Predictive Planning

How To Implement Predictive Analytic Capabilities to Win with the Retailer
Purpose

How to utilize predictive analytics to achieve wins with the retail customer

• Vision
• Implementation
• Benefits
Agenda

• Predictive Planning Vision
• Expected Benefits
• Implementation
• Planning Wins
• Retailer Wins
Predictive Sales Planning Vision

What is the vision?

To design and implement a Best in Industry **Predictive Planning System** that utilizes **scientific modeling** to simulate scenarios with brands, categories, mix, pricing, timing, duration, competition and other variables to improve plans. The **automated** “sandbox” will enable our teams to work more efficiently to drive improved planning, effective trade spending & **advance Del Monte’s position as a Strategic Supplier.**
Predictive Sales Planning Benefits

Expected Benefits

- Enabled Joint Customer Business Planning on the Customer’s timeline
- Robust pre-promotion analytics and scenario planning
- Retailer profitability metrics & total category evaluation
- Ability to run scenarios that include competition
- What-if analysis calculated in minutes vs. hours, increasing productivity
- Increased plan accuracy that continues to improve over time
- Improved trade spend effectiveness
COMPASS Inserted Into the Planning Process
Compass Deployment Timeline

Phase 1:
July 2012 (Top 8 Accts)
May 2012 Data Delivery

Phase 2:
February 2013 (2 Accts)
June 2012 Data Modeling & Attributing

Phase 3:
April 2013 (2 Accts)
June 2013 F15 planning

June 2013 JCBP
Communication

Build Excitement and Anticipation
1. Intro demo meetings with customer teams & HQ to reveal the new tool
2. Team Director Calls - education & answer questions
3. Create a communication vehicle, tool name, logo & video
4. Make the Launch exciting!

The Goal of early & often communication is to EMBED:
1. Vision – what we are doing and why
2. Users can trust the numbers & lean on the science
3. The tool is simple, intuitive and fast
4. How the tool fits in the planning process
5. Dedicated support team- answer questions and provide assistance
Implementation

Introductory Training:

• Two days of interactive, hands-on training for each customer sales team (customer facing) and HQ support teams

• Detailed training manual, planning support tools and practice activities

On-Going User Support:

• Bi-weekly Share Group calls to share team wins and tips & tricks

• Weekly Journal newsletters

• Onsite or Webcast Workshop Sessions

• Software Support
Change Management

The Human Element

- Positive Attitude
- Commitment
- Dedication
- Flexibility/Adaptability
- Ownership/Accountability

80%

Systems & Tools
- Plan & Analyze Trade Promotions
- Manage Profitability & ROI

20%

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Planning Wins

- Joint Customer Business Planning on the customer’s timeline
- Users have learned to trust the algorithm
- Scenarios are quick, enabling users to try new tactics and increase the number of scenarios created
- What-if Scenarios enable strategy and efficiency & effectiveness gains:
  - Evaluate various customer strategies: Promotion timing, promoted strike prices, division execution
  - Evaluate the competition
  - Manage the total category to deliver insights and build credibility with the customer
- Robust Analytics include historicals and bump charts in one system

Sales users confirmed the tool meets Expected Benefits
Critical Building Blocks

Usage

Efficiency/Effectiveness:
Promotions, Total Category, Plan, & Baselines

Enhance Tool

Needs/Next Steps

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Planning Wins for the Retailer

What-if Scenarios enable strategy and efficiency/effectiveness gains:

• “My team can run the total category plan for our retailer including competition vs. just preparing the Del Monte plan.”

• “I can Assess different strategies: changing the mix of edlp spend vs. high low.”

• “We now have the ability to look at the competitive threats, improve everyday/promoted thresholds to focus on division execution.”

• “With Compass my team is modeling promoted strike price across categories. Price point modeling is the most important capability in the Dollar channel.”

• “We can evaluate new everyday price points due to price increases. The system gives the ability to test scenarios out quickly.”
Planning Wins for the Manufacturer & Retailer

What-if Scenarios enable strategy gains:

• “I have built credibility with my customer because of the tools ability to manage the “total” category.”- Resulted in winning pet category promotional plans due to the ability to bring category insights even though the competition came with more money.”

• “The tool provides metrics that can be used to evaluate radical strategy changes vs. my best guess.”

• “ We utilized Compass to see “what if” I completely re-do how I do business with the customer. In our total plan review Compass analysis showed improvement over existing strategy. Compass helped frame up the risk.”
Planning Wins for Manufacturer

Promotion Planning Efficiency/Effectiveness

Scenarios are quick enabling planners to try new tactics and increase the number of scenarios created:

• “The speed of creating and running scenarios is at light speed compared to the previous excel tools – days condensed to hours.”

• “The system maximizes my time – can make 10 category plans in the time it used to make one.”

• “Scenario planning output is higher quality based on the system algorithm.”
Conclusion

Predictive Planning capabilities can enable your Sales teams to achieve Strategic Supplier status with Retail Partners
Q&A