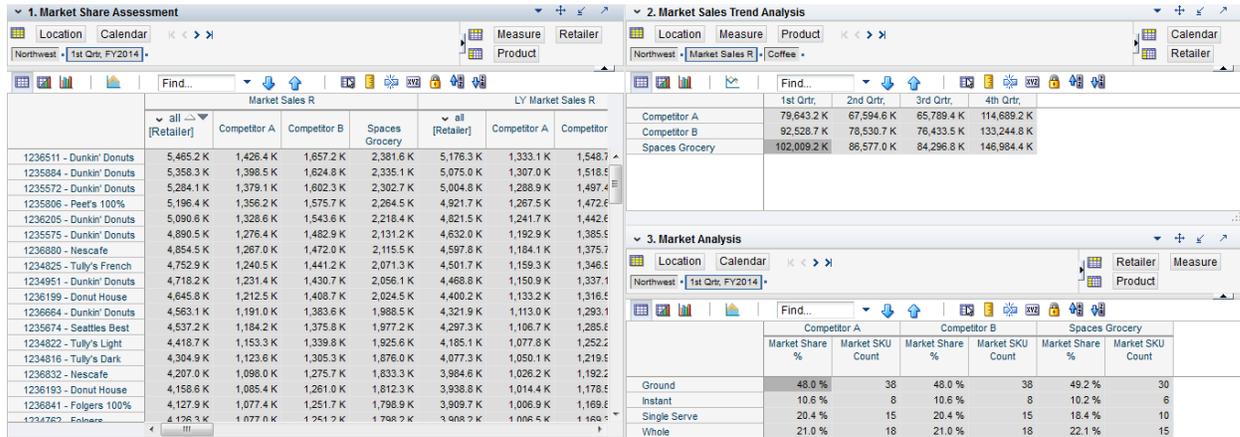
**Table 7–15 2. Accumulative Ranking Retailer Analysis Measures**

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. Similar measure at the category level: Cumulative Retailer Sales @ Cat.
Retailer Rank @ Sub Cat	Rank of the SKU within the sub-category based on the user-selected performance metric driver for Retailer Data Analysis. Similar measure at the category level: Retailer Rank @ Cat.

## 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. 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 compare the market shares and growth rates of the retailer in relation to its competitors individually and the rest of the market at the item level.

Figure 7–27 1. Market Share Assessment View

	1234582 -	1234600 -	1234615 -	1234747 -	1234753 -	1234759 -	1234762 -	1234765 -	1234768 - PL
Market Sales R	764.3 K	1,006.5 K	1,077.8 K	916.5 K	941.7 K	931.7 K	1,006.5 K	836.8 K	878.0 K
LY Market Sales R	764.3 K	1,006.5 K	1,077.8 K	916.5 K	941.7 K	931.7 K	1,006.5 K	836.8 K	878.0 K
Market Share %	1.0 %	1.4 %	1.4 %	1.2 %	1.3 %	1.3 %	1.4 %	1.1 %	1.2 %
Retailer Market Share %	25.8 %	46.3 %	46.3 %	25.8 %	25.8 %	25.8 %	25.8 %	25.8 %	25.8 %
LY Market Share %	1.0 %	1.4 %	1.4 %	1.2 %	1.3 %	1.3 %	1.4 %	1.1 %	1.2 %
LY Retailer Market Share %	25.8 %	46.3 %	46.3 %	25.8 %	25.8 %	25.8 %	25.8 %	25.8 %	25.8 %
Market Sales Growth %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Market Sales var to LY R	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Market SKU Count	1	1	1	1	1	1	1	1	1
LY Market SKU Count	1	1	1	1	1	1	1	1	1
Market SKU Count var to LY	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

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 in the current planning period, 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. Similar measures in other versions include: LY Market Sales R.

**Table 7–16 (Cont.) 1. Market Share Assessment 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. Similar measures in other versions include: LY Market Share %.
Retailer Market Share %	The retailer's sales retail value share of the overall market for a sub-category or category. Similar measures in other versions include: LY Retailer Market Share %.
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. Similar measures in the other versions include: LY Market SKU Count.
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 and that of its competitors.

**Figure 7–28 2. Market Sales Trend Analysis View**

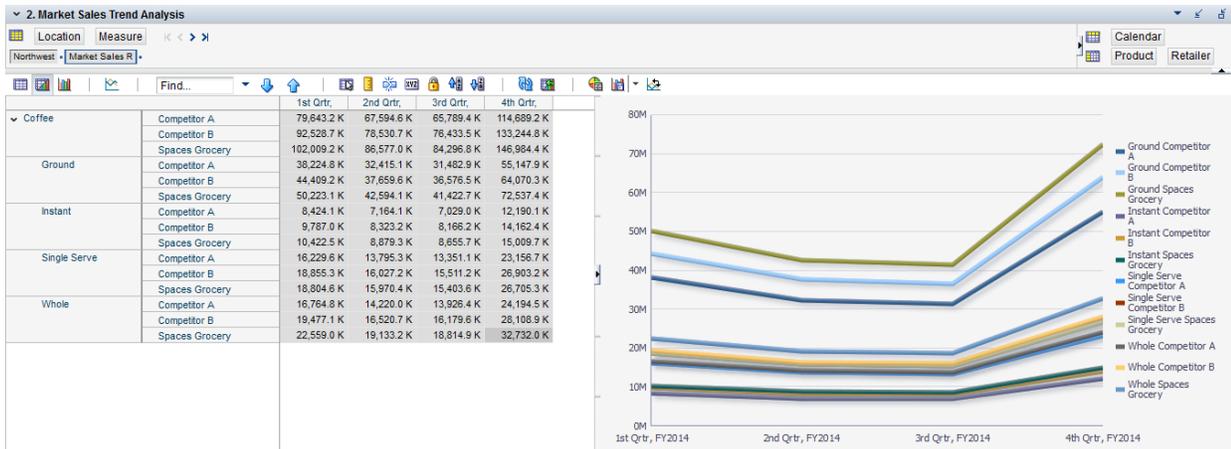


Table 7–17 lists the measures available in this view.

**Table 7–17 2. Market Sales Trend Analysis Measures**

Label	Definition
Market Sales R	The sales retail value of the merchandise in the market for the current planning period, 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. Similar measures in other versions include: LY Market Sales R.

**Table 7–17 (Cont.) 2. Market Sales Trend Analysis Measures**

Label	Definition
Market Sales U	The sales units of the merchandise in the market for the current planning period, 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. Similar measures in other versions include: LY Market Sales U.
WP Sales R	The working plan assortment's sales retail value. Similar measures in other versions include: LY Sales U.
WP Sales U	The working plan assortment's sales units. Similar measures in other versions include: LY Sales R.
WP Sales AUR	Average unit retail value for an item in a working plan assortment. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment. Similar measures in other versions include: LY Sales AUR.
WP Gross Profit R	The gross profit retail from the merchandise in the working plan'. 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. 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.
Market Sales Growth %	The percentage increase or decrease in sales retail volume for the entire market compared to the previous time period.
WP Sales var to LY R	The sales retail value's variance between the working plan and last year's actuals.
WP Sales var to LY U	The sales units' variance between the working plan and last year's actuals.

### 3. Market Analysis View

This view presents the spread of sales in terms of market share in relation to the corresponding SKU count for the retailer and its competitors. It is available at the sub-category level.

**Figure 7–29 3. Market Analysis View**

The screenshot shows a software interface for Market Analysis. At the top, there are filters for 'Location' (Northwest) and 'Calendar' (1st Qtr, FY2014). Below the filters is a toolbar with various icons and a search box labeled 'Find...'. The main data table has the following structure:

	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 in the current planning period, typically at the trading area level or above. This information is sourced from third parties providing syndicated data on a quarterly basis. Similar measures in other versions include: LY Market SKU Count.
WP Assort SKU Count	The total number of SKUs in the working plan's assortment for the cluster. Similar measures in other versions include: LY Assort SKU Count.
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

Quadrant analysis provides a view of how the retailer is performing compared to the competition and rest of market.

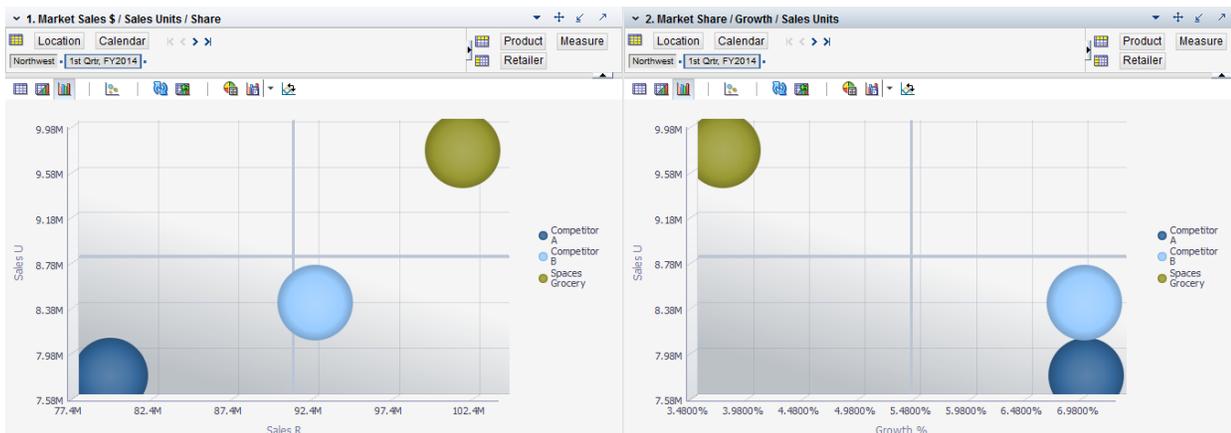
This tab has two views:

1. Market Sales \$ / Sales Units / Share View
2. Market Share / Growth / Sales Units View

For example, Space Grocery is in the top-right quadrant in the first view indicating higher sales, however, from a market growth perspective, it is lagging behind competition as depicted in the second view.

Figure 7–30 shows the views for this tab.

**Figure 7–30 Market Quadrant Analysis Tab Views**



#### 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 an 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 for a category. This brings an understanding of a category's business from a larger market perspective where the retailer competes.

**Figure 7–31 2. Market Share / Growth / Sales Units View**

	Competitor A	Competitor B	Competitor C	Competitor D	Competitor E	Rest of	Spaces
Market Sales Growth %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Market Sales U	7,272,682	7,886,055	0	0	0	0	9,445,552
Market Share %	100.0 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %

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 in the current planning period, 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

Use this step to gain consumer insights into the business, so as to align the assortment plans to the target consumer segments. This step is used to identify the primary/target consumer segments and understand their buying behavior. Each view presented in this step addresses a specific set of questions related to understanding the consumer

buying/purchase patterns, their loyalty, their spend across retail channels, and conversion percentages.

**Prior to starting this step:**

- Consumer profile data and relevant household panel data containing consumer insights sourced from third parties, such as AC Nielsen, should be uploaded.
- Retailer's Loyalty data should be uploaded.
- Previous steps in this task should be complete.

**After completing this step:**

Once business has been understood from a consumer perspective in this step, move to the Review Assortment Scorecard 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 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 share of market spend produced by a specific consumer segment profile.
Retailer Trading Area HH %	The percentage of market households belonging to a specific consumer segment profile and shopping at the retailer.
Retailer Trading Area Spend %	The percentage share of spend by a specific consumer segment 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 item/SKU or a product segment, such as a sub-category or CDT segment, 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 or a product segment's (sub-category or CDT segment) 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 CDT segment) at least once within a given time frame.
Item Revenue per Buyer	An item's or a product segment's (sub-category or CDT segment) average sales retail value per customer, buyer, or shopper.
Item Spend per Item per Trip	An item's or a product segment's (sub-category or CDT segment) retail sales value per customer's trip.
Item Trips per Buyer	The average number of times a customer shops for a particular item or product segment, such as a sub-category or a CDT segment, in a given planning time period.

## 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**

	Loyalty Index		Market Basket Index	
	Soccer Moms	Value Seekers	Soccer Moms	Value Seekers
▼ Coffee	1.12	1.23	1.13	1.13
▼ Ground	1.05	1.21	1.05	1.17
1234582 -	0.88	1.85	0.90	1.80
1234600 -	0.00	0.00	0.00	0.00
1234615 -	0.00	0.00	0.00	0.00
1234747 -	0.88	1.85	0.90	1.80
1234753 -	0.88	1.85	0.90	1.80
1234759 -	0.88	1.85	0.90	1.80
1234762 -	0.88	1.85	0.90	1.80
1234765 -	0.88	1.85	0.90	1.80
1234768 - PI	1.10	1.39	0.88	1.68

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

**Table 7–23 2. Consumer Loyalty Analysis Measures**

Label	Definition
Loyalty Index	<p>This is an index-to-average measure based on loyalty exhibited by a consumer segment to a specific item or a product segment, such as a sub-category or CDT segment. Loyalty is measured as the share of annual category requirements that the consumer is able to satisfy with a single item/SKU or a product segment (such as a sub-category, brand, size, type, flavor, and so on). For example, if a consumer makes 10 purchases annually in a given category, 3 of which are SKU A, it has a 30 percent loyalty (3/10 = 30%). Loyalty Index is calculated by dividing the loyalty value of a SKU by the average loyalty of all SKUs within the category. Loyalty Index can be calculated at an item level or a product segment level.</p> <p>This measure enables the retailer/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.</p>
Market Basket Index	<p>This is an index to average measure indicating the ability of a SKU/Item to drive other customer purchases. This measure is indicative of the presence and share of an item or a product segment (sub-category or CDT segment) in a consumer's basket. It is sourced 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.</p>

### 3. Top Shopper Analysis View

Use this view to compare the top shopper index (TSI) of the retailer to its competitors. A high value of TSI indicates that most of the top shoppers at the retailer purchase that particular sub-category. For more details, see the measure definition in Table 7–24.

**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	<p>It is an index to average measure indicating the regular or most frequent purchases by the top shoppers at the retailer. Top shoppers are the consumers who purchase most of the merchandise to meet their needs from a retail vertical, such as grocery or general merchandise, from the retailer. They are the most loyal set of consumers and bring a high volume of business to the retailer.</p> <p>It is calculated by dividing the sales retail volume generated by top shoppers with the average sales volume generated by all the shoppers in a specific product segment, such as a sub-category. This measure is not available at the CDT segment level.</p> <p>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.</p>

## 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, a product category, 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.

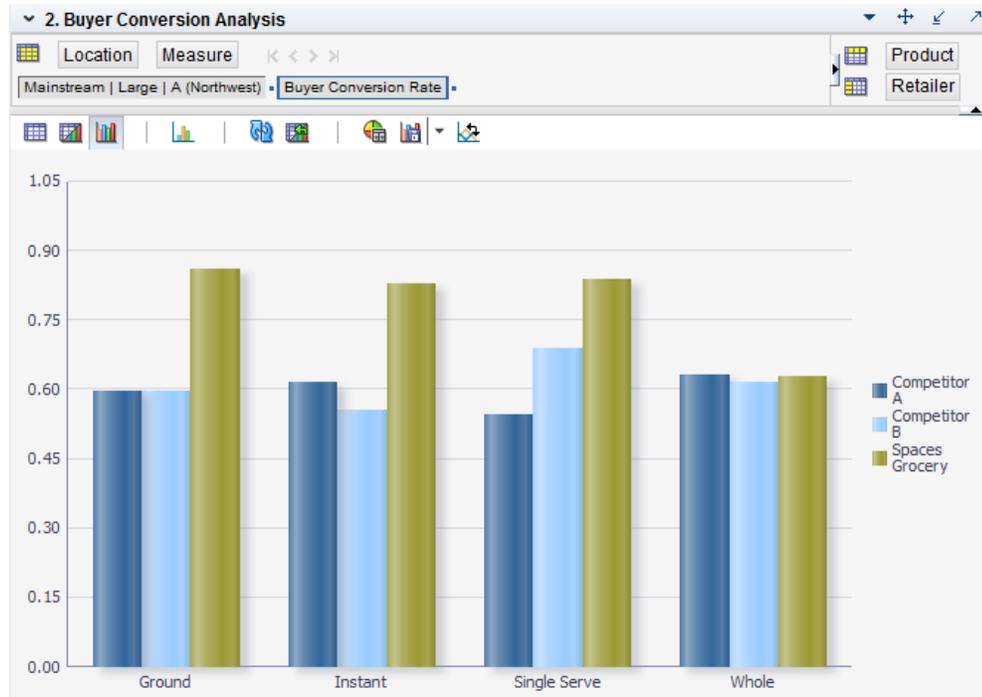
**Table 7–25 1. Retail Channel Share Analysis Measures**

Label	Definition
% Buyers	The percentage of total buyers (shoppers or customers) in a market who purchase an item or any item from a product segment, such as a sub-category or CDT segment, from a retail channel. This measure is available at the trading area and SKU level.
% Dollars	The percentage of buyer's spend (customer spend or shopper's spend) of an item or any item from a product segment, such as a sub-category or CDT segment, in a retail channel. This measure is available at the trading area and SKU level.

## 2. Buyer Conversion Analysis View

Use this view to identify buyer conversion rates of consumers in a product segment, such as a sub-category or CDT segment, within a trading area.

**Figure 7–38 2. Buyer Conversion Analysis View**



This view enables the comparison of the retailer's buyer conversion rates to its 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, out of the total shoppers who shop at the store or retailer.

## Review Assortment Scorecard Step

Use this step to review the targets and recommendations received from Category Planning, Macro Space Optimization, and Oracle Retail Merchandise Financial Planning (MFP).

Roles, strategies, tactics and targets are sourced from the Category Planning task.

Macro Space Optimization @Sub-Category provides recommended space and gross profit inputs.

Merchandise Financial targets are sourced from the MFP solution.

Assortment Planning at the cluster and store level in the next two tasks should be aligned to these targets and recommendations.

**Prior to starting this step:**

- Category Planning and Macro Space Optimization should be complete.
- MFP targets should be uploaded.
- The previous steps in Assortment Planning Analysis should be complete.

**After completing this step:**

Once assortment planning analysis has been completed and sound understanding of the category's business has been developed, move to the Assortment Planning @Cluster task.

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 roles assigned to a category in the approved category plan. Note that these assignments are at the trading area level.

**Figure 7–39 1. Review Roles View**

	CP Target Assigned Role - Industry Model A	CP Target Assigned Role - Industry Model B
Coffee		

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

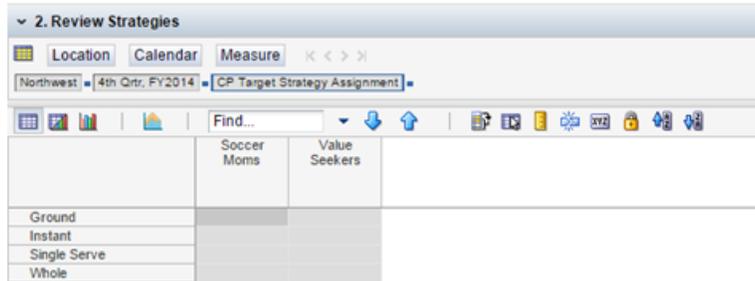
**Table 7–27 1. Review Roles Measures**

Label	Definition
CP Target Assigned Role - Industry Model A	Category Role based on Industry Model A per the approved category plan.
CP Target Assigned Role - Industry Model B	Category Role based on Industry Model B per the approved category plan.

## 2. Review Strategies View

Use this view to review the strategies assigned to the sub-categories in the approved category plan. Note that these assignments are at the trading area level.

**Figure 7–40 2. Review Strategies View**



**Table 7–28 2. Review Strategies Measure**

Label	Definition
CP Target Strategy Assignment	Strategy assigned to a sub-category or category 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 tactics assigned to the sub-categories in the approved category plan. Note that these assignments are at the trading area level.

**Figure 7–41 3. Review Tactics View**

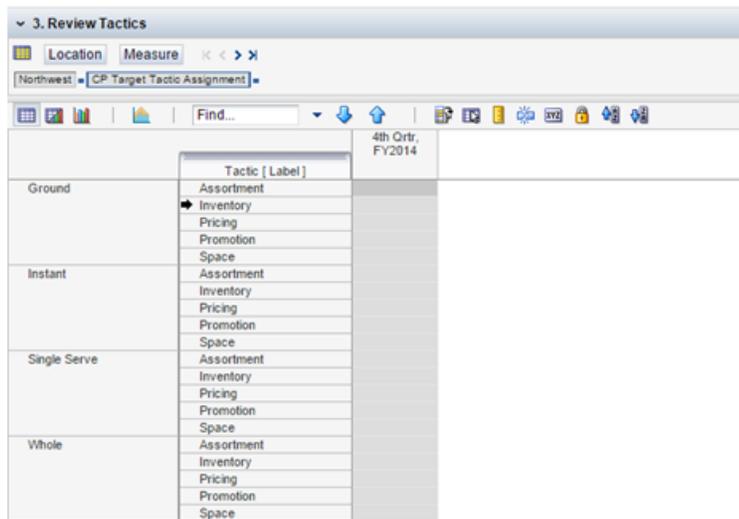


Table 7–29 lists the measure available in this view.

**Table 7–29 3. Review Tactics Measure**

Label	Definition
CP Target Tactic Assignment	Tactics assigned to a sub-category 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 the MFP solution, Category Planning task, and MSO @Sub-Category task. Assortment plans are created in alignment with these measures.

Business targets, sourced from the Category Planning task and Merchandise Financial Planning solution are presented in this view. It also highlights the recommended space and gross profit from the Macro Space Optimization @Sub-Category task.

**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	499783.81	1028145.00	277096.69
CP Target Sales R	48459713.07	10040971.80	18116146.54	21733125.68
MFP Sales R	44401409.88	9597831.84	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. Similar measures in other versions include: LY Assort Sales R and CP Assort Sales R.
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 target 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. Similar measures in other versions include: CP Assort Sales var to LY R.

**Table 7–30 (Cont.) Scorecard Summary Measures**

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 Tgt R	The working plan assortment's sales retail value's variance to the same in the target plan (approved category plan). Similar measures in other versions include: CP Assort Sales var to Tgt R.
WP Assort Gross Profit R	The gross profit retail value in a working plan's assortment for the cluster. Similar measures in other versions include: LY Assort Gross Profit R and CP Assort Gross Profit R.
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 target gross profit retail value.
MSO Recommended Gross Profit R	Recommended gross profit retail value from the MSO results at the sub-category level.
MSO Recommended Space	Recommended space in linear units from the MSO results at the 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. Similar measures in other versions include: CP Assort Gross Profit var to LY R.
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). Similar measures in other versions include: CP Assort Gross Profit var to Tgt R.
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.

## Review Consumer Segments Tab

This tab has one view.

### Review Consumer Segments View

Use this view to review the customer segments' distribution and their contribution to sales.

**Figure 7–43 Review Consumer Segments View**

	Consumer Seg / Category Sales Contribution %	Consumer Seg / Store Sales Contribution %	Sales by Consumer Seg R	Sales by Consumer Seg U	LY Sales by Consumer Seg R	LY Sales by Consumer Seg U
all [Consumer Segment]	100.0 %	9.2 %	0.0 K	0	2,585.7 K	227,241
Gourmet Shoppers	100.0 %	9.2 %	0.0 K	0	1,292.8 K	113,620
Value Seekers	100.0 %	9.2 %	0.0 K	0	1,292.8 K	113,620

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

**Table 7–31 Review Consumer Segments Measures**

<b>Label</b>	<b>Definition</b>
Consumer Seg / Category Sales Contribution %	Contribution percentage of a particular consumer segment to a category's retail sales.
Consumer Seg / Store Sales Contribution %	Contribution percentage of a particular consumer segment's to a store's retail sales, presented at the cluster level.
Sales by Consumer Seg R	The sales retail value generated by a specific consumer segment.
Sales by Consumer Seg U	The sales units generated by a specific consumer segment.
Consumer Seg Distribution	The percentage presence of a consumer segment in the market.
LY Sales by Consumer Seg R	Last year's sales retail contribution percentage of a consumer segment to the category.
LY Sales by Consumer Seg U	Last year's sales units' contribution percentage of a consumer segment to the category.



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## 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. Item Priority Index (IPI) and Market Coverage-based methods are used to generate initial assortment plans. SKU count and targets-based constraint options can be used to generate IPI assortments. Demand transference may be used to fine tune the assortments manually. When leveraging the CDT/DT Science Cloud Services, the assortment improvement feature facilitates the automated optimization of assortments to the user-defined constraints. Incremental curves may also be used to arrive at an optimal assortment range by examining the cannibalization of sales between products in an assortment. Advanced science-based Customer Decision Trees (CDTs) can be used to analyze the assortment plans. Integration with the Assortment and Space Optimization (ASO) Cloud Service is available to align assortments to the available space and finalize actionable, space-optimized assortments.

### 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 AC Cloud Service 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.

### Item Priority Index Assortment

Item Priority Index (IPI) is a systematic way of generating an assortment based on IPI scores and ranking. IPI scores are calculated for items being considered for the assortment on various user-specified weights for focus areas such as performance, product attributes, loyalty, and market basket. Focus area weights and their respective metrics weights are commonly referred to as IPI weights.

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. IPI weights can be seeded from predefined values in the Category Management Administration task based on assigned category roles and strategies. IPI weights can be overridden in this workbook per business requirements.

The IPI score is calculated using an index-to-average method taking into consideration user-defined focus area weights and metric 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 per business requirements.

## Market Coverage Assortment

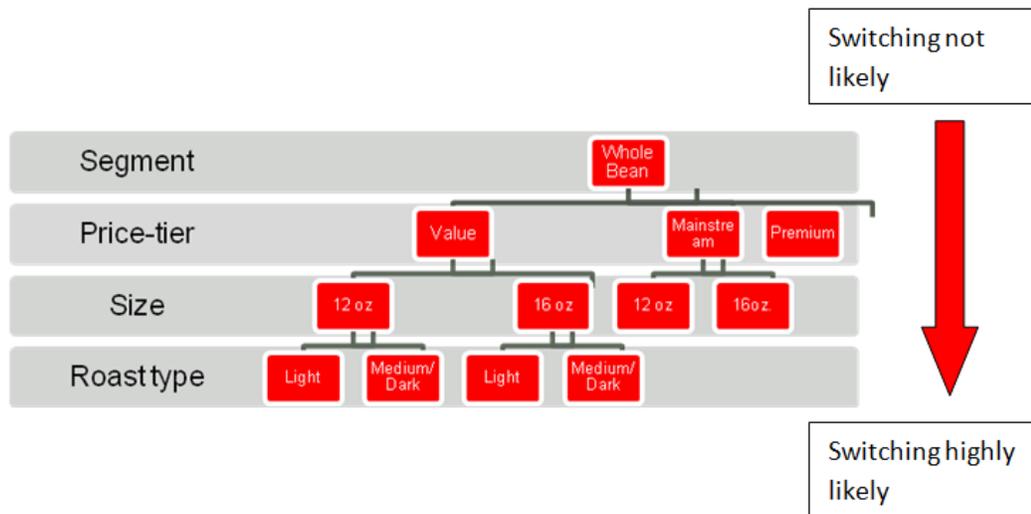
The solution also supports an alternate, market-focused approach to generate an assortment using the market coverage approach. Market coverage is the market share of a set of items in a retailer's assortment, determined by taking into account their overall market sales. Here, the system picks the best 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

CDT represents the purchasing behavior of a consumer segment. It provides an alternate product hierarchy in the form of key product 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 the CDT/DT Science Cloud Service 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 product hierarchy roll-up to view and analyze the assortment from key product attributes perspective.

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. For example, in an assortment for ketchups, dropping an easy squeeze 20-ounce Brand A ketchup from the assortment might result in a significant portion of the demand shifting to the 14 ounce and the 32 ounce Brand A ketchup easy squeeze. Some amount of the demand may shift to the 20 ounce Brand A ketchup - regular. However, if both the 20 ounce and 14 ounce Brand A ketchup easy squeeze bottles are dropped, the transferences are very different. Some of the 20 ounce and 14 ounce demand will shift to the 32 ounce easy squeeze. The solution provides visibility to such demand shifts and incorporates them into assortment plan's sales. In effect, demand transference is used to make key assortment decisions so as to fine-tune the assortment plans per business requirements.

## Assortment and Space Optimization Cloud Service

Integration with the Assortment and Space Optimization (ASO) Cloud Service in this task is utilized to align the assortments to the available space. It is said that the make or break of an assortment plan happens on the shop-floor, in a brick and mortar retail context. This implies the need for a thorough and disciplined implementation of assortment plans. Often times, assortment plans meeting set business targets are found to be out of synch with the space available at the stores. Integration with ASO caters to the imminent need of aligning the assortment plans to the available space for optimum business results.

Once assortment plans have been finalized using IPI or Market Coverage methods, they are exported to the ASO Cloud Service for space optimization. Assortment plans are space optimized in ASO to the available space and recommendations in the form of optimized assortment plans and space productivity information are exported back to CMPO. ASO recommendations can be reviewed and compared against the exported assortment and other versions, such as LY. Once ASO recommendations are found to be suitable, the assortment plan can be approved and finalized for implementation.

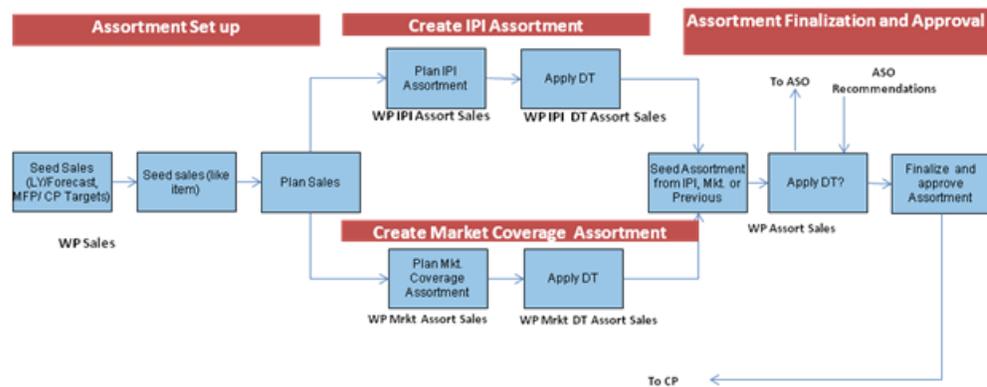
## Task Flow

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

Three tasks in the workflow, Assortment Planning Analysis, Assortment Planning @Cluster, and Assortment Planning @Store share the same 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

Use this step to set up the required data for assortment planning to begin. It consists of the following:

- Seeding initial assortment plans from Last Year, Forecast, or Target data (MFP or CP targets) data.
- Creating placeholder items per business requirements.
- Mapping placeholder items to existing items to populate their sales data.
- Reviewing consumer segment distribution and their contribution to retailer's business.
- Seeding IPI weights from Category Management Administration and modifying them per business requirements.
- Calculating and reviewing IPI scores.
- Setting assortment constraints for IPI and Market Coverage based assortments.

### **Prior to starting this step:**

- An approved Category Plan and Macro Space Optimization recommendation should be in place.
- MFP targets should be uploaded.
- Retailer's last year's actuals should be uploaded.
- Market sales data required for deriving Market Coverage assortments should be uploaded.
- Required data for IPI weight metrics should be uploaded.
- IPI Weights should be preset in the Category Management Administration task.
- Consumer segment data should be uploaded.

### **After completing this step:**

Once the assortment setup has been completed, move to one of the next steps in the task flow, Manage IPI Assortments or Manage Market Coverage Assortments, depending on the method being utilized to derive the assortment plan.

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

## Custom Menu Options

This step has six custom menu options.

### Seed Sales

This custom menu is used to populate the working plan assortment plan sales and product attribute information. Working plan sales are populated using one of the following options: Last Year, Forecast, or Target (MFP or CP targets) data.

### Seed Like Items

This custom menu copies the working plan sales and product attributes information from existing items to the new items and placeholder items.

### Seed IPI Weights

This custom menu is used to seed the preset IPI weights from the IPI Setup step in the Category Management Administration task.

### Calc Cluster IPI Score

This custom menu is used to calculate IPI scores for the items in the WP assortment based on the set IPI weights.

### Create IPI Assortment @Cluster

This custom menu is used to generate an IPI assortment at the cluster level after setting the required IPI constraints. This custom menu can also be utilized to simultaneously calculate demand transference affected sales by checking the Boolean measure, IPI Apply DT, while generating the IPI assortment.

### Create MC Assortment

This custom menu is used to generate a Market Coverage assortment after setting the required market coverage constraints.

## Seed and Review Plan Sales Tab

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

Select the data source in the Seed Source measure from a drop-down selection. The choices are: Forecast, Last Year, MFP Target, and CP Target. At any point in this step, the Seed Sales custom menu can be run. This populates the sales retail and sales units' numbers in the working plan assortment.

### 1. Seed Sales View

In the Seed Sales view, choose one of the following options from the drop-down list for the WP Seed Sales measure: 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 at the SKU/Item level. 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.

Populating the Forecast Sales U and Forecast Sales R measures is accomplished by running the embedded forecast batch operation. For more information on this batch operation, see the *Oracle Retail Category Management Planning and Optimization Implementation Guide*.

**Figure 8–3 1. Seed Sales View**

1. Seed Sales		4th Qtr, FY2014
Coffee	WP Seed Sales	
	Fc Sales R	36
	Fc Sales U	04
	LY Sales R	95
	LY Sales U	71
	MFP Sales R	111731418.88
	MFP Sales U	10790842.38
	CP Target Sales R	195706788.94
	CP Target Sales U	18726208.36
	WP Sales R	295706788.94
	WP Sales U	28726208.36
	WP Sales var to LY R	1.09
	WP Sales var to LY U	1.11
	WP Sales var to Fc R	2.61
	WP Sales var to Fc U	2.60
	WP Sales var to MFP R	1.65
	WP Sales var to MFP U	1.66
	WP Sales var to Tgt R	0.51
	WP Sales var to Tgt U	0.53

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

**Table 8–1 1. Seed Sales Measures**

<b>Label</b>	<b>Definition</b>
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.
WP Sales R	The working plan assortment's 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. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.
WP Sales U	The working plan assortment's 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 they are part of the working plan assortment. Similar measures in other versions include: LY Sales U, Fc Sales U, and CP Sales U.
MFP Sales R	Merchandise Financial Plan's Sales Retail value.
MFP Sales U	Merchandise Financial Plan's Sales Units.
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.
CP Target Sales U	The approved and targeted sales units for a category or sub-category at the trading area level in the category plan.
WP Sales var to LY R	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 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.

**Custom Menu**

Seed Sales: This custom menu is used to populate the working plan assortment plan sales using one of the following options: Last Year, Forecast, or Target data (MFP or CP targets) data.

**2. Review and Plan Sales View**

Once the sales have been seeded, it is possible to plan overall sales, promotional sales, and private label sales at the SKU/Item level based on business requirements. 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
WP Sales AUR	Average unit retail value for an item in a working plan assortment. It reflects the average selling price of a SKU at different product hierarchy levels in the working plan assortment. Similar measures in other versions include: LY Sales AUR.
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 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 the gross profit percentage for all items irrespective of whether or not these items are part of the working plan assortment. Similar measures in other versions include: LY Gross Profit % and CP Gross Profit %.
WP Sales R	The working plan assortment's 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. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.
WP Sales U	The working plan assortment's 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 they are part of the working plan assortment. Similar measures in other versions include: LY Sales U, Fc Sales U, and CP Sales U.
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 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 assortment setup process is to create placeholder items to meet any urgent requirements of new 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 the new item in the Right Hand Side (RHS) product hierarchy should be created. The normal product hierarchy is referred to as the Left Hand Side (LHS) product hierarchy. In CMPO, the RHS hierarchy is used to present demand transference calculations of an item. It is an RPAS concept used to display products on two axes in the same view. CMPO uses LHS and RHS product hierarchies to showcase the relationship/dependency between items in terms of their sales.

Care should be taken to ensure the 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.

### Create Placeholder Items View

Use this view to catalog a new SKU/item using a DPM position. This view is used to create an LHS product position and maintain an RHS product hierarchy position simultaneously.

**Figure 8–5 Create Placeholder Items View**

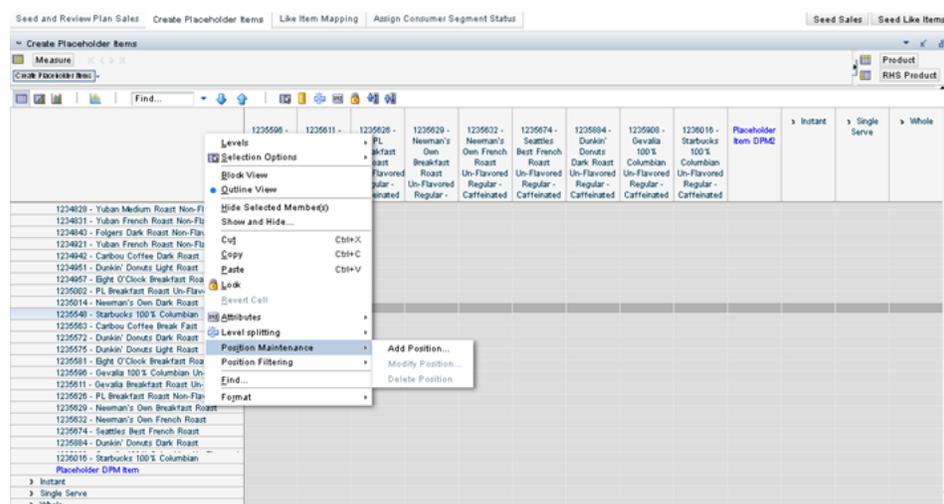


Table 8–3 lists the measure available in this view.

**Table 8–3 Create Placeholder Items Measure**

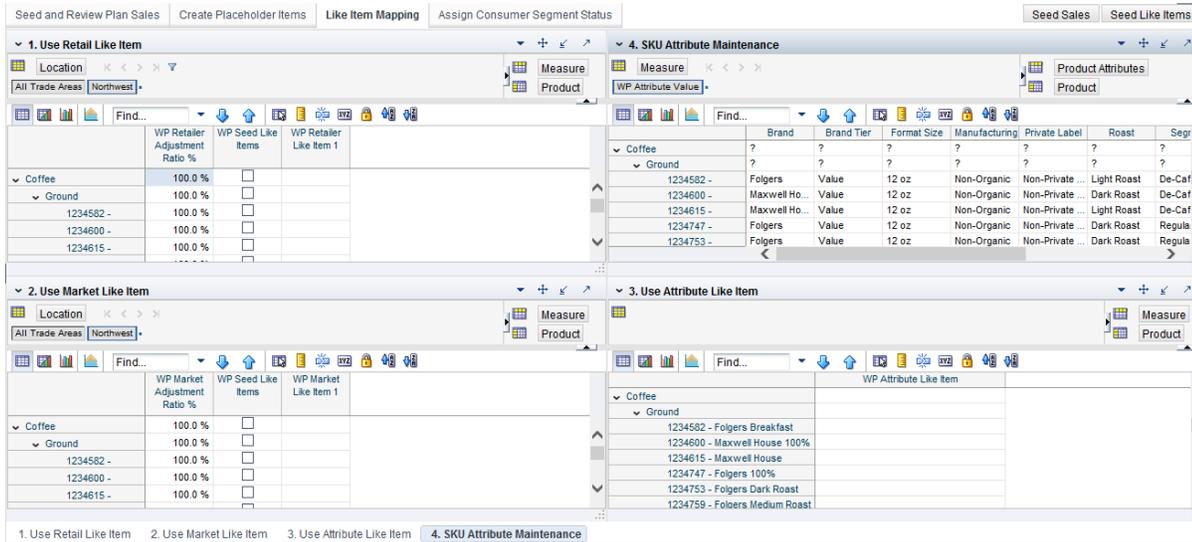
Label	Definition
Create Placeholder Items	This is a dummy measure with a base intersection of LHS SKU/RHS SKU used in order to display a view with the LHS Product and RHS Product hierarchies in a view.

## Like Item Mapping Tab

This tab enables users to set up the sales, gross profit, and product attribute data for new items and placeholder items to be considered for an assortment plan.

The following figure shows the views for this step.

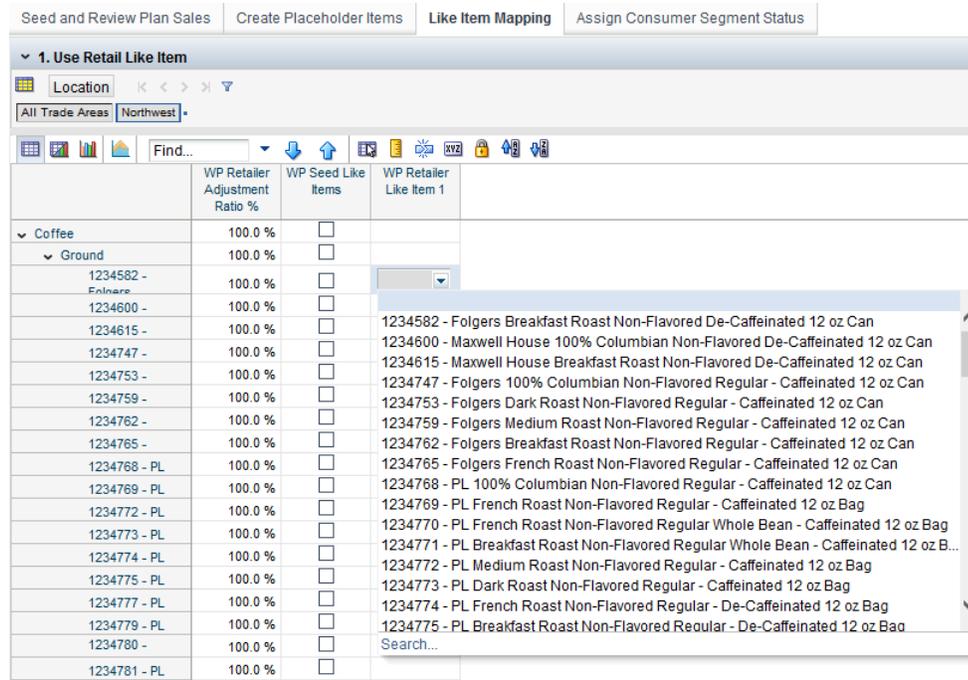
**Figure 8–6 Like Item Mapping Step Initial Views**



### 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/ WP Retail Like Item 2/ WP Retail Like Item 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 the retailer's market share.

**Figure 8–8 2. Use Market Like Item View**

The screenshot shows the '2. Use Market Like Item' view. At the top, there are four tabs: 'Seed and Review Plan Sales', 'Create Placeholder Items', 'Like Item Mapping', and 'Assign Consumer Segment Status'. Below the tabs, the view title is '2. Use Market Like Item'. There is a 'Location' dropdown menu set to 'Northwest'. Below that, there are several icons and a 'Find...' search box. The main area is a table with the following columns: 'WP Market Adjustment Ratio %', 'WP Seed Like Items', and 'WP Market Like Item 1'. The table lists various coffee items, including 'Coffee', 'Ground', and specific product codes like '1234582 - Folgers'. A search dropdown is open, showing a list of coffee products with their full names and descriptions.

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/ WP Market Like Item 2/ WP Market Like Item 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**

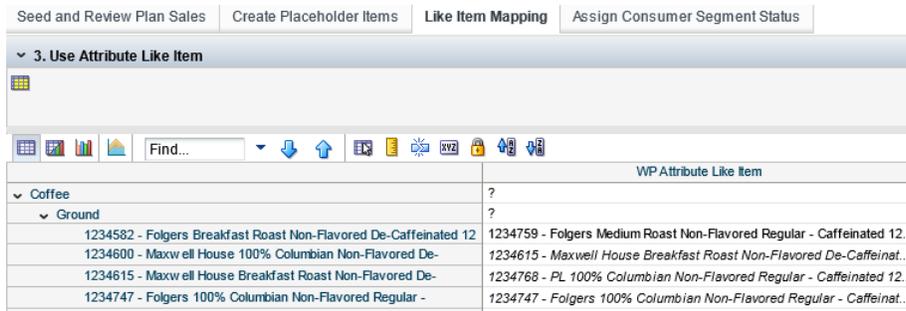


Table 8–6 lists the measure available in this view.

**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**

	Brand	Brand Tier	Format Size	Manufacturing	Private Label	Roast	Segment	Sub Category	Sub Segment	Trade Type
☐ Coffee	?	?	?	?	?	?	?	?	?	?
☐ Ground	?	?	?	?	?	?	?	Ground	?	?
1234582 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Light Roast	De-Caffeinat...	Ground	Can	Non-Free Tr...
1234600 -	Maxwell Ho...	Value	12 oz	Non-Organic	Non-Private ...	Dark Roast	De-Caffeinat...	Ground	Can	Non-Free Tr...
1234615 -	Maxwell Ho...	Value	12 oz	Non-Organic	Non-Private ...	Light Roast	De-Caffeinat...	Ground	Can	Non-Free Tr...
1234747 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Dark Roast	Regular - Ca...	Ground	Can	Non-Free Tr...
1234753 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Dark Roast	Regular - Ca...	Ground	Can	Non-Free Tr...
1234759 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Original	Regular - Ca...	Ground	Can	Non-Free Tr...
1234762 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Light Roast	Regular - Ca...	Ground	Can	Non-Free Tr...
1234765 -	Folgers	Value	12 oz	Non-Organic	Non-Private ...	Dark Roast	Regular - Ca...	Ground	Can	Non-Free Tr...
1234768 - PL	PL	Value	12 oz	Non-Organic	Private Label	Dark Roast	Regular - Ca...	Ground	Can	Non-Free Tr...
1234769 - PL	PL	Value	12 oz	Non-Organic	Private Label	Dark Roast	Regular - Ca...	Ground	Bag	Non-Free Tr...
1234772 - PL	PL	Value	12 oz	Non-Organic	Private Label	Original	Regular - Ca...	Ground	Bag	Non-Free Tr...
1234773 - PL	PL	Value	12 oz	Non-Organic	Private Label	Dark Roast	Regular - Ca...	Ground	Bag	Non-Free Tr...
1234774 - PL	PL	Value	12 oz	Non-Organic	Private Label	Dark Roast	De-Caffeinat...	Ground	Bag	Non-Free Tr...

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.

### Custom Menu Option

Seed Like Items: This custom menu is applicable for all four views under the Like Item Mapping tab. It is used to populate WP Sales U, WP Sales R, WP Gross Profit, WP Gross Profit%, and attribute data for new and placeholder items from existing like items.

## 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 percentage of a particular consumer segment to a category's retail sales.
Consumer Seg / Store Sales Contribution %	Contribution percentage of a particular consumer segment's to a store's retail sales, presented at the cluster level.
Sales by Consumer Seg R	The sales retail value generated by a specific consumer segment.
Sales by Consumer Seg U	The sales units generated by a specific consumer segment.
Consumer Seg Distribution	The percentage presence of a consumer segment in the market.
LY Sales by Consumer Seg U	Last year's sales units' contribution percentage of a consumer segment to the category.
LY Sales by Consumer Seg R	Last year's sales retail contribution percentage of a consumer segment to the category.

### Set IPI Weights Tab

This tab is used to set the IPI weights. Once the IPI weights have been set, IPI scores are calculated by running the Calc Cluster IPI Score custom menu. IPI scores can be reviewed in the views under the next tab, Review IPI Scores.

Figure 8–12 shows the five views for this tab.

Figure 8–12 Review IPI Criteria Tab Views

The screenshot displays five tabs for reviewing IPI criteria:

- 1. Review Focus Area Weights:** A table with columns for Location, Measure, Focus Area Attributes (Attributes, Loyalty, Market, Performance), and Consumer Segment. Rows include Gourmet Shoppers, Soccer Moms, Instant, Single Serve, and Whole.
- 2. Review Metric Weights:** A table with columns for Location, Measure, Focus Area Attributes, and Consumer Segment. Rows include Ground, Instant, and Single Serve. Metrics include VIP Gross Profit Weight, VIP Gross Profit % Weight, VIP Loyalty Weight, VIP Sales R Weight, and VIP Sales U Weight.
- 3. Review Attribute Name Weights:** A table with columns for Location, Measure, Consumer Segment, and Product. Rows include Brand, Brand Tier, Format Size, Manufacturing Process, Private Label, Roast, Segment, Sub-Category, Sub-Segment, and Trade Type.
- 4. Review Attribute Value Weights:** A table with columns for Location, Measure, Consumer Segment, and Product. Rows include 12 CT, 12 oz, and 20 oz. Metrics include Ground, Instant, Single Serve, and Whole.
- 5. Review Consumer Segment Weights:** A table with columns for Location, Measure, Consumer Segment, and Product. Rows include Gourmet Shoppers and Soccer Moms. Metrics include Coffee.

The concept of focus area weights needs to be understood before going into the details the views under this tab.

### 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.

**Figure 8–13 Best Practice for Focus Area Weights**

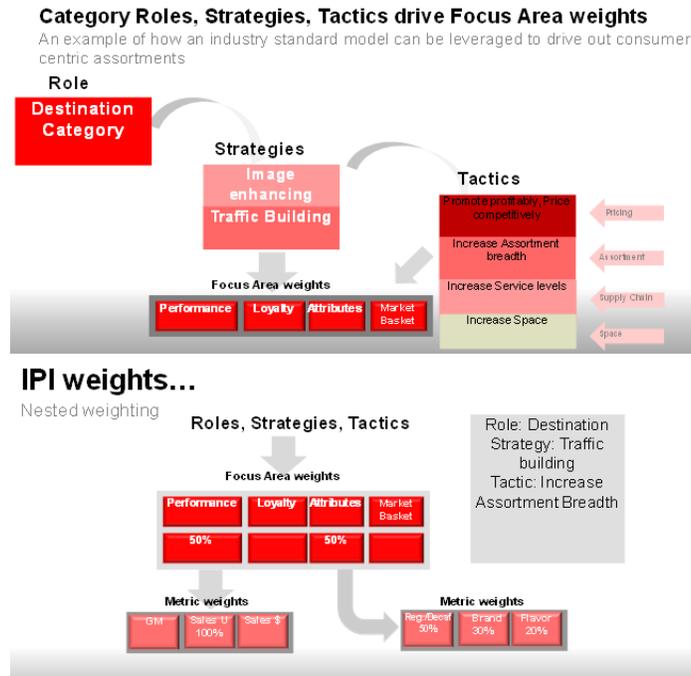


Table 8–9 shows the suggested default focus area weights.

**Table 8–9 Possible 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

### 1. Review Focus Area Weights View

Use this view to review and modify focus area weights. Focus area weights can be pre-seeded based on the category strategies using the Seed IPI Weights custom menu. They can be altered per the business requirements across the product hierarchy (categories/sub-categories) and location hierarchy (clusters) to derive custom assortment plans.

Focus area weights are finalized by addressing the following points:

- Roles, strategies, and tactics for the product category.
- Past performance of items in the assortment.
- Breadth and variety of product attributes in the assortment.
- Importance of customer loyalty for the product category.
- Market basket presence of items and product categories.

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

1. Review Focus Area Weights				
Location	Measure	Consumer Segment	Focus Area Attributes	Product
Mainstream   Large   A (Northwest)	WP Focus Area Weight	all (Consumer Segment)		
	Find...			
	Attributes	Loyalty	Market Basket	Performance
Ground	50.0 %	0.0 %	0.0 %	50.0 %
Instant	50.0 %	0.0 %	0.0 %	50.0 %
Single Serve	50.0 %	0.0 %	0.0 %	50.0 %
Whole	50.0 %	0.0 %	0.0 %	50.0 %

2. Review Metric Weights						
Location	Focus Area Attributes	Consumer Segment	Measure			
Mainstream   Large   A (Northwest)	Attributes	all (Consumer Segment)	Gourmet Shoppers			
	Find...					
	WP Gross Profit Weight	WP Gross Profit % Weight	WP Loyalty Weight	WP Sales R Weight	WP Sales U Weight	WP Switching Weight
Ground	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %	0.0 %
Instant	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %	0.0 %
Single Serve	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %	0.0 %
Whole	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %	0.0 %

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 weight percentage for the focus area, which is used in calculating IPI scores and then generating a system-recommended IPI assortment. Focus areas available in the application include Attribute, Loyalty, Market Basket, and Performance.

### Custom Menus

Seed IPI Weights: This custom menu option is used to seed the preset IPI weights from the IPI Setup step in the Category Management Administration task.

### 2. Review Metric Weights View

Use this view to define the focus areas by setting the metrics and metric weights for them. The Seed IPI Weights custom menu can be used to pre-populate the metric weights from the Category Management Administration task. [Figure 8–14](#) shows an example of this view.

[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 <a href="#">Table 8–10</a> .
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 <a href="#">Table 8–10</a> .
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.

**Table 8–12 (Cont.) 2. Review Metric Weights Measures**

Label	Definition
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.
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 the attributes' weights. Attribute weights are used to indicate the relative importance of each attribute in the IPI calculations for the Attributes focus area. Note that these weights are only relevant and used in IPI calculations when the Attributes focus area has been assigned a weight.

These attribute weights are expected to be aligned with CDTs and can vary by consumer segment. By default, these weights are set using inputs from the CDT/DT Science Cloud Service and can be reviewed and overridden here.

**Figure 8–15 3. Review Attribute Weights View**

	all [Consumer Segment]			
	Ground	Instant	Single Serve	Whole
Brand	0.70	0.70	0.70	0.70
BrandTier	0.00	0.00	0.00	0.00
FormatSize	0.00	0.00	0.00	0.00
ManufacturingProcess	0.00	0.00	0.00	0.00
Private Label	0.00	0.00	0.00	0.00
Roast	0.00	0.00	0.00	0.00
Segment	0.30	0.30	0.30	0.30
SubCategory	0.00	0.00	0.00	0.00
SubSegment	0.00	0.00	0.00	0.00
TradeType	0.00	0.00	0.00	0.00

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. This helps the user to put emphasis on specific product attribute names. In effect, Attribute Name Weights and Attribute Value Weights facilitate deriving a system-recommended IPI assortment with the required mix of product attributes.

#### 4. Review Attribute Value Weights View

In addition to specifying the relative importance of attribute names (brand versus flavor versus size), it is also possible to specify attribute value weights to emphasize on specific attribute values required in an assortment across the different clusters. 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**

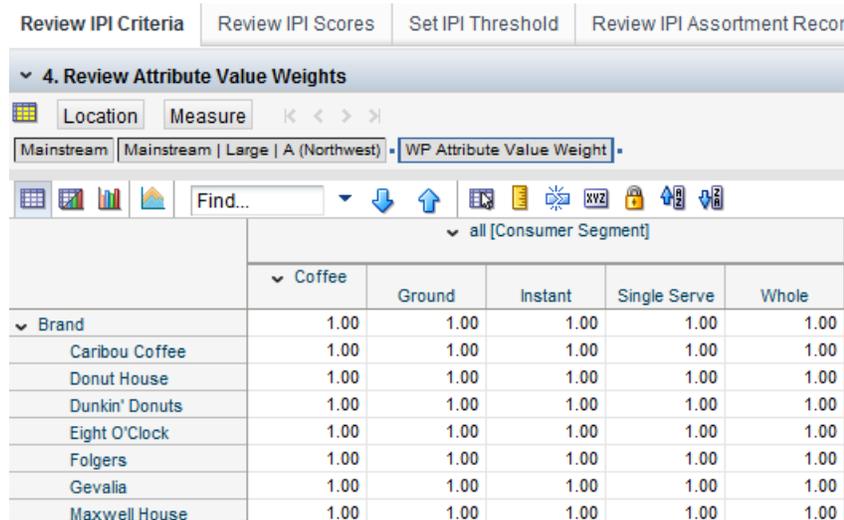


Table 8–14 lists the measure available in this view.

**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 under an attribute name. This helps the user to put emphasis on specific product attribute values. In effect, Attribute Name Weights and Attribute Value Weights facilitate deriving a system-recommended IPI assortment with the required mix of product attributes. 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 view presents the consumer segments shopping at different clusters in the retail chain. Higher weights should be assigned to the primary or target consumer segments. These weights impact IPI and demand transference calculations.

**Figure 8–17 5. Review Consumer Segment Weights View**

		all [Consumer Segment]		
		Gourmet Shoppers	Soccer Moms	Value Seekers
Mainstream	Mainstream   Large   A	0.0 %	100.0 %	0.0 %
	Mainstream   Medium   B	0.0 %	100.0 %	0.0 %
	Mainstream   Small   C	0.0 %	100.0 %	0.0 %
	Mainstream   Small   D	0.0 %	100.0 %	0.0 %
	Mainstream   Small   E	0.0 %	100.0 %	0.0 %
Premium	Premium   Large   A	100.0 %	0.0 %	0.0 %
	Premium   Medium   B	100.0 %	0.0 %	0.0 %
	Premium   Small   C	100.0 %	0.0 %	0.0 %
	Premium   Small   D	100.0 %	0.0 %	0.0 %
	Premium   Small   E	100.0 %	0.0 %	0.0 %
Value	Value   Large   A	0.0 %	0.0 %	100.0 %
	Value   Medium   B	0.0 %	0.0 %	100.0 %
	Value   Small   C	0.0 %	0.0 %	100.0 %
	Value   Small   E	0.0 %	0.0 %	100.0 %

In the example shown in [Figure 8–17](#), Mainstream store clusters have a 100 percent focus on Soccer Moms whereas 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 are 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 and doing Demand Transference calculations. It can be different from WP Consumer Seg Distribution and should represent the retailer's target consumer segment distribution.
WP Consumer Seg Distribution	The presence of different consumer segments in the cluster, expressed in percentage points.

### Custom Menus

**Seed IPI Weights:** This custom menu is used to seed the preset IPI weights from the IPI Setup step in the 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.

## Examples 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
<b>Focus Area Weights</b>	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
<b>Metric Weights</b>	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
<b>Focus Area Weights</b>	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
<b>Metric Weights</b>	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
<b>Metric Weights</b>	0%	0%	0%	100%	0%	0%

These are the Attribute name weights:

	Brand	Flavor	Size
<b>Attribute Weights</b>	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 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.

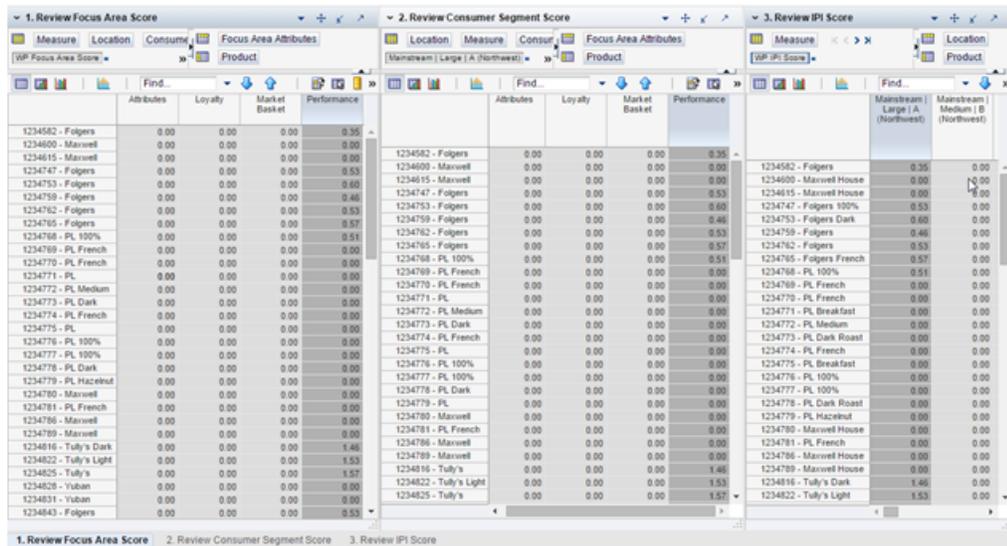
Using only Performance as a Focus Area would mean Folgers SKUs might get dropped from the assortment. If brand is important for the consumer segments shopping the stores, the assortment planner would want to ensure there are adequate assortment options by each brand for categories where the category roles and strategies warrant this.

## Review IPI Scores Tab

This tab has three views to review the IPI scores at different levels. The IPI score for an item at the cluster level is derived by the system by performing multi-layer or multi-dimensional calculations based on user-specified IPI weights. These sub-IPI scores at the focus area level and consumer segment level are presented in the first two views under this tab. Final IPI scores are presented in the third view under this tab.

For more details on IPI calculations, see ["IPI in Assortment Planning"](#).

**Figure 8–18 Review IPI Scores Tab View**



## 1. Review Focus Area Score View

Use this view to see the focus area level IPI scores. Within each of the focus areas, a score is computed.

**Figure 8–19 1. Review Focus Area Score View**

	Attributes	Loyalty	Market	Performance
▼ Coffee	0.50	0.00	0.33	0.65
▼ Ground	0.50	0.00	0.00	0.44
1234582 -	0.34	0.00	0.00	0.30
1234600 -	0.00	0.00	0.00	0.00
1234615 -	0.00	0.00	0.00	0.00
1234747 -	0.50	0.00	0.00	0.46
1234753 -	0.57	0.00	0.00	0.52
1234759 -	0.44	0.00	0.00	0.40

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 used in calculating the final IPI score and generating a working plan version of an IPI assortment.

## 2. Review Consumer Segment Score View

Use this view to see the consumer segment level IPI scores. Consumer segment level IPI scores are calculated per the IPI weights defined at the trading area and cluster level.

**Figure 8–20 2. Review Consumer Segment Score View**

	Attributes	Loyalty	Market Basket	Performance
▼ all [Consumer Segment]	0.20	0.00	0.00	0.18
Gourmet Shoppers	0.10	0.00	0.00	0.09
Value Seekers	0.10	0.00	0.00	0.09

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 used in calculating the final IPI score and generating a working plan version of an IPI assortment.

### 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 only one of the quarters, then when aggregating the workbook or a specific view 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**

	LY Retailer Sales @ Cluster R	LY Retailer Sales Rank	LY Market Sales @ Cluster R	LY Market Sales Rank	WP Mandatory	WP Assortment Eligibility	Assortment Eligibility Error
1234562 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	79107.19	57	171697.81	76	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	0.00	62	246261.55	57	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	0.00	62	285764.68	46	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can	114160.50	43	257546.09	50	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can	129381.84	40	291885.44	44	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234759 - Folgers Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can	88939.25	51	223206.95	60	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234762 - Folgers Breakfast Roast Non-Flavored Regular - Caffeinated 12 oz Can	114160.50	43	257546.09	49	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234765 - Folgers French Roast Non-Flavored Regular - Caffeinated 12 oz Can	121771.22	42	274715.87	48	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234768 - PL 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can	109277.16	49	246529.26	55	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

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.

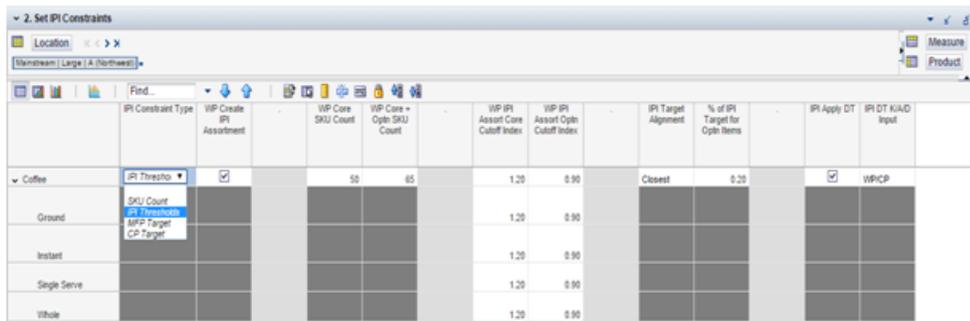
Optionally, the IPI Apply DT flag measure can be checked to dynamically calculate demand transference affected sales for the assortment being generated. When this option is used, ensure that the reference assortment (WP/CP or WP/LY) is selected under the measure IPI DT KAD Input for demand transference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

For more details, see the measure definitions in [Table 8–20](#).

**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.

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

<b>Label</b>	<b>Description</b>
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.
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).

### Custom Menu

Create IPI Assortment @Cluster: This custom menu is used to generate an IPI assortment at the cluster level after setting the required IPI constraints. This custom menu can also be utilized to simultaneously calculate demand transference affected sales by checking the Boolean IPI Apply DT measure while generating the IPI 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.

**Table 8–21 (Cont.) 3. Set Market Coverage Constraints Measures**

<b>Label</b>	<b>Definition</b>
WP Min Core SKU Count @ Cat	The minimum number of core SKUs in a working plan assortment. If specified, this serves as the lower bound on the number of core SKUs recommended by the system for the category.
WP Min Core + Optn SKU Count @ Cat	The minimum number of core plus optional SKUs in a working plan assortment. If specified, this serves as the lower bound on number of core plus optional SKUs recommended by the system for the category.
Create Market Coverage Assortment	Creates an assortment matching as many constraints as possible.

**Custom Menu**

Create MC Assortment: This custom menu is used to generate a Market Coverage assortment after setting the required market coverage constraints.

## Manage IPI Assortment Step

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

**Prior to starting this step:**

- Assortment setup step should be complete and an IPI assortment based on user-defined constraints should be in place.
- Demand Transference calculation parameters data from the CDT/DT Science Cloud Service should be uploaded.

**After completing this step:**

Once an IPI assortment is in place, move to the Manage Market Coverage Assortment step in the workflow to generate a Market Coverage Assortment. In case the final assortment plans are to be derived using an IPI assortment, go directly to the Finalize Assortment for Space Optimization step.

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](#):
  1. [View IPI Ordered Incremental Curve View](#)

## Custom Menu Options

This step has four custom menu options.

### 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 assortment. This view also contains demand transference parameters and provides a facility to do what-if analysis by making assortment changes. Assortment changes are done 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 to derive the assortment change decisions in the form of Keep, Add, and Drop.

Figure 8–25 1a. Review IPI Assortment Recommendation View

	WP DT Assort Sales U	WP DT Assort Sales R	DT No of Significant Substitute SKUs	WP DT Assort Substitute Demand Sales U	WP DT Assort Substitute Demand Sales R	WP Assort Demand Transferred %	WP DT Assort Incremental Demand Sales U	WP Assort Incremental Demand Sales R	WP Assort Gross Profit %	WP Assort Gross Profit R	WP DT Assort Gross Profit %	WP DT Assort Gross Profit R	
Coffee	33.03	945088.82	10158536.03	7	198893.54	2191066.11	19.78%	653369.78	6787113.45	19.87%	1877403.10	19.81%	2012726.18
1235806 - Peet's		194895.49	1180336.48	0	0.00	0.00	0.00%	0.00	0.00	17.51%	125160.21	17.51%	296637.82
1236295 - Dunkin'		77953.27	702161.41	7	13464.14	121277.83	17.27%	64489.12	589883.59	17.82%	125160.21	17.82%	125160.21
1235884 - Dunkin'		27092.28	702161.41	7	9261.44	240032.43	34.18%	17830.84	462128.98	17.82%	125160.21	17.82%	125160.21
1236880 - Nescafe					4315.51	18.37%	81790.57	552313.12	18.50%	125160.21	18.50%	125160.21	
1236511 - Dunkin'					4871.70	21.82%	57617.89	519889.57	18.85%	125160.21	18.85%	125160.21	
1235575 - Dunkin'					3013.18	25.74%	46771.03	474015.63	19.61%	125160.21	19.61%	125160.21	
1235572 - Dunkin'					3014.75	34.47%	16140.95	418314.95	19.61%	125160.21	19.61%	125160.21	
1236684 - Dunkin'					3075.04	38.87%	10949.75	394896.89	20.01%	125160.21	20.01%	125160.21	
1236189 - Dunkin'					3568.58	27.75%	50180.03	451993.35	20.01%	125160.21	20.01%	125160.21	
1236832 - Nescafe					3674.16	20.57%	72077.18	486721.54	20.42%	125160.21	20.42%	125160.21	
1236874 - Seattles					3269.69	3.59%	77261.33	608628.30	21.31%	125160.21	21.31%	147583.64	
1234825 - Tully's					3518.85	25.63%	49664.97	503544.85	21.79%	125160.21	21.79%	147583.64	
1236183 - Dunkin'					7249.78	31.55%	42684.73	384479.22	22.28%	125160.21	22.28%	125160.21	
1234951 - Dunkin'					8631.05	17.56%	17868.09	463097.95	22.28%	125160.21	22.28%	125160.21	
1234822 - Tully's					3893.58	26.32%	48044.20	496916.39	22.28%	125160.21	22.28%	147236.68	
1236874 - Maxwell					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236958 - Folgers					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236847 - Folgers					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236841 - Folgers					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236823 - Maxwell					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236858 - Folgers					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	
1236842 - Caribou					0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00	

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

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

<b>Label</b>	<b>Definition</b>
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.
IPI 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 an IPI-based assortment.
WP IPI Assort Sales U	IPI Assortment's base sales units.
WP IPI Assort Sales R	IPI Assortment's base sales retail value.
WP IPI DT Assort Sales U	IPI Assortment's demand transference affected sales units.
WP IPI DT Assort Sales R	IPI Assortment's demand transference affected sales retail value.
IPI DT No of Significant Substitute SKUs	Count of SKUs that can absorb the significant chunk of substitutable demand of a SKU in an IPI assortment for the cluster. Represents the number of SKUs that demand will transfer to, if this SKU is dropped from the assortment.
WP IPI DT Assort Substitutable Demand Sales U	Replaceable sales units of a SKU, in case it is dropped from an IPI assortment.
WP IPI DT Assort Substitutable Demand Sales R	Respective replaceable sales retail value for substitutable sales of a SKU in an IPI assortment.
WP IPI DT Assort Demand Transferred %	Represents the percentage of the total demand of the SKU that will get transferred to other SKUs in the IPI assortment if this SKU is dropped from the assortment.
WP IPI 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 IPI assortment if this SKU is dropped from the assortment.

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

<b>Label</b>	<b>Definition</b>
WP IPI DT Assort Incremental Demand Sales R	Represents the demand sales retail value of the SKU that will be lost or not transferred to other SKUs in the IPI assortment if this SKU is dropped from the assortment.
WP IPI Assort Gross Profit %	The base gross profit percentage value in a system-recommended IPI assortment.
WP IPI Assort Gross Profit R	The base gross profit retail value in a system-recommended IPI 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.
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.
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**

1a. Review IPI Assortment Recommendation	
Location << >>	
Mainstream   Large   A (Northwest)	
Find...	
Coffee	
WP IPI Assort Core Count	32.00
WP IPI Assort Optn Count	9.00
WP Mandatory Count	0.00
LY Assort Core	<input checked="" type="checkbox"/>
LY Assort Optn	<input type="checkbox"/>
LY Assort Core Count	61
LY Assort Optn Count	0
CP Assort Core	<input type="checkbox"/>
CP Assort Optn	<input type="checkbox"/>
CP Assort Core Count	0
CP Assort Optn Count	0
WP IPI Assort Compare to LY	?
WP IPI Assort Compare to CP	?
IPI DT K/A/D Input	WP/LY
WP IPI Assort Sales U	822708.85
WP IPI Assort Sales R	9580453.88
WP IPI DT Assort Sales U	887788.52
WP IPI DT Assort Sales R	10325253.87
IPI DT No of Significant Substitute SKUs	31
WP IPI DT Assort Substitutable Demand Sales U	279874.25
WP IPI DT Assort Substitutable Demand Sales R	3331198.34
WP IPI DT Assort Demand Transferred %	32%
WP IPI DT Assort Incremental Demand Sales U	607914.27
WP IPI DT Assort Incremental Demand Sales R	6994055.53
WP IPI Assort Gross Profit %	13%
WP IPI Assort Gross Profit R	1198320.21
WP IPI DT Assort Gross Profit %	13%
WP IPI DT Assort Gross Profit R	1293789.57

Note that in [Figure 8–26](#), the measures dimension has been moved to the 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

	WP IPI Score	WP IPI Rank	WP Mandatory for Assortment	IPI Core Recommendation	IPI Optn Recommendation	WP IPI Core	WP IPI Optn	WP IPI Core Count	WP IPI Optn Count	LY Assort Core	LY Assort Optn	LY Assort Core Count	LY Assort Optn Count	CP Assort Core	CP Assort Optn	CP Assort Core Count	CP Assort Optn Count
☐ Coffee	1.00	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	48	9	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	13	28	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236880 - Nescafe	2.31	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236205 - Dunkin'	2.16	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236511 - Dunkin'	2.07	3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236832 - Nescafe	2.06	4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235575 - Dunkin'	1.77	5	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235674 - Seattles	1.77	6	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236199 - Donut	1.69	7	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235806 - Peef's	1.58	8	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236193 - Donut	1.52	9	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1234825 - Tully's	1.46	10	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1234822 - Tully's	1.43	11	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235845 - Starbucks	1.38	12	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235716 - Caribou	1.36	13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1234816 - Tully's	1.36	14	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235701 - Starbucks	1.30	15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235854 - Starbucks	1.23	16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1234753 - Folgers	1.17	17	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235794 - Newman's	1.13	18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235611 - Gevalia	1.12	19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1234765 - Folgers	1.10	20	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1235632 - Newman's	1.10	21	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
1236856 - Folgers	1.04	22	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

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

	IPI Optn Count	LY Assort Core	LY Assort Optn	LY Assort Core Count	LY Assort Optn Count	CP Assort Core	CP Assort Optn	CP Assort Core Count	CP Assort Optn Count	WP IPI Assort Compare to LY	WP IPI Assort Compare to CP	IPI DT KIA/D Input	WP IPI Assort Sales U	WP IPI Assort Sales R	V As
☐ Coffee	9	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	13	28	<input checked="" type="checkbox"/>	<input type="checkbox"/>	43	0	?	?		2,999,804	30,251.1 K	
1236880 - Nescafe	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		159,872	1,098.4 K	
1236205 - Dunkin'	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		128,420	1,176.9 K	
1236511 - Dunkin'	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		121,415	1,112.7 K	
1236832 - Nescafe	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		144,790	994.8 K	
1235575 - Dunkin'	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		103,759	1,069.9 K	
1235674 - Seattles	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		118,906	953.3 K	
1236199 - Donut	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		110,808	1,015.5 K	
1235806 - Peef's	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		101,285	1,160.5 K	
1236193 - Donut	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		99,501	911.9 K	
1234825 - Tully's	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Keep	Keep		90,443	932.6 K	
1234822 - Tully's	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		88,433	911.9 K	
1235845 - Starbucks	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		68,996	790.5 K	
1235716 - Caribou	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		64,864	743.2 K	
1234816 - Tully's	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		84,414	870.4 K	
1235701 - Starbucks	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		65,154	746.5 K	
1235854 - Starbucks	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		61,321	702.6 K	
1234753 - Folgers	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		55,076	378.4 K	
1235794 - Newman's	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		59,187	746.1 K	
1235611 - Gevalia	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		54,255	683.9 K	
1234765 - Folgers	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		51,836	356.1 K	
1235632 - Newman's	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		57,543	725.3 K	
1236856 - Folgers	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	0	Add	Keep		48,597	333.9 K	

Demand transference can be used to 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 K/A/D Input	WP IPI Assort Sales U	WP IPI Assort Sales R	WP IPI DT Assort Sales U	WP IPI DT Assort Sales R	IPI DT No of Significant Substitute SKUs	WP IPI DT Substitutable Demand Sales U	WP IPI DT Substitutable Demand Sales R	WP IPI Demand Transferred %	WP IPI Lost Demand Sales U	WP IPI Lost Demand Sales R	WP IPI Gross Profit %	WP IPI Gross Profit R	WP IPI DT Gross Profit %	WP IPI DT Gross Profit R
Coffee	2,999,804	30,251.1 K	2,924,130	29,616.0 K	27	1,575,425	15,848.2 K	53.9 %	1,424,300	14,403.0 K	30.7 %	9,300.3 K	30.7 %	9,090.0 K
1236080 - Nescafe	159,872	1,098.4 K	151,648	1,041.9 K	8	97,514	670.0 K	64.3 %	62,357	428.4 K	17.6 %	193.8 K	17.6 %	183.8 K
1236205 - Dunkin'	128,420	1,178.9 K	121,904	1,117.2 K	4	85,445	783.0 K	70.1 %	42,975	393.8 K	15.6 %	183.5 K	15.6 %	174.2 K
1236511 - Dunkin'	121,415	1,112.7 K	118,342	1,084.5 K	7	51,174	489.0 K	43.2 %	70,241	643.7 K	16.5 %	183.5 K	16.5 %	178.8 K
1236632 - Nescafe	144,790	994.0 K	134,629	925.0 K	11	53,110	364.9 K	39.5 %	91,672	629.8 K	19.5 %	193.0 K	19.5 %	180.2 K
1235575 - Dunkin'	103,759	1,069.9 K	105,826	1,091.3 K	24	47,165	496.3 K	44.8 %	56,594	583.6 K	17.1 %	183.3 K	17.1 %	187.1 K
1235874 - Seattle's	118,906	853.3 K	116,459	833.7 K	26	37,048	297.9 K	31.9 %	81,856	656.3 K	28.7 %	197.3 K	28.7 %	193.2 K
1236199 - Donut	110,808	1,015.5 K	104,208	955.0 K	5	52,372	480.0 K	50.3 %	58,436	535.5 K	29.5 %	299.4 K	29.5 %	281.5 K
1235806 - Peet's	101,285	1,160.9 K	100,537	1,132.0 K	15	58,098	665.3 K	57.7 %	43,228	485.3 K	24.9 %	288.9 K	24.9 %	286.8 K
1236193 - Donut	99,501	911.9 K	94,618	867.1 K	4	66,984	614.0 K	70.8 %	32,505	297.9 K	32.8 %	289.4 K	32.8 %	284.7 K
1234825 - Tully's	90,443	932.8 K	89,005	918.6 K	14	52,165	537.9 K	58.6 %	38,278	394.7 K	26.8 %	248.8 K	26.8 %	246.0 K
1234822 - Tully's	88,433	911.9 K	87,430	901.5 K	12	58,675	605.0 K	67.1 %	29,758	306.8 K	27.4 %	249.8 K	27.4 %	246.9 K
1235845 - Starbucks	68,986	790.5 K	68,556	785.5 K	14	41,349	473.0 K	60.3 %	27,637	316.7 K	25.7 %	203.3 K	25.7 %	202.0 K
1235718 - Caribou	64,884	743.2 K	64,457	738.8 K	14	38,458	440.7 K	59.7 %	26,406	302.6 K	17.3 %	128.7 K	17.3 %	127.9 K
1234816 - Tully's	84,414	870.4 K	83,299	858.9 K	15	52,221	538.5 K	62.7 %	32,192	331.9 K	28.7 %	249.0 K	28.7 %	246.5 K
1235701 - Starbucks	65,154	746.5 K	64,699	741.3 K	14	38,450	440.6 K	59.4 %	26,704	308.0 K	27.2 %	203.3 K	27.2 %	201.9 K
1235854 - Starbucks	91,321	792.6 K	90,919	908.9 K	14	39,569	453.4 K	60.0 %	21,752	249.2 K	28.9 %	203.3 K	28.9 %	202.0 K
1234753 - Folgers	55,076	378.4 K	53,180	365.4 K	15	35,732	245.5 K	67.2 %	19,344	132.9 K	46.8 %	177.0 K	46.8 %	176.9 K
1235794 - Newman's	98,187	748.1 K	98,874	742.1 K	13	40,798	513.8 K	68.2 %	18,428	232.3 K	28.9 %	200.9 K	28.9 %	199.4 K
1235611 - Gencia	54,255	683.9 K	53,675	676.6 K	20	26,368	332.4 K	48.1 %	27,887	351.5 K	28.2 %	193.0 K	28.2 %	190.9 K
1234785 - Folgers	51,836	356.1 K	49,828	343.0 K	14	32,184	221.0 K	64.4 %	19,673	155.2 K	49.7 %	177.0 K	49.7 %	170.5 K
1235632 - Newman's	57,543	725.3 K	57,155	720.4 K	17	27,971	352.6 K	48.9 %	29,572	372.8 K	27.6 %	200.5 K	27.6 %	199.1 K
1236956 - Folgers	48,597	333.9 K	45,956	315.7 K	13	23,705	162.9 K	51.6 %	24,892	171.0 K	53.0 %	177.0 K	53.0 %	167.4 K

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 their net impact on category sales, in the WP IPI DT Assort Sales measure.

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:

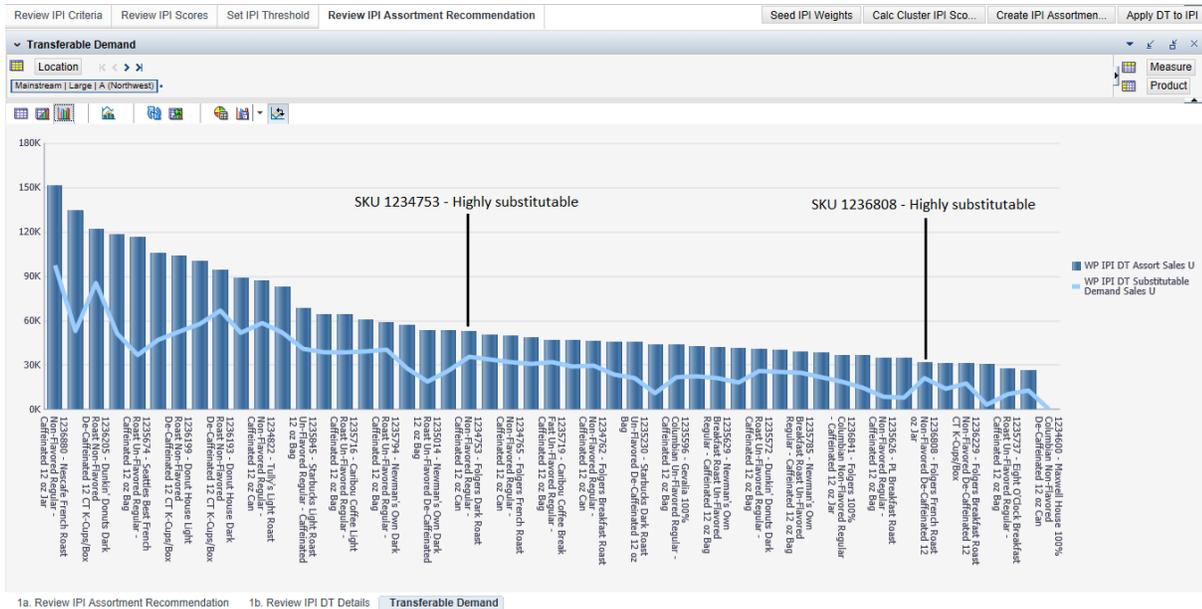
- If this SKU is to be dropped from the assortment, how much of the demand is transferred to other SKUs in the assortment and how much of the demand is lost.
- How many similar SKUs exist in the assortment that will absorb some of the demand, if this SKU is to be dropped.

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

Review IPI Criteria		Review IPI Scores		Set IPI Threshold		Review IPI Assortment Recommendation		Seed IPI Weights		Calc Cluster IPI Sco...		Create IPI Assortmen...		Apply DT to IPI	
1a. Review IPI Assortment Recommendation															
Location: Mainstream   Large   A (Northwest)															
SKU 1236880 - Higher sales and highly substitutable															
SKU 1236832 - High sales and relatively less substitutable															
Product	WP/CP	WP IPI Assort Sales U	WP IPI Assort Sales R	WP IPI DT Assort Sales U	WP IPI DT Assort Sales R	IPI DT No of Significant Substitute SKUs	WP IPI DT Substitutable Demand Sales U	WP IPI DT Substitutable Demand Sales R	WP IPI Demand Transferred %	WP IPI DT Lost Demand Sales U	WP IPI DT Lost Demand Sales R	WP IPI Gross Profit %	WP IPI Gross Profit R	WP IPI DT Gross Profit %	WP IPI DT Gross Profit R
Coffee		2,999,804	30,251.1 K	2,924,130	29,616.0 K	27	1,575,425	15,846.2 K	53.9 %	1,424,380	14,403.0 K	30.7 %	9,300.3 K	30.7 %	9,090.0 K
1236880 - Nescafe		159,872	1,086.4 K	151,648	1,041.9 K	8	97,514	670.0 K	64.3 %	62,357	428.4 K	17.6 %	193.8 K	17.6 %	183.8 K
1236205 - Dunkin'		128,420	1,176.9 K	121,904	1,117.2 K	4	85,445	783.0 K	70.1 %	42,975	393.6 K	15.6 %	183.5 K	15.6 %	174.2 K
1236511 - Dunkin'		121,415	1,112.7 K	118,342	1,084.5 K	7	51,174	469.0 K	43.2 %	70,241	643.7 K	16.5 %	183.5 K	16.5 %	178.8 K
1236832 - Nescafe		144,790	994.8 K	134,629	925.0 K	11	53,118	364.9 K	39.5 %	91,672	629.8 K	19.5 %	193.8 K	19.5 %	180.2 K
1235575 - Dunkin'		103,759	1,069.9 K	105,636	1,091.3 K	24	47,165	486.3 K	44.6 %	56,594	583.6 K	17.1 %	183.5 K	17.1 %	187.1 K
1235674 - Seattle's		118,906	953.3 K	116,459	933.7 K	26	37,048	297.0 K	31.8 %	81,858	656.3 K	20.7 %	197.3 K	20.7 %	193.2 K
1236199 - Donut		110,808	1,015.5 K	104,208	955.0 K	5	52,372	480.0 K	50.3 %	58,436	535.5 K	29.5 %	299.4 K	29.5 %	281.5 K
1235806 - Peet's		101,285	1,160.5 K	100,537	1,152.0 K	15	58,059	665.3 K	57.7 %	43,226	495.3 K	24.9 %	288.9 K	24.9 %	286.8 K
1236193 - Donut		99,501	911.9 K	94,618	867.1 K	4	66,994	614.0 K	70.8 %	32,508	297.9 K	32.8 %	299.4 K	32.8 %	284.7 K
1234825 - Tully's		90,443	932.6 K	89,085	918.6 K	14	52,165	537.9 K	58.6 %	39,278	394.7 K	26.8 %	249.8 K	26.8 %	246.0 K
1234822 - Tully's		88,433	911.9 K	87,430	901.5 K	12	58,675	605.0 K	67.1 %	29,758	306.6 K	27.4 %	249.8 K	27.4 %	246.9 K
1235845 - Starbucks		68,986	790.5 K	68,556	785.5 K	14	41,349	473.8 K	60.3 %	27,637	316.7 K	25.7 %	203.3 K	25.7 %	202.0 K
1235716 - Caribou		64,864	743.2 K	64,457	738.6 K	14	38,456	440.7 K	59.7 %	26,406	302.6 K	17.3 %	128.7 K	17.3 %	127.9 K
1234816 - Tully's		64,414	870.4 K	63,299	858.9 K	15	52,221	536.5 K	62.7 %	32,192	331.9 K	28.7 %	249.8 K	28.7 %	246.5 K
1235701 - Starbucks		65,154	746.5 K	64,689	741.3 K	14	38,450	440.6 K	59.4 %	26,704	306.0 K	27.2 %	203.3 K	27.2 %	201.9 K
1235854 - Starbucks		61,321	702.6 K	60,919	698.0 K	14	39,569	453.4 K	65.0 %	21,752	249.2 K	28.9 %	203.3 K	28.9 %	202.0 K
1234753 - Folgers		55,076	378.4 K	53,180	365.4 K	15	35,372	245.5 K	67.2 %	19,344	132.9 K	46.8 %	177.0 K	46.8 %	170.9 K
1235794 - Newman's		59,187	746.1 K	58,674	742.1 K	13	40,759	513.8 K	69.2 %	18,428	232.3 K	26.9 %	200.5 K	26.9 %	199.4 K
1235611 - Gevalia		54,255	683.9 K	53,675	676.6 K	20	26,368	332.4 K	49.1 %	27,887	351.5 K	28.2 %	193.0 K	28.2 %	190.9 K
1234765 - Folgers		51,836	356.1 K	49,928	343.0 K	14	32,164	221.0 K	64.4 %	19,673	135.2 K	49.7 %	177.0 K	49.7 %	170.5 K
1235632 - Newman's		57,543	725.3 K	57,155	720.4 K	17	27,971	352.6 K	48.9 %	29,572	372.8 K	27.6 %	200.5 K	27.6 %	199.1 K
1236856 - Folgers		48,597	333.9 K	45,956	315.7 K	13	23,705	162.9 K	51.6 %	24,892	171.0 K	53.0 %	177.0 K	53.0 %	167.4 K

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

SKU	WP Mandatory	WP IPI Assort Core	WP IPI Assort Opt	WP MC Assort Core	WP MC Assort Opt	WP Seed Final Core/Opt	WP Assort Core	WP Assort Opt	Assort Core/Opt Error	WP Assort Core Count	WP Assort Opt Count	WP % Contribution of Category Items
1235806 - Peet's 100% C...		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		15	0	16.48%
1236205 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1235884 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236880 - Nescafe French		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236511 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1235575 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1235572 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236664 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236199 - Donut House U		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236832 - Nescafe Origin		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1235674 - Seattle's Best F		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1234825 - Tully's French F		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236193 - Donut House D		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1234951 - Dunkin' Donuts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1234822 - Tully's Light Ro		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		1	0	1.10%
1236874 - Maxwell House		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236856 - Folgers Breakf		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236847 - Folgers Dark R		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236841 - Folgers 100% C		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236823 - Maxwell House		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236808 - Folgers French		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%
1236640 - Caribou Coffee		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>		0	0	0.00%

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

SKU	WP DT Assort Sales U	WP DT Assort Sales R	DT No of Significant Subtable SKUs	WP DT Assort Subtable Demand Sales U	WP DT Assort Subtable Demand Sales R	WP Assort Demand Transferred %	WP DT Assort Incremental Demand Sales U	WP DT Assort Incremental Demand Sales R	WP Assort Gross Profit %	WP Assort Gross Profit U	WP Assort Gross Profit R				
1235806 - Peet's 100% C...	33.03	845088.82	10158536.03	7	186893.54	2191086.11	19.78%	653389.78	6787113.45	19.87%	1877403.10	19.81%	2012726.18		
1236205 - Dunkin' Donuts		104805.49	1180336.48	0	0.00	0.00	0.00%	0.00	0.00	17.51%	125160.21	17.51%	206437.82		
1235884 - Dunkin' Donuts		77953.27	702161.41	7	13464.14	121277.83	17.27%	64489.12	500863.59	17.82%	125160.21	17.82%	125160.21		
1236880 - Nescafe French		27982.28	702161.41	7	8261.44	240032.43	34.18%	17830.84	462128.96	17.82%	125160.21	17.82%	125160.21		
1236511 - Dunkin' Donuts								4315.51	18.37%	81790.57	552313.12	18.50%	125160.21	18.50%	125160.21
1235575 - Dunkin' Donuts								4871.70	21.82%	57617.89	518989.57	18.85%	125160.21	18.85%	125160.21
1235572 - Dunkin' Donuts								4313.58	25.74%	46771.03	474015.63	19.61%	125160.21	19.61%	125160.21
1236664 - Dunkin' Donuts								8014.75	34.47%	16140.05	418314.05	19.61%	125160.21	19.61%	125160.21
1236199 - Donut House U								80675.94	36.87%	10949.75	394886.89	20.01%	125160.21	20.01%	125160.21
1236832 - Nescafe Origin								35688.58	27.75%	50180.03	451993.35	20.01%	125160.21	20.01%	125160.21
1235674 - Seattle's Best F								8074.16	20.57%	72077.18	486721.54	20.42%	125160.21	20.42%	125160.21
1234825 - Tully's French F								2649.69	3.99%	77261.33	608826.30	21.31%	125160.21	21.31%	134583.64
1234951 - Dunkin' Donuts								3518.85	25.63%	49684.97	503544.85	21.79%	125160.21	21.79%	145705.77
1234822 - Tully's Light Ro								7240.78	31.55%	42684.73	364479.22	22.28%	125160.21	22.28%	125160.21
1236874 - Maxwell House								8631.85	17.56%	17668.09	463097.95	22.28%	125160.21	22.28%	125160.21
1236856 - Folgers Breakf								5803.56	26.32%	48044.20	460146.39	22.28%	125160.21	22.28%	147236.68
1236847 - Folgers Dark R								0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
1236841 - Folgers 100% C								0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
1236823 - Maxwell House								0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
1236808 - Folgers French								0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00
1236640 - Caribou Coffee								0.00	0.00%	0.00	0.00	0.00%	0.00	0.00%	0.00

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

	IPI DT Assort Demand Sales Received %	WP IPI DT Assort Demand Received Sales U	WP IPI DT Assort Demand Received Sales R	WP IPI DT Assort Sales U	WP IPI DT Assort Sales R
▼ all [RHS Product]	0.02	13464	121278	77953	702161
1236511 - Dunkin'	0.10	7579	68263		
1235575 - Dunkin'	0.02	1858	16738		
1236664 - Dunkin'	0.02	1185	10671		
1235674 - Seattles	0.01	888	8002		
1234951 - Dunkin'	0.01	737	6639		
1235884 - Dunkin'	0.01	642	5780		
1235572 - Dunkin'	0.01	576	5185		

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

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

Label	Definition
IPI DT Assort 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 measures including MFP Sales R, MFP Sales U, MFP Gross Profit, MFP Gross Profit %, CP Target Sales R, CP Target Sales U, CP Target Gross Profit R, and CP Target Gross Profit %.

**Figure 8–35 2. IPI Assortment Dashboard View**

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

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 %	Approved Category Plan's Gross Profit percentage.
CP Target Sales R	Approved Category Plan's Sales Retail value.
LY Gross Profit %	Last Year's Assortment's Gross Profit percentage. Similar measures in other versions include: WP Gross Profit % and CP Gross Profit %.
LY Sales R	Last Year's Assortment'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.

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

<b>Label</b>	<b>Description</b>
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.
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 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 reduce 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 CMPO. 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**

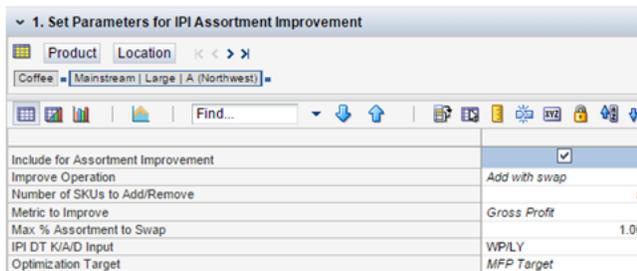


Table 8–25 lists the measures available in this view.

**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.

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

<b>Label</b>	<b>Description</b>
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.
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**

<b>Label</b>	<b>Description</b>
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**

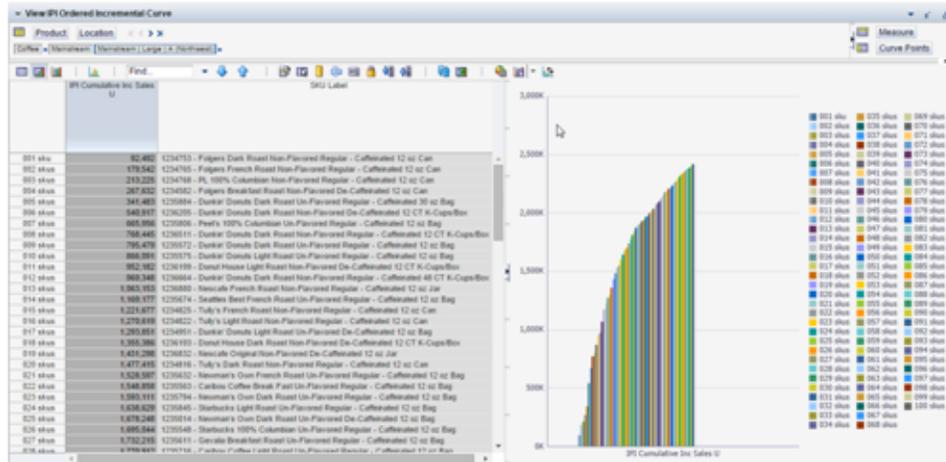


Table 8–27 lists the measures available in this view.

**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 market share percentage of the total sales of the market that the retailer's assortment covers. In other words, looking at the overall combined market sales (for example, for a trading area) of the products in retailer's assortment and putting a percentage share to it, it will 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 the retailer aims to achieve.

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, such as 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 the retailer's positioning in the market per category roles, strategies, and tactics. The market coverage

assortment is only 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 market coverage assortment
- Reviewing the market coverage ordered incremental curve to derive an optimal assortment range

Note that the assortment constraints for market coverage assortment should be set in the Assortment Setup step.

**Prior to starting this step:**

- Assortment setup step should be complete and the required Market Coverage assortment constraints should be defined.
- Demand Transference calculation parameters data from the CDT/DT Science Cloud Service should be uploaded.
- Market sales data required for deriving Market Coverage assortments should be uploaded.

**After completing this step:**

Once a Market Coverage assortment is in place, move to the Finalize Assortment for Space Optimization 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

This step has two custom menu options.

**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.

**Figure 8–39 1a. Review Assortment Recommendation WP/CP Measure Profile View**

	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Colombian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Colombian Non-Flavored Regular - Caffeinated 12 oz Can
LY Market Sales @ Cluster R	33908365.00	171697.81	246261.55	285764.68
LY Market Sales Rank	1	76	57	46
WP Sales R	22355744.79	129814.70	0.00	0.00
WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Core Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Optn Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Optn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
MC Core/Optn Error				
CP Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Core Recommended Count	63.00	0.00	0.00	0.00
MC Optn Recommended Count	12.00	0.00	1.00	1.00
WP MC Assort Core Count	63.00	0.00	0.00	0.00
WP MC Assort Optn Count	12.00	0.00	1.00	1.00
CP Assort Core Count	15	0	0	0
CP Assort Optn Count	0	0	0	0
MC Core Recommended Sales R %	5.66%	0.00%	0.00%	0.00%
MC Optn Recommended Sales R %	5.66%	0.00%	0.00%	3.71%
WP MC Assort Core Coverage Sales R %	5.66%	0.00%	0.00%	0.00%
WP MC Assort Optn Coverage Sales R %	5.66%	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.

**Table 8–28 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile**

<b>Label</b>	<b>Definition</b>
WP Sales R	The working plan assortment's 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. Similar measures in other versions include: LY Sales R, Fc Sales R, and CP Sales R.
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 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 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.
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	A Boolean flag measure indicating whether an item is a core item in last year's assortment for the cluster. Similar measures in other versions include: WP Assort Core, LP Assort Core, and CP Assort Core.
LY Assort Optn	A Boolean flag measure indicating whether an item is an optional item in last year's assortment for the cluster. Similar measures in other versions include: WP Assort Optn, LP Assort Optn, and CP Assort Optn.
LY Assort Core Count	The number of core items in last year's assortment. Similar measures in other versions include: WP Assort Core Count, LP Assort Core Count, and CP Assort Core Count.
LY Assort Optn Count	The number of optional items in a last year's assortment. Similar measures in other versions include: WP Assort Optn Count, LP Assort Optn Count, and CP Assort Optn Count.
LY Assort Core	A Boolean flag measure indicating whether an item is a core item in last year's assortment for the cluster. Similar measures in other versions include: WP Assort Core, LP Assort Core, and CP Assort Core.

**Table 8–28 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile**

<b>Label</b>	<b>Definition</b>
LY Assort Optn	A Boolean flag measure indicating whether an item is an optional item in last year's assortment for the cluster. Similar measures in other versions include: WP Assort Optn, LP Assort Optn, and CP Assort Optn.
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. Similar measures in other versions include: LP Assort Core Coverage Sales R % and LY Assort Core Coverage Sales R %.
WP MC Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the Market Coverage Assortment. Similar measures in other versions include: LP Assort Optn Coverage Sales R % and LY Assort Optn Coverage Sales R %.
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.
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.
MC DT No of Significant Substitute SKUs	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 Assort Substitutable Demand Sales U	Replaceable sales units of a SKU, in case it is dropped from a Market Coverage based assortment.
WP MC DT Assort Substitutable Demand Sales R	Respective replaceable sales retail for substitutable sales dollars for a SKU in a Market Coverage based assortment.
WP MC DT Assort 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.

**Table 8–28 (Cont.) 1a. Review Assortment Recommendation WP/CP Measure Profile**

<b>Label</b>	<b>Definition</b>
WP MC 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 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 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 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.

### Measure Profiles

This view has four measure profiles as depicted in [Figure 8–40](#), [Figure 8–41](#), [Figure 8–42](#), and [Figure 8–43](#). These measure profiles are used to review and compare the market coverage assortment with other assortments:

- WP/CP: Working plan and Current plan assortment measures.
- WP/DT: Working plan and DT measures presenting the impact of demand transference on the system-recommended assortment can be viewed using this measure profile.
- WP/LP: Working plan and Last plan assortment measures.
- WP/LY: Working plan and Last Year actuals' measures.

**Figure 8-40 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 1**

1a. Review Market Coverage Assortment Recommendation					
Location << >>					
Mainstream   Large   A (Northwest)					
Find...					
	☑ Coffee	1234582 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234600 - Maxwell House 100% Colombian Non-Flavored De-Caffeinated 12 oz Can	1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	1234747 - Folgers 100% Colombian 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Core Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Optn Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Optn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LY Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LY Assort Core Count	61	1	0	0	1
LY Assort Optn Count	0	0	0	0	0
CP Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	?				

**Figure 8-41 1a. Review Market Coverage Assortment Recommendation WP/DT Measure Profile View 2**

1a. Review Market Coverage Assortment Recommendation						
Location: Mainstream   Large   A (Northwest)						
Find...						
Product	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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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

**Figure 8-42 1a. Review Market Coverage Assortment Recommendation WP/LP Measure Profile View**

1a. Review Market Coverage Assortment Recommendation						
Location: Mainstream   Large   A (Northwest)						
Find...						
	☑ 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Core Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MC Optn Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MC Core/Optn Error						
LP Assort Core	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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

**Figure 8–43 1a. Review Market Coverage Assortment Recommendation WP/LY Measure Profile View**

1a. Review Market Coverage Assortment Recommendation						
Location << >>						
Mainstream   Large   A (Northwest)						
Find...						
	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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MC Core Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MC Optn Recommended	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MC Core/Optn Error						
LY Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LY Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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%

**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**

1b. Review Market Coverage DT Details					
Location Product << >>					
Mainstream   Large   A (Northwest)   1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can					
Find...					
	MC DT Assort Demand Sales Received %	WP MC DT Assort Demand Received Sales U	WP MC DT Assort Demand Received Sales R	WP MC DT Assort Sales U	WP MC DT Assort Sales R
1236214 - Folgers 100%	0.02	866.44	5850.86		
1236856 - Folgers	0.02	762.52	5149.09		
1236847 - Folgers Dark	0.01	698.71	4718.25		
1236808 - Folgers French	0.01	671.29	4533.09		
1236229 - Folgers	0.01	616.67	4164.26		
1236841 - Folgers 100%	0.01	577.85	3902.08		
1236367 - Folgers 100%	0.00	153.17	1034.34		

Table 8–29 lists the measures available in this view.

**Table 8–29 1b. Review Market Coverage DT Details Measures**

Label	Definition
MC DT Assort Demand Sales Received %	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 of measures including MFP Sales R, MFP Sales U, MFP Gross Profit, MFP Gross Profit %, CP Target Sales R, CP Target Sales U, CP Target Gross Profit R, and CP Target 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 8–30 lists the measures available in this view.

**Table 8–30 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.

**Table 8–30 (Cont.) 2. Market Coverage Assortment Dashboard View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 8–30 (Cont.) 2. Market Coverage Assortment Dashboard View Measures**

<b>Label</b>	<b>Description</b>
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 the 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.

**Figure 8–46 View MC Ordered Incremental Curve View**

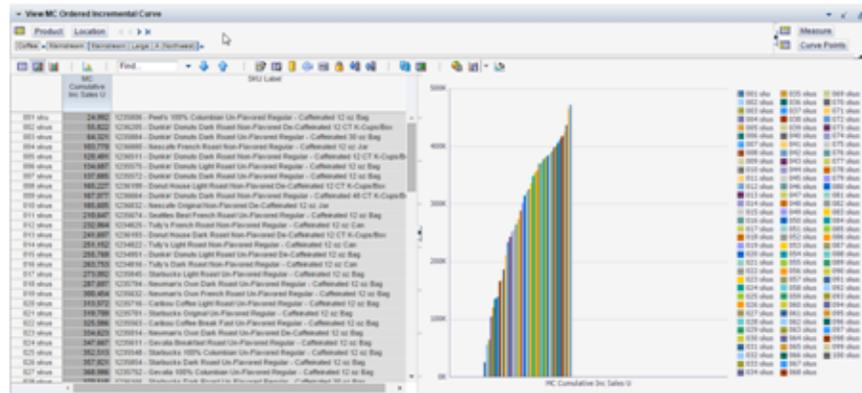


Table 8–31 lists the measures available in this view.

**Table 8–31 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.

**Custom Menu**

Calc MC Incremental Curve: This 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.

## Finalize Assortment for Space Optimization Step

Use this step to finalize the assortment for space optimization. In this step, the assortment is reviewed and fine-tuned to the targets before being exported to ASO Cloud Service for space optimization. Space optimization aligns the assortment plans to the available space at the stores.

**Prior to starting this step:**

Either an IPI Assortment or a Market Coverage assortment should be in place.

**After completing this step:**

Once the assortment has been exported to ASO for space optimization, move to the Import and Review ASO Results step.

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

This step has five menu options.

### **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 be 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 due to interface issues or the assortment being in the queue for consumption. It resets all flags so that exports to ASO can be executed again.

## Review Final Assortment Recommendation Tab

This tab is used to review the final assortment recommendation.

### **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**

	1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box
WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Seed Final Core/Optn					
WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assort Core/Optn Error	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Final Assort Compare to CP	Keep	Keep	Keep		
WP Assort Core Count	1	1	1	0	0
WP Assort Optn Count	0	0	0	0	0
WP % Contribution of Category Items	0.01	0.01	0.01	0.00	0.00
CP Assort Core Count	1	1	1	0	0
CP Assort Optn Count	0	0	0	0	0
CP % Contribution of Category Items	0.01	0.01	0.01	0.00	0.00
WP Assort Core Coverage Sales R %	0.09	0.09	0.10	0.00	0.00
WP Assort Optn Coverage Sales R %	0.00	0.00	0.00	0.00	0.00
CP Assort Core Coverage Sales R %	8.93%	8.90%	9.78%	0.00%	0.00%
CP Assort Optn Coverage Sales R %	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 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. Similar measures include: WP MC Assort Core.
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. Similar measures include: WP MC Assort Optn.
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. Similar measures in other versions include: LP Assort Core, LY Assort Core, and CP Assort Core.
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: LP Assort Optn, LY Assort Optn, and CP Assort Optn.
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.
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. Similar measures in other versions include: WP Final Assort Compare to LY.

**Table 8–32 (Cont.) 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures**

<b>Label</b>	<b>Definition</b>
WP Assort Core Count	The number of core items in a working plan's assortment for the cluster. Similar measures in other versions include: LP Assort Core Count, LY Assort Core Count, and CP Assort Core Count.
WP Assort Optn Count	The number of optional items in a working plan's assortment for the cluster. Similar measures in other versions include: LP Assort Optn Count, LY Assort Optn Count, and CP Assort Optn Count.
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 in the working plan assortment. Similar measures in other versions include: LP % Contribution of Category Items and LY % Contribution of Category Items.
WP Assort Core Coverage Sales R %	Market Coverage provided by the core items in the working plan's assortment. Similar measures in other versions include: LP Assort Core Coverage Sales R %, LY Assort Core Coverage Sales R %, and CP Assort Core Coverage Sales R %.
WP Assort Optn Coverage Sales R %	Market Coverage provided by the optional SKUs in the working plan's assortment. Similar measures in other versions include: LP Assort Optn Coverage Sales R %, LY Assort Optn Coverage Sales R %, and CP Assort Optn Coverage Sales R %.
DT Assort K/A/D Input	This field provides an option to the user to decide the assortment with which the comparison should be done to calculate Keep, Add, or Drop actions for this assortment. This measure is specific for the 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.
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	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.

**Table 8–32 (Cont.) 1a. Review Final Assortment Recommendation WP/CP Measure Profile Measures**

Label	Definition
WP DT Demand Transferred %	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 8–48 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 1 Measures**

The screenshot shows a software interface with a table of measures for five coffee SKUs. The SKUs are: 1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box; 1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box; 1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box; 1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box; and 1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box. The table lists various measures such as 'WP Mandatory', 'WP IPI Assort Core', 'WP IPI Assort Optn', 'WP MC Assort Core', 'WP MC Assort Optn', 'WP Seed Final Core/Optn', 'WP Assort Core', 'WP Assort Optn', 'Assort Core/Optn Error', 'WP Assort Core Count', 'WP Assort Optn Count', 'WP % Contribution of Category Items', 'WP Final Assort Compare to LY', 'WP Final Assort Compare to CP', 'DT Assort K/A/D Input', and 'WP Use DT Sales'. The table contains checkboxes, counts, and comparison results for each measure across the five SKUs.

Measure [ Label ]	1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box
WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Seed Final Core/Optn					
WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assort Core/Optn Error					
WP Assort Core Count	1	1	1	0	0
WP Assort Optn Count	0	0	0	0	0
WP % Contribution of Category Items	0.01	0.01	0.01	0.00	0.00
WP Final Assort Compare to LY	Keep	Keep	Keep	Drop	Drop
WP Final Assort Compare to CP	Keep	Keep	Keep		
DT Assort K/A/D Input					
WP Use DT Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Figure 8-49 1a. Review Final Assortment Recommendation WP/DT Measure Profile View 2**

1a. Review Final Assortment Recommendation			
Location << >>			
Mainstream   Large   A (Northwest)			
Find...			
	1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box
WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assort Core/Optn Error			
WP Assort Core Count	1	1	1
WP Assort Optn Count	0	0	0
WP % Contribution of Category Items	0.01	0.01	0.01
WP Final Assort Compare to LY	Keep	Keep	Keep
WP Final Assort Compare to CP	Keep	Keep	Keep
DT Assort K/A/D Input			
WP Use DT Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Sales U	62362.93	69449.51	77953.27
WP Assort Sales R	561729.00	625561.93	702161.41
WP DT Assort Sales U	62362.93	69449.51	77953.27
WP DT Assort Sales R	561729.00	625561.93	702161.41
DT No of Significant Substitute SKUs	1	1	7
WP DT Assort Substitutable Demand	19678.20	19269.48	13464.14
WP DT Assort Substitutable Demand	177249.78	173568.58	121277.83
WP Assort Demand Transferred %	0.32	0.28	0.17
WP DT Assort Incremental Demand	42684.73	50180.03	64489.12
WP DT Assort Incremental Demand	384479.22	451993.35	580883.59
WP Assort Gross Profit %	0.22	0.20	0.18
WP Assort Gross Profit R	125160.21	125160.21	125160.21
WP DT Assort Gross Profit %	0.22	0.20	0.18
WP DT Assort Gross Profit R	125160.21	125160.21	125160.21

**Figure 8-50 1a. Review Final Assortment Recommendation WP/LP Measure Profile View**

1a. Review Final Assortment Recommendation					
Location << >>					
Mainstream   Large   A (Northwest)					
Find...					
	1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box
WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Seed Final Core/Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assort Core/Optn Error					
LP Assort Core	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Final Assort Compare to LP	Add	Add	Add		
WP Assort Core Count	1	1	1	0	0
WP Assort Optn Count	0	0	0	0	0
WP % Contribution of Category Items	0.01	0.01	0.01	0.00	0.00
LP Assort Core Count	0	0	0	0	0
LP Assort Optn Count	0	0	0	0	0
LP % Contribution of Category Items	0.00	0.00	0.00	0.00	0.00
WP Assort Core Coverage Sales R %	0.09	0.09	0.10	0.00	0.00
WP Assort Optn Coverage Sales R %	0.00	0.00	0.00	0.00	0.00
LP Assort Core Coverage Sales R %	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

**Figure 8–51 1a. Review Final Assortment Recommendation WP/LY Measure Profile View**

1a. Review Final Assortment Recommendation					
Location: Mainstream   Large   A (Northwest)					
Find...					
	1236193 - Donut House Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236205 - Dunkin' Donuts Dark Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236214 - Folgers 100% Columbian Non-Flavored De-Caffeinated 12 CT K-Cups/Box	1236229 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box
WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP IPI Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP MC Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP MC Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Seed Final Core/Optn					
WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assort Core/Optn Error					
LY Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LY Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WP Final Assort Compare to LY	Keep	Keep	Keep	Drop	Drop
WP Assort Core Count	1	1	1	0	0
WP Assort Optn Count	0	0	0	0	0
WP % Contribution of Category Items	0.01	0.01	0.01	0.00	0.00
LY Assort Core Count	1	1	1	1	1
LY Assort Optn Count	0	0	0	0	0
LY % Contribution of Category Items	0.01	0.01	0.01	0.01	0.01
WP Assort Core Coverage Sales R %	0.09	0.09	0.10	0.00	0.00
WP Assort Optn Coverage Sales R %	0.00	0.00	0.00	0.00	0.00
LY Assort Core Coverage Sales R %	44.33%	44.33%	44.33%	44.33%	44.33%
LY Assort Optn Coverage Sales R %	0.00%	0.00%	0.00%	0.00%	0.00%

**Measure Profiles:**

This view has four measure profiles as shown in [Figure 8–48](#), [Figure 8–49](#), [Figure 8–50](#), and [Figure 8–51](#):

- WP/CP: Working plan and Current plan assortment measures can be viewed using this profile.
- WP/DT: Working plan and DT measures presenting the impact of demand transference on the system-recommended assortment can be viewed using this measure profile.
- WP/LP: Working plan and Last plan assortment can be viewed using this profile.
- WP/LY: Working plan and Last Year actuals' measures can be viewed using this profile.

**Custom Menus**

**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 be 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.

**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**

Measure [Label]	DT Assort Demand Sales Received %	WP DT Assort Demand Received Sales U	WP DT Assort Demand Received Sales R	WP DT Assort Sales U	WP DT Assort Sales R
1236199 - Donut House Light Roast Non-Flavored De-Caffeinated 12 CT K-Cups/Box	0.32	19678.20	177249.78		
9876598 PL Granola - Apples N Cinnamon	0.00	0.00	0.00		

Table 8–33 lists the measures available in this view.

**Table 8–33 1b Review DT Details Measures**

Label	Definition
DT Assort 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 Assort 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 Assort 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 measures including MFP Sales R, MFP Sales U, MFP Gross Profit, MFP Gross Profit %, CP Target Sales R, CP Target Sales U, CP Target Gross Profit R, and CP Target 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 8–34 lists the measures available in this view.

**Table 8–34 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.
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.

**Table 8–34 (Cont.) 2. Final Assortment Dashboard View Measures**

Label	Description
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 8–35 lists the measures available in this view.

**Table 8–35 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.

**Table 8–35 (Cont.) 3. Review Assortment Wedge View Measures**

<b>Label</b>	<b>Description</b>
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 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 per a Market Coverage Assortment. Similar measures in other versions include: CP MC Assort Optn, LY MC Assort Optn, and LP MC Assort Optn.
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.

**Table 8–35 (Cont.) 3. Review Assortment Wedge View Measures**

Label	Description
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.

**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 8–36 lists the measures available in this view.

**Table 8–36 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. Similar measures in other versions include: LY Gross Profit R and CP Assort Sales R.
WP Assort Sales U	The sales units in the working plan's assortment for the cluster. Similar measures in other versions include: LY Gross Profit % and CP Assort Sales U.

**Table 8–36 (Cont.) Assortment Quantification Summary WP/CP Measure Profile**

<b>Label</b>	<b>Definition</b>
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. Similar measures in other versions include: CP Assort Sales AUR.
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: 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: CP Assort Gross Profit %.
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.
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. Similar measures in other versions include: CP AS Combined Assort Sales R.
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. Similar measures in other versions include: CP AS Combined Assort Sales U.
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. Similar measures in other versions include: CP AS Combined Assort Sales AUR.
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. Similar measures in other versions include: CP AS Combined Assort Gross Profit R.
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. Similar measures in other versions include: CP AS Combined Assort Gross Profit %.
CP Target Sales R	Target Sales Retail from the Category Plan.
CP Target Sales U	Target Sales Units from the Category Plan.
CP Target Sales AUR	Target Sales Average Unit Retail from the Category Plan.
CP Target Gross Profit R	Target Gross Profit Retail from the Category Plan.
CP Target Gross Profit %	Target Gross Profit Percent from the Category 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).
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).

**Table 8–36 (Cont.) Assortment Quantification Summary WP/CP Measure Profile**

Label	Definition
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 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.

**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 %

**Figure 8–57 Assortment Quantification Summary WP/Tgt Measure Profile View**

		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 AUR	11.65	13.78	6.87	10.75	11.72
WP AS Combined Assort Gross Profit R	1198320.21	524265.09	74895.01	187237.53	411922.57
WP AS Combined Assort Gross Profit %	0.13	0.12	0.10	0.10	0.15

## Measure Profiles

This view has three measure profiles to review and compare working plan assortment with other assortment versions and targets:

- WP/CP: Working plan and Current plan measures.
- WP/LY: Working plan and Last year actuals' measures.
- WP/Tgt: Working plan and Category Plan Targets' measures.

## 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.

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**Note:** Before running the Export to ASO custom menu, explicitly commit all assortment data to the domain.

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Exported assortment plans are optimized in ASO based on the available space and recommendations are sent back to CMPO.

Note, if there is an active export existing for a category, new exports cannot be made to ASO.

The import from ASO into CMPO 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**

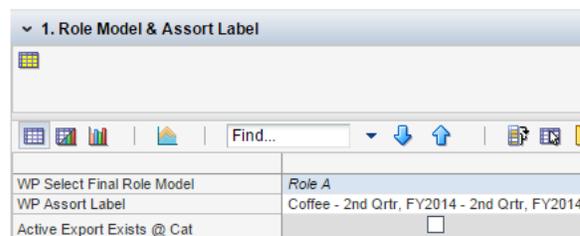


Table 8–37 lists the measures available in this view.

**Table 8–37 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.

**Table 8–37 (Cont.) 1. Role Model & Assort Label Measures**

Label	Definition
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 CMPO 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**

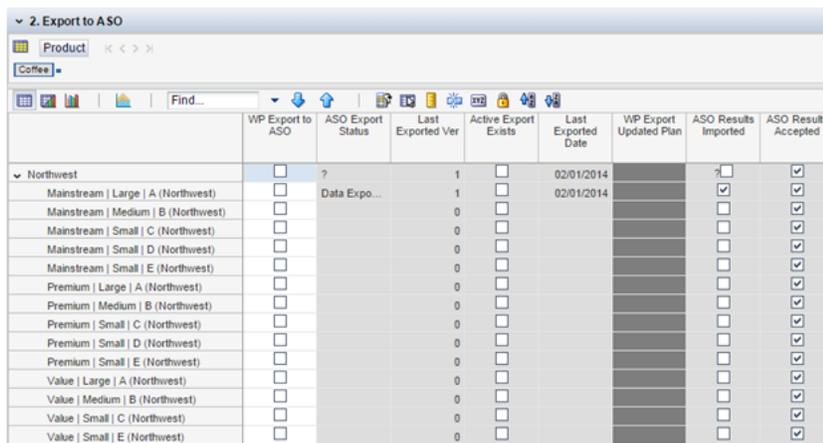


Table 8–38 lists the measures available in this view.

**Table 8–38 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.
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.

**Table 8–38 (Cont.) 2. Export to ASO Measures**

<b>Label</b>	<b>Definition</b>
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.
WP Cancel ASO Export	A Boolean flag measure that needs to be checked before running the Cancel ASO Export custom menu. This custom menu only deletes the last exported data, which has not been consumed by ASO and resets all flags so that the user can do the export again.
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 due to interface issues or the assortment being in the queue for consumption. It resets all flags so that exports to ASO can be executed again.

## 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 CMPO. 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 into the CMPO 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 CMPO.

**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. 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 8–39 lists the measures available in this view.

**Table 8–39 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.
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.

**Table 8–39 (Cont.) 1. Import ASO Results View Measures**

<b>Label</b>	<b>Description</b>
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 8–40 lists the measures available in this view.

**Table 8–40 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.
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.

**Table 8–40 (Cont.) 2. ASO Assortment Summary View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 8–40 (Cont.) 2. ASO Assortment Summary View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 8–40 (Cont.) 2. ASO Assortment Summary View Measures**

<b>Label</b>	<b>Description</b>
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 LP 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. For more details on RPAS split view functionality, see the *Oracle Retail Predictive Application Server User Guide for the Fusion Client*.

**Figure 8–62 3. ASO Assortment Details and Space Productivity View**

	Coffee	Ground	Instant	Single Serve	Whole
WP Assort Carried	<input checked="" type="checkbox"/>				
WP Mandatory	<input type="checkbox"/>				
WP Mandatory Count	0	0	0	0	0
WP Assort Core	<input checked="" type="checkbox"/>				
WP Assort Core Count	2	1	0	0	0
WP Assort Optn	<input type="checkbox"/>				
WP Assort Optn Count	0	0	0	0	0
WP Assort Sales U	728,319	309,698	168,588	206,863	43,170
WP Assort Sales R	6,269.4 K	2,720.8 K	1,158.3 K	1,895.7 K	494.7 K
WP Assort Gross Profit R	2,047.1 K	799.3 K	298.7 K	784.0 K	165.1 K
WP Assort Gross Profit %	32.7 %	29.4 %	25.8 %	41.4 %	33.4 %
ASO Assort Core	<input checked="" type="checkbox"/>				
ASO Assort Core Distinct Count	20	10	4	5	1
ASO Assort Core Max Count	20	10	4	5	1
ASO Assort Core Min Count	0	0	0	0	0
ASO Assort Store Core Count	2	1	0	0	0
WP ASO Assort Facings Length	104,832	52,992	9,216	17,280	25,344
WP ASO Assort # Facings	288	150	60	63	15
WP ASO Assort Avg Service Level	0.89	1.04	1.11	1.51	0.09
WP ASO Assort Avg Days of Supply	0.00	0.01	0.01	0.01	0.00
ASO Assort Sales R per Linear Unit	24.51	23.97	24.49	54.84	4.95
ASO Assort Sales R per facing	8920.94	8469.11	3761.43	15043.01	8364.60
ASO Assort Gross Profit R per Linear Unit	9.66	8.25	7.49	26.44	1.95
ASO Assort Gross Profit R per facing	3514.90	2913.16	1150.36	7252.04	3294.50
ASO Assort Sales U	300,812	153,599	32,849	103,413	10,950
ASO Assort Sales R	2,569.2 K	1,270.4 K	225.7 K	947.7 K	125.5 K
ASO Assort Gross Profit R	1,012.3 K	437.0 K	69.0 K	456.9 K	49.4 K
ASO Assort Gross Profit %	0.39	0.34	0.31	0.48	0.39
LY AS Combined Assort Core	<input checked="" type="checkbox"/>				
LY AS Combined Assort Core Distinct Count	61	30	6	10	15

Table 8–41 lists the measures available in this view.

**Table 8–41 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.

**Table 8–41 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 8–41 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures**

<b>Label</b>	<b>Description</b>
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 LP 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.
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.

**Table 8–41 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures**

<b>Label</b>	<b>Description</b>
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 8–41 (Cont.) 3. ASO Assortment Details and Space Productivity View Measures**

<b>Label</b>	<b>Description</b>
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**

		WP Assort Core	WP Mandatory	WP Assort Optn	WP Assort Number of Locations for Core	WP Assort Number of Locations for Mandatory	WP Assort Number of Locations for Optn	ASO Assort Core	ASO Assort Number of Locations for Core	
1023	Seattle	POG 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1024	Portland	POG 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1025	Boise	POG 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1026	Billings	POG 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1027	Denver	POG 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1028	Salt Lake City	POG 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1029	Eugene	POG 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1030	Salem	POG 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1031	Tacoma	POG 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1032	Missoula	POG 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1033	Great Falls	POG 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1034	Bozeman	POG 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1035	Spokane	POG 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1
1036	Pocatello	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0
1037	Idaho Falls	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0
1038	Walla Walla	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0
1039	Everett	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0
1040	Sun Valley	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0
1041	Reno	p001	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0

Table 8–42 lists the measures available in this view.

**Table 8–42 1. ASO Assortment by Location View Measures**

<b>Label</b>	<b>Description</b>
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 8–42 (Cont.) 1. ASO Assortment by Location View Measures**

<b>Label</b>	<b>Description</b>
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**

	WP Assort Core	WP Assort Mandatory	WP Assort Optn	WP Assort Number of Locations for Core	WP Assort Number of Locations for Mandatory	WP Assort Number of Locations for Optn	ASO Assort Core	ASO Assort Number of Locations for Core	LY Assort Number of Locations for Core	CP Assort Number of Locations for Core	WP ASO Assort # Facings Length	WP ASO Assort # Facings
Mainstream   Large   A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	3	3	0	6	12
Mainstream   Medium   B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	6	6	0	12	24
Mainstream   Small   C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	2	2	0	4	8
Mainstream   Small   D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1	1	0	2	4
Mainstream   Small   E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input checked="" type="checkbox"/>	1	1	0	2	4
Premium   Large   A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0	1	0	0	0
Premium   Medium   B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0	2	0	0	0
Premium   Small   C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0	3	0	0	0
Premium   Small   D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0	1	0	0	0
Premium   Small   E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<input type="checkbox"/>	0	1	0	0	0
Value   Large   A	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	0	0	<input type="checkbox"/>	0	4	0	0	0
Value   Medium   B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	0	0	<input type="checkbox"/>	0	5	0	0	0
Value   Small   C	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	0	0	<input type="checkbox"/>	0	2	0	0	0
Value   Small   E	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	0	0	<input type="checkbox"/>	0	5	0	0	0

Table 8–43 lists the measures available in this view.

**Table 8–43 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 8–43 (Cont.) 2. ASO Assortment by Space View Measures**

<b>Label</b>	<b>Description</b>
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 8–43 (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 to 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

	Assort Label	Last Exported Ver	Active Export Exists	Exported to ASO	Last Exported Date	ASO Results Imported	ASO Results Imported Date	WP Accept	WP Accept Type	ASO Results Accepted	ASO Results Accepted Date
Northwest	Coffee - 4th Qtr, FY2014 - 4th Qtr, FY2014	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02/01/2014	<input checked="" type="checkbox"/>	02/01/2014	<input type="checkbox"/>	?	<input checked="" type="checkbox"/>	02/01/2014
Mainstream   Large   A (Northwest)	Coffee - 4th Qtr, FY2014 - 4th Qtr, FY2014	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	02/01/2014	<input checked="" type="checkbox"/>	02/01/2014	<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Mainstream   Medium   B (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	ASO Assortment only	<input checked="" type="checkbox"/>	02/01/2014
Mainstream   Small   C (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Mainstream   Small   D (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Mainstream   Small   E (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Premium   Large   A (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Premium   Medium   B (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Premium   Small   C (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Premium   Small   D (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Premium   Small   E (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Value   Large   A (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Value   Medium   B (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Value   Small   C (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014
Value   Small   E (Northwest)		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	02/01/2014

Table 8–44 lists the measures available in this view.

Table 8–44 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 8–44 (Cont.) 1. Accept ASO Results View Measures**

<b>Label</b>	<b>Description</b>
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: <ul style="list-style-type: none"> <li>■ ASO Assortment only: Used to accept only the ASO assortment recommendation.</li> <li>■ ASO Assortment and Plan: Used to accept both the ASO assortment and plan recommendation.</li> </ul>
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 8–45 lists the measures available in this view.

**Table 8–45 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 CP Assort Core Count, and AS LP Assort Core Count.

**Table 8–45 (Cont.) 2. Review Space Optimized Assortment View Measures**

<b>Label</b>	<b>Description</b>
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 8–45 (Cont.) 2. Review Space Optimized Assortment View Measures**

<b>Label</b>	<b>Description</b>
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 8–45 (Cont.) 2. Review Space Optimized Assortment View Measures**

<b>Label</b>	<b>Description</b>
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 Assort 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 Assort Gross Profit R by WP ASO Assort Facings Length. Similar measures in other versions: LY AS Combined Assort Gross Profit R per Linear Unit and CP AS Combined Assort Gross Profit R per Linear Unit.

**Table 8–45 (Cont.) 2. Review Space Optimized Assortment View Measures**

<b>Label</b>	<b>Description</b>
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 rebuilt once formalization is complete for the formalized items to reflect in the views. Rebuilding a workbook does not imply opening a saved workbook, but it means creating a new workbook with the same specifications. For information on formalization, see [Chapter 3](#).

**Figure 8–67 Approve Assortment View**

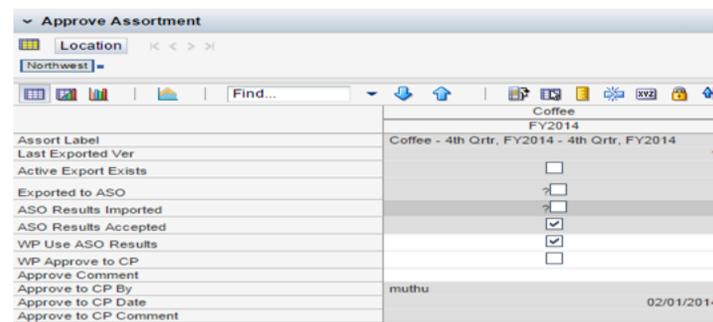


Table 8–46 lists the measures available in this view.

**Table 8–46 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.

**Table 8–46 (Cont.) Approve Assortment View Measures**

Label	Description
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	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**

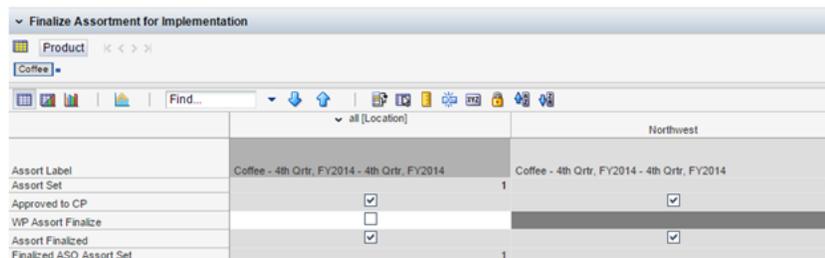


Table 8–47 lists the measures available in this view.

**Table 8–47 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. This measure needs to be checked at the all [Location] level.
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.

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**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 CMPO and ASO. If the Finalized ASO Assort Set is the same as Finalized Assort Set measure after refreshing the workbook, it implies Assortment is formalized in ASO.

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### Custom Menus

Finalize Assort to ASO: This custom menu is used 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.



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## 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 scores are calculated separately at the store level, 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 focus area weights and metric weights at the store level. IPI assortments are system-recommended assortments created on the basis of user-defined constraints and thresholds for the store.

User-defined assortment constraints such as IPI thresholds, SKU count, and target constraints are used to create target-aligned and space-aligned assortments. This feature provides a semi-automated method to create custom assortments 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.

In effect, this feature of creating assortment plans at the store level provides the retailer a flexibility to address store-specific assortment requirements. It facilitates customizing 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) Cloud Service 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

Three tasks in the workflow, namely: Assortment Planning Analysis, Assortment Planning @Cluster and Assortment Planning @Store share the same 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

Use this step to setup the required data for assortment planning at store level to begin. It consists of:

- Review and customizing IPI weights for the store specific assortment per the business need.
- Calculating and reviewing IPI scores at the store level.
- Setting assortment constraints for IPI assortments.

### Prior to starting this step:

- An approved category Plan and Macro Space Optimization recommendation should be in place.
- Merchandise Financial Planning (MFP) targets should be uploaded.
- Ensure working plan (WP) sales should be seeded in the Seed and Review Plan Sales tab under Assortment Planning @ Cluster task.
- Retailer's Last year's actuals should be uploaded.
- Required data for IPI weight metrics should be uploaded.
- IPI Weights should be preset in Category Management Administration task.
- Consumer segment data should be uploaded.

### After completing this step:

Once the assortment setup has been completed, move to the next step in the task flow - Manage IPI Assortments.

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 Name 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 Option

The following custom menu options are available in this step:

- **Calc Store IPI Score:** This custom menu option is used to calculate the IPI scores for the items at the store level based on set IPI weights. Prior to running this custom menu, IPI weights are defined in Set IPI Weights tab per business requirements.
- **Create IPI Assortment @ Store:** This custom menu option is used to create an IPI Assortment for a store based on user-defined store level IPI constraints.

## Set IPI Weights Tab

This tab contains views used to set the IPI weights 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 scores at the store level. IPI scores can be reviewed in the views under the Review IPI Scores tab.

The following figure shows the views for this tab.

**Figure 9–1 Set IPI Weights Tab Views**

The screenshot displays five sub-views within the 'Set IPI Weights' tab:

- 1. Review Focus Area Weights:** A table with columns for Location, Measure, Focus Area Attributes, Product, and Consumer Segment. It shows weights for various product categories like Ground, Instant, Single Serve, and Whole across different consumer segments.
- 2. Review Metric Weights:** A table with columns for Location, Focus Area Attributes, Measure, Product, and Consumer Segment. It shows weights for metrics like IPI Gross Profit Weight, IPI Gross Profit % Weight, IPI Loyalty Weight, IPI Sales R Weight, IPI Sales U Weight, and IPI Market Basket Weight.
- 3. Review Attribute Name Weights:** A table with columns for Product, Location, Measure, Consumer Segment, and Product Attributes. It shows weights for attributes like Brand, Brand Tier, Format Size, Manufacturing Process, Private Label, Roast, Segment, Sub-Category, Sub-Segment, and Trade Type.
- 4. Review Attribute Value Weights:** A table with columns for Product, Location, Measure, Consumer Segment, and Product Attributes. It shows weights for specific attribute values like 12 CT, 12 oz, 30 oz, 48 CT, 100% Colombian, Bag, Breakfast, Can, Carbon Coffee, Dark Roast, and De-Caffeinated.
- 5. Review Consumer Segment Weights:** A table with columns for Product, Location, Measure, Consumer Segment, and Product Attributes. It shows weights for consumer segments like Gourmet Shoppers and Soccer Moms.

### 1. Review Focus Area Weights View

Use this view to review and modify focus area weights at the store level. Focus area weights can be pre-seeded based on the category strategies using the Seed IPI Weights custom menu. They can be altered per the business requirements across the product hierarchy (categories/sub-categories) and location hierarchy (clusters) to derive custom assortment plans.

Focus area weights are finalized by addressing the following points:

- Roles, strategies and tactics for the product category.
- Past performance of items in the assortment.
- Breadth and variety of product attributes in the assortment.
- Importance of customer loyalty for the product category.
- Market basket presence of items and product categories.

**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. Once the user seeds the IPI weight at the Category level, the store level weights also gets seeded.

## 2. Review Metric Weights View

Use this view to define the focus areas for the store by setting the metrics and metric weights for them. Seed IPI Weights custom menu can be used to pre-populate the metric weights from Category Management Administration task.

**Figure 9–3 2. Review Metric Weights View**

		WP Gross Profit Weight	WP Gross Profit % Weight	WP Loyalty Weight	WP Sales R Weight	WP Sales U Weight	WP Market Basket Weight
Ground	Gourmet Shoppers	50.0%	0.00	0.00	50.00%	0.00	0.00
	Soccer Moms	50.0%	0.00	0.00	50.00%	0.00	0.00
Instant	Gourmet Shoppers	50.0%	0.00	0.00	50.00%	0.00	0.00
	Soccer Moms	50.0%	0.00	0.00	50.00%	0.00	0.00
Single Serve	Gourmet Shoppers	50.0%	0.00	0.00	50.00%	0.00	0.00
	Soccer Moms	50.0%	0.00	0.00	50.00%	0.00	0.00
Whole	Gourmet Shoppers	50.0%	0.00	0.00	50.00%	0.00	0.00
	Soccer Moms	50.0%	0.00	0.00	50.00%	0.00	0.00

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.

**Table 9–2 (Cont.) 2. Review Metric Weights Measures**

<b>Label</b>	<b>Definition</b>
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 <a href="#">Table 8–10</a> .
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 <a href="#">Table 8–10</a> .
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 <a href="#">Table 8–10</a> .
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 Name Weights View

This view enables users to review and override product attributes' weights for the store level assortment. Attribute weights are used to indicate the relative importance of each attribute in the IPI calculations for the Attributes focus area. Note that these weights are only relevant and used in IPI calculations when Attributes focus area has been assigned a weight.

These attribute weights are expected to be aligned with CDTs and can vary by consumer segment. By default, these weights are set using inputs from the CDT/DT Science Cloud Service and can be reviewed and overridden here.

Use this view to review the attribute weights and groupings.

**Figure 9–4 3. Review Attribute Name Weights View**

	Gourmet Shoppers	Soccer Moms
Brand	0%	0%
Brand Tier	6%	6%
Format Size	15%	15%
Manufacturing Process	4%	4%
Private Label	18%	18%
Roast	6%	6%
Segment	11%	11%
Sub Category	13%	13%
Sub Segment	13%	13%
Trade Type	14%	14%

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

In addition to specifying the relative importance of attribute names (brand versus flavor versus size), it is also possible to specify attribute value weights to emphasize on specific attribute values required in a store assortment. For example, in some flagship stores, international food brands are necessarily required to cater to the target consumer segments for the store. This can be achieved by assigning a higher attribute value weight to the international brands to ensure their presence in IPI store assortment.

**Figure 9–5 4. Review Attribute Value Weights View**

	Gourmet Shoppers	Soccer Moms
12 CT	1.00	1.00
12 oz	1.00	1.00
30 oz	1.00	1.00
48 CT	1.00	1.00
100% Columbian	1.00	1.00
Bag	1.00	1.00
Breakfast	1.00	1.00
Can	1.00	1.00
Caribou Coffee	1.00	1.00
Dark Roast	1.00	1.00
De-Caffeinated	1.00	1.00
Donut House	1.00	1.00
Dunkin' Donuts	1.00	1.00
Eight O'Clock	1.00	1.00
Folgers	1.00	1.00
Free Trade	1.00	1.00
French Roast	1.00	1.00
Gevalia	1.00	1.00
Ground	1.00	1.00
Instant	1.00	1.00

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 review and specify consumer segment weights for the store. Essentially this view presents the consumer segments shopping at the store. Higher weights should be assigned to the primary or target consumer segments. These weights impact IPI and demand transference calculations.

**Figure 9–6 5. Review Consumer Segment Weights View**

	WP Consumer Seg Weight
Gourmet Shoppers	30.0%
Soccer Moms	40.0%

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

**Table 9–5 5. Review Consumer Segment Weights Measures**

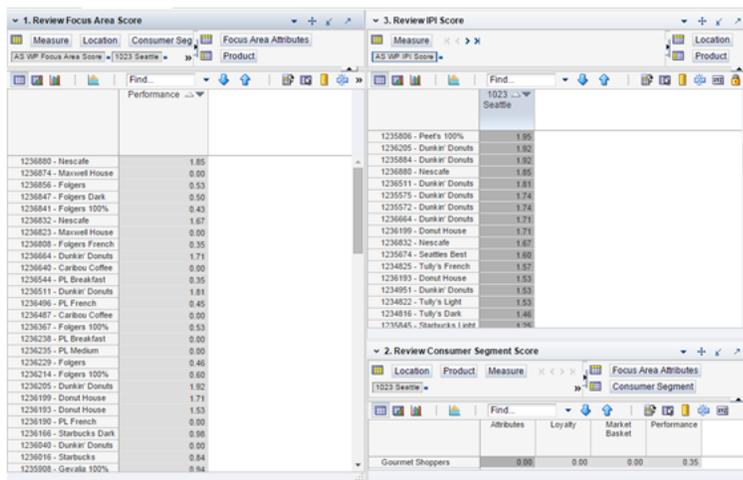
Label	Definition
WP Consumer Seg Weight	The user-defined percentage weight to a consumer segment within a store. It is used to put emphasis on the target consumer segment while generating a system-recommended IPI assortment, as well as, generating Demand Transference. It can be different from WP Consumer 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 to review the store IPI scores at different levels. Final store level IPI score for an item is derived by the system by performing multi-layer or multi-dimensional calculations based on user-specified IPI weights. These sub-IPI scores at the focus area level and consumer segment level are presented in the first two views under this tab. Final IPI scores are presented in the third view under this tab.

For more information on IPI calculations, see ["IPI in Assortment Planning"](#) in [Appendix: Additional Topics](#).

**Figure 9–7 Review IPI Scores Tab View**



### 1. Review Focus Area Score View

Use this view to review the store IPI scores at the focus area level.

**Figure 9–8 1. Review Focus Area Score View**

Product	Score
1236880 - Nescafe	1.85
1236874 - Maxwell House	0.00
1236856 - Folgers	0.53
1236847 - Folgers Dark	0.50
1236841 - Folgers 100%	0.43
1236832 - Nescafe	1.67
1236823 - Maxwell House	0.00
1236808 - Folgers French	0.35
1236664 - Dunkin' Donuts	1.71
1236640 - Caribou Coffee	0.00
1236544 - PL Breakfast	0.35
1236511 - Dunkin' Donuts	1.81
1236496 - PL French	0.45
1236487 - Caribou Coffee	0.00
1236367 - Folgers 100%	0.53
1236238 - PL Breakfast	0.00
1236235 - PL Medium	0.00
1236229 - Folgers	0.46

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 based on the IPI weights specified at the store level.

**Figure 9–9 2. Review Consumer Segment Score View**

Consumer Segment	Attributes	Loyalty	Market Basket	Performance
Gourmet Shoppers	0.00	0.00	0.00	0.35

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**

	AS WP IPI Score	AS WP IPI Rank
1235806 - Peet's 100%	1.95	1
1236205 - Dunkin' Donuts	1.92	2
1235884 - Dunkin' Donuts	1.92	2
1236880 - Nescafe	1.85	4
1236511 - Dunkin' Donuts	1.81	5
1235575 - Dunkin' Donuts	1.74	6
1235572 - Dunkin' Donuts	1.74	6
1236664 - Dunkin' Donuts	1.71	8
1236199 - Donut House	1.71	8
1236832 - Nescafe	1.67	10
1235674 - Seattles Best	1.60	11
1234825 - Tully's French	1.57	12
1236193 - Donut House	1.53	13
1234951 - Dunkin' Donuts	1.53	13
1234822 - Tully's Light	1.53	13

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**

	LY Retailer Sales @ Store R	LY Retailer Sales Rank @ Store	WP Mandatory	WP Assortment Eligibility	Assortment Eligibility Error
1234562 - Folgers Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	25369.06	57	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234600 - Maxwell House 100% Columbian Non-Flavored De-Caffeinated 12 oz Can	0.00	62	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
1234615 - Maxwell House Breakfast Roast Non-Flavored De-Caffeinated 12 oz Can	0.00	62	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234747 - Folgers 100% Columbian Non-Flavored Regular - Caffeinated 12 oz Can	38053.50	43	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
1234753 - Folgers Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can	43127.28	40	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
1234759 - Folgers Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can	32979.75	51	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1234762 - Folgers Breakfast Roast Non-Flavored Regular - Caffeinated 12 oz Can	38053.50	43	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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, per business requirements.

For more details, refer to the measure definitions below.

**Figure 9–12 2. Set IPI Constraints View**

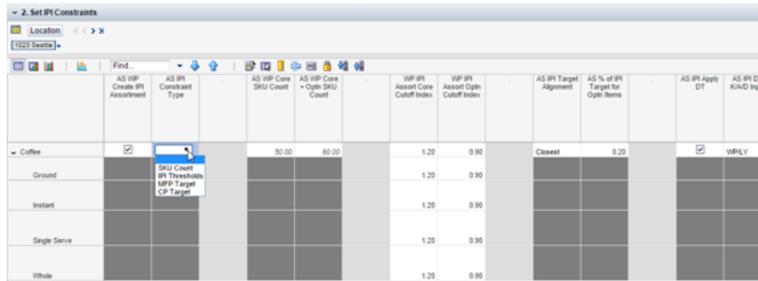


Table 9–10 lists the measures available in this view.

**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 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).

**Custom Menus**

**Create IPI Assortment @ Store:** This custom menu option is used to create an IPI Assortment for a store based on user-defined store level IPI constraints. This custom menu can also be utilized to simultaneously calculate demand transference affected sales by checking Boolean measure - IPI Apply DT while generating the IPI assortment for the store.

## Manage IPI Assortment Step

Use this step to review the store-level IPI assortments and apply demand transference for further fine-tuning.

**Prior to starting this step:**

- Assortment setup step should be complete and a store level IPI assortment based on the user-defined constraints should be in place.
- Demand Transference calculation parameters data from the CDT/DT Science Cloud Service should be uploaded.

**After completing this step:**

- Once an IPI assortment is in place, move to step in the workflow - Finalize Assortment for Space Optimization to review and export the store level assortment to ASO.

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**

	1234822 - Tully's Light Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234825 - Tully's French Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234828 - Yuban Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234831 - Yuban French Roast Non-Flavored Regular - Caffeinated 12 oz Can
AS WP IPI Score	0.00	0.00	0.00	0.00
AS WP IPI Rank	1	1	1	1
AS WP Mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AS WP IPI Assort Core	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AS WP IPI Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AS WP IPI Assort Core Count	0.00	0.00	0.00	0.00
AS WP IPI Assort Optn Count	0.00	0.00	0.00	0.00
AS WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AS WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AS Assort Core/Optn Error				
AS WP Assort Core Count	1	1	0	0
AS WP Assort Optn Count	0	0	0	0
AS WP % Contribution of Category Items	0.01	0.01	0.00	0.00
AC WP Assort Core	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AC WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AC WP Assort Core Count	1	1	0	0
AC WP Assort Optn Count	0	0	0	0
AS WP Final Assort Compare to LY	Keep	Keep		
AS WP Final Assort Compare to CP	Add	Add		
AS DT Assort K/A/D Input				

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.

**Table 9–11 (Cont.) 1a. Review Assortment Recommendation @ Store View 1 Measures**

<b>Label</b>	<b>Definition</b>
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.
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	This measure is used to highlight the situation, wherein a user erroneously checks both Core and Optional measures 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**

	1234822 - Tully's Light Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234825 - Tully's French Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234828 - Yuban Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234831 - Yuban French Roast Non-Flavored Regular - Caffeinated 12 oz Can
AC WP Assort Optn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AC WP Assort Core Count	1	1	0	0
AC WP Assort Optn Count	0	0	0	0
AS WP Final Assort Compare to LY	Keep	Keep		
AS WP Final Assort Compare to CP	Add	Add		
AS DT Assort K/A/D Input				
AS WP Use DT Sales				
AS WP Assort Sales U	18475.33	18895.24	0.00	0.00
AS WP Assort Sales R	187243.00	191498.57	0.00	0.00
AS WP DT Assort Sales U	21734.11	22268.71	0.00	0.00
AS WP DT Assort Sales R	220269.99	225687.90	0.00	0.00
AS DT No of Significant Substitute SKUs	1	1	0	0
AS WP DT Assort Substitutable Demand Sales U	5719.38	5707.06	0.00	0.00
AS WP DT Assort Substitutable Demand Sales R	57964.52	57839.62	0.00	0.00
AS WP Assort Demand Transferred %	0.26	0.26	0.00	0.00
AS WP DT Assort Incremental Demand Sales U	16014.73	16561.66	0.00	0.00
AS WP DT Assort Incremental Demand Sales R	162305.46	167848.28	0.00	0.00
AS WP Assort Gross Profit %	0.00	0.00	0.00	0.00
AS WP Assort Gross Profit R	0.00	0.00	0.00	0.00
AS WP DT Assort Gross Profit %	0.00	0.00	0.00	0.00
AS WP DT Assort Gross Profit R	0.00	0.00	0.00	0.00

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	The sales units in the working plan's assortment for the store.
AS WP Assort Sales R	The sales retail value in the working plan's assortment for the store.
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.

**Table 9–12 (Cont.) 1a. Review Assortment Recommendation @ Store View 2 Measures**

Label	Definition
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. 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 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 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.
AS WP DT Assort Gross Profit %	The updated (or DT Affected) demand's gross profit retail percentage value specifically for the working plan store assortment.
AS WP DT Assort Gross Profit R	The updated (or DT Affected) demand's gross profit retail percentage value specifically for the working plan store assortment.

**1b. Review DT Details @ Store View**

Use this view to review the demand transference distribution details of any SKU/item in the Review Store Assortment Recommendation view.

**Figure 9–15 1b. Review DT Details @ Store View**

	AS DT Assort Demand Sales Received %	AS WP DT Assort Demand Received Sales U	AS WP DT Assort Demand Received Sales R	AS WP DT Assort Sales U	AS WP DT Assort Sales R
1236205 - Dunkin' Donuts	13.55%	967.67	34897.68		
1235575 - Dunkin' Donuts	2.51%	178.95	6453.46		
1235674 - Seattles Best	1.19%	84.95	3063.73		
1234951 - Dunkin' Donuts	1.00%	71.53	2579.72		
1235884 - Dunkin' Donuts	0.86%	61.19	2206.59		
1235572 - Dunkin' Donuts	0.77%	54.85	1978.11		

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.

**Table 9–13 (Cont.) 1b. Review DT Details@ Store Measures**

Label	Definition
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 measure including MFP Sales R, MFP Sales U, MFP Gross Profit, MFP Gross Profit %, CP Target Sales R, CP Target Sales U, CP Target Gross Profit R, and CP Target 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.

**Table 9–14 (Cont.) 3. IPI Assortment Dashboard @ Store View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 9–14 (Cont.) 3. IPI Assortment Dashboard @ Store View Measures**

<b>Label</b>	<b>Description</b>
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 review 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 three 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 due to interface issues or the assortment being in the queue for consumption. It resets all flags so that exports to ASO can be executed again.

## 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**

	1234816 - Tully's Dark Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234822 - Tully's Light Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234825 - Tully's French Roast Non-Flavored Regular - Caffeinated 12 oz Can	1234828 - Yuban Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can
AS CP Assort Sales R	0.00	0.00	0.00	0.00
AS CP Assort Sales U	0.00	0.00	0.00	0.00
AS CP Assort Sales AUR	0.00	0.00	0.00	0.00
AS CP Assort Gross Profit R	0.00	0.00	0.00	0.00
AS CP Assort Gross Profit %	0.00	0.00	0.00	0.00
AS WP Assort Sales R	2719279.94	1421345.06	0.00	187243.00
AS WP Assort Sales U	245035.03	107671.67	0.00	18475.33
AS WP Assort Sales AUR	11.10	13.20	0.00	10.13
AS WP Assort Gross Profit R	542360.90	292040.48	0.00	41720.07
AS WP Assort Gross Profit	0.20	0.21	0.00	0.22
AS WP Assort Sales var to CP R	0.00	0.00	0.00	0.00
AS WP Assort Sales var to CP U	0.00	0.00	0.00	0.00
AS WP Assort Gross Profit var to CP R	0.00	0.00	0.00	0.00
AS WP Assort Sales var to LY R	0.00	0.00	0.00	0.00
AS WP Assort Sales var to LY U	0.00	0.00	0.00	0.00
AS WP Assort Gross Profit var to LY R	0.00	0.00	0.00	0.00

Table 9–15 lists the measures available in this view.

**Table 9–15 Assortment Quantification Summary Measures**

Label	Definition
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, AS CP Assort Sales R.
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, AS CP Assort Sales U.
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. Similar measures in other versions include: AS LY Assort Sales AUR and AS CP Assort Sales AUR.
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 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's assortment for the store. Similar measures in other versions include: AS LY Assort Gross Profit % and AS CP Assort Gross Profit %.
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.
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.

**Figure 9–18 Assortment Quantification Summary WP/LY Measure Profile View**

Product	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	1234759 - Folgers Medium Roast Non-Flavored Regular - Caffeinated 12 oz Can
AS LY Assort Sales R	4368875.78	2073519.47	25369.06	0.00	0.00	38053.50
AS LY Assort Sales U	385037.17	166446.29	3692.55	0.00	0.00	5538.83
AS LY Assort Sales AUR	11.35	12.46	6.87	0.00	0.00	6.87
AS LY Assort Gross Profit R	1839294.52	879714.17	7681.74	0.00	0.00	11522.51
AS LY Assort Gross Profit %	0.42	0.42	0.30	0.00	0.00	0.30
AS WP Assort Sales R	2719279.94	1421345.06	0.00	0.00	0.00	0.00
AS WP Assort Sales U	245035.03	107671.67	0.00	0.00	0.00	0.00
AS WP Assort Sales AUR	11.10	13.20	0.00	0.00	0.00	0.00
AS WP Assort Gross Profit R	542360.90	292040.48	0.00	0.00	0.00	0.00
AS WP Assort Gross Profit %	0.20	0.21	0.00	0.00	0.00	0.00
AS WP Assort Sales var to	-0.38	-0.31	-1.00	0.00	0.00	-1.00
AS WP Assort Sales var to	-0.36	-0.35	-1.00	0.00	0.00	-1.00
AS WP Assort Gross Profit	-0.71	-0.67	-1.00	0.00	0.00	-1.00

**Measure Profiles**

This view has two measure profiles as shown in Figure 9–17 and Figure 9–18:

- 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 consists of measures including MFP Sales R, MFP Sales U, MFP Gross Profit and MFP Gross Profit %, CP Target Sales R, CP Target Sales U, CP Target Gross Profit R and CP Target 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 9–16 lists the measures available in this view.

**Table 9–16 Final Assortment Dashboard @ Store View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 9–16 (Cont.) Final Assortment Dashboard @ Store View Measures**

Label	Description
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.

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**Note:** Before exporting to ASO, make sure that the assortment plan has been explicitly committed.

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Exported assortment plans are optimized to the available space in ASO and recommendations are sent back to CMPO.

Import from ASO into CMPO 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.

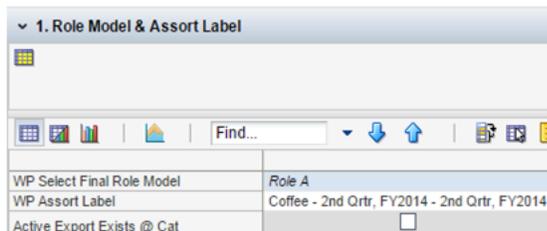
**Figure 9–20 1. Role Model & Assort Label View**

Table 9–17 lists the measures available in this view.

**Table 9–17 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**

	AS WP Export to ASO	AS ASO Export Status	AS Last Exported Ver	AS Active Export Exists	AS Last Exported Date	AS WP Export Updated Plan	AS ASO Results Imported	AS ASO Results Accepted
1023 Seattle	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1024 Portland	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1025 Boise	<input checked="" type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1026 Billings	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1027 Denver	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1028 Salt Lake City	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1029 Eugene	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
1030 Salem	<input type="checkbox"/>		0	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

Table 9–18 lists the measures available in this view.

**Table 9–18 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.
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.

**Table 9–18 (Cont.) 2. Export to ASO @Store Measures**

<b>Label</b>	<b>Definition</b>
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 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.
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.

**Custom Menus**

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.

Export Updated Plans to ASO: This custom menu can only be used to cancel exports to ASO, if the data previously exported has not been consumed by ASO due to interface issues or the assortment being in the queue for consumption. It resets all flags so that exports to ASO can be executed again.

**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 CMPO. 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 CMPO.

**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. 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**

	AS Assort Label	AS Last Exported Ver	AS Active Export Exists	AS Last Exported Date	AS WP ASO Import	AS ASO Import Status
1023 Seattle		0	<input type="checkbox"/>			ASO Data Imported
1024 Portland		0	<input type="checkbox"/>			ASO Data Imported
1025 Boise		0	<input type="checkbox"/>			ASO Data Imported
1026 Billings		0	<input type="checkbox"/>			
1027 Denver		0	<input type="checkbox"/>			
1028 Salt Lake City		0	<input type="checkbox"/>			
1029 Eugene		0	<input type="checkbox"/>			
1030 Salem		0	<input type="checkbox"/>			

Table 9–19 lists the measures available in this view.

**Table 9–19 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.
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.

**Table 9–19 (Cont.) 1. Import ASO Results @ Store View Measures**

<b>Label</b>	<b>Description</b>
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 9–20 lists the measures available in this view.

**Table 9–20 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.
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.

**Table 9–20 (Cont.) 2. ASO Assortment @ Store Summary View Measures**

<b>Label</b>	<b>Description</b>
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**

	Coffee	Ground	Instant	Single Serve	Whole
AS WP Assort Carried	<input checked="" type="checkbox"/>				
AS WP Mandatory	<input type="checkbox"/>				
AS WP Mandatory Count	0.00	0.00	0.00	0.00	0.00
AS WP Assort Core	<input checked="" type="checkbox"/>				
AS WP Assort Core Count	10	3	2	4	1
AS WP Assort Optn	<input type="checkbox"/>				
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
WP ASO Assort Facings Length	34,944	17,664	3,072	5,760	8,448
WP ASO Assort # Facings	46	15	10	16	5
WP ASO Assort Avg Service Level	6.71	3.85	6.26	23.10	1.69
ASO Assort Sales R per Linear Unit	14.12	8.76	12.25	45.03	4.95
ASO Assort Sales R per facing	10,728.25	10,312.75	3,761.72	16,210.74	8,363.88
ASO Assort Gross Profit R per Linear Unit	6.08	3.36	3.74	21.71	1.95
ASO Assort Gross Profit R per facing	4,614.94	3,951.47	1,150.44	7,814.98	3,294.18
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 Assort Carried	<input checked="" type="checkbox"/>				
AS LY Mandatory	<input type="checkbox"/>				
AS LY Mandatory Count	0.00	0.00	0.00	0.00	0.00
AS LY Assort Core	<input checked="" type="checkbox"/>				
AS LY Assort Core Count	61	30	6	10	15

Table 9–21 lists the measures available in this view.

**Table 9–21 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.
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.

**Table 9–21 (Cont.) 3. ASO Assortment @ Store Details and Space Productivity View**

<b>Label</b>	<b>Description</b>
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 LP 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 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.

**Table 9–21 (Cont.) 3. ASO Assortment @ Store Details and Space Productivity View**

Label	Description
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 plan 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

Store (Label)	AS Assort Label	AS Last Exported Ver	AS Active Export Events	AS Exported to ASO	AS Last Exported Date	AS ASO Results Imported	AS ASO Results Imported Date	AS WP Accept	AS WP Accept Type	AS ASO Results Accepted	AS ASO Results Accepted Date
1023 Seattle		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1024 Portland		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1025 Boise		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1026 Billings		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1027 Denver		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1028 Salt Lake City		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1029 Eugene		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1030 Salem		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
1031 Tacoma		0	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Table 9–22 lists the measures available in this view.

**Table 9–22 1. Accept ASO Results @ Store View Measures**

<b>Label</b>	<b>Description</b>
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: <ul style="list-style-type: none"> <li>■ ASO Assortment only: Used to accept only the ASO assortment recommendation.</li> <li>■ ASO Assortment and Plan: Used to accept both the ASO assortment and plan recommendations.</li> </ul>
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**

**Accept ASO Results:** Use this custom menu to accept the ASO results. 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**

	Coffee	Ground	Instant	Single Serve	Whole
AS WP Assort Carried	<input checked="" type="checkbox"/>				
AS WP Mandatory	<input type="checkbox"/>				
AS WP Mandatory Count	0	0	0	0	0
AS WP Assort Core	<input checked="" type="checkbox"/>				
AS WP Assort Core Count	10	3	2	4	1
AS WP Assort Sales U	52,430	15,002	5,475	28,302	3,650
AS WP Assort Sales R	493.5 K	154.7 K	37.6 K	259.4 K	41.8 K
AS WP Assort Gross Profit R	212.3 K	59.3 K	11.5 K	125.0 K	16.5 K
AS WP Assort Gross Profit %	43.0 %	38.3 %	30.6 %	48.2 %	39.4 %
WP ASO Assort Facings Length	34,944	17,664	3,072	5,760	8,448
WP ASO Assort # Facings	46	15	10	16	5
WP ASO Assort Avg Service Level	6.71	3.85	6.26	23.10	1.69
AS LY Assort Carried	<input checked="" type="checkbox"/>				
AS LY Mandatory	<input type="checkbox"/>				
AS LY Mandatory Count	0	0	0	0	0
AS LY Assort Core	<input checked="" type="checkbox"/>				
AS LY Assort Core Count	61	30	6	10	15
AS LY Assort Sales U	224,334	96,773	31,976	43,148	52,437
AS LY Assort Sales R	2,549.9 K	1,206.1 K	219.7 K	467.8 K	656.3 K
AS LY Assort Gross Profit R	1,074.9 K	512.2 K	66.5 K	224.8 K	271.3 K
AS LY Assort Gross Profit %	42.2 %	42.5 %	30.3 %	48.1 %	41.3 %

Table 9–23 lists the measures available in this view.

**Table 9–23 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.

**Table 9–23 (Cont.) 2. Review Space Optimized Assortment @ Store View Measures**

<b>Label</b>	<b>Description</b>
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.
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.

**Table 9–23 (Cont.) 2. Review Space Optimized Assortment @ Store View Measures**

<b>Label</b>	<b>Description</b>
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. 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. Re-building a workbook does not imply opening a saved workbook but it means creating a new workbook with same specifications.

For more details, see ["Placeholder and Formalized Items Step"](#) in [Chapter 3](#).

**Figure 9–27 Approve Assortment @ Store View**

	AS Assort Label	AS Last Exported Ver	AS Active Export Exists	AS Exported to ASO	AS ASO Results Imported	AS ASO Results Accepted	AS WP Approve to CP	AS Approve Comment	AS Approve to CP By	AS Approve to CP Date	AS Approve to CP Comment
1023 Seattle	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1024 Portland	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1025 Boise	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1026 Billings	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
1027 Denver	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1028 Salt Lake City	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1029 Eugene	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1030 Salem	FY2014	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Table 9–24 lists the measures available in this view.

**Table 9–24 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**

Approve Assortment @Store: Use this custom menu to approve the store level assortment plan.

**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**

	all [Location]	Northwest
Assort Label	Coffee - 2nd Qtr, FY2014 - 2nd Qtr, F...	Coffee - 2nd Qtr, FY2014 - 2nd Qtr, FY2014
Assort Set		1
Approved to CP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
WP Assort Finalize	<input type="checkbox"/>	
Assort Finalized	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Finalized ASO Assort Set		1

Table 9–25 lists the measures available in this view.

**Table 9–25 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.



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## 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 Nielsen, Heller, A., Karolefski, J. (2005) *Consumer-Centric Category Management*. Hoboken, NJ: John Wiley & Sons.

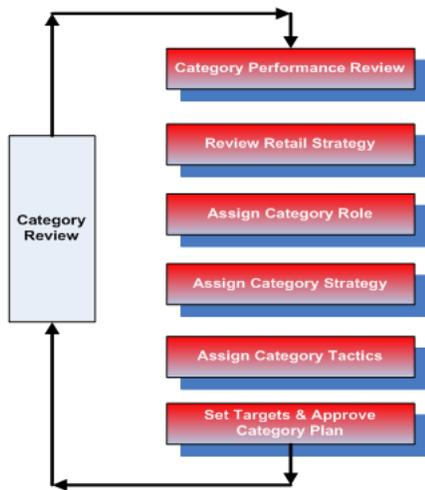
#### Overview

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](#).

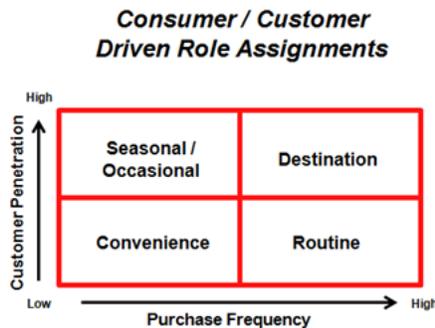
**Figure A-1 Category Planning Application Workflow**



**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 - Consumer/Customer**



**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

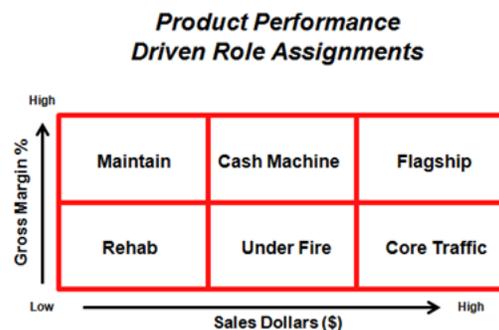
- **Seasonal/Occasional:** High penetration, low **purchase frequency**, and variable sales revenue. The objective is to be a major category provider and help reinforce the retailer as the store of choice by delivering frequent, competitive target consumer value.

Example **Seasonal/Occasional** 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

**Figure A-3 Category Management Industry Standards - Product Performance**



### 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**

<b>Category Strategies</b>	<b>Characteristics</b>	<b>Purchase Dynamics</b>	<b>Measures and View</b>	<b>Example</b>
<b>Traffic Building</b>	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.
<b>Transaction Building</b>	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.
<b>Profit Generating</b>	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 retailer with a hypermarket chain (Retailer B), which presents a limited range of merchandise in coffee in relation to a speciality retailer like Retailer A.
<b>Cash Generating</b>	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
<b>Excitement Generating</b>	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.
<b>Image Enhancing</b>	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.
<b>Turf Defending</b>	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 CMPO Category Planning tactics, and the associated settings options, are listed in [Table A-2](#).

**Table A-2 Category Planning Tactics**

<b>Tactic</b>	<b>Tactic Settings</b>
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 examples of possible 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 CMPO 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 Cloud Service or the retailer's own clustering process:
  - For a trading area (location hierarchy level below chain in the default dataset)

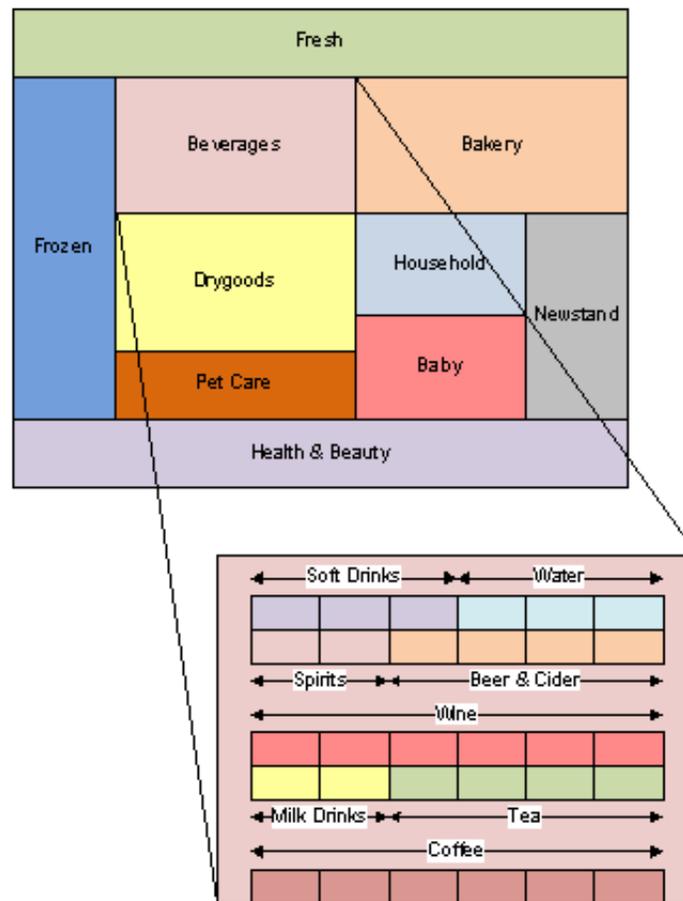
- For a planning period (the period of time being planned for, which is a quarter in the default dataset)
- Run Category Planning:
  - For the same trading area and planning period
  - Analyze the business, customers, and market in order to help determine the roles, strategies and tactics for the Coffee category. For more information on this functionality, see "[Roles, Strategies, and Tactics in Category Planning](#)."

### **Category Planning Workflow**

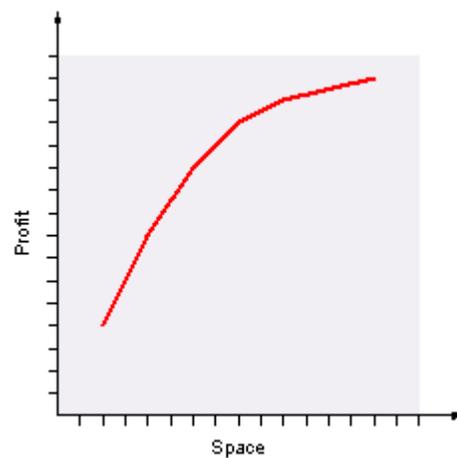
1. Define the Retail Strategy, which is the big picture view of the shoppers, trading area, and competition to assess the overall business opportunity in the market..
2. Assign the category role:
  - a. Perform a deeper analysis of the market, consumers, and so on at the trading area level.
  - b. Assess 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-4 MSO Process**

The optimization leverages space elasticity curves that define the expected profit that will be generated for differing amounts of space.

**Figure A-5 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 the Assortment and Space Optimization Cloud Service 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 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 following 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).**



## 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 CMPO 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 the ASO Cloud Service.
- 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 consumer 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

CMPO'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-6 Weighting by Performance**

**1. Review Focus Area Weights**

Location: Measure << >>  
Mainstream | Mainstream | Large | A (Northwest) | WP Focus Area Weight

	Attributes	Loyalty	Market Basket	Performance
☐ Coffee	> all [Consumer Segment]	0.0 %	0.0 %	100.0 %
☐ Ground	> all [Consumer Segment]	0.0 %	0.0 %	100.0 %
☐ Instant	> all [Consumer Segment]	0.0 %	0.0 %	100.0 %
☐ Single Serve	> all [Consumer Segment]	0.0 %	0.0 %	100.0 %
☐ Whole	> all [Consumer Segment]	0.0 %	0.0 %	100.0 %

Focus Area Weight set to 100% Performance

**2. Review Metric Weights**

Location: Focus Area Attributes << >>  
Mainstream | Mainstream | Large | A (Northwest) | Performance

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

Focus Area Attribute set to Performance

Metric Weight set to 100% Sales R

- 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).

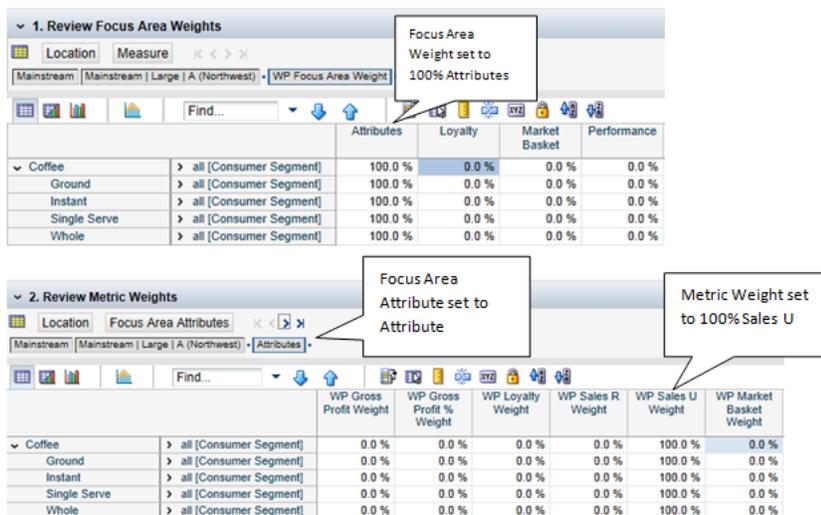
Note that some retailers will import the attribute name weights from ORASE's CDT Science, which will emphasize the most important attributes based on historical performance. No action is required; this import happens in the back-end.

**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-7 Weighting by Attributes**



**Figure A-8 Weighting by Attributes - Attribute Name Weights Settings**

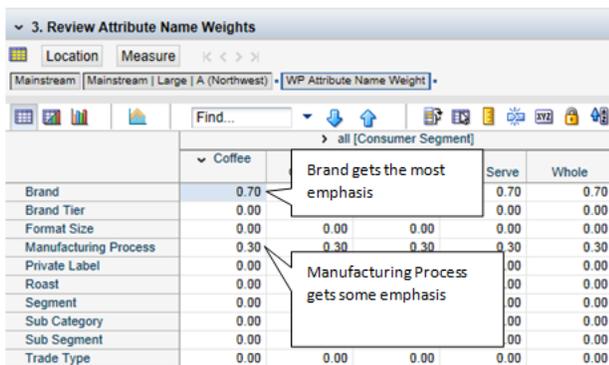


Figure A-9 Weighting by Attributes - Attribute Value Weights Settings

all [Consumer Segment]		Ground	Instant	Single Serve	Whole
Brand	2.00	2.00	2.00	2.00	2.00
Caribou Coffee	1.00	1.00	1.00	1.00	1.00
Donut House	1.00	1.00	1.00	1.00	1.00
Dunkin' Donuts	1.00	1.00	1.00	1.00	1.00
Eight O'Clock	1.00	1.00	1.00	1.00	1.00
Folgers	1.00	1.00	1.00	1.00	1.00
Gevalia	1.00	1.00	1.00	1.00	1.00
Maxwell House	1.00	1.00	1.00	1.00	1.00
Nescafe	1.00	1.00	1.00	1.00	1.00
Newman's Own	1.00	1.00	1.00	1.00	1.00
Peet's	2.00	2.00	2.00	2.00	2.00
PL	1.00	1.00	1.00	1.00	1.00
Seattles Best	1.00	1.00	1.00	1.00	1.00
Starbucks	2.00	2.00	2.00	2.00	2.00
Tully's	1.00	1.00	1.00	1.00	1.00
Yuban	1.00	1.00	1.00	1.00	1.00
Brand Tier	1.00	1.00	1.00	1.00	1.00
Format Size	1.00	1.00	1.00	1.00	1.00
Manufacturing Process	2.00	2.00	2.00	2.00	2.00
Non-Organic	1.00	1.00	1.00	1.00	1.00
Organic	2.00	2.00	2.00	2.00	2.00

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-10 Weighting by Loyalty

all [Consumer Segment]		Attributes	Loyalty	Market Basket	Performance
Coffee		0.0 %	100.0 %	0.0 %	0.0 %
Ground		0.0 %	100.0 %	0.0 %	0.0 %
Instant		0.0 %	100.0 %	0.0 %	0.0 %
Single Serve		0.0 %	100.0 %	0.0 %	0.0 %
Whole		0.0 %	100.0 %	0.0 %	0.0 %

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

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-11 Weighting by Market Basket**

The screenshot shows two panels in a software interface. The top panel, '1. Review Focus Area Weights', has a 'Measure' dropdown set to 'Market Basket'. It displays a table with columns for 'Attributes', 'Loyalty', 'Market Basket', and 'Performance'. The 'Market Basket' column is highlighted in blue, and a callout points to it with the text 'Focus Area Weight set to 100% Market Basket'. The bottom panel, '2. Review Metric Weights', has a 'Focus Area Attributes' dropdown set to 'Market Basket'. It displays a table with columns for 'WP Gross Profit Weight', 'WP Gross Profit % Weight', 'WP Loyalty Weight', 'WP Sales R Weight', 'WP Sales U Weight', and 'WP Market Basket Weight'. The 'WP Market Basket Weight' column is highlighted in blue, and a callout points to it with the text 'Metric Weight set to 100% Market Basket Index'. Both tables list categories like Coffee, Ground, Instant, Single Serve, and Whole, each with a sub-row for 'all [Consumer Segment]'.

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 CMPO 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–12 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
<b>AVERAGE</b>	<b>73,100</b>		<b>1.00</b>

**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–13 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
<b>AVERAGE</b>	<b>73,100</b>		<b>1.00</b>

**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-14 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-15 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.

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**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.

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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. CMPO 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.

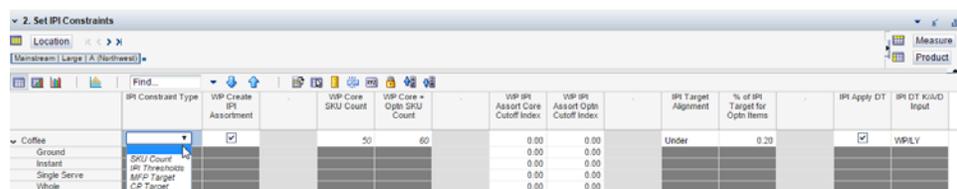
WP IPI Core Cutoff Index - 0.99

**Figure A-16 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
<b>AVERAGE</b>	<b>73,100</b>	<b>16,759</b>	<b>1.00</b>	



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-17 Setting IPI Constraints**


IPI Constraint Type	VSP Create IPI Assortment	VSP Core SKU Count	VSP Case Optn SKU Count	VSP IPI Assort Core Cutoff Index	VSP IPI Assort Optn Cutoff Index	IPI Target Alignment	% of IPI Target for Optn Items	IPI Apply DT	IPI DT KOLID Input
Coffee	<input checked="" type="checkbox"/>	50	60	0.00	0.00	Under	0.20	<input checked="" type="checkbox"/>	WIRLY
Ground				0.00	0.00				
Instant				0.00	0.00				
Single Serve				0.00	0.00				
Whole				0.00	0.00				

## Troubleshooting

At the category level, the IPI score should be equal to 1.00 (or close to that if attribute weights are used). If it is not, here are some things to look for in the settings for weights:

- Be sure weights add up to 100%. Look at all of the different weights and aggregation levels - measure, location, product, consumer segment.  
Exception: Attribute name weights and attribute value weights will average to 1.0 (they are expressed as a number rather than a percent).
- Be sure that the consumer segment weights are set, regardless of which focus area weights are being used.
- If using the Attribute focus area weight, confirm that metric weights are set for the Attribute focus area attribute. Additional weights need to be set when considering attributes, in order to specify which attributes should get additional emphasis and then which of those attributes get the emphasis. This would be done using the attribute name weights and attribute value weights, both of which need to be non-zero.
- If using the Loyalty focus area weight, confirm that metric weights are set for the Loyalty focus area attribute.
- If using the Market Basket focus area weight, confirm that metric weights are set for the Market Basket Focus Area attribute.
- If using the Performance focus area weight, confirm that metric weights are set for the Performance focus area attribute.

## Demand Transference in Assortment Planning

After creating an assortment using IPI, Market Coverage, or Incremental Curve, Demand Transference (DT) may be leveraged to provide 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 CMPO:

- **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 the CDT/DT Science Cloud Service, 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 the CMPO application:

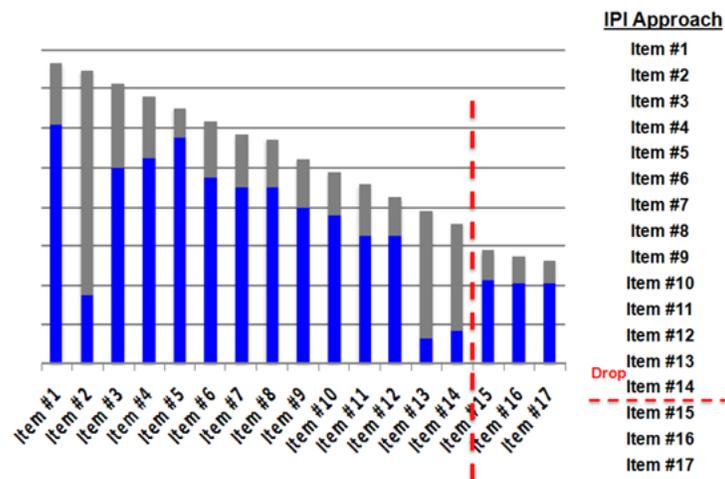
- Provides insight into the uniqueness of a SKU's demand.
- Used to derive a system-recommended assortment based on Incremental Curve.
- Provides optimal fine-tuning of assortments to get the right mix of merchandise.
- Provides an insight into whether the assortment is over-assorted (too many similar 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.

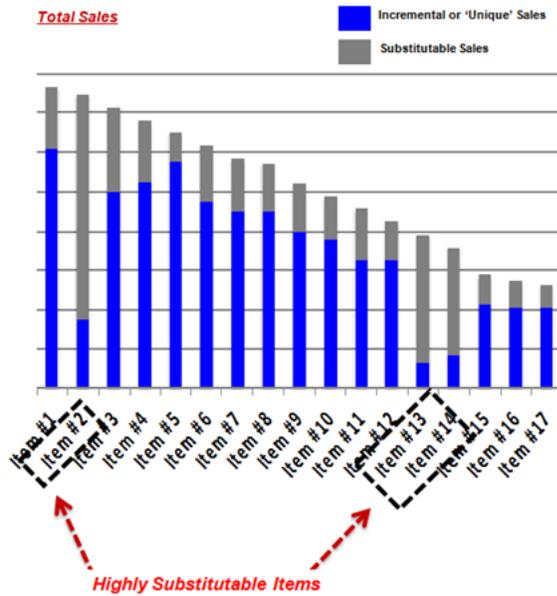
The Assortment Planner has created an assortment containing 17 items, and needs to drop three items from the assortment based on available space. Each bar in the chart in [Figure A-18](#) represents an item that made it into an IPI assortment. The height of the bar represents planned sales. Without the 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-18 IPI Approach to Editing an Assortment**

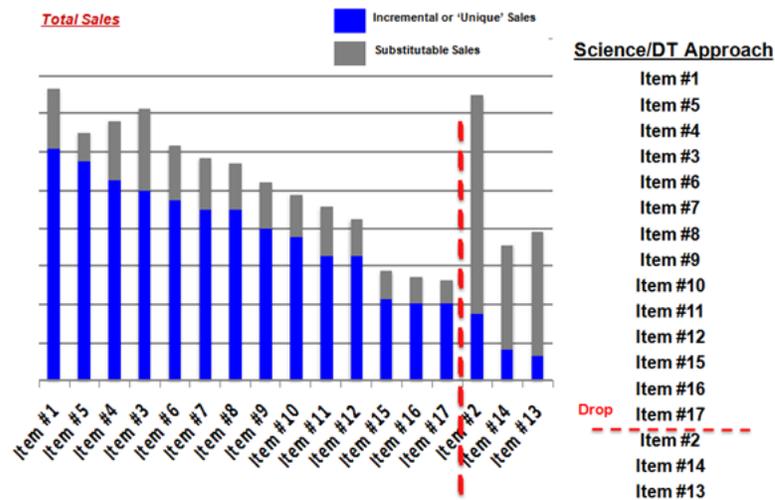


However, with the insight of Demand Transference, the Assortment Planner can take a more scientific approach to editing the assortment. The next step is to not just look at the planned sales of the items in the assortment, but at how much of that demand is substitutable or will be retained in the overall assortment if an item is dropped, and how much of the demand is incremental or unique to an item. Consider [Figure A-19](#). 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-19 Assessing Substitutability and Incrementality**



In [Figure A-20](#), 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–20 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 the CMPO application 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 the CDT/DT Science Cloud Service should be configured and loaded into CMPO. 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.

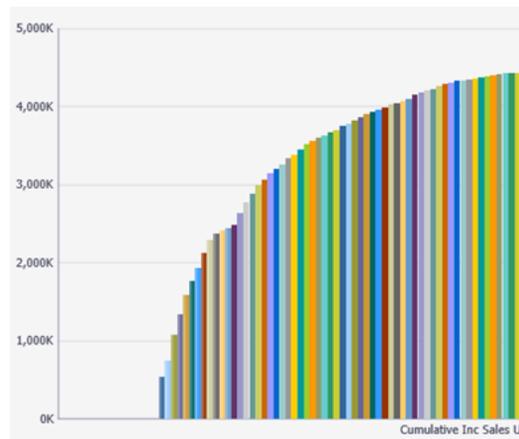
4. Monitor the impact on sales and gross profit measures after each DT run to evaluate DT impact and the assortment plan's alignment with the targets.

## 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-21** 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 the CDT/DT Science Cloud Service should be configured and loaded into the CMPO application. 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 CMPO 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	<p>Baseline Demand is represented by the assortment sales and profit, before making any changes to the assortment or applying Demand Transference.</p> <p>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).</p> <p>See the glossary entry: <a href="#">Updated Demand (DT)</a></p>
Demand	<p>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.</p>
Demand Received (Demand Sales Received)	<p>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.</p>
Demand Transference	<p>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 CMPO, are always based on the assortment of which a SKU is a part. If the assortment changes, the Demand Transference values also change.</p> <p>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.</p>

**Table A-4 (Cont.) Demand Transference Glossary**

<b>Measure/Term</b>	<b>Definition</b>
Demand Transferred %	<p>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.</p> $\text{Demand Transferred \%} = \frac{\text{Substitutable Demand U}}{\text{DT Assort Sales U}}$
DT SKU Cut-Off %	<p>Administrative measure.</p> <p>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.</p> <p>The default value is 100%.</p>
Incremental Demand (Incremental Demand Sales U/R)	<p>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.</p> <p>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.</p> <p>The demand measures are linked to each other as follows: Total Demand = Substitutable Demand + Incremental Demand.</p> <p>See the glossary entry: Substitutable Demand (Substitutable Demand Sales U/R)</p>
Keep/ Add/ Drop	<p>Application terminology used to indicate assortment changes done by the Assortment Planner. In the CMPO application, assortment changes are done by checking or unchecking the Core and Optional SKU Flag measure. CMPO will compare the updated assortment to a reference assortment (LY/LP/CP assortment) to come out with the Keep, Add, and Drop values.</p>
No. of Significant Substitute SKUs	<p>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.</p>
Reference Assortment	<p>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).</p>

**Table A-4 (Cont.) Demand Transference Glossary**

Measure/Term	Definition
Substitutable Demand (Substitutable Demand Sales U/R)	<p data-bbox="683 260 1365 394">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.</p> <p data-bbox="683 407 1365 617">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.</p> <p data-bbox="683 630 1365 814">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.</p> <p data-bbox="683 827 1292 852">The demand measures are linked to each other as follows:</p> <p data-bbox="683 865 1344 890">Total Demand = Substitutable Demand + Incremental Demand</p>
Updated Demand (DT)	<p data-bbox="683 913 1357 1018">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.</p> <p data-bbox="683 1031 1338 1115">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).</p> <p data-bbox="683 1127 1292 1152">The demand measures are linked to each other as follows:</p> <p data-bbox="683 1165 1344 1190">Total Demand = Substitutable Demand + Incremental Demand</p> <p data-bbox="683 1203 1109 1228">See the glossary entry: <a href="#">Baseline Demand</a></p>

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# Glossary

## **80/20 rule**

Based on Pareto's principle, a rule of thumb used by retailers that typically 20 percent of SKUs typically generate 80 percent of the business.

## **acv weighted distribution**

The percent of the annual value sales, All Commodity Volume (ACV) 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 customer's basket. Types of affinities include cannibalization (product A's presence in the assortment reduces the sales of product B) and halo (product A's presence in the assortment boosts the sale of product B).

## **API**

Application Programming Interface. A set of routines, protocols, and tools used to build software interfaces.

## **Application Programming Interface (API)**

See [API](#).

## **ASO**

Assortment and Space Optimization Cloud Service is used to align assortment plans to available space at the stores. This helps improve assortment space productivity and fill rates. CMPO's integration with ASO is utilized to perform assortment and space optimization.

## **Assortment and Space Optimization (ASO)**

See [ASO](#).

## **assortment changes**

Any change to the product mix of the assortment is referred to as an assortment change. Assortment change decisions include Keep (keeping an item in the assortment), Add (adding an item to the assortment), and Drop (dropping an item from the assortment). Core items flags are used to make assortment changes.

## **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 in conjunction with space planning solutions.

**assortment finalization for space optimization**

The finalization of the system-recommended assortment, using IPI or Market Coverage assortments per business requirements, to be exported ASO for space optimization.

**assortment improvement**

Demand transference-based automated assortment optimization on key retail parameters, such as, sales and gross profit.

**assortment quantification**

Assortments are quantified in terms of assortment plan numbers representing their assortment range, sales, gross profit, and inventory parameters.

**average days of supply**

The average inventory (or stock cover) carried by a store, expressed in the average number of days it will last, before it gets sold.

**baseline demand**

The original sales planned in a working plan version of the assortment before applying demand transference to it.

**cannibalization**

The cannibalization of sales refers to the overlap in 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 shift to the new 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**

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. For example, if 100 customers shop at a retailer's store and only 80 of them buy merchandise from the juices category, the category buyer conversion for juices is 80%.

**category definition**

A distinct, measurable, and manageable group of products interrelated and/or substitutable per the consumers' perception. In other words, a category is defined as a distinct set of items with similar product attributes meeting a specific consumer need. 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.

**category growth**

The growth in category sales revenue expressed in percentage points.

**category role**

Represent the importance and function of a product category in a retailer's business from a big picture perspective. Category roles are assigned on the basis of the industry models, model A and model B. Examples include destination and convenience categories. For information on category role assignment, see [Chapter 4](#).

**category strategy**

Strategies suggest the overall approach for achieving a 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. For information on strategy assignment, see [Chapter 4](#).

**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**

CDT presents the relationship between product segments of a category based on perceived consumer importance. Product segments are defined on the basis of product attributes such as brand, flavor, size, and so on. Category Structure provides a hierarchical relationship among the product segments. For more information on CDT, see [Chapter 2](#).

**consumer decision tree (CDT)**

See [CDT](#).

**consumer segment**

Grouping of consumers based on a specific set of demographic/psychographic parameters generating significant business at the retailer. Identifying target consumer segment's for the retail business is key to its success.

**current space**

Space allocated to different levels of product and POG hierarchy per the current store layout.

**demand**

Typically, demand refers to sales units or volume of sales. Demand and sales are used alternatively. 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 and then other measures are derived. Demand can be recorded sales, actuals, or expected sales or forecast.

### **demand received %**

The percentage of demand received by a substitute SKU from a parent SKU's demand. Parent SKU here refers to the SKU being 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) equals the sum of Demand Transferred to Substitute SKUs (% Sales U, Sales R)

Demand Transferred % equals the sum of substitute SKUs' Demand Received% presented in DT Details/Distribution

### **demand transference**

The shift in sales between SKUs in an assortment with any changes made to its 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 upper limit of the substitutable demand of a SKU, defined in percentage points, used to taper the insignificant demand being transferred from the SKU to its substitute SKUs. 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 many 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. In such a case, if DT Cut-Off % equals 90%, the 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, it is best to keep DT Cut-Off % at 100%.

### **hardline retailer**

A retailer who sells merchandise such as hardware, housewares, automotive, electronics, sporting goods, health and beauty aids, or toys.

### **halo effect**

An increase in the sales of an item when another item is put 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 represent a targeted area (such as a region, trading area, local market, or total country). All purchases are captured at the point-of-sale or in-home using handheld scanners. Data suppliers then mine the data to provide insight into consumer purchase behavior.

**incremental demand/incremental sales**

The portion of sales of a SKU, which are not transferred to other SKUs in the assortment, when it is dropped from the assortment. Incremental demand is also referred to as irreplaceable demand/sales and non-substitutable demand/sales.

The following equation states the relationship between different demand transference parameters:

$$\text{Total Demand} = \text{Substitutable Demand} + \text{Incremental Demand}$$

or

$$\text{Total Sales} = \text{Substitutable Sales} + \text{Incremental Sales}$$
**IPI**

A system calculated metric which determines the item or sub-category's overall relative importance.

**item priority index (IPI)**

See [IPI](#).

**loyalty card data**

Customer shopping data captured through loyalty programs at the retailer. Retailers mine this data in order to understand who their profitable customers are, what they buy, how often they buy, and to which products and attributes they are loyal.

**Macro Space Optimization**

See [MSO](#).

**market basket**

Refers to the analysis to assess the relative presence of any item or a product category in a customer's basket (or customer purchases). It provides consumer segment level insights into product (SKU) mix of the customer baskets, the number of baskets bought 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 is typically derived from household panel data. 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 extent of market sales covered by an assortment or a set of items. Market coverage is the market share percentage of the overall sales generated in the market by products in a 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.

**market loyalty data**

Data supplied to retailers by syndicated data suppliers, such as Nielsen or Symphony IRI, that presents loyalty metrics of consumers to different retailers within a particular trading area.

**market share**

The percentage of sales revenue 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 is the system or application used to maintain business foundation data such as product hierarchies, calendar hierarchies, and location hierarchies.

**MSO**

Macro Space Optimization is 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**

Number of substitute SKUs which receive or absorb a significant portion of the demand transferred from a SKU, which is being dropped from an assortment.

**planogram (POG)**

See [POG](#).

**POG**

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.

**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.

**point of sale system (POS)**

see [POS](#).

**POS**

Point of sale application used to record customer purchases.

**product segment**

Group of products that are segregated based on a customer's buying behavior. 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.

**sales volume**

Represents the sales units.

**SBU**

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.

**service level**

Probability of an item's availability on store shelves for it to be purchased.

**SKU**

Lowest level at which inventory can be measured.

**SKU contribution analysis**

This analysis deals with the contribution of sales by a SKU to a product category to identify key SKUs in the assortment.

**SKU fragmentation analysis**

Provides an insight into the distribution or spread of sales, also known as, SKU count, presented per predefined breakpoints. Sales units and sales retail value can be selected as key performance indicators.

**SKU proliferation analysis**

Used to view the cumulative sales of an assortment against the SKU count.

**spending index**

Used to measure and compare the buyer spends at the retailer or in the market for different consumer segments. It is calculated using an index to average method by dividing a consumer segment's spend by the average consumer spend.

**stock keeping unit**

See [SKU](#).

**strategic business unit**

See [SBU](#).

**store cluster**

Grouping of stores based on parameters such as consumer segment, store size, and store performance. In CMPO, store clusters are recommended to be sourced from Advanced Clustering solution, part of ORASE.

**substitutable demand (also referred to as substitutable demand Sales U/R)**

Demand of an item/SKU that gets transferred to its substitute SKUs, when it is dropped from the assortment.

For example, if Brand A Orange Juice - No Pulp - 12 Fl Oz is dropped from an assortment, 70 percent of its sales 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 absorbed by these three SKUs.

**syndicated data**

See [third-party data](#).

**target market coverage**

The market coverage percentage the retailer's assortment should achieve.

**third-party data**

Data collected from companies that aggregate data anonymously across multiple retailers. The aggregated data gives insights into overall performance across a market

area and are a useful reference for examining a retailer's own business performance. Notable third-party data aggregators include Nielsen, IRI, and Acxiom.

**top shopper index**

Index to average measure indicating the regular or most frequent purchases by the top shoppers at the retailer. Top shoppers are the consumers who purchase most of the merchandise to meet their needs from a retail vertical, such as grocery or general merchandise, from the retailer. They are the most loyal set of consumers and bring a high volume of business to the retailer.

The index is calculated by dividing the sales retail volume generated by top shoppers with the average sales volume generated by all the shoppers in a specific product segment, such as a sub-category. This measure is not available at the CDT segment level.

It is often used as a check before de-listing items or sub-categories from the assortment. If the top shopper index 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.

**trading area**

A geographical area or market producing significant business and having distinct traits in terms of its geography, climate, demographics and psychographics of consumers, taxation laws, and so on. Trading areas can be typically defined by syndicated data providers, however retailers can define trading areas per their business requirements.

**updated demand**

Updated demand refers to the demand transference affected demand or sales. When DT is applied for any assortment changes, there is a shift in demand/sales units between the items in the assortment, which results in a new projected demand for them. This new projected demand/sales is referred to as updated demand. Updated demand is also referred to as DT affected demand.