

ReviNews

In This Issue

- 1 President & CEO Message from Todd P. Michaud
- 2 Operations Perspective 14 Tips to Implementing Successful Projects
- 3 Product Innovations Scenario Planning
- 3 Revionics University
- 4 Product News Announcing RAPS G4.4
- 6 Partner News RetailData LLC
- 6 Calendar

President & CEO

Growth & Innovation

By Todd P. Michaud, President and CEO



Revionics continues to make exciting progress on many fronts. We just achieved our best sales quarter ever. We are on target to complete the migration of our entire customer base to our new, more robust

RAPS G4 platform. We also continue to innovate new software functionality at an incredibly fast pace. For example, the latest release of our **RAPS Promotions** and our **RAPS Forecasting** are being very well received by customers who are now using those solutions.

There are other exciting things going on with our company. In November, we will be moving to a new headquarters location in neighboring Roseville, California.

This new facility, about a mile from our current location, will accommodate our growth plans for many years to come. It features a versatile customer center, including state-of-the-art classrooms and conference centers, allowing us to host many more Revionics University courses onsite.

The new building is much larger, more modern, and will be far more conducive to our collaborative work culture. We also have three very strategic development initiatives that I would like to tell you about.

RAPS Planning

The first initiative is **RAPS Planning**, a module that allows customers to better plan and evaluate different strategies dynamically over a time horizon. By using a set of predefined, customizable strategies, you are able to create “what-if” scenarios on any level of the company or product hierarchy. Numerous scenarios can be evaluated in near-real time with a before and after impact summary for each. This new functionality will be available in G4R4 this month.

The benefit is the ability to view and compare the forecasted impact on unit and dollar sales, margin, and profit *prior to implementing* a strategy. When a preferred scenario is found that suits your needs, you simply install that strategy so it can be used going forward.

RAPS Collaborate

The second initiative is **RAPS Collaborate**, our retailer portal for vendor collaboration. The portal will allow vendors to electronically publish item, price, promotion, and deal information online for the retailer. This information can be sent electronically or entered manually by the vendor into the portal. At the discretion of retailers, vendors may be provided forecasting insights as well as vendor and/or category performance reporting.

RAPS Collaborate will deliver several benefits to our retailers. First, productivity and accuracy will be improved, as buyers won't have to manually enter deal sheets anymore. More importantly, vendors are empowered to make more collaborative and value-adding offers to retailers since RAPS Collaborate

provides them with a forecast projecting the impact of the offer before it is officially made. RAPS Collaborate is expected to be available in late December.

RAPS Replenishment

The third initiative is **RAPS Replenishment**. This exciting initiative will deliver a number of new, optional modules that address store-level inventory and order management. RAPS Replenishment will leverage our existing integrated forecasting environment to accurately account for the demand impacts of price and promotions, assortment and space, weather, and other demand-influencing factors. The solution will generate optimal replenishment orders and track perpetual inventory, as well as providing functionality for physical inventory counts, computer directed cycle counts, and receiving. The solution will also offer

continued on page 6



**14 Tips to
Implementing
Successful
Projects**

**Scenario
Planning**

**RAPS
G4.4**

14 Tips to Implementing Successful Projects

By Christie Frazier-Coleman, Vice President Consulting



In my retail career, I have had the opportunity to implement many types of software. Each and every selection and installation had the intent of assisting the business to improve processes, implement new strategies, and increase efficiencies. Companies today are looking for tools to squeeze extra margins, reduce costs, and help make better decisions. How do the

great companies succeed in capturing the changes and efficiencies needed from those investments?

The Pricing and Project team at Revionics combined their expertise to offer some thoughts on what has worked well in their experiences. These ideas come from the great partnerships we have had the opportunity to build over the years. We

thought it would be beneficial to put all of these best practices in one good list and we hope you agree. I am sure there are plenty more and we would welcome any comments or suggestions that we can publish next quarter.

So where are you on the successful project scale? Measure yourself. Pat yourself on the back if you are doing them all!

14 TIPS

1 Begin with the end in mind. Implementing software is not a goal. Using software to solve a problem or achieve a measurable improvement is a goal. Ask yourself and the team what is it you want to accomplish? What will that measurement look like in terms of success?

Decisions become very simple. All decisions must assure that the goal and measurement can be accomplished above all else. For example:

Question: Why do I need to capture a separate sales type in my data to indicate base sales versus promotional sales?

Answer: In order to measure the effectiveness of my promotional dollars those designations are critical.

2 Protect your data integrity fiercely from inventory purchase to point-of-sale purchase. Benefitting from technology enhancements requires good data. Clients with clean data complete projects on time and pro-

duce results much quicker in every case. Above all else, your data is the lifeline to understanding your customer, measuring success, capturing efficiencies effectively, and setting strategies for the future. Not being able to trust your data breeds "by the gut" decisions.

3 Executive support is a must from both sides. Executives should make impromptu visits to project meetings. They need to ask the tough questions and expect executive updates and feedback on successes and barriers from project teams both internal and external. They must be able to hear the truth and help solve problems when needed.

4 Do not put old practices into new tools. Test those paradigms with a review. Perform a business analysis to look at old processes and make improvements. The reviewer should be skilled at asking the right questions to identify the root of the problem or opportunity before a project begins.



5 Set realistic but aggressive goals for completion in each stage. Projects will always slip. What are the critical junctures in a project? Push to do it right but meet deadlines. Teams need to understand that when you agree to a date it means something. Hold everyone accountable and keep the project moving forward. Lack of momentum will de-motivate the team.

6 If a project is slipping expose the cause. The longer it drags on the less effective the result will be. The team will be de-motivated and begin to compromise. User embracement and excitement will suffer. Demand complete honesty and professionalism from your project managers. You need level-headed and forthright project management on both sides.

7 Implement and rollout in stages. Successful projects are implemented in stages with clear objectives. Expectations and measurements should be set for each stage. Risks are then kept to a minimum and lessons learned along the way are captured and improvements made.

Balance project demand with resource capacity in order to maintain momentum.

Continued on page 5

Product Innovations

Scenario Planning

By Jim Sills, CTO



In preparation for Oktoberfest, I was recently working with a retailer---we'll call him Hans. Hans was not satisfied with his

beer category, where he was currently seeing a weekly profit of \$7,537.55 on sales of \$37,139.38. He wanted to increase both profit and sales. I sat with Hans and evaluated his strategy for beer using a pre-release of G4R4. This release includes RAPS Planning, which makes it very easy to compare the results of one pricing strategy against another.

In G4R4, RAPS Planning provides a series of predefined strategies from which a user can choose or customize when creating price scenarios for their everyday and long-term price reduction (TPR) price optimization. Five of the predefined strategies are:

- **Traffic Driver**
Drive store and category volume while improving price image against competition.
- **Turf Protector**
Drive volume and remain competitive while protecting margin.
- **Maintain**
Drive profit and sales dollars while maintaining current margins and competitive position.
- **Convenience**
Drive strong profit increases without sacrificing sales dollars
- **Margin Enhancer**
Drive strong profit increases without sacrificing sales dollars.



These strategies are listed in order of increasing margin' s Traffic Driver results in the lowest margin and Margin Enhancer results in the highest. Generally, when moving from a lower margin to a higher margin, profits increase and sales decrease.

There are several other predefined strategies such as Pure Competitive and Margin Target which you can learn about in the RAPS help files when G4R4 is released. Plus, users can create their own customized strategies.

Hans and I created five scenarios within a price model for the beer category and configured each scenario to follow one of the five pricing

Continued on page 5

Best Practices



Training Courses Added

By Jeff Smith, Founder and EVP

Since the introduction of Revionics University, many customers and non-customers alike have been utilizing the training sessions as a great resource for



Blending Rules and Science, just to name a few.

The schedule will rotate monthly and will be recorded, so if you miss training on a particular topic one month, you can watch the recording or attend the live session the

following month. gaining more knowledge on retail pricing best practices and trends. Revionics University is launching the second phase of the program, including courses targeted directly at Revionics customers to educate them to use the system and get the full benefits offered.

The customer-specific courses at Revionics University comprise a variety of Introductory, advanced, scientific, and industry-related topics. The introductory classes outline services to people new to the Revionics system and the advanced courses are structured to focus on specific areas that build retailer on-staff expertise.

Currently, the introductory courses include Everyday Pricing, Promotions Planning, Markdown Planning, Insight Reporting, and TPR/Long-term Promotion Management. Revionics University Advanced courses include Scenario Planning, Managing Item Relationships, Establishing Effective Promotions, and Advanced Insight Reporting. Additionally, the scientific courses that Revionics offers incorporate topics such as Understanding Elasticity and Product Demand as well as

We are launching with the introductory courses, and will add advanced courses for "power" users in the coming weeks. Please visit our course listing frequently (www.revionics.com/educate), or sign up for our LinkedIn Customer Group to receive announcements and notifications. For suggestions or questions about our training courses, please contact Jeff Smith at jsmith@revionics.com.

REVIONICS UNIVERSITY: Monthly Customer Training Schedule

1st Friday (9am PT)
RAPS Insight Reporting
& Analytics - Introduction

2nd Friday (9am PT)
RAPS Everyday Price Planning
& Optimization - Introduction

3rd Friday (9am PT)
RAPS Promotion Planning
& Optimization - Introduction

4th Friday (9am PT)
RAPS Markdown Planning
& Optimization - Introduction

Announcing RAPS G4.4

Revionics is pleased to introduce RAPS G4.4, which includes many enhancements and new features to help customers better plan and manage their retail pricing, such as Scenario Planning, which provides the ability to easily create “what-if” pricing scenarios at any level of store/product hierarchies, utilizing a set of predefined pricing strategies.

RAPS G4.4 continues to deliver on the Revionics promise to generate increased sales and profit with the following exciting enhancements:

RAPS Planning

Any number of scenarios can be created for a particular hierarchy, each with a different pricing strategy, and then the resulting impact on unit and dollar sales, margin, and profit can be compared. When the retailer finds a pricing scenario that suits their business objectives, they can install the strategy so that it is used in future Everyday and long-term price reduction (TPR) optimizations.

Predefined Pricing Strategies

RAPS Planning provides a set of predefined strategies, each with a different objective, to use when creating price scenarios. A strategy can be modified for selected parameters to meet a retailer’s unique needs, such as for meeting a competitive situation or to reflect TPR activity.

The predefined strategies are:

- **Margin Enhancer:** Drive strong profit increases without sacrificing sales dollars.
- **Margin Target:** Emphasizes hitting a margin target with minimal influence from other driving factors.
- **Convenience:** Increase profit without sacrificing volume on less-sensitive, non-destination items.
- **Maintain:** Drive profit and sales dollars while maintaining current margins and competitive position.
- **Pure Competitive:** Emphasizes competitive influence with minimal influence from other driving factors.
- **Turf Protector:** Drive volume and remain competitive while protecting margin.
- **Traffic Driver:** Drive category volume while improving price image against competition.

Item Master: Planned Availability

The Planned Availability window can be used to permanently discontinue items, hide items in the portal display, and/or exclude items from optimization. Changes can be made at the enterprise or store level and help to streamline the optimization process and avoid clutter on RAPS screens.

Zoning by Subcategory

Traditionally, everyday pricing zones were defined by a set of stores where the base-retail price is the same for all products. This enhancement allows zone definitions to include both store and product hierarchies, i.e., to include a group of stores for a given set of products. For example, you can set a price strategy at the item level, and have this consistent across all stores or just for a subset of stores. The Zoning by Subcategory enhancement provides unprecedented flexibility in planning a price strategy.

New Insight Reports

New reports provide key insights and inspire informed action, based on actual retailer data:

- **Weekly Actual vs. Base vs. Forecast:** Shows actual units, revenue, gross margin, and inventory dollars relative to both baseline and integrated forecasts.
- **CPI Regular vs. Current Price Comparison:** For a given week and for all valid competitor store/zone combinations, shows a weighted competitor price index based on the regular price as well as for the current price.
- **Data Loading Exception Reports:** These summary and detail reports list exceptions for the current week to help troubleshoot data loading issues.



Other Enhancements:

- **RAPS Promotion - Multiple price points in promotion:** Three (or more) promotional price points are now supported in an Ad Location.
- **RAPS Promotion - Multiple price points in an Ad Location:** Supports adding additional offers to accommodate multiple “buy” prices in an ad location. Example: Buy 1 for \$1.99, but purchase 2 and the price each is \$1.79.
- **RAPS Promotion - Ad Location attributes:** Ad location screen now includes a coupon checkbox, the ability to edit descriptive information, and a drop-down for identifying major/minor feature and line item.
- **Configuration - Price calculation option:** Choose to base price per unit (PPU) and private label gap (PLG) calculations off of suggested rather than current price.
- ...and many more!

RAPS G4.4 provides transparent and flexible configuration capabilities and better production support, improving decision making and execution of pricing strategies.

Scenario	Strategy	Last Opt.	Last Fcst.	Units	Sales \$	Margin %	Profit \$
<input type="radio"/> Benchmark / TPR	Current	N/A	N/A	10,216.13	37,115.12	20.38 %	7,565.78
<input type="radio"/> Scenario 1 / TPR	Traffic Driver	Oct 16 2009 10:09AM	N/A	10,056.46	37,565.24	21.76 %	8,174.26
<input type="radio"/> Scenario 2 / TPR	Turf Protector	Oct 16 2009 10:10AM	N/A	10,055.42	37,563.02	21.82 %	8,196.58
<input type="radio"/> Scenario 3 / TPR	Maintain	Oct 16 2009 10:20AM	N/A	10,039.40	37,559.08	21.87 %	8,214.03
<input type="radio"/> Scenario 4 / TPR	Convenience	Oct 16 2009 9:55AM	N/A	10,025.31	37,555.76	22.10 %	8,298.96
<input type="radio"/> Scenario 5 / TPR	Margin Enhancer	Oct 16 2009 10:21AM	N/A	9,983.70	37,526.17	22.42 %	8,414.60

Product Innovations...

continued from page 3

strategies listed above. I asked Hans if he wanted to modify the strategy for either of his beer subcategories---imports or domestic---since G4R4 sup

ports setting strategy at any level of the hierarchy. Hans declined, saying he wanted to evaluate a consistent strategy across the whole category. Then, we selected each scenario and pressed the optimization on-demand button. This submitted the optimization job to the Revionics' grid. Each scenario finished processing in about 20 seconds. The results are listed in the table below:

Strategy	Margin	Revenue	Profit	Units
Traffic Driver	21.76%	\$37,565.24	\$8,174.26	10,056
Turf Protector	21.82%	\$37,563.02	\$8,196.58	10,055
Maintain	21.87%	\$37,559.08	\$8,214.03	10,039
Convenience	22.10%	\$37,555.76	\$8,298.96	10,025
Margin Enhancer	22.42%	\$37,526.17	\$8,414.60	9,983

Hans was delighted to see that he could increase both profit and sales. He wanted to maintain units so he was most attracted to the Traffic Driver strategy. Hans selected this scenario and clicked on the install button to save the new configuration parameters to his base pricing default configuration. The next time optimization runs, the recommended prices will reflect the change in the strategy. Normally, Hans would wait for optimization to run as part of his normal weekly process. In this case, Hans didn't want to wait, so we re-optimized his prices on the spot and exported them in time to reap more profit from his Oktoberfest sales.

This retail "scenario" should be relevant to any retailer that faces decisions on evaluating and strategizing price and image objectives. Revionics has designed RAPS Planning to be easy to use, intuitive to configure, and to truly take the guesswork out of strategy changes. We hope you enjoy the enhancements. Here's to Profit! Prost! Viel Erfolg!



14 TIPS
continued...

8 Balance project demand with resource capacity in order to maintain momentum. Work backward into the timeline to make sure it is realistic in time and resources. Successful projects are completed in stages without stressing resources.



9 Expect the unexpected. As you move through implementations, you will always discover multiple opportunities for improvement. Each new request needs to be evaluated against the goals, timelines, and resources. Make sure those new requests are placed into a "parking lot" for a future stage. Manage the scope!

10 There will always be a function or a feature that is not yet available. A good partner will work to address your needs in the future and ask for feedback in order to maintain a forward-thinking roadmap for development.

11 Train, Train, and Train. Your teams need as much training as possible. Identify each role that will be impacted by the project and get them trained on the appropriate skills. Schedule one-on-one sessions. Do not let a user return to their desk confused and flustered by what they cannot recall or understand. People learn at different paces and some are afraid to raise their hand. Make sure that materials are provided and measure their proficiency and progress.

12 Count on change management challenges. Within every organization there are individuals who need more convincing that they can and need to learn new ways of doing things. There are a few key steps to keeping resistance from stalling or compromising a project. Identify and include "strugglers" in relevant decisions, conduct extra training, talk about the benefits of the new process, and, as a last resort, make a change.

13 Learn and practice the art of communication up and down. Encourage open dialogue and honesty among the project team, the departments that will be affected, and partner company. All of the ideas stated above are a function of listening and learning.

14 Celebrate each stage with the team. They deserve the recognition.



Partner News

RetailData LLC



Acquisition of accurate and timely competitive price information is an especially hot topic for our retailers. Often we are asked how our customers source their competitive data and we often point to **RetailData** as the leading provider.

RetailData's original business model capitalized on the efficiencies of handheld technology to collect and communicate data. RetailData keeps pace with leading hardware and software advances to provide their clients with the most sophisticated network of data collection, field communication, and client communication available in the market today.

RetailData provides retail information services to over 150 clients including the leaders in the retail Food and Drug channel, Grocery Wholesalers, as well as Specialty Retailers. Services are offered in diverse channels of distribution, including grocery, convenience, office supplies, club stores, drug stores, mass merchants, pet supplies, and consumer electronics.

RetailData determines competitive pricing by obtaining pricing data from a number of different retailers and distributors that is timely, accurate, and complete. They have the flexibility to determine markets, competitors, items, frequency, and the type of pricing that best meets our decision making criteria. RetailData supports many emerging trends in competitive data shops, including private label comparisons and linkages. For more information, view our archived joint web seminar, at www.revionics.com/educate.

Revionics Locations

Headquarters

Revionics, Inc.
4208 Douglas Blvd, Ste 300
Granite Bay, CA 95746

Arizona Office

8700 East Via de
Ventura, Suite 280
Scottsdale, AZ
85258-4541

Address Change!

Revionics will be moving
November 23rd – Please
update your records:
2998 Douglas Blvd, Ste 350
Roseville, CA 95661

(866) 580-RAPS (7277)

Fax: (916) 797-6081



NRF Big Show

After a busy holiday season, retailers flock to the highest attended trade event of the year, the National Retail Federation Big Show.

Join us in New York at the Jacob Javits Center, January 10-13th. Revionics will be attending in full force, demonstrating new modules such as RAPS Replenishment, and will be available for scheduled meetings.

Interested in a free pass to the Big Show exposition hall? Contact Revionics Marketing for more information (marketing@revionics.com). Be sure to stop by **booth 1971** to say hello.

Retail Insiders Party

Revionics is pleased to announce our sponsorship of the 2010 Retail Insiders Party Sunday, January 10th, 9pm. If you are in town early and would like to attend, please contact us for more information!

Events Calendar

NRF Big Show

New York, NY
January 10-13

Retail Insider Party

New York, NY
January 10

FMI Midwinter

Executive Conference
Orlando, FL
January 24-26

NGA Annual Convention

Las Vegas, NV
February 10-11

Growth & Innovation...

continued from page 1

comprehensive order management capabilities, supporting both warehouse orders and Direct Store Delivery vendors. RAPS Replenishment will deliver three

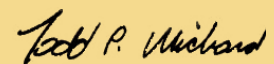
primary benefits. First, it will free up 20-30% of working capital tied up needlessly in inventory and associated carry costs. Second, it will better align inventory supply with anticipated consumer demand which will help avoid lost sales attributed to out-of-stocks, especially on promoted merchandise. And third, it will help avoid costs associated with shrink and spoils.

Revionics is currently signing up interested customers who wish to give us development guidance on RAPS Replenishment. Our first demonstrations and public announcements will be at NRF in January. General availability will occur during the first quarter of next year. Special discount pricing is available to participating customers.

Revionics has significant investment and momentum in expanding our company and solution portfolio to be the leading best-in-class provider for consumer-centric merchandising solutions!

As you can see, Revionics has a lot of exciting things going on in our business. We are very committed to offering our clients the most sophisticated and comprehensive solutions in the market. As always, I welcome your feedback on our development plans. I can be reached at tmichaud@revionics.com or (916) 677-5450. Thank you for your continuing support.

Respectfully,



President & CEO