PANDORA

Pandora optimizes inventory levels with AllocateSmart

OPPORTUNITY

Pandora has 1200+ retail stores present across U.S and sells over 10M SKUs in a year. With more than 10,000 active products at any time of the year and new releases hitting the market almost every month, keeping track of the ever changing trends, and taking replenishment decisions proved to be cumbersome for the allocators.

The existing allocation process was highly dependant on the allocator's experience and instinct. The information required for making allocation decisions was spread across discrete sources that necessitated huge manual efforts in their integration, consuming a fair share of time and effort of the allocators. Additionally, the allocator had to go through multiple business nuances to arrive at the replenishment quantities, making the process highly error-prone.

The process failed to identify key value items that resulted in inaccurate allocations, with high lost opportunity (understocking/stockout) as well as stuck capital, due to overstocking of low selling products across stores.

> " By replacing excel with AllocateSmart we were able to ensure that across our 1200+ stores, we were optimizing inventory investments by stocking the top products with enough inventory and decreasing the WOS on our C products, thus minimizing lost sales and decreasing the level of clearance seen in prior years. Leveraging AI allowed us to pinpoint anomalies across stores and take advantage of location specific trends.
>
> - Head of Merchandising "

ACTION

Pandora implemented Impact Analytics' AllocateSmart- a one stop solution for all the inventory information, driving faster and accurate allocation decisions. Backed by an ensemble of machine learning algorithms, the product can forecast with high precision, at a store – SKU level, even during volatile times. The tool is automated, requiring minimal human effort, while still allowing exception handling to generate allocation & replenishment recommendations at a store-SKU level. It's inbuilt product grading helps identify key value items, resulting in optimum use of capital. New product launches used AI based similarity mapping to ensure accurate forecasting from the beginning of the product life cyle.

OUTCOME

With this SaaS solution, Pandora was able to do away with their manual and tedious allocation process. AllocateSmart enabled them to take margin accretive inventory decisions and go from reactive to proactive, while the various reports helped them monitor any anomalies and report out the business.

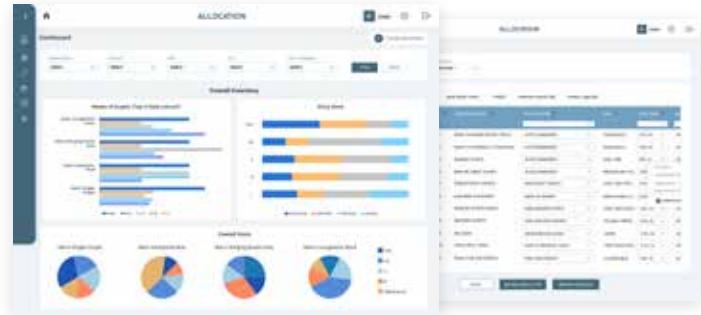**5000**
SKUs allocated in one go using the IRT

5mins
to allocate 100 SKUs vs 1 min to allocate 1 SKU

~50%
drop in Weeks of Supply, due to optimal stocking across grades

WHAT'S NEXT?

Impact Analytics' AllocateSmart, is powered by a forecasting engine that factors in all the relevant demand driving variables, both internal and external. The solution can be scaled up to include the impact of competitive pricing on new product launches.