How to capture real time insights
Data from the field

Static Environment

Dynamic Environment

Case 1N Case 2N

Case 1 Case 2

moods of norway
Why does real-time data matter?

BIGGEST LEVERAGE FOR FIXED INFRASTRUCTURE DURING PERIODS OF HIGH TRAFFIC

Traditional

• Grow traffic
• Grow average revenue per customer
• Grow conversation rate

(New) Trend

• Use same inventory across different sales channels

Traffic vs. Conversion

Traffic

Expon. (Conversion)
On-shelf availability leads to conversion
AND REVENUE GROWTH
Retail Inventory Dashboard

What's Hot / Sales for Week of 091515

- Weekly Sales -
  - Product XXXXX: $2325
  - Product XXXXX: $2560
  - Product XXXXX: $3375

Low Inventory Warning / Week of 091515

- Weekly Sales -
  - Product XXXXX: $1625
  - Product XXXXX: $1280
  - Product XXXXX: $3375
Different use case requirements

THERE IS NO SINGLE CORRECT ANSWER

Relevance of Time

Relevance of Accuracy

Business Process
Re-order, DC replenishment
Omnichannel fulfilment,
ERP master stock record

Omnichannel availability
Balance between real-time
data and undercounting
inventory

In-store operations
Back to front replenishment
Process Requirements

ASSUME THE NEED OF STORE ACTIVITY TO OPTIMIZE COVERAGE AND ROI

• Define acceptable level of accuracy for different use cases e.g.
  – DC replenishment 98% / Daily
  – Online availability 92.5% / 30 min
  – Out of shelf alert 87.5% / 15 min

• Identify required period of read operation to attain acceptable level

• Execute data capture operations

• Define audit process and requirements (e.g. by business value and risk)

➤ How to use the data from fixed infrastructure in Inventory System of Record?
Approach
ERP Inventory Process

- Inventory is usually determined at a specific point in time
- Reconciliation process with ERP depending on
  - POS Systems
  - Merchandising Systems
  - ERP Systems used
  - OMS System used
  - WMS System used
  - Availability of transactional records
  - SGTIN data capture
  - Level of integration
  - Frequency of data exchange between transactional systems and master

All Items seen between $t_0$ and $t_1$
Assemble all data and transactions

RFID Scan(s)

System of Record

Data store

RFID
ERP
POS
OMS

“Additions” have less number of transactions than “deductions”. Mostly higher data quality / accuracy for “additions”

Option 1

additions

deductions

Option 2

$t_0$

$t_1$
Audit and Approval process
BEST PRACTICES

• Priorities for physical checks – where to invest physical labour
  – High business value
  – High risk
  – Discrepancy threshold (e.g. 4 out of 5 seen for a SKU)

• Create business rules for automatization e.g.
  – not seen in n cycle counts, automatic ageing
  – last seen in fitting room
  – Triggered alarm with LP

➢ Accept or reject differences
➢ Execute update of master stock file
Outcomes & Conclusions

• Data requirements depend on the use case and have an element of timeliness and accuracy
  – Webstore
  – Click & Collect
  – Store operations
  – Inventory issues - Tasks

• Data Capture should be independent of use case and application

• Integration highly depends on specific systems and integrations installed. Whitepapers can provide guidance but details require 1:1 conversations with all stakeholders
Discussion