COLLABORATIVE MARKETING SUCCESS VIA NEXT GENERATION TRADE AND REVENUE OPTIMIZATION!
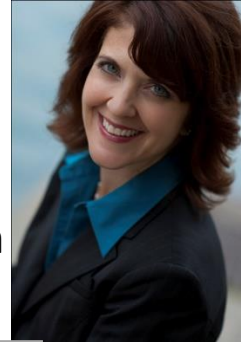
SPRING SUMMIT 2018

"Winning with TPx, Retail Execution, and Advanced Analytics Capabilities Across Channels"

POI
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Moving the Needle on Profitability with Amazon –
How to Successfully Enable IT Capabilities
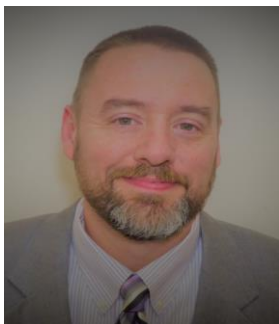## to Support Amazon Business Requirements

Panelists:

Moderator: Pam Brown
Del Monte Foods, Inc

Rich Wyse
Customer Logistics Manager
Del Monte Foods, Inc.

Lisa Malleus
eCommerce Digital Solutions ITS Leader
Mondelēz International

Shawn McLeese
Director of Services
Longbow Advantage

Business with Ecommerce & Amazon?

For companies kicking off business with ecommerce & Amazon, gaining "holistic" company support for this channel is critical.

Q: How was company and leadership commitment driven at your organization?

Critical Commitment Components:

- Steering committee
- Dedicated team
- Organizational patience, flexibility & ongoing commitment
- Cross-functional, total company endeavor (Amazon Accelerator)
- Brand and product specific digital content
- Product assortment and demand planning alignment
- Redefining the approach to WMS implementations for eCommerce
- Partnerships with TMS vendors to expedite parcel integration within the supply chain

Peer Sharing:

It's important to fully understand Amazon's business requirements prior to entering into business. There are heavy fines when labeling and EDI when a manufacturer doesn't facilitate business by the rules. This reduces or eliminates profitability for the manufacturer.

Q: *What steps did your company take to connect with the peer-set that was already in business with Amazon? What was the benefit of the exchange for both parties?*

Benefits of Peer Sharing:

- Gain business requirements early
- Understand realistic profitability expectations
- Discuss stand-alone team vs. other options of support
- Review label requirements and label examples
- Discuss supply chain needs & capabilities
- Share ecommerce learning & best practices
- Identify capabilities needed to support and drive growth in eCommerce
- Understand vendors that can enable ecommerce & Amazon capabilities

Amazon would like to sell "all products" from a manufacturer, though not every product is a good fit. It's important to think about what products make sense to ship, as this greatly impacts profitability.

Q: *What product assortment advice would you give to other manufacturers getting started with ecommerce/Amazon?*

Product Assortment Filter:

- $10-15 price range sweet spot within Food + Grocery category
- Differentiate online vs. retail item offerings, as Amazon will price match every day
- Create e-pack options for smaller pack size and variety packs… and forecast, forecast!
- Ask Amazon what works well for them, with like items they are already selling
- Velocity of the item
- Supply Chain: Identify ship-from location before order intake and have product in position
- Size/weight: Impact transportation costs and profitability

Labeling:

Understanding Amazon's labeling requirements can make or break profitability with this retailer.

Q: ***What were the most critical labeling aspects to get right with Amazon to enable success with this vendor?***

Critical Labeling Aspects:

- Ensure all technical requirements are captured- SSCC labels (Perfect Inbound Player Handbook)
- Gather required data for label – product, shipment & carrier information and SSCC
- Set up printers to enable the SSCC labeling
- Make adjustments to deployment systems (w/o affecting all customers)
- Engage the DCs doing the work and incorporate their feedback:
  - Input on printer type -holster vs mounted- and placement on the forklift
  - Discuss DC changes to truck loading & processes
  - Determine label printing timing
  - Execute the right label on the right case/pallet
- Executing efficiently in the operation, and not impacting other customer accounts

As with labeling, other enabling capabilities like EDI can make or break profitability with this retailer.

Q: *What are other enabling aspects do we need to get right with Amazon to drive success with this vendor?*

Critical Enabling Aspects:

- Strong cross-functional team: Agile, problem-solvers
- EDI PO Confirmation (855) transaction and confirm POs within 24 hours
- Utilize Vendor Central to update confirmed quantities to shipped quantities
- Prioritize your product catalog data quality… clean, accurate and timely
- Ensure master data is correct at item level in your ERP and matches data in vendor central
    - Capture correct UPC & Case Pack
    - Promotional values (oi)—you need your case oi to be divisible by the case pack
- Ensuring physical product information matches EDI – especially in the case of exceptions (shorts, damages, cancellations, etc.)
- EDI timing – triggering ASN and delivering to Amazon before product arrives

Q&A: