

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

Release Notes

Release 16.0

E79945-01

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

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

The CMPO application consists of the following tasks:

- **Category Planning:** Used to analyze a retailer's business across product categories and within a category, from a market, competition, and consumer perspective. Category Planning is used to set business targets and assign roles, strategies, and tactics for individual product categories at the trading area level.
- **Assortment Planning Analysis:** Used to analyze an assortment's historic performance from a cross-category perspective of the retailer's business, market, competition, and consumer information at an item level. It also provides insight into the trends, market composition, and market structure from a competition and consumer segment perspective. It is used to review roles, strategies, and tactics from the Category Plan, and targets from both the Category Plan and Merchandise Financial Plan. Visibility to roles, strategies, tactics, and financial targets in assortment planning ensures that SKU/item level assortments align back to the overall category-level objectives.
- **Assortment Planning @ Cluster:** Used to create assortment plans using Item Priority Index (IPI) and market coverage-based methods.
- **Assortment Planning @ Store:** Used to create, adjust, review, and approve custom Assortment Plans at the store level utilizing IPI-based assortments.

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

The MSO application consists of the following tasks:

- Macro Space Optimization @Dept: Used to allocate optimal space to different departments based on the historical relationship between space and profit. This helps determine the macro-space plan at the department level, specifications for store layouts, shelves, fixtures, and merchandising techniques, thereby facilitating the efficient utilization of the available space by the retailer.
- Macro Space Optimization @Sub-Category: Used to allocate optimal space to different sub-categories under a department to efficiently use the available space at this level. This helps in determining the planogram design and merchandising method at the sub-category level.

Following are the key highlights of the CMPO application:

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

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

Following are the key highlights of the MSO application:

- Determine the optimal space to allocate to departments, categories, sub-categories, and/or planograms.
- Drive out space reallocation trade-offs at the store or store group level.
- Consolidate multiple data sources, including store layout details, to provide needed insights to create accurate and actionable results.

- What-if capabilities provide the ability to evaluate the impacts of adding or removing space.
- Leverage space and/or financial constraints as the basis for space optimization.
- Leverage built for purpose science to identify and measure the diminishing return on space to produce elasticities specific to each product area.
- Available score-carding to easily assess the impacts to the recommended results.

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

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

Hardware and Software Requirements

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

Noteworthy Defect Fixes

The following noteworthy defect fixes are included in this release:

Affected Component	Fixed Issue/Defect	Defect Number
Batch Processing	Several scripts (import_rse_attributes.ksh, import_rse_clusters.ksh, and processcdts.ksh) lacked the ability to run in parallel. The framework to allow parallel processing is added.	23564810
Data	The way private label items are handled is changed. Private label sales information used to be loaded into separate measures. Now, they are loaded into the same DRTYSIs measures as other sales, and are marked as private label with an attribute.	23308035
Integration	The CMPO export script export_so_initial.ksh was creating files with names that did not match Assortment Space Optimization's (ASO) naming conventions, preventing the integration from succeeding without some intervention. This behavior is changed so that the script produces files with names that match what is expected by ASO.	23259434
Integration	The order in which the CMPO script so_assortment_stg.txt was exporting strategies and tactics was reversed from what ORASE was expecting, resulting in strategies being mapped to tactics and vice versa. The ordering is corrected.	23587012
Workbooks	The dynamic picklist builder, CMAttributesPickListExpr, is replaced by a more general procedure that performs the exact same function - attributesPickListExpr. Other than the name change, no updates to the configuration or environment are necessary.	18460964

Affected Component	Fixed Issue/Defect	Defect Number
Workbooks	Due to a calc missing rule, the measure Forecast Sales Cost (CMFcSlc) was not being updated in calculations. The calc rule is added, along with rules to support calculation during batch, populating Sales Cost measures in other workbooks, and so on.	23259676
Workbooks	In the Assortment Planning @ Cluster workbook, the Seed custom menu was not seeding WP Gross Profit % or WP Gross Profit R. The Seed custom menu now includes both of these measures.	23259702
Workbooks	In the Category Planning workbook, seeding from CP Target was not seeding WP Turn Retail Ratio (ACWPTurnRr) and WP Average Inventory Retail (ACWPAvgInvR). Seeding from CP Target now includes both of these measures.	23266704
Workbooks	Data for which Sales R = 0 and Sales U > 0 (used by some companies to model, for example, a buy one get one free promotion) was not seeding accurately. The logic for the seeding is modified to properly handle this case.	23372421
Workbooks	In the Category Planning workbook, the Seed custom menu was not seeding WP Gross Margin R or WP Gross Profit %. The Seed custom menu now includes both of these measures.	23337920
Workbooks	The Gross Margin % (GM%) generated by the forecast was noticeably different than GM% based on last year data. This occurred because GM% depends on cost, and there may be little or no data with which to forecast cost. Forecasting based on units is more accurate, as there usually is more data available. Now, the calculation for GM% uses Average Unit Cost (AUC) for its cost component, which in turn is calculated from the more accurate unit forecast. Using AUC derived from the unit forecast gives better results than using forecasted cost.	23338843

Known Issue

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

Affected Component	Known Issue/Defect	Defect Number
Workbooks	After seeding on the Category Planning wb, the WP Promo Sales U and Sales AUR measures do not exactly match the LY Promo Sales U and Sales AUR. However, WP Promo Sales R does match LY Promo Sales R.	23563149

Related Documentation

For more information, see the following documents in the Oracle Retail Category Management Planning and Optimization/Macro Space Optimization 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 User Guide for the Fusion Client*

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

Supplemental Training

The following documents are available through My Oracle Support. Access My Oracle Support at the following URL:

<https://support.oracle.com>

Transfer of Information (TOI) Material (Doc ID 732026.1)

For applicable products, online training is available to Oracle supported customers. These online courses provide release-specific product knowledge that enables your functional and technical teams to plan, implement and/or upgrade and support Oracle Retail applications effectively and efficiently.

Previous Releases

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

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