Effective Trade Promotion Management Solution Enables a Paradigm Shift

TekLink

Business Objective

- Overall trade-spend exceeded 35% of sales and it was the second biggest component after 'cost of the goods sold' in this client's P&L. As a result, the value of improving the usability of trade management solutions and the effectiveness of promotions was enormous.
- Poor performance of the planning tool, with a large number of promotion types being used and the processes were designed to circumvent the system performance issues.
- The reporting and analysis solution environment including 'latest estimate' calculation wasn't getting updated on a timely basis and SLAs (Service Level Agreements) with business were missed on several occasions. and the calculation engine was offline.
- Planners didn't have visibility into the promotional P&L on a real-time basis, and the reporting was slow.

Client

Our client is a large Fortune 200 CPG company in North America

Industry

Retail and CPG

Function

Sales and CRM

Technology

ATPM, SAP ABAP, SAP BO Admin, SAP BW, SAP HANA

The Solution

- Based on the customer's specific needs, a separate BW on HANA environment was established, with the Development and QA environments on Amazon Cloud and production on premise.

- A strong foundation was set in the first two waves, aimed at addressing critical reporting and planning issues.

- The data models and ABAP were optimized, HANA studio was leveraged for characteristic derivations and several innovative methods were used to improve overall reporting and planning process performance.

- Several process changes were effected – day-level planning was introduced, several promotion types eliminated, event based updates were re-designed, and display pallet functionality was streamlined, to name a few.

- Promotion effectiveness dashboards were built using BusinessObjects dashboarding tools. The platform was further leveraged to simplify processes and improve usability.

Outcomes and Benefits

- Near-real time visibility during planning enabled a paradigm shift for key account managers.

- Reporting as well as planning performance improved multi-fold with a strong foundation and all SLA issues were eliminated.

- Day-level planning enabled improved planning accuracy.

- On-line processing, simplified layouts, and streamlined processes improved the usability of the tool.

- Promotion effectiveness library enabled visibility to ROI by promotion / event down to material and customer.

- The new platform opened up opportunities for further changes to processes and usability.

- Enhanced usability, performance and visibility improved trade promotion effectiveness that in turn helped boosting the operating margin.