

Merchandise Operations

Powering profitability and
growth for retailers worldwide



Retailers in today's world are leveraging integrated merchandise operations systems to optimize performance and control inventory.

Why do companies worldwide rely on Blue Yonder to deliver merchandise operations value?

Real results. Fast.

Blue Yonder helps the world's leading retailers achieve tangible benefits through integrated merchandise operations. Here are some of the real results that our customers have achieved with Blue Yonder's Merchandise Operations solution:

Sales goals attainment

- Increased annual and/or comparable sales 5-35%
- Improved selling pattern analysis by location and channel, reforecasting as needed
- Improved conversion rates, revenue and loyalty
- Revitalized marketing and promotional pricing strategies
- Experienced margin gains that exceeded initial expectations

Scalability to satisfy growth objectives

- Introduced new retail concepts, grew store count and expanded online footprint — all without significant staffing increases or scalability concerns
- Provided a best-in-class retail management system critical to becoming a publicly traded company
- Converted acquired stores and website over to Blue Yonder infrastructure in an aggressive timeframe
- Opened locations in emerging markets with support for multiple currencies, tax codes and languages such as right-to-left and double-byte language

Optimized inventory investment

- Decreased inventory levels 10-30 percent
- Reduced operating expenses due to lower inventory control and carrying costs, higher inventory turns and decreased help desk support
- Gained greater visibility into item performance to tailor store assortments by market segment
- Consolidated inventory from multiple channels to cut buyers' workload in half

Cost savings with improved processes

- Reduced cost of ownership by focusing on business execution instead of costly interfaces between applications
- Transformed receiving from a two to three day process into a one-hour process
- Minimized mistakes and delays by transitioning from heavily manual processes to automated, streamlined processes

Ready access to enterprise intelligence

- Enabled efficient response to consumer demand with up-to-the-minute information for more intelligent decisions and control
- Transformed business data into meaningful information and insights
- Reduced time digging for data and increased time for numerical analysis to optimize merchandise availability



Challenge: Driving optimal performance, inventory control and profitable growth in omni-channel retailing

For busy retailers committed to growth, every day brings a new mission. On one day, they may be expanding into an emerging market, increasing their online presence or opening their latest store. The next day, they may be partnering with a new vendor, planning a major event or launching an innovative concept. Whatever opportunity each day brings, retailers must be ready to act fast to stay competitive. Yet too many retailers are slowed by aging, modified IT applications that are expensive and difficult to integrate and maintain.

With today's technology constantly evolving and delivering powerful gains, retailers can become more responsive and agile, as long as the right IT foundation backs their initiatives. This means focusing on the technology that sits at the heart of their business: merchandise operations systems. A flexible, scalable and integrated solution can provide the visibility and control retailers need to leverage each opportunity that comes their way.

Solution: Increase profitability and support corporate initiatives with proven, market-leading merchandise operations

"The heart of our retail enterprise," "the center of our IT universe" and "the foundation for our merchandise management processes" are a few ways that our customers describe their Blue Yonder Merchandise Operations systems.

Now you can ensure that the heart of your operations is beating soundly by joining the world's largest retail community of users realizing the value of our comprehensive enterprise suite. Blue Yonder Merchandise Operations systems will integrate your merchandise management processes across departments onto a single enterprise-wide information system. With greater visibility and flexibility to adapt to change, your company will more accurately, intelligently and profitably control inventory throughout your enterprise while supporting corporate initiatives.

Delivering a speed-to-value implementation

In the fast-paced world of retail, your technology needs to help accelerate your business. Backed by our world-class team of services, support, Blue Yonder Merchandise Operations systems can deliver a rapid return on investment. You'll follow a proven, speed-to-value implementation approach that satisfies your corporate objectives with measurable goals and timeframes. Plus you'll reduce costs and effort during the conversion, integration and configuration processes.

Once live, you'll have a foundation for accurate, synchronized data with real-time inventory updates and secure transactions. And that's just the start. Blue Yonder Merchandise Operations systems feature a broad, integrated suite of capabilities that can be tailored to meet any execution model for optimum leverage.

Driving revenue and profits with greater visibility and control

The Blue Yonder Merchandise Operations systems can manage and execute your daily merchandising processes by supporting the following best retail practices:



- Managing the complete merchandise lifecycle with strategies for purchasing, pricing and placement to help you realize the maximum return on your merchandise
- Determining optimum stock positions for your entire assortment across all channels and locations, enabling you to develop product lineups that optimize revenue, brand image and investment
- Driving sales and margins with sophisticated pricing strategies that support chain/zone/store and color/size/dimensions
- Attracting loyal consumers with targeted promotions, assortments and allocations
- Reducing your inventory investment with automated replenishment, stock balancing and corporate control over decentralized purchasing
- Improving cost control with product and landed costs, allowances and vendor rebates
- Increasing efficiency and productivity with timely purchase orders (POs), invoice matching, receiving and transfer management
- Monitoring and acting upon key performance indicators (KPIs) such as daily sales, promotions and inventory positions with enterprise-wide intelligence and analysis capabilities

You'll gain the foundation for a robust, scalable and future-proof technical infrastructure, plus the industry's most comprehensive merchandising capabilities. Blue Yonder Merchandise Operations systems can also support the execution of Blue Yonder's advanced solutions for planning, forecasting, demand, replenishment, price and promotion, warehouse, and transportation.

With the visibility to make fact-based decisions and the flexibility to adapt to change, you'll realize value every step of the way. Proven to save time and resources, our solutions can support growth plans and control inventory costs throughout the most complex, multi-channel retail environments. Blue Yonder works side by side with your team to achieve exceptional real-world outcomes. What's more, you won't need a team of integration partners to operate and maintain your systems or steer new initiatives.



Blue Yonder delivers end-to-end capabilities for best-in-class merchandise operations

Blue Yonder capabilities

Consistent and accurate master data

- Provides an enterprise-wide system of record, source system for reporting/analysis and master data information: items, vendors, stores, customers, orders and inventory movement
- Sets up organizational/merchandise classifications including user-defined hierarchies and attributes
- Audits data changes: who, what and when
- Interchanges data with point-of-sale (POS) and planning systems

Cost and price

- Creates price events based on corporate pricing strategies at the chain/zone/store level
- Supports advanced pricing methods: buy one get one free, quantity breaks/ends, mix-and-match and deal groups
- Integrates invoice matching with POs and receipts plus manages cost components: vendor costs/discounts/rebates and landed costs
- Generates suggested changes and simulates pricing strategies
- Evaluates competitors' prices against defined parameters and suggests optimum pricing for quick adjustments

Purchase and pay

- Creates, allocates and predistributes POs, generates transfers post-receipt and provides a central order and status tracking repository
- Allows three-way matching of POs, receipts and invoices either by invoice total or line item
- Supports varied distribution methods: single location, multi-drop, cross dock and flow-through
- Automatically retrieves applicable allowances

Benefits

- Reduces cost of managing high-volume transactions
- Increases efficiency and reduces duplication
- Allows reclassification of organization and merchandise classifications
- Provides complete foundation data across the retail enterprise

- Evaluates and reacts to financial effects of price events
- Improves margin by tracking detailed cost components
- Increases revenue by applying advanced pricing methods and chain/zone/store overrides

- Improves margin by associating cost components to POs
- Improves efficiency and accuracy with master maintenance and ability to reinstate cancelled orders
- Integrates invoice matching with orders and receipts

Blue Yonder capabilities

Benefits

Inventory management

- Manages and analyzes inventory at all levels of the organization
- Supports the maintenance, processing and viewing of inventory by case, inner packs, inventory units and weight
- Schedules and manages physical inventory counts and cycle counts

- Offers one view of sales/inventory data
- Enables users to maintain inventory in multiple methods based on how merchandise is bought and sold
- Conducts physical inventory concurrently with daily merchandising operations

Sell

- Ensures sales transaction accuracy and data integrity
- Monitors store/day audit status
- Tracks all retail price variances, expected or not
- Manages and processes customer orders

- Supports easier integration and efficient data flows from POS to host and beyond
- Features detailed tender over/short reporting

Replenish and distribute

- Manages item movement across the enterprise
- Distributes inventory to meet customer demand
- Maintains accurate perpetual inventory by location
- Facilitates required business processes to ensure inventory accuracy Boosts pricing compliance and customer service

- Provides an ongoing, accurate inventory picture
- Aligns product supply with customer demand to increase sales, margins and satisfaction
- Improves decisions and productivity with better data and aligned systems/processes

Financials

- Supports stock ledger as well as three-way invoice matching
- Integrates merchandise to financials (GL reconciliations to subledgers)

- Ties merchandise hierarchy to the chart of accounts
- Increases efficiency with GL integration
- Improves productivity with auto-matching
- Closes the period in a timely manner

Analyze

- Flexibly displays predefined categories for KPIs such as inventory, pricing, purchasing, sales, plan, operations
- Provides a “super-user” environment for customized reports
- Distributes reports via email, HTML, Excel or PDF

- Enhances data visibility, product performance and the ability to effectively manage suppliers
- Enhances customer satisfaction through more targeted decision making
- Improves user productivity and efficiency with faster reaction time
- Enables IT to focus on more productive tasks than responding to requests for reports



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