

RMS  
Retail Merchandising  
system

## OVERVIEW OF ITEMS

An item is something purchased from a supplier to either sell or support selling a product such as shopping bags. Item purchased from a supplier can also be used in the manufacturing of another product that could in turn be sold to a consumer, outside customer or another vendor. RMS uses a flexible data hierarchy for an item, with levels that allow you to group items in the desired way.

There are several types of items classified in RMS:

Item Type	Description
Regular Item	A regular item is a basic/simple item which is standalone. For example, a can of Coke is a regular item. A catch-weight item is a regular item defined with variable weights. For example, one pound of apples is a catch-weight item.
Simple Pack Item	A simple pack contains multiples of one component item. For example, an supplier ordering unit of 10 Salted Lays chips is a simple pack item. A simple pack must be in the same merchandise hierarchy as the components.
Complex Pack Item	A complex pack contains multiple component items. For example, a pack of four different flavors of Lays chips is a complex pack item.

Through item maintenance, RMS also maintains the relationships of items with other entities such as suppliers, locations, and attributes.



**Note:** Only a regular item is part of the item family. Pack items are separate items that are not part of a family but can only be created using an Approved transaction item. However, complex pack may contain quantities of a simple pack, which contains quantities of individual items. For example, the pack of cigarettes is the individual item, the carton containing 10 packs of cigarettes is the simple pack, and the case containing X number of cartons is the complex pack, even though it is only made up of

# Item Attributes

Systems / ROLE ( RACI ) responsible for maintaining each attributes



Item Attribute	System of Attribute 1 <sup>st</sup> Entry	Responsible for Attribute 1 <sup>st</sup> Entry	Accountable for Attribute 1 <sup>st</sup> Entry	System of Record for Attribute	Responsible for Attribute Edits	System(s) to Edit Attributes	Appear Editable in RMS	Should be Edited in RMS
Merch Hierarchy (Category/Subclass)	VIP > Venus / PiD	Supplier Category Manager	Category Manager	PiD, will be PIM	Accounting Category Manager	Reclass in PiD	N	N
Item Description	VIP>Venus	Supplier	Category Manager	PIM	Category Manager	Venus	Y	N
Item – Division Assignment	Venus	Category Manager	Category Manager	PIM	Category Manager	Venus/PIM	Y	N
Product ID (Item L1)	PIM	System	N/A	PIM	System	PIM	N	N
Dimensions, Incl Gross + Net Weight	VIP>Venus	Supplier	Category Manager	PIM	Supplier (IDM by exception only)	VIP RMS (by exception only)	Y	N (by exception only)
Item Type Indicator (sellable/orderable/inv)	VIP > Venus	Supplier	Category Manager	Venus	Category Manager	Venus	N	N
Item Type – Pack Type (Venus Item Type = shipper / case)	VIP > Venus	Supplier	Category Manager	PIM	Category Manager	Venus	N	N
Orderable + Consumer Case Pack Size	VIP > Venus	Supplier	Category Manager	PIM	Fred's Item Setup Team	VIP>Venus, edits done in PiD	Y	N
Temp Class	VIP > Venus	Supplier	Category Manager	RMS	IDM	VIP	Y	N
Hazardous Flag	PiD	Category Manager	Category Manager	PIM	Supply Chain Group (Matt Worland)	PiD/PIM	Y	N
Ethylene	RMS	Inventory Data Manager	Category Manager	RMS	Inventory Data Manager	RMS	Y	Y

## Item - Supplier Site / Loc Attributes

Item Attribute Required in RMS	System of Attribute 1 <sup>st</sup> Entry	Responsible for Attribute 1 <sup>st</sup> Entry	Accountable for Attribute 1 <sup>st</sup> Entry	System of Record for Attribute	Responsible for Attribute Edits	System(s) to Edit Attributes	Appear Editable in RMS	Should be Edited in RMS
Item lifecycle - (Oracle definition) - active / delete	Venus	Category Manager	Category Manager	PIM	Category Manager IDM	PIM (item) RMS (item at supplier site)	Y	Y
Buyer Code	Venus > RMS	IDM	Buying Coordinator	RMS	IDM	RMS	Y	Y
Cost Zone Group	RMS	IDM	Buying Coordinator	RMS	IDM	RMS	Y	Y
Item - Div - Supplier Site - WHS Relationship*	RMS	IDM	Supply Chain (Buyer / IDM)	RMS	IDM	RMS	Y	Y

Item-Division relationship is established in Venus by the category manager who also selects warehouses. Subsequently, item supplier site location associations are set up and maintained in RMS. .

## Item Attributes, Continued

Item Attribute Required in RMS	System of Attribute 1 <sup>st</sup> Entry	Responsible for Attribute 1 <sup>st</sup> Entry	Accountable for Attribute 1 <sup>st</sup> Entry	System of Record for Attribute	Responsible for Attribute Edits	System(s) to Edit Attributes	Appear Editable in RMS	Should be Edited in RMS
Min Shelf Life Days	VIP	Supplier	Category Manager	PIM	Supplier	VIP	Y	N
Max Shelf Life Days	VIP	Supplier	Category Manager	PIM	Supplier	VIP	Y	N
Primary Country*	VIP	Supplier	Category Manager	PIM	Supplier	VIP	Y	N
Unit of Measure (UOM)	VIP	Supplier	Category Manager	PIM	Category Manager	VIP	Y	N
Ti (tier)	VIP	Supplier	Category Manager	PIM	Category Manager / Whs in WIN systems	VIP / Individual WIN systems	Y	N
Hi (number of pallet tiers)	VIP	Supplier	Category Manager	PIM	Category Manager / Whs in WIN systems	VIP / Individual WIN systems	Y	N
Label	VIP	Supplier	Category Manager	PIM	Category Manager / Whs in WIN systems	VIP / Individual WIN systems	Y	N



## ITEM STRUCTURE

The item structure groups items together in what is commonly referred to as a family structure. The key salient features of item structure are:

RMS allows up to three item levels within an item family, level 1 (highest) to level 3 (lowest).

The item family structure is 3 levels for consumer items and 2 levels for pack items.

The terms Style, SKU, and Reference Item are three different item levels in RMS.

ITEM STRUCTURE						
REGULAR ITEM						
ITEM LEVEL	TRAN LEVEL	RMS - ITEM_ID	PIM Terms	Notes		
1	2	Family ID	Product Id	Inventory Level WH - Break Pack R) Store - all items		
2	2	SKU	Consumer			
3	2	Reference Items	Consumer GTIN			
PACK						
ITEM LEVEL	TRAN LEVEL	RMS - ITEM_ID	PIM - Terms	Regular item	Item Qty	Notes
1	1	Pack ID for 10 count	Trade Item (Ocado)	SKU	10	Supplier/Warehouse Purchase ID Inventory Level - WH
2	1	Reference Items for 10 qty	Case GTIN			
Change of Pack Size						
1	1	Pack ID for 12 count	Trade Item	SKU	12	12
2	1	Reference Items for 12 qty	Case GTIN			

Benefit of having consolidated view across the org

PIM is the system t

Benefit of having RMS is to get consolidated view of inventory across the org

PIM is the system of record for Item

SKU in RMS is called Consumer in PIM.  
All reporting in RMS refers to SKU

PIM is the system that generate Product ID. Its called Family ID in RMS

## ITEM STRUCTURE (CONT.)

The item structure groups items together in what is commonly referred to as a family structure. The following terms – Style, SKU, and Reference Item are the different item levels in RMS.

### Level 1: Style

This is referred to as the **Style**, if it is a three level family. It helps to ease operations, reporting and grouping SKUs together. This is also referred to as **product ID** at Kroger.

For example, Hunt's Stewed Tomatoes is the Level 1 item. When a Level 1 item is searched in RMS, the item number is displayed as Style.

### Example: Stewed Tomato



Hunt's Stewed Tomatoes

Level 1

The family – level 1 is called style



**Note:** Merchandise Hierarchy within Style must be the same for all items, both SKU and Reference Items.



# ITEM STRUCTURE (CONT.)

Here is a Style (Level 1) item example in RMS:

The screenshot shows the 'Item Search' window in RMS. The top bar includes 'Item Search' and a search icon. The main header displays 'Style 1000058493 | HNTS STEWED TOMATOES 14.5 OZ'. To the right of the header, 'Regular Item' and 'Approved' are indicated, with a blue checkmark next to 'Approved'. The main content area is divided into two columns. The left column lists the hierarchy: Department (1 | GROC-ALL OTHER), Class (22 | TOMATO PRODUCTS-SHELF STABLE), Subclass (2095 | 02095 - TOMATO STEWED), and Transaction Level (SKU). The right column lists attributes: Unit Retail (0.10), Unit ELC (0.0000), Markup % (0.00), and Currency (USD). Below the main content area, there is a 'Descriptions' section. At the bottom, there are buttons for 'Create Children', 'More Actions', 'Save', 'Save and Close', and 'Cancel'. Handwritten blue annotations include a bracket around the hierarchy labels on the left, a circle around 'Regular Item', and a checkmark next to 'Approved'.

Department	Class	Subclass	Transaction Level	Unit Retail	Unit ELC	Markup %	Currency	Sellable	Orderable	Inventoried
1   GROC-ALL OTHER	22   TOMATO PRODUCTS-SHELF STABLE	2095   02095 - TOMATO STEWED	SKU	0.10	0.0000	0.00	USD	Yes	Yes	Yes

Commodity in Legacy is referred as Class in RMS. Subclass is the sub-commodity  
Department, Class and Subclass represents the hierarchy

## ITEM STRUCTURE (CONT.)

### Level 2: SKU

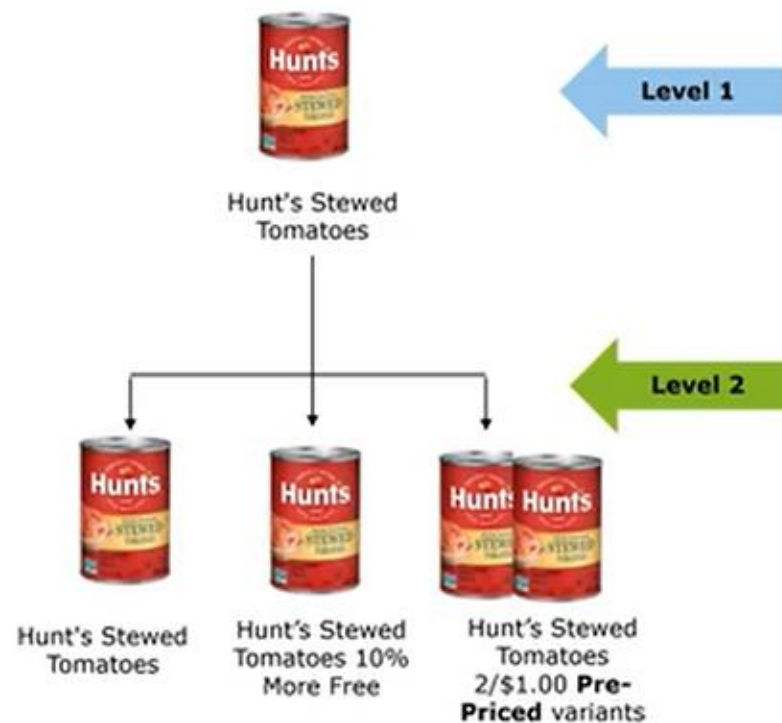
This is referred to as the **SKU**. It is the level at which inventory can be held.

For example, Hunt's Stewed Tomatoes, Hunt's Stewed Tomatoes 10% More Free, and Hunt's Stewed Tomatoes 2/\$1.00 Pre-Priced variants are the Level 2 items. When a Level 2 item is searched in RMS, the item number is displayed as SKU.



**Note:** Purchase orders for warehouses are at pack level. Items are ordered in packs. Once received, inventory at the warehouse is carried in packs and items are allocated and shipped in packs. Once received at the store, inventory is exploded to the sellable Each. Break pack is distributing quantity in less than purchasing quantity.

### Example: Stewed Tomato



## ITEM STRUCTURE (CONT.)

Here is a SKU (Level 2) item example in RMS:

SKU in RMS

The screenshot displays the 'Item Search' window in RMS. The main header shows the selected item: **SKU 100217120 | HNTS STEWED TOMATOES 14.5 OZ**, with a status of 'Regular Item | Approved'. Below this, the 'Style' section shows the parent item: **1000058493 | HNTS STEWED TOMATOES 14.5 OZ**. The main body is divided into two columns of attributes:

Department	1   GROC-ALL OTHER	Unit Retail	0.10	Sellable	Yes
Class	22   TOMATO PRODUCTS-SHELF STABLE	Unit ELC	0.0000	Orderable	Yes
Subclass	2095   02095 - TOMATO STEWED	Markup %	0.00	Inventoried	Yes
Transaction Level	SKU	Currency	USD		

Below the attributes is a 'Descriptions' section with two input fields: '\* Description' and '\* Short', both containing the text 'HNTS STEWED TOMATOES 14.5 OZ'. At the bottom, there are several icons and buttons: 'Create Children', 'More Actions', 'Save', 'Save and Close', and 'Cancel'.

It shows the parent style also

## ITEM STRUCTURE (CONT.)

### Level 3: Reference Item

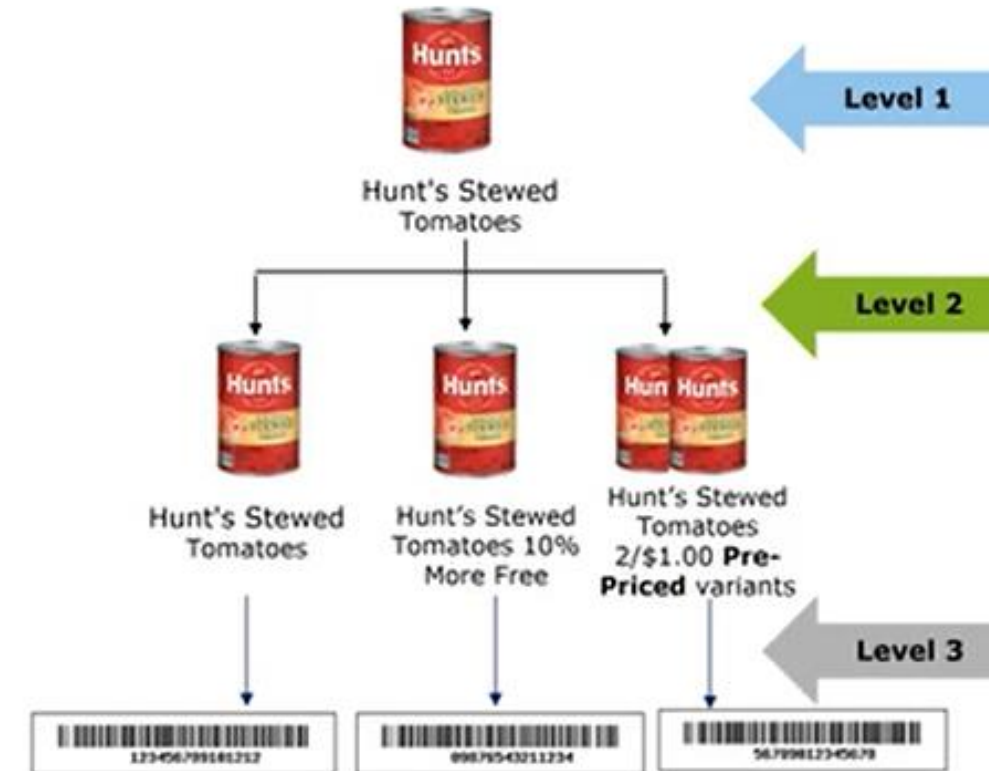
This is referred to as the **Reference Item**. This level is used to store the reference items associated to a SKU. It is the level at which a GTIN, a 14 digit number, is assigned to the item. It is used at Point of Sale (POS) and helps in identifying different scannable consumer items related to a single Level 2.

For example, each of the three available varieties of Hunt's Stewed Tomatoes have specific GTINs. When a Level 3 item is searched in RMS, the item number is displayed as Reference Item.

Also, GTINs differentiate individual (produce) growers, such as, whose 16 oz cartons of berries each have a different GTIN but the same SKU.

Level 3 -  
Reference  
item or  
consumer  
GTIN

### Example: Stewed Tomato



There can be one to many reference items against an SKU

## ITEM STRUCTURE (CONT.)

Here is a Reference Item (Level 3) example in RMS:

Reference  
item in RMS

Item Search

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**Reference Item** \*00027000379134 | **HNTS STEWED TOMATOES 14.5 OZ** Regular Item | Approved

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**Style** \*1000058493 | HNTS STEWED TOMATOES 14.5 OZ      **SKU** \*100217120 | HNTS STEWED TOMATOES 14.5 OZ

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Department	1   GROC-ALL OTHER	Unit Retail	Sellable	Yes
Class	22   TOMATO PRODUCTS-SHELF STABLE	Unit ELC	Orderable	Yes
Subclass	2095   02095 - TOMATO STEWED	Markup %	Inventoried	Yes
Transaction Level	SKU	Currency	USD	

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**Descriptions**

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\* Description       \* Short

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## ITEM TYPE INDICATORS

The following indicators are helpful in classification of item types:

Item Type	Description
Inventoried	Inventoried refers to all the products that you track in inventory. Non-inventory is used for services, etc., where no physical stock is tracked.
Orderable	Orderable items refer to all the products you order from a supplier. A purchase order (PO) can be created for such items.
Sellable	Sellable items refer to all the products you sell to your customers. Non-sellable is used for goods that are not for sale.



These are maintained in Venus, and you will not be able to edit them in RMS.

System of record for item is PIM and NOT RMS.  
Only enhancements are done in RMS for Supply Chain activity

Orderable items comes from Venus to RMS  
Sellable items comes through Tlogs from RESA

## ITEM – CURRENT VS. NEW

The key changes associated with the item after the implementation of RMS are highlighted below:

 Current	New 
OLP and ChainStore (CSS) are used for purchasing.	The purchasing attributes will now be maintained in RMS, if they are not maintained in VIP/Venus/PIM.
OLP, CSS, PIM, PID and some other systems are used for managing items.	<p>RMS will replace some legacy systems for items management. We will still use MAGIC for general merchandise/Fred Meyer and Venus and PIM as the item master systems of record.</p> <p>In RMS, items will be managed at the item-location level, at overall item level, or at item/supplier level. Item cost will be calculated at the item-location level too.</p>
Multiple line number (KLN/PLN) by warehouse for the same product	Single transactional item number (SKU) is now used across the organization.

## Benefits of Oracle RMS roll out

### KEY BENEFITS

Implementing RMS for managing items will eventually\* bring the following benefits for Kroger:



RMS will be the single source of truth for all purchase orders raised against one supplier.



One item and supplier number across all systems to drive process consistency and data integrity.



Functionality decommissioning within 17 legacy systems, including OLP, CSS, and CBS.

\*Realizing benefits of RMS is an ongoing process and Kroger is working towards achieving this goal.



## MANAGING ITEMS ATTRIBUTES – KEY BUSINESS ROLE

Before we develop a deeper understanding of Managing Item Attributes process, let us look at the business roles who are responsible for performing these activities in RMS.



**Stacey**  
**Buyer**

Responsible for:

- Viewing items details
- Communicating changes to item attributes to Inventory Data Manager



**Betty**  
**Inventory Data  
Manager (IDM)**

Responsible for:

- Editing item attributes
- Performing cost changes to items such as unit cost changes





## MANAGING ITEM SUPPLIERS: OVERVIEW

A supplier is an entity or enterprise that provides goods or services to another entity. Note: Sometimes "supplier" refers to the actual producer of the goods or provider of raw materials. A supplier site is a facility from which the vendor/supplier ships merchandise, and each supplier site has a "child" relationship to a parent supplier. The parent supplier may have multiple children supplier sites, which are different from the other supplier sites by ship from facility, payment terms, freight terms, or other distinguishing criteria. All Purchasing transactions are performed at the supplier site level.

An item supplier site would need an update in case of the following scenarios:



New supplier site needs to be added to an item.



A Supplier Site is no longer active for an item.

## MANAGING ITEM SUPPLIERS: OVERVIEW (CONT.)

To manage item suppliers, follow the steps below:

4

- Here you can view the details such as the supplier site, the supplier site name, the vendor product number (VPN), and the unit cost as well as the currency.

On this screen, you can add a new supplier site.

[illegible]

**Note:**

- The item screens show supplier site information and not supplier information.
- Supplier and Supplier sites are created in Supplier Hub (SH) and are integrated to RMS.
- Though cost is seen here, it is only for defaulting a new location. Refer to **Create and Maintain Supplier Cost Changes Manually and Via Induction** QRG for how to make changes to cost.
- Kroger will maintain cost at the Item-Supplier Site-Country-Location level.

# MANAGING ITEM SUPPLIERS COUNTRIES OF SOURCING: OVERVIEW

The key purchasing attributes at item suppliers countries level include:

Attribute	Description
Unit Cost	<p>The unit cost will be populated using the list cost from OLP/CSS. The unit cost is specified at the item/supplier/origin country/location level. The cost is stored in the supplier's currency; Kroger will only use USD.</p> <p><b>Note:</b> NEXT will be the system of record for costs. But until it is ready, costs will be manually updated in RMS. Refer to <b>Create and Maintain Supplier Cost Changes Manually and Via Induction QRG</b> for how to make changes to cost.</p>
Lead Time	The number of days that will elapse between the date an order is written for the item and the date it is ready for shipment from the supplier.
Pickup Lead Time	The number of days to ship the item from the supplier to the initial receiving location (i.e. the WH or store) on a purchase order.
Case	Denotes supplier shipping unit.
Inner	A sub-set of a case containing a specific number of eaches.
TI	Number of shipping units (cases) that make up one tier of a pallet. Multiply TI x HI to get the total number of units (cases) for a pallet.

NEXT is the system of record for cost



## MANAGING ITEM SUPPLIERS COUNTRIES OF SOURCING: OVERVIEW (CONT.)

The key purchasing attributes at item suppliers countries level include:

Attribute	Description
HI	Number of tiers that make up a complete pallet (height). Multiply TI x HI to get the total number of units (cases) for a pallet.
Round Level	This field determines how order quantities will be rounded to Case, Layer, Pallet, Case / Layer, Layer / Pallet, or Case / Layer / Pallet.
Round to Inner	This field contains the Inner Rounding Threshold value. During rounding, this value is used to determine whether to round partial Inner quantities up or down. This field will be defaulted to 50% of the inner needed to round to an additional inner.
Round to Case	This field contains the Case Rounding Threshold value. During rounding, this value is used to determine whether to round partial Case quantities up or down. This field will be defaulted to 50% of the case needed to round to an additional case.
Round to Layer	This field contains the Layer Rounding Threshold value. During rounding, this value is used to determine whether to round partial Layer quantities up or down. This field will be defaulted to 50% of the layer needed to round to an additional level..
Round to Pallet	This field contains the Pallet Rounding Threshold value. During rounding, this value is used to determine whether to round partial Pallet quantities up or down. This field will be defaulted to 50% of the pallet needed to round to an additional pallet .

## ITEM LISTS: OVERVIEW

The item list is a grouping of items based on characteristics defined by the user (buyer or IDM). Some of the key features of the item list are:

A single item can belong to multiple lists.

An item list is built based upon random selection or specific criteria.

An item list is used to streamline the functional processes in RMS.

Groups are re-usable for multiple functions. Once the item is grouped into a list, functionality can be performed on all items in the list.

Item lists allow for the following:

- Mass item changes such as assignment of item/location attributes
- Business process functions such as application of cost changes



## BUYER MAINTENANCE IN RMS: OVERVIEW

At Kroger, purchase orders (POs) in OLP/CSS are only generated with items belonging to a single buyer. The buyer ID is transmitted out on EDI to vendors.

With the introduction of RMS, the requirement to limit items on a PO to a single buyer is no longer needed. However, the requirement to identify an owner for each purchase order remains. The PO owner must be included on EDI transmission to vendors related to the purchase order and potentially communicated to other downstream systems.

In the Buyer Maintenance process within RMS, a buyer is assigned/updated:

Through a custom **Buyer Assignment Form** window

Via induction using the download/upload process

The buyers are assigned to POs based on their assigned Department/Class/Location/Supplier Site or Department/Class/Location/Supplier Site/Item relationship. The use of both department and class is mandatory because the class is not a unique field in RMS.