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Markdown Optimization

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ABSTRACT

Managing Clearance inventory for 1000+ stores, across unique assortments and diverse markets is a daunting challenge, one that can not be profitably met using a global pricing strategy. Yet, the inherent complexity of managing price response can not easily be addressed by Buyers, Merchandise Planners and Inventory Analysts overloaded with the purchasing, marketing and planning decisions and the critical day-to-day execution of business operations.

To address this need, Kohl's has implemented a centralized Optimization Team to plan, execute, and provide performance reports to the business. SAS Markdown Optimization software serves as the foundation for these initiatives, but it is the organizational and business process change, along with critical integration to execution systems that drives Kohl's success.

As a result, Kohl's is able to better manage inventory levels and sell clearance merchandise more profitably, while minimizing workload impact in the Merchandising organization.

Presented by Kevin Schneider, Senior Manager of Merchandise Optimization, this case study demonstrates how Markdown Optimization supports business process change, influences business decisions and ultimately drives significant business value.

No paper was submitted for publication.

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