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# Retail STAR® Open To Buy

Retail STAR® Open To Buy (OTB) helps retailers improve their financial performance through increased sales, leaner inventories, and reduced markdowns. Retailers can accomplish this by utilizing the built-in Open To Buy module in Retail STAR® or by using one of our interfaces to many of the planning service companies in the market today.

For those retailers who perform their own Open To Buy planning, they'll find a feature-rich solution within Retail STAR® that automates much of the planning process. And, since it is part of the Retail STAR® automation suite, all updates happen automatically. This helps speed up the planning process and increases the accuracy of the information since it is one complete turnkey system.

Open To Buy planning begins with the budgeting process. Retail STAR® OTB allows retailers to establish budgets down to a corporate, store, department, and class level. Each level can also be rolled up into the level above it for budgeting, planning, reporting, and monitoring purposes. Retail STAR® helps in establishing budgets by displaying key information such as Sales Dollars, Sales Through, Purchases, and existing

- **Budgeting** - Establish budgets at a high or granular level - Company, Store, Department, Class.
- **Real Time** - Information on budgets is updated instantly as purchases and sales happen.
- **Analytics** - Advanced retail calculations are available to help improve buying decisions
- **Multi-Year** - Multiple years can be displayed on a single plan for year-to-year performance comparisons.
- **Roll Up/Down** - Budgets and actuals can be rolled up to any level (i.e. Company, Store, etc.) or expanded to any level for further detail.
- **Interfaces** - Retail STAR® offers interfaces to planning services offered by companies such as RMSA and Management One.
- **Monitor** - Ability to monitor key information at any time to compare actuals against plan.



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Inventory levels for the selected entity, such as department or store, while creating the budget. Once the budget is established, retailers can monitor key information at any time and are presented with up-to-date information for the selected company, store, department or class.

Once a plan has been built by the retailer, Retail STAR® OTB can then help the retailer improve their financial performance by monitoring their inventory against this plan. This cycle helps the retailer “buy better” because they now have the information they need to make proper buying decisions. When the retailer goes to market to buy for the upcoming season, Retail STAR® OTB can show them exactly how much they can spend by company, store, department and class.

This is accomplished by referencing the budgeted figure for the selected entity (e.g. department) and subtracting current purchases and inventory from that figure. Added back to this figure are Sales and Markdown dollars. The resulting total from this calculation is the portion of the budget that is available for future purchases.

By not “overbuying,” the retailer purchases the correct amount of inventory to avoid costly markdowns for overstocks. At the same time, cash is increased for other operations since it is no longer tied up in inventory. This powerful combination helps savvy retailers increase their inventory turns while at the same time increasing the amount of cash in their bank accounts. This process helps retailers increase their inventory turns, which leads to greater profits.

In addition to its built-in Open To Buy module,

Systems Services, Inc. offers integration to third-party planning services. Many retailers employ these services if they do not have experience with Open To Buy planning or if they enjoy the convenience of outsourcing this process to a third party. Many of these service companies will prepare budgets for the retailer and then provide monthly reporting to show how the business is performing compared to the plan. This type of service is preferable for some retailers as it allows them to utilize the expertise of the planning company when reviewing and updating their plans. Many of these companies can also provide benchmarks for industry turns broken down at a departmental

level. This allows the retailer to compare their performance against their industry peers.

Retail STAR® has interfaces to the RMSA and Management One planning systems. If you are working with one of their consultants, just mention that you are using Retail STAR® and they will be happy to explain how their systems work jointly with Retail STAR® to accomplish your planning goals.

	Nov 2009			Dec 2009			Jan 2010		
	Planned	Projected	Last Year	Planned	Projected	Last Year	Planned	Projected	Last Year
\$BivR	\$8,373.27	\$282,438.47	\$145,641.14	\$3,708.48	\$282,438.47	\$143,811.34	\$3,594.34	\$287,882.44	\$134,917.20
\$Sold	\$3,200.00	\$0.00	\$35,553.55	(\$4,049.32)	(\$4,049.32)	\$34,367.74	(\$4,512.38)	(\$4,512.38)	\$42,824.48
\$COGS	\$1,576.00	\$0.00	\$19,543.68	\$495.74	\$495.74	\$18,874.12	\$480.48	\$480.48	\$23,241.02
\$TMD	\$540.00	\$0.00	(\$6,356.37)	\$1,394.65	\$1,394.65	(\$7,865.26)	\$1,351.73	\$1,351.73	(\$8,732.61)
\$RcvR		\$843.90	\$7,959.29		\$0.00	\$23,447.84		\$0.00	\$27,677.35
\$RcvC		\$459.00	\$7,055.55		\$0.00	\$14,848.28		\$0.00	\$18,079.95
\$AdjAcR		\$0.00	\$17,613.26		\$0.00	(\$4,809.59)		\$0.00	(\$3,454.66)
Shortage		(\$849.90)	\$0.00		\$8,098.64	\$0.00		\$9,024.76	\$0.00
\$EivR	\$7,890.00	\$282,438.47	\$142,781.43	\$3,594.34	\$287,882.44	\$134,917.20	\$1,809.00	\$293,746.55	\$125,048.02
\$EivC	\$3,866.10	\$163,202.90	\$93,884.02	(\$431.32)	(\$35,226.81)	\$86,164.67	(\$188.99)	(\$31,284.01)	\$77,894.79
\$OODR	\$849.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$OODC	\$459.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$OTBR	\$2,406.83	(\$849.90)	\$0.00	(\$2,768.81)	\$2,789.30	\$0.00	(\$4,845.99)	\$2,703.46	\$0.00
%GP	51.00 %	0.00 %	45.03 %	112.00 %	112.24 %	45.08 %	111.00 %	110.65 %	45.73 %
\$OTBC	\$1,179.35	(\$849.90)	\$0.00	\$332.26	(\$341.41)	\$0.00	\$544.06	(\$287.92)	\$0.00
Sales % Plan		0.00 %						100.00 %	
EIR % Plan		3,579.70 %			8,009.33 %			16,238.06 %	
Sales % LY			0.00 %			-11.78 %			-10.54 %
EIR % LY			197.81 %			213.38 %			234.91 %
Turn Rate	0.46	0.00	0.20	-0.73	-0.01	0.19	-1.17	-0.01	0.26
ROI	0.41	0.00	0.18	10.37	0.13	0.19	16.80	0.16	0.26
RT \$OTBR		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00
RT \$OTBC		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00



**RETAIL STAR**  
POINT OF SALE • INVENTORY CONTROL • ECOMMERCE • PAYMENT PROCESSING • PCI COMPLIANCE