



A Focus on Customer Value Retail

Acorn Systems' retail clients span the globe, with revenues ranging from \$100 million to over \$50 billion. Using insight provided by Acorn, clients typically realize a gain of 5-15% of revenue in net profit improvement and a 3-5% reduction in costs.

Most companies do not have the level of profitability insight required to make business decisions based on fact. Acorn clients do. Customers, products, vendors, channels, etc. may look profitable on a gross margin basis but are unprofitable when adding the true cost-to-serve. Traditional approaches of allocating costs based on averages and fixed amounts do not capture the complexity and variability of real world business operations.

In the following Acorn client examples, companies would not have been able to make profitable decisions and drive improved performance without the granular insight from Acorn.

Taking the Guess Work Out of Delivery Options

Major Retail Grocer

Supply Chain

Profit Improvement: \$10M annually

This retailer uses detailed cost information to determine which products should be provided via direct store delivery (DSD) or shipped from their warehouse. They no longer guess about the best sourcing option. Acorn's detailed information provides the tool and basis for simulating different sources and seeing the true, detailed cost difference. Analysis includes cost, trade funding and all handling costs.



Global Sourcing Isn't Always Cheaper

Fortune 1,000 Retailer

Supply Chain

Profit Improvement: \$5M annually

The company analyzed the net profitability of products sourced domestically vs. imported. The retailer easily identified \$5 million in immediate opportunity by changing the sourcing of certain products. In some product subclasses, import sourcing was more profitable, while in other subclasses, domestic sourcing was more profitable.

Slip Sheets Create Losses

National US Retailer

Vendor Profitability

Profit Improvement: \$500,000 annually

One client saw that Kimberly Clark products were costing much more for receiving than others in the category. Deeper investigation revealed that all the products were being shipped on slip sheets rather than pallets, causing re-palletizing at the warehouse receiving door. Once Kimberly Clark realized its cost impact through collaboration with the retailer, they began shipping on pallets, eliminating the excess labor.

Interested?

Here's more good news. The Acorn solution is fast and efficient. For example, the old profitability system of one Fortune 500 firm required 25 people to maintain and 30+ days to generate results. With their new Acorn-based solution, they were able to shrink their profitability team to 12 people, most of whom spend their time now actually helping the business analyze data. They have more information, in much less time, using half the resources. Account-level net profitability for nine million accounts is available two business days after accounting close.

About Acorn Systems

Acorn solutions combine technology and proven methodology to reveal profit improvement opportunities across the enterprise - customers, channels, segments, products, vendors, and processes. Acorn has delivered over \$5 billion in profit improvements and billions in new shareholder value for Global 2000 companies in Financial Services, Retail, Consumer Products, Manufacturing, Distribution, Logistics and Services. To learn more about improving your company's profitability call 1.800.982.2676, email sales@acornsys.com or visit www.acornsys.com.

“Acorn Systems' solution gives us even greater visibility into the profitability of our individual stores and products we sell.”

– Steve Stone
Senior Vice President, CIO, Lowe's

