

# Why Scan Based Trading?

FACT SHEET

## THEY ALL LAUGHED AT THE LIGHTBULB

If someone could tell you how to save \$4 million this year, would you listen? You'd be crazy not to. Listen. That's all Prescient is asking you to do. We want to tell you about Scan Based Trading (SBT) – a transactional model where suppliers own inventory until it scans out at the point of sale – and how it can save you money, keep your shelves stocked, and make your customers happy.

If you've scoffed at SBT in the past because it's too leading edge or too far ahead of its time, we suggest you keep listening.

## SHOW ME THE MONEY

Let's cut right to the bottom line. Prescient knows from experience that running SBT on \$100,000,000 in sales volume translates into \$4,000,000 in annualized savings for you. Not only can we name the contributing factors ... reduction in inventory costs; increased sales; operational efficiencies; better promotions; more merchandising time ... but also we put our money where our mouth is. With our proprietary ROI calculator, Prescient can – and will – prove how much SBT will save your company.

Then there are the more intangible financial benefits, such as a better relationship with your trading partners. Prescient's SBT application eliminates the more mundane operational issues and keeps the focus where it belongs: stocked shelves and increased sales.

But wait, there's more. Lots of our suppliers use the data gathered at the point of sale and stored in Prescient's SBT Demand Signal Repository for forecasting and replenishment ... another value-added activity that creates a better shopping experience.

## NOT JUST A PASSING FANCY

Look, SBT isn't a fad like pet rocks, the Macarena, or jelly shoes. It's the next big thing and getting bigger all the time. SBT may have started in grocery, but it's everywhere now: mass merchandise, drug chains, DIYs, sporting goods, automotive, and convenience. And while its roots may be in direct store delivery (DSD) categories, SBT is also expanding to warehouse stocked products. Trading partners are adding more categories. Suppliers are getting on board because of the benefits.

And oh, by the way – there are plenty of retailers already engaged in SBT. This market is competitive enough when the playing field is level. Having \$4 million to invest back into the business ... well, that puts a whole new spin on the word 'competition'. SBT is catching on fast, and is here to stay.



[www.prescient.com](http://www.prescient.com)

### Listen. Learn. Save.

*Why SBT? Because it represents dramatic savings ... improved trading partner relationships ... happy, loyal customers.*

*Why Prescient? Because we led the charge and we're still the only proven SBT application.*

*Why Now? Because the sooner you get started, the sooner you reap the benefits. It doesn't cost anything to listen. And it might cost a lot if you don't..*

### **PRESCIENT BLAZED THE SBT TRAIL**

Prescient was a pioneer in SBT. As The viaLink Company, we were part of the 1999 GMA Scan Based Trading pilot program. With more than twenty years of retail experience, we've developed best practices around issues such as shrink, terms, buybacks, and invoice discrepancies.

Prescient is the only industry-recognized third party provider for SBT. We've invested years in building our SBT infrastructure; our on-demand model minimizes up front investment and maximizes speed to deployment. And, our application has withstood the test of time. Each year, our SBT engine manages almost one billion dollars in sales revenue (at retail cost) across 150,000 stores. Prescient has a proven, reliable service ... and we never fail to deliver.

### **IF YOU BUILD IT, THEY MIGHT NOT COME**

Maybe you think you can save a couple of bucks by building your own SBT system. We work with companies who have been there, done that. When they considered the cost of infrastructure, staff, a support environment, and on-going maintenance, they concluded that it made way more sense to take advantage of Prescient's system. We bring a lot of other things to the party as well ... the security of a neutral third party, tons of suppliers, and years of experience.

### **WE COULDN'T HAVE SAID IT BETTER OURSELVES**

Our client roster consists of more than 800 retailers and suppliers, many of whom are household names. Listen to what they have to say about SBT.

**Suppliers Like SBT Too** - Farm Fresh, a SUPERVALU company, has been conducting SBT with Prescient since 2002. According to Bill Parker, VP of Grocery Merchandising, "SBT changes the relationship between the retailer and supplier. It removes the drudgery of operations (pricing, synchronization, back door receiving, inventory concerns) and allows both parties to focus on sales." Prescient has helped Farm Fresh navigate shrink, supplier on boarding, and new accounting processes. "We see the benefits of SBT, and our vendors see them too," says Parker. "In fact, not one of my suppliers would go back to the old way of doing business with Farm Fresh. With SBT, everybody wins."

**Using SBT Data to Plan Ahead** - When Smith Dairy, one of the largest family-owned dairies in the US, was asked by one of its key trading partners to participate in SBT, they were apprehensive. It meant a big change in the business process, and owning the inventory until it scanned at the register. Order accuracy became a top priority. Smith Dairy used the POS data from the Prescient SBT application to better understand how much product to make and ship. Smith Dairy saw an eight percent increase in sales, a 62% reduction in shrink, and a savings of 45 minutes per delivery. Scott Gift, Smith Dairy's regional sales coordinator says, "The point of sale information we get from Prescient's SBT engine has given us critical insight into what's really happening at the store shelf. We now use that data to analyze shrink, improve our demand planning, and monitor merchandising activities. The results speak for themselves."