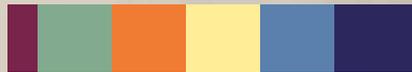


2019 TRADE PROMOTION MANAGEMENT SOLUTIONS GUIDE

In this edition of the Technology Solutions Guide series, *CGT* presents a comparison chart of solution providers on the forefront of trade promotion management and optimization.

To kick things off, a roundtable of experts provides thought leadership on navigating the challenges and opportunities involved in rethinking traditional trade promotion to meet the dramatically changing demands and behaviors of both shoppers and retailers.



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Q A recent industry survey found that only 11% of consumer goods companies are using “highly advanced” trade promotion optimization tools. Given the available technology, what are the obstacles to broader adoption?

BRUSSÉ: Various research has shown that the level of investment in artificial intelligence and other advanced technologies among consumer goods companies is low and lagging behind other industries. There has been low awareness and little interest in investing to ensure that solutions in their primary processes are supported by AI and advanced analytics and can unlock all their data sources to deliver the necessary business cases. The main obstacle is leadership that is unaware and not focused on taking tools on board to achieve the aspirational capabilities delivered by unlocking huge volumes of data. As long as leadership lacks this vision, the

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company will always be looking in the rearview mirror instead of through the windshield. Once this obstacle is out of the way and there is top-suite commitment to invest and implement, all other obstacles — the technical challenges, the scale of change management — then become little more than entertaining obstacles.

This goes hand-in-hand with the understanding that the uptake of next-generation tech is not a straight line to success. It's a journey to becoming fit for the future, and this demands leadership from consumer goods companies and leadership from vendors today.

JOHNSON: First, while the technology is available to apply AI and machine learning to business problems, these technologies have yet to be productized as packaged technologies aimed at trade promotion. The consumer packaged goods companies on the leading edge of this adoption have developed models outside of traditional TPM tools to build this competitive advantage.

“ If a TPO solution seems more difficult to use than the current process, no amount of intelligence or promised improvement will result in user adoption.”

- TERRY ZIEGLER, BLACKSMITH APPLICATIONS

Second, “push button” optimization without business inputs and/or customer realities isn't practical. While these tools do exist, they must be guided by sales and customer feedback to properly account for category and retailer nuance in the recommendations. Embarking on a science- or AI-led program without that business involvement is destined to be a science project in the truest sense and won't go beyond the infamous “conference room pilot.”

PRABHAKAR: The fundamental issue affecting wider adoption of “highly advanced” TPO is not a lack of appropriate technology nor a lack of desire to leverage advanced capabilities. Instead, it is due to the lack

of quality data that would enable companies to trust the results from AI. Overcoming these obstacles requires establishing a roadmap where you identify the steps needed to get quality data to support AI-driven insights.

This includes creating a solid foundation in TPM and identifying owners and processes to ensure that data quality is maintained. Reaching this goal requires organizational initiatives such as cross-functional collaboration on setting correct baselines and lift coefficients, ensuring access to historic channel data, and ensuring that results are revisited and refined over time. Without clean data, companies can't make the leap to TPO, and so “highly advanced” TPO is a non-starter.

SILLIMAN: TPO solutions are only one of many tools that are used to promote products. It can be difficult to identify which tools and how much of each variety of promotion, pricing, advertising, social media comments, packaging, flavors and planograms impact a product's sales. When you divide up these efforts across multiple budgets and functional areas including international, sales, marketing

In the future, “new products will still need the placement incentives at retail — or in the endless aisle, or other hybrid displays between virtual and physical — to build awareness, demand and availability for new products.”

— SUZY SILLIMAN, MANAGEMENT SCIENCE ASSOCIATES

and strategy, it can be difficult to get alignment on promotions.

ZIEGLER: Technology is not a strategy, it's an enabler. The greatest obstacle to integrating the advanced analytics and predictable optimized planning capabilities of a TPO solution is not having a data cleansing and harmonization strategy. Nine times out of 10, a company will stop a TPO implementation if they're not confident in the quality of the data, the accuracy of the baselines, or the reliability of the predictions. That's why it's critical for solution providers to automate the cleansing and harmonization of consumption, shipment and spending data so that the information feeding the analysis is accurate.

Once this challenge is addressed, change management is the next obstacle. The success of any technology project that asks users to think about their daily work differently is making the complex simple. If a TPO solution seems more difficult to use than the current process, no amount of intelligence or promised improvement will result in user adoption.

“Without clean data, companies can't make the leap to TPO, and so 'highly advanced' TPO is a non-starter.”

— RAJEEV PRABHAKAR, UPCLEAR

Q What are consumer goods companies doing to move beyond isolated trade promotion planning and take a more integrated, strategic view of their commercial investments? How are TPM vendors helping?

ZIEGLER: More companies are shifting toward a revenue growth management approach to handling their overall commercial investments. This moves the thinking about trade promotion from a necessary expense to an element of the organization's growth strategy. It also makes more important the need to predict the outcome of a promotion or promotional plan; to optimize an event and promo-

tional mix for revenue, profit or volume as it aligns to corporate objectives; and to measure the impact of complementary and competitive activity on promotional outcomes.

This is where companies are turning to TPM vendors to provide more than the transactional execution of promotions. They're looking for TPx solutions that can provide full-circle management and optimization with seamless data integration as the foundation of their revenue growth management operations. That allows companies to build programs that include data governance, pricing strategy, customer planning and analysis, investment monitoring and guardrails, and accurate forecasting and measurement.

SILLIMAN: CPG manufacturers are expanding to engage consumers in non-traditional ways: capturing them digitally, moving to direct-to-consumer incentives, e-mail couponing and loyalty programs, and managing and promoting a portfolio of products. Solution providers can help with the need to integrate the supply chain to address the lift that new demand is generating and to create awareness and ensure product availability.

“With [digital's] influence across the path to purchase, it is conceivable that trade promotion may not exist in certain categories in the near future.”

— ED JOHNSON, DELOITTE CONSULTING

PRABHAKAR: Consumer goods companies are looking at non-trade activities — ranging from participating in retailer digital platforms to determining what the real ROI is on slotting — in order to understand the complete picture of their investments with retailers. TPM vendors are making it clear that it's not just TP but "RG" — revenue growth — and the levers in play can be incorporated and analyzed the same way as modern trade tactics like feature and display.

JOHNSON: From an organizational perspective, we are seeing the functional silos collapse. In a digital world, when ads can be easily tracked and pricing can be unique to the individual, the notion of brand marketing, trade marketing, and promotions are all blurred. In response to these shifts, we are seeing an increase in focus on driver-based forecasting to understand the true drivers of demand, which informs conversations about how to best stimulate demand through different mixes of commercial investments.

We are also seeing a more agile approach to making those investment decisions, both at the HQ level as well as with customers. Certain TPM vendors are in a position to capitalize on this, through flexibility in the planning hierarchies (customer and product dimensions) that allow for analytically driven base volume planning inputs, and through the development of advanced scenario tools that give users the ability to create

“We are in the process of moving from a transactional to a predictive mode. In the coming years, that data momentum is going toward prescriptive.”

—JACO BRUSSÉ, VISUALFABRIQ

multiple investment scenarios within and across accounts, channels, and brands.

BRUSSÉ: Once the leadership of a consumer goods company makes a deliberate decision to become fit for the future, they take a more integrated view of revenue management across the business. The business takes the lead, and IT starts to facilitate and support. As a vendor founded by CPG professionals, we know the business and we help by engaging with all different stakeholders to paint the picture of a successful future. We encourage companies to think big, start small, and scale up fast. We recommend that they implement quickly according to a proven blueprint, within the requirements and on budget. Our particular model is to offer SaaS solutions that provide access to the latest available tech without requiring new implementations.

Q If we fast-forward 10 years, does trade promotion still exist? What does it look like?

PRABHAKAR: While direct

to consumer and personalization will continue to change the balance between traditional sales budgets in trade vs. marketing spend, the fact is that demand creation investments will continue if retailers still provide a venue to influence shoppers.

Take Amazon, an online retailer that is expanding its brick-and-mortar presence because it provides that additional avenue. If there is a physical location, then it can be leveraged to steer a shopper one way or another, even if the trigger was initially based on her online activity.

SILLIMAN: Trade promotion spend will be much more aligned with new product introduction and portfolio rather than with brand management. Direct-to-consumer marketing will increase in the promotion space. As the consumer journey changes, TPO will also need to adapt to subscription, online, curbside pick-up and delivery shopping.

New products will still need the placement incentives at retail — or in the endless aisle, or other hybrid displays between virtual and physical — to build awareness, demand and availability for new products. In addi-

tion, we expect to see growth in incentives at the point of pickup; incentives for limited availability and shelf-life products (better for you, healthful snacking); and incentives based on continued product loyalty.

BRUSSÉ: There will always be initiatives around brands and products, even 10 years down the line. However, it is likely that the magnitude and mechanisms to create value might be different. The rise of different channels and an explosion of data will drive transparency. Initiatives will go beyond trade promotion and become more integrated. The challenges for consumer goods companies will involve gaining a more holistic view of planning and the impact of decisions. We believe that trade promotion will still exist in a different form, and there will be other dynamics of holistic planning that come into play. Companies will need a single version of the truth, which requires integrated commercial business planning.

We are now in the process of moving from a transactional to a predictive mode. In the coming years, that data momentum is going toward prescriptive, and consumer goods companies will need solutions and tools to support vast, transparent, prescriptive data that shapes the development of brands and products. From a tech point of view, we are very close to enabling that. The challenge for



the consumer goods industry is to get itself into shape through the availability and quality of its data, implementing the necessary change management to support the transformation of organizational structure with new role definitions and bringing different skills and talent on board.

JOHNSON: 10 years? Let's start with three, maybe. Deloitte's "Digital Divide" survey found that more than half of grocery purchases are now digitally influenced. With this influence across the path-to-purchase — including click-and-collect, where traditional features and displays are irrelevant — it is conceivable that trade promotion may not exist in certain categories in the near future. Demand may be stimulated by much more per-

sonalized and targeted offers, pushed via business rules that target specific consumer groups or consumer occasions. Every day, non-promoted pricing may become the priority, as syncing prices between online and brick-and-mortar may become more important and digital consumer promotions become the norm for driving trial and/or incrementality.

That doesn't mean that commercial planning systems won't be required, but it does mean they will need to flex to faster planning cycles and more granular offers. We are seeing investment in these sorts of platforms and exchanges to power this next generation of TPM.

ZIEGLER: Despite changes in buying habits and channels, there is still no greater buyer motivation than price. As a

result, trade promotion will still exist; however, the practice of trade promotion will change. Today, many companies still take a “hope” approach, where they’re slashing price in the hope of getting the results they need. This is where technology will drive the balance between the art and sci-

ence of trade promotion to create better outcomes. Additionally, we’ll see technology bridge the gap between manufacturers and retailers for better mutually beneficial collaboration. As both parties have access to the historical and the predictive intelligence around promotional

and category performance, the opportunity to work together is greater than ever. This won’t result in the end of trade promotion, but rather in the reinvestment of trade promotion dollars in more successful campaigns and other consumer marketing activity. **CGT**

2019 TRADE PROMOTION MANAGEMENT SOLUTIONS CHART

COMPANY/WEBSITE	PRODUCT	KEY CONSUMER GOODS CLIENTS	UNIQUE FEATURES/BENEFITS
Accenture accenture.com/cloud.cg	Accenture Cloud Trade Promotion Management	<ul style="list-style-type: none"> • ABInBev Europe • Unilever 	Our front-office solutions enable CPG companies to make better-informed decisions at speed, connecting brands through to consumers by leveraging the power of the Salesforce platform with Accenture’s industry experience.
Acumen Commercial Insights www.acumenci.com/	Acumen Invest	<ul style="list-style-type: none"> • Heineken • Pernod Ricard • Coca-Cola Co. 	Acumen Invest is designed for the end user, providing insights from our consulting practice to deliver intuitive capabilities. Every implementation is backed up with robust change management programs to ensure sustainability and adoption.
Adesso Solutions www.adesso.com	Flamingo TPM System	<ul style="list-style-type: none"> • American Pop Corn Company • Idahoan Foods • Once Upon A Farm 	Adesso partners with small and medium-sized North American CPG manufacturers to improve trade promotion effectiveness through systems and services, including unique approaches for training and analysis, with a total community approach.
AFS Technologies* www.afsi.com	AFS Trade Promotion Management Retail	<ul style="list-style-type: none"> • Signature Brands • Sunny Delight Beverages • Weetabix 	A closed-loop system that helps plan, allocate, execute, settle and analyze trade spend with a robust set of intuitive, easy-to-use capabilities. The solution drives trade dollar visibility across sales, finance, accounting, supply chain and marketing professionals, providing insight into retailer trends.
Blacksmith Applications* www.blacksmith.com	FORGE	<ul style="list-style-type: none"> • Clorox • Conagra Brands • General Mills 	FORGE provides a central location for planning, forecasting, tracking, and reporting that integrates with demand planning to ensure proper production.
CPGToolBox cpgtoolbox.com	CPGToolBox Trade Planner Lightning Experience	<ul style="list-style-type: none"> • Fruit of the Loom • Mattel • Popchips 	A Salesforce partnership provides lightning-fast promotion planning in any currency/language, a superior UX to analyze global promotions easier, access to AI via Einstein, and rapid implementations that are affordable.

COMPANY/WEBSITE	PRODUCT	KEY CONSUMER GOODS CLIENTS	UNIQUE FEATURES/BENEFITS
Deloitte www.deloitte.com/polaris SEE AD ON PG 31	Polaris	Did not provide	Deloitte's cloud-based platform combines robust data management and predictive analytics with first-class IP on commercial decision-making across pricing, trade effectiveness/optimization, marketing mix and profitability.
Eversight eversightlabs.com	The Offer Innovation Suite	<ul style="list-style-type: none"> • Coca-Cola Co. • Hershey Co. • Mars, Inc. 	The Offer Innovation Suite is an AI-powered platform that automatically senses when promotions have gone stale, recommends promotions optimized for specific trade and marketing strategies, and continuously monitors market dynamics to maximize ROI.
Exceedra www.exceedra.com	Exceedra Integrated Business Planning Solution	<ul style="list-style-type: none"> • ACH Food • Bayer • Reynolds Consumer Products 	The solution enables clients to simplify sales, finance and demand planning processes and gain clearer visibility on trade spend ROI across trade promotion management/optimization, customer business planning, joint business planning, demand planning, and S&OP.
Flintfox USA* www.flintfox.com	Flintfox Trade Revenue Management	<ul style="list-style-type: none"> • Chobani • Daisy Brand • New Belgium Brewing Co. 	Flintfox offers trade and revenue management solutions to help businesses better manage list and trade promotion pricing, customer and vendor rebates.
Genpact www.genpact.com	Contract Assistant	Did not provide	Contract Assistant is an AI-driven solution that automates contract/deal sheet creation and deduction reconciliation. It works with existing trade promotion and order-to-cash applications to drive productivity and close revenue leakage.
IBM* www.ibm.com/products	IBM Promotion Management	Did not provide	IBM provides an integrated trade promotion management platform that helps users quickly build promotions while reducing complexity and automating processes to maximize benefits to retailers. The solutions help ensure accountability for vendor negotiations, forecasting, planning, managing, optimizing and measuring effectiveness.
Kantar Consulting www.kantarconsulting.com	Trade Promotion Management & Optimization by Kantar Consulting	Did not provide	An industry-dedicated, complete TPx suite with a breadth of offerings around promoting and executing. Kantar has a 20-plus-year record in the consumer goods industry for clients in more than 50 countries around the globe.
Management Science Associates www.msa.com SEE AD ON PG 33	G360Rebates	<ul style="list-style-type: none"> • Harold Levinson Associates • Jack Link's 	Built on SKU- and store-level payment-quality data representing more than \$5 billion annually, the G360Rebates solution is fully configurable, maximizing ROI for manufacturers and distributors as well as incentives for convenience retailers.
Mindtree www.mindtree.com	TradeSmart	Did not provide	With Mindtree's TradeSmart and PromoPro, CPG companies can integrate all the right demand signals into a single repository, apply advanced analytics, and evaluate what did or did not work for both manufacturer and retailer across all channels.
Nielsen www.nielsen.com/us/en/solutions/capabilities/sales-effectiveness.html	Revenue Management and Optimization	Did not provide	Our RMO suite makes granular data and models accessible to manufacturers and retailers through an easy-to-use, modular platform that includes post-event analysis for quick planning, thereby avoiding complicated legacy PEA (post-event analysis).

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COMPANY/WEBSITE	PRODUCT	KEY CONSUMER GOODS CLIENTS	UNIQUE FEATURES/BENEFITS
SAP www.sap.com	SAP Trade Management	<ul style="list-style-type: none"> • Conagra Brands • Hershey Co. • Henkel 	Provides increased visibility into all trade-related processes, including real-time expense data for accurate cost forecasting and promotion planning. Sales reps can act as general managers, ensuring that promotional activities are well planned and soundly executed.
Sequoia* www.sequoia.com	Trade Promotion, Promotion Forecast, Sales Planner	Did not provide	Simulation capabilities to predict event impact along with a robust account planning solution; quick insights into consumer response across numerous variables; account specific plans that include a calendar view along with a predictive profit and loss statement.
SYSPRO www.syspro.com	SYSPRO Trade Promotion Management	<ul style="list-style-type: none"> • Blissworld • Les Boulangers Assoc. • Perrone & Sons 	SYSPRO Trade Promotion enables quick identification of suitable items for promotion, such as new rebranded and seasonal items, slow movers or products nearing expiration dates.
TABS Analytics www.tabsanalytics.com	TABS Promo Insights	<ul style="list-style-type: none"> • Beiersdorf Canada • Keurig • Matrixx Initiatives 	TABS Promo Insights is a web-based analytics tool that allows users to extract meaningful information from their promotional data. It enables users to determine, with confidence, whether or not their promotional spending is yielding a worthwhile return on investment.
T-Pro Solutions www.t-prosolutions.com SEE AD ON PG 35	T-Pro Optimum Trade Promotion Optimization Solution	<ul style="list-style-type: none"> • Kellogg Co. • Snyder's-Lance • Welch's 	CPG companies drive optimal trade investment results using autonomously harmonized data to calculate accurate baselines and lift coefficients that power post-event analytics and predictive, optimized planning capabilities in T-Pro's centralized intelligence hub.
UpClear www.UpClear.com SEE AD ON PG 37	BluePlanner Revenue Management Solution	<ul style="list-style-type: none"> • Danone • Ferrero • Vita Coco 	The flexibility and speed of deployment of UpClear's SaaS model have made it the revenue management tool of choice for CPG companies of all sizes across more than 20 countries globally.
Vistex www.vistex.com	Vistex GTMS	<ul style="list-style-type: none"> • Barilla • Kimberly-Clark • Sony 	The Vistex GTMS solution provides the enterprise with full visibility into all aspects of annual customer volume and promotion planning cycles: top-down budget and calendar, bottom-up forecast and execute, accurate settle and pay — all supported by complete analysis to drive profitable growth year over year.
visualfabriq visualfabriq.com SEE AD ON PG 39	Trade Promotion Master	<ul style="list-style-type: none"> • Heineken • Reckitt Benckiser • Unilever 	An AI-enhanced solution that improves planning and revenue for CPG, providing true, end-to-end, predictive trade promotion management combining zero-touch planning, optimization and evaluation from a single point of entry.
Wipro Limited www.wipro.com/consumer-packaged-goods/wipro-promax/	Promax Advanced; Promax Optimize Integrated Trade Services	Did not provide	With three decades of global experience, Wipro Promax enables businesses to get accurate, actionable insights and predictive planning capabilities for desired business outcomes by combining industry expertise and data science capabilities with modular software and complementary services.

* Information compiled by CGT