Order Right
By Algonomy

ALGONOMY

# Transitioning From Reactive to Predictive Replenishment in Grocery Retail

Explore why traditional planning is no longer relevant in modern grocery store retailing, and how AI-led demand forecasting and auto-replenishment drive truly intelligent and adaptive planning.

## Addressing the Gap

### Digitized ≠ Intelligent

Retailers lose millions of dollars due to stock imbalances, wastage, and markdowns from reactive and rule-based replenishment.

AI-led predictive replenishment prevents both overstock and stockouts, effectively reducing wastage and markdowns.

## Overcoming the Data Challenge

### Data Chaos = Faulty Forecasts

Retail data is noisy, incomplete, and fragmented. And, traditional forecasting models over-correct or discard it, distorting demand signals and leading to faulty replenishment.

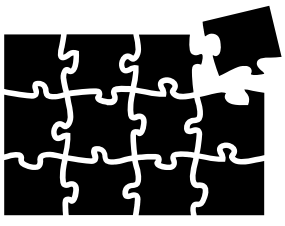
AI-led replenishment planning solutions leverage hierarchical forecasting with automated outlier detection and data imputation, achieving accurate SKU-store-level demand modeling.

## Optimizing for Scale & Complexity

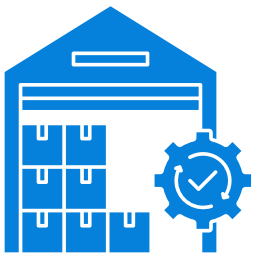
### Thousands of SKUs × Hundreds of Stores = Puzzle Too Big

Standard rule-based modeling tools can't model dynamic demand and ignore external influencers like seasons, weather, holidays, promos, etc.

AI-driven demand and replenishment planning factor in unlimited demand influencers and constraints to generate optimal order plans with hyperlocal accuracy for each store.



## Holistic Inventory Optimization



### Siloed Planning for Stores Only = High Inventory Costs

Traditional planning tools optimize inventory disparately for stores, warehouses, DCs, and dark stores, bloating inventory, risking markdowns, and causing revenue loss.

AI-led replenishment planning solutions offer holistic inventory optimization, boosting inventory turnover, reducing costs, and cutting wastage.