This document introduces Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service.

Overview

Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service (APO GHL CS) is a business function that planners perform to decide the appropriate mix of products that maximize the organizational goals of sales, margins, and inventory turn. The Assortment Planning & Optimization Cloud Service solution mainly focuses on Grocery and Hardlines.

It may be used as a standalone solution, or tightly couples with Item Planning Cloud Service to send an approved Assortment Plan and to receive in-season Keep/Add/Drop suggestions, Merchandise Financial Planning (MFP) Cloud Service to receive Current Plan financial targets, Retail Demand Forecasting Cloud Service for forecasts, as well as Oracle Advanced Science Cloud Services for Customer Decision Tree/Demand Transference, Advanced Clustering, and Assortment Space Optimization. The integration of science-based analytical insights provides a streamlined way to manage disparate data sets and utilize the information to drive actionable plans, in the form of which items to include in the Assortment Plan.

Assortment Planning involves several competing constraints that the planner must consider. The assortment should have a rich mix of products in terms of attributes, brand, seasonality, and price point. However, all of these choices have to be constrained by the buying budgets and floor space available. In financial terms, the planner usually must make trade-offs. Also, the planner must choose between items that are highly profitable and those that deliver moderate margins but have more predictable and longer lifecycles.

Each location has its unique characteristics and could need a different assortment to maximize potential. However, with the number of variables involved in planning and executing assortments, it is good business practice to group locations into a manageable number of clusters and create assortment plans at a cluster level. This can be done through the Advanced Clustering solution or built in location clustering capabilities. Utilizing the Advanced Science Cloud services of customer segmentation and location clustering, assortments can be tailored to specific markets and customer segments by providing a profile mix of who is shopping the store and/or virtual locations. Location clusters are typically created for each product category based upon similarity in customers, locations, product attributes, sales profiles, and demographics so that assortments can be generated at the location cluster level. Assortments can also be generated at the location level to account for exception stores. The solution also gives visibility
into category roles, strategies, tactics, and financial objectives ensure that assortments align back to overall category-level objectives.

The output of Assortment Planning & Optimization for Grocery/Hardlines Cloud Service is a recommended assortment by cluster and/or by store location, to be used in Item Planning to create weekly sales and receipt plan or other downstream solution that captures and uses the finalized assortments.

**Benefits**

Assortment Planning & Optimization for Grocery/Hardlines Cloud Service provides the following benefits:

- Robust assortment analysis using performance of individual product categories, customer segments based on various retail business parameters, as compared to the market in general and to the competition in particular.
- Houses a blueprint for strategic and tactical action within a category and across categories. Rationalization of items using objective rankings to ensure that the focus areas of the category are represented in the assortment.
- Ability to create customer-centric assortment plans targeting specific customer segments that define the product-mix and business targets for product categories.
- Use of Customer Decision Trees within the assortment process to validate the assortment.
- Application of item-level Demand Transference Models to predict item interaction enabling the creation of the optimal assortment.
- What-If Optimization to create assortments based on Demand Transference and planner-set constraints such as item count or MFP targets.
- Optimized location clustering.
- Enables creation of assortments at the cluster and/or individual store levels.
- Reconciliation with Merchandise Financial Planning.

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**Note:** Because APO Cloud Service uses the Oracle Retail Predictive Application Server (RPAS) platform, Oracle Retail recommends that you review the [Oracle Retail Predictive Application Server Release Notes](#) for fixed and known issues that may affect APO Cloud Service.

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**Oracle Retail Cloud Services and Business Agility**

Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service is hosted in the Oracle Cloud with the security features inherent to Oracle technology and a robust data center classification, providing significant uptime. The Oracle Cloud team is responsible for installing, monitoring, patching, and upgrading retail software.

Included in the service is continuous technical support, access to software feature enhancements, hardware upgrades, and disaster recovery. The Cloud Service model helps to free customer IT resources from the need to perform these tasks, giving retailers greater business agility to respond to changing technologies and
to perform more value-added tasks focused on business processes and innovation.

Oracle Retail Software Cloud Service is acquired exclusively through a subscription service (SaaS) model. This shifts funding from a capital investment in software to an operational expense. Subscription-based pricing for retail applications offers flexibility and cost effectiveness.

**Client System Requirements**

The following technology is supported:

- **Operating system:**
  
  | **Note:** Oracle Retail assumes that the retailer has ensured its Operating System has been patched with all applicable Windows updates.
  
  - Microsoft Windows 7 Professional with Microsoft Office 2010 or 2013

- **Web browsers supported on Microsoft Windows 7 and 8.1:**
  
  | **Note:** All browsers must have Adobe Flash Player 9.0 (or later).
  
  - Microsoft Internet Explorer 11
  - Mozilla Firefox 45 ESR
  - Google Chrome 52+

**Related Documentation**

For more information, see the following documents in the Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service Release 16.0 documentation set:

- *Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service User Guide*
- *Oracle Retail Shared Services Administration Guide*
- *Oracle Retail Shared Services Implementation Guide*
- Oracle Retail Predictive Application Server documentation
**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.

**Documentation Accessibility**

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

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Oracle Retail Assortment Planning & Optimization for Grocery/Hardlines Cloud Service Release Notes, Release 16.0
E83678-02

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Value-Added Reseller (VAR) Language

Oracle Retail VAR Applications

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(i) the MicroStrategy Components developed and licensed by MicroStrategy Services Corporation (MicroStrategy) of McLean, Virginia to Oracle and imbedded in the MicroStrategy for Oracle Retail Data Warehouse and MicroStrategy for Oracle Retail Planning & Optimization applications.

(ii) the Wavelink component developed and licensed by Wavelink Corporation (Wavelink) of Kirkland, Washington, to Oracle and imbedded in Oracle Retail Mobile Store Inventory Management.

(iii) the software component known as Access Via™ licensed by Access Via of Seattle, Washington, and imbedded in Oracle Retail Signs and Oracle Retail Labels and Tags.

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