

**THE
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SAS® Size Optimization

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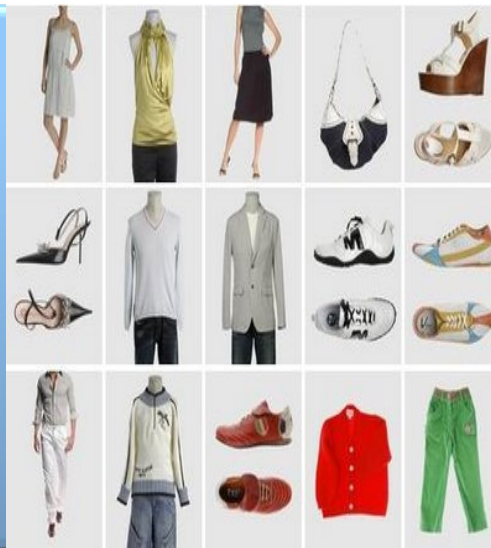


Retailer's Size Problem

The fundamental retail matching problem plays out at the store / size-level.

Demand

- Using uniform size assumptions causes mismatches
- Planning and allocating store / size is costly



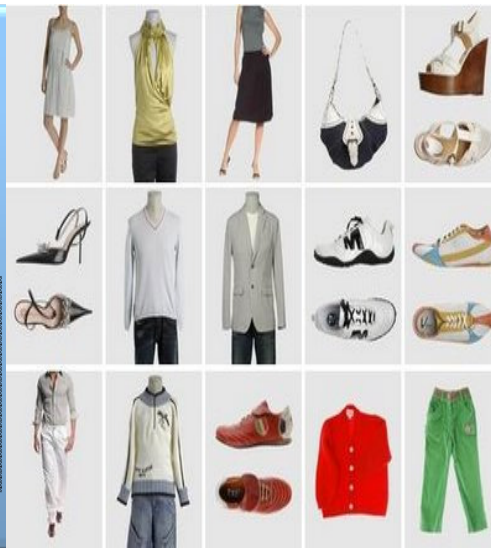
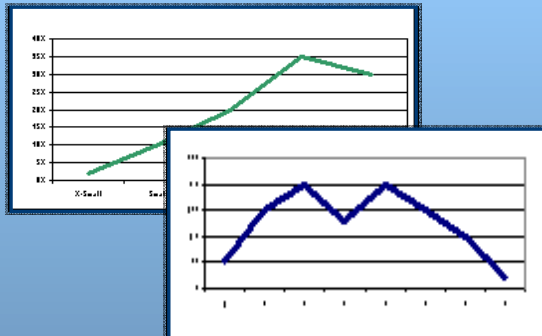
Supply

- Employing a generic pre-pack causes mismatches
- Using multiple packs adds complexity
- Using bulk is costly

SAS® Size Optimization Solution

Enables retailers to **automatically** convert higher-level plans into **optimized** size- and pack-level execution recommendations.

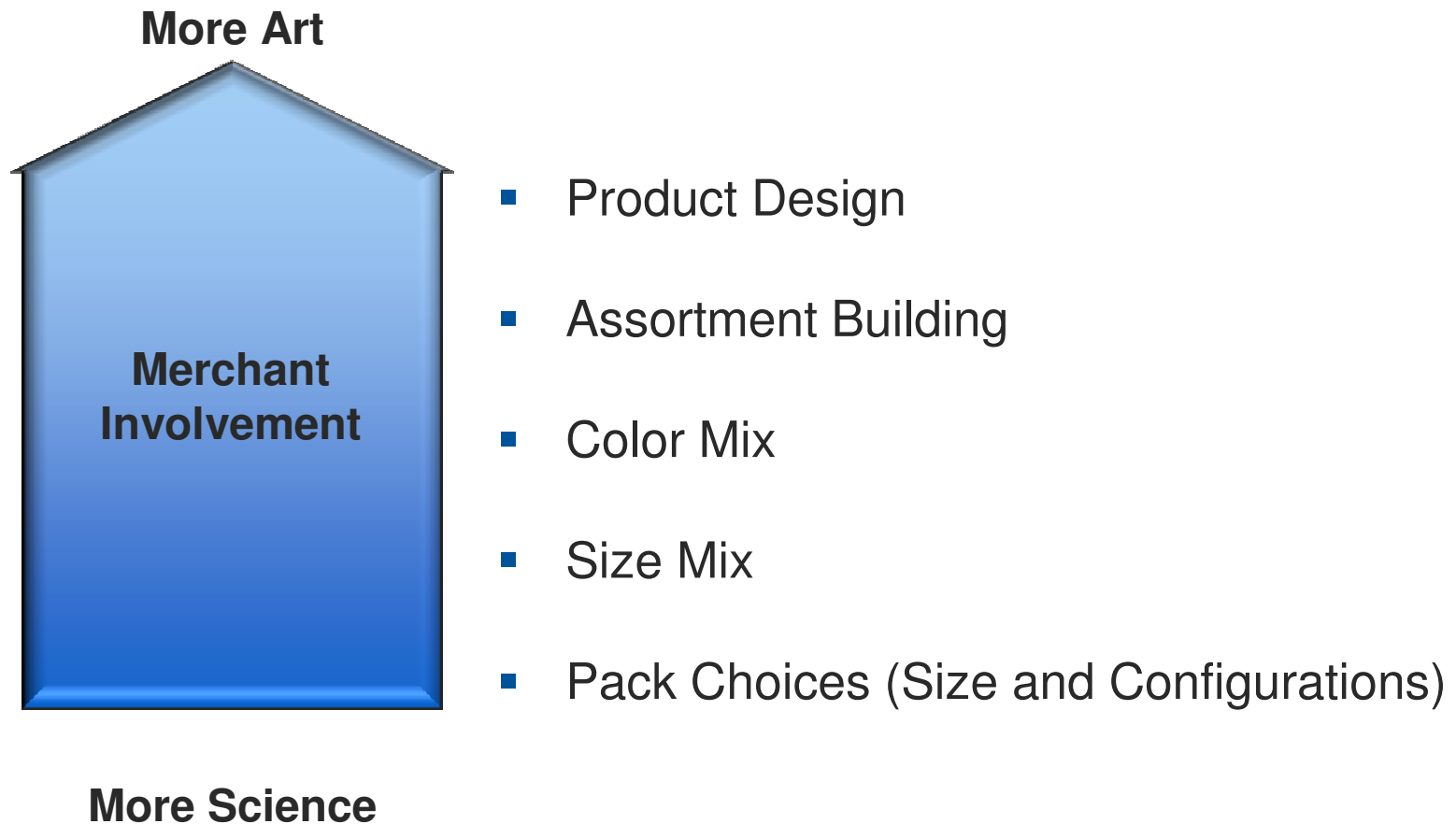
Demand SIZE PROFILING



Supply PACK OPTIMIZATION



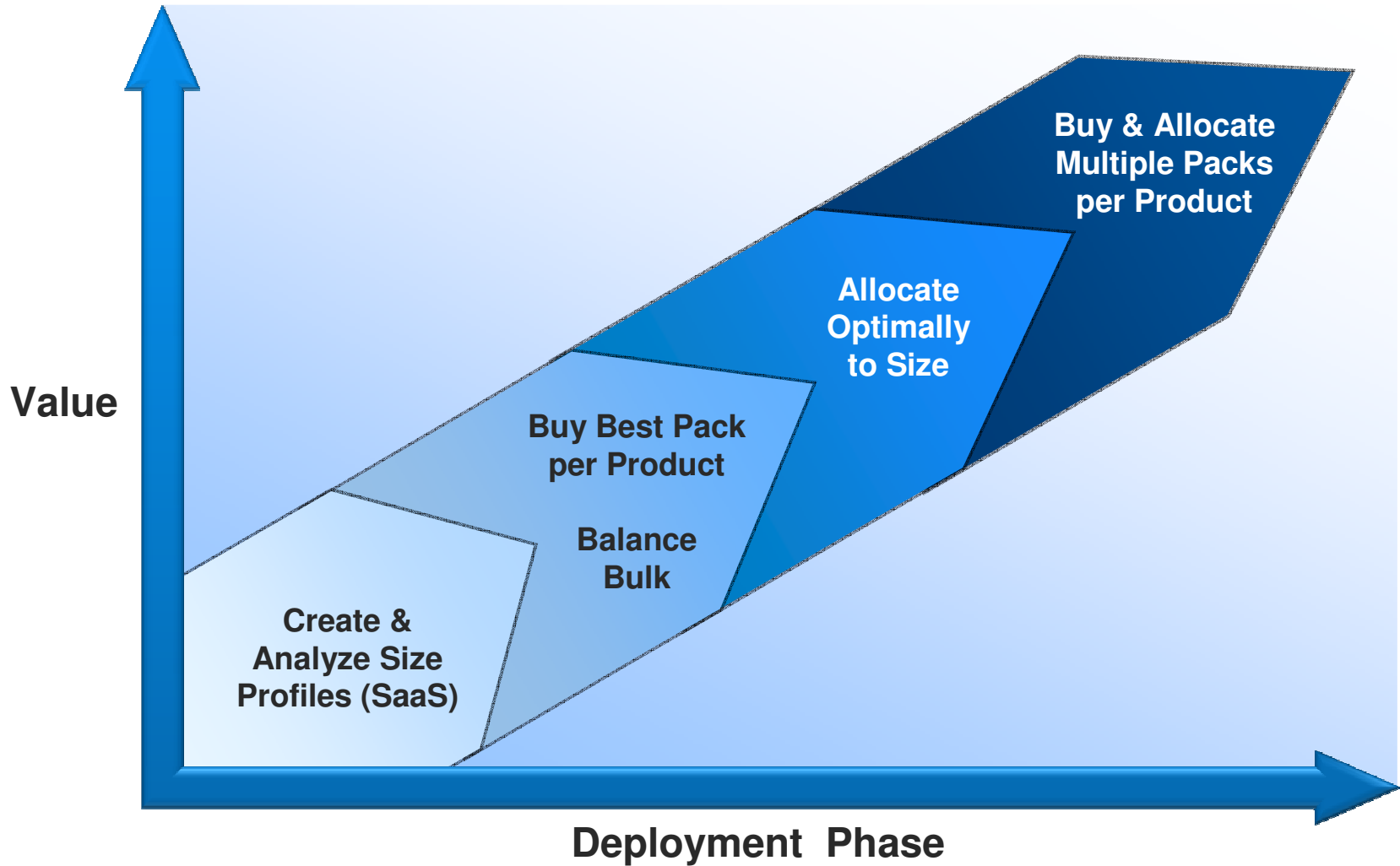
Merchandising Tasks Require Art and Science



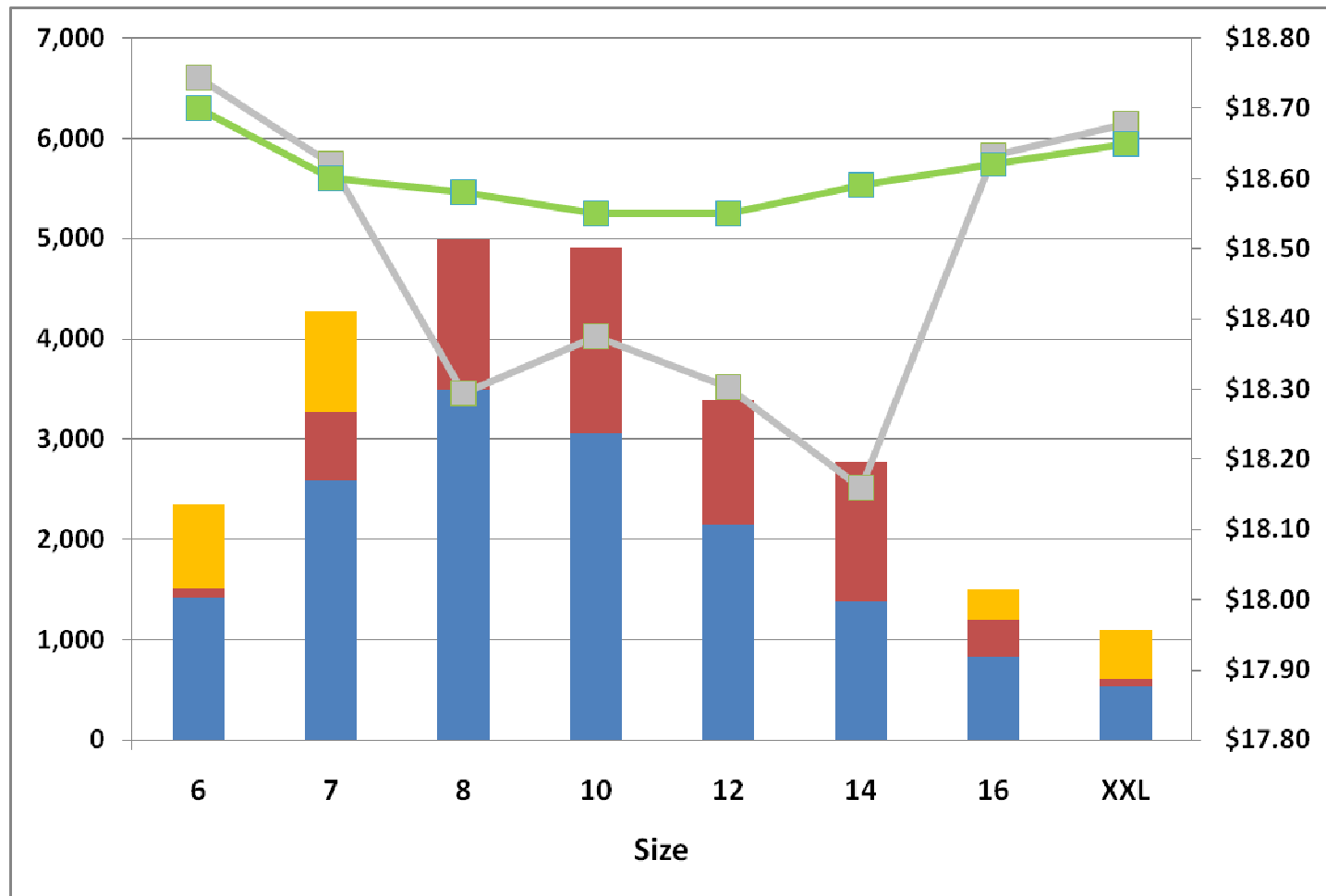
Merchandise Buying and Distribution Process



Size Optimization - Incremental Value Proposition



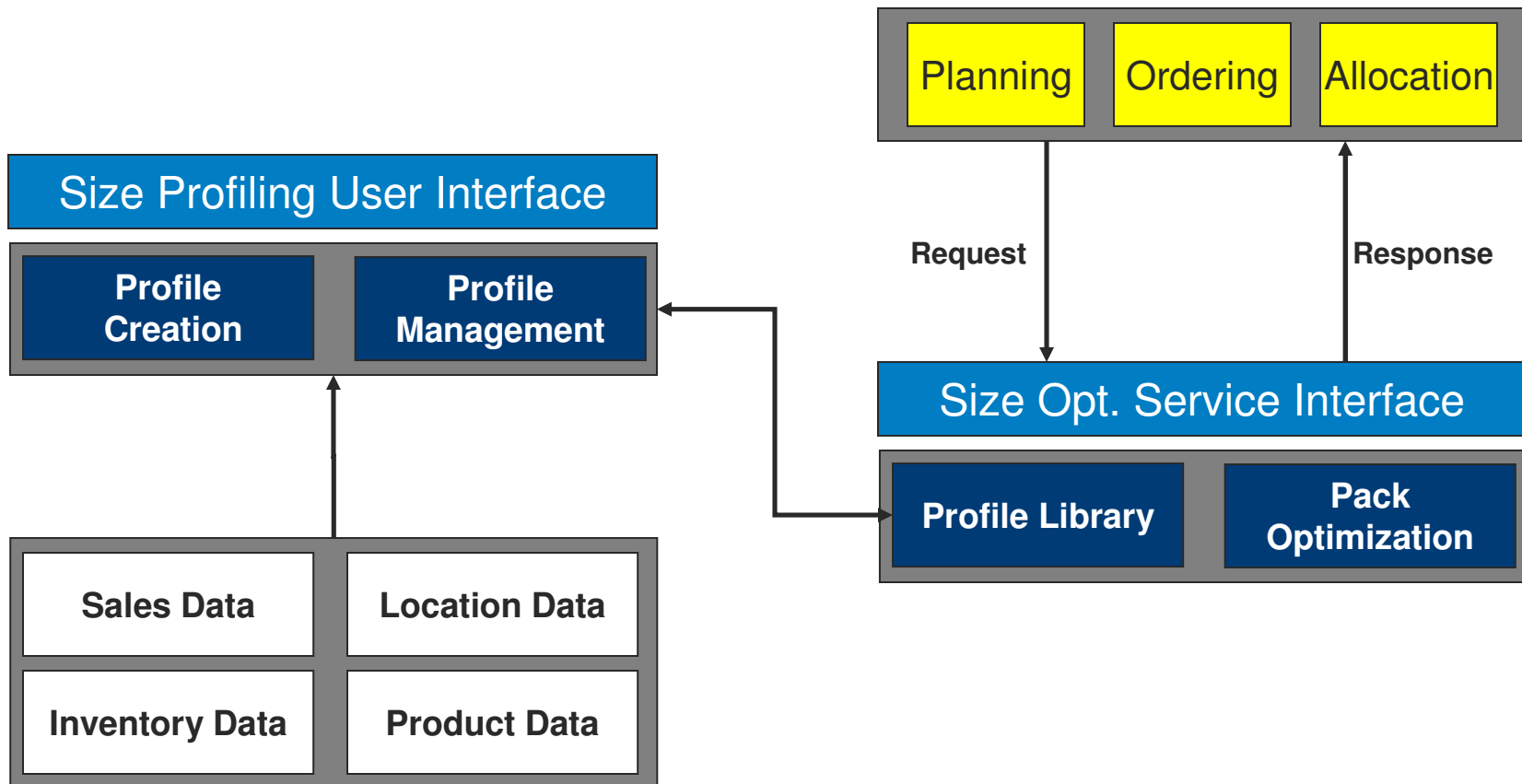
Case Study: Shift Inventory to Realize Full Margin



Case Study: Financial Impact

	<u>Units</u>	<u>Dollars</u>
Current Sales	15,453	\$ 284,226
Opportunity	17,433	\$ 321,048
Inventory at Retail	9,831	\$ 54,066
Opportunity	7,851	\$ 43,135
Total Projected Sales	25,284	\$ 338,292
Opportunity	25,284	\$ 364,182
Total Opportunity		<u><u>\$ 25,890</u></u>
		7.7%

SAS Size Optimization Information Flow



SAS Size Profiling Vision

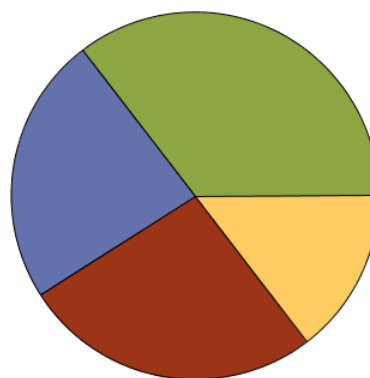
Enable Retailers to **Create** and **Manage** the most **Relevant** and **Accurate** size profiles for use in Purchasing and Allocation Workflows.

SAS Size Profiling Highlights

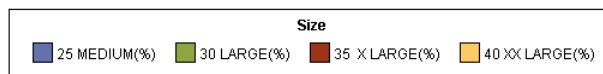
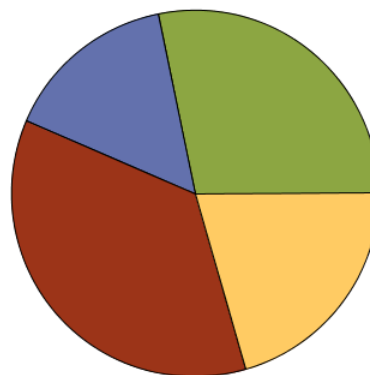
- Delivers Analytics through a Merchant-ready UI
- Provides Flexibility in Combining Products
 - Permits hierarchy and attribute-based profiling
- Determines Demand Ratios
 - Develops unconstrained view of true size demand ratios
- Builds Low-level Profiles with High Confidence
- Creates Multiple Profiles throughout the hierarchy

Partition by Attributes

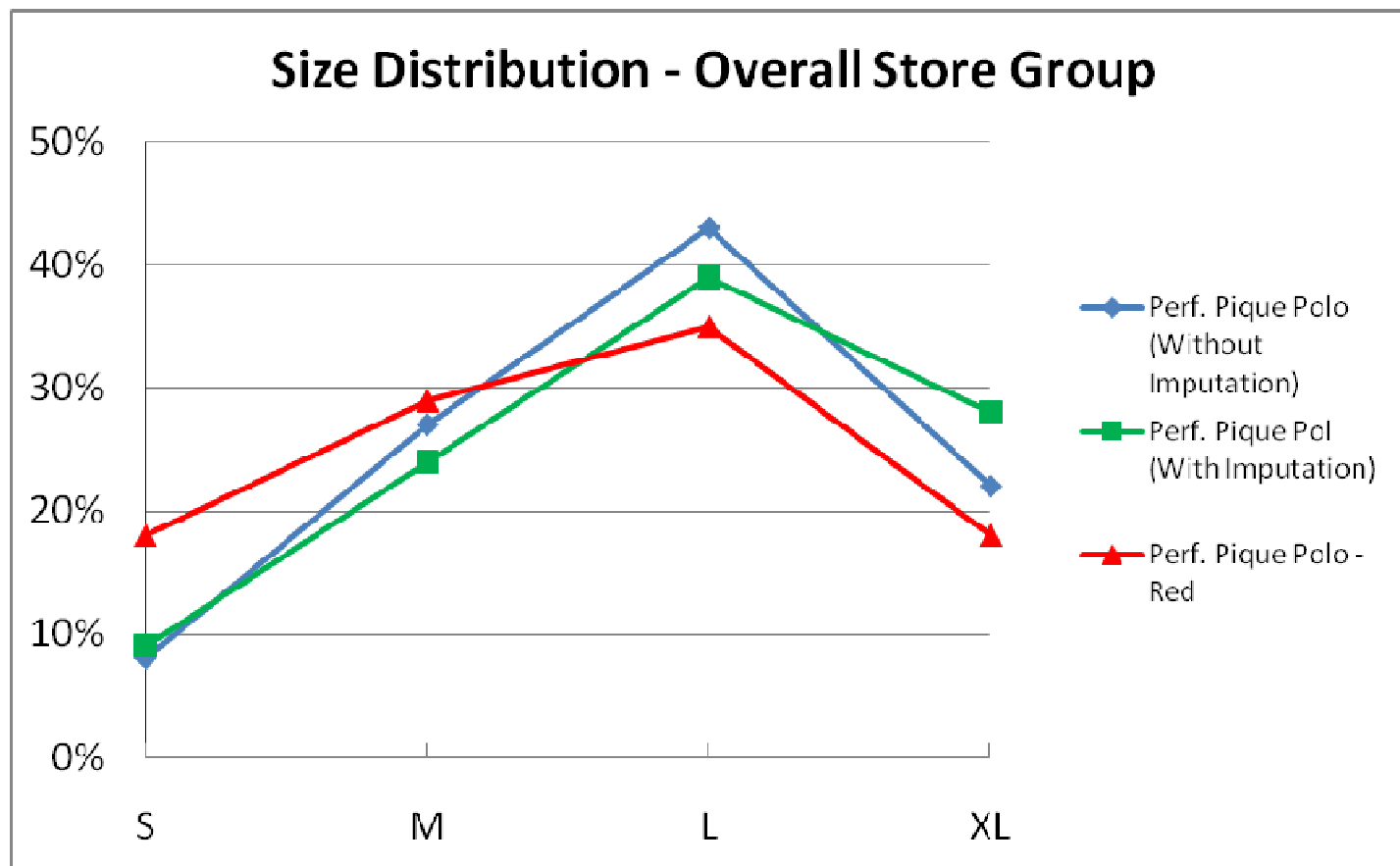
PF002: Nike Performance Tees



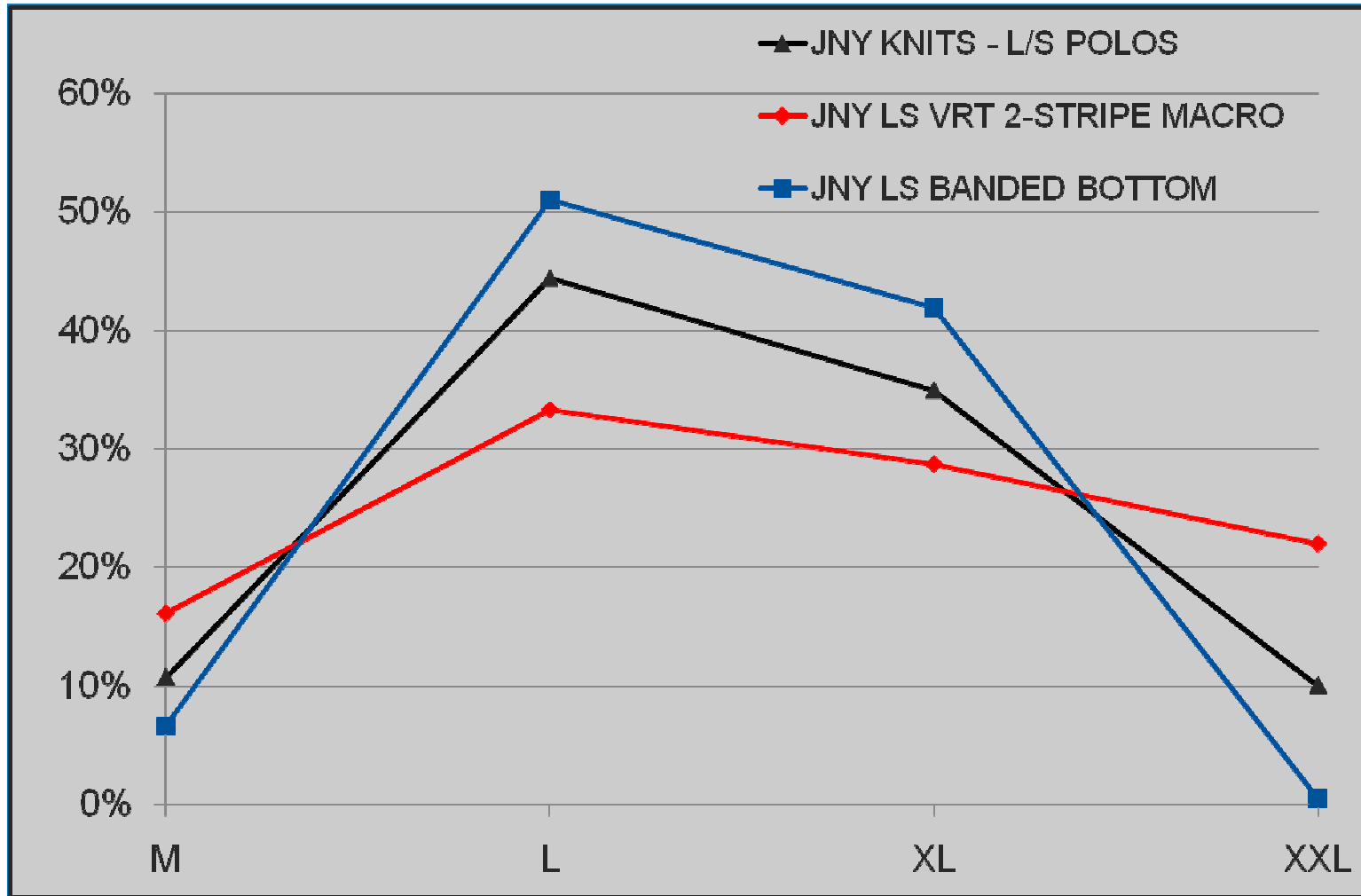
PF003: Nike Basic Tees



Imputation: Pique Polo Example

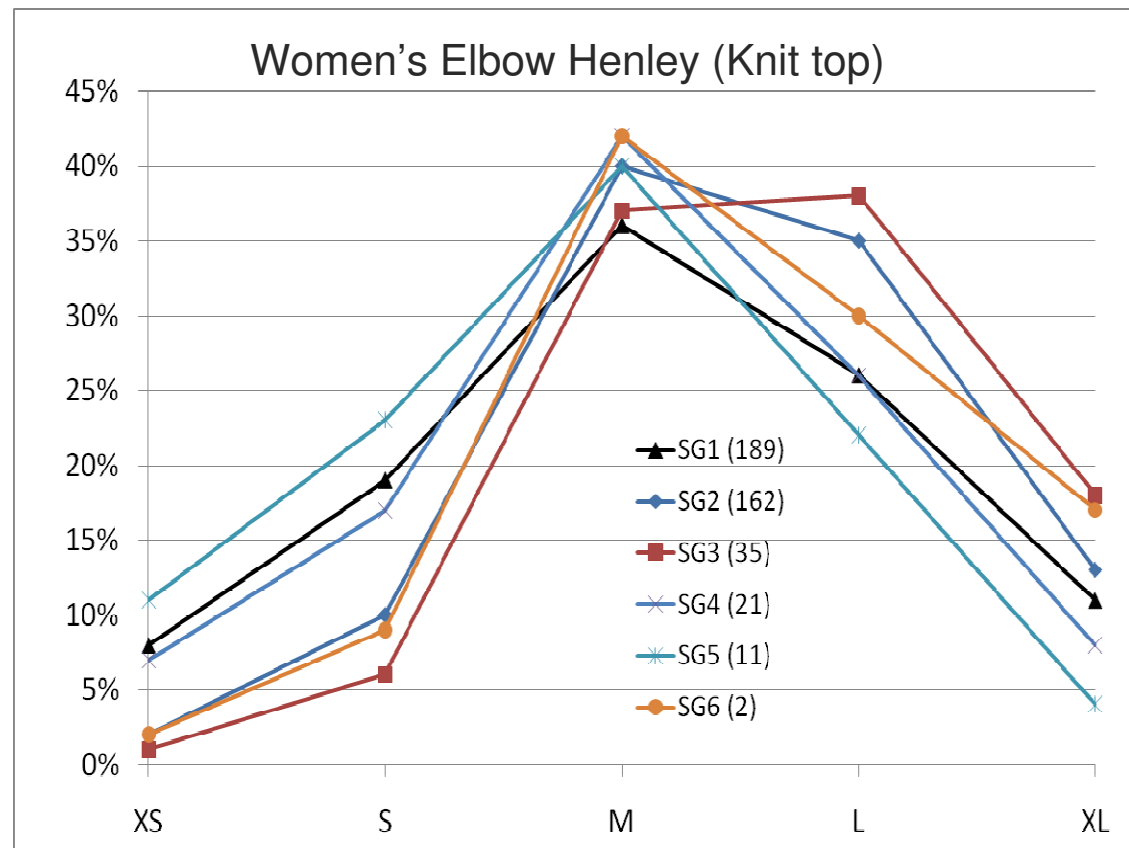


Capture Natural Variation in the Merchandise Set



Size Range Analysis with Size Optimization

- Insight:**
 “In 199 of 420 stores, XS represents less than 3% of sales.”
- Resulting Action:**
 Eliminate XS from the size run for those stores to maximize margin.

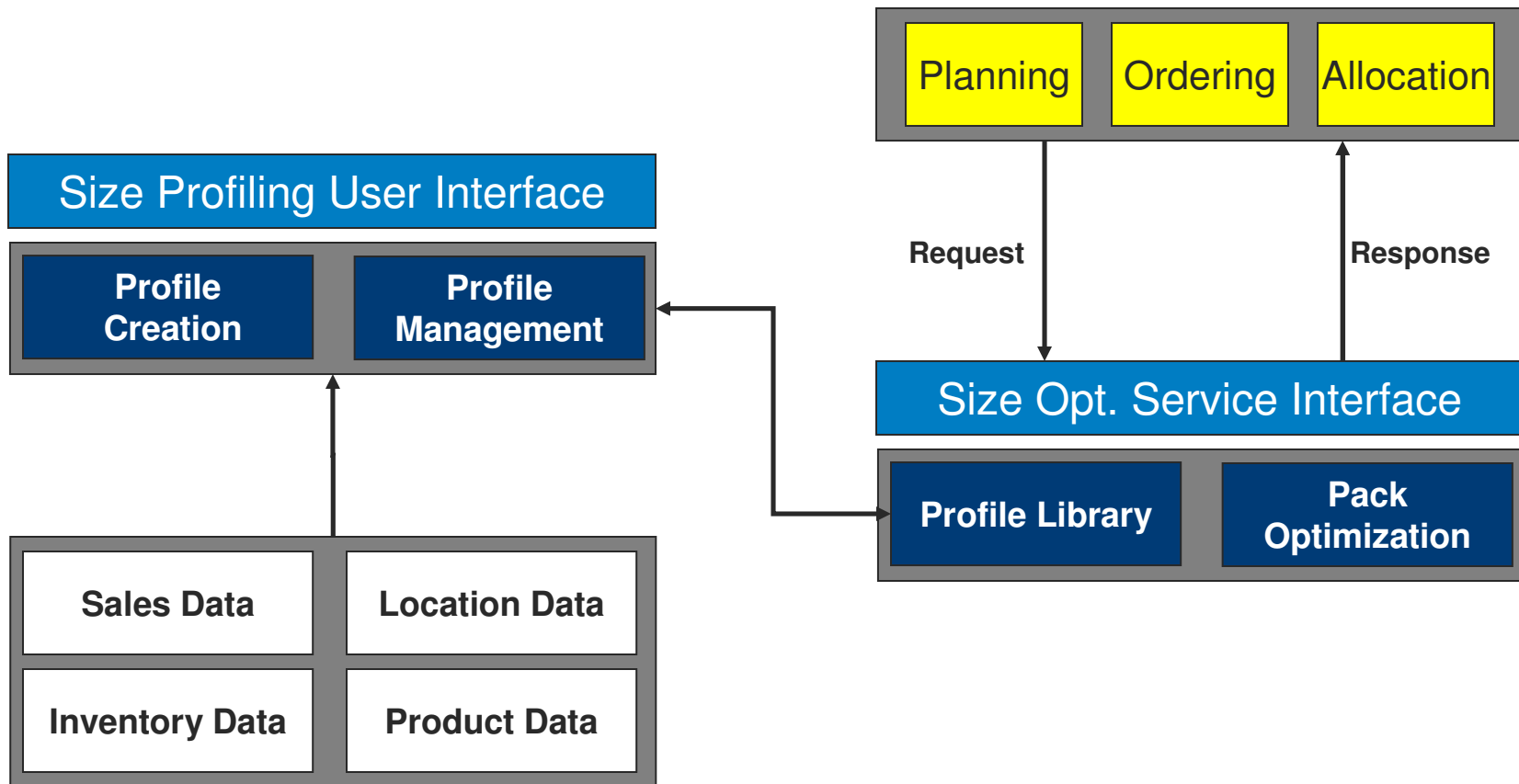


Multiple Packs per Product

- Using store- and style-specific packs—based on profiles—decreases the gap between inventory and expected need.
- 3 Different Packs can precisely meet the estimated initial need of 89% of stores in S-M-L-XL Sizeset

Pack Option	Store Count	Cum. Pct.
Pack 1: (1-2-4-5)	301	40%
Pack 2: (0-2-4-6)	248	73%
Pack 3: (1-1-4-6)	124	89%
Pack 4: (0-2-3-7)	35	94%
Pack 5: (1-3-4-4)	21	97%
Pack 6: (0-2-5-5)	16	99%
Pack 7: (1-2-3-6)	7	100%

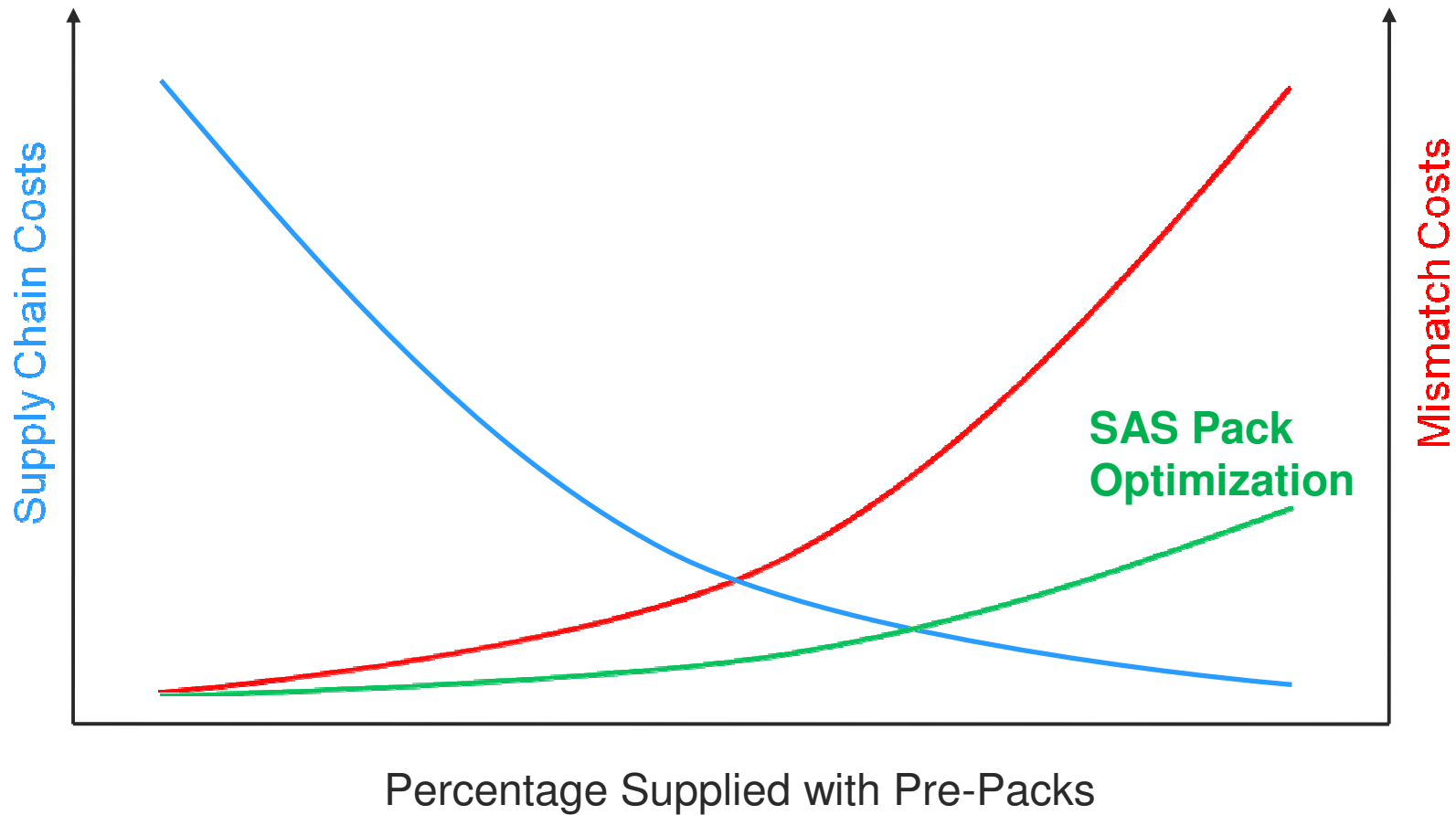
SAS Size Optimization Information Flow



SAS Pack Optimization Vision

Enable Retailers to **Automatically** transform
Style-level plans into **Optimized** Pack-level
Execution Strategies.

Optimizing Pre-packs Versus Bulk



Pack Optimization Highlights

- Supports Multiple Processes and Requests from Home-grown or Commercial Clients.
- Systematically chooses the 'Best' Profile from the Library.
- Recommends the optimal pack set, for each delivery.
- Balances pre-packs and bulk to impact handling costs, across multiple deliveries.
- Understands inner-outer relationship and multi-style packs.



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