

Collaborative Marketing Driven by Advanced Analytics Summit

Ensuring Your Successful TPM-TPO
Retail Execution Journey



Swinging for the Fences:

Using Analytics as the Raw Material for Generating
Business-relevant Insights

Ron Gilson – VP & CIO, Johnsonville Sausage



Served with Pride Since 1945



Johnsonville Today

Johnsonville Today

Family Owned Since Inception in 1945

Approximately 1,600 Members

6 Manufacturing Facilities in the United States, 1 in Singapore and Sales Offices in Mexico, Canada, Japan, and China

Product available in all 50 States and 40 Countries

- Retail Supermarkets
- Warehouse Clubs
- Foodservice
- Convenience Stores

Brand Strength

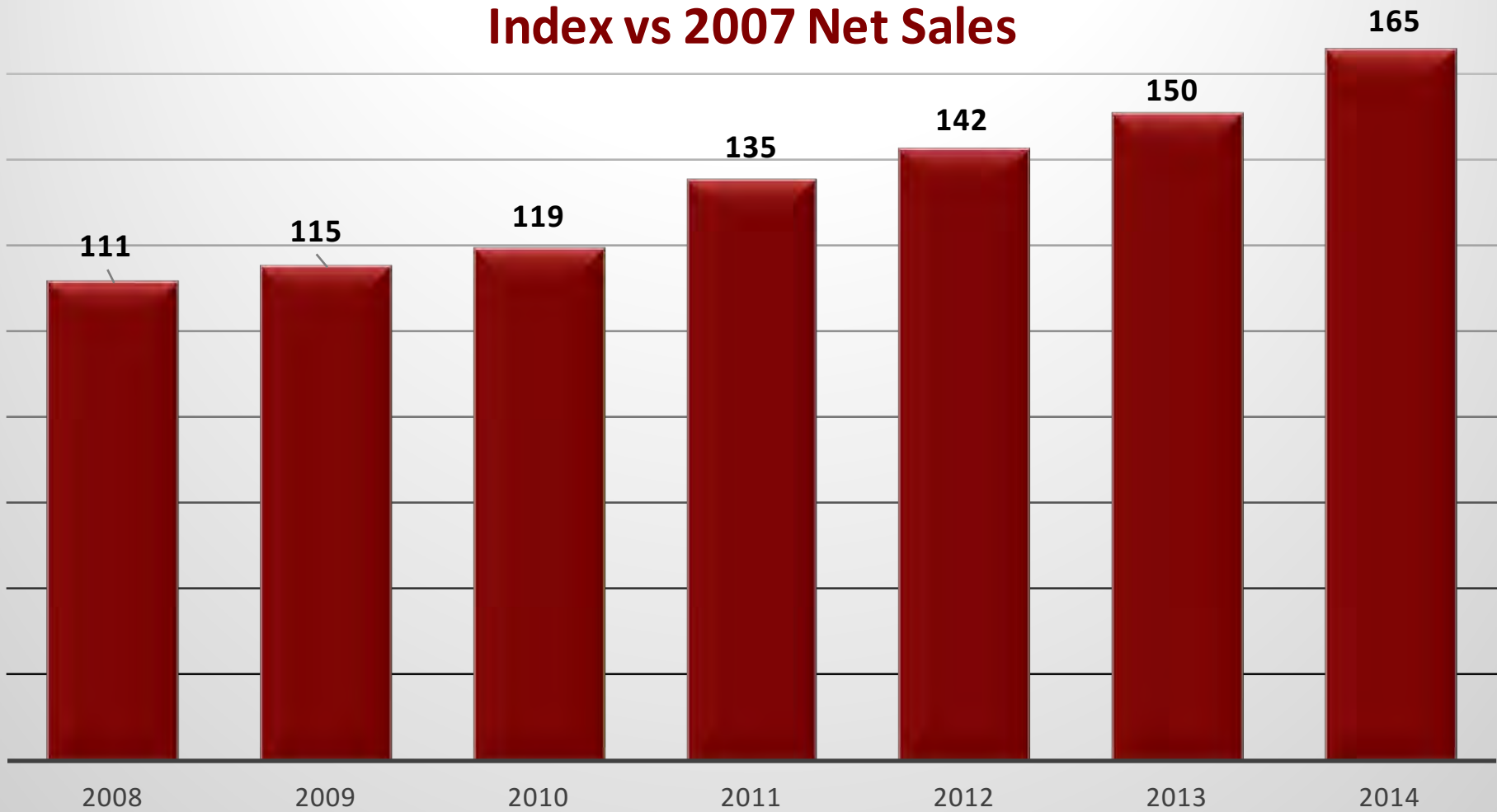
- **3 out of 4** brats sold in the U.S. are Johnsonville
- **1 out of 3** Italian sausages sold in the U.S. are Johnsonville
- **2 out of 5** fresh breakfast links are Johnsonville
- **Leading brand in U.S.** – Bratwurst, smoked-cooked links, fresh breakfast links and patties, Italian sausage





Solid Growth Year Over Year

Index vs 2007 Net Sales





Strategic Priorities

Accelerate Growth (Top Line, Bottom Line, Volume and Share)

- Organic Growth – Existing Customers, Channels, and Products
- New Channels
- New Products and Platforms
- New Geographies

Enhance Customer Success

- Category Expertise to Grow the Category, Customer, and Johnsonville Profits

Understand and Meet Changing Consumer Preferences

- Rise of the Millennial Consumer

Deliver Productivity Savings

- Manufacturing, Sourcing, Distribution and SG&A

Provide a Dynamic, Challenging and Rewarding Career for our Members



What Are We Supposed to Cover This Morning???

Does your firm have an [analytics](#) platform [strategy](#)? Few do, and yet it causes major problems while becoming an impediment for enabling [world-class analytics](#). In this session you will hear firsthand a CIO's perspective on what it takes to implement a major [technology platform](#), and ultimately how to drive IT-led change at a modern CP manufacturer. Ron Gilson has been CIO at Johnsonville Sausage for 18 years, and will share his experiences from just such an undertaking, including how it was originally conceived and sold into management, how the inevitable hurdles were overcome, and finally what the roadmap looks like for taking a traditional CP manufacturer towards [digital transformation](#).



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Creating a Digital Strategy

Digital Disruption, Digital Business, Digital Transformation, Digital Business Transformation, Digital “fill in the blank”

Nexus of Forces, The 3rd Platform

Social, Mobile, Big Data, Analytics and IoT.....



What does Digital Transformation Mean

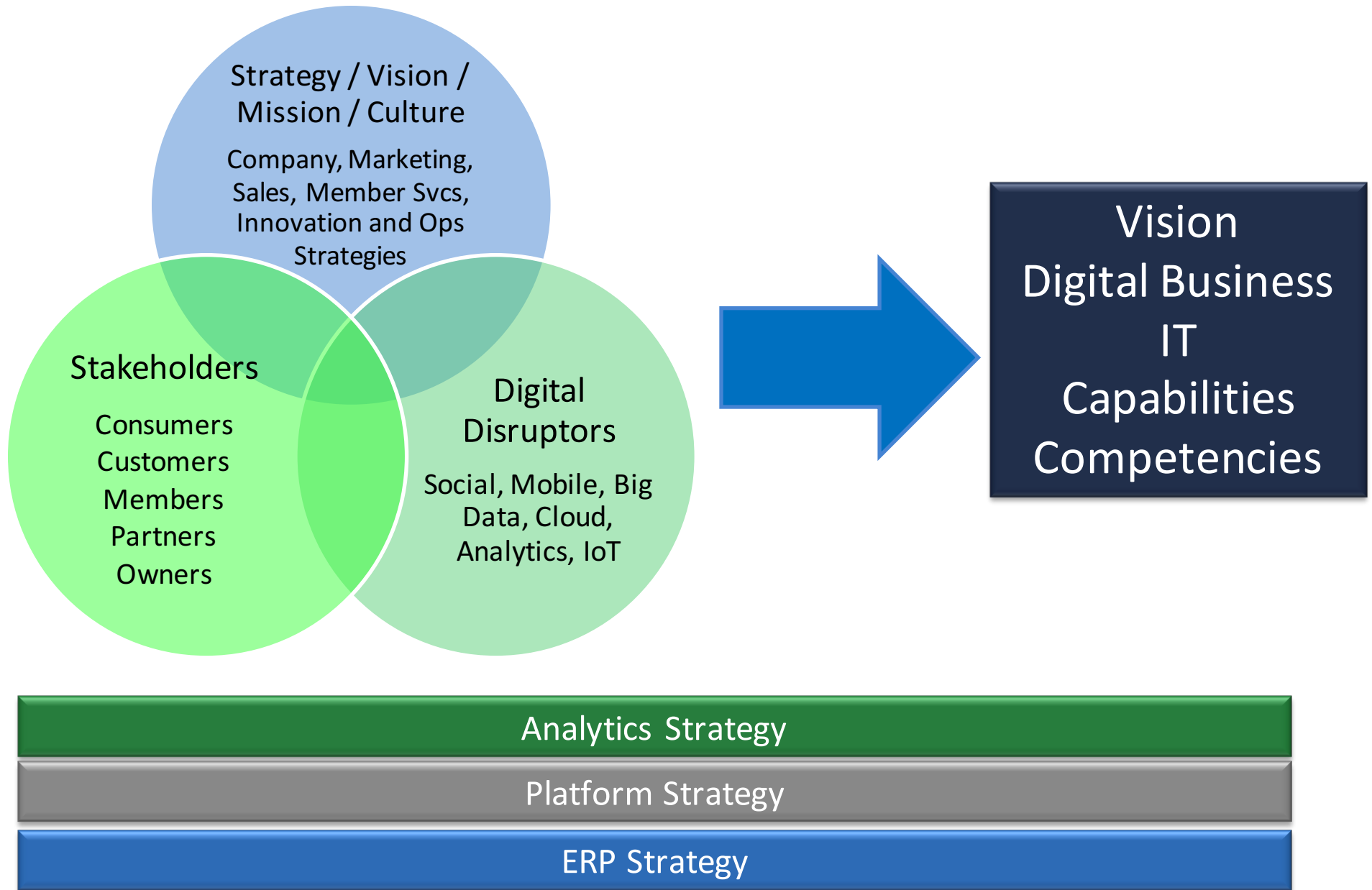
“**Digital transformation** is the profound and accelerating transformation of business activities, processes, competencies and models to fully leverage the changes and opportunities of digital technologies and their impact across society in a strategic and prioritized way.” – www.iscoop.eu

“**Digitalization** is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities. It is the process of moving to a digital business.” – *Gartner*

“**Digital business** refers to the emerging trend of creating new business designs by blurring the physical and digital worlds.”- *Gartner*



Creating a Digital Strategy at Johnsonville





Dream Big

Start Small



Act Now



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THINK Platform

Apple, Uber, AirBNB, Amazon, eBay, LinkedIn, Facebook

Platforms as Enablers of Phenomenal Growth and Disruption

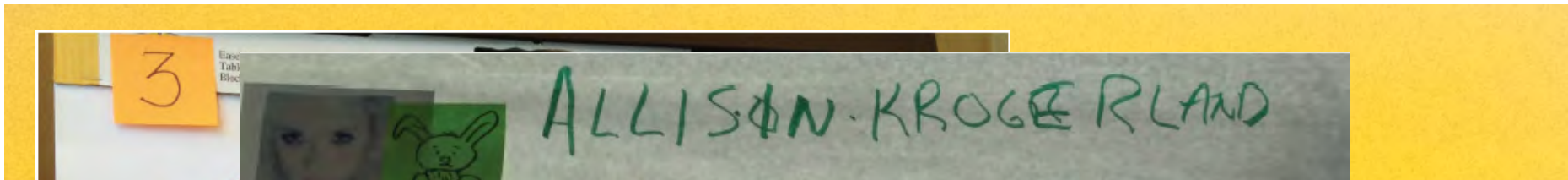


THINK Platform

- **Efficient Matching of Buyers and Sellers**
 - Reduce Friction (Cost and Complexity)
 - Standards, Simple UX, Non Value Added Work
- **Efficient Asset Utilization**
 - Increase utilization of existing assets
 - Share existing assets with more users
 - Repurpose existing assets for new uses
- **Leverage Network Effect**
 - Users beget more users
 - More users encourage more suppliers/providers
 - New users drive new use cases
 - New use cases encourage inclusion of new assets
- **Flexible and Extensible Platform**
 - Built with change in mind
 - Easily extended to support new use cases and users



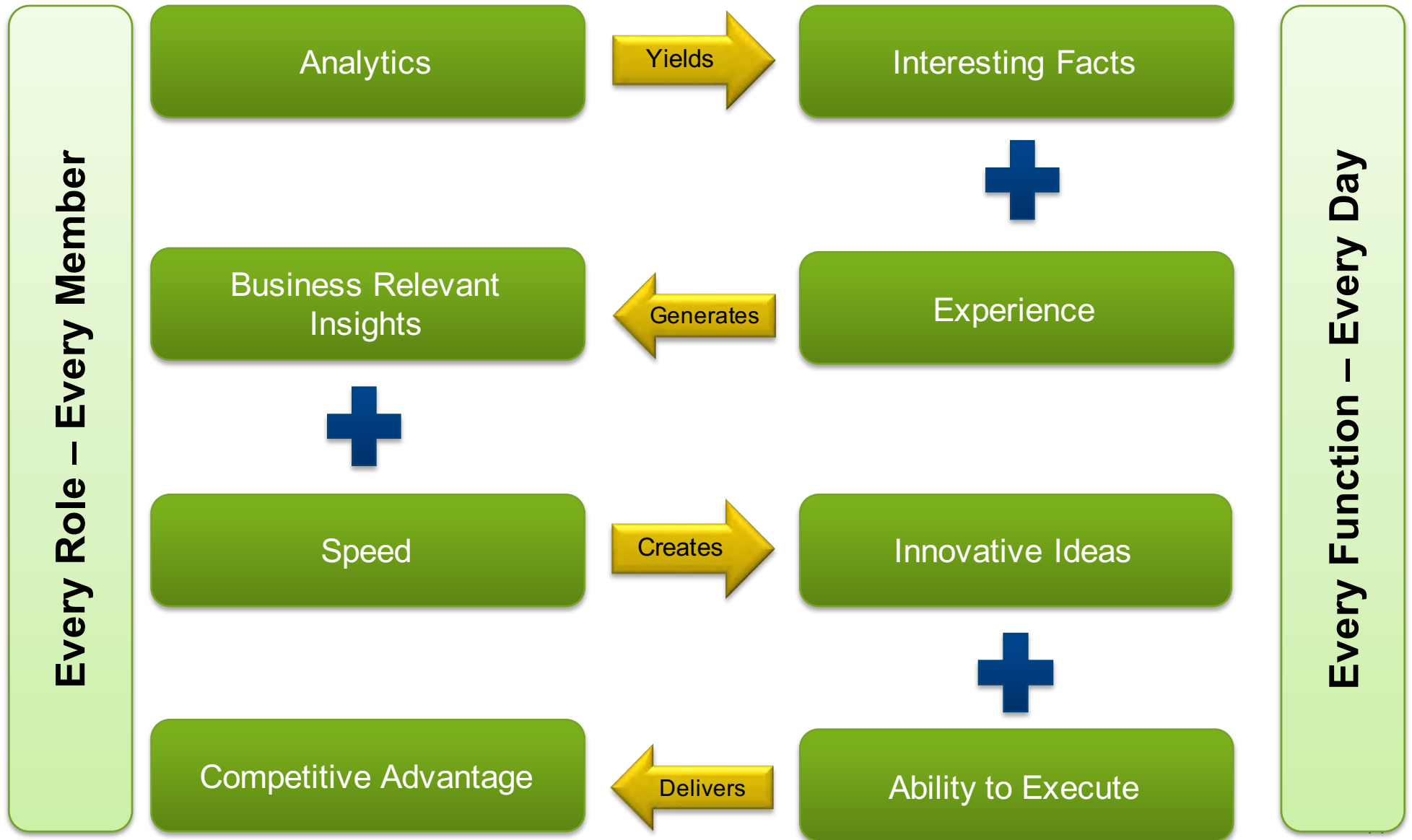
Analytics Strategic Objective



Grow organizational competencies in the generation of analytically derived business insights that can be executed to create competitive advantage



Analytics as the Raw Material For Competitive Advantage





How Are We Going To Get There

Deepen Analytical Competencies

80% Descriptive:	What Happened?
15% Diagnostic:	Why Did It Happen?
5% Predictive:	What Will Happen?
Prescriptive:	What Should We Do?

Expand Analytically Competent Population

Embed analytics into daily work of every member. Requires **simplification** and **mobilization** of analytical tools

Integrate horizontally to eliminate silos and generate new insights

What Pain Points and Gaps Do We Need To Address

Inefficient & Unresponsive

Too Much Time Spent Managing and Optimizing the Enterprise Data Warehouse

Too Many Tools & User Interfaces – No One is an Expert in Anything

80% of Analysts Time Spent on Data Preparation and Tactical Reporting

Immature in Data Visualization - Drowning in Details With Too Much Data & Too Little Insight

Inconsistent & Unreliable

Data and Analytics Silos – Internally and Externally

Lack of Trust in Data – Too Many Sources, Too Complex, Too Much Reconciliation, Lack of Common Definition / Language

Lack of Standardization Creates Rework and Unreliable Results

Historical Perspective

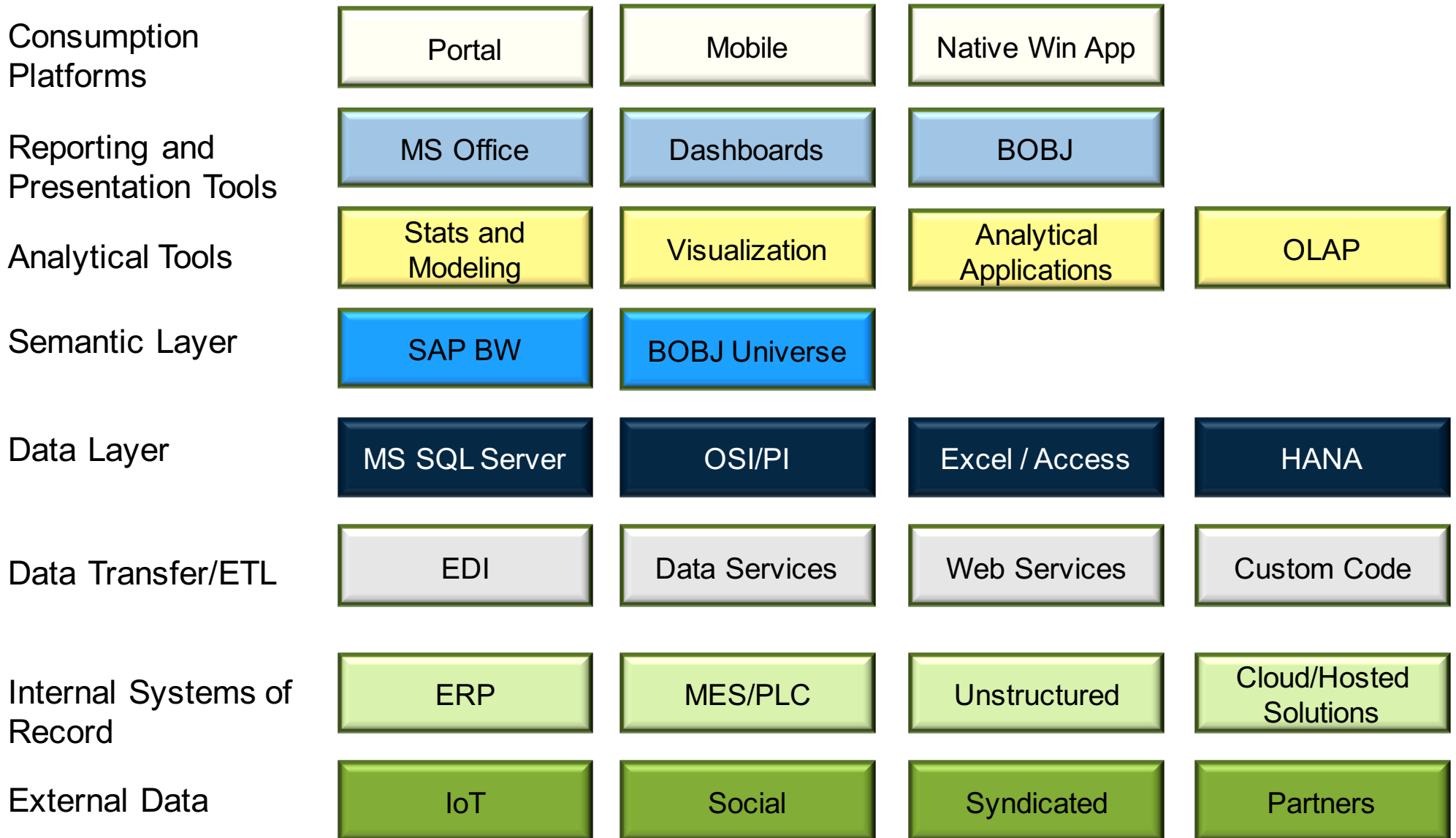
Current Analysis is Primarily Descriptive and Diagnostic

Limited Predictive or Prescriptive Analytics

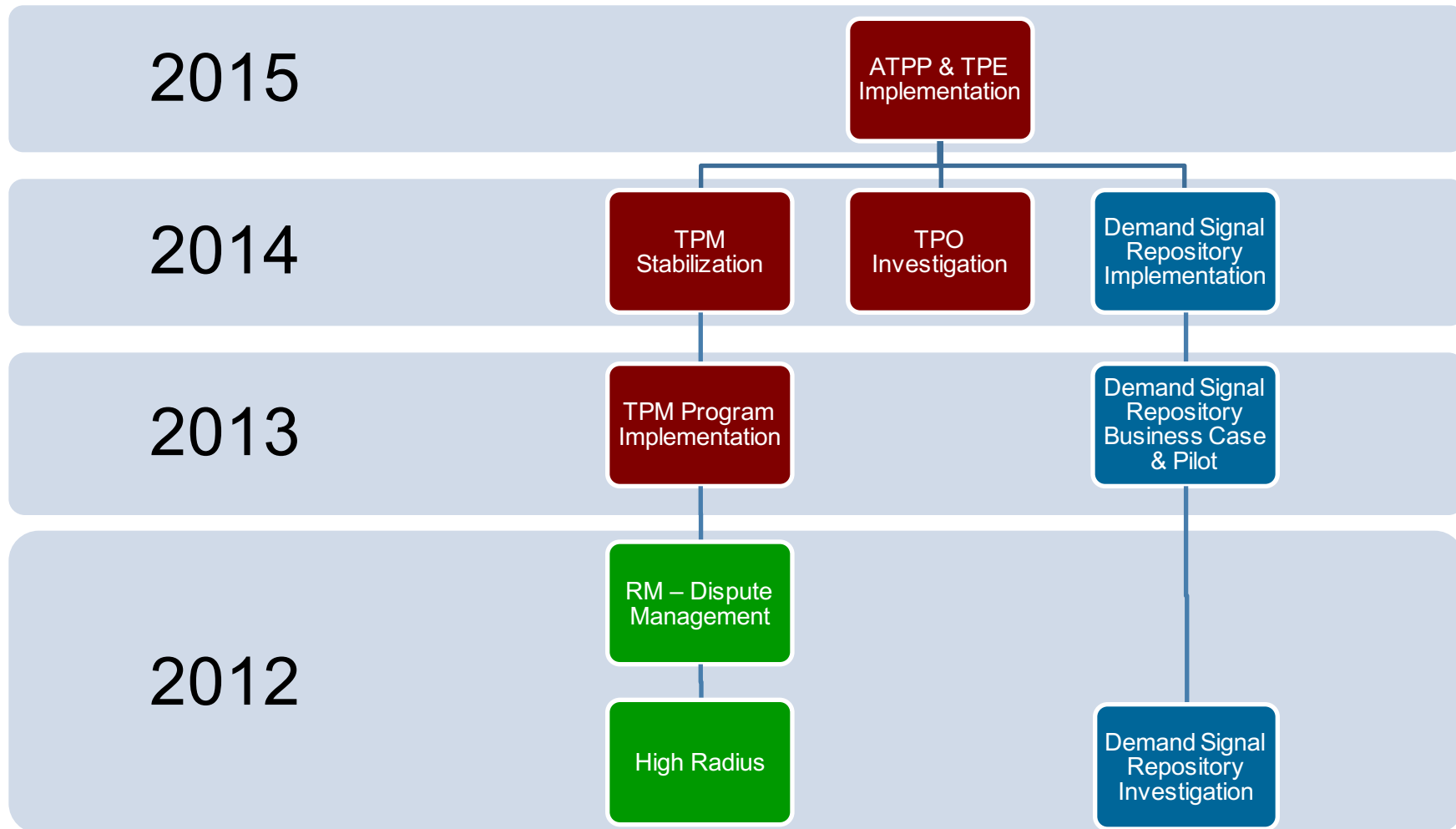


Our Journey to an Analytics Platform

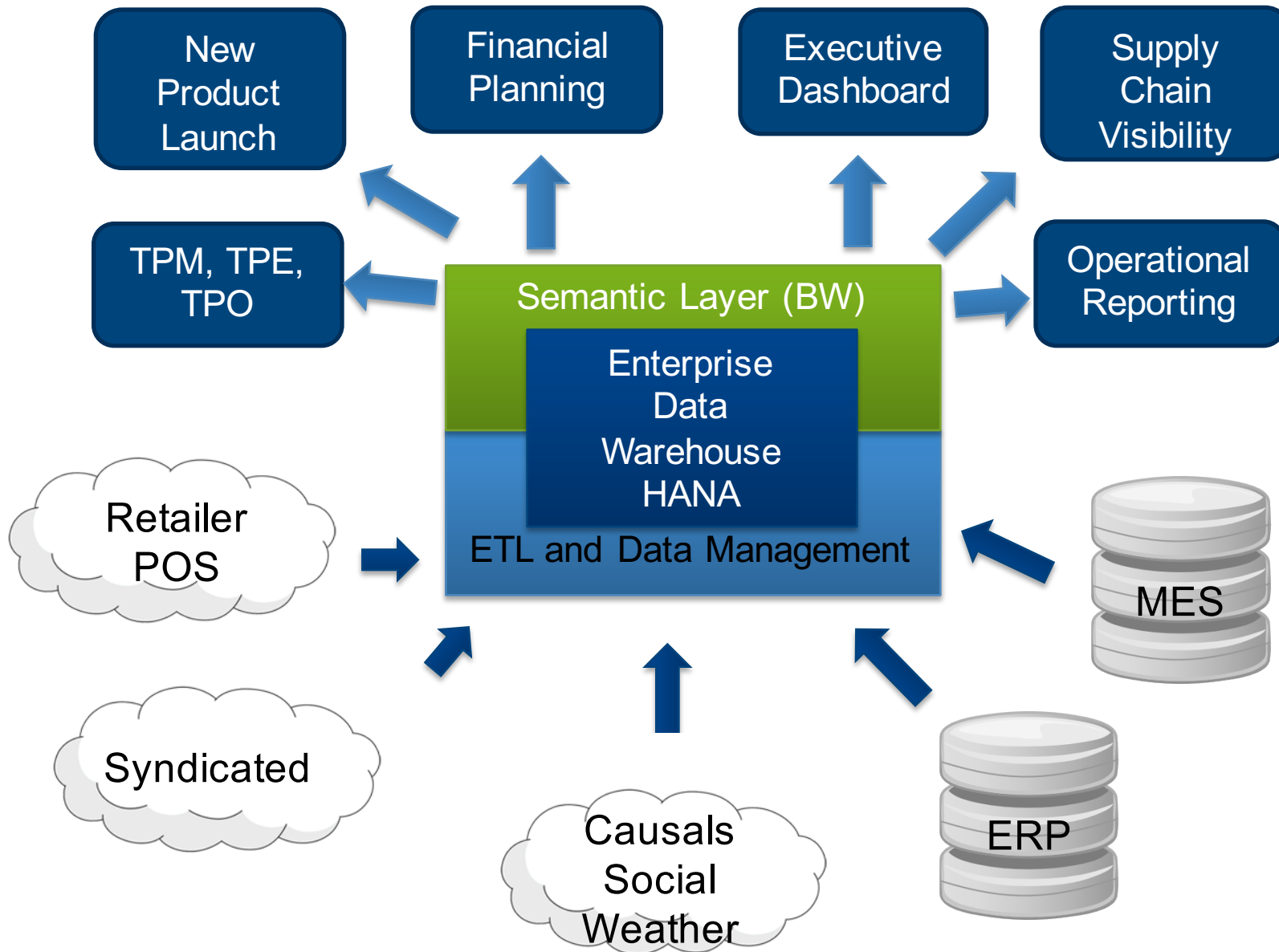
Analytics Platform Technical Building Blocks



TPO Program - Our First “Big Data” Initiative and Key Driver of Analytics Platform



Much Bigger than the Initial Business Case





Analytics Platform Value Drivers

Supply Chain Visibility

- Plant to Store Supply Chain Visibility
- Opportunity to enhance/automate VMI planning
- Opportunity to enhance deployment planning to reduce Series B and/or shortages
- Projected Out of Stock, Out of Shelf, Average Days Inventory On Hand

New Product Launch Execution

- POS Data is Daily – We know what scanned at the retailer yesterday AND what current inventory levels are at Store and DC
- We know what STORES are under/over performing or where we lack distribution.
- In our case, Syndicated Data is 10 or more days delayed and aggregated. POS is daily, at the SKU and Store Level.
- Single Tool and Database. No Need to Hop From System to System.



Analytics Platform Value Drivers

Simplified Reporting and Analytics

- Eliminate current ad-hoc effort on data acquisition, cleansing and harmonization
- Harmonized data across functional use cases - Syndicated, PoS, Financial, Trade, Inventory and Shipment data
- Simplified End-User Experience (increased use/adoption) by Reducing Number of Tools
- Real Time Dashboards

Analytical Applications Enablement and Integration

- Financial Planning
- Enhanced Demand / Supply / Deployment Planning
- Integrated Business Planning
- Customer Business Planning / Joint Business Planning



Challenges to Overcome

It's a Journey - Short Attention Spans

Herding Cats – Competing Priorities, Projects, Points of View

Fragmented and Competitive Ecosystem

Managing Expectations

Balancing “Gut” vs Data Driven Decision Making

War for Talent




The Ongoing Journey

Demand Signal Repository Build Out

- Expand Number of Domestic Retailers for POS and DC Stock
- Causal and Demographic Data
- C-Store and Distributor
- International Retailers
- Syndicated Data

Analytics Based Applications

- Consumption Based TPE
- Integrated Business Planning (Advanced S&OP)
- Social Media Analytics
- Enhanced Demand, Supply, Deployment and VMI Planning
- Joint Business Planning



If people aren't
laughing at
your dreams,

your dreams
aren't *big* enough. *Robin Sharma*

www.robisharma.com



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Dream Big

Start Small



Act Now





Reporting and Analytics Imperatives

Speed Wins

We Have To Perform the Routine Reporting Better, Faster, and Cheaper - Focus on Exceptions - We Can Not Continue Reviewing Everything.

Speed To Decision - Need to Get Relevant Information and Insights to Decision Makers Much Quicker

Embed Predictive Analytics in Work Stream of Those Closest to the Work - Enable and Empower Members to Make the Best Decisions

Reorient on the Future

Today 80% of Our Reporting and Analytics Effort Focused on Historical Reporting, KPI's, and Trying To Understand What Happened

20% of our Effort Focused on Predicting the Future, Optimizing Decisions and Risk Mitigation

Need To Flip The Ratio - To Allow Time and Resources For Scenario Planning, Modeling, Risk Mitigation, and Business Optimization



TPO Program Value Drivers

TPM

- Common planning tool that roles up total retail sales
- Improved financial reporting and accuracy
- Enhanced business management and planning skills
- Full year customer plans for both internal and external use
- Reduced ineffective spends and overlay spends
- Invest dollars more effectively with more accountability
- 1 efficient system; not 4 unconnected processes
- Get more sales people selling customers more often

TPE

- Pre-Event Scenario Planning.
- Post Event ROI. Understand Which Promotions We Would / Would Not Repeat.
- Migrate From Shipment Based TPE to Consumption (Scan) based TPE.

TPO Roadmap

- Pricing Analytics and Optimization
- Enhance Forecast Models with Causal Information
- Provide Advanced Simulation and Planning Capabilities