



Entertainment

Algo Helps Major Studio Adapt to a Changing Business Environment

Challenges

- Mitigate product returns
- Decrease shipping costs
- Increase in-stocks

Solutions

- Replenishment Planning
- VMI Services
- Reporting Services

Results

- Reduced costs
- Increased efficiency
- Enabled multi-studio analytics
- Continuous enhancements



Thinner Margins Require More Accurate Replenishment Planning

The film and entertainment industry is rapidly changing as consumers move from hard content media to streaming services. This shift presents financial challenges to studios as margins tend to shrink over time. This customer needed to quickly reduce its replenishment costs to keep pace and turned to Algo to help increase the accuracy and efficiency of its vendor managed inventory (VMI) processes to avoid missing sales opportunities.



Miss No Sales

Since sales may be lower overall in the new environment, it's important for studios to not miss opportunities by having lower in-stocks. Algo's robust VMI solution helps the studio optimize the inventory availability of its media products. The embedded advanced analytics in Algo's solution enable better orders and allocations using accurate and granular information on inventory levels.

Factors such as historical sales, open-to-buy, seasonality and placement minimums create accurate plans for new and existing products. Further, our clustering capabilities simplify allocation at the item-location level by creating groups of similarly performing stores.



Reducing Costs

Leveraging automation, the studio was able to reduce the number of employees dedicated to replenishment tasks and reduce related costs. The Algo team continues to provide the customer with in-depth analysis and different options for cost savings and sales optimization. Weekly KPI meetings are held to review reports and make suggestions as well as quarterly business reviews and frequent roundtable discussions.



Accurate Reporting

Algo's reporting tool uses plain language in a chatbot format so users can pull sales data for a specific period of time—even a single day—for a group of stores as well as shipment data and inventory levels. The Algo solution is able to track replenishment data across multiple studios to provide the customer with a single source of truth.



Responsive Innovation

Algo's team of functional and technical experts is able to speed up implementation timelines for enhancements to the system compared to what the customer can do with its internal resources. As a trusted advisor, Algo and the customer collaborate effectively for everything from bug fixes to developing new capabilities that enable greater competitiveness in a changing industry.

