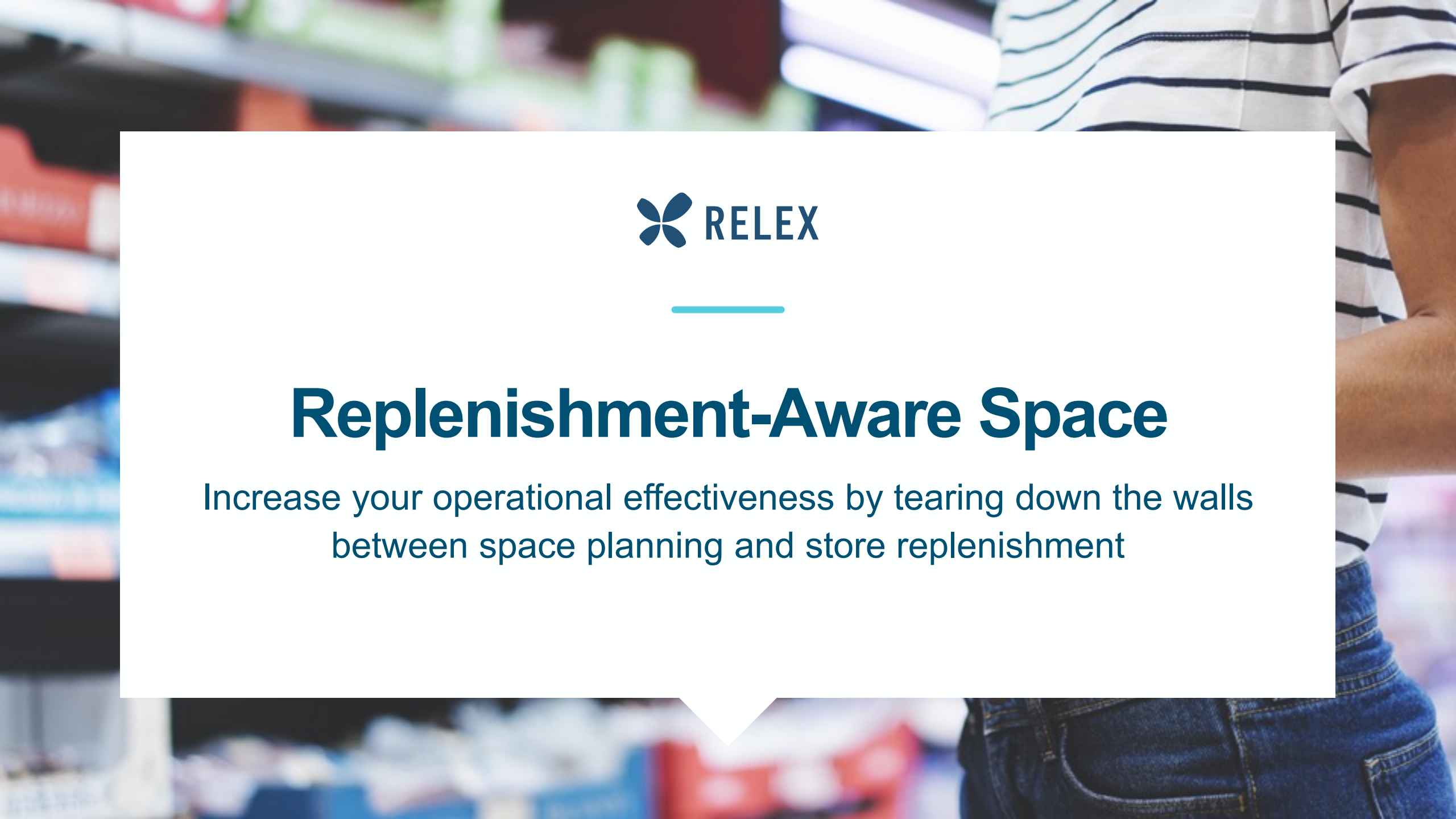

RELEX

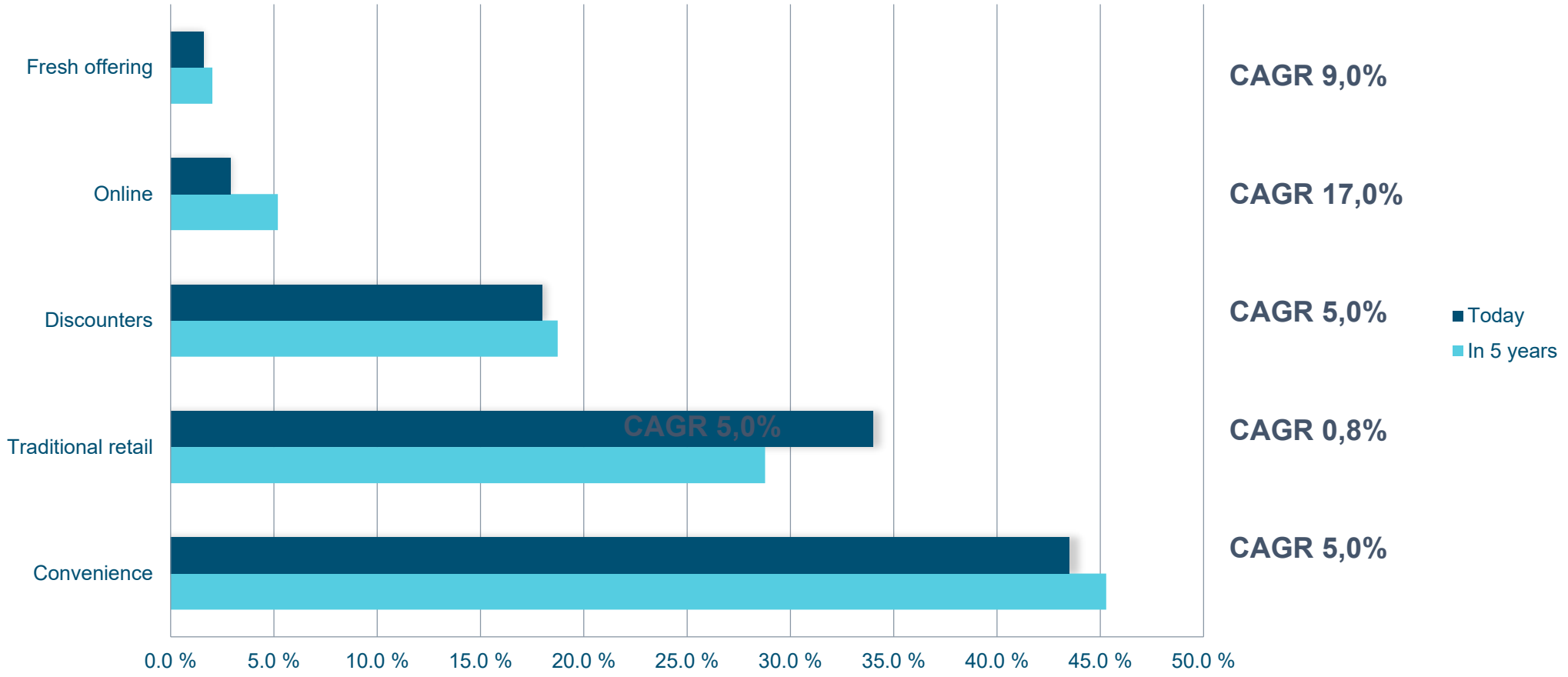


RELEX

Replenishment-Aware Space

Increase your operational effectiveness by tearing down the walls between space planning and store replenishment

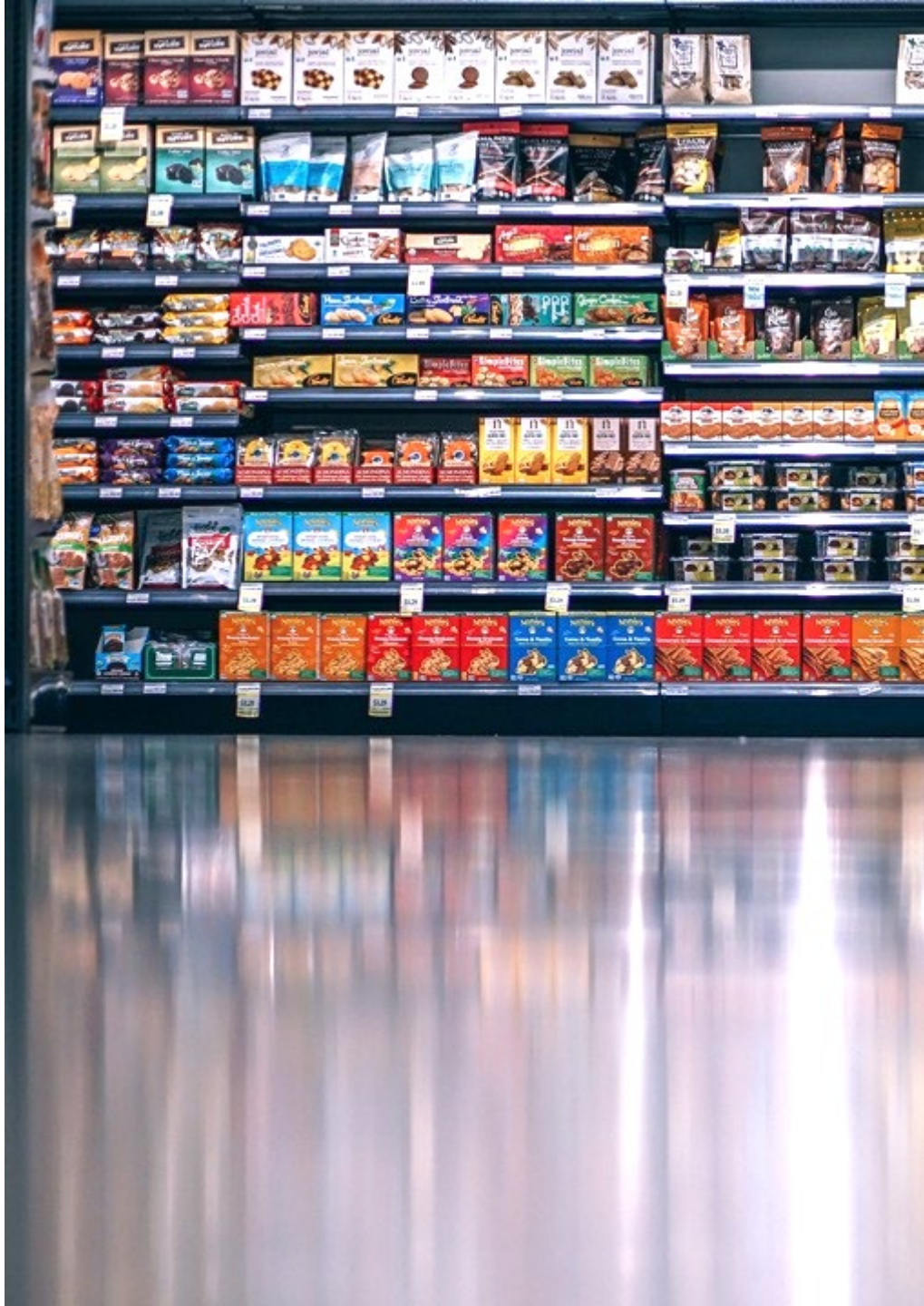
Market share of traditional grocery retail is shrinking

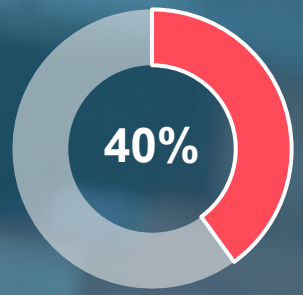


Linking space & supply chain:
The problem

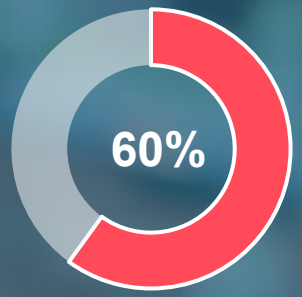
- Traditional planogramming does not ensure sufficient shelf space for direct-to-shelf deliveries
  - Planning based on average historical daily sales and targeted days-of-supply is not sufficiently accurate

- Overflow stock leads to inefficient store operations and out-of-stocks
  - Shelf replenishment between deliveries requires several trips between backroom and sales area
  - Significant risk of out-of-stocks due to products sitting in the backroom



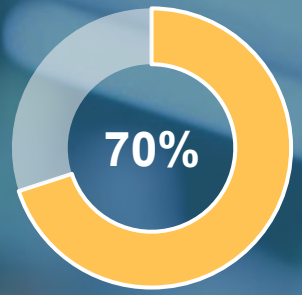


40% of your store workforce is working on receiving and shelving tasks.

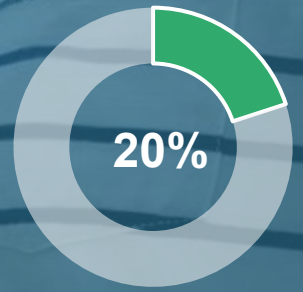


On DC level typically **60%** of the workforce is tied to order picking.

This is 70 million for you what you spend on moving units manually in your supply chain



70% of the time & costs can be attached to order lines. This applies to store shelving as well as dc operations.



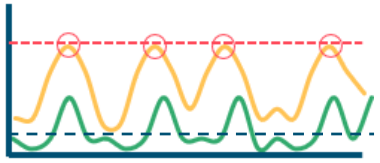
We can cut **20%** these costs. Roughly for each 1 billion of turnover this is **10 million**.

Linking space & supply chain:
The solution

Future delivery projections are calculated on product-location-day level using all relevant supply chain data

Store specific planograms are optimized based on the projections

Planograms are published to the stores, adjusted locally - if needed - and implemented. Compliance is checked.



The optimized planograms are used to drive replenishment by considering facings and shelf space

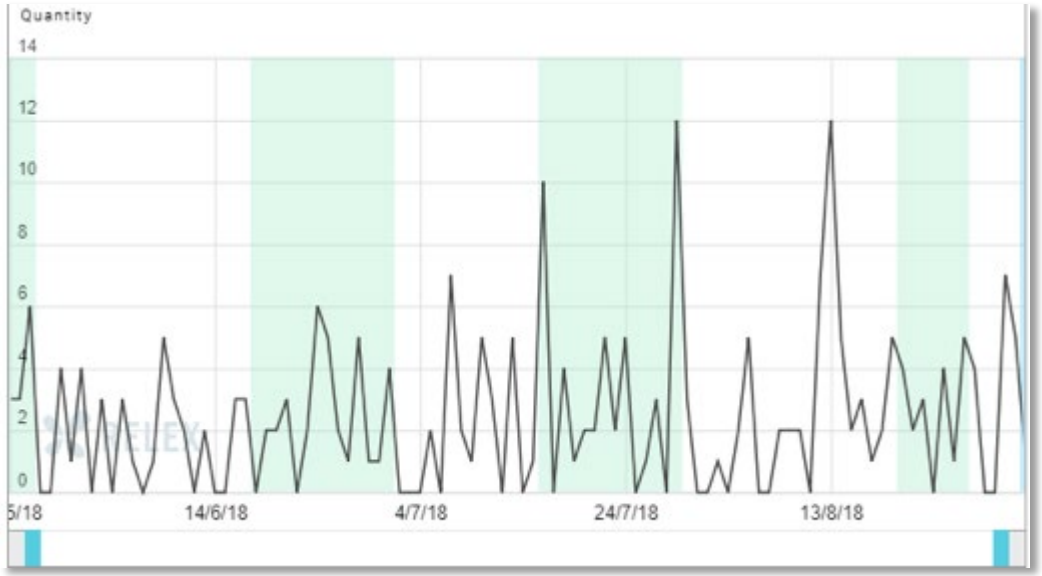
Highlights

- **Space and supply planning synchronized** via optimizing planograms by using all relevant supply chain data
- **Robust feedback and compliance loop** by distributing planograms electronically
- **Maximized store efficiency** by using the intelligent space-aware replenishment models
- Supports **direct-to-shelf deliveries** by exploiting forecast and planning information from the supply chain

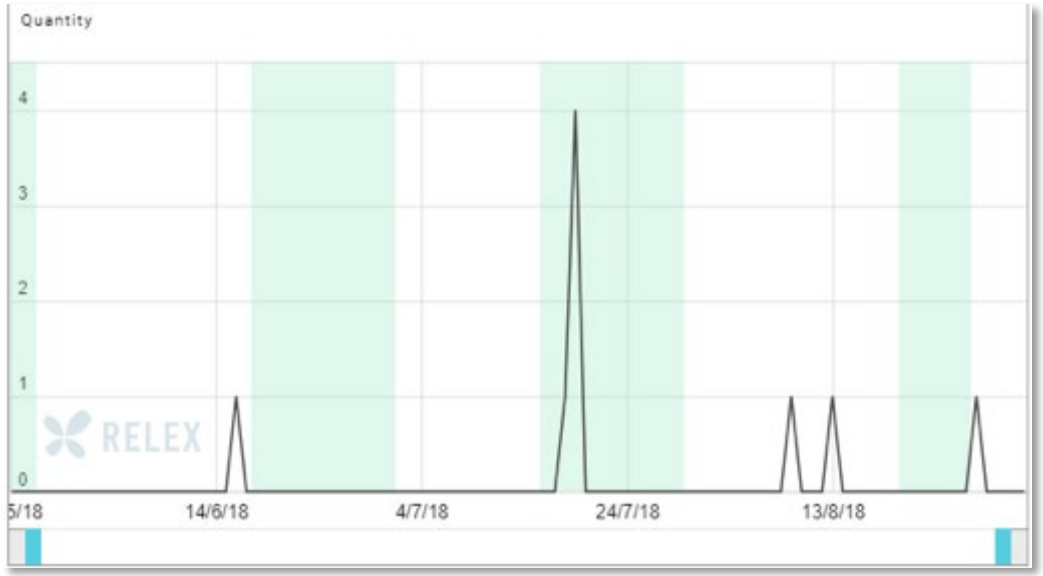
Typical starting point: ”One size fits all” planograms

The graphs show sales for the same product in two stores

Store A



Store B



Both have **the same number of facings** (2pcs) and **same shelf space** (16 pcs)

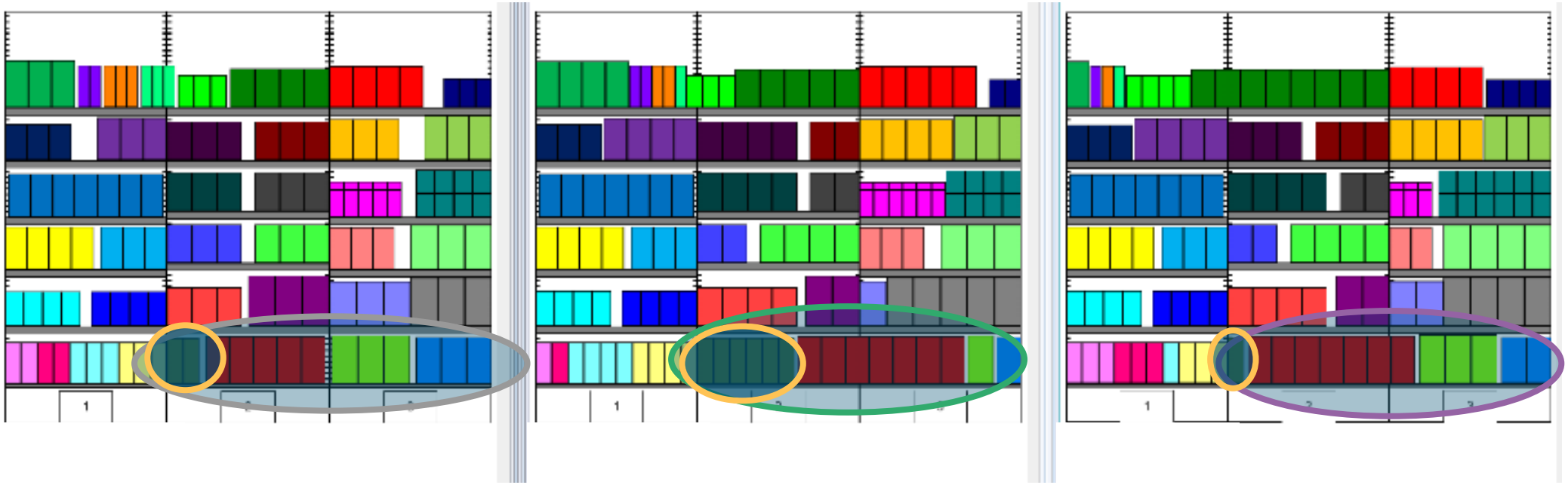
- Store A has too little space and gets very frequent deliveries and risks shelf space breaches and out-of-stocks
- Store B has allocated way too much space for the product

Store-specific optimized planograms take store-specific demand patterns into consideration

Original planogram template: all stores

Optimized store specific planogram: Store A

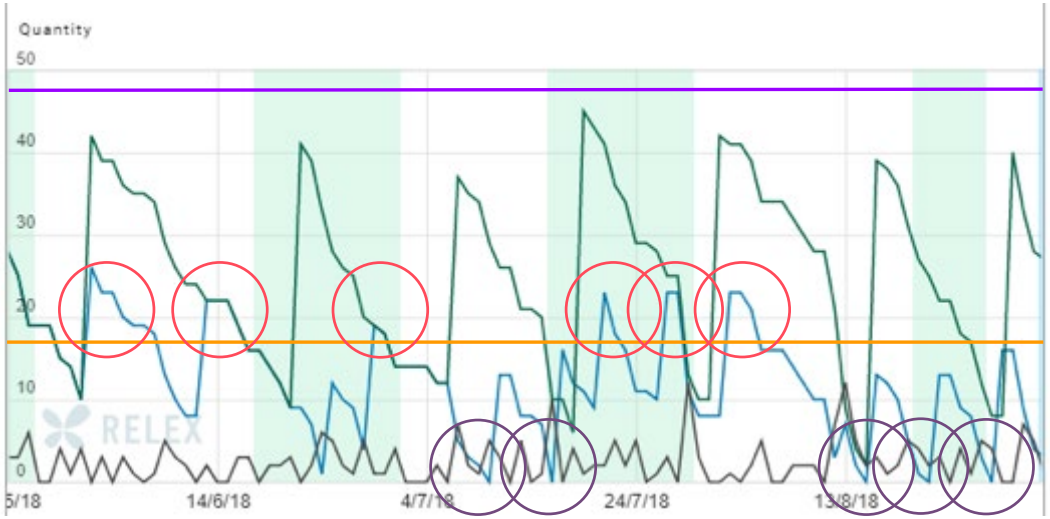
Optimized store specific planogram: Store B



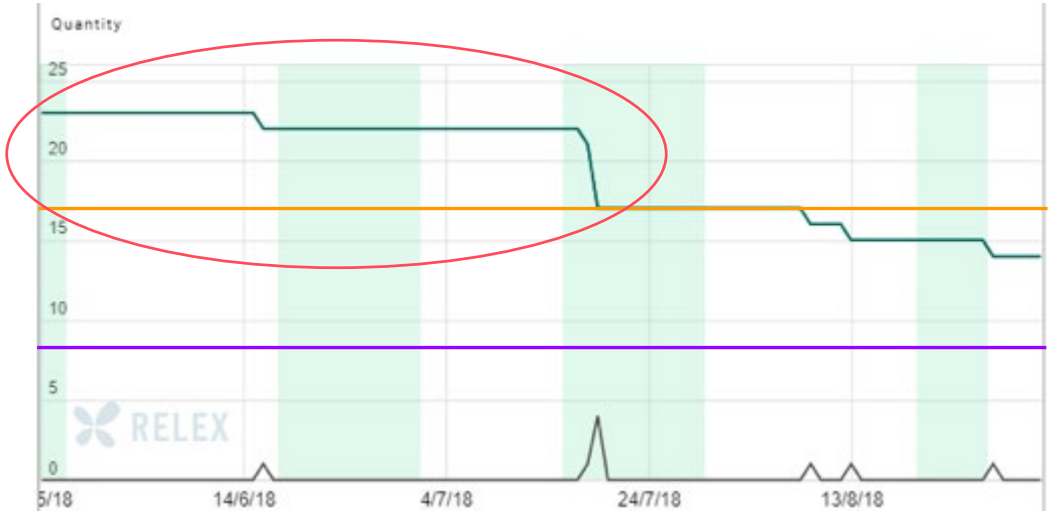
Replenishment with optimized planograms

The graphs show sales for the same product in two stores

Store A



Store B



With old planograms

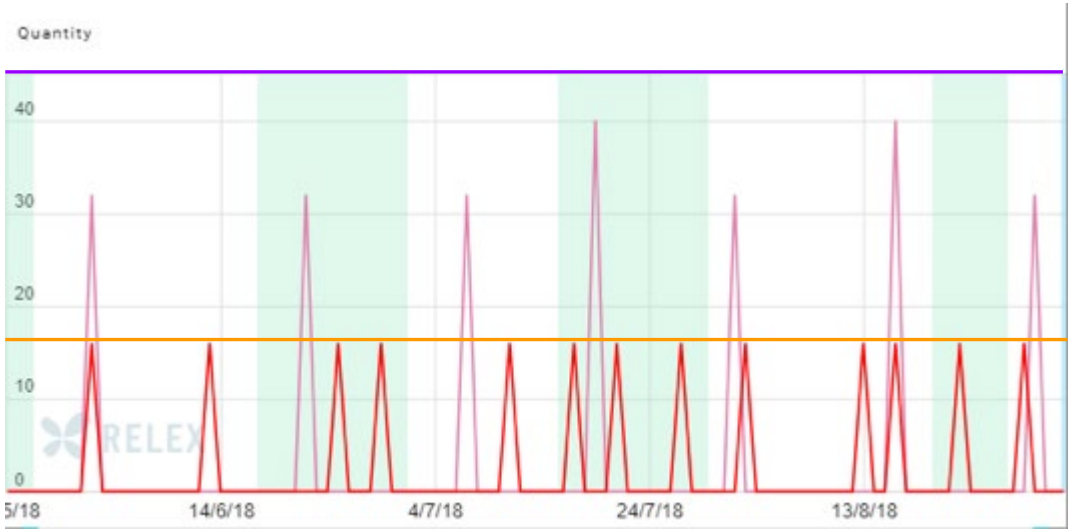
- Store A has shelf space breaches and out of stocks
- Store B has more products that can fit in to the shelf although, the product has marginal sales

- Sales
- Store balance with old planogram
- Shelf space in old planogram
- Store balance with new planogram
- Shelf space in new planogram

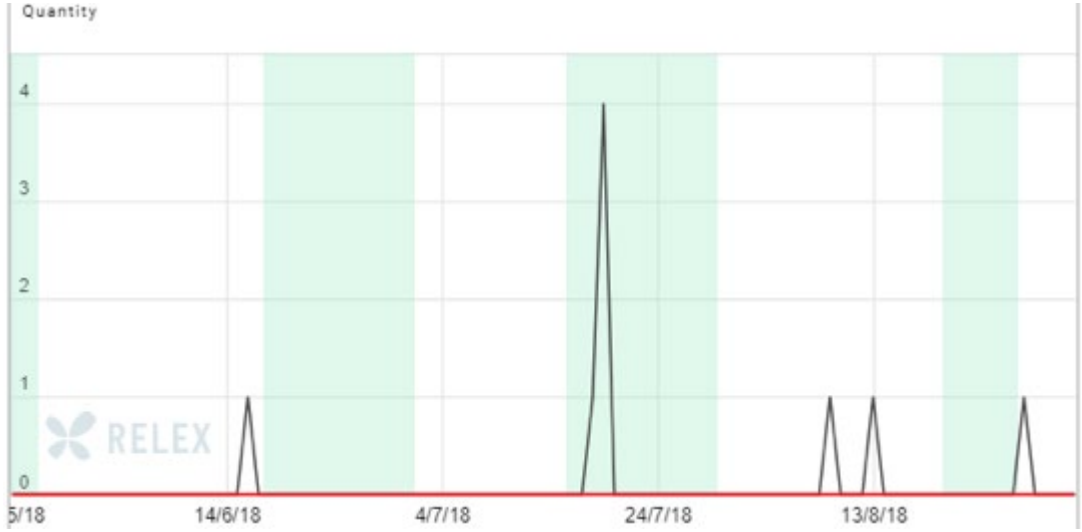
Deliveries (current & projected)

The graphs show deliveries for the same product in two stores

Store A



Store B



With the optimized planograms

- Store A has more space allocated to the product, leading to a bigger delivery quantities and reduction in delivery lines
- Store B has less space allocated to the product, freeing up space for items that perform better.

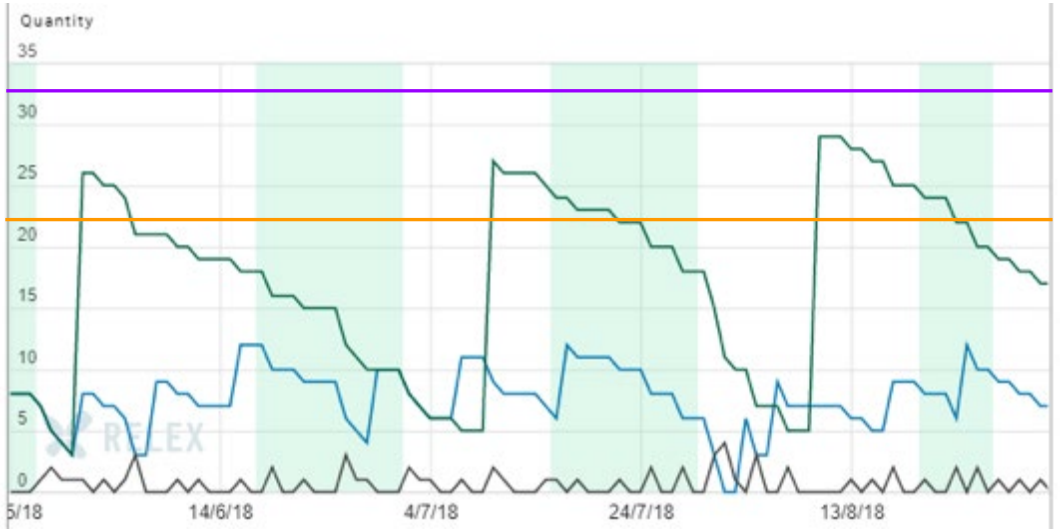
- Sales
- Current deliveries
- Target deliveries with optimized planograms
- Shelf space in old planogram
- Shelf space in new planogram

Case: Products that sell more get more inventory

The graphs show sales for two products from personal hygiene category in the same store

Product A

Product B



Replenishment-Aware Space optimization

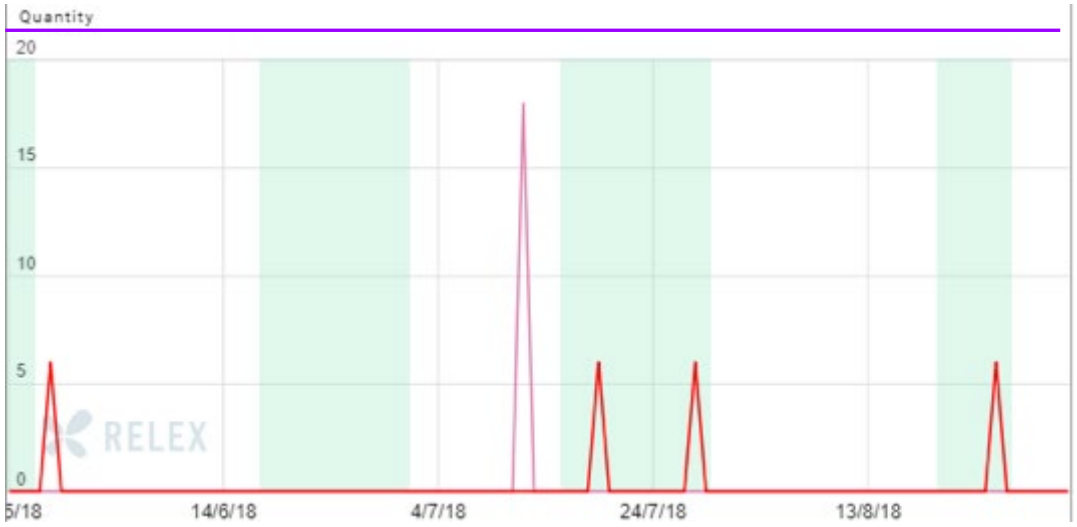
- Both of the products have a lot of space which is not utilized
- Product A has more extra space than product B
- Space is taken away from A and given to B
- Both products can be replenished less often and the space can be utilized better

- Sales
- Current deliveries
- Target deliveries with optimized planograms
- Shelf space in old planogram
- Shelf space in new planogram

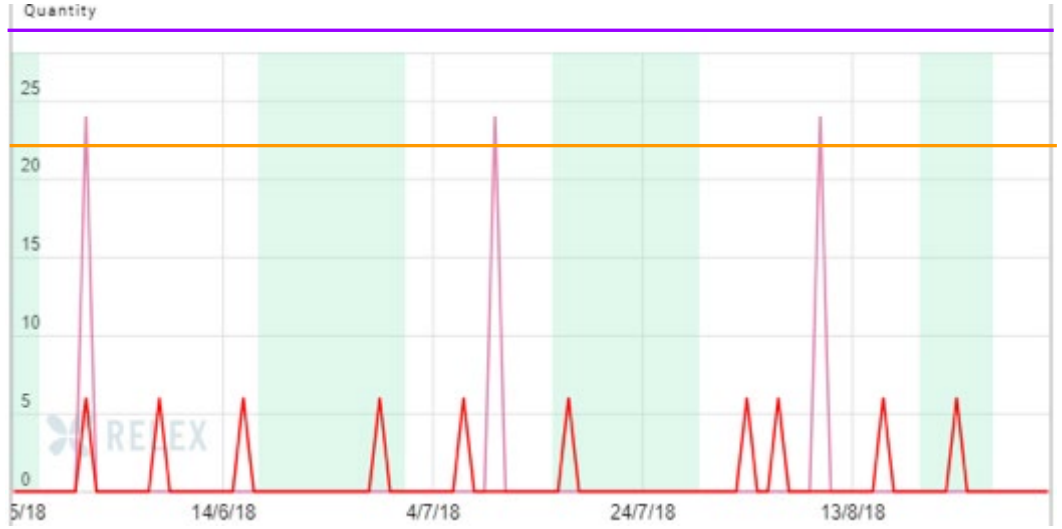
Case: Products that sell more get fewer but larger deliveries

The graphs show deliveries for two products from personal hygiene category in the same store

Product A



Product B



Replenishment-Aware Space optimization

- Product A is replenished only once compared to 4 times earlier
- Product B is replenished three times compared to 10 earlier

- Sales
- Current deliveries
- Target deliveries with optimized planograms
- Shelf space in old planogram
- Shelf space in new planogram

Replenishment-Aware Space Case Jula

Optimization of store-specific planograms to address limited order picking capacity at the DC

- 30 % decrease in store order lines to distribution center in pilot
- 25 % reduction in deliveries not fitting on store shelves
- Significant savings in order picking and in-store work
- Total impact after roll-out estimated to be several millions annually

Jula offers its customers a wide range of DIY and recreational products. It has almost 100 big box stores in Sweden, Norway and Poland.