

CASE STUDY

A leading convenience store retailer based out of North America

SEGMENT | Grocery

PRODUCT | Vendor Link

CHALLENGE | Transform data and process collaboration with suppliers to enhance key activities such as replenishment and supplier funded promotions

RESULTS

- **30% reduction** in out-of-stock across stores
- **8% increase** in revenue
- **5% reduction** in cost of inventory
- **15% increase** in supplier funded promotions
- **\$2 million** additional rebate
- **\$1.8 million** potential additional revenue with data monetization

The client is one of the largest chains of retail outlets with more than 600 truck stops and convenience stores in 40+ states in the United States and over 900 vendors/suppliers. With a geographically wide coverage area and a smaller outlet format, the client faced multiple challenges in its supplier processes:

- Limited inventory holding capacity led to frequent stock outs
- Inventory position visibility had a lag of 48 hours leading to delayed interventions to reduce over/understock
- Supplier funded promotions and rebates were not efficient due to data silos and fragmented processes
- Data was shared with suppliers on an adhoc basis, making it difficult to derive insights

With the objective of creating greater transparency and improving process efficiency across the supplier ecosystem, the client was looking for a scalable platform that would enable a data-driven culture in its internal teams/suppliers and make better decisions on a day-to-day basis.

Vendor Link: End-to-end Supplier Collaboration



Retailer

- Buying
- Merchandising
- Finance
- Supply Chain

Vendor Link

PROCESS COLLABORATION



Supplier Information management

Order processing and tracking

Invoice management and tracking

Trade promotions and rebate

DATA COLLABORATION



Product Insights



Category Insights



Shopper Insights



Supplier

- Category
- Fulfillment
- Finance
- Marketing
- Trade promotion

Enabling process and data collaboration in supplier ecosystem



Real-time inventory visibility to suppliers

Tracking and reporting inventory transactions at store-level



Smart price, promotions and rebate collaboration

API-based automated price and promotion integration



Data monetization

Sharing sales, inventory, product, and category insights with suppliers

Algomomy's Vendor Link fit in perfectly with the client's requirement of a 360-degree supplier collaboration platform. Vendor Link is a comprehensive web-based vendor and retailer collaboration platform that removes operational silos between vendors and retailers by automating and streamlining end-to-end operations.

Vendor Link enabled internal stakeholders and suppliers to monitor inventory position across stores in real-time and make swift interventions to avoid over/understock situations. Vendor Link's ML-based algorithm uses inventory transaction data to predict impending out-of-stock well in advance, enabling timely Direct Store Delivery (DSD) replenishment.

Vendor Link enabled supplier funded promotions and rebates. Its API-based pricing, promotions, and rebate integration with manufacturers helped save thousands of manhours per month. Its online collaboration features enable suppliers and category managers to work together on offers, supplier funding, and rebates. Its calculation engine provides speedy calculation of promotion and rebate amounts, and its automated invoice and payment tracking helped in creation and delivery of vendor invoices, collation, and reporting of purchase/sales data for performance tracking and payment collection tracking.

Vendor Link also unlocked data insights as a service for suppliers, opening up a potential alternate revenue stream in data monetization by enabling interactive access to data and actionable insights on product, category, and customer.

The client benefited from Vendor Link in the following ways:

- With the help of Vendor Link's predictive out-of-stock feature and real-time inventory visibility to suppliers, the client was able to reduce out-of-stock by 30% and inventory carrying cost by 5%
- Vendor Link's smart supplier collaboration features enabled the customer to increase supplier funded promotions by 15% and generate additional rebate worth \$2 million
- Vendor Link enabled interactive on-demand access to data insights and reports for suppliers, opening up \$1.8 million worth of opportunity through data monetization

Vendor Link helped the client improve supplier collaboration by enabling real-time decision making and greater collaboration across store replenishment, supplier funded promotions and rebates, while providing additional revenue opportunity in the form of data monetization.

ALGONOMY

Algomomy (previously Manthan-RichRelevance) empowers leading brands to become digital-first with the industry's only real-time Algorithmic Decisioning Platform that unifies data, decisioning, and orchestration across marketing, digital commerce, and merchandising for the retail industry. With industry-leading retail AI connecting demand to supply with a real-time customer data platform as the foundation, Algomomy enables 1:1 omnichannel personalization, customer journey orchestration, merchandise analytics, and supplier collaboration. Algomomy is a trusted partner to more than 400 leading retailers and brands, QSRs, convenience stores, and more; with a global presence spanning over 20 countries. More at [algomomy.com](https://www.algomomy.com).