

“Our biggest challenge was accurate inventory planning and ensuring the availability of the right quantity of the stock at the right time to be able to cater to our customer needs.”  
- Radha CFO, Head Commercial for SPAR Max Hypermarkets

## StockWise helps SPAR India improve Operating Margins

SPAR Hypermarkets India registers increase in Operating Margins with StockWise, a solution by Retigence Technologies, powered by SAP HANA.

### About

Spar is a Dutch multinational retailer with its footprint in 42 countries across 4 continents with over 12000 stores. Last financial year, they clocked a top line of 33 billion Euro. Internationally, Spar has always stood for freshness, value, choice and customer service and it has provided all these at international quality standards while being profitable at the same time. SPAR Hypermarkets and supermarkets in India is the result of a license agreement between the Dubai based Landmark Group's Max Hypermarkets India Pvt. Ltd. and Amsterdam based SPAR International.

SPAR Hypermarkets has 17 stores in India with over a million square feet of retail area, catering to all the hypermarket needs like food and groceries, apparel & accessories and general merchandise to the Indian public.

### The need for Accurate Demand Forecasting

Key pain area for big retailers, especially in the hypermarket segment are the wafer thin margins. With 60% of the business coming from food and grocery, the inventory comes with an expiry date, high shrinkage and high pilferage. In the Indian retail scenario, customer buying decisions are MRP determined, the retailer has limited scope to play around with the margins. Hence inventory management is key to profitability.

Manual forecasting of demand at the SKU level for more than 300,000 SKUs per store was a difficult task; SPAR Hypermarkets placed orders once every fortnight by manually arriving at the order quantity.

"We were struggling to use the volumes of data effectively. In retail, speed of action is of utmost importance. The shelves need to be stocked adequately at all times. Considering the huge number of SKU's we deal with, it is not easy to forecast demand manually. Retigences' StockWise, powered by HANA, helped us to maintain stocks in real time", explains Radha.


### Innovative Solution providing Actionable Insights

To overcome all these issues SPAR Hypermarkets needed a comprehensive and robust solution which could efficiently handle its inventory across the supply chain and optimize it. SPAR Hypermarkets needed to know the availability of stocks at a store-SKU level, every day. It also wanted to know which products were likely to be stocked out soon, and the potential loss of sale from them. The capability of StockWise to detail to the granular level simplified the task of inventory management and ordering on a day to day basis. The software specifies the stock to be held at the SKU level and recommends reshuffling of merchandise based on sales.

It is very important for a buyer to know the amount of money/sales lost, so he can react fast. While the CFO gets the exception report, at the buyer level he gets information of possibility of loss of sale of even a single dollar. The actionable insights of StockWise to the buying team are easy to execute.

### Digital Transformation through Real-time Predictive Analytics

Within 6 months of signing on Retigence Technologies, SPAR Hypermarkets increased its operating margins. StockWise was instrumental in increasing the sale, margins and profitability of SPAR Hypermarkets without any increase in the working capital.



"Retailers face the issues of excessive stock or stock out due to the volatility of the supply chain and changing customer demands, which makes it very difficult for any retailer to cope with. The size of this problem is USD 1.1 Trillion globally. This problem is irrespective of the size of the retailer. As the number of SKUs increases, the complexity also increases."

- Srinibas Behera, CEO and Founder of Retigence Technologies

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# Retigence

Retigence, a Bengaluru-based start-up, was founded in 2015 as a real-time, predictive analytics company focusing on supply chain optimization. Retigence aims to help their clients improve their inventory turn, free up working capital, and reduce excess inventory. StockWise, the inventory optimisation software, empowers the users by predicting the customer demand at a store SKU level, on a daily basis while also providing actionable insights on excess and non-moving stock. Retigence is a member of the SAP start-up focus and is a proud winner of the SAP Innovation Award (Honorable Mention).