



Case Studies

Customer Success Story: Learn how Target Optimized Demand Planning and Retail Product Allocation Across Multiple Categories with Algo

Target's Story

Target and Algo have expanded on our partnership to leverage the spirit of collaboration across suppliers, Target and Algo, leveraging the Algo system to improve store by product allocations and to partner with Algo to solve business problems and innovation.

Challenges

Mass Merchandise and Department Store retailers range products that have different supply chain models and demand profiles. Fashion Departments operate on an overseas manufacturing model utilizing ratio packs which need to be planned months in advance, but allocated based on predicted store requirements and seasonal mark down cycles. Hard Goods product segments have thousands of the new lines, ranged SKU's as well as reactive promotional cycles. Other product segments like consumer electronics have short life cycles and constrained stock. Merchandise teams have a difficult time aligning the different demand planning requirements and consumer needs, across these disparate products and horizons.

Solutions

Algo's configurable **demand planning and allocations platform** utilizes the MS Azure Intelligent Cloud to execute AI/ML forecasting and create virtual allocations.

By using Algo, Target now has the ability to manage demand planning, forecasting, allocations, and replenishment orders across a variety of departments, including fashion, toys, home entertainment, books, technology, homewares, and health & beauty.

Algo provides a single environment to manage the various planning cycles and activities that occur inside these departments.

Results

+20%

Shelf
Availability

+20%

Inventory
Reduction

+10%

Productivity
increase



Target and Algo have expanded on our partnership continuing to build on the strong relationship within the books category. Continuing to leverage the spirit of collaboration across suppliers, Target and Algo, leveraging the Algo system to improve store by product allocations and to partner with Algo to solve business problems and innovation. We are very excited to continue this journey both for locally replenishment and overseas orders as well as expanding across categories from traditional areas like home and toys to apparel, footwear and accessories.

Nicole Szudja

General Manager, Merchandise

