



Profit Improvement Retail

Uncover Profit Killers

Know your true profitability by Vendor, Category, SKU, Store and Customer Segment

Retailers know they have unprofitable vendors, SKUs, stores and customer segments, but they can't easily identify which ones are sabotaging their profits. Gut feelings and gross margins aren't the best indicators, and they certainly do not provide insight into how to correct the situation. Increasingly, retailers are looking for solutions that deliver the level of detail needed to pinpoint the problems and provide answers to how to improve net profits, and ultimately, earnings per share.

Acorn Systems and Arena Consulting Group have been providing exactly this insight to successful retailers for over a decade. Acorn and Arena combine industry expertise with a unique Time-Driven Activity-Based Costing methodology and world-class software to provide a profitability solution that is as flexible and scalable as your business demands.

Acorn and Arena have successfully implemented systems for some of the most recognizable retailers in the world and pride themselves on identifying returns averaging 10X the implementation cost within the following twelve months. Not only is our solution the most scalable and able to handle business complexity, we know your industry, we keep it simple, we involve you in the decision-making process, and we leave you with a sustainable system for ongoing profit analysis.

Retailers Benefit from the combined Acorn and Arena solution for:

- Category Analysis
- Vendor Negotiations
- SKU Rationalization
- Costing Analysis
- Supply Chain Optimization
- Market Basket Profitability

The Proven Acorn and Arena Value

The combined Acorn Systems and Arena Consulting Group solution has been used to improve profitability and earnings per share (EPS) by uncovering detailed information on Vendor, category and SKU profitability.

“Acorn Systems' solution gives us even greater visibility into the profitability of our individual stores and products we sell. Acorn's ability to bring expertise in retail and activity-based costing was critical to a successful implementation, and the Microsoft-based solution has been able to scale to meet the needs of our fast-paced retail environment.”

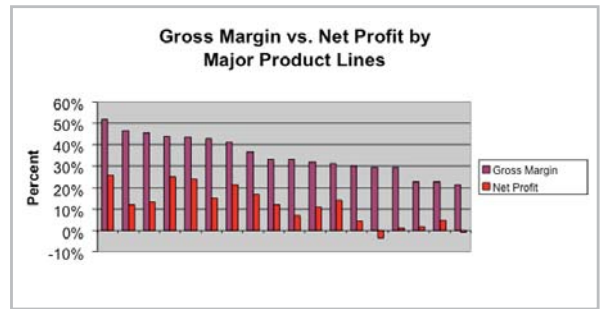
– Steve Stone
SVP & CIO, Loews Companies Inc.



Category Management

Empower your entire team to decide category strategies and tactics based on the same, validated set of metrics

The term category management has been around since the days of ECR (Efficient Consumer Response) in the mid-90s. Unfortunately, when you measure the profitability of a category based on Gross Margin alone, everything looks the same. A common view across the organization of “net” profitability has always been what’s missing. We incorporate all revenues, trade deal funding and supply chain costs to give you that true measure and to create one version of the truth across your organization.

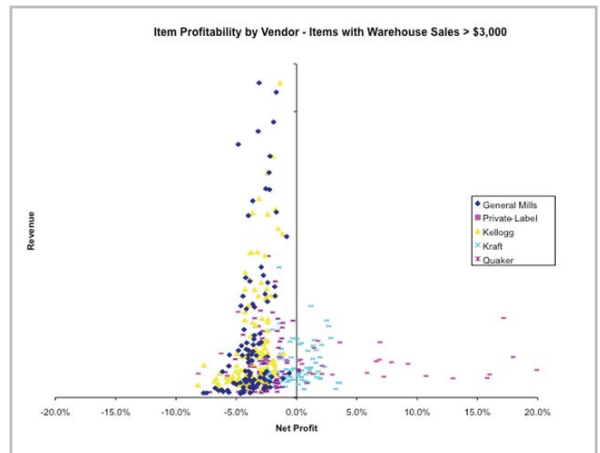


Vendor Negotiations

Negotiate with your trading partners based on facts

We offer the ability to negotiate with your trading partners on the basis of fact, not who has the best inside margin or fanciest advertising. We identify which trading partners, categories and SKUs do the most to drive both consumer volume and profitability.

Negotiating based on fact certainly helps your negotiating position, but being able to compare one vendor against another has proven to be one of the most advantageous benefits to our clients. How would you like to be one of the branded cereal manufacturers illustrated in this chart when private label proves to be the most profitable vendor? Our advanced reporting capabilities make this possible at a vendor, category and SKU level.

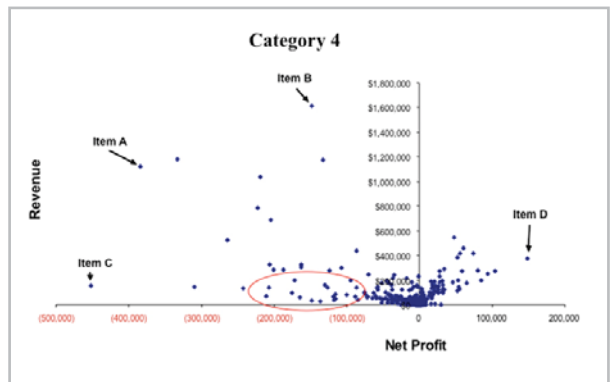


SKU Rationalization

Everyone has too many unproductive SKUs on the shelf

But, reaching consensus on which SKUs to eliminate can be a difficult task. Our process points you to the bottom 10% of SKUs that provide neither true net profitability nor volume for your organization.

Are you considering price optimization? A risky proposition if you aren't sure which SKUs are truly productive. To implement price optimization without ABC, risks maximizing the volume of SKUs whose net profitability is negative.



Acorn and Arena Clients



Contact

Acorn Systems to learn more about improving your company's profitability.

Call: 1.800.982.2676

Email: sales@acornsys.com

Visit: www.acornsys.com