

## **QuantiSense Helps Reduce Stock-outs and Overstocks at Restoration Hardware and Other Leading Retailers**

**Atlanta, GA, July 14, 2009** – Out-of-stock merchandise is a \$93 billion problem for retailers and the number two source of frustration for shoppers, according to the 2008 *RIS News/IHL Group Store Systems Study*. In today's tough retail climate, QuantiSense helps retailers strike back with business intelligence software that they can use to reduce stock-outs, identify imminent stock-outs, and avoid overstocks that can result in costly markdowns.

For multichannel retailers like Restoration Hardware, the challenge is even more complex. Channels are often run by disparate systems, creating silos of data that disable visibility between channels. Before implementing QuantiSense, Restoration Hardware was performing well in each of its channels, but had no way of viewing consumer demand and inventory across the enterprise as a whole. With inventory analytics across all channels, Restoration Hardware was able to dramatically reduce its inventory investment by gaining the intelligence to know what it needs – and what it doesn't – to ensure customer satisfaction with the appropriate inventory in the right place at the right time.

The QuantiSense application, a specialized business intelligence (BI) and analytics application designed exclusively for the retail industry, gives retailers the capability to accurately measure out-of-stocks and take actions to improve inventory, service level, and overall performance across the organization. Furthermore, QuantiSense is an essential tool for locking in customer loyalty. A stock-out can cost a retailer more than just one sale; it can cost the loyalty of a customer who will go to the competitor to find what she needs.

### ***Why Retailers Still Struggle with Stock-Outs***

According to the *RIS News/IHL* study, the average retailer loses the equivalent of \$3.19 on every customer transaction due to out-of-stocks. However, accurately calculating stock-outs can be one of retail's most challenging problems. Most retailers use a measure called "weeks on-hand" or "weeks of supply," but these calculations are fundamentally flawed since they do not calculate data at the level of individual stores and SKUs.

QuantiSense takes a different approach, allowing users to quickly drill down to store and item levels to answer the important questions: "What needs my immediate attention? Where is most of my money being lost, and where can I recover the most value?"

### ***Real-World Results***

Additionally, QuantiSense empowers retailers to catch the problem before it even reaches the customer by measuring imminent stock-outs. Users receive alerts that they are in danger of stocking out on a particular item, then QuantiSense's signature Playbooks® help guide them toward appropriate actions.

"During a holiday season, our store managers told us they'd stock out of key items early on and didn't get enough new stock to meet demand. With QuantiSense, the process was completely different," said Rex Stratton, VP of Product Allocation, Restoration Hardware. "The store managers would think they were going to run out of something, then a truck would come in with exactly the right merchandise every time, because of QuantiSense's imminent stock-out analysis."

### ***What QuantiSense Provides***

With QuantiSense, retailers are empowered with an intuitive and interactive platform that allows users to "work how they think." As Rob Kellow, Director of Business Intelligence and Data Services with Restoration Hardware commented, "This is the first time that Restoration Hardware

has been able to see all of its channels together in a single view, and that is a significant information systems win for us.”

The flexibility of the application enables users to view and sort the data however they prefer, at SKU level, size level, by overstocks or stock-outs and more. Drilling down into stock-outs at any level can be done very quickly, so users can easily drill from store level to department to style. QuantiSense helps retailers combat out-of-stocks with the capability to analyze data granularly with detailed intelligence and interactive tools. QuantiSense's Retail Learning Infrastructure also maintains data historically so retailers can better understand stock-outs, lost sales, and service level performance this year versus last year, enabling them to see how they're improving their handling of stock-outs season to season.

“Retailers can no longer afford to be complacent with stock-outs and overstocks,” said Jeff Buck, CEO, QuantiSense. “It is a complex problem, but as Restoration Hardware has proven, the ability to work with a single repository of real-time information can be the solution. More retailers should take a cue from this success story and turn to retail-focused BI technology to help them overcome this challenge and improve their bottom line.”

### **About QuantiSense**

QuantiSense is the leading provider of business intelligence (BI) and analytics applications exclusively for retailers. Customers include Burlington Coat Factory, Casual Male Retail Group, The Guitar Center, Hallmark Cards, Pacific Sunwear, Restoration Hardware, and Spencer's. Implemented in 100 days, the QuantiSense application features a best-practices retail data warehouse and ETL designed to integrate quickly with retail source systems and any database platform. Users conduct analysis using QuantiSense's packaged analytics, reports, and role-based dashboards tailored for executives, buyers, planners, allocators, and additional roles throughout the retail enterprise. The revolutionary QuantiSense Playbooks<sup>®</sup> empower retailers with a collection of role-based scenarios and situational analysis to drive process throughout the enterprise and guide users to the appropriate actions every time. To learn more, visit QuantiSense at [www.quantisense.com](http://www.quantisense.com).

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