SALIENT®
for Retailers

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Driving Retail Growth

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# Unlocking Your Businesses Potential with Salient® Retail

Salient understands CPG chain store retailers' unique challenges. That's why we offer a comprehensive Retail solution specifically designed to address leadership, category managers, store-level managers, and operations' needs. Our solution harnesses your point of sale (POS) information, cost tables, traffic data, e-commerce insights, labor metrics, and more, all within an intuitive analytical application.

Why Choose Salient Retail?

Unlike generic industry reporting tools, **Salient** Retail goes beyond the basics. We seamlessly integrate consumer goods retail analytics into our software, providing you with actionable and insightful analyses that drive growth. In addition, our easy-to-use starting points enable managers to quickly measure and optimize aspects of their retail operations, including:

- Category Rankings and Overviews
- Assortment Optimization
- Private Label Growth and Market Share
- Voids and Placement Opportunities
- Planogram Compliance and Optimization
- Same Store Sales Gains and Losses
- New Product Execution & Market Adoption

- Shopper Segments Analysis
- Store-Level Performance Benchmarking
- P&L Analysis by Store, Department, and Category

See the list below for our comprehensive range of templates.
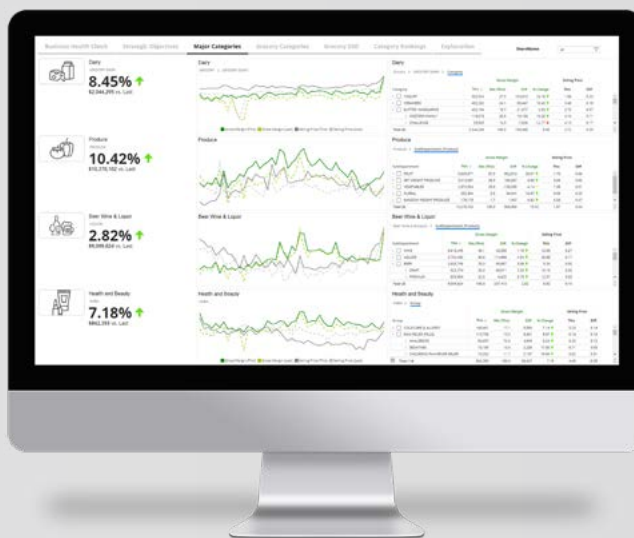
> Leading CPG retailers have chosen Salient over generic reporting tools for actionable insights.

Built for the Industry

Salient Pre-Packaged Analyses and Templates for Retail

Salient's dedicated team of business analysts trained in Category Management brings industry best practices to retailers. Our software development and analytical templates help them easily grasp and evaluate growth opportunities.

Our templates also foster effective collaboration with suppliers. By working together, retailers can ensure healthy sales, distribution growth, and continuous improvement in supply chain performance.

Constant Development, Empowering Category Managers:

We continually enhance our tools and capabilities to empower Category Managers. Leveraging the skills developed through best practices and guided by standards defined by the Category Management Association and CMKG*, our solutions serve as a foundation for success. We enable informed decision-making by delivering comprehensive insights into price, promotion, store, and SKU-level sales detail. This provides the precise data you need when you need it.

Let us help you unlock your growth potential and achieve retail success.

Template Areas and Topics

Category Management

- Category Rankings/Overviews
- Assortment Optimization
- Market Benchmarks
- Private Label Growth and Share
- Voids and Placement Opportunities
- Planogram Compliance and Optimization
- DSD, Fresh, Center Store

- Omni Channel Comparison
- Affinity Analysis
- Category Role
- Consumer Adoption
- Pricing Effectiveness
- Product Segmentations
- Sales and Profit Per Selling Space

*Category Management Knowledge Group (CMKG)

Template Areas and Topics, cont.

Supply Chain

- Supplier and Store Collaboration Portals
- On-Time and In Full
- Alerting for Overstock and At-Risk
- Purchasing and Receipts
- Inventory Adjustments
- Warehouse Purchasing and Withdrawals
- Out-of-Stock and Sub Impact on Customer
- Vendor and Warehouse Fill Rate Comparison
- Supplier Benchmarking

Store Operations

- Peer Group Benchmarking
- Purchasing and Receipts
- Cashier Voids, Overrides, Over/Shorts
- Payroll Analysis, Labor vs. Sales
- Shrink and Waste Management
- Value-Added Product Management
- Operating Costs and Budgets
- Sales Gains and Losses

Finance

- P&L by Company, Store, Category, Vendor
- Sales and Margin Variance Analysis
- Budgets and Forecasting
- Accrual Tracking
- Comp and New Store Sales and Trends

Advertising and Merchandising

- Shopper Segmentation and Insights
- Complex Coupons and Deals
- Promotion and Deal Optimization
- Loyalty Program Effectiveness

Defining Exception Criteria

Our business analysts carefully review your data and establish exception criteria for common industry scenarios. This ensures that our system is pre-defined and pre-checked to identify and address potential issues accurately.

During setup, we provide adjustments based on your specific business rules. This customization ensures the system perfectly aligns with your unique requirements and objectives.

Addressing Key Areas of Focus

We cover various critical aspects, including:

- Voids and Out of Stocks
- Missed Placement Opportunities
- Inventory Overs and Shorts
- At-Risk Inventory
- Under-performing Products
- Accruals and Deal Spend Tracking

Supplier and Store Collaboration Portals

Secure portals allow you to collaborate with your suppliers on Inventory and Category Management issues. Suppliers can gain visibility to measure revenue opportunities, assess impacts of out-of-stocks, and identify consistently underperforming products in Fill Rates.

1. Drill into vendors and identify which products are not meeting demand.

2. Gain insights into the true revenue impacts of out-of-stocks down to the SKU level.

3. Analyze vendor data to identify products that are not meeting demand.

4. The Fill Rate % of this Purchase Order is concerning. You can investigate which SKUs are falling short.

5. 90 Units of Peter Pan Honey Roasted Peanut Butter were ordered, but none was received.

6. Although this item is also peanut butter, the full order was not received. The vendor needs to be promptly contacted to arrange a substitution.

Use Case 1

Pricing Effectiveness and Analysis
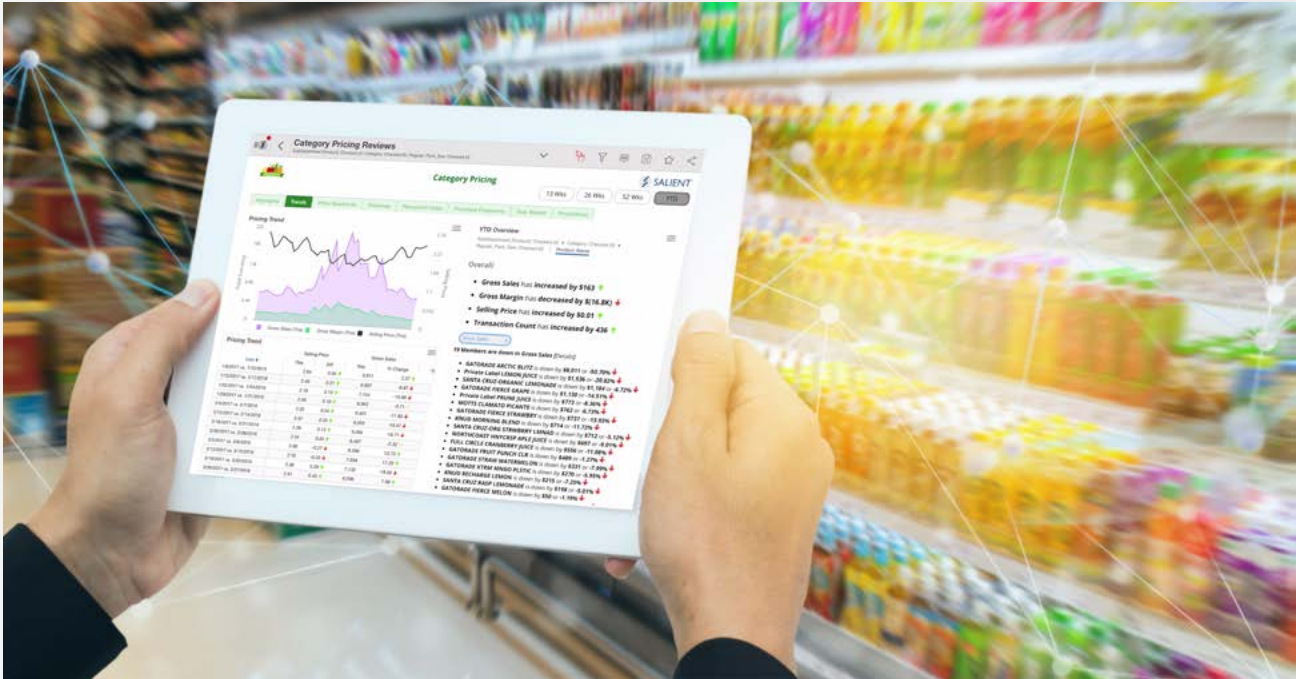
Salient offers a wide range of pre-set insights to measure the effectiveness of your pricing strategy and evaluate its alignment with your objectives. Our industry experts have developed prepackaged best practice templates in the following areas:

- Promotions and Price Analysis
- Pricing Ranges and Outliers
- Price Change Impact and Elasticity
- Sales and Margin Variances Impacted by Price Changes
- Competitor Price Comparisons

With our tools, you can determine the effectiveness of your pricing strategies by analyzing category and item trends. Compare and measure results across multiple pricing events and closely monitor sales, margins, and prices over any selected period.

Use Case 2

Elasticity of Demand and Temporary Price Reduction

1 **Focus on a margin-driving product** - in this case, a poultry supplier.

2 **Highlight specific timeframes** and use annotations directly on the trend charts to call out pricing events and provide context on causes and results.

3 **Generate automated descriptions** of findings and enable business analysts to provide write-ups of their own findings, along with annotations directly in charting.

3 **Automated Summary of Findings:**
- Sales are up for this product by 7% year-over-year. The category overall is up by 5% against last year.
- "County Post Chicken Leg Quarters" has had three price increases since the last week of March, with the overall price raised from approx. $5.80 to $7.60.
- The price point has stayed below $6.00 for a 10-month strength from August of last year until June of this year.
- Gross Margin is up by almost 50% against last year.

Example Net Findings:
A steady EDLP shows much greater potential for driving both volume and profit vs. the high-low pricing of the prior year. Although the current price point of $7.58 is dragging down total margins due to dips in volume.

Business Review Suggestions:
Current margins are thin for this product, yet we recommend continuing with an EDLP. We suggest a price decrease of $1.00 for further improvement, bringing the price point down to around $6.60. An extended timeframe at this price point is worth testing to help boost sales numbers which may have a greater sustaining positive impact on margin as a result compared to the current price range.

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Use Case 3

Optimizing Assortments to Lift Overall Basket Size

In this analysis, you can evaluate SKUs to identify the key growth drivers in average overall basket sizes (calculated as the average transaction total dollar amount when the item is present in the basket).

1 The **Bread/Pastry Category** features several items that significantly contribute to the overall increase in basket size.

2 Notably, **Oroweat Potato Bread, Dave's Killer Bread, and Sun-Maid Raisin Bread** exhibit average basket sizes surpassing the category's average of $72.58.

3 While some items fall below the category's average basket size, a few significantly lower ones negatively impact the category's performance. The category manager can consider excluding or substituting items like **Big Horn Whole Wheat ($49.28) and Franz Honey Oat & Nut Bread ($52.25)** to address this.

Use Case 4

Market Category Benchmarking

Benchmarking a retailer's performance against the market allows them to identify areas where they may fall short of their peers. This insight assists retailers in pinpointing specific areas for improvement and making necessary changes to their strategy. These changes may include adjusting the product mix, pricing, or promotions to remain competitive.

Benchmarks also help retailers set realistic performance goals. Understanding the market average for a specific category enables retailers to establish achievable targets and track their progress toward

them. This approach helps retailers focus on attainable goals and avoid unrealistic expectations that could harm their business.

Additionally, benchmarking performance across different store locations or competitor markets helps retailers identify market trends and customer preferences in various regions. Retailers can then tailor their product offerings and marketing strategies to better meet customers' needs in specific regions, driving revenue and profit growth.

1 In **Beverages**, we are lagging at 4% growth when the category grew at 11%.

**2** But in the **Frozen Food category**, our growth rate of about 15% is equal to the market rate.

Use Case 5

Omni-Channel Tracking

To enhance your omnichannel strategy, evaluate the sales performance across different channels, including brick and mortar and various digital channels such as delivery, curbside, and third party shoppers. Gain insights by examining key metrics and trends, such as Gross Sales, Average Basket Size, and Share of Total Sales by Channel, across any desired time period. Measure the performance of each Channel by Store Location, Banner, Department, and Category to identify the products that contribute significantly to growth or loss in each respective area.

1 **Sales are up** on Mobile and In-Store but down on the Website. Let's analyze this store to identify which Departments and Categories are dropping. By diving deeper into the data, we can pinpoint opportunities and develop targeted strategies to reverse the decline in sales.

2 **Let's view the overall performance of each channel.** You can delve deeper into specific aspects such as Store, Department, Category, and SKU.

3 **Sales are down** at Store 19. Let's investigate further to find out why.
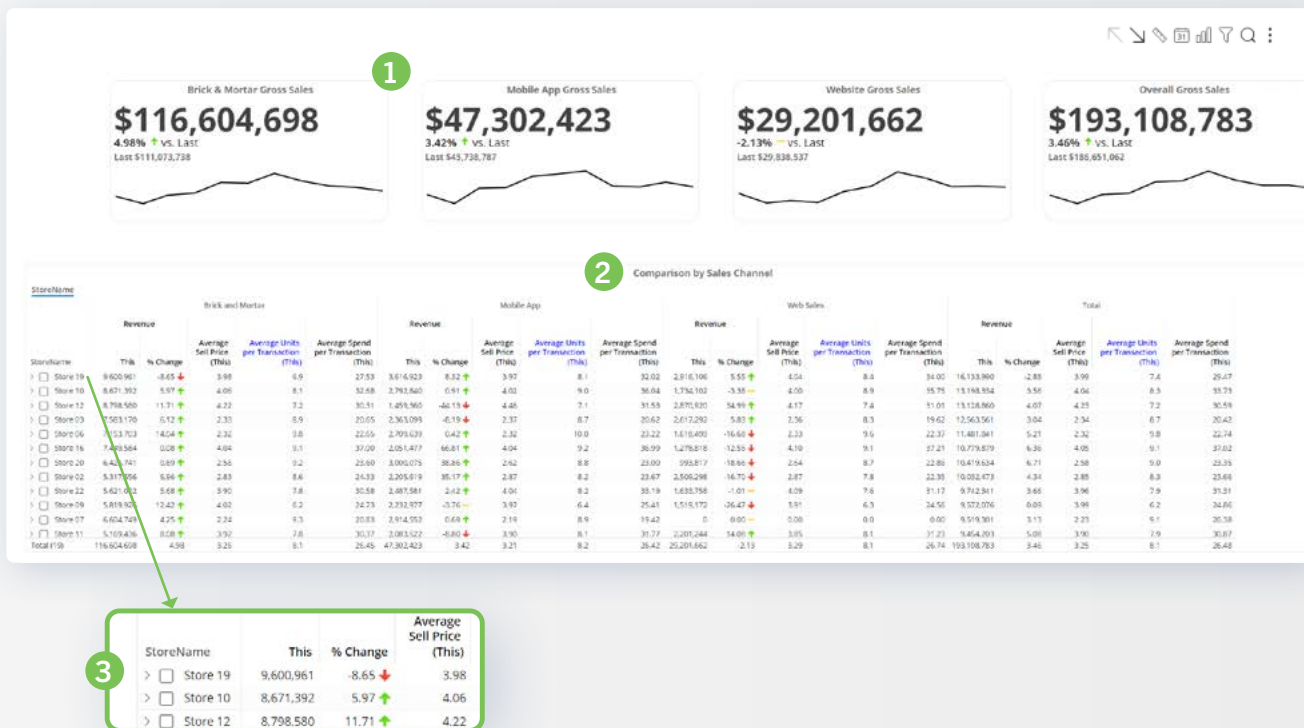
Use Case 6

Placement Voids on Top Selling Items

Salient designs templates to help teams identify what's boosting category sales to ensure all stores are benefiting from products with strong demand. In the first example, you can easily pick any product and store combination to identify missed sales opportunities caused by top-selling items not being stocked. In the second example, you can select any product that sells well and drill down to store level, uncovering any stocking issues that might impact sales performance.

① Determine which stores aren't selling top-selling products and assess the performance of your own custom groupings of complementary products to **identify cross-selling opportunities**.

Item Level Void Identification Trends

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② Quickly spot recurring voids and significant gaps in sales of top-selling items within the Category to **determine stocking issues** at the shelf or with the supplier.

Use Case 7

Inflation and Fluctuation Impacts Analysis

Salient offers comprehensive assistance in measuring not only the extent of your margin fluctuations but also delving into the "WHY" behind them. We provide detailed insights into the precise impact of each factor on your margin, including price, cost, and demand components. Our "cause-of-change" reporting makes it easy to understand why margins are up or down.

1 Delve deeper into a category to product and store levels to **identify items and stores that are taking a hit in profits** due to changes in costs, pricing, and volume.

2 **Margins for sports drinks decreased** by over $65,000. What role did cost, price, and demand play in this decline?

3 **Price decreases** caused a $42,000 reduction in margin growth, and the drop in demand further impacted this significant margin loss.

Use Case 8

Out-of-Stock Analysis

With our Out-of-Stock study of your business process and available data, metrics and exception tests are configured to help managers identify high-impact opportunities and be pro-active.

(1) View the amount of revenue missed caused by out-of-stock events, the number of days a product has been out of stock, the shelf availability rate, and the number of affected customers. This information can be viewed at both the category and item level.

(2) Highlighted cells show days where no revenue was generated due to an out-of-stock event at the warehouse.
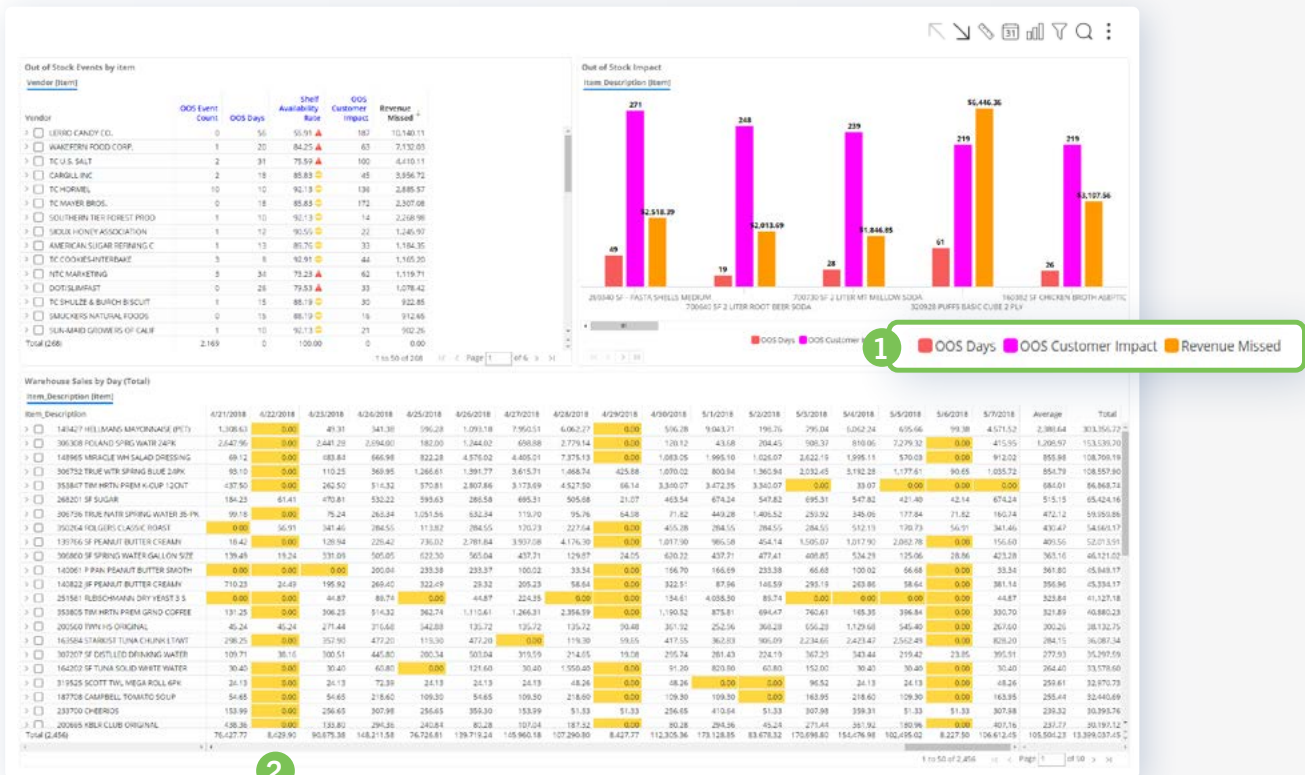
Use Case 9

Shopper Segmentation and Insights

Shopper segmentation is a powerful strategy for leveraging valuable shopper insights. By categorizing a retailer's existing customers based on their behavior and preferences, shopper segmentation enables personalized marketing efforts tailored to each group's individual needs.

This targeted approach increases marketing effectiveness and drives higher profitability. For instance, retailers can segment shoppers based on purchase behavior, including shopping frequency and product preferences. This allows them to design segment-specific marketing strategies, such as personalized promotions and product recommendations. As a result, retailers can foster stronger relationships with their customers, enhance customer loyalty, and ultimately boost sales and profitability.

1 If you can match shopper segmentation data to your point of sale (POS) transactions, then **Salient** can enable easy drill-down into groups. In this Variety Seekers example, you can identify how well that group of consumers is being served by each sub-category.
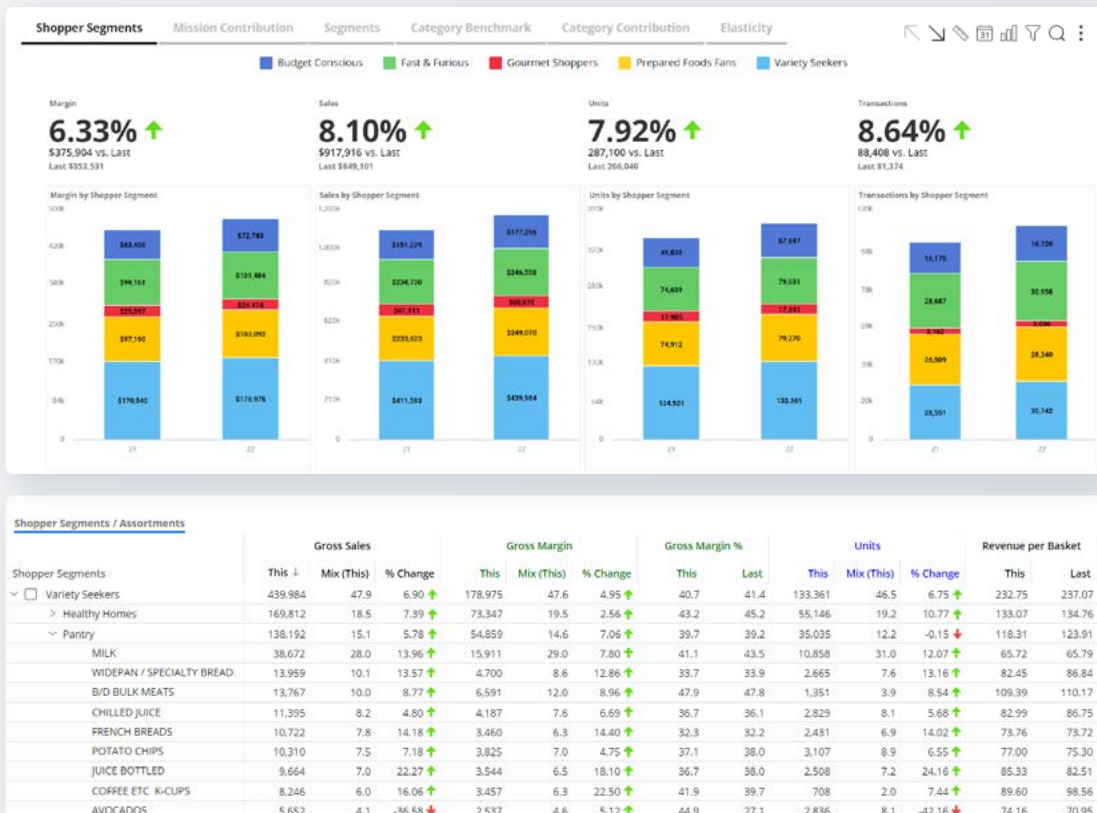
Forecasts and Budgets vs. Actuals

Merge your forecasted and actual data, along with benchmarks or other comparative information, to analyze variances at the store and SKU level. You can identify changes over time as orders are finalized by capturing multiple versions or scenarios of the plan and forecast data. This allows you to track and analyze the differences between your projected and actual outcomes, helping you gain valuable insights into your performance and make informed decisions.
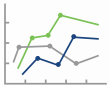
Easily monitor performance against Forecasts or targets down to Store and Department or more detailed levels of business performance.

Forecast vs Actual

↑ Date	Gross Sales	Forecast POS Sales	Gross Margin	Forecast POS Net Margin	Diff (Forecast POS Net Margin[This vs Forecast])	% Change (Forecast POS Net Margin[This vs Forecast])
01/2017	16,713,289	15,153,183	6,024,767	4,269,779	1,754,988	41.10
02/2017	15,364,409	14,317,624	5,535,709	4,044,485	1,491,225	36.87
03/2017	16,837,945	15,669,728	6,209,888	4,418,375	1,791,513	40.55
04/2017	17,043,420	15,732,524	6,430,066	4,418,116	2,011,950	45.54
05/2017	18,902,670	16,713,538	7,114,140	4,702,480	2,411,660	51.28
06/2017	19,128,047	17,020,690	6,951,894	4,795,798	2,156,095	44.96
Total	103,989,779	94,607,288	38,266,465	26,649,033	11,617,432	43.59

Scenario Modeling

Run what-if scenarios to determine how much to offset supplier price increases, monitor elasticity changes and project margin after swings in price and demand.

Industry-Tailored Custom Visuals

Create any possible perspective of business performance

We understand that every business is unique. That's why we offer the flexibility to customize our existing industry templates to align with your specific needs and requirements. Here are a few examples of the custom templates we have developed for our retail clients:

① **View your stores** (or SKUs, categories, vendors, and more) in bubble quadrants to identify members that are performing below the average. This example shows the Volume vs. Price and Margin performance among Stores in a Frozen Foods Category. Store 19 stands out with above-average Volume and Price with a considerable Margin. Drill into the details to uncover which items drive this store's success and explore further.

② **View department performance** in a Heatmap by Store. In this example, all departments show positive growth in sales, indicated by the gauges across the top row. The heatmap provides a more detailed view and highlights significant drops within specific stores. Store 19 is experiencing a significant loss in sales in the Produce Department. Let's drill into that further and compare items.

③ We've drilled into Store 19 and can immediately see that a number of items are down in sales in the Produce Department. We can see how volume, transaction counts, and margin are also impacted and then **determine adjustments in our pricing** and assortment at this store.
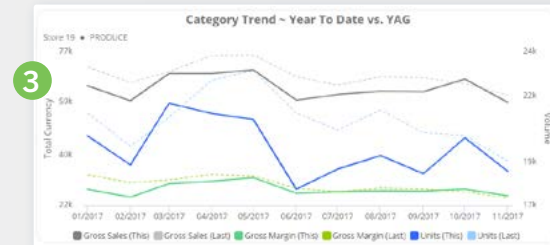
④ **Automated language** generates a concise description of changes in overall performance, providing insights into the top items, stores, categories, and more that have experienced significant gains or losses. By adjusting your filters and timeframes, you can further refine the analysis and regroup the Members based on their performance. The automated language adapts dynamically to your specific context, ensuring that the information remains up-to-date and relevant.
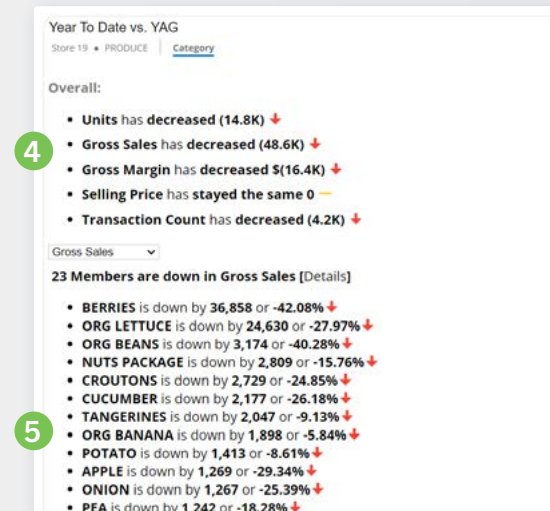
⑤ **Select your metric** from the dropdown menu, and the ranked lists of Gains and Losses will update accordingly.

Effective Data-Driven Performance Across CPG, Retail, and Healthcare

Salient transforms complex data into actionable insights using industry-specific analytical solutions. **Salient's** solutions are more than just products – they are comprehensive, industry-specific packages designed to drive continuous performance improvement.

Our Solutions

Salient's comprehensive retail solutions are designed to tackle the specific obstacles chain store retailers face. Harness the power of POS data, cost information, e-commerce insights, and labor metrics to enhance operations and decision-making. Optimize pricing, track inventory, and leverage supplier portals effectively. Ideal for grocery, food service, and other retail sectors. Here's how:

- Out-of-Stocks tracking/predictions
- Supplier portals
- Pricing optimization

Our Platform

Salient has engineered an innovative platform that revolutionizes data-driven decision-making. Our solution transforms complicated data into user-friendly information, empowering swift, informed decisions. Here's how:

- Combine data without pre-summarization
- Comprehensive data and user management utilities
- Leverage across desktop, web, or mobile devices
- Flexible deployment provides a scalable platform for future growth

Our Technology

Salient seamlessly integrates with your existing systems, tapping into your databases to unlock the full potential of your data. The **Salient** high-speed query server retrieves detailed, unsummarized transaction data, aligning it with off-invoice supplier funding, financial allocations, labor databases, and cost tables. This comprehensive analysis empowers you to conduct root cause analysis and gain valuable insights into performance rapidly and efficiently. Here's how:

- Scales to billions of unsummarized detailed sales transactions
- Runs on standard Windows commodity Servers
- Flexible management options: on-premise or self-hosted with **Salient** remote managed services
- Hosted and fully managed by **Salient** on your choice of MS Azure or AWS with pass-thru pricing on the hardware hosting charges

Example Salient Retail Clients

Salient continues to work as a trusted business partner with retail companies including:

Analysis-as-a-Service

Salient helps address your business's specific analytical challenges in areas such as category management, inventory management, and other key business processes. We offer customized solutions that enhance the capabilities of our base product to address your unique needs.

Our team can undertake projects based on your specific data requirements and parameters, providing tailored insights for a monthly fee. Additionally, we offer analytical studies conducted by our consultants, providing an external perspective on your business performance for a similar fee. In the retail industry, some of our most sought-after custom insights include:

• Space Optimization/Best Product Mix
• Benchmark Analysis
• Competitor Sales Comparisons
• Voids and Out of Stock Exceptions/Alerts
• Supplier and In-Store Reviews
• Private Label Growth and Share

SALIENT®

Interested in how **Salient** can improve your company's sales and profitability?

Schedule an exploratory call so we can learn about your unique needs.

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