

How Do I Know What's Selling Faster or Slower than Planned?

Sales Velocity for Retail



Critical Business Issue

Today, competing successfully means making available what your customers want, when they want it. Research* indicates that the worldwide out-of-stock (OOS) rate is 8.3%, and up to 75% of out-of-stocks are a direct result of retail store practices. In fact, a typical retailer loses about 4% of sales by not having product available. The first step is getting the answers you need:

- Which seasonally promoted items are selling faster than planned? Slower?
- Is something not selling because the stock is sitting in the back room?
- Is there enough inventory on hand or on order to handle the rate of sales?
- Which departments or categories need to be addressed immediately?

The SAP and Capgemini Solution

Sales data is being captured every second of the day. The challenge is using it to improve operations and increase sales.

With *Sales Velocity for Retail*, each user – from executives to department and store managers – will know which products are selling faster or slower than planned. The results are increased sales, better demand visibility, and improved promotion insight, plus higher stock availability, higher customer satisfaction, and higher profits. **Using *Sales Velocity for Retail* from SAP, Capgemini can deliver these results in as little as 16 weeks.**

Capgemini has enabled many leading retailers to use existing data – even difficult-to-interpret, point-of-sale (POS) data – to create user-friendly, configurable, and personalized dashboards that get the right information at the right time to the right people. In the process, Capgemini leverages deep retail industry experience, nearly 4,000 successful SAP solution implementations, and a proven “Ready-to-Run” methodology for accelerated solution deployment.

“There is clear evidence that focusing on a relatively small number of SKUs can be an effective strategy to lower OOS sales losses.”

Gruen & Corsten
2008**

* **“Retail Out-of-Stocks: A Worldwide Examination of Extent, Causes, and Consumer Responses”** by Thomas W. Gruen, Ph.D., Dr. Daniel S. Corsten, and Sundar Bharadwaj, Ph.D., 2002.

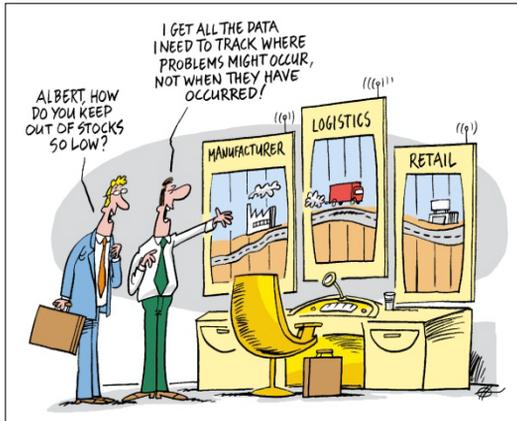
** **“A Comprehensive Guide to Retail Out-of-Stock Reduction in the Fast-Moving Consumer Goods Industry”** by Thomas W. Gruen, Ph.D., and Dr. Daniel S. Corsten, 2007–2008.

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Respond Rapidly through Greater Retail Sales Visibility



3 Steps to Realizing Benefits in as Little as 16 Weeks



Step 1: Rapid-Start Roundtable

Sales Velocity for Retail is an industry value accelerator offering from SAP designed to deliver accelerated time-to-value. Capgemini works collaboratively with you to craft a solution that empowers your people to work at a whole new level. The first step is a structured and focused, 2-hour roundtable where your team can:

- Consult with Capgemini retail specialists.
- Identify the requirements and objectives.
- Discuss the business and technical landscape.
- Crystallize the proper fit for *Sales Velocity for Retail*.
- Learn about Capgemini's extensive retail capabilities, like its CRESCENT Retail Solution Center and Rightshore® framework for 24/7 support.

Step 2: Assessment & Functionality Workshops

The Assessment Workshop is a 1-day session with your key managers to answer the question, "What could faster and better interpretation of POS data mean for our business and our consumers?"

- A deep dive into data availability and operational practices performed by Capgemini consultants
- Determination of project scope by defining the key drivers of better visibility of items selling at an unplanned velocity

The aim of the 3- to 4-week Functionality Workshops is to zero in on sales velocity by:

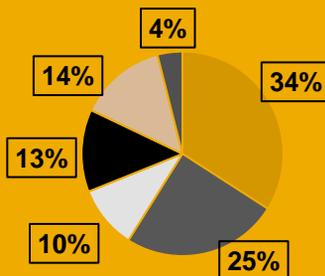
- Working with your core user groups – store management, merchandising, supply chain, and IT
- Identifying the features and functional requirements needed to analyze and interpret sales velocity

Step 3: Rapid Value Deployment

With users "on board," the requirements are built into a technical design. Models are built and then tested to ensure the configured tool meets all specifications. Then, role-based training in a learning center environment ensures a productive rollout – **all in just 16 weeks.**

Summary of Findings of OOS Causes *

- Store Ordering
- Store Shelving
- Distribution Center
- Store Forecasting
- Retail HQ or Manufacturer
- Other Cause



As shown in Exhibit 23, between 66% and 75% of OOS are caused in the store, while 25% to 33% are due to upstream causes at the distribution center or headquarter level.

**Use Your Data.
Boost Your Sales.**



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