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
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.”
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
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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
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
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Measuring the success of TPO – Colgate’s Approach

Quality 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
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