

CATEGORY MANAGEMENT

Assortment Optimization

Challenge: Maximizing margins through optimized assortments

It takes a solid category strategy to drive sales growth. With product introductions constantly hitting the market, it's extremely challenging to satisfy and retain shoppers with an ideal mix of new products, best sellers and private labels on limited shelf space. And the ultimate challenge is securing maximum market share with fewer stock-outs and wider profit margins. To satisfy customers and drive profits, companies need to quickly and easily employ proven methodologies that optimize category assortment and space decisions.

Solution: JDA Assortment Optimization

For a flexible, user-friendly solution that supports your category and assortment management initiatives, look to JDA® Assortment Optimization. A strategic knowledge-delivery solution, JDA Assortment Optimization is the market's only tool that delivers true space awareness and unmatched flexibility to meet a wide variety of business scenarios at any level of product hierarchies. Using the latest point-of-sale (POS), market and consumer demographic data, the application produces cluster- and channel-level assortments with space-aware capabilities so you and your trading partners can streamline category analysis and decision making.

Satisfying Customers with more informed decisions

JDA Assortment Optimization creates a reusable process to save you time. Once you leverage JDA Assortment Optimization to collect, import and transform appropriate POS, planogram, syndicated and market data from multiple sources into viable formulas that suit your business needs, you can simply refresh your data and reuse the saved process in subsequent reviews. You can flexibly ensure that key performance indicators and resulting imported

◆ Key Benefits:

JDA Assortment Optimization capabilities correlate to steps in the *7 Habits of Highly Effective Category Managers* model:

- Integrates various data including spatial/ planogram data to review and optimize the category in a configurable, reusable process with true space awareness. **(Step 1: Be proactive in defining the category and its role)**
- Assesses your category and determines its potential by drilling through hierarchies and analyzing data. Drives insights and understanding into how the category performs down to the shelf level. **(Step 2: Assess the category with the end in mind)**
- Uses scorecarding to identify areas in the category requiring attention, highlight opportunities and identify weaknesses up and down the hierarchy trees. **(Step 3: Develop scorecard putting first things first)**

Key Benefits
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data are based on your defined needs. By capturing and analyzing accurate, timely information, you'll confirm that your market cluster and store-specific shelf sets include the ideal product mix that meets customer demand while increasing category sales.

Retaining a leading competitive position

Keep your long-term goals on target with JDA Assortment Optimization's flexible, easy-to-use visualization, tracking and reporting tools that enable in-depth category analysis. Its powerful graphics engine presents analytic elements in tabular and graphic formats, greatly enhancing the decision-making process. The result is that you can better monitor category productivity for tangible volume and consumption growth.

Using a unique combined performance index, you can run analysis against one or more data sets to compare item performance to a category or other items within a segment. This determines whether your category objectives are successfully optimizing your deployment and return on shelf space, inventory and customer traffic. The application also enables you to manage the category by exception by setting tactics that reflect real-world business rules to spot lost opportunities and further drive sales.

Streamlining productivity with a feature-rich item assortment solution

JDA Assortment Optimization enables you to realize positive results almost immediately. The application simplifies the complex assortment selection process, by performing all of the necessary functions: gathering and matching data, segmenting and selecting assortments, plus enforcing and analyzing your category management strategies. Watch productivity levels rise while category implementation cycles drop as you quickly assess category tactics and adjust your product mix.

Fueling category growth for you and your partners

Whether driving traffic, sales or market share, JDA Assortment Optimization helps you and your trading partners share research and collaborate on winning strategies that address everyone's category goals. By jointly addressing such essential questions as who shops the retailer or category, and how the category's and retailer's targets are aligned, the application supports objective analysis that leads to optimal master assortment lists.

Key Benefits continued

- Provides a communication tool to collaborate with partners, set strategies at different hierarchy levels and build tactics using formulas that represent your specific business rules. **(Step 4: Strategize thinking win-win and Step 5: Build tactics by seeking first to understand, then to be understood)**
- Truly integrates to the category management process and clearly communicates your results to all partners. **(Step 6: Synergize your implementation)**
- Spurs success with the flexibility to repeatedly refresh and measure your data, enabling you to glean and reuse critical insights to adjust your plans as needed. **(Step 7: Review and sharpen the saw)**

To confirm that SKU share matches your market, space and sales requirements, JDA Assortment Optimization helps you examine a wide range of products using comprehensive validation methodologies. By determining the optimal product coverage for each market cluster, you'll increase penetration, sales and profits while reducing shrink and operating costs.

Leveraging Space Planning integration

JDA Assortment Optimization is part of JDA's integrated, holistic Category Management solution comprised of world-class capabilities that work together. As such, you can bridge the gap between strategic planning and the shelf edge by directly importing JDA Assortment Optimization data into JDA® Space Planning. You'll improve assortment decision making as you apply planograms that reflect your corporate objectives and consumer preferences. You will also benefit from a significantly reduced learning curve since the applications feature similar reporting and formula capabilities. JDA Assortment Optimization results can be integrated and exported to other space management applications, making it the primary source of approved product listings for all planogram tools.

Adding variety, not duplication

Understanding how local shoppers make decisions empowers you to offer compelling assortments. You can't offer every product, so it's important to know which products are or are not substitutable to your shoppers. The demand transferability capabilities with JDA Assortment Optimization give planners the ability to prioritize product inclusion by identifying the impact to the shopping experience and sales performance.

Real Results

Companies that rely on JDA Assortment Optimization can realize significant benefits:

- Ability to produce decision trees that reflect how shoppers shop the category that can be directly linked to strategies and tactics at any level—this provides compelling presentation support material to help kick off the category review process and influence buy-ins early on
- Ability to build category blueprints, set category objectives and measure performance against them
- Solid understanding of category position
- Improved strategies and tactics that help position the business for ongoing success
- Stronger relationships with partners
- Enhanced ability to execute on tactics
- Successful integration and implementation of key decisions
- Increased sales and profit
- Satisfied shoppers
- Evolved categories with increased effectiveness
- Repeated success in accomplishing assortment objectives

Deploy JDA Assortment Optimization Software via JDA Cloud Services

Protect your JDA software investment and increase business agility by having JDA experts manage, monitor and maintain your JDA solutions. JDA Cloud Services reduces your implementation time and risk while enabling you to quickly and easily deploy new functionality to keep pace with your changing business needs. With your software running in the JDA Cloud and upgrades included in your service, you will benefit from solutions that are optimized for your specific business requirements to help ensure that you achieve and sustain a long-term return on your investment.

About JDA Software Group, Inc.

At JDA, we're fearless leaders. We're the leading provider of end-to-end, integrated retail and supply chain planning and execution solutions for more than 4,000 customers worldwide. Our unique solutions empower our clients to achieve more by optimizing costs, increasing revenue and reducing time to value so they can always deliver on their customer promises.

Using JDA, you can plan to deliver.
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