

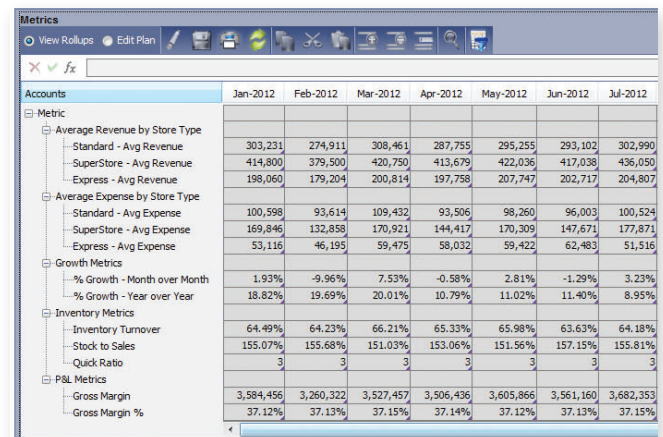
# Focus on Retail and Wholesale

**Adaptive Insights provides retail and wholesale companies with a Corporate Performance Management system that facilitates both top-down and bottom-up planning and reporting at a variety of levels and dimensions, plus complex what-if scenario analysis.**

## Planning & Reporting Challenges

The retail and wholesale industry is dynamic – constantly responding to changes in the economy. Rapidly-growing retail companies need to plan for new store openings and ramp-up. But they also need to protect profit margins in potentially weak sales environments. Large organizations can have thousands of employees in multiple countries, with hundreds of store locations, each having dozens of departments. Planning and reporting in this environment can involve a considerable number of people, spread across multiple geographic locations, and a large quantity of data, e.g., detailed sales history by SKU.

Retail planning is often bottom-up for the short term, typically the next four to six months, with detailed merchandise and store planning. But for the longer view, projected demand must also be considered. Companies need to plan top-down, using high-level assumptions or drivers. Management needs to be able to make top-down adjustments before committing to final forecast numbers. What's required is a combination of bottom-up and top-down planning.



Accounts	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012
<b>Metric</b>							
<b>Average Revenue by Store Type</b>							
Standard - Avg Revenue	303,231	274,911	308,461	287,755	295,255	293,102	302,990
SuperStore - Avg Revenue	414,800	379,500	420,750	413,679	422,036	417,038	436,050
Express - Avg Revenue	198,060	179,204	200,814	197,758	207,747	202,717	204,807
<b>Average Expense by Store Type</b>							
Standard - Avg Expense	100,598	93,614	109,432	93,506	98,260	96,003	100,524
SuperStore - Avg Expense	169,846	132,858	170,921	144,417	170,309	147,671	177,871
Express - Avg Expense	53,116	46,195	59,475	58,032	59,422	62,483	51,516
<b>Growth Metrics</b>							
% Growth - Month over Month	1.93%	-9.96%	7.53%	-0.58%	2.81%	-1.29%	3.23%
% Growth - Year over Year	18.82%	19.69%	20.01%	10.79%	11.02%	11.40%	8.95%
<b>Inventory Metrics</b>							
Inventory Turnover	64.49%	64.23%	66.21%	65.33%	65.98%	63.63%	64.18%
Stock to Sales	155.07%	155.68%	151.03%	153.06%	151.56%	157.15%	155.81%
Quick Ratio	3	3	3	3	3	3	3
<b>P&amp;L Metrics</b>							
Gross Margin	3,584,456	3,260,322	3,527,457	3,506,436	3,605,866	3,561,160	3,682,353
Gross Margin %	37.12%	37.13%	37.15%	37.14%	37.12%	37.13%	37.15%

Retail and Wholesale Planning Sheet

Planning and reporting is especially challenging for companies relying on spreadsheets. If each store has its own planning spreadsheet, a tremendous amount of time and effort is required to roll up and consolidate detailed data at different levels (e.g., store type, area, division, company.) Spreadsheet-based systems are slow, inaccurate, and non-collaborative, and don't lend themselves well to version comparison. This time-intensive, error-prone and inflexible budget process can take months to complete. And there is little opportunity for management to make top-down adjustments, or for a bottom-up plan to meet top-down targets.

## The Adaptive Insights Solution

Financial planning and analysis in the retail and wholesale environment, requires a flexible budgeting, forecasting, and reporting solution with the ability to:

- Allow senior management to set top-down merchandise and financial objectives, and provide lower-level stores and departments the ability to meet them
- Respond nimbly to constant changes in the economy
- Plan carefully for growth
- Increase visibility into detail such as payroll projections, or product SKU revenue by season

Adaptive successfully helps over 70 retail and wholesale companies streamline their planning and analysis.

- Build models that support both detailed sales history (bottom-up) and assumption- and driver-based planning (top-down)
- Save time by instantly consolidating budgets, forecasts, and reports at the individual store, district, region and total company level
- Plan, report, and analyze at a variety of levels and dimensions – e.g., in aggregate, or by new stores and same stores, large format and small format stores, etc.
- Support rapid expansion, both organic and via acquisition
- Model new store planning and ramp-up, using assumptions such as store type, store location, and seasonality, so that planners can quickly see fully-loaded P&Ls and cash flow based on store openings
- Perform complex what-if analysis based on seasonality, economic conditions, promotion cycles, the ramp-up of new stores, etc.
- Manage key metrics such as sales, markdown and markup type, gross margin, etc.

- Model personnel in a variety of sophisticated ways – by job title or by name, including fixed headcount and FTEs that flex based on drivers such as sales or store count
- Use reports to perform variance analysis, including drill-down into underlying transaction detail
- Distribute report books via email for financial presentations such as board packages
- Improve accuracy and turnaround time in the planning and reporting process, and conduct frequent re-forecasting

**“In a challenging operating environment, the ability to have real-time visibility into our results, analyze what the numbers mean, and make adjustments to manage cash flow, inventory and staffing at a store level has been a tremendous advantage for Papyrus.”**

Tom Shaw  
CFO, Papyrus

The Adaptive cloud is the perfect solution for retail and wholesale companies.

- It provides exceptional value. Adaptive's solution provides a five-year ROI of up to 650% compared to using spreadsheets, and has a total cost of ownership that's up to 77% less than on-premise alternatives. And it's low-risk, with the options of free trials and phased implementations.
- There is no IT involvement required. It's in the cloud, so no new hardware, software, or IT support is required for initial implementation or ongoing maintenance.
- It's intuitive and easy to use. Adaptive's CPM engine saves time and effort with built-in intelligence. Customers can avoid the wasted time associated with spreadsheet-based systems. And its web-based, highly customizable, Excel-like interface is easy for all types of employees to learn and use.

**“Adaptive Planning has saved our team a considerable amount of time which was previously spent consolidating spreadsheets. Now we have real-time consolidation where all of our plans roll-up to a single view of the business.”**

Michael Lambeth  
Director of Finance, The Container Store

#### Select Adaptive Retail and Wholesale Customers:

- 2nd Wind Exercise Equipment
- 7-Eleven
- Art.com
- The Bartell Drug Company
- Canlan Ice Sports
- The Container Store
- Fresh Produce Group
- JAM Industries
- Kenra
- Lund Food Holdings
- Lytro
- ModCloth
- Musgrave Group
- Mustang CAT
- Papyrus
- Partylite
- Rich Food Products
- SABMiller
- Specsavers
- Titan Machinery

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