

I.A.I PLAN

INVENTORY AVAILABILITY IMPROVEMENT

Our Customer First Plan

Enhancing Our Merchandise Availability

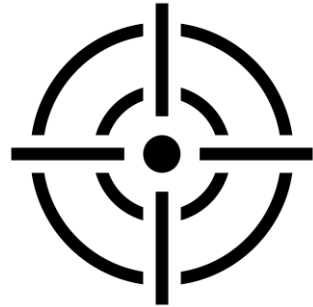
Through Better Visibility and Accuracy, Enabled By RFID Technology

What are the benefits?



CUSTOMER

- Stock Availability
- Tailored Customer Service
- Right Stock, Right Place, Right Time
- Quicker Click & Collect And Online Orders



ACCURACY

- Inventory Accuracy (Inaccuracy Impacts Replenishment)
- On Shelf Availability
- Site / Location
- Pick Success



VISIBILITY

- Ability To Advertise Local Inventory Levels
- Improved Inventory Location Identification
- Mitigate Refund Fraud
- Identifies Inventory Variances Daily Rather Than Bi-annually



COSTS

- Reduction In Stock Take Salary
- Speed Of Daily Counts
- Reduction In Team Member Theft
- Shrinkage Reduction
- Reduced Markdowns



COMPANY BENEFITS

- Customer Satisfaction
- Sales Improvement
- Profit Improvement
- Change Room Insights - Add On Selling
- Improved Efficiencies

Our Journey So Far

OCT 2017

DEC 2017

MAY 2018

MAR 2019

Apple Myer Melbourne

Pick success from 92% to 100%
79% reduction in shrinkage

International Designer Myer Melbourne

Shrinkage reduced from 11.2% to sales to 1.45% (in a 5 month period)
Pick success increased from 72% to 85%

Sheridan Eastland

Apple Eastland, Chadstone, Southland, Fountain Gate

Apple sales lifted by 87%
Shrinkage reduced by 91%
Pick success rate shifted from 83% to 94.5%

Sheridan Sydney

Sheridan average 57% sales lift
84.2% shrinkage reduction
Pick success lifted from 79.6% to 96.3%



No IT Integration
Stand-alone RFID Management System
Manual stock adjustments

In-store manual application of RFID Inlays
Sheridan Inlay at source at Hanes Truganina facility

Our Business Partners



Our Influencers & Collaborators



Inventory Availability Improvement Plan

- Transition from proof of concept into a BAU
- Establish an Inventory Availability Improvement work group with members from each business function including:
 - Supply Chain
 - Merchandise
 - Omni
 - IT
 - Procurement
 - Finance
 - Project Management Office
 - Retail Operations
 - Loss Prevention
 - Stores
- Assign a Project Manager
- Enrol members to GS1 RFID training course

Inventory Availability Improvement Plan

- Dovetail into the Myer "Store Tech Refresh" program including:
 - Telephony
 - Back of house server/cloud migration
 - Network and WIFI uplift
 - Back of shop device
 - Application migration
 - IOS to Android
 - Mobile POS
 - CCTV renewal / building security alarm
 - Traffic analytics
- IT/POS integration
- Confirm RFID software, hardware and consumable service provider (Procurement Event)

Inventory Availability Improvement Plan

Expand on Established Inventory Availability Projects

- Continue partnership with Sheridan
- Set up all 61 stores with infrastructure
- Purchase handheld devices with RFID readers and deactivation pads
- Continue with International Designer Apparel
- Replace Apple with Portable Audio

Explore Opportunity With Myer Exclusive Brands

- Focus on a brand that we own
- Garments to be tagged and encoded at factory
- From design, manufacture to distribution
- Stock to be tracked from factory to ship, to DC, to store, to POS, to exit
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Inventory Availability Improvement Plan

Set up Chadstone as Store of the future

- Assign a store leader to champion the project
- Allocate salaries to fund manual encoding
- Trial new RFID/EAS entry gates
- Implement RFID in designer handbags, Tommy Hilfiger Menswear, Premium Denim, Personal Care

Inventory Availability Improvement Plan

- Collaborate with international departments stores such as John Lewis, Macey's, C&A and River Island to create an alliance to create scale
- Continue conversations with companies looking to implement RFID such as:
 - Tommy Hilfiger (Already RFID O/S and are keenly exploring)
 - Lacoste (Already RFID O/S)
 - CK Underwear (Have shown great interests)
 - CK Handbags (already RFID tagged)
 - Champion
 - Superdry (have just signed a world wide RFID mandate)
- KPMG analysis of 2 years of sales, shrinkage and returns data
- Utilise the key findings from data analysis to leverage further investment



Who Would Like To Join Our **I.A.I** Journey???

MYER

MY STORE