

Project Design Phase-I
Proposed Solution Template

Date	19 September 2022
Team ID	PNT2022TMID22973
Project Name	Project – retail store stock inventory analytics
Maximum Marks	2 Marks

Proposed Solution Template:

Project team shall fill the following information in proposed solution template.

S.No.	Parameter	Description
1.	Problem Statement (Problem to be solved)	<p>This dataset contains a lot of historical sales data of a Brazilian top retailer</p> <p>Basic Questions of every retailer : How much inventory should I carry? Too much inventory means working capital costs, operational costs and a complex operation, lack of inventory leads to lost sales, unhappy customers and a damaged brand.</p> <p>This is why short-term forecasting is so important in the retail and consumer goods industry.</p>
2.	Idea / Solution description	<ul style="list-style-type: none">▪ Forecasting demand helps you keep enough product on hand while not wasting valuable storage space on unnecessary products.▪ Sophisticated inventory management software can help you automate inventory forecasting, as well as other tasks, such as setting reorder points.▪ Decide on a future forecast period, such as 30 days, 90 days or one year.

3.	Novelty / Uniqueness	<ul style="list-style-type: none"> • Short Term Forecasting allows you to be more accurate so that you can reduce your response times (especially on live channels) and cut down on customer abandonment. • Keep your sales team informed and accountable. • Short-term forecasting uses historical data, current trends, and reasonable assumptions about the future to predict cash flow. One of the best advantages of short-term forecasting is that shorter periods involve fewer variables. Consequently, it can lead to more accurate forecasts than 12-month projections.
4.	Social Impact / Customer Satisfaction	<ul style="list-style-type: none"> • It's one of the easiest ways to maximize revenues. Forecasting can assist merchants in offering the correct product at the right time and place, keeping adequate inventory levels while preventing stockouts, reducing the risk of obsolete inventory, and improving price and promotion management. • Determine Influences. The first step to achieving an accurate picture of customer satisfaction is to identify which factors affect customer perception the most.
5.	Business Model (Revenue Model)	<ul style="list-style-type: none"> • A retail business model follows a direct-to-consumer approach, also called B2C, where the company sells directly to final customers a processed/finished This implies a business model that is product. mostly local-based, it carries higher margins, but also higher costs and distribution risks. • The benefits of this method include reducing risk, expenses and waste.
6.	Scalability of the Solution	<ul style="list-style-type: none"> • The methods for preparing short-term forecasts are: Manual projections. Receipts / Disbursements method. Rolling average, and allocation method. • Organizations can use three major types of forecasting (economic, technological and demand forecasting) in planning the future of their

		operations. All forecasts lead to demand forecasting.
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