

## Business Requirements

<b>Program Name:</b>	Inventory Allocation	<b>Program Manager:</b>	Lynn Guyot
<b>Project Name:</b>	Inventory Allocation	<b>Project Manager:</b>	David Shapiro
<b>Project Number:</b>	TBD	<b>Account Unit:</b>	
<b>Sponsor:</b>		<b>Business Owner:</b>	Lisa Avella

### Document Version Control

Date	Version #	Describe Revision(s)	Author(s)
Feb 28,2012	1.0	Initial Version	Walgreens/Cognizant

### Approvals

Business requirements approvals and approval exceptions can be found at the end of this document.

## Document Overview

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### Business Objectives and Benefits:

The WE remodeling will involve removing or altering the items in existing planograms for a store. Inventory allocation will redistribute the dropped items to nearby stores, which still carry the items. This redistribution will reduce the loss of GP% seen when marking these same items down. In addition, it will significantly reduce the amount of Non-basic carryover, once remodel is complete.

Inventory Allocation process provides two solutions

- One for shorter lead time to remodel start date
- Second for longer lead time to remodel start date

When longer lead times are available, the system will optimize the inventory by

- Reduce allocated SKU's
- Reduction in store labor picking
- Keep profit sales as long as possible
- Identify slow and fast moving items to determine the best time to flag the items to stop auto ordering
- Visibility of Inventory Allocation by store available for Corporate and District Manager.

In both short and long lead time solutions the system will optimize the number of stores selected to receive allocated merchandise, which reduces store labor at the remodel store.

### In Scope:

1. Provision to optimally allocate the remodel store merchandise to the stores in and out of the district.
2. Items in the active advertisements and next 2 weeks advertisement will be considered during Inventory Allocation if the quantity on hand exceeds the Ad Forecast.
3. Cigarette, Liquor and Perishable category items will not be considered during Inventory Allocation but communicated to Markdown to flag the item to be discontinued.
4. Ability for District Manager to delegate the store exclusion to Community Leader.

### Out-of-Scope & Exclusions:

1. Inventory Allocation process will not prevent receiving stores from getting items that may be on future reset and revisions. This is no different from the existing new store process.
2. Normal, non-remodel Reset, Revision and Markdown activity will continue as usual at the remodel store.
3. The process to perform Inventory Allocation after construction start date will be estimated and documented as phase 2 – Post Inventory Allocation process.
4. Remodel stores may receive authorized distribution items they no longer carry.

## Systems Involved:

S. No	Systems Involved	Person Responsible
1	BDM (D1/MD1)	Jeff Chadwick
2	Q-Lander	Joshua Riese
3	A/D/K System	Rasoul Khadivar
4	Markdown Systems	Ed Marshal
5	Inventory Systems	Lynn Guyot
6	Project Tracking System	Maureen Knaack/ Griffin Virginia
7	New Plano Development	Brian Tanner
8	BDM Subscription	Matthew Winkelman

## Business Requirements

### Initial Business Requirements

BR ID #	Description	Responsible Teams	Priority
1.	<p>Project Tracking System will provide store numbers and Construction dates which are used to initiate Markdown process to look for dropped items from A/D/K System at regular intervals. In addition Project tracking system will hold</p> <p>1) D1/MD1 Lockdown Date 2) Planogram Lockdown Date</p> <p>WE Deployment PM group will enter the above two dates into the Project Tracking System.</p>	<p>Griffin Virginia, Jeff Chadwick, Joshua Riese Rasoul Khadivar Ed Marshal,</p> <p><i>Still identifying Deployment PM group owner</i></p>	High
2.	<p>MD1's to be loaded into BDM's Q-lander which feeds drops to BDM's A/D/K system</p> <p><i>Note: Takes one week to manually enter and 60K to automate.</i></p>	Jeff Chadwick, Joshua Riese, Rasoul Khadivar	High
3.	<p>BDM, A/D/K and Markdown will find a way to differentiate the item drops for "Reset and Revisions" and "New Plano Remodel drops" from A/D/K. Only the dropped/reinstated items for remodel activity will be fed to Inventory Allocation systems.</p>	Jeff Chadwick, Joshua Riese, Rasoul Khadivar,	High
4.	<p>Markdown system currently excludes certain categories in the "Reset and Revision" process. This existing exclusion logic should be removed for Inventory Allocation process and Remodel exclusion logic will be applied.</p>	Ed Marshal	High
5.	<p>Markdown will keep the dropped/reinstated Item data up-to-date for Inventory Allocation to get it from Markdown system, starting from the date when data first became</p>	Ed Marshal Israel Rajkumar	High

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BR ID #	Description	Responsible Teams	Priority
	available in A/D/K and until Construction Start date or, until x weeks prior to construction end date, at regular intervals. The timing is still to be determined.		
6.	<p>Markdown will run a daily process to gather remodel store and remodel date from Project Tracking. Inventory Allocation will get this information from Markdown System.</p> <p>Inventory Allocation will run weekly process to gather dropped/reinstated items for Remodel stores from the Markdown System.</p>	Griffin Virginia Ed Marshal Israel Rajkumar	High
7.	<p>At regular intervals Inventory Allocation process will identify, based on item type (Slow/Medium/Fast) moving items and determine when items should be set "To be Discontinued". This TBD process will stop auto ordering of dropped items in the remodel store.</p> <p>This process will also restart auto ordering of the reinstated items in the remodel stores immediately based on data feed to the Markdown system from Inventory Allocation system.</p> <p>Seven days prior to Inventory Calculation, any dropped items not already flagged as TBD will be sent to Markdown system to flag as TBD at the remodel stores.</p> <p>For non-remodel drops, Markdown currently discontinues and marks down the item after stopping the auto ordering. But for WE Remodel stores, only auto ordering will be stopped. No discontinuation and markdown will be done.</p> <p>The Status will remain as TBD even after the items is non-basic.</p>	Israel Rajkumar, Jerel Powell, Ed Marshal	High
8.	DSD Item forecast will be made available to Inventory Allocation Systems, as it does not currently reside on the central system with the warehouse forecast information.	Inventory System, MSS Data Warehouse	High
9.	<p>Approximately eight days prior to Inventory Allocation calculation, any stores in the district already scheduled for New Store Balancing or District Smoothing will be excluded from participating in WE Inventory Allocation.</p> <p>In addition, any stores scheduled for We Remodel 70 days prior to construction start date of current WE Remodel store, will be automatically excluded from being a receiving store.</p>	Israel Rajkumar, David Shapiro	High

BR ID #	Description	Responsible Teams	Priority
10.	Approximately a week prior to Inventory Allocation Calculation, DM's of Remodel store will identify stores they want to exclude from receiving inventory allocation. They will be instructed to exclude stores that are far away or may be closing in the near future. They will also have ability to include stores out of their district when multiple stores in a district undergoing WE remodel.	Israel Rajkumar, David Shapiro	High
11.	Ability for District Manager to delegate the store exclusion to Community Leader. If they do delegate, then both the DM and CL will receive necessary automated email notification.  If no action is taken by DM or delegate, all the stores in the district will automatically be included for Inventory Allocation. Later, the system will produce a systematic way to optimize the number of stores involved.	Israel Rajkumar David Shapiro, Jerel Powell	High
12.	Inventory Allocation process will automatically perform an optimizing calculation to minimize the number of stores items are sent to.	Jerel Powell	High
13.	Dropped and reinstated items, identified after Inventory Allocation Calculation Date, will continue to send updated drops/reinstates back to Markdowns. This will either turn off auto order or reactivate the items at the stores.  This data, will also be stored in Inventory Allocation system, to perform inventory allocations after construction start date. This data can be used for Phase 2 – Post Construction Inventory Allocation.	Jerel Powell Ed Marshal	High
14.	Inventory Allocation process, which includes Pick & Post claims, will be targeted to complete <u>one day prior</u> to the scheduled merchandising start date.	Israel Rajkumar	High
15.	Once Inventory Allocation process completes, PLP locations will be cleared at the remodel store and Project Tracking System updated with the PLP Cleared Date and Inventory Allocation End Date.	Israel Rajkumar	High
16.	Up-to-date details of the progress of Inventory allocation process will be made available to all DM's and Corporate (In progress, completed and voided claim dollar and item totals).	Israel Rajkumar David Shapiro	High
17.	Utility to revert the voiding of claims, when the claims are voided by the store users. Only allow this process to occur prior to Inventory Allocation End Date.	Israel Rajkumar David Shapiro	Medium
18.	Design a placeholder to store the type (A, B, C, D) of the remodel stores and allow option to modify the store type if needed.	Israel Rajkumar	Medium

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BR ID #	Description	Responsible Teams	Priority
19.	Ability to utilize markdown only when extremely large item quantities can't be allocated at the highest parameter.  This may come into play only in areas where many stores in one district are involved in the WE Remodel process, limiting receiving stores.	Jerel Israel Rajkumar, Ed Marshall	Medium
20.	Based on mass Plano subscription date, (Yet to identify how to get this date into Inventory Allocation), Inventory Allocation Process will stop sending the Items to Markdown to flag the item as TBD. This date will also help to identify when the start date must occur for Phase 2 – Post Construction Inventory Allocation.	Michael Handal, Paul Zagami	High
21.	Enhance the existing Smart Count system, to add items in the store being remodeled which are being dropped and their current system on hand is zero.	Israel Rajkumar	High
22.	<b>Create a process to handle remodel date changes that are greater than x weeks into the future.</b> <i>Example: Items already flagged TBD but now the remodel is postponed for several months, or canceled.</i>	Michael Handal, Paul Zagami <i>This process needs to be detailed</i>	High

### Additional Business Requirements

*[Additional Business Requirements are the result of a change request (CR#). Additional Business Requirements that are the result of a change request must be processed through the Change Management process, including approval.]*

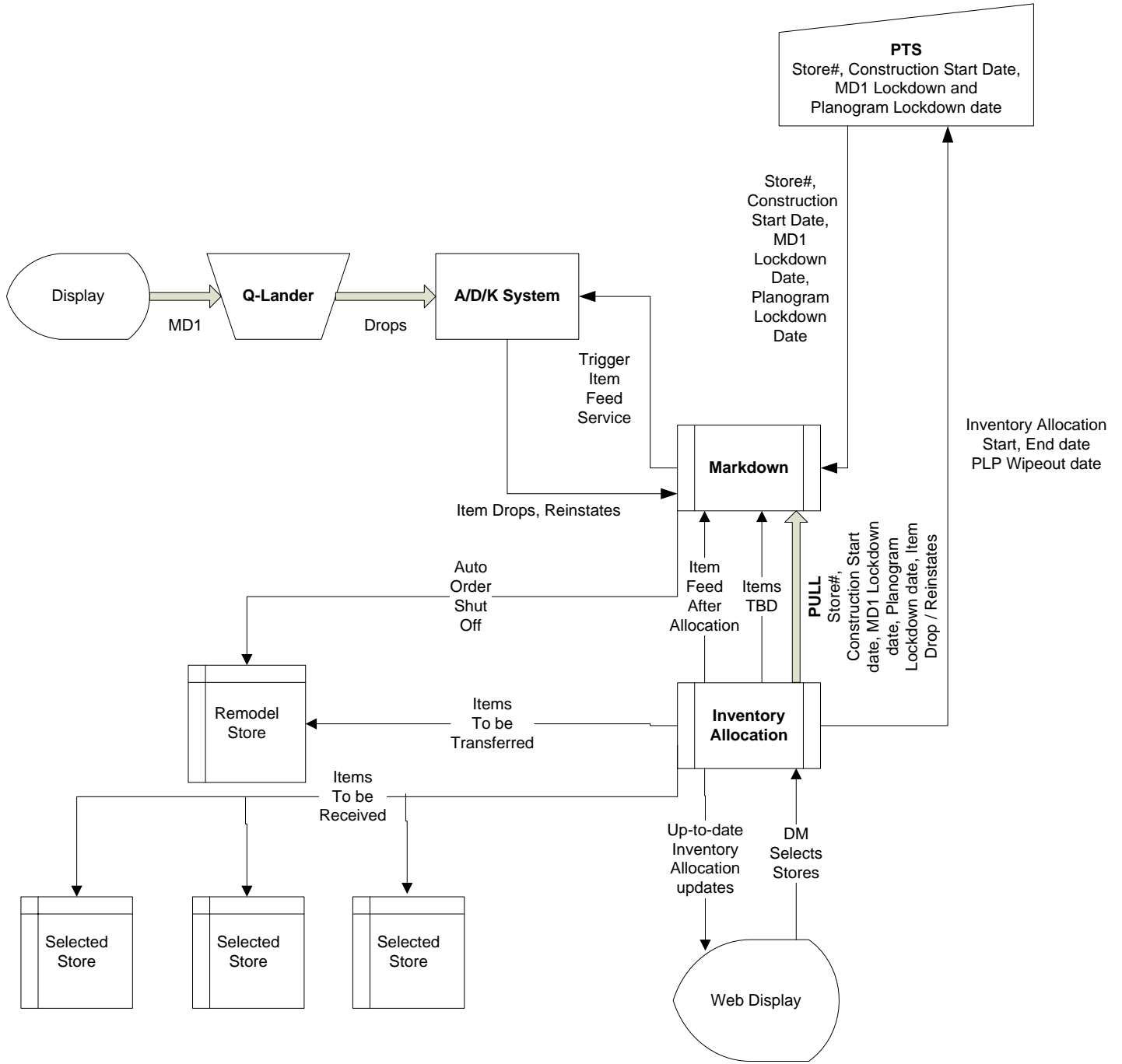
ID	Description	Responsible Teams	Priority
1.			

### Glossary

Term	Description
D1/MD1 Lockdown date	Date on which MD1 Drawing is finalized, 80/90% of the plano changes will be known here
Planogram Lockdown date	Date on which further changes in the planogram are locked out.
Inventory allocation start date	Date on which the inventory allocation starts.

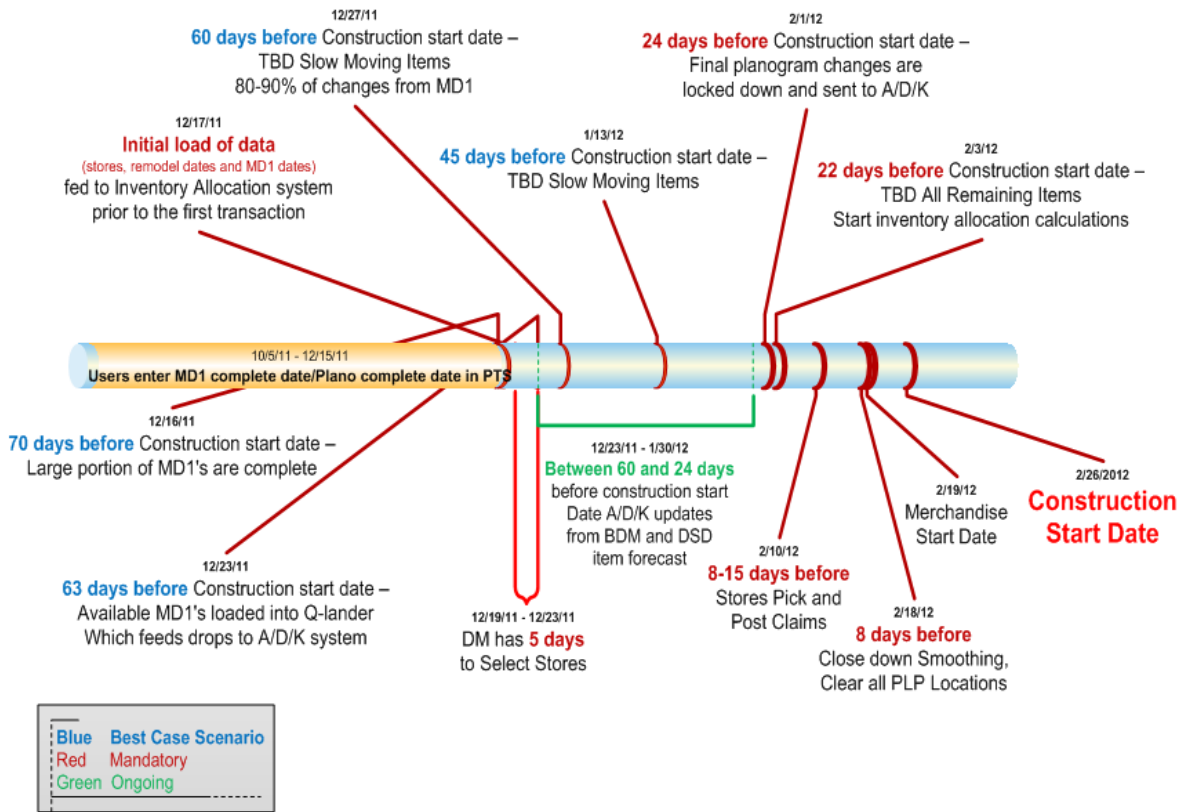
Term	Description
Inventory allocation end date	Date on which the inventory allocation ends.
PLP Clear date	Date on which the PLP location is cleared in the remodel store.
Merchandising date	Date on which the stores starts physically transferring the goods.
TBD	To be Discontinued

# Process Flow

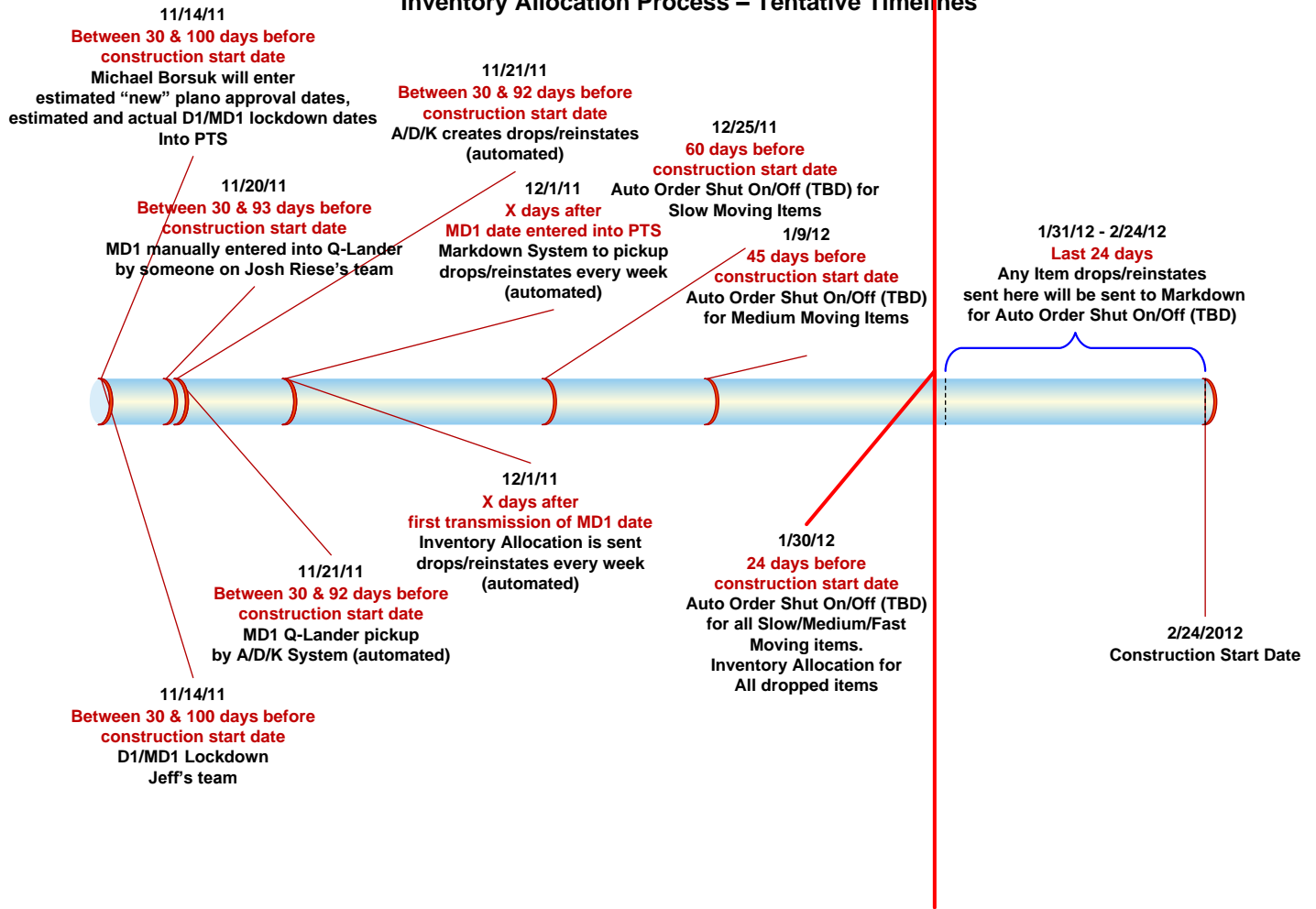




### Inventory Allocation Time Bar - With Tentative Time Frames



### Inventory Allocation Process – Tentative Timelines



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## Assumptions and Dependencies

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### Requirement Assumptions

ID	Related BR ID#	Assumption Description
1		Construction Start Date and Remodel Date are the same
2		Once the transfers are calculated and shared, items can be dropped or reinstated. However inventory allocation can't be redone, unless, new functionality is added to perform a second inventory allocation, after construction start date (Phase 2 – Post Construction Inventory Allocation)

### Requirement Constraints

ID	Related BR ID#	Constraint Description
1		An item could be transferred from remodel store to the selected store and that item could be removed due to upcoming normal reset and revisions.
2		Optimal distribution could transfer more items to the selected stores than required increasing its days of supply of that item.
3		BDM user should upload the planograms between 30 – 100 days prior to construction start date

### Requirement Dependencies

ID	Related BR ID#	Dependency Description
1		Project Tracking System will be populated with the required dates (MD1 Date, Planogram Date, Inventory Allocation Start Date , End Date and PLP Clear Date).
2		Project Tracking System will provide the remodel store numbers with remodel dates immediately upon receipt, to the Markdown System
3		Markdown system will flag the items as TBD for preventing Auto Order for those items.
4		A/D/K will design a process to distinguish between remodel and regular reset/revision for Markdown system.

## Training and User Documentation Requirements

Sno	Training Required	Responsible
1.	WE operation will be responsible for communicating how to recreate PLP Location, Adjacency through Floor Planning Express (FPE) after Post Construction Date.	Samantha Demore, Michael Handal, Sal Venegas.
2.	If Inventory Allocation takes place during corporate smoothing, DM will be responsible to exclude their entire district from corporate smoothing.	
3.	Train DM and Store on the entire Inventory Allocation Process.	

## Business Requirements Approval

The signature below indicates the individual has reviewed and approves all of the detailed business requirements with the exception of those listed in the Business Requirements Exceptions section.

Approved By	Title	Business Unit	Date
Lisa Avella	Director	Well Experience	
Lynn Guyot	Manager	Inventory Systems	
Michael Handal	Director	Store Operations	
Paul Zagami	Director	Store Operations	
Brian Tanner	Senior Manager	Merchandise Planning and Analytics	
Rasoul Khadivar	Manager	Merchandising Systems	
Joshua Riese	Senior Analyst	Visual Merchandising	
Jeff Chadwick	Manager	Visual Merchandising	
Matthew Winkelman	Senior Analyst	Visual Merchandising	
Maureen Knaack	Manager	Community Management Systems	
Griffin Virginia	Programmer/Analyst	Community Management Systems	
Ed Marshall	Senior Programmer/Analyst	Community Management Systems	

## Business Requirements Exceptions

BR ID #	Reason For Not Approving	Rejected By

## Additional Comments