



5 WAYS FLOW-OF-GOODS ANALYTICS CAN MAXIMIZE RETAIL SALES

Atheon Analytics and Snowflake share how flow-of-goods analytics help suppliers work with retailers to optimize availability and maximize sales.



CHAMPION GUIDES

EBOOK

TABLE OF CONTENTS

- 3** Introduction
- 4** What Are Flow-of-Goods Analytics?
- 5** How Attheon's SKUtrak Works
- 6** How Snowflake Enables Elasticity, Self-Management, and Data Sharing
- 7** #1: Eliminate the Waste/Availability Seesaw
- 8** #2: Ensure Stock Availability During New-Product Promotions
- 9** #3: Achieve Granular Insights
- 10** #4: Forecast and Better Prepare for Unpredictability
- 11** #5: Develop a Trusted Relationship Between Supplier and Retailer
- 12** Conclusion
- 13** About Attheon Analytics
- 13** About Snowflake

INTRODUCTION

Suppliers constantly struggle with the challenge of having the right amount of stock to meet retail demand. Overstock means having unsold products, leading to revenue loss through markdown or scrap. Understock means potentially losing shoppers to a competitor. The gold standard in the grocery retail industry is to achieve more than 98% availability of goods and less than 2% waste.

Flow-of-goods analytics can help suppliers reach this goal, examining every phase of a product through the supply chain, ensuring that the right product is in the right place at the right time. Companies that implement flow-of-goods analytics can optimize the availability of their stock and maximize sales.

Snowflake partner Atheon Analytics provides advanced flow-of-goods analytics services to the grocery retail and consumer goods sectors in the United Kingdom. Using Snowflake Cloud Data Platform, Atheon's SKUtrak helps fast-moving consumer goods (FMCG) suppliers and retailers make data-driven decisions. This ebook will explore five ways flow-of-goods analytics can benefit the retail sector, and how grocery suppliers as well as retailers have achieved success with Snowflake and Atheon's SKUtrak.

WHAT ARE FLOW-OF-GOODS ANALYTICS?

Traditionally, suppliers of retail products have had various teams that manage different parts of the business. Account management teams handle sales and oversee commercial relationships with retailers. Supply chain teams work with sales forecasts, determine how products are moving in the supply chain, check stocks, and handle retail orders. Finance teams manage billing and payments. Each team or unit works independently and generates its own data.

Meanwhile, retailers to whom suppliers sell products generate their own data to answer the following questions: How are the products selling, and how much of the supplier's stock is in inventory? Each of the supply teams calls up the retailer reports, which are often in spreadsheet format, and analyse the information for their own specific needs.

Instead of looking at all of these reports independently, flow-of-goods analytics enable a supplier to connect the supply chain with sales and gain better insights into how product stock is meeting shopper demand. Flow-of-goods analytics follow how a product moves through the supply chain, and provide insights at every touchpoint, from order into depot, to sales out to customers.



HOW ATHEON'S SKUTRAK WORKS

In the grocery retail industry, to achieve business insights from all the spreadsheets they create and receive from their buyers, most suppliers wrestle with the data and build more spreadsheets. A small number try to create an in-house analytical solution, which involves significant time and resources.

Atheon's SKUtrak is the United Kingdom's leading grocery flow-of-goods reporting and analytics platform providing daily data management, alerting, and analysis to over 1,500 supermarket suppliers. SKUtrak collects freely available data from major UK supermarkets on product performance from sales and supply chain data. It then connects discrete data points that are generated as products move through the supply chain, creating a signal that tells how supply is meeting demand.

Undersupply results in lost sales through availability gaps, and oversupply results in waste through excess inventory. Optimal supply matches demand, and enables suppliers to place the right product in the right place at the right time. The need for markdowns and waste is decreased, as is the risk of consumers not finding what they want and switching to a competitor's product.

SKUtrak is a visual tool that brings all the relevant information together in easily accessible and comprehensible real-time dashboards. Data on supply chain, stock availability, delivery, and sales is part of one big picture. Through visualising data, suppliers and retailers can explore regular patterns and anomalies to identify opportunities for improvement across the entire grocery supply chain.

FLOW-OF-GOODS



FIGURE 1: Visualising flow-of-goods analytics

HOW SNOWFLAKE ENABLES ELASTICITY, SELF-MANAGEMENT, AND DATA SHARING

Snowflake powers Attheon's SKUtrak SaaS platform, enabling it to manage and share large data sets in real time while offering elasticity for peak periods of activity. The data warehouse component of Snowflake enables SKUtrak to scale compute and storage according to demand. SKUtrak can scale up processes with Snowflake during peak periods, and then dial them down during lower periods of activity, all automatically. This elasticity is a major driver of performance while also being cost-effective. And since Snowflake is self-managed and automated, Attheon doesn't have to spend time and resources to manage the database.

Snowflake also powers Attheon's SKUtrak DataShare solution, a new revenue stream for the company. SKUtrak DataShare provides suppliers with SKUtrak's cleansed, matched, and curated data so they can feed it into their own systems and generate insights and reports on areas such as revenue tracking and stock planning. The data is delivered in a secure, consistent, cleaned daily feed, with up-to-date daily SKU-level data and custom views that can be exported. The data also stays in one place, which means that suppliers can get secure access without having to move the data. SKUtrak DataShare removes the pain of having to collect and manipulate the data, providing one source of automatically collected data prematched with product codes, descriptions, and categories. Snowflake Secure Data Sharing enables SKUtrak DataShare's automation and instant access to data.



#1 ELIMINATE THE WASTE / AVAILABILITY SEESAW

The first benefit of flow-of-goods analytics for the retail sector is achieving a consistent, reliable balance between flow of goods and sales. Currently, a fifth of all the food that is produced in Europe, or 88 million tonnes a year, becomes waste. In the grocery industry, waste has a significant effect on the bottom line. Suppliers in every retail subsector have a significant amount of overstock that goes unsold or needs to be sold at a major discount, resulting in a loss of revenue. Apparel, household goods, and electronics supply companies can lose billions of euros in excess products. Often, suppliers get caught on the waste/availability seesaw: They have too much product on shelves, and then they pull back, resulting in having too little for demand. Instead of constantly teetering between excess and shortage, the goal is to have the right product in the right place at the right time.

With flow-of-goods analytics, suppliers can use both historical and real-time sales data to make better decisions about the supply chain. SKUtrak automates the daily collection of data and presents it using interactive visual analytics, allowing users to understand how products are selling. By gaining better insight into sales, suppliers can then make interventions into their supply chain to improve on-shelf availability.

Snowflake's elastic scalability guarantees that SKUtrak will be able to scale up and down, depending on system demand. Many suppliers log on Monday morning to run their analytics; with the flexibility and self-management of Snowflake's cloud data platform, Atheon can ensure they will be able to do so without performance lags or the need for manual intervention.



#2 ENSURE STOCK AVAILABILITY DURING NEW-PRODUCT PROMOTIONS

Suppose a supplier's sales department launches a promotion campaign for a new product. Thanks to social media advertising, online and mobile coupons, television spots, and an unforeseen shout-out on a celebrity's Instagram account, sales go through the roof. However, the supply chain managers didn't see the demand coming, and inventory hasn't kept up with demand. Shoppers eagerly look for the product at the store, only to be told there isn't any left.

Forecasting demand for a new product is extremely difficult. Flow-of-goods analytics help suppliers understand how previous promotions have worked. With increased visibility into how a product performed based on region or season, suppliers can shift inventories accordingly. They can also fill previous gaps using data on availability, sales, and depots.

SKUtrak provides maps that show areas of availability problems, and graphs that illuminate how products perform during particular time periods. SKUtrak DataShare, powered by Snowflake, enables suppliers to drill down into specific raw data regarding the new product and execute better stock planning for new products.



#3 ACHIEVE GRANULAR INSIGHTS

Suppliers and retailers have to make a number of decisions when they release products: Which stores should they supply? Will certain sizes, colours, or flavours be better in a certain region or time of the year? These decisions can spell the difference between profit and loss.

Flow-of-goods analytics enable brands to make decisions based on granular data and insights into product sales and inventory and also show how the product sells over its lifecycle. For example, retailers can get better insight into how “fast fashion” apparel, which can have a six-week lifecycle, sells in week one versus week six. Based on real-time and historical data, they can alter their production and inventory levels accordingly. The same applies to products with a longer life cycle, such as smartphones and home appliances.

SKUtrak provides insights on granular data in easy-to-read graphs that can be animated to show change over time or location. Rather than offer a general idea of how a product is doing based on average sales at a retailer, it can analyse details that will facilitate smarter decisions. SKUtrak can reveal that a gourmet bread does better in stores in urban areas versus rural, for example, enabling the retailer to change quantities and shipment intervals to each store. And with SKUtrak DataShare, powered by Snowflake Secure Data Sharing, suppliers can access the raw SKU data and feed it into their own reporting system to analyse it with as much specificity as needed.



#4 FORECAST AND BETTER PREPARE FOR UNPREDICTABILITY

Economic fluctuations and crises can happen at any moment, leading to make-or-break moments for retailers and suppliers in every industry. Historical data and forecasts that suppliers rely on to manage their supply chains provide little-to-no help during these periods. At these times, suppliers don't have a lot of time to spend on manually collecting, processing, and analysing data to make the next best decision.

What does help is having visibility into what's happening in detail at stores on a daily basis, as enabled by flow-of-goods analytics. An automated system that provides reliable, up-to-date analytics on daily fluctuations in sales, stock, delivery, and order information enables suppliers to react quickly and make better supply chain decisions. This results in reduced stockholding, less waste, and better on-shelf availability.

With SKUtrak and Snowflake, suppliers have fast access to large, detailed data sets, and they can react quickly to demand increases. SKUtrak's automatic, secure, and robust daily data collection also replaces manual data processes, saving time and resources and reducing the risk of erroneous or missed information.

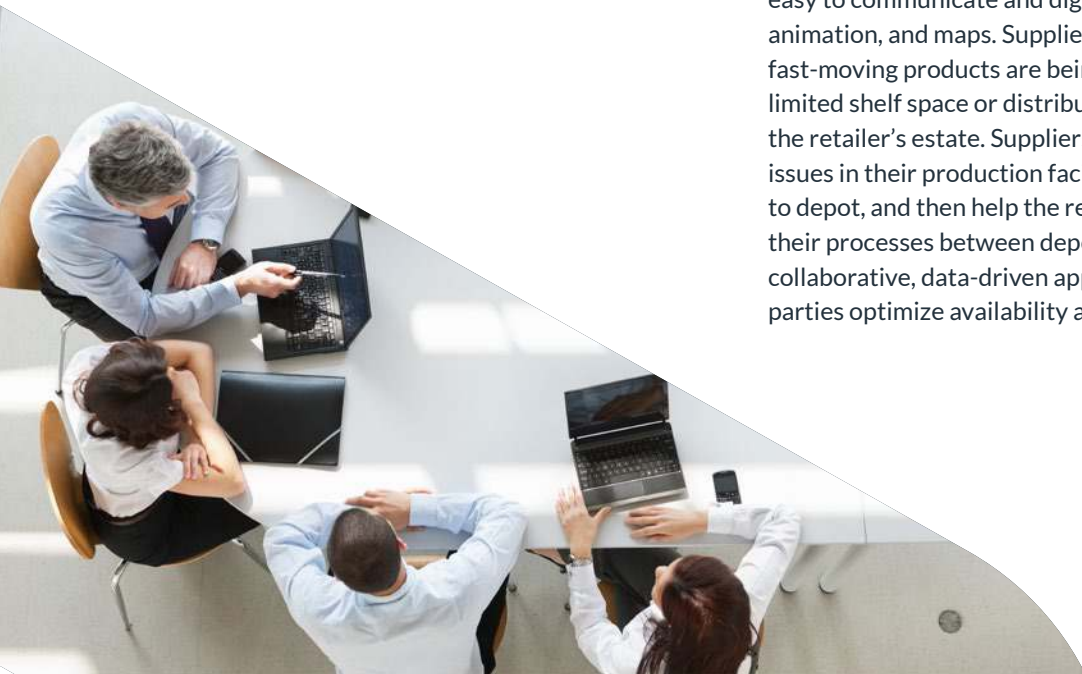


#5 DEVELOP A TRUSTED RELATIONSHIP BETWEEN SUPPLIER AND RETAILER

The flow of information on product inventory and sales usually goes one way: from retailer to supplier. Suppliers often provide retailers with service-level reports. (“Did I deliver exactly what the retailer ordered?”) But these reports can be easily manipulated, don’t show the impact on the shopper, and do not improve shelf availability.

With flow-of-goods analytics, suppliers have access to valuable information from factory dispatch to point of sale that they can easily communicate to retailers, building a strong win-win partnership. This data allows suppliers to actively look for and solve potential stock-out issues before they happen, while also collaborating with the retailer to move depot stock or increase order volumes as required. Suppliers can use these analytics to build better relationships with retailers, becoming a trusted partner, increasing sales, and negotiating better terms.

SKUtrak provides actionable insights that are easy to communicate and digest through charts, animation, and maps. Suppliers can show how fast-moving products are being hampered by limited shelf space or distribution points across the retailer’s estate. Suppliers can rectify these issues in their production facility and deliveries to depot, and then help the retailer with their processes between depot to store. This collaborative, data-driven approach helps both parties optimize availability and maximize sales.



CONCLUSION

Today's suppliers and retailers need to harness the power of the cloud and the capability of advanced business analytics to deliver deeper insights and enable data-driven decision-making.

With flow-of-goods analytics, suppliers can decrease waste while increasing availability, ensure they meet shopper demands, achieve granular insights from factory to point of sale, better prepare for unpredictable events, and develop strong business relationships with retail partners. Atheon's SKUtrak and SKUtrak DataShare, powered by Snowflake Secure Data Sharing, give suppliers valuable access to granular flow-of-goods data so they can run their own analyses on constantly updated data sets. Atheon Analytics and Snowflake enable FMCG suppliers and retailers to realise the value of data for better business outcomes.



ABOUT ATHEON ANALYTICS

Atheon Analytics, formed in 2005, provides award-winning visual analytics insight tools to the grocery retail and consumer goods sectors. Its SKUtrak service is the UK's leading grocery flow-of-goods tracker for FMCG suppliers, with over 1,500 customers using SKUtrak to monitor sales, service, and stock levels daily across the UK's major grocers.

ABOUT SNOWFLAKE

Snowflake Cloud Data Platform shatters the barriers that prevent organizations from unleashing the true value from their data. Thousands of customers deploy Snowflake to advance their businesses beyond what was once possible by deriving all the insights from all their data by all their business users. Snowflake equips organisations with a single, integrated platform that offers the only data warehouse built for any cloud; instant, secure, and governed access to their entire network of data; and a core architecture to enable many other types of data workloads, including a single platform for developing modern data applications. Snowflake: Data without limits. Find out more at [snowflake.com](https://www.snowflake.com)

