

POI Global Promotion Optimization Summit



Big Data
Pricing **TPO**
Retail Execution
Mobility **TPM**

Executing Predictive Analytics in the Field to Drive Profitable Growth

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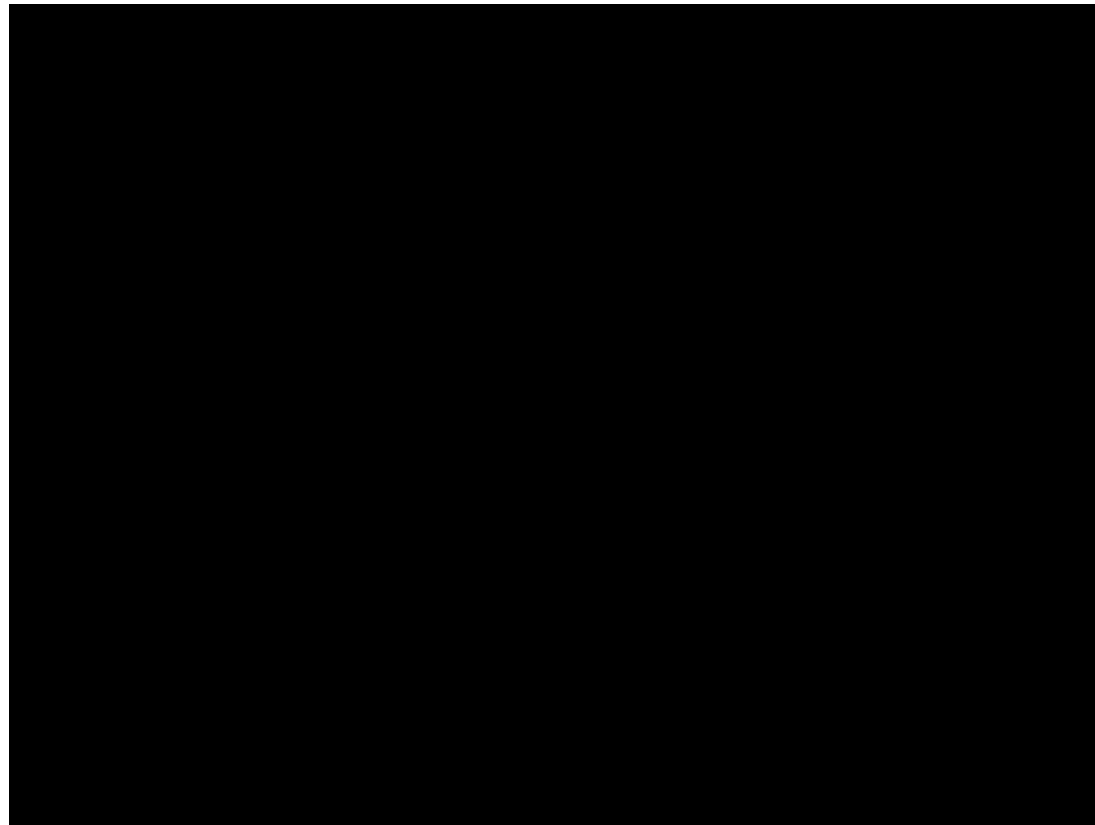
Percent of Retail Account Plans in TPO – Before 2015: 0%



We weren't getting the data we needed.
The salespeople weren't benefiting.
The plans weren't being shared with the customer.

And, while trying to get there, we were paralyzing the organization.

It felt something like this...





Pct of Retail Customers in TPO – After 2015: 96%

- 5 week TPO implementation
- +40 users trained
- +30 Account Plans / Customer P&Ls
- 100% Built by Salespeople
- +120 days visibility
- Forecast: By Week / Item / Customer (division)
- Actualizing: models / coefficients / elasticities updated monthly
- Consumed by Finance, Marketing, Demand Planning, Sales Mgmt
- Scenario Optimization
- Category forecast
- Shared with customers → Mutual growth opportunities

- Outpacing targets



Built By Salespeople; Shared With Customers!

Anniversary Sale Options

- Estimated GSV: \$900,803, +\$455,858 incremental
- Requested Spend: \$154,055 (3:1 ROI)
- Requested Coupon Overlay for Flavored Grains: \$33,871 (2:4 ROI)



| Results | \$1.88 (off shelf) | \$1.88 (with display) | \$1.88 (with display +) |
|----------------------------|---|---|---|
| | From 08/06/2016 To 08/13/2016 (2 weeks) | From 08/06/2016 To 08/13/2016 (2 weeks) | From 08/06/2016 To 08/13/2016 (2 weeks) |
| | Avg Historical | Avg Historical | Avg Historical |
| Base Unit Volume | 279,174 | 279,840 | 279,840 |
| Incremental Unit Volume | 172,384 | 286,703 | 286,703 |
| Total Unit Volume | 451,558 | 566,543 | 566,543 |
| Base Unit Revenue | \$667,093 | \$668,449 | \$668,449 |
| Incremental Unit Revenue | \$181,836 | \$396,652 | \$396,652 |
| Total Unit Revenue | \$848,929 | \$1,065,101 | \$1,065,101 |
| Retail Price | \$2.39 | \$2.39 | \$2.39 |
| List Price | | | |
| Promotion Price | \$1.88 | \$1.88 | \$1.88 |
| Discount | 21% | 21% | 21% |
| Any Disp %ACV | | 50% | 50% |
| Feat & Disp %ACV | | 50% | 50% |
| Any Feat %ACV | 100% | 100% | 100% |
| Manufacturer Sales Revenue | | | |
| Cost Per Incremental | \$1.65 | \$1.49 | \$1.51 |
| ROI | | | |
| Total Spending | \$112,890 | \$141,636 | \$147,301 |

- \$1.88 Promo Price along with 50% ACV Display activity estimated to drive a 102.5% unit lift for the 2 week period
- The program would generate \$1,065,101 in sales for Albertsons and \$900,803 in GSV for Mars
- An incremental \$455,858 in GSV with an estimated spend of \$154,055 for a 3:1 return on investment
- If a "Clip or Click" coupon for Flavored Grains is overlaid, spend would increase by \$33,871, for a 2:4 return



HOW DID WE DO IT?



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We Realized That We Had To Do 5 Key Things...

- 1) Stop Printing Atlases**
- 2) Scale or Fail**
- 3) Know Our Audience**
- 4) Empower Our Salespeople to Optimize Revenue**
- 5) Don't Overthink It**

...And We De-Bunked 3 Myths, Along the Way:

Myth #1: Salespeople Can't/Don't Use/Like TPO

Myth #2: The Swivel Seat Can't Be Beat

Myth #3: Optimization is limited to Tradt'l Geographies / Markets / Channels



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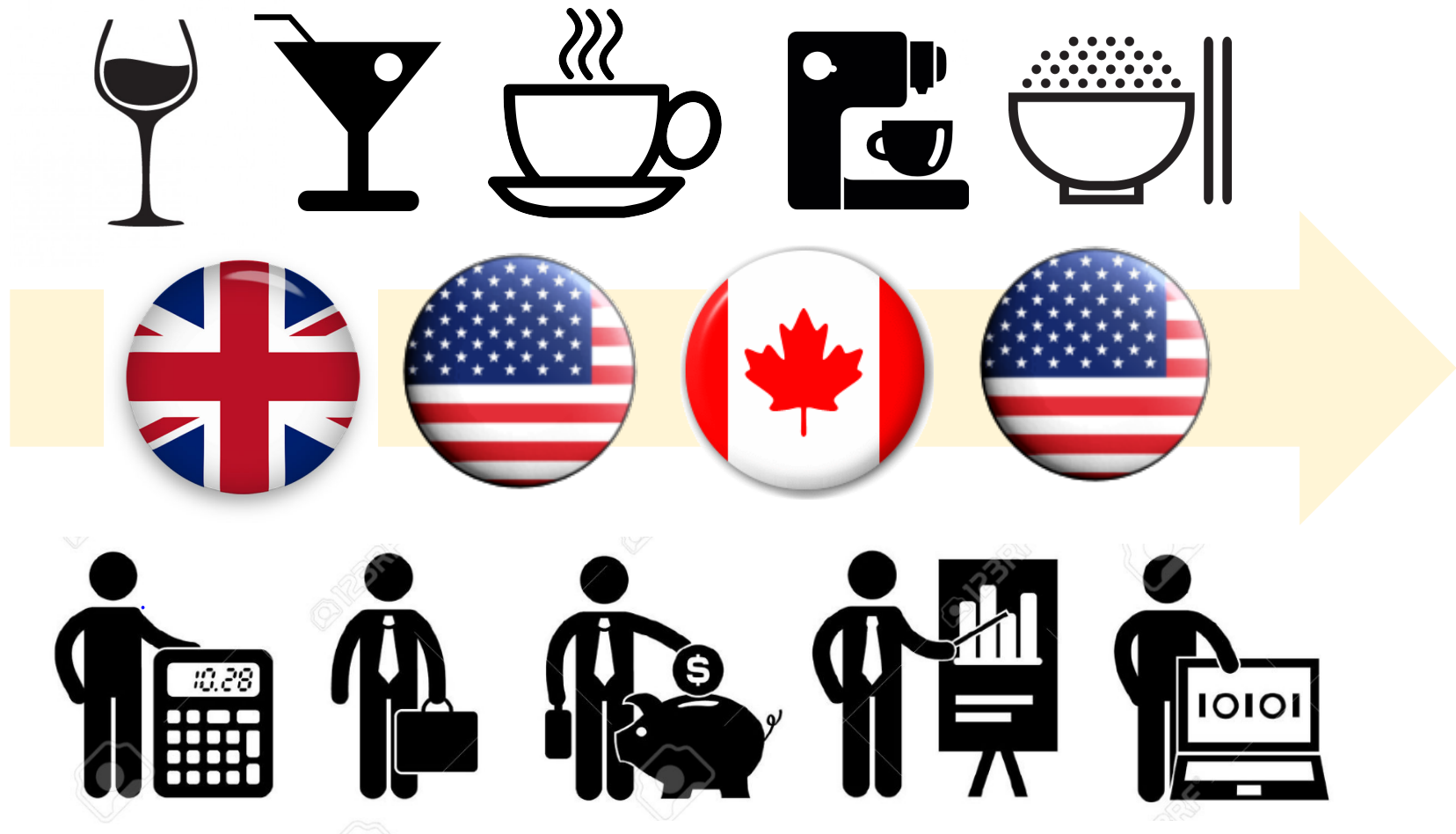


This Presentation's Objectives:

- 1) Get excited: Optimization is Possible
- 2) Share What We Learned & How It Applies to You
- 3) It's Real: Show Actual Work & Screenshots

Along the way, there was also a personal evolution:

POI





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I was so impressed with the solution, I joined the company!







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And We De-Bunked 3 Myths, Along the Way...

Myth #1: Salespeople Can't/Don't Use/Like TPO

Myth #2: The Swivel Seat Can't Be Beat

Myth #3: Optimization is limited to Traditional Geographies / Markets / Channels

Principle #1: Stop Printing Atlases

