Colgate Business Planning
70% of our sales today
100% by 2018

What We Will Cover

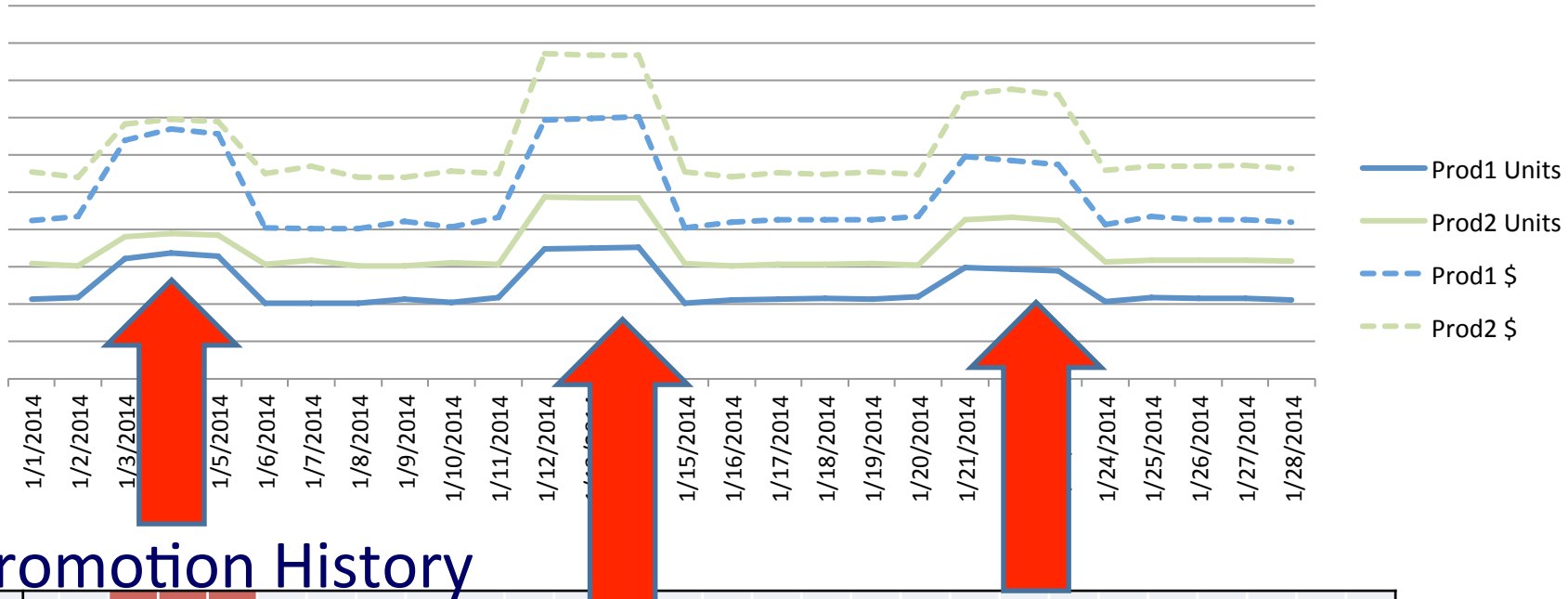
- Colgate-Palmolive Background
- Colgate Business Planning
- **What is Trade Promotion Optimization?**
- Insights from Colgate's Implementation of TPO
- How Colgate Will Measure the Success of TPO

Trade Promotion Optimization Overview

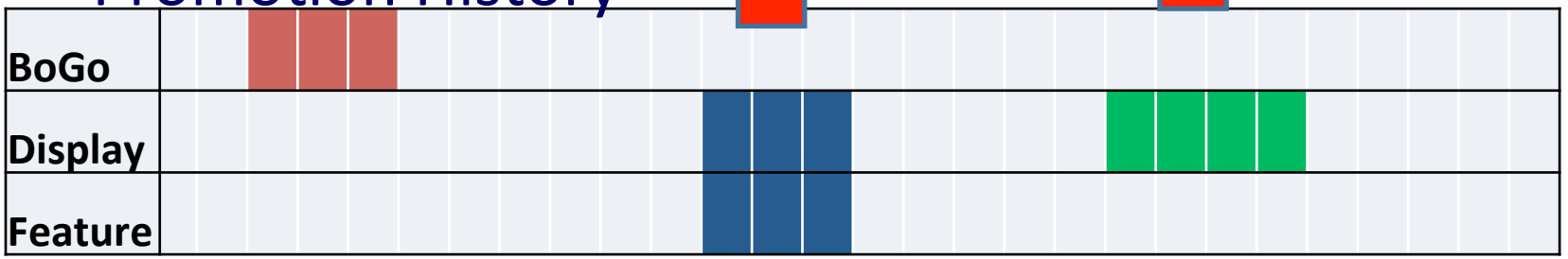
Leverage historical sales data to generate models which will evaluate/predict the effectiveness of past, current and future promotional events

Trade Promotion Optimization Data Example

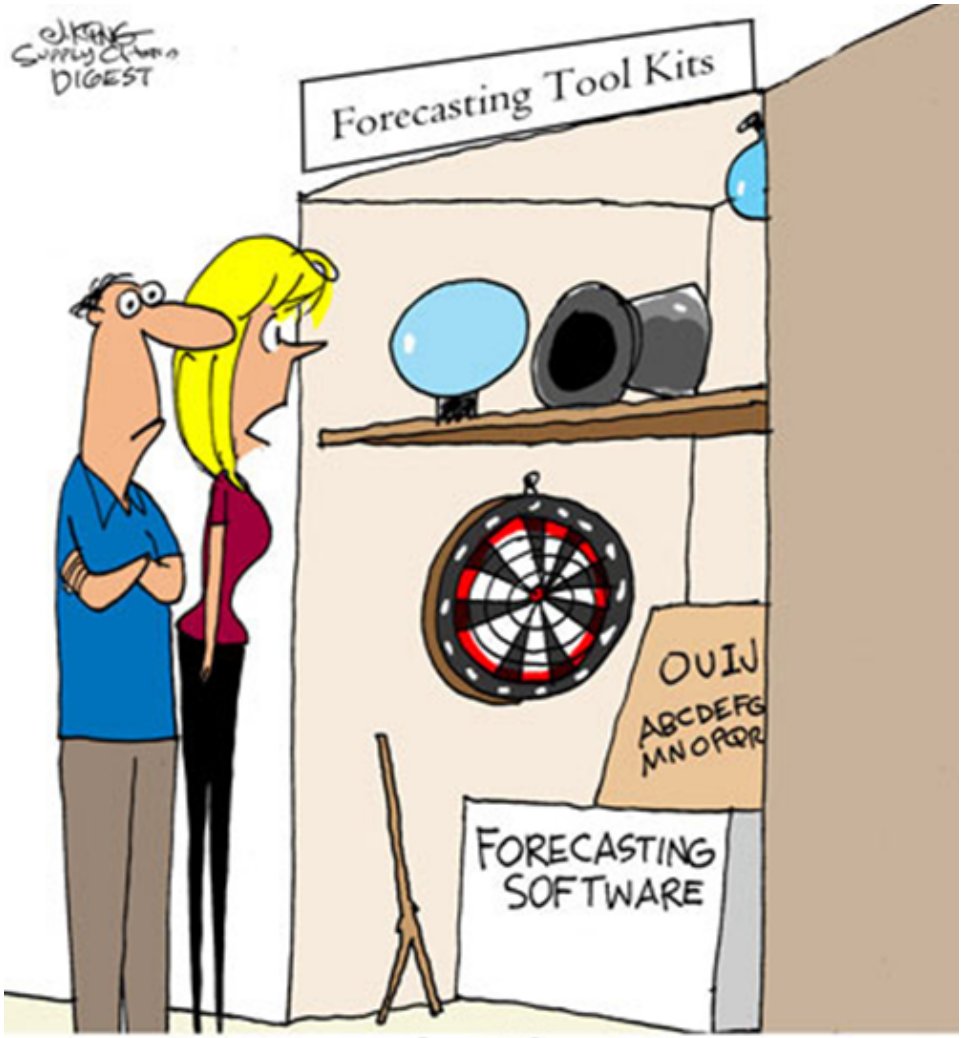
- Sales History



- Promotion History



Why move towards Trade Promotion Optimization?



"Gee, I don't know.....
your guess is as good as mine."

Colgate Business Planning
Plan to Grow.

Why Colgate is Investing in TPO

- Provide planning tools versus a transactional system
- Increasing ROI
- Optimizing investment decisions
- Improving volume and spend accuracy
- Align Big Data and enterprise data

What We Will Cover

- Colgate-Palmolive Background
- Colgate Business Planning
- What is Trade Promotion Optimization?
- **Insights from Colgate's Implementation of TPO**
- How Colgate Will Measure the Success of TPO

Goals and Objectives

Implement a pilot of the SAP Trade Promotion Optimization tool:

- Provide predictive capabilities and demand insights to our sales teams
- Understand the benefits to promotional planning and Colgate Business Planning
- Learn how usable and sustainable the tool is
- Ensure the tool delivers tangible benefits that justify the investment needed to implement and sustain the tool

Approach

Proof of Concept
Q2 2015

- Global Sandbox System
- Bodywash, Mouthwash, Toothpaste and Toothbrush

Go-Live
Q4 2015

- One Market
- All Product Categories

SAP TPO System Landscape

Trade Promotion Optimization

SAP DSiM
(Data Warehouse)

- Cleanses and harmonizes external data
- Provides for base TPO measures

SAP TPO Statistical Engine

- Builds model based on sales data
- Sends forecast results

SAP CRM
(TPM System)

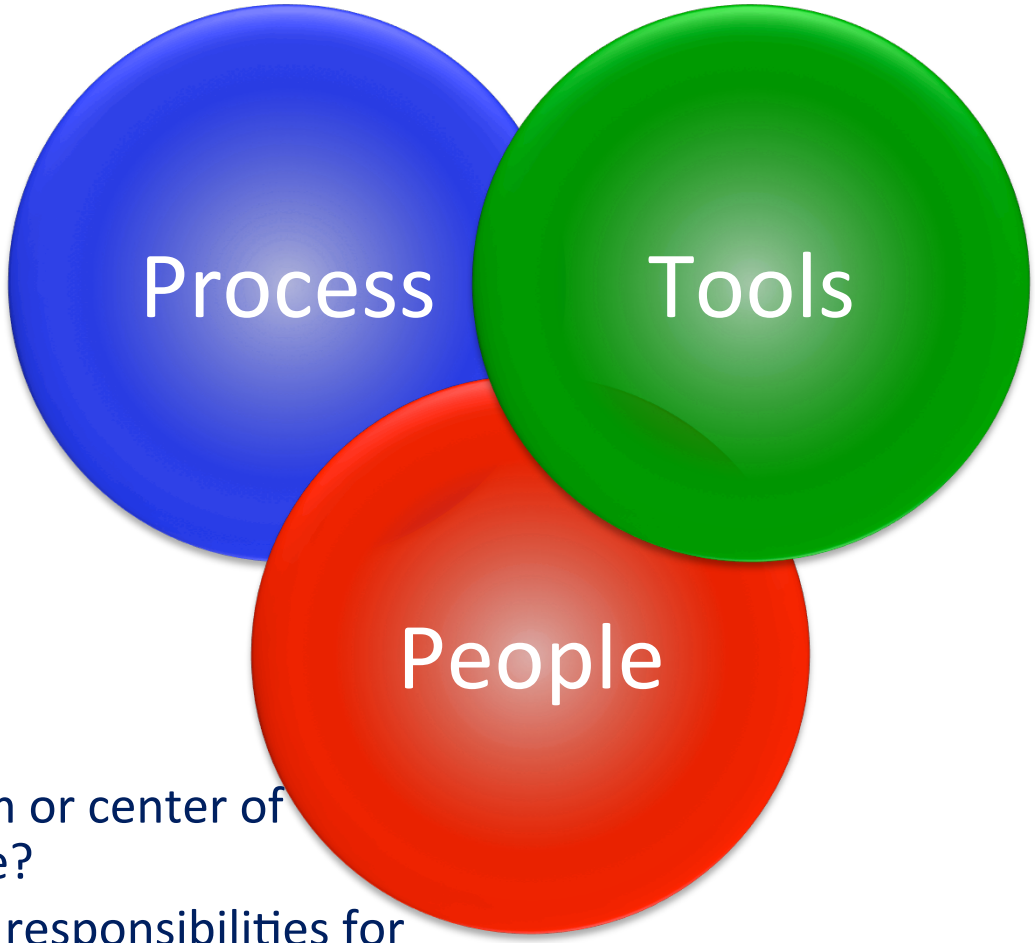
- Provides user interface for TPO
- Sends request for forecast

Colgate's Tool Deliverables

- Simulation tool to suggest promotional events
  - Automated plan creation
  - "What If" Analysis
- Event level prediction capabilities
- Post event consumption based analytics
  - Volume decomposition
  - ROI, margin, gross to net and more.
  - TPO model analysis

Things to Consider Before Going with TPO

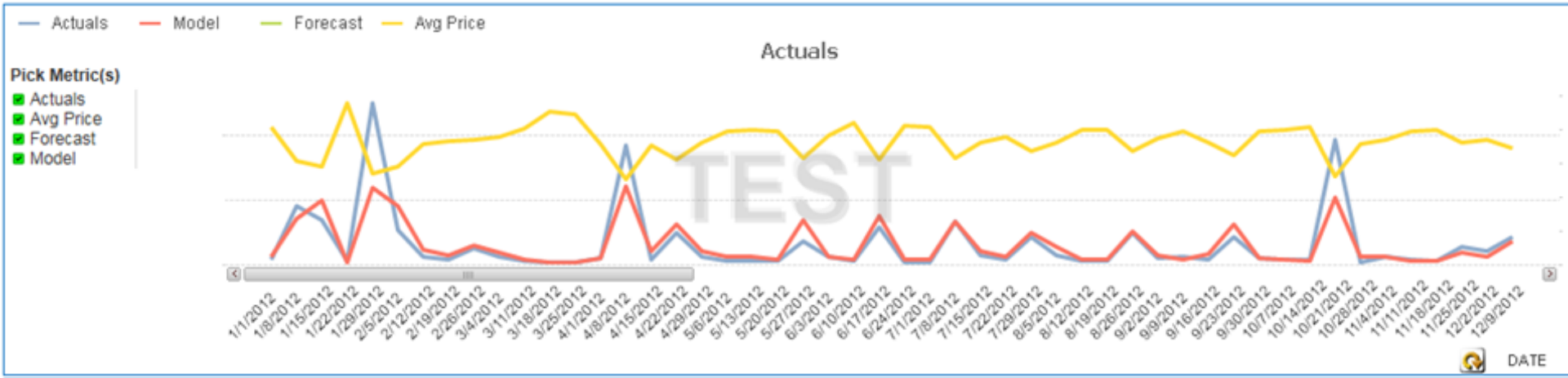
- How will this supplement your existing TPM process

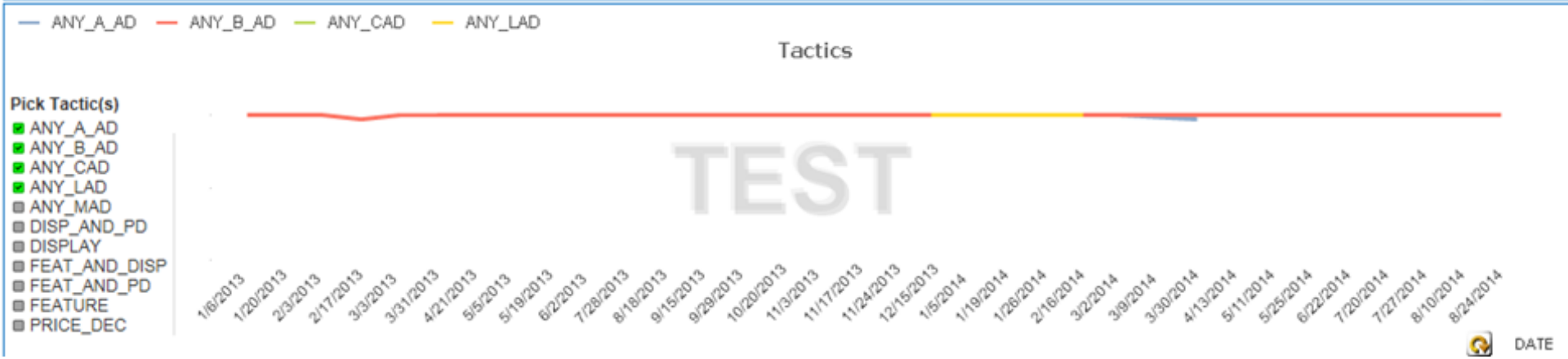


- User interaction
- Define actionable analytics
- Model validation
- Data ingestion

- Sales team or center of excellence?
- Roles and responsibilities for data and model

Analytics to Drive Model Quality





Colgate Business Planning
Plan to Grow.

Colgate's Tool and Process Opportunities with TPO

Opportunities found during first implementation:

- Evaluating shipment versus consumption
- Displays & mixed products volume estimation
- Additional external data sets (Coupons etc.)

Future tool rollouts

- Web versus Excel based user interface
- Managing different data sources for multiple customers

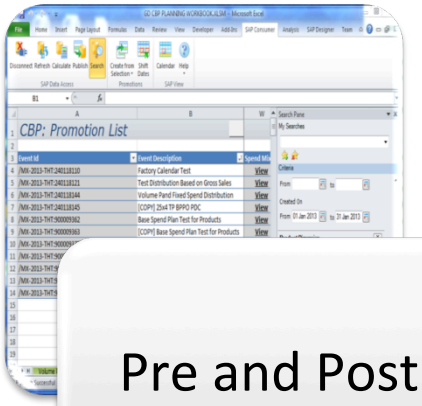
What We Will Cover

- Colgate-Palmolive Background
- Colgate Business Planning
- What is Trade Promotion Optimization?
- Insights from Colgate's Implementation of TPO
- **How Colgate Will Measure the Success of TPO**

Measuring the success of TPO – Colgate's Approach

Qualitative analysis

Utilization Metrics



Pre and Post KPI Measurements

- Survey and interviews with teams on the ground
- Provide an understanding of key wants and needs

- Ensures teams are leveraging the tool
- Further support for survey and interview answers

Evaluate:

- Promotional investment
- Event level ROI
- Plan accuracy
- & more

Colgate Business Planning
Plan to Grow.

Key Takeaways

- Implementing a robust trade promotion management process is critical to ensuring you have the foundation for success in TPO

- Through the fundamental approach of evaluating people, process and tools it is possible to gain success in a Trade Promotion Management solution.

- In order to implement TPO you should:
  - Identify your data ingestion strategy
  - Evaluating organizational readiness
  - Define actionable analytics with your business teams
  - Identify your measures of success for TPO