

# TCS Optumera™: AI Powered Retail Optimization Suite

Retail



As retailers go back to the drawing board in the post-COVID world marked with rising costs, changing shopping behavior, stifling competition and implementing safety norms, being able to quickly respond to changing market needs is essential to win. This requires a tectonic shift in the way retailers do business. The way forward is providing the required resilience to unlock exponential value with real-time, personalized and localized decision making.

Tata Consultancy Services' (TCS') Optumera™ leveraging the TCS Algo Retail™ framework is an AI-powered retail optimization suite that reshapes the retail paradigm with self-learning and multi-dimensional concurrent optimization. With integrated, hyper-localized, always-on optimization, the suite enables retailers to make key business processes autonomous through optimized space, assortment, pricing and supply chain decisions in an integrated manner. Retailers have seen 3-5% increase in sales, 30%-50% reduction in time spent, 5x more strategies and 20-30% reduction in costs.

## Overview

Facilitating continuous and cohesive customer journey across touchpoints necessitates following shopper journeys wherever they go. It requires re-defining business processes to be more shopper-centric and blending processes with an omnichannel retail strategy. These requirements amplify the need for a single platform to capture consumer preferences, align merchandising and supply chain strategies, analyze what-if scenarios against powerful algorithms and rapidly execute changes.

TCS Optumera, the AI-powered retail optimization suite, enables you to make optimized merchandising and supply chain decisions in an integrated manner. It helps retailers answer strategic question such as how do I increase my sales and margin, where are the opportunities to reduce cost and how do I effectively manage my operations cost of supply chain to provide real-time insights and the required resilience to make their key business processes intelligent and autonomous. It considers over a 1000 factors that impacts business KPIs. Based on the decomposition of sales-driving factors, it identifies sales, margin and cost opportunities, and recommends change in merchandising and supply chain levers. Its white box approach helps business users understand the 'why' behind the recommendation. By combining the powers of user's intuition and creativity with AI models, the solution enables users to consider various constraints and analyze multiple scenario simulations.

## Our Solution

- **Macro space optimization:** Always on intelligent space allocations blending in assortment, price, supply chain and execution cost considerations to recommend optimal space.
- **Price, promotion and markdown optimization:** Unifies price, promotion and markdown decisions identifying surgical margin and sales growth opportunities across channels.
- **Omnichannel assortment optimization:** Always on space aware localization, SKU rationalization considering demand transferability, customer choice sets, customer decision tree, competitive assortment to complete customers basket across channels.
- **Fashion assortment:** Predict the success of new style, set initial price right leveraging computer vision capabilities using attributes, images, trends to identify the right mix of products driving sales and profitability.
- **Self-learning supply chain:** Multi-dimensional concurrent optimization across supply chain KPIs, real time computation of replenishment plans, forecasting and dynamically tuned replenishment parameters aligned with business context resulting in seamless execution of replenishment orders.

## Benefits



**Increased sales and higher margins:** Drive 3-5% increase in sales and margins by localizing the product mix, right sizing space, and pricing competitively



**Inventory cost savings:** Reduce out-of-stock and over-stock across channels, inventory-holding costs and improve product availability



**Enhanced price image without gross margin erosion:** Improve price competitiveness and mitigate margin erosion through strategic, responsive, and pre-emptive pricing



**Better ROI:** De-risk investments through quick simulation, analysis and accurate forecasting



**Shorter time-to-market:** Improves business process efficiency by 30-50% and provides the ability to execute over 5x strategies



**Improve availability without impacting cash flow:** Experience 1-2% improvement in availability with concurrent multidimensional replenishment optimization



**Cost reduction:** Get AI-driven recommendations which consider the impact on the overall supply chain operations to improve performance holistically and reduce the overall cost to serve by 30%

## The TCS Advantage

TCS leverages its contextual knowledge to achieve business outcomes faster, leading to quicker ROI. TCS Retail partners with over 100 global retailers, driving their growth and digital transformation journeys. We are helping retailers become digital first businesses with future-ready business models, strategic partnerships and products and platforms. We have gained rich experience delivering complex merchandising and supply chain transformation projects enabling us to build cost-effective, high-performance solutions.

Leading companies have adopted TCS Optumera and loved the following differentiators:

- **Best in-class science:** Customer centric merchandising with deep modelling of customer journeys leveraging the power of AI with the research community
- **Not a black box:** Transparent reasoning behind the decisions to help users weave a story and get data-driven multi-stakeholder buy-in
- **Ease of use:** Designed for business users, does not need an advanced mathematics degree to leverage the product. Simple steps like approach to arrive at the recommendation
- **Scalable:** Big data platform enables creation of many scenarios faster, so the retailer can use TCS Optumera to create strategy, not just execute
- **Considers large number of parameters:** Ability to consider over 1000 factors to understand the relationships of these parameters on sales
- **Workflow and collaboration:** In-built workflow and collaboration means even junior staff can leverage TCS Optumera to make suggestions

## To know more

Visit the [Retail](#) page on [tcs.com](#)

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### **About Tata Consultancy Services Ltd (TCS)**

Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled, infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

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