Collaborative Marketing to Supercharge Profitable Growth Summit

Forecasting the future and understanding the past with Colgate Business Planning

Tommy Thomas, Colgate-Palmolive Company
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
What We Will Cover

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• How Colgate Will Measure the Success of TPO
Overview

- $17.3B global consumer products company, founded in 1806

- 38,000 Colgate people worldwide

- Products sold in 223 countries

- Four core categories
  - Oral Care
  - Personal Care
  - Pet Nutrition
  - Home Care
Net Sales by Division – Q3 2015

- Latin America: 27%
- North America: 20%
- Africa/Eurasia: 15%
- Asia: 14%
- Europe/South Pacific: 18%
- Hill’s Pet Nutrition: 6%
SAP Strategy at Colgate

Integrated Business Information: SAP ECC 6.0

CBP/TPM
Trade Promotion Management

eSales
Customer Service & Sales

CRM
Focus on the Profession

PLM
New Product Development

SCM
Supply Chain Management

eBuy(EBP)
Procure to Pay

BPC
Financial Consolidation System

HCM
Human Resources Systems

Governance Risk & Compliance (GRC)

Solution Manager
Change Manager

PPM

Identity Management (To SAP & no-SAP systems)

Master Data Management

BI Reporting & Analytics (Business Objects suite)

HANA

Enterprise Search

Mobile Solutions (Sybase)
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• How Colgate Will Measure the Success of TPO
Create a global, integrated, total commercial spend management approach to maximize return on commercial investment, accelerate growth and build brand health.
Colgate Business Planning Project Overview

• End-to-end commercial planning and execution process
  – Set goals and plans 18 months out for brands and customer
  – Measure performance against goals and plans
  – Drive effective commercial investment to help grow market share and margin

• Supported by an SAP system
  – SAP CRM/SAP Trade Promotion Management
  – SAP NetWeaver BI (SEM-BPS and Reporting)
  – SAP R/3
  – SAP APO
  – SAP NetWeaver Portal
Colgate Business Planning

- One Global Process
  - Cross Functional

- Process

- Tools
  - One SAP Platform
  - Embedded Analytics

- People
  - Training
  - Sustainability
  - Continuous Improvement
Colgate Business Planning

**Colgate BUSINESS PLANNING PROCESS**

- **Budget & Planning**
  - Commercial Goals & Strategic Investment
  - Collaborative Customer & Demand Planning
  - Customer Execution
  - Commercial Investment Optimization

**Monthly CBP Discipline**

**Demand & Supply Synchronization**
### Global Strategy: Phased Approach

#### Phase 1 – Definition of “Gold Standard” Blueprint

**Timing**
- 2005

**Process & Change Management**
- Definition of Commercial Planning Process
- Definition of ROI strategy, training, tools, process
- Definition of monthly CBP discipline
- Definition of Roles & Responsibilities

**Systems**
- Identify critical system requirements for Pilot/ Rollout
- Build initial Cycle application release (Cycle 2)

*Essentials for Go Live*
### Global Strategy: Phased Approach (cont.)

**Phase 1 –**
Definition of “Gold Standard” Blueprint

**Phase 2 –**
First wave of pilots/rollout

### Process & Change Management

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>- Definition of Commercial Planning Process</td>
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<td><strong>Essentials for Go Live</strong></td>
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### Systems

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<td>- Account Planning application</td>
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<td>- Pre- and Post-Evaluation</td>
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Global Strategy: Phased Approach (cont.)

Phase 1 –
Definition of “Gold Standard” Blueprint

Phase 2 –
First wave of pilots/rollout

Phase 3 –
Full rollout

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<thead>
<tr>
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<th>2007 to 2015</th>
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<td>Implementation across all markets</td>
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Essentials for Go Live
Current Version of Colgate Business Planning

“Maximize Power of the Output”

SPEED
In Memory

EASE OF USE
Excel Interface

ANALYTICS
Reporting Workbook