



## ***Achieving Operational Excellence:***

**Transform the Supply Chain and  
Leverage Enabling Technology**

**Project Retek**

**AAFES**



# Agenda

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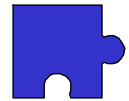
- **Oracle Retail and AAFES**
- **Oracle Retail Modules**
- **Project Retek Timeline**
- **Wave 2 Functionality & Impact**
  - ◆ **Advanced Inventory Planning (AIP)**
  - ◆ **Centralized Replenishment**
  - ◆ **Direct Store Delivery (DSD)**
- **How Can YOU Help?**
- **Questions**



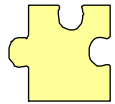
# ***Why Oracle Retail for AAFES?***

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## **Leveraging Enabling Technology**



**Commercial Off the Shelf Package**



**Best Retail Industry Practices in Supply Chain Management**



**Better Business Decision Making**



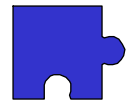
**Integrated Solution**



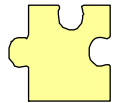
# ***How Does Oracle Retail Affect AAFES?***

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## **Transforming the Supply Chain**



**Pricing Tool**



**Centralized Buying & Replenishment**



**Inventory Visibility**



**Integrated DC and Store Operations**

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# ***Top Retailers Use Oracle Retail***

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- **NEXCOM**
- **GAP**
- **Ross Dress for Less**
- **Toys R Us**
- **Walgreens**
- **Kohl's**
- **Best Buy**
- **Circuit City**
- **Office Depot**
- **Michael's**
- **Longs Drugs**
- **Nordstrom**
- **Pier 1 Imports**
- **Williams-Sonoma**
- **Barnes & Noble**
- **Family Dollar**
- **Tesco (UK)**
- **Wal-Mart.com**
- **Borders**
- **Radio Shack**



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# Oracle Retail Modules

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- ✓ Merchandising System
  - ✓ Price Management
  - ✓ Demand Forecasting
  - ✓ Sales Audit
  - ✓ Data Warehouse
  - ✓ Advanced Inventory Planning
  - Allocation
  - Supply Chain Optimization
  - Active Retail Intelligence
- ✓ = *released/implemented*



# Oracle Retail Functionality At a Glance

<b>Perpetual Inventory Control</b> <ul style="list-style-type: none"><li>• Perpetual Inventory</li><li>• Stock Counts</li><li>• Transfers &amp; RTV's</li></ul>	
<b>Advanced Inventory Management</b> <ul style="list-style-type: none"><li>• Automated Replenishment (Warehouse and Store Orders)</li></ul>	
<b>Purchasing</b> <ul style="list-style-type: none"><li>• PO Management</li><li>• Deals Management</li></ul>	
<b>Pricing</b> <ul style="list-style-type: none"><li>• Regular &amp; Promotion Pricing</li><li>• Clearance Execution</li></ul>	<b>Cost Management</b> <ul style="list-style-type: none"><li>• Base Cost</li><li>• Adjustments to Cost</li></ul>
<b>Foundation Data</b> <ul style="list-style-type: none"><li>• Item Master</li><li>• Vendor Master</li><li>• Attributes &amp; Groups Tools</li><li>• Organization Hierarchy</li><li>• Merchandise Hierarchy</li></ul>	

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# Project Retek Timeline

November 2004	July 2005	April 2006	October 2006	December 2007
<b>Wave 0</b>		<b>Wave 1A</b>		<b>Wave 1B</b>
<b>Wave 0</b>		<b>Wave 1A</b>		<b>Wave 2</b>
<ul style="list-style-type: none"> <li>•Early Inventory Optimization</li> </ul>	<ul style="list-style-type: none"> <li>•Merchandising System</li> <li>•Organizational Hierarchy</li> <li>•Merchandise Hierarchy</li> <li>•Cost Change Management</li> <li>•Supplier</li> <li>•Item</li> <li>•Initial Price</li> <li>•Initial Cost</li> <li>•Price Change Management</li> </ul>	<b>Path I</b> <ul style="list-style-type: none"> <li>•Demand Forecasting</li> <li>•Data Warehouse</li> <li>•Sales Audit</li> </ul>	<b>Path II</b> <ul style="list-style-type: none"> <li>•Manual Purchase Order</li> <li>•Deals Management</li> <li>•Direct Store Delivery</li> </ul>	<ul style="list-style-type: none"> <li>•Advanced Inventory Planning (April 2007)</li> <li>•Clearance / Competitive / Promotional Pricing</li> <li>•Inventory Management</li> <li>•Allocation</li> <li>•Replenishment</li> <li>•Demand Forecasting (Sales)</li> <li>•Supply Chain Optimization</li> <li>•Analytical Reporting</li> <li>•Active Retail Intelligence</li> </ul>

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# Wave 1A (July 2005)

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- **Merchandise/Item Data – *Merchandising System***
  - ◆ Item data is the foundation upon which all Oracle Retail processing occurs
- **Supplier/Vendor Data – *Merchandising System***
- **Facility Data – *Merchandising System***
- **Cost Change Management Data – *Merchandising System***
- **Regular Pricing Data – *Price Management***



# Wave 1B (October 2006)

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- **Purchase Orders (Manual only) – *Merchandising System***
- **Sales Audit and Validation of Item Data – *Sales Audit***
- **Issues and Sales Forecasting – *Demand Forecasting***
- **Sales History Load to Data Warehouse – *Data Warehouse***
- **Rebates and Allowances – *Merchandising System***
- **Direct Store Delivery (DSD) – *Merchandising System***

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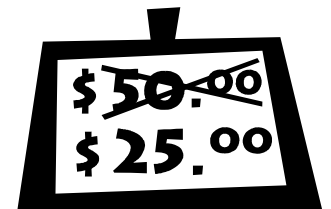
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# ***Wave 2 Functionality & Impact***

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- **Visibility to Retail Inventories at HQ**
- **Automatic Replenishment for Stores and DCs**
- **Merchandise Transfers between CONUS and Overseas DCs**
- **Accurate Forecasts for Stores and DCs**
- **Optimal Ordering Process Using Rules/Policies**
- **One System to Purchase and Allocate**
- **Utilization of Complex Promotions**
- **Corporate Price Management**
- **Analytical Reporting**
- **Rules Monitor by Exception**



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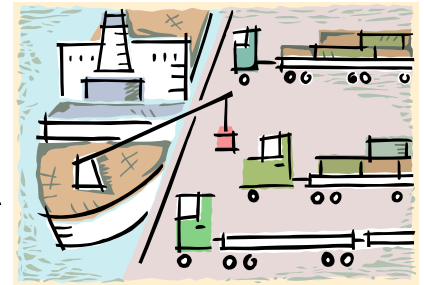
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# ***Advanced Inventory Planning (AIP)***

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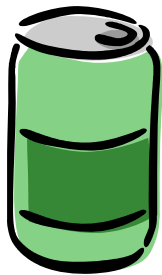
- **First Wave 2 Module – April 2007**
- **Automatic Process for DC-to-DC Transfers**
- **Benefits of AIP:**
  - ◆ ***Reduces Transportation Costs***
  - ◆ ***Reduces Lead Times***
  - ◆ ***Reduces Invoicing***
  - ◆ ***Consolidates Orders***
  - ◆ ***Improves Control of Inventory Levels***
  - ◆ ***Increases Visibility across Supply Chain***



# Direct Store Delivery (DSD)

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- Replaces Dollar Only Receiving (DOR)
- Visibility to Inventory and Pricing
- Ability to Negotiate Buys with National Accounts as opposed to Distributors
- Improves and Manages Margins



# How Does Oracle Retail Affect AAFES?

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Oracle Retail enhances the shopping experience of AAFES customers by allowing us to have:



The right product...



In the right place...



At the right time...



At the right price...



With the right quantity...

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# ***How Does Oracle Retail Affect You?***

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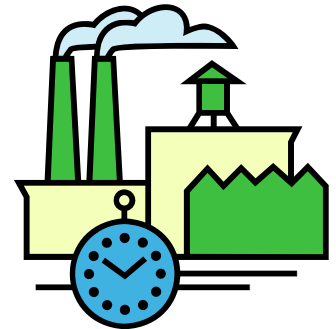
- **Oracle Retail provides tools to reduce inventory and increase service levels**
- **Oracle Retail helps reduce invoicing**
- **Oracle Retail enables AAFES to replenish orders based on facility requirements**
- **Oracle Retail better equips AAFES to develop sales and order forecasts**



# How Can YOU Help?

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- Sign ARA/T&C
- Be EDI Capable
- Verify PO Minimums & Prep Times
- Verify Ship Points and Shipping Point Locations
  - ◆ Separate Supplier Numbers for Multiple Ship Points
- Verify Item Assortment & Dimensions
- Utilize GXS
- Ship Complete, unless Previously Approved for Back Orders
- Provide ASN



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# Keys to Successful Automatic Replenishment

- Visit AAFES.com for the Abbreviated Replenishment User Checklist
  - ◆ [http://www.aafes.com/pa/selling/Future-Tech\\_Page.htm](http://www.aafes.com/pa/selling/Future-Tech_Page.htm)

1) On AAFES.com, locate & click on “Doing Business with AAFES”

The screenshot shows the AAFES website interface. At the top, there is a navigation bar with 'aafes information center' on the left and 'aafes BX/PX' on the right. A red box highlights the 'Doing Business with AAFES' link in the center. Below this, the 'Future Technology' section is visible, with a red box around the 'Future Technology' tab. A yellow callout box points to this tab with the instruction '2) Click the “Future Technology” tab'. The 'Future Technology' section contains two links: 'Retek Standard Presentation' and 'Replenishment User Checklist'. The 'Doing Business with AAFES' section includes a list of links: 'Getting Started', 'Advertising Policy', 'Catalog / Internet', 'Claims & Deductions', 'Contact Us', 'EDI / GDS', 'FAQs', 'Future Technology', 'Logistics', 'Non-Traditional Business', 'Product Recalls / Alerts', 'Quality Assurance', and 'Supplier Diversity'. The 'Future Technology' section also features a 'Project Retek' logo and a red star graphic.

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# Questions

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**Have general questions regarding Project Retek?  
Email us at: [RetekComments@aafes.com](mailto:RetekComments@aafes.com)!**

**Visit [AAFES.com](http://AAFES.com) for the Abbreviated Replenishment User Checklist  
("Doing Business with AAFES" > "Future Technology")**

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