



YOU RULE

Meet BILL: How Focusing on Key Retail Data Helps Retailers to Drive Growth and Profits

The State of Retail and Big Data's Big Play

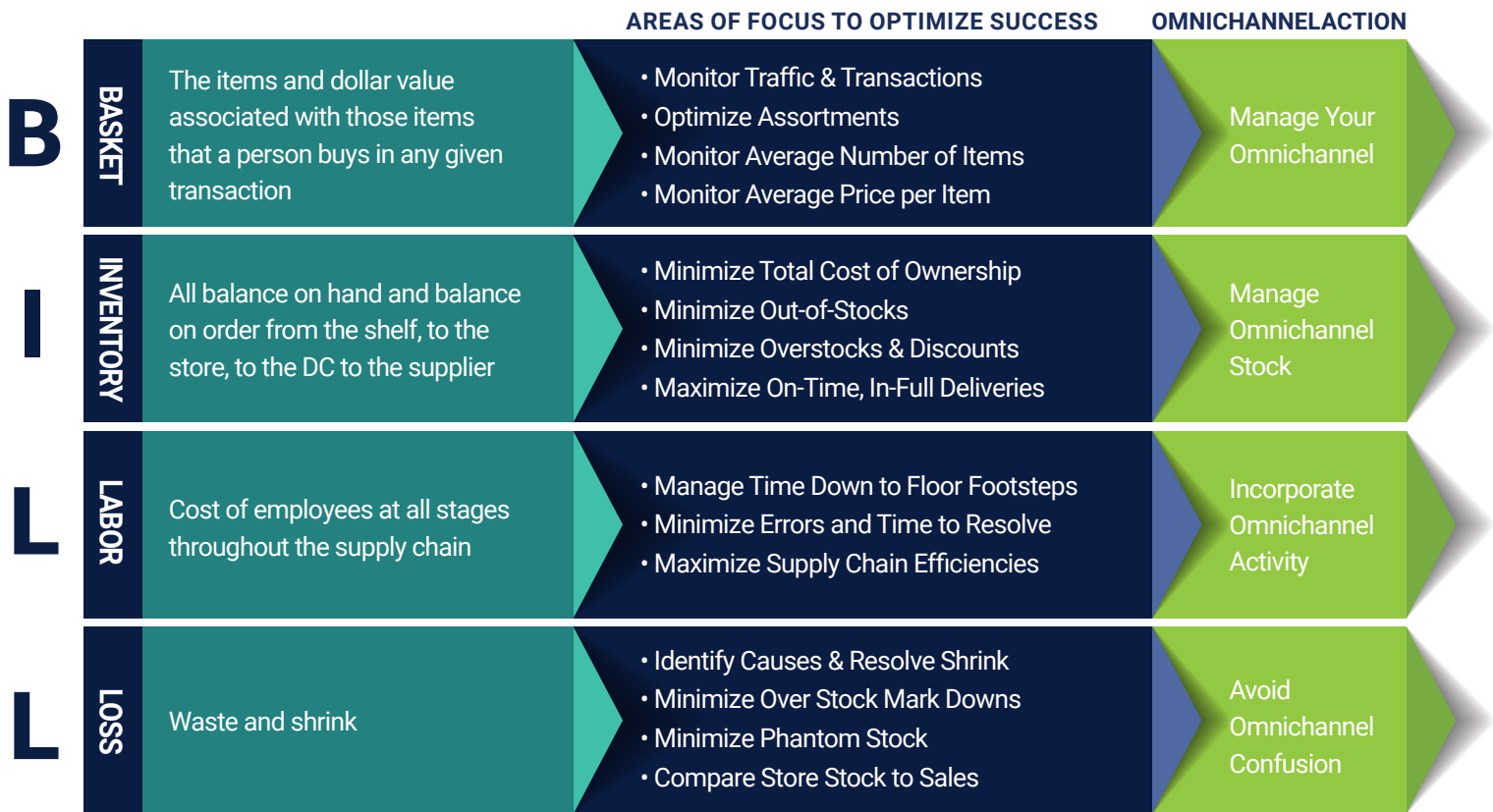
The past decade has shown immense disruption in the global retail industry. This has forced retailers to fundamentally shift their business and technology strategy and re-focus to stay relevant and competitive in a rapidly-changing marketplace. Few factors have undergone more dramatic change than the importance of data to a retailer's success. To be sure, the explosive growth in retail data can be a curse for retailers. But, if managed and analyzed properly, data can also be a blessing – a strong competitive advantage for retailers looking to grow and win in a radically changed retail environment.

Today, retailers already collect massive amounts of data on a store and item level every day. However, the challenge remains how to turn those huge volumes of data into the knowledge and critical insights that can be activated and executed on, from the supply chain to the store shelf. By creating actionable insights through the analysis and management of current data, retailers can impact their bottom-line by millions of dollars, ensuring their profitable growth and long-term success.

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BILL Has the Keys to Empower Retailers to Win

In order to achieve success through data management and analysis, retailers first and foremost need to assess BILL. You probably already know BILL stands for Basket, Inventory, Labor, and Loss. To survive, increase competitiveness and deliver on their growth and revenue goals, it is imperative retailers focus even more diligently on BILL. Below, we've outlined the key areas retailers should be analyzing and measuring for each aspect of BILL.



By focusing on BILL, and the key data points related to it, retailers can hone in on the insights and associated actions that can have the greatest, most positive impact on their bottom-line. Once you know what to look at and for, the question for retailers becomes how to execute.

How Impacting BILL Helps You Grow, Profit and Rule

As noted, by focusing on the key data insights generated through BILL, you can drive significantly stronger revenue growth and increase profits. But, achieving those objectives requires a set of solutions that will assist in data management and analysis. In order to properly evaluate and analyze the **basket**, a retailer should be looking for and utilizing a comprehensive data services solution. This technology solution enables retailers to ingest the data they're receiving, perform in-depth analytics and create actionable reporting, without creating the extra work and incurring the associated labor costs. For example, being able to track issues and distribution gaps enables retailers to take the necessary corrective actions that lead to increased revenue opportunities.

Another key area of BILL involves effective management of **inventory**. This becomes much more efficient with the use of a solution that addresses on-shelf availability (OSA). Retailers, along with their trading partners, have long been in search of the "Perfect Shelf" – the shelf contains the exact product a consumer wants, in the right store, at the right time, in the right quantities. While effective OSA management is seemingly simple in concept, consumers are still disappointed roughly 10% of the time by missing products on the shelf. The result is shoppers can't complete their in-store purchases, and the retailer loses the sale and the revenue. A solution focusing on boosting OSA performance by providing timely and actionable alerts and measurements, can drive major reductions in out-of-stocks (OOS), lowering the cost of goods sold and ensuring happy, loyal shoppers. Maximizing OSA is a win-win for everyone.



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A solution that assesses **loss**, or shrink and waste, can also lower the cost of goods sold. Issues in the supply chain cause an estimated 59% of overstocks. By using a supply chain execution solution, retailers can ferret out these issues, understand where product is across the entire supply chain, and positively impact COGS. When it comes to shrink, this type of solution will also account for recapturing the revenue lost from unsellable items as a part of the overall value.

For retailers looking to reduce expenses associated with **labor**, a solution that addresses supply chain efficiencies is essential. A smoother supply chain with fewer disruptions equates to less labor required to fix said disruptions. Additionally, solutions providing actionable technology such as in-store alerting give retailers the tools to take corrective action on the ground at a store-to-store level, can minimize errors and time to resolve those errors. Fewer errors in-store translates into less time spent by employees to find and resolve these errors, which in turn means lower labor costs. Data management and analytics solutions targeting BILL not only make for a cleaner supply chain but also make a significant impact to a retailer's bottom-line.

The Value of Truly Optimizing BILL

Most retailers are likely assessing and applying solutions to certain aspects of BILL, while still searching for the correct way to address others. However, it is important to understand the impact BILL as a whole has on every retailer, every day. By addressing the various focus areas of Basket, Inventory, Labor and Loss, RSi's research has found that a \$1 billion retailer can generate over \$1 million in value every year. Based off of industry KPIs, an operating gross margin of 23% and an operating margin of 2.5%, an average retailer can see significant value across their supply chain by executing and activating the key data-related actions that can transform BILL into a competitive advantage for every retailer.

Furthermore, this value is not just in-store. Each of the areas where dollars are being saved impacts every omnichannel selling method – from e-commerce to “click & collect” in-store pickup. The end-to-end supply chain also benefits by creating a more efficient, transparent process, empowering retailers with the solutions to glean actionable insights from their most valuable data.

Retailers who focus strategically and consistently on improving the key areas of data management and analysis associated with BILL – Basket, Inventory, Labor and Loss – will reap significant value from supply chain to shelf. Plus, considerable new value will be gained by recapturing the revenues previously left on the table through sub-optimized OSA and rising OOS, supply chain inefficiencies, and the lack of an effective omnichannel strategy and operational system.

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Get to know BILL. You and your bottom-line will be glad you did.



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ABOUT RSi

RSi is the world's leading provider of proven digital transformation technology solutions that enable CPG manufacturers and retailers to grow, profit and rule – from supply chain to shelf. More than three-quarters of the world's 100 top CPG companies and nearly 250 of the leading retailers trust RSi's unparalleled industry knowledge, best-in-class technology solutions, and deep data expertise to generate greater productivity and profitability. CPGs and retailers recapture hundreds of millions of dollars in lost sales each year with RSi's OSAPower, the world's #1 on-shelf availability suite of solutions. RSi's employees, located in 20 locations across the globe, are passionate about empowering customers to rule the shelf and own the future.