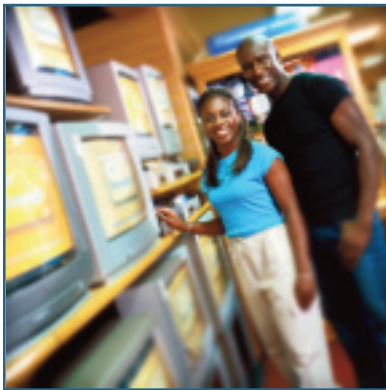


# Teradata Intelligent Product Introduction for DCM

A constant in Retail is the changing consumer needs and preferences. Demand for the “latest and greatest” drives manufacturers and their retail partners to great lengths in product development and marketing to satisfy them. Companies are constantly introducing large numbers of



new items to their product assortments in efforts to fulfill these changing customer demands in the chase to remain competitive and grow their sales.

While the new product introductions are designed to drive sales and even better – new customers, they also represent a huge challenge for retailers and their manufacturing partners as they try to determine what the demand for the new product is going to be over the initial launch. Over estimate demand and the retailer is stuck with excess inventory on a new and potentially failed product. Under estimate, and it results in a missed opportunity to increase sales and build customer loyalty. Previous measures of “mirroring” another

item by relying on tribal knowledge to match up new forecasts with old forecasts may not be enough to deliver the right result where the rubber meets the road – every store, every item, every day is where customers vote with their shopping dollars.

To improve results in this long time challenge, Teradata® has developed a new module in the Demand Chain Management (DCM) solution called Intelligent Product Introduction. The DCM modules are architected to employ “Bottoms Up” consumer demand to develop sales forecasts of each item, by location, weekly and daily. These forecasts recognize the seasonal nature of the business, respond automatically to the latest trends and allow for causal lifts based on promotional events. The “Bottoms Up” sales forecast is used to support inventory and replenishment strategies, serving to pull inventory through the supply chain based on expected sales across each location in the network. This is a stark contrast to older, inventory intensive, supply line approaches reliant on “Push” shipment or withdrawal data to fill warehouses or DC’s and then allocations to support stores in the marketplace.

The Intelligent Product Introduction (IPI) module builds on the key DCM capabilities by providing an intelligent tool that is used to determine the best reference Item or combination of Items at the store level to borrow historical sales and quick start forecasts supporting the new product introduction.

Intelligent Product Introduction utilizes multiple, user defined, primary and secondary attributes for these products to identify “Best Fit” candidates from product assortments to deliver an accurate forecast start. Items are searched and scored automatically to identify the best matches and users are presented with the results and “Fit” calculations. In addition, orphan logic is applied to stores where products were not previously carried setting up matches and establishing a bottoms-up expectation of customer demand. These values can be executed automatically or reviewed and modified by users deep in tribal knowledge, to manage the forecasts to specific results. In either case, forecasts are executed and managed automatically in the replenishment or allocation processes to ensure the right quantity at the right place at the right time is delivered to support the new products introduction, minimizing the occurrences of over and under stocked conditions. This is coupled with the DCM Exception monitor to highlight potential mismatches for further action early in the launch period allowing the business to react and improve results.

IPI’s introduction to the Demand Chain Management solution provides retailers with significantly improved work flow, forecast accuracy and inventory balance for new product launches. The ability to identify and quick start with better demand matches at the store item week and day level, with less reliance on manual

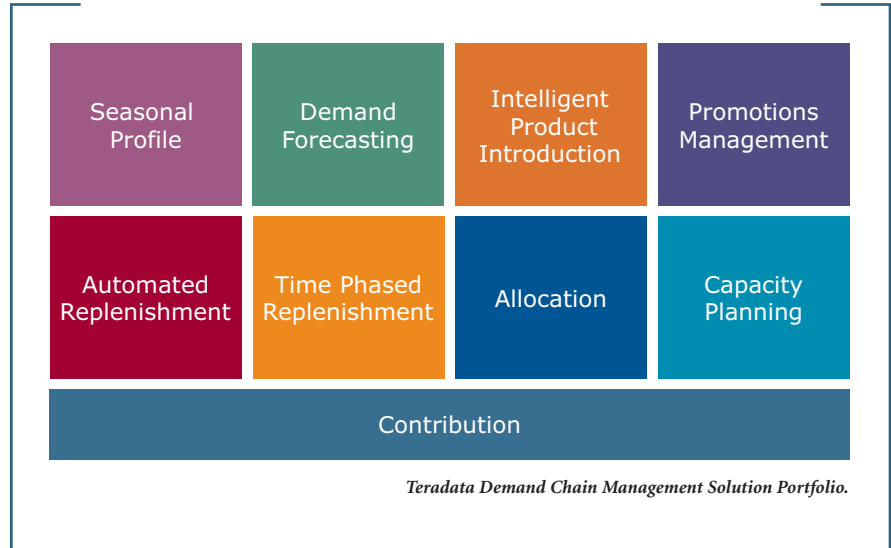
# Teradata Intelligent Product Introduction for DCM

Teradata.com

intervention will facilitate better planning and execution during the critical introduction period for new products, improving sales, inventory productivity and delivering more satisfied customers.

## For More Information

To find out more about how the Teradata Demand Chain Management solution and its Intelligent SKU Matching module can help you grow a better, more productive business, contact your Teradata representative or visit [Teradata.com](http://Teradata.com).



Teradata, the Teradata logo, and Raising Intelligence are trademarks or registered trademarks of Teradata Corporation and/or its affiliates in the U.S or worldwide. Teradata continually improves products as new technologies and components become available. Teradata, therefore, reserves the right to change specifications without prior notice. All features, functions, and operations described herein may not be marketed in all parts of the world. Consult your Teradata representative or [Teradata.com](http://Teradata.com) for more information.

Copyright © 2005-2010 by Teradata Corporation All Rights Reserved. Produced in U.S.A.