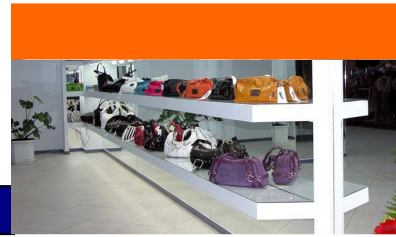


## WEBINAR: EXPERT REALLOCATION

### Optimal Merchandise Transfer Between Stores



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Retailers who attempt to transfer merchandise between stores find the enormity of the task daunting. The need to correctly assess the past and future performance of every SKU at the store level is the first hurdle on the way to merchandise reallocation. In addition, the inventory levels of "from" and "to" stores, square footage, assortment, local demographics, and other store attributes must be considered. Above all, the costs associated with physical transfers must be taken into account to ensure the feasibility of merchandise reallocation.

Just 100 out-of-stock SKUs in some 100 stores create hundreds of thousand possibilities for merchandise reallocation. To determine the most efficient transfer schedule, which satisfies all business policies and criteria, requires a planner to consider hundreds of million combinations.

On the other hand, transfers between stores is in certain cases a plausible solution:

**Case 1** All product inventory is allocated to stores (e.g. One-time Buy)

**Issue** → While some retail stores are sold out on this SKU position, the same SKU is in abundance in other stores.

**Case 2** Having all SKUs in all stores at all times means a substantial financial burden and high degree of risk (e.g. high-ticket items, sporadic sales at store level, large number different style/color/size combinations)

**Issue** → Merchandise is allocated based on an initial assortment decision, but the same SKU sells at a different rate in different stores. Again some stores are sold out on this SKU position, at the same time it is in abundance in other stores.

**Case 3** Regular replenishment and allocation process

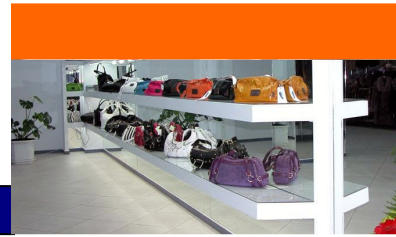
**Issue** → A specific SKU is sold out in some stores, a new purchase order is cut in spite of the fact the same SKU is in abundance in other stores.

**Case 4** Cleanout (e.g. End of Product Life, End of Season)

**Issue** → Due to the geo-demographic disparity the end-of-season does not arrive at the same time in all stores. While some stores continue to sell the "end-of-season" merchandise well, others need to transfer out the same merchandise to make room for a new season.

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### Webinar Agenda

1. Common practices in Allocation & Replenishment
2. Reallocation is a vital component of Allocation & Replenishment
3. Dispelling the old myth: is merchandise transfer feasible?
4. Factors contributing to effective merchandise transfer between stores
5. Determining the benefit of intra-stores transfers
6. Questions and Answers

### Webinar Objectives

In this short 30 minute Webinar, you will learn

- when merchandise transfers between stores are justified
- what factors must be considered to transfer merchandise effectively
- how to determine the benefit of a merchandise transfer
- what is required to initiate a reallocation process
- how to measure the impact of a successful merchandise reallocation process.

### Instructor

Mark Krupnik, Ph.D., has been consulting retail organizations for over a decade. At the same time Mark has developed and delivered multiple courses at School of Retail Management and Faculty of Business at Ryerson University. As a founder of Retalon Inc., Mr. Krupnik ensures that analytic technologies for retailers leverage the latest advances in scientific research.

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