

Achieving Mutual Growth through Data Centered Collaboration



Kellogg's Journey Towards Optimizing Revenue Growth Management

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Revenue Growth Management

Price

Promo

Trade

Assortment

Capabilities





The Kellogg's Journey

Past

- Limited visibility to post analysis
- Ad hoc analysis (one off crisis management)
- Simple KPI analysis utilizing consumption data only

Present

- Harmonized data in one real-time database
- Robust post analysis capability
 - Accurate incremental volume
 - Accurate ROI/profit

Future

- Continue to add data intelligence to post-event database
- TPO integration
 - Merchandising scenario optimization
 - Annual customer plan optimization



Date Harmonization & Cleansing



What is data cleansing?

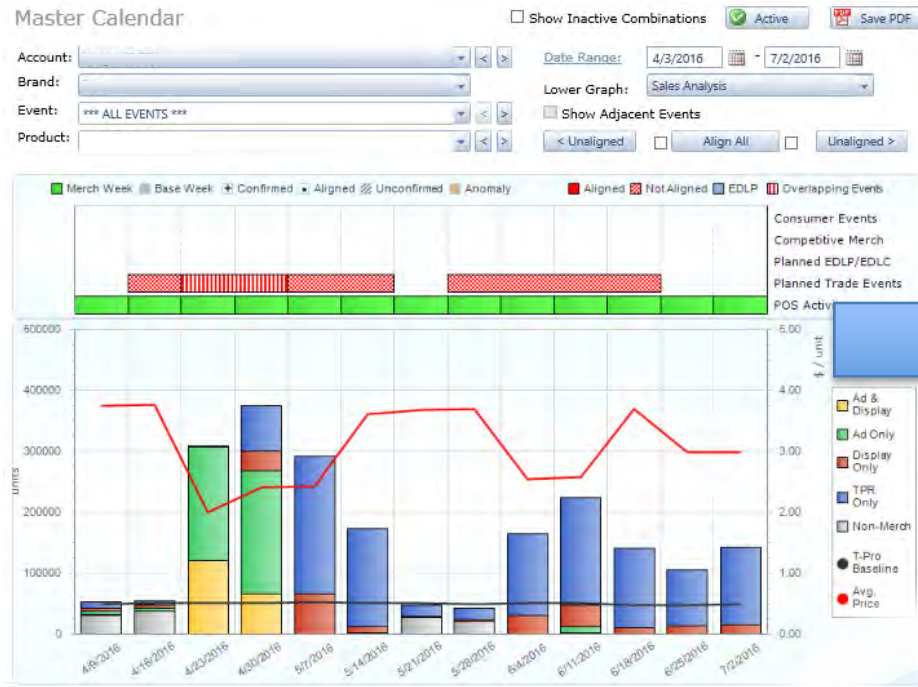
How do you harmonize the data?

Where does cleansing and harmonization occur?

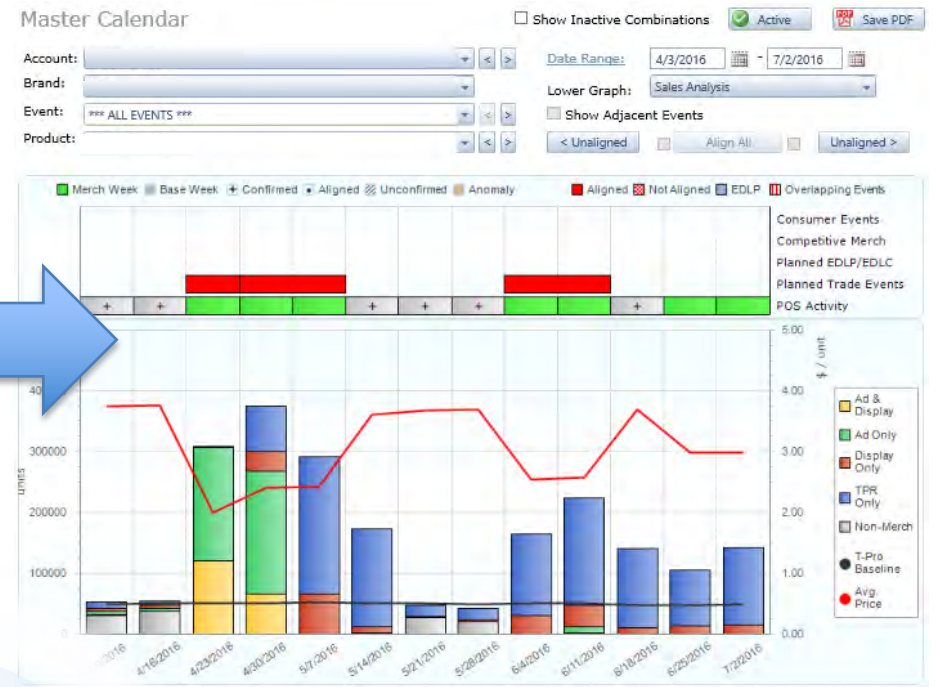
**T-Pro database houses data intelligence
for PEA (i.e. ECRM, Nielsen, spending, shipments COG's)**

- ✓ Identify all data sources and automate the collection process
- ✓ Review for accuracy
- ✓ Define a best in class data integration process
- ✓ Validation of data with Kellogg's sales team

Master Calendar



Before Alignment
ROI and KPIs Unknown



After Alignment
Quantifiable ROI and KPIs





KPEL Visualization Approach

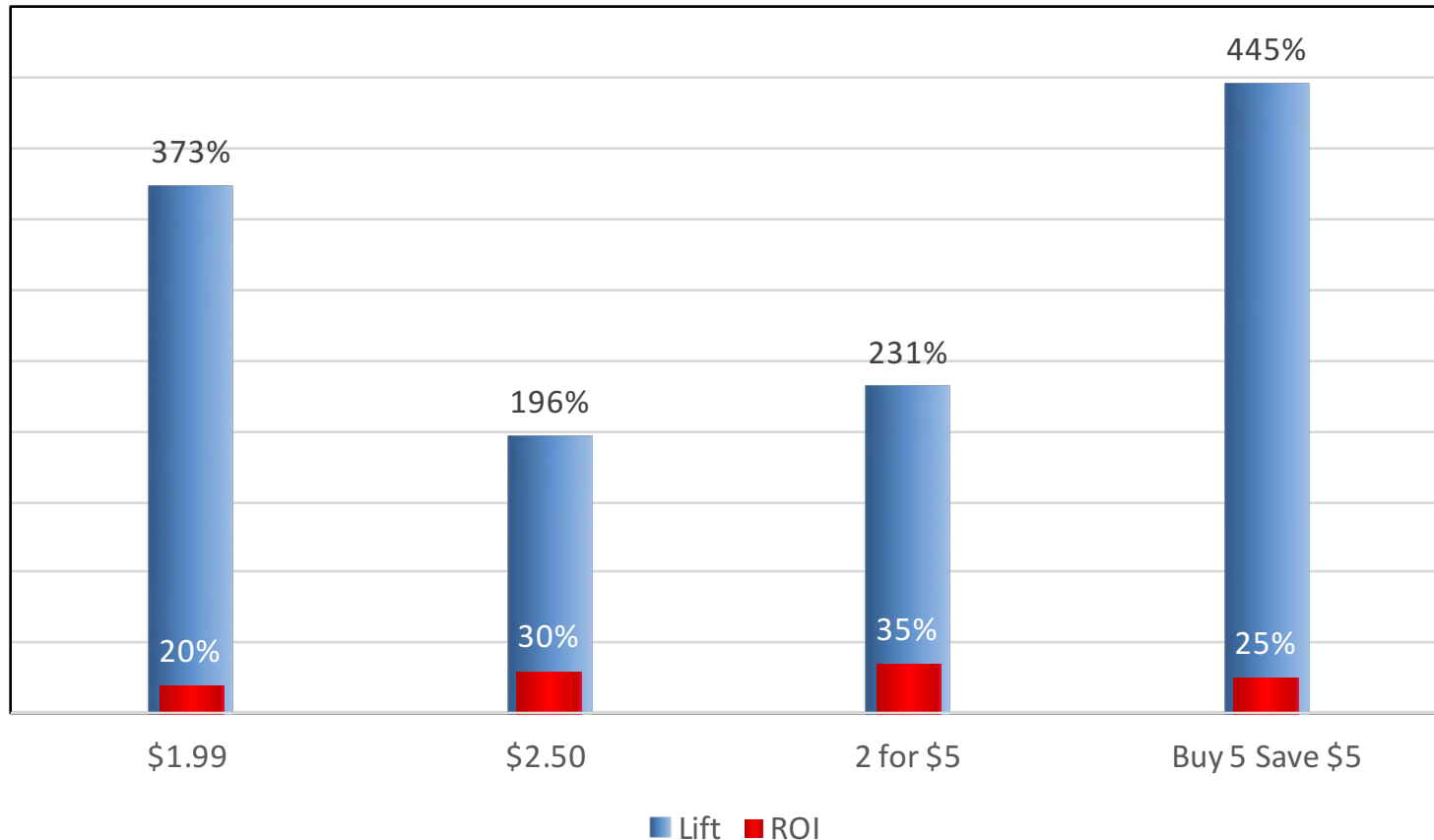
Striving for Post Event Analysis Excellence

- Strong technical process
 - Strong commercialization process
- Organizational buy in
 - C-Level
 - Sales leadership
- Generation, distribution and tracking of insights
 - Actionable
 - Quantified
 - Tracked
 - Accountable





Lift & ROI by Price Tactic: Customer X

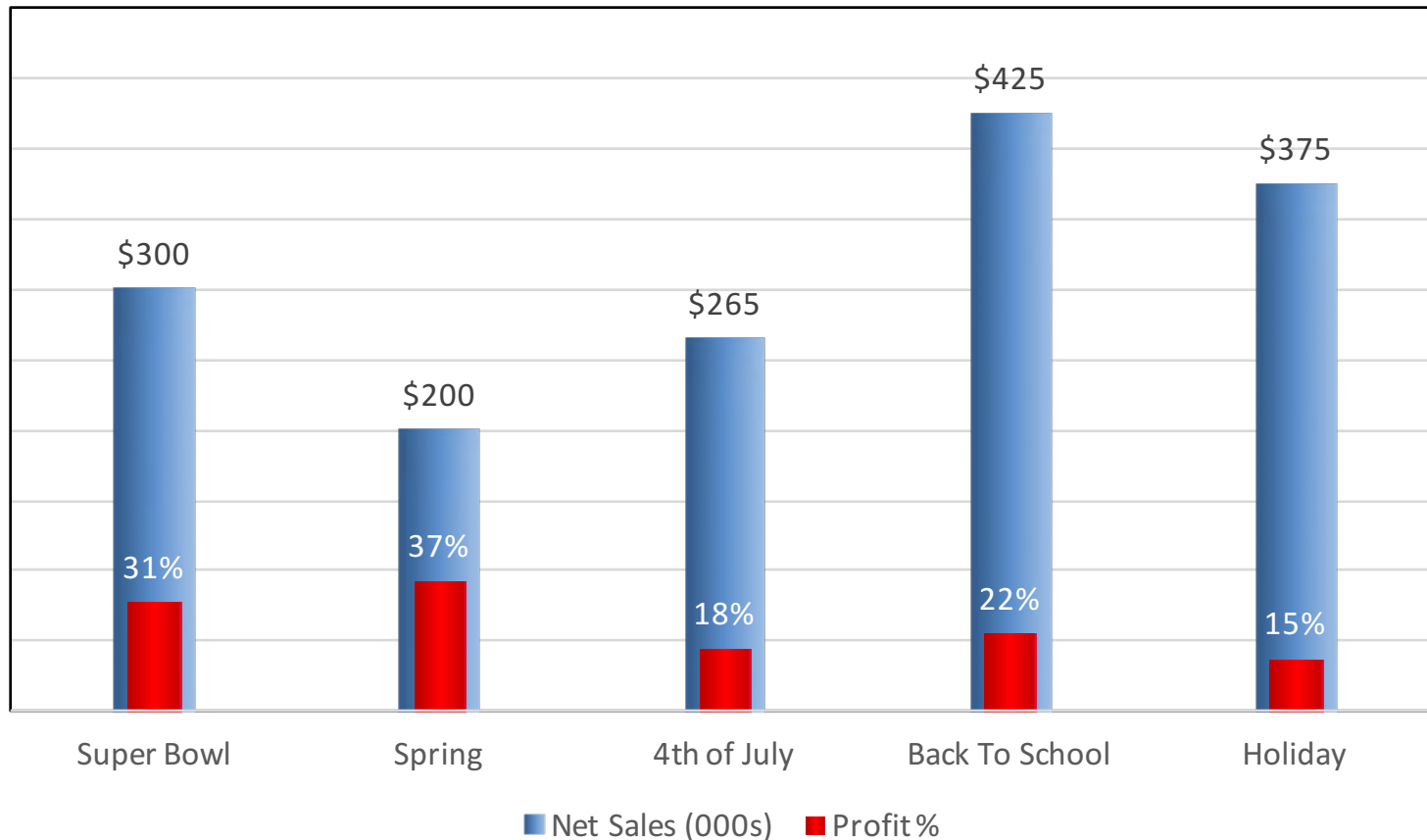


Insights & Recommendations

- ***\$1.99 and Buy 5 Save \$5 drive the best lifts***
- ***ROI is highest at \$2.50 and 2 for \$5***
- ***Run Buy 5 Save \$5 instead of \$1.99 to drive lift***
- ***Use 2 for \$5 instead of \$2.50 to maximize ROI***



National Event Performance



Insights & Recommendations

- ***Back To School and Holiday events were effective at driving Net Sales***
- ***Profit % was best for Super Bowl and Spring, but Net Sales were not as high***



TPO/Joint Business Planning Excellence

- Maximize the PEA intelligence residing in KPEL to **Optimize** the future trade spend investment
- Partner with T-Pro to build out a TPO planning portal utilizing **constraint based modeling**
 - What-if predictive merchandising scenario capability
 - Annual customer planning optimization by PPG/SKU rolled up to the total customer plan



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POI
PROMOTION OPTIMIZATION INSTITUTE

The Power of Partnership

The Kellogg's logo, featuring the brand name in a red, cursive script font with a registered trademark symbol.

The T-Pro Solutions logo, featuring the text "T-Pro" in teal, a teal circle with a white checkmark and an upward-pointing arrow, and the word "Solutions" in black. Below the main text is the tagline "Optimizing Promotion Return" in a smaller black font.

Jon Vasatka

Executive Vice President T-Pro Solutions

Scenario Planner

Kellogg's Optimum

T-Pro Optimum

Setup Data Dashboard Analysis Planning Alerts Profile Help Jon Vasatka

What-If Event Scenario* Add New... Open... Delete

Scenario Name: [] Optimize

Account: [] Shipment Weeks: [1]

Product: [] [Product 1 of 9] Add/Remove Copy

Retail Conditions
Baseline Date Range: 1/3/2016 - 4/2/2016
Everyday Price: (\$2.84) 2.84 Weekly Base: (18,259) 18,259 Units per Case: 1.0000

# Weeks	Merch Condition	Feature Qty/Price	% BP	Lift Index	Projected Consumption
1	Ad & Display	1 / 2.19	76% to 100%	331 n/a 331	60,437
1					60,437

Clear Merge Unmerge

Trade Sales Conditions

List Price: (\$2.84) \$ 2.94
Base Allowance: Off-Invoice \$ 0.00
Off-Invoice Allowance: \$ 0.00
Bill Back Allowance: \$ 0.00
Scan Allowance per Unit: \$ []
Lump Sum Amount: \$ []

Dead Net per Case: []
Dead Net per Unit: []
Cost of Goods: []
Projected Consumption: 60,437
CPI: 100 100
Forecasted Volume: 60,437

Lift Index Unit of Measure

Manufacturer

Sales
Revenue: \$132,357
Volume (Cases): 60,437
Incr Volume (Cases): 42,178
Incr Revenue: \$80,501

Trade Promotion
Total Trade Spend: \$1,920
Trade Spend per Case: \$1.19
Trade Spend % Reven: 1.48%

Profit & ROI
Total Profit: \$26,592
Profit per Case: \$0.44
Profit Margin (%): 5.71%
Profit Margin with FB (%): n/a
Incremental Profit: \$25,132
Profit per Incr Case: \$0.60
ROI (%): 42.34

Retailer
\$71,920
\$1.19
54.34%

Event Optimization Options

Scope:
 Current Product Only
 All Products in the Scenario

Optimize for:
 Volume
 Profit
 TPIQ

Trade Allowance to Adjust:
 Off-Invoice
 Bill Back
 Scan

Lump Sum Fees:
Ad: \$ 1.00 Ad & Display: \$ 1.00
Display: \$ 1.00 TPR: \$ 1.00

Constraints:

Merch Conditions	Max # of Weeks
<input checked="" type="checkbox"/> Include Ad	1
<input checked="" type="checkbox"/> Include Display	1
<input checked="" type="checkbox"/> Include Ad & Display	1
<input checked="" type="checkbox"/> Include TPR	1
<input checked="" type="checkbox"/> Minimum Retailer Profit Margin (%)	20.0
<input checked="" type="checkbox"/> Minimum % Retail Discount Bracket	5-10
<input checked="" type="checkbox"/> Minimum Manufacturer Profit Margin (%)	20.0
<input type="checkbox"/> Max Spend Rate	

OK Cancel

Optimize Revenue & Profit for each Brand's Item





Customer Optimization

Trade Calendar Builder*

Version Name: Q1 Repeat Year Ago Compare... Add New... Open... Save Delete

Account: Meijer Selections Optimize Set Dates Build Calendar

Period: Fiscal Year 2017 Comments:

Summary									
Product	Plan Revenue	Plan Profit	Plan Profit %	Plan Volume	Plan Spend	Plan Spend % Rev	Retailer Revenue	Retailer Profit	Retailer Profit Margin %
Totals	3,385,354		%	1,151,481	1,283,175		2,484,471		%

Event Scenarios									
Description	Min Freq	Max Freq	Min Gap Weeks	Volume	Spending	% Disc	Lift	ROI (%)	
Optimize for Profit - \$2.19 A & D	0	4	0	140,734	167,474	20.6			
2/\$5 Ad plus Buy 5 Get One Free	0	1	0	113,990	128,188	27.3			
Q1 2/\$5 Ad	0	4	0	81,300	77,235	9.6			
Q1 \$1.99 A & D Holiday	0	1	0	146,802	205,523	27.9			
Q1 \$2.69 Ad plus Buy 5 Save \$5	0	3	0	127,361	202,504	38.7			
EDLP				N/A	N/A	N/A			
Non-Promoted				N/A	N/A	N/A			

Calendar Optimization Options

Optimize for:

Volume

Profit

TPIQ

Use lump sum fees from Event Scenarios

Specify lump sum fees

Ad: \$ Ad & Display: \$

Display: \$ TPR: \$

Profit Margin / Budget Constraints:

Minimum retailer promotion profit margin (%)

Minimum retailer blended profit margin (%)

Minimum manufacturer blended profit margin (%)

Trade spend can't exceed budget

Total volume must meet or exceed budgeted volume

Promote (Products) Together Constraints:

Global constraints

Account-specific constraints

None

Promotion Timing Constraints:

Global constraints

Account-specific constraints

**Generate Business Plans that Optimize
Brand & Financial Objectives.**

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Wrap-Up