

Case Study: Developing and Building Home Improvement Programs

Overview

A leading global provider of innovative professional cleaning solutions markets national brand products to Home Depot, Lowe's and other retailers.

They engaged Enhanced Retail Solutions' consulting when the erratic nature of Home Depot's replenishment system (CARS), combined with the very limited view of retail sales made wholesale forecasting very difficult and costly.

Enhanced Retail Solutions (ERS) software quickly parsed and normalized Home Depot's door level EDI 852 documents to create door level weekly sales and inventory reports. Not only was this company able to get a better handle on sales, they also were able to identify store execution issues: A great many stores had not set certain programs; even with CARS there were other stores that experienced stock outs. They were able to learn seasonal velocity trends and get a "second opinion" on forecasting and replenishment. In fact they asked us to add Lowe's to our analysis and with it identified errors in Lowe's reordering on two separate occasions. They brought those opportunities to the buyer's attention who quickly rectified them.

The Enhanced Retail Solutions' Partnership

Using Enhanced Retail Solutions' services, the manufacturer was able to quickly improve inventory productivity at retail, and improve their wholesale inventory position. In this case they did not want to hire and manage an analyst, as the amount of work did not warrant a full time position (ERS also provides software to companies who have planners on staff). As it does with all its clients, Enhanced Retail Solutions performed an active and integral role in the manufacturer's team, providing information and analysis crucial to improving the accuracy of wholesale planning and sell through at store level.

From A to Z

This case study provides an outline of the strategy and tools employed from the beginning of the process - pinpointing stock level aberrations at door level - to monitoring performance and providing the retailer with actionable recommendations to constantly improve the business. For confidentiality reasons we have masked the name of the client and their numbers and altered report formats, concepts while keeping true to end results.

Getting the Retailer Bonded

Not wanting to disrupt an otherwise healthy relationship with the buyer, our client needed to find a way to bring to light the problems that existed in the retailer's inventory planning process. They were able to meet that goal by creating a fact based set of reports, along with a roadmap of how to fix the problems. The first step was to introduce the visually appealing *Weekly Analyst Report* (see page 2) that shows:

- **Detailed sales and inventory statistics** for each item showing velocity, unit and dollar sales and productivity at store level.
- **The number of stores that are sold out and their unit sales.** The goal is to fix the model stock for these stores so they consistently have enough inventory to service the needs of the customer.

- **The number of stores with inventory, but no sales and their on hand.** Most likely these stores have the merchandise in a stock room, and not on the sales floor. These stores bring down the overall sell through and hamper our ability to determine the appropriate inventory level because their sales cannot be predicted.

Weekly Analyst Report

ABC Supply Co					
Vendor Id:	1234	5678	91011	121314	
Item Description:	Soap Kit	Bulb Changer	Wash Mitts	Super Mop	
Unit Cost:	\$3.34	\$8.99	\$3.66	\$5.75	
Unit Retail:	\$5.96	\$17.96	\$7.94	\$10.96	
Initial MU%:	44.00%	49.90%	53.90%	47.50%	
# Weeks of Sales This Year:	40	40	40	40	
<u>Inventory Statistics</u>					
On Hand:	16639	17940	20636	4449	59664
Weeks of Supply:	4.43	21.5	11.28	9.91	13.90
Weeks of Supply (with Sls):	4.42	21.26	11.25	9.51	
Est. YTD Shipped:	166898	51312	93798	22399	334407
<u>Sales Statistics</u>					
YTD Sales \$:	\$893,854	\$599,192	\$582,812	\$797,763	\$2,873,621
YTD Sales:	150259	33372	73162	61540	318333
YTD ST%:	90.00%	65.00%	78.00%	74.60%	73.73%
YTD AUR:	\$5.95	\$17.95	\$7.97	\$10.96	\$9.58
YTD GM\$:	\$391,989	\$299,178	\$315,039	\$416,830	\$1,423,036
YTD GM%:	43.90%	49.90%	54.06%	47.50%	51.07%
Av. Weekly Sales \$:	\$22,346	\$14,980	\$14,570	\$19,944	\$71,840
Av. Weekly Sales:	3756.5	834.3	1829.1	1538.5	7958
Av. Sls \$/Store/Wk(All):	\$11.20	\$7.52	\$7.30	\$10.03	\$36.05
Av. Sls/Store/Wk(All):	1.88	0.42	0.92	0.77	3.99
Av. Sls \$/Store/Wk(with Sls):	\$11.35	\$7.69	\$7.41	\$10.15	
Av. Sls/Store/Wk(with Sls):	1.91	0.43	0.93	0.78	
<u>Store Execution Statistics</u>					
# Stores:	1995	1992	1996	1991	
# Stores with No On Hand (YTD Sales):	45 (3670)	122(2003)	10 (410)	762 (8119)	
# Stores with On Hand and No Sales YTD (On Hand):	5 (19)	34 (204)	12 (53)	32 (180)	
# Stores with Sales YTD:	1969	1949	1967	1942	
# Stores with No Sales YTD:	5	34	12	32	
# Stores with YTD ST% >=50%	1953	1558	1797	1737	
# Stores with YTD ST% <=25%	26	127	55	102	

One item in particular has the biggest in-stock problem. The analysis shows that the super mop has 762 stores (38% of the stores) have run completely out of inventory. Fixing that problem will have an immediate effect on productivity, but should also increase sales significantly because demand is currently greater than supply.

These sample reports show the store detail for those stores in the Weekly Analyst Report that are completely sold out, and stores that have inventory and no sales. These reports were provided to the buying team to help them make adjustments in the model stock for each store, and to send a communication to stores to improve their execution. Our client presented the information in a non-threatening way- as a service that the buying team can take advantage of should they chose to. Presenting the information in this manner made the buying team much more engaged and they took action quickly.

Stores with no stock

Stores with No On Hand						
Store	Location	On Hand	On Order	In Tran	YTD SLS	
280	NAPLES FL	0	0	0	41	
6310	HOLLYWOOD FL	0	0	0	33	
6408	SAN JUAN PR	0	0	0	30	
3306	LAS VEGAS NV	0	0	0	29	
4608	FALLS CHURCH VA	0	0	0	29	
1701	HONOLULU HI	0	0	0	28	
4702	SEATTLE WA	0	0	0	27	
483	SURPRISE AZ	0	0	0	26	
582	SAN ANTONIO TX	0	0	0	26	
620	HAWTHORNE CA	0	0	0	26	
627	EMERYVILLE CA	0	0	0	25	
6348	NAPLES FL	0	0	0	25	
6664	COSTA MESA CA	0	0	0	25	
628	SAN CARLOS CA	0	0	0	24	
922	TOTOWA NJ	0	0	0	24	
6616	HOLLYWOOD CA	0	0	0	24	
6661	VAN NUYS CA	0	0	0	24	
6892	AUSTIN TX	0	0	0	23	
469	MESA AZ	0	0	0	22	
1048	LOS ANGELES CA	0	0	0	22	
4040	PORTLAND OR	0	0	0	22	
551	PLANO TX	0	0	0	21	
606	SANTA ANA CA	0	0	0	21	
674	SAN DIEGO CA	0	0	0	21	
4723	REDMOND WA	0	0	0	21	
6315	DELRAY BEACH FL	0	0	0	21	
6322	MIAMI FL	0	0	0	21	
6630	LA QUINTA CA	0	0	0	21	
6635	SAN JOSE CA	0	0	0	21	

Stores with stock and no sales

Stores with On Hand, No Sales YTD						
Store	Location	On Hand	On Order	In Tran	YTD SLS	
1255	LONG ISLAND CITY NY	23	0	0	0	
3651	GREENSBORO NC	12	0	0	0	
6617	GLENDORA CA	12	0	0	0	
140	VALDOSTA GA	11	0	0	0	
163	WARNER ROBINS GA	11	0	0	0	
2564	HYATTSVILLE MD	10	0	0	0	
8527	THOMASTON GA	10	0	0	0	
387	NEW ORLEANS LA	8	0	0	0	
6501	HOUSTON TX	8	0	0	0	
8551	CHANTILLY VA	8	0	0	0	
1087	MORENO VALLEY CA	7	0	0	0	
561	MIDLAND TX	6	0	0	0	
1238	JAMAICA NY	6	0	0	0	
2619	GREENFIELD MA	6	0	0	0	
1773	CORDELE GA	5	0	0	0	
8919	LITTLE ROCK AR	5	0	0	0	
809	SYLACAUGA AL	4	0	0	0	
1909	CALUMET CITY IL	4	0	0	0	
616	MORENO VALLEY CA	3	0	0	0	
965	MONTVILLE NJ	3	0	0	0	
1282	SHIRLEY NY	3	0	0	0	
2502	BALTIMORE MD	3	0	0	0	
2819	COTTAGE GROVE MN	3	0	0	0	
6904	SADDLE BROOK NJ	3	0	0	0	
112	Austell GA	3	0	0	0	
2032	MARION IN	3	0	0	0	
3702	BISMARCK ND	3	0	0	0	
4552	BRATTLEBORO VT	3	0	0	0	
4913	MILWAUKEE WI	3	0	0	0	

Understanding Where Items Sell

Once model stocks and inventory levels for each item were adjusted we studied the geographic and demographic makeup of the top and bottom performing stores. If we know that particular region sells a particular item better than another our client can make better recommendations to the buyer on how to allocate new items and continually fine tune the store distribution on existing items in the line.

While this exercise is the buyer's job, they simply don't have the time and resources to do this for every single SKU in the thousands of stores that they manage. A vendor who can provide fact-based, actionable information to help the buyer make decisions becomes a very valuable resource – creating a competitive advantage.

The Store Ranking and Performance report sorts stores based on total units sold and sell through for a given time period. It then provides a composite ranking which is simply the average of the sales and sell through rankings. For example: if a store is ranked number 1 in sales and number 3 in sell through, their average ranking is 2 ($2 = (1 + 3) / 2$). Finally stores are sorted by average ranking and the final composite ranking is derived. This allows a store that may not have received a lot of inventory to move up on the ranking if they sold through quicker than others. Doing this highlights potential sales opportunities and inventory problems.

Store Ranking and Performance Report with composite rankings

STORE	LOCATION	ON HAND	YTD SLS	YTD ST%	AV WK SLS	WEEKS OH	SLS RK	ST RK	AV RK
6175	NEW YORK NY	80	1346	94.40%	33.7	2.4	1	3	1
4415	PARK CITY UT	73	815	91.80%	20.4	3.6	5	5	2
674	SAN DIEGO CA	88	856	90.70%	21.4	4.1	4	8	3
280	NAPLES FL	71	792	91.80%	19.8	3.6	8	6	4
657	SAN RAFAEL CA	74	666	90.00%	16.7	4.4	13	13	5
6204	NORWALK CT	93	740	88.80%	18.5	5.	9	17	6
472	SCOTTSDALE AZ	62	606	90.70%	15.2	4.1	18	9	7
6630	LA QUINTA CA	124	883	87.70%	22.1	5.6	3	30	8
660	ENCINITAS CA	112	811	87.90%	20.3	5.5	6	29	9
6310	HOLLYWOOD FL	53	536	91.00%	13.4	4.	31	7	10
618	TORRANCE CA	77	593	88.50%	14.8	5.2	20	21	11
4413	SALT LAKE CITY UT	74	573	88.60%	14.3	5.2	23	19	12
667	RANCHO MIRAGE CA	53	511	90.60%	12.8	4.1	37	10	13
6664	COSTA MESA CA	93	649	87.50%	16.2	5.7	14	34	14
680	SAN DIEGO CA	73	557	88.40%	13.9	5.2	28	24	15
6611	LOS ANGELES CA	115	732	86.40%	18.3	6.3	10	55	16
6177	NEW YORK NY	165	1024	86.10%	25.6	6.4	2	67	17
1526	GLENDALE CO	74	508	87.30%	12.7	5.8	39	35	18
251	NORTH MIAMI BEACH FL	70	493	87.60%	12.3	5.7	44	32	19
6967	SEASIDE CA	73	503	87.30%	12.6	5.8	41	36	20

For store chains with thousands of stores it can be difficult to glean regional performance levels by just looking at the report. As a final step, we map the top 100 and bottom 100 stores and highlight them with different colors. In this example you can clearly see that the top performing stores in blue are located primarily in coastal areas, and poor performing stores in red are in the Mid West and South.

Mapping top and bottom stores



While the map shows performance based on geography, the Demographic Summary shows the demographic profile of the top and bottom stores. Understanding who lives in the communities of the best stores (their age, ethnicity, income, education, etc.) will enable us to match products to the targeted consumer. This a much more accurate way to allocate products than simply assigning each store a sales volume level based on total population. Just because there are a lot of people living in a particular region does not mean they are the intended consumer for that product. For example, placing a luxury item in a store that has a large low income population would be disastrous.

Super Mop demographic makeup chart

	MEDIAN AGE	% WHITE	% AFAM	% ASIAN	% HISP	% MARRIED	% KIDS <18	OWN HOME	RENT HOME	AV HH SIZE	% BACH DEGREE	HHOLD INCOME	# ROOMS
Top 25%	35.3	76.4%	5.3%	5.4%	13.8%	44.3%	32.6%	64.3%	32.6%	2.63	30.2%	\$51,601	5.3
Bottom 10%	34.1	70.8%	13.1%	3.0%	15.5%	41.9%	33.6%	59.8%	36.9%	2.67	19.4%	\$40,539	5.1
AV. of All :	35.0	76.3%	9.9%	3.8%	12.2%	44.5%	34.3%	66.4%	32.2%	2.68	26.1%	\$47,642	5.4
US Average	35.3	75.1%	12.3%	3.6%	12.5%	51.7%	36.0%	66.2%	33.8%	2.69	24.4%	\$41,994	5.3
Home Depot Av	34.9	74.9%	10.7%	4.5%	15.4%	44.6%	36.0%	65.9%	34.8%	2.78	26.2%	\$48,130	5.4

The demographic profile compares various characteristics for the top and bottom stores against the U.S. average, the average of all stores in the distribution for the item and the retailer’s profile for all their stores in the chain. A number in green represents a characteristic 5% or more above the U.S. average; a number in red represents a characteristic 5% or more below the U.S. average. The profile shows that the top selling stores are located in communities where the average age is 35.3, primarily White Asian or Hispanic, single with less kids and higher education and income levels as compared to the U.S. average. Behind the summary lies a list of each store and their respective demographics. This allows us to find other stores in the chain that currently don’t have distribution on this item to suggest adding them to the distribution. This profile can also be used to allocate new items that are similar in character to this item or use this information to allocate the same or a new item to a competing retailer- minimizing the risk of initial allocation to those stores that we know have the best chance of selling it. It also works in reverse – Our client can suggest not shipping merchandise to stores in markets we know don’t have the targeted consumer.

These initial analyses allowed us to fix the model stock problems at store level, improve store execution and develop an understanding of where and why products are selling. The next phase is to develop an internal model to plan and manage wholesale inventory.

Developing an Appropriate Model for Planning Wholesale Inventory

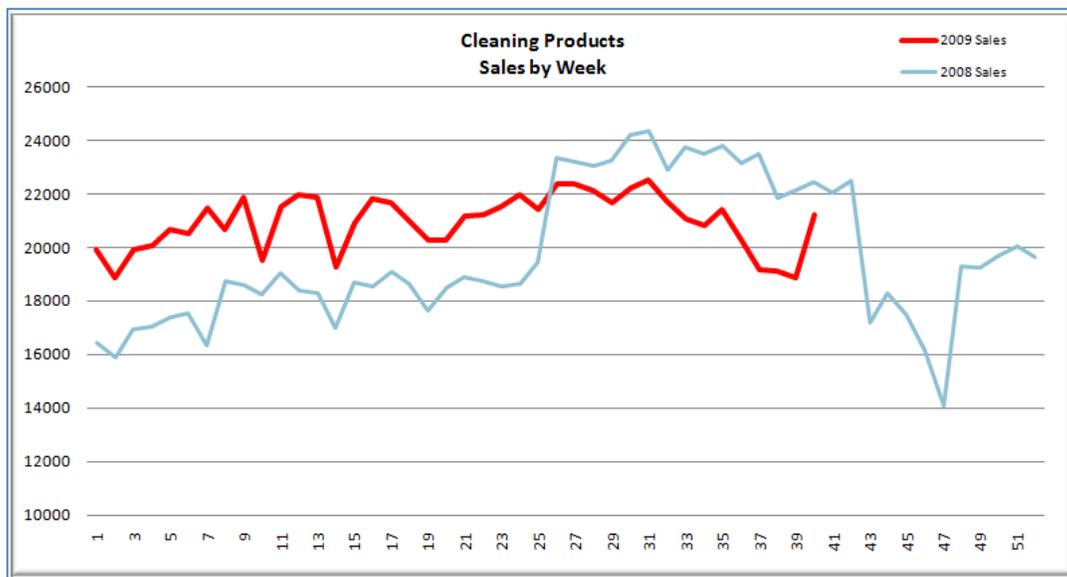
By adjusting the model stock for each item in each store, sales and inventory levels will become more predictable enabling production planning to become more accurate. Sales stabilized and we were able to start seeing trends. With 6 months of history, and overall category sales which the buyer provided, we were able to construct “sales curves” that shows the expected peaks and lulls (seasonality) in business for each week. With a curve you can estimate future sales (and calculate a desired level of inventory) by dividing any known sales for a given time period by the sum of curve percentages for that same period of time. The curves enable us to improve the receipt flow both on a wholesale level and retail level. There can be different curves for different items as seasonality may be different based on the nature of an item. For instance, we all know snow shovels sell more in the winter months, rakes more in spring and fall. The more sales history you have, the more accurate a curve can be.

The Sales by Week Report simply shows the history by week for any given period of time for both unit and dollar sales. It is a good idea to track sales against the plan (curve %) to see if any unexpected trends have occurred.

Sales by week report

Last 8 Weeks Selling Report			Unit Sales									
Item	Description	Cost	3309	3409	3509	3609	3709	3809	3909	4009	Last 8	YTD
1234	Soap Kit	\$8.99	996	1093	804	826	978	849	840	811	7197	33372
5678	Bulb Changer	\$2.59	825	788	820	798	707	790	737	825	6290	32467
91011	Wash Mitts	\$2.96	1185	1258	1281	1244	1071	1170	1098	1349	9656	53188
121314	Super Mop	\$3.66	1749	1889	1810	1853	1524	1700	1520	2077	14122	73162
Totals			4755	5028	4715	4721	4280	4509	4195	5062	37265	192189
			Dollar Sales									
			\$17,868	\$19,607	\$14,480	\$14,861	\$17,585	\$15,258	\$15,068	\$14,593	\$129,320	\$599,192
			\$4,967	\$4,749	\$4,935	\$4,796	\$4,260	\$4,752	\$4,434	\$4,966	\$37,859	\$195,132
			\$8,289	\$8,795	\$8,961	\$8,699	\$7,497	\$8,190	\$7,686	\$9,434	\$67,551	\$370,837
			\$13,992	\$15,092	\$14,464	\$14,718	\$12,166	\$13,589	\$12,108	\$16,603	\$112,732	\$582,812
			\$45,116	\$48,243	\$42,840	\$43,074	\$41,508	\$41,789	\$39,296	\$45,596	\$347,462	\$1,747,973

This graph is a visual representation of the sales by week report. Each week's sales is divided by the total annual sales to come up with each week's curve %. In this case we have 2 years of history and you can see that for the most part even though the level of sales is different; the 2 lines follow a similar path.



Now that we have established a sales curve, together with a weeks of supply model we can estimate future sales and an appropriate starting inventory level for each period. The goal is to blend the retail sales forecast with the wholesale inventory (available to ship and future production on order) and build a schedule for future wholesale buys. This is particularly important with auto-replenishment programs such as CARS which are reactive (the reorder quantity matches the sale quantity on a one-to-one basis).

Step 1 takes year to date sales and divides it by the sum of curve percentages for all those weeks. In this example, we sold 61,754 units over the last 49 weeks, and those 49 weeks were worth 96.5% of the total year (curve %). We now divide the sales units by the curve % to come up with the total potential across the curve- 63,994 units (61,754/.965).

Store sales and inventory statistics for the item with wholesale inventory

UPC	DESCRIPTION	# WEEKS SALES	STORE ON HAND	STORE ON ORDER	YTD SALES	AV WK SLS	STORE WEEKS OH	% COMPLETE	% FWD COVERAGE
XXXX	Bulb Changer	49	21198	0	61754	1260	16.82	96.5%	24.8%
Curve:	23		ATS	FUTURES			TOT WKS OH		
Potential:	63994		1000	800			17.61		
WOS Model:	14								
Adjustment:	1								
Wholesale Cost:	\$1.49								

The next step involves running a simple open to buy schedule for each week (or month). The calculated beginning on hand (Calc BOH) adds the estimated sales for each week for the number of weeks of supply. In this case, the weeks of supply model is 14 weeks and the next 14 weeks of estimated sales adds up to 14,847. We start the period with the quantity (unless the actual on hand is higher, in this case it is), subtract sales and add and orders expected to come in during the period. The result is the ending on hand (EOH). We can now compare the ending on hand for the current period to the calculated beginning on hand for the next period. If the ending on hand is higher, we don't need to buy anything for this period, and the actual beginning on hand for the next period is the ending on hand for the previous period. If the ending on hand for the current period is lower than the calculated beginning on hand for the next period, the difference is the buy that needs to be placed to ensure we can get to the expected inventory level. This doesn't happen in this example until the week ending February 20th, where 796 units are required to meet the inventory needs.

Week End:	Jan-09-08	Jan-16-08	Jan-23-08	Jan-30-08	Feb-06-08	Feb-13-08	Feb-20-08	Feb-27-08	Mar-05-08	Mar-12-08	Mar-19-08	Mar-26-08
CALC BOH	14847	15870	16510	17022	16894	17214	17342	17534	17726	18302	18174	17790
ACT BOH	22198	21622	21110	20534	19382	18722	17698	17534	17726	18302	18174	17790
- Estimated Sales	576	512	576	1152	960	1024	960	896	960	1408	1472	1152
+ On Order	0				300				500			
EOH	21622	21110	20534	19382	18722	17698	16739	16638	17266	16894	16702	16638
Calculated BOH Next Week	15870	16510	17022	16894	17214	17342	17534	17726	18302	18174	17790	17534
Buy	0	0	0	0	0	0	796	1088	1036	1280	1088	896
Wholesale Buy Cost:	\$0	\$0	\$0	\$0	\$0	\$0	\$1,186	\$1,621	\$1,543	\$1,907	\$1,621	\$1,335
Avail Prod (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

We include a production availability "flag" that tells the forecasting system whether or not an order can be placed. For example if an item is imported and has a long lead time, perhaps the 796 units will not be available. In that case the flag is changed from "Y" to "N" and the forecasts assumes the buy will not be made and adjusts the future buys and inventory levels accordingly.

The forecast schedule proved to be great for the wholesale planning team as well as the inventory planner at the retailer. However higher management levels wanted to see recaps of the buys and the exceptions (items where immediate action is required). Whether an immediate buy was required or an overstock existed, this forecast exception report covered their needs:

Forecast Exception Report												
		Count of Items	% of Total									
Items With A/O Needs		1	25.00%									
> 10% Short of Model		1	25.00%									
> 10% Above Model		3	75.00%									
Total Items With Sales		4										
										Sales Projections		
SKU #	Description	# of Weeks of Sales	EOH This Week	Calc BOH Needs Next Month	% Over/Short Model BOH	A/O BUY	Overage	Store Weeks On Hand	Total Weeks On Hand	13 Weeks	26 Weeks	Life
1234	Soap Kit	49	20719	66117	-68.66%	45399		6.60	6.60	61852	121571	266602
5678	Wash Mitts	49	17706	10723	65.12%	0	6983	20.23	21.25	10031	19717	43238
91011	Super Mop	49	22196	14683	51.17%	0	7514	27.31	29.24	13735	26997	59204
121314	Bulb Changer	49	21622	15870	36.24%	0	5752	16.82	17.61	14847	29181	63994

Providing Visibility to the Business on a Weekly Level

Together with our client, we developed a discipline for studying the business in detail. On a weekly basis this involved generating a variety of sales and inventory reports at various levels (SKU, category, brand, retailer, etc). Because we offer customized reporting we were able to quickly access their needs and develop exactly what they wanted. It is also very amenable to change, and has changed several times throughout our 3+ years engagement. The Weekly Analyst report (see page 2) is the benchmark for each week. In addition we review the most recent 3 weeks and show sales units, dollars, on hand inventory and sell through for each item, category and retailer in total.

Weekly Summary by Item and Category:

														UNITS				
DESCRIPTION	Brand	Category	# WEEKS	Wk 38	Wk 39	Wk 40	LY LW	YTD	LW	LY LW	LW	LY LW	YTD					
				10/24/2008	10/31/2008	11/7/2008	TOTAL	STORE OH	STORE OH	ST%	ST%	ST%						
"9"" FLOW-THRU SOFT BRUSH"	ACME	Brush	40	1650	1499	1836	1454	80472	20164	18871	8.3%	7.2%	80.0%					
TILE AND GROUT SWIVEL BRUSH	ACME	Brush	40	778	738	752	837	39709	20312	18096	3.6%	4.4%	66.2%					
TILE AND GROUT CORNER BRUSH	ACME	Brush	40	737	747	771	796	34421	19681	18200	3.8%	4.2%	63.6%					
PRO Waterflow Deck Scrub Brush	ACME	Brush	34	789	703	799	0	34995	18973	0	4.0%	#DIV/O!	64.8%					
TOTAL REACH DRYER VENT BRUSH	SUPER ACME	Brush	40	1691	1621	1783	1861	75804	21349	19729	7.7%	8.6%	78.0%					
Total Brushes				5645	5308	5941	4948	265401	100479	74896	5.6%	6.2%	72.5%					
OSTRICH FEATHER DUSTER	ACME	Dusting	40	786	774	857	814	30794	16081	14042	5.1%	5.5%	65.7%					
WOOL DUSTER	ACME	Dusting	40	859	896	1025	1025	36259	15316	13702	6.3%	7.0%	70.3%					
MICROFIBER MITT	ACME	Dusting	40	1232	1302	1449	1510	63176	20090	17598	6.7%	7.9%	75.9%					
Microfiber Ceiling Fan Duster	ACME	Dusting	16	1061	999	1115	0	14979	13713	0	7.5%		52.2%					
Microfiber Quick & Clean Cloths	ACME	Dusting	15	179	180	221	0	3142	4254	0	4.9%		42.5%					
Microfiber Quick & Clean Cloths	ACME	Dusting	15	112	113	141	0	1803	4186	0	3.3%		30.1%					
COB WEB DUSTER	SUPER ACME	Dusting	40	3490	3391	3849	3276	132245	19496	19190	16.5%	14.6%	87.2%					
TOTAL REACH CEILING FAN DUSTER	SUPER ACME	Dusting	40	344	313	292	1356	36523	5284	14661	5.2%	8.5%	87.4%					
6PACK MICROFIBER CLOTH-CUTCASE	SUPER ACME	Dusting	40	2216	2347	2478	3596	122666	23317	24765	9.6%	12.7%	84.0%					
Multi-Project MF Cloths - 4 Pack	SUPER ACME	Dusting	40	1252	1213	1395	1833	61361	25514	19745	5.2%	8.5%	70.6%					
Dust + Polish MF Cloths - 3 Pack	SUPER ACME	Dusting	40	1022	1012	1145	1350	47899	21834	19047	5.0%	6.6%	68.7%					
Stainless / Metals MF Cloths - 3 Pack	SUPER ACME	Dusting	40	761	756	741	955	34609	23088	19431	3.1%	4.7%	60.0%					
Mirror & Glass MF Cloths - 3 Pack	SUPER ACME	Dusting	40	1523	1396	1791	1773	68700	21799	20129	7.6%	8.1%	75.9%					
Total Dusting				19099	18846	21221	22448	838331	284960	260576	6.9%	7.9%	74.6%					

Because most of the items we track are on-going and basic in nature we can provide a variety of comparisons between this year and last year. This helps us ensure the curve for forecasting is constantly updated and points out aberrations in business we were not expecting. *This Year Vs. Last Year Report:*

This Year vs. Last Year																	
		4908			4909			4908			4909			4908		4909	
Item	Description	LY Units	TY Units	% Change	LY On Hand	TY On Hand	% Change	LY ST%	TY ST%	LY Sales \$	TY Sales \$	% Change	LY Store Count	TY Store Count			
1234	Soap Kit	2297	2529	10.10%	19000	23118	21.67%	10.79%	7.57%	\$13,671	\$1,521	-88.87%	1990	1995			
5678	Bulb Changer	1004	1171	16.63%	14089	17227	22.27%	6.65%	6.36%	\$18,004	\$21,075	17.06%	1986	1993			
91011	Wash Mitts	650	569	-12.46%	18879	21229	12.45%	3.33%	2.61%	\$3,902	\$3,431	-12.07%	1990	1996			
121314	Super Mop	1151	1201	4.34%	19813	21198	6.99%	5.49%	3.96%	\$8,034	\$8,134	1.24%	1991	1997			
Totals		5102	5470	-11.64%	71781	82772	15.31%			\$43,611	\$34,161	-3.99%					

We look at the ratio between shipped and sold for each SKU to ensure the inventory remains balanced.

Selling Ratios Report:

Description	Color	On Hand	% to Total	Shipped	% Shipped	Wk Sales	% to Total	WK ST%	YTD Sales	% to Total	YTD ST%		
1 QUART LIQUID SOAP	ACME	16639	1.47%	166898	3.86%	4084	5.16%	19.71%	150259	4.71%	90.03%		
"24"" STRAIGHT FLOOR SQUEEGEE"	ACME	17940	1.58%	51312	1.19%	811	1.03%	4.33%	33372	1.05%	65.04%		
"8"" STEEL SQUEEGEE"	ACME	20635	1.82%	53102	1.23%	825	1.04%	3.84%	32467	1.02%	61.14%		
"12"" STEEL SQUEEGEE"	ACME	20076	1.77%	73264	1.69%	1349	1.71%	6.30%	53188	1.67%	72.60%		
"16"" STEEL SQUEEGEE"	ACME	20636	1.82%	93798	2.17%	2077	2.63%	9.14%	73162	2.30%	78.00%		
"18"" BRASS SQUEEGEE"	ACME	4449	0.39%	22399	0.52%	174	0.22%	3.76%	17950	0.56%	80.14%		
"10"" COMBI"	ACME	20937	1.84%	82477	1.91%	1521	1.92%	6.77%	61540	1.93%	74.61%		
"14"" SCRUBBER"	ACME	20377	1.79%	62844	1.45%	1146	1.45%	5.32%	42467	1.33%	67.58%		
PRO SCRUBBER	ACME	20844	1.84%	58093	1.34%	938	1.19%	4.31%	37249	1.17%	64.12%		
"36"" NIFTY NABBER DISPLAY"	ACME	38047	3.35%	185678	4.30%	2765	3.50%	6.77%	147631	4.63%	79.51%		
"18"" FLOOR SQUEEGEE"	ACME	36543	3.22%	205105	4.74%	3898	4.93%	9.64%	168562	5.29%	82.18%		
HOME DEPOT TOTALS				1135651		4322954		79079		6.51%	3187303		73.73%

From time to time we may also provide more detailed reporting at store level. The following chart shows how each item performed in a given store. This report can be sorted to show groups of stores that do better with one type of item or another. *Related Performance Report:*

STORE	LOCATION	SALES			OH			% to TOT			SALES			OH			% to TOT			TOT SLS	% to TOT
		Soap Kit	Soap Kit	Soap Kit	Bulb Changer	Bulb Changer	Bulb Changer	Wash Mitts	Wash Mitts	Wash Mitts	Super Mop	Super Mop	Super Mop	TOT SLS	% to TOT						
6175	NEW YORK NY	359	19	41.10%				214	28	24.50%	301	31	34.40%	874	0.30%						
674	SAN DIEGO CA	446	14	55.90%	66	1	8.30%	112	7	14.00%	174	17	21.80%	798	0.30%						
6630	LA QUINTA CA	572	38	72.20%	27	11	3.40%	50	16	6.30%	143	15	18.10%	792	0.30%						
660	ENCINITAS CA	437	12	58.80%	20	8	2.70%	105	13	14.10%	181	12	24.40%	743	0.20%						
280	NAPLES FL	418	61	59.00%	50	4	7.10%	105	29	14.80%	136	29	19.20%	709	0.20%						
4415	PARK CITY UT	471	34	67.00%	33	6	4.70%	72	7	10.20%	127	9	18.10%	703	0.20%						
6616	HOLLYWOOD CA	294	15	42.90%	38	10	5.50%	124	29	18.10%	229	38	33.40%	685	0.20%						
6204	NORWALK CT	374	18	55.00%	21	15	3.10%	151	13	22.20%	134	14	19.70%	680	0.20%						
6177	NEW YORK NY	125	13	18.90%				194	40	29.30%	344	51	51.90%	663	0.20%						
1701	HONOLULU HI	307	19	47.70%	114	11	17.70%	77	18	12.00%	146	11	22.70%	644	0.20%						
220	LAKE PARK FL	465	134	74.60%	14	15	2.20%	28	17	4.50%	116	25	18.60%	623	0.20%						
6611	LOS ANGELES CA	417	25	67.10%	15	8	2.40%	111	21	17.90%	78	28	12.60%	621	0.20%						
6664	COSTA MESA CA	303	3	51.20%	57	8	9.60%	88	17	14.90%	144	24	24.30%	592	0.20%						
6348	NAPLES FL	363	45	62.90%	52	10	9.00%	54	14	9.40%	108	29	18.70%	577	0.20%						
472	SCOTTSDALE AZ	394	21	68.50%	32	13	5.60%	43	10	7.50%	106	13	18.40%	575	0.20%						
657	SAN RAFAEL CA	353	25	63.10%	21	7	3.80%	66	8	11.80%	119	14	21.30%	559	0.20%						
618	TORRANCE CA	327	16	60.90%	36	7	6.70%	68	8	12.70%	106	16	19.70%	537	0.20%						
6372	FORT LAUDERDALE FL	354	54	65.90%	57	8	10.60%	43	11	8.00%	83	16	15.50%	537	0.20%						
4711	BELLEVUE WA	347	25	65.70%	35	5	6.60%	49	18	9.30%	97	8	18.40%	528	0.20%						
620	HAWTHORNE CA	279	19	53.20%	25	13	4.80%	82	8	15.60%	138	16	26.30%	524	0.20%						
6310	HOLLYWOOD FL	263	43	50.20%	74	10	14.10%	49	15	9.40%	138	30	26.30%	524	0.20%						
255	SARASOTA FL	288	42	55.10%	34	1	6.50%	80	12	15.30%	121	15	23.10%	523	0.20%						
6322	MIAMI FL	385	61	74.20%	31	7	6.00%	31	11	6.00%	72	8	13.90%	519	0.20%						
483	SURPRISE AZ	330	37	63.70%	25	10	4.80%	39	14	7.50%	124	23	23.90%	518	0.20%						
4706	SEATTLE WA	317	11	62.20%	28	7	5.50%	66	17	12.90%	99	10	19.40%	510	0.20%						
1912	CHICAGO IL	281	18	56.90%	39	7	7.90%	50	14	10.10%	124	15	25.10%	494	0.20%						
680	SAN DIEGO CA	267	23	54.50%	47	3	9.60%	56	16	11.40%	120	16	24.50%	490	0.20%						
1848	EL CAJON CA	230	18	47.20%	55	18	11.30%	53	10	10.90%	149	14	30.60%	487	0.20%						
4413	SALT LAKE CITY UT	290	5	60.00%	32	6	6.60%	49	18	10.10%	112	15	23.20%	483	0.20%						
274	JUPITER FL	278	48	58.60%	43	18	9.10%	65	12	13.70%	88	18	18.60%	474	0.20%						
667	RANCHO MIRAGE CA	309	31	65.90%	24	8	5.10%	36	11	7.70%	100	13	21.30%	469	0.10%						
4002	TIGARD OR	314	15	67.40%	26	7	5.60%	43	17	9.20%	83	23	17.80%	466	0.10%						
1703	KAHULUI HI	258	30	55.50%	44	16	9.50%	51	8	11.00%	112	40	24.10%	465	0.10%						

Conclusion

What started off as an engagement to fix a major inventory control problem at one retailer has turned into a major competitive advantage for our client at multiple retail chains. For instance, ERS reporting helped this client grow its sales at one National Home Center from 100 stores to 400 stores in one year. The weekly reports helped our client show the buying team the sales potential by store, and also helped to analyze their inventory needs, which they love!

The wide scope of information presented in visually appealing reports provides their buyers with decision making tools other vendors are cannot. Essentially, our client has become an enormous resource and trusted advisor, not just for product, but for ensuring the business is performing to expectations. They pinpoint store execution opportunities, ensure stores are properly inventoried, help allocate new products to the right stores minimizing risk, provide an accurate forecast of sales and inventory needs and consistently recommend actions that improve the business. In fact, ERS analytics (geographic maps and out-of-stock analysis) also helped this client save a \$2 million item, by showing the growth potential of the business. Once the client showed the buying team that their promotional displays were actually hurting the business in some stores, the retailer agreed to put permanent fixtures in the stores.

Enhanced Retail Solutions consultants' using our software tools enable our client to receive accurate reports quickly. And because of our flexibility, changes can be made to reflect a particular strategy- whether it be sales, marketing or planning. This has enabled our client to obtain and grow business that otherwise would have gone to their larger competitors.