



Market6 Key Application Area: Supply Chain Disruption

Improving customer service requires improving understanding of the root causes of out-of-stocks (OOS), such as display compliance, shelf inventory, shrink and forecast accuracy. DemandView™ estimates out-of-stocks and the probable root causes of OOS by item, by store, on a daily and weekly basis to create anticipated OOS alerts and to drive analytical reporting. All supply chain disruptions and deviations from expectations are built in to the DemandView™ database; including DC to store shipments, push orders, order differences from suggested orders, inventory updates and changes, inventory accuracy measures, inventory levels, etc. A few examples of these disruptions and how DemandView™ addresses them include:

INVENTORY ERRORS:

- Incorrect store inventory counts and incorrect inventory locations
- Errors or insufficient inventory at manufacturer DC lead to unfilled orders
- Breakage, spoilage and shrink data is incorrect leading to inventory errors

Perpetual Inventory accuracy is a major source of system error. Market6 has developed inventory scoring algorithms to identify situations where reported inventory levels may be inaccurate. Every item in every store is given an inventory accuracy score on a daily basis. DemandView™ can accept inventory updates from any source (including CPG field personnel) to ensure accurate information and proper reordering.

ORDER / SHIPMENT / RECEIPT ERRORS:

- Manufacturer shipments do not match retailer orders
- Shipments from retailer warehouse to stores do not match orders
- Receipts do not match shipments due to manifest or receipt
- Retailers miscount or do not accurately reflect SKU-level receipts

The DemandView™ database includes orders, order shipment date and order delivery date for every product every day. Market6 maintains the following variables by item, by store: "Ordered - Not Delivered", "Not Ordered", and if we receive an item/store authorization list from the retailer: "Not Authorized".

SHELF ERRORS:

- Inaccurate shelf condition data leads to misinterpretation of inventory
- Shelf capacity will not meet upcoming consumer demand. DemandView™ maintains shelf capacity and display capacity, location and size.

POS ERRORS:

- POS sales data is incorrect leading to inventory and expected sales errors

SELLING CONDITION ERRORS:

- Sales conditions (Display, Price Reduction, Ad, POP, etc.) are incorrect leading to errors in expected sales
- Upcoming sales conditions (Display, Price Reduction, Ad, POP, etc.) are incorrect leading to errors in expected sales and orders

The DemandView™ input system is designed to handle POS, inventory, shipment and other relevant data streams. This system is automated, flexible, and can handle many data and fault issues. It has automated processes to check the reasonability of all data received and to trigger alerts when data fails these reasonability checks. DemandView™ is built to process partial data, if necessary, while waiting for additional data and to handle situations where late data from prior days which are received after a lag must be processed.