



# Super-Sizing the Shopping Experience



## Fred Meyer Increases Overall Operational Efficiencies and Performance with JDA Software

### Fred Meyer Stores Fast Facts

**Industry**

General Merchandise Retailer

**Headquarters**

Portland, Oregon

**Description**

Fred Meyer Stores, a division of The Kroger Co., is a supercenter pioneer providing food and general merchandise to cost-conscious consumers in the Pacific Northwest and Alaska.

As a leading supercenter operator in the United States, Fred Meyer offers everything from bedding and apparel to groceries, consumer electronics, fuel and jewelry.

**Revenues**

\$70.2 billion

**Number of Employees**

30,000

*“With the installation of JDA’s Replenishment & Fulfillment Management solutions, we have been able to provide our vendors with more accurate and timely forecasts. The right forecast, paired with delivering the right product to the right location at the right time have all played a role in increasing our average in-stock percentage from 92 percent to 96 percent.”*

- Chris Bathurst,  
vice president of planning,  
Fred Meyer

### Business Challenge

In order to better manage allocations and provide enterprise-wide visibility to ensure its ongoing success, Fred Meyer realized it needed to replace its legacy systems with leading software solutions that would enable it to improve sales and inventory turns, as well as increase margins.

### Business Solutions

- JDA® Advanced Store Replenishment
- JDA® Advanced Warehouse Replenishment
- JDA® Allocation
- JDA® Floor Planning
- JDA® Intactix Knowledge Base
- JDA® Performance Analysis
- JDA® Space Automation
- JDA® Space Planning
- JDA® Seasonal Profiling

The retailer is currently upgrading to the latest versions of JDA’s Merchandising solutions to drive end-to-end visibility into consumer insights while closing the gap between planning and execution.

### Business Benefits

- Increased average in-stock percentage from 92 percent to 96 percent
- Improved management of allocations
- Enhanced enterprise-wide visibility
- Optimized cluster and store-specific category and assortment plans
- Improved sales, inventory turns and margins
- Increased planner/buyer productivity
- Ability to provide vendors with more accurate and timely forecasts
- Improved inventory management
- Optimized space and floor plans, as well as increased category sales
- Improved ability to monitor key performance indicators
- Improved management and reporting of planogram status



“What’s on your list today?”

Whatever that may be, Fred Meyer Stores will likely have it, as indicated in the company’s recognizable tagline. A division of The Kroger Co., Fred Meyer has been in operation since 1922 and today manages a leading chain of supercenters in the United States. The retail chain consists of approximately 130 stores located across the Pacific Northwest, ranging in size from 65,000- to 200,000-square-foot and offering more than 250,000 food, apparel and general merchandise products under one roof. Shoppers have the option of buying groceries in Fred Meyer’s full-line supermarket and then browsing the stores’ clothing, home electronics or home fashion departments.

An important part of Fred Meyer’s competitive advantage is its emphasis on national brands, including clothing lines like Levi’s, Columbia Sportswear and Nike, as well as other well-known names that include Kitchen Aid, Apple, Panasonic, Nikon and Sony. The company also offers private-label products that provide customers with high-quality alternatives at lower prices.

## Out with the Old, In with the New

After The Kroger Co. acquired Fred Meyer in 1999, the retailer realized it needed to embrace new technology that would enable it to better manage its allocations, as well as provide enterprise-wide visibility to ensure its ongoing success. The company began an in-depth vendor evaluation process that would ultimately lead it to JDA Software’s best-of-breed Replenishment &

Fulfillment and Merchandising solutions to replace its legacy systems. Fred Meyer was already using JDA’s Category Management solutions to optimize cluster and store-specific category and assortment plans.

“Our planning and allocation systems were basically created in-house,” said Chris Bathurst, vice president of planning at Fred Meyer. “Simply put, they were systems that someone had installed years ago, and as a result they were not very sophisticated. Our planning system really just consisted of planning sales, receipts and markdowns.”

According to Molly Bassett, Fred Meyer’s Arthur planning administrator, the company selected the JDA solutions to help improve sales and inventory turns, as well as increase margins.

“We wanted to get a merchandise plan in place before we went and spent any money in the market,” said Bassett.

## Focusing on Forecast Accuracy

To help Fred Meyer achieve its business goals and improve management of replenished merchandise, the company is leveraging JDA’s Replenishment & Fulfillment Management solutions, including JDA® Advanced Warehouse Replenishment (AWR) and JDA® Advanced Store Replenishment (ASR) for their proven forecasting and inventory optimization capabilities. The retailer also uses JDA® Allocation to support all non-replenished merchandise. The solution’s robust functionality gives Fred Meyer the ability to optimize store-specific product assortments across the enterprise.

JDA’s Replenishment & Fulfillment Management solutions enable Fred Meyer to ensure forecasts are up-to-date and are at the right level, supporting daily profiles. In addition, the retailer has realized increased productivity with the automation of manual processes and improved exception management. Other benefits include reduced safety-stock levels and increased customer satisfaction, as well as the ability to recover lost sales and reduce lead-time with improved forecasts.

“With JDA’s Replenishment & Fulfillment Management solutions, we have been able to provide our vendors with more accurate and timely forecasts,” Bathurst said. “The right forecast, paired with delivering the right product to the right location at the right time have all played a role in increasing our average in-stock percentage from 92 percent to 96 percent.”

Bassett added, “Use of the JDA applications gives us a competitive advantage. For example, our stores in Alaska serve customers with very different needs than those who shop in our Portland, Ore.-based stores. With JDA’s advanced Allocation system, we are able to effectively manage inventory at all of our stores.”

## Cashing in on Improved Category Management

In 2003, Fred Meyer implemented JDA® Space Automation, JDA® Space Planning, JDA® Floor Planning and JDA® Intactix Knowledge Base (IKB) from JDA’s Category Management suite to optimize space and floor plans, as well as increase overall category sales.

JDA’s Space Planning solution enables Fred Meyer to highlight, label and report improved product placement and assortments. It also provides regional and store-specific planograms to ensure that the right products are placed in the right stores.

“We’re able to quickly analyze each product on each planogram for profitability, sales, movement, attributes and other related measures with the support of Space Planning,” said Kelly Porter, Fred Meyer’s director of space management. “We can easily determine the amount of product that we can sell, how long it will take to sell and how much merchandise to keep in stock.”



Fred Meyer’s store merchandising and presentation has greatly improved with the use of JDA’s Floor Planning solution, which provides instant access to available space by location when the company adds new products. IKB’s powerful database environment gives Fred Meyer the ability to verify planogram and product consistency, as well as monitor key performance indicators.

“It’s important for us to make planogram and floor-plan updates available to store locations daily to drive improved management and reporting of our planogram project status. This would not be possible without the use of IKB,” Porter commented.

## Bridging the Gap Between Planning and Execution

Next up for Fred Meyer is the implementation of solutions from JDA’s Merchandising suite to drive end-to-end visibility into consumer insights while closing the gap between planning and execution. Since 2007, Fred Meyer has been involved in JDA’s Business Requirements Group for its next-generation JDA® Assortment Planning

solution, which supports cross-channel operations, eliminates massive time-consuming spreadsheet planning practices, and integrates critical retail processes such as channel clustering, size scaling management, space management, financial planning and demand management.

Commenting on Fred Meyer’s experience participating in the Business Requirements Group, Bassett said, “JDA has been very cognizant of our needs and unique business requirements. As a result, we have had the opportunity to play an integral role in the development of the new Assortment Planning solution, which we believe will dovetail quite nicely with the improvements we’d like to make within our planning processes.”

Once implemented, Fred Meyer anticipates that JDA’s Assortment Planning solution will drive increased operational efficiencies and performance by offering enhanced planning capabilities. By automating and simplifying previously time-consuming processes, the Assortment Planning solution will enable the company’s planners and buyers to create accurate, consensus-based demand forecasts, as well as tailored, precise product assortment to meet local or regional preference.

“Having seen first-hand some of the new functionality that JDA’s Assortment Planning offers, we feel that there’s opportunity within the solution to standardize our current planning processes,” Bassett said. “It will also provide a lot more flexibility for us in terms of improved attribute planning, which is something we currently do outside of any formal solution. We look forward to having the ability to take our forecasts and feed them into merchandise and assortment plans, as well as the ability to take our assortment plans and build them into the JDA Allocation solution.”

Bathurst added, “Once we complete the Assortment Planning rollout, we expect to realize even more end-to-end execution process improvements, from merchandise and allocation planning to space and floor planning.”

## About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA’s multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise. To learn more, visit [www.jda.com](http://www.jda.com) or e-mail [info@jda.com](mailto:info@jda.com).

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