

7thonlineSM RETAILSOLUTIONS



Optimize your assortments with 7thOnline - style/color/size by store.

Founded in 1999, 7thOnline is the premier provider of assortment planning and optimization solutions to the apparel, footwear, and accessories retail community.

In order to maximize profitability, retailers must deliver the right styles, colors, and sizes of merchandise to each store to match local demand. They must continuously reevaluate this merchandise mix as demand and supply factors change. This entails not only intelligent historical performance assessment but also accurate forecasting of what lies ahead. This is no small feat considering the volume, complexity, and inaccessibility of relevant data as well as the fast-paced nature of the business. Merchants need a way to interpret dynamic demand, supply, and planning information in real-time, and from a single access point.

7thOnline addresses these challenges with its industry specific assortment planning and optimization solutions, enabling merchants to work more intelligently and efficiently at each step of the process by leveraging the power of science and technology.

Solutions Overview

7thOnline's retail suite, 7thOnline Continuous Merchandise Management (CMM), encompasses visual and analytical assortment planning, in-season merchandise management,

order execution, and powerful optimization, forecasting, and collaboration engines. With the visibility and decision support provided by the solutions, merchants are able to perform their art of producing optimal assortments driven by current trends, historical performance, financial plans, local demand patterns, and supply constraints. Management can be confident that strategic and financial objectives are met and that they are investing in a merchandise mix that maximizes profit potential.

7thOnline CMM solutions and services can be implemented individually or as an integrated package, depending on your requirements:

- **Localized Assortment Planning with 7thOnline *OptiPlan***
- **Collaborative Assortment Execution with 7thOnline *OptiBuy***
- **In-Season Assortment Management with 7thOnline *OptiTrack***
- **Optimization Services**
- **Outsourced Services**



Localized Assortment Planning

Every retailer is challenged with how to effectively plan and execute unique store-level assortments that match local consumer demand. In order to determine the profit-maximizing merchandise mix for each location, retailers must consider vast amounts of dynamic demand and supply information, product/location attributes, historical performance, current trends, and strategic and financial objectives. The necessary information often resides on disparate systems or spreadsheets, and decisions involve input from multiple parties across various business functions.

7thOnline *OptiPlan* provides an intelligent platform to coordinate, analyze, and share this dynamic information in real-time and to translate it into optimal localized assortments - style/color/size by store by week. The solution integrates both the art and science of merchandising in a user-friendly environment to facilitate merchant usability and adoption. Management has complete visibility into all planning activity to ensure that plans are aligned with corporate objectives and to react to opportunities and challenges as they arise.

Key Capabilities

Adaptable to your business requirements as needed:

- Build and analyze optimized assortment plans - style, color, and size by store by week - to meet local demand and satisfy business objectives

- Intelligently seed assortments with business drivers (e.g. Target Stores, Lifecycle, Sales Potential, Distribution Constraints, etc.) to automatically generate store plans
- Capture product and store attributes for better targeting local customers
- User-definable planning worksheet to build assortment by attribute
- Express financial plans down to desired assortment planning level for comparison to ensure business objectives are met
- Real-time, industry specific reporting/analytics, from the widest company roll-up to SKU by location by week
- Real-time visibility to modifications
- Track and adjust weekly flow planning activity (sales and receipts) by item by location; automatically reconciles to assortment plan

Key Benefits

- **Optimized Assortments to Meet Local Demand, Style/Color/Size by Door:** Localized assortments drive sell-thru, reduce markdowns, improve customer satisfaction, and reduce stockouts and overstocks.
- **Real-Time, One Version of the Truth:** Instantaneously view up-to-date organization-wide activity and SKU by store by week detail for better decision making, 24/7 via Internet browser
- **Communication and Collaboration:** Share real-time financial and assortment plans at any time
- **Optimization Engines:** Solve for maximum profitability at the style/color/size by store level with proven optimization algorithms
- **Reduced Operational Costs:** Significantly reduced administrative tasks and error rates



Collaborative Assortment Execution

Once assortment plans have been created, many retailers must rely on manual and/or disjointed processes in carrying these plans through order placement. Merchants are challenged with incompatible or incomplete product information, administrative issues, and errors. Management has limited visibility and control of the process.

7thOnline addresses these challenges by providing an automated execution application to translate assortment plans into actual buys. 7thOnline *OptiBuy* bridges the gap between the retailer's existing assortment planning and order management systems, with capabilities to incorporate vendor information and images as required. All involved parties are able to access and share assortment planning information in real-time, ensuring that these plans are brought to fruition as effectively and expeditiously as possible.

Key Capabilities

Adaptable to your business requirements as needed:

- Convert plan into buyer's worksheet
 - Automatically populate assortment plan with actual product information
 - Access product information and visuals electronically
- View and edit visual representations of assortments
- Collaborate: share financial and strategic objectives, POS information, assortment plans, and related analyses internally and with trading partners

- Generate real-time, industry-specific reports on planned and actual buys, from the widest company roll-up down to style/color/size by location
- Utilize 7thOnline Size Optimization to generate optimal size distribution for open stock and pre-packs
- Send bulk order information seamlessly in EDI format
- Provide initial assortment direction for Allocation department
- Upload order information into order management, allocation, and ERP systems
- Access buy plans and analyses 24/7, from any Internet browser

Key Benefits

- Cross organizational platform for single view of the truth & accuracy
 - Real-time visibility into buying activity across all buyers and vendors
 - Summarization of buys & reconciliation to plans
 - Earlier access to product data; more complete than UPC
- Process automation and integration from plan through execution
 - Automated product data population
 - Real-time product information and image updates across all plans
 - Automated PO population & seamless order execution via EDI
 - Management visibility enables earlier order approval and shorter cycle times
- Ensures process and data compatibility between internal groups and across vendor community
- Web-architected with 24/7 accessibility & portability



In-Season Assortment Management

Even with an optimally executed plan, reality will inevitably vary from that plan. Consumer preferences and buying activity are ever-changing, and variability in supply and deliveries will impact in-stock inventories. Retailers need a way to track in-season performance against plan in order to react as quickly and effectively as possible to meet forecasted demand.

7thOnline *OptiTrack* enables the dynamic assessment and forecasting of sales, inventory, and receipts by week throughout the selling season so that assortments can be adjusted to best match current demand.

Key Capabilities

Adaptable to your business requirements as needed:

- Dynamic in-season assessment of merchandise assortment with robust forecasting engine
- Analyze plan vs. actual vs. forecasted sales, inventory and receipts
- Track and forecast down to style/color/size by location by week
- Utilize adjusted plans as basis for next season plan

Key Benefits

- Guides profit-maximizing strategies for open-to-buy, reorders, markdowns, and flow planning
- Robust forecasting engine ensures plans are adapted to match current demand patterns

- Real-time visibility into plan vs. actual vs. forecast - across organization and down to style by location - enables optimal and timely decision-making
- Increased sell-thru/reduced markdowns
- Reduced stockouts and excess inventory
- Web-architected system with 24/7 accessibility & portability

7thOnline Continuous Merchandise Management...

- Guides users to produce “Good Assortments”
 - Intelligent seeding and optimization
 - Flow plan for sales and inventory projections
- Enables Localization of Assortment
 - Product and store attributes for targeting local customers
 - Definable planning worksheet to build assortment by attribute
- Maintains Integrity and “One Version of the Truth”
 - Maintains plan data at style/color, store, and week level
 - Multiple views of plan data along user-defined aggregation path
- Extends to In-Market Tool and In-Season Mgmt.
 - Buyer’s worksheet with assortment visualization
 - Tracks sales and floor inventory against plan
 - Forecasts sales to guide in-season price mgmt.

Enables the Scalability of a Superior Planning Process



Optimization Services

Many merchandising decisions are data-driven, yet the sheer volume and complexity of the data prohibits merchants from effectively utilizing it. With 7thOnline Optimization Services, merchants can translate otherwise unwieldy data into actionable recommendations that provide maximum profit potential.

7thOnline's proprietary optimization algorithms and services are at the forefront of optimization technology for the retail industry. Our proprietary algorithms are currently being used by some of the largest fashion retailers and manufacturers in the US, with documented results of up to 14 percentage point increases in full-price sell-thru.

Our optimization solutions have been built with the flexibility to account for each of our client's specific business process requirements. Custom optimization services are also available.

7thOnline Assortment Optimization

7thOnline Assortment Optimization generates the recommended distribution of purchasing dollars across various categories and classes of merchandise by store as well as the SKU breadth and depth by store to maximize financial performance. The solutions also recommend target stores for products with certain attributes to best match the store assortment with local demand.

7thOnline Size Optimization

7thOnline Size Optimization recommends size profiles for open stock, pack configurations for pre-packs, and distribution of open stock and pre-packs to stores to

minimize lost sales due to early size breaks without increasing inventory.

7thOnline Space Optimization

7thOnline Space Optimization recommends allocation of floor space to each merchandise category to maximize sales and profit contribution per square foot from each store.

Key Benefits

- Increased sell-thru (up to 14 percentage points)
- Reduced stock-outs (up to 15 percentage points)
- Increased SKU productivity (identify and reduce under-performing products and invest more in top sellers)
- Reduced administrative activities and errors
- Clients can mirror the size profile of local demand at the style attribute and door level
- Improved customer satisfaction and loyalty through localization of assortments
- Proprietary algorithms built specifically for apparel, footwear and accessories

Outsourced Services

7thOnline offers comprehensive IT consulting and development outsourcing services, including Project Management, Business Process Documentation, Requirements Analysis, Design, Development, Quality Management Methodologies and Control, On-going Support and Maintenance, Migration, and Integration. Please contact us to learn how you can leverage our industry expertise for consulting and development.



User Community



To receive a complimentary business analysis on how 7thOnline can help you to increase the profitability of your merchandising processes, please contact:

7thOnline, Inc.
 24 W 40th Street
 New York, NY 10018
 212-997-1717
 sales@7thonline.com