



**Fusing Digital and
Trade Strategies
to Drive
Mutual Growth**

***“Taking your TPM TPO
and Advanced Analytics
Capabilities to the Next Level”***

Advanced Post Event Analysis

Pam Brown – Del Monte Foods, Inc.

Trey Alexander – PwC|Strategy&



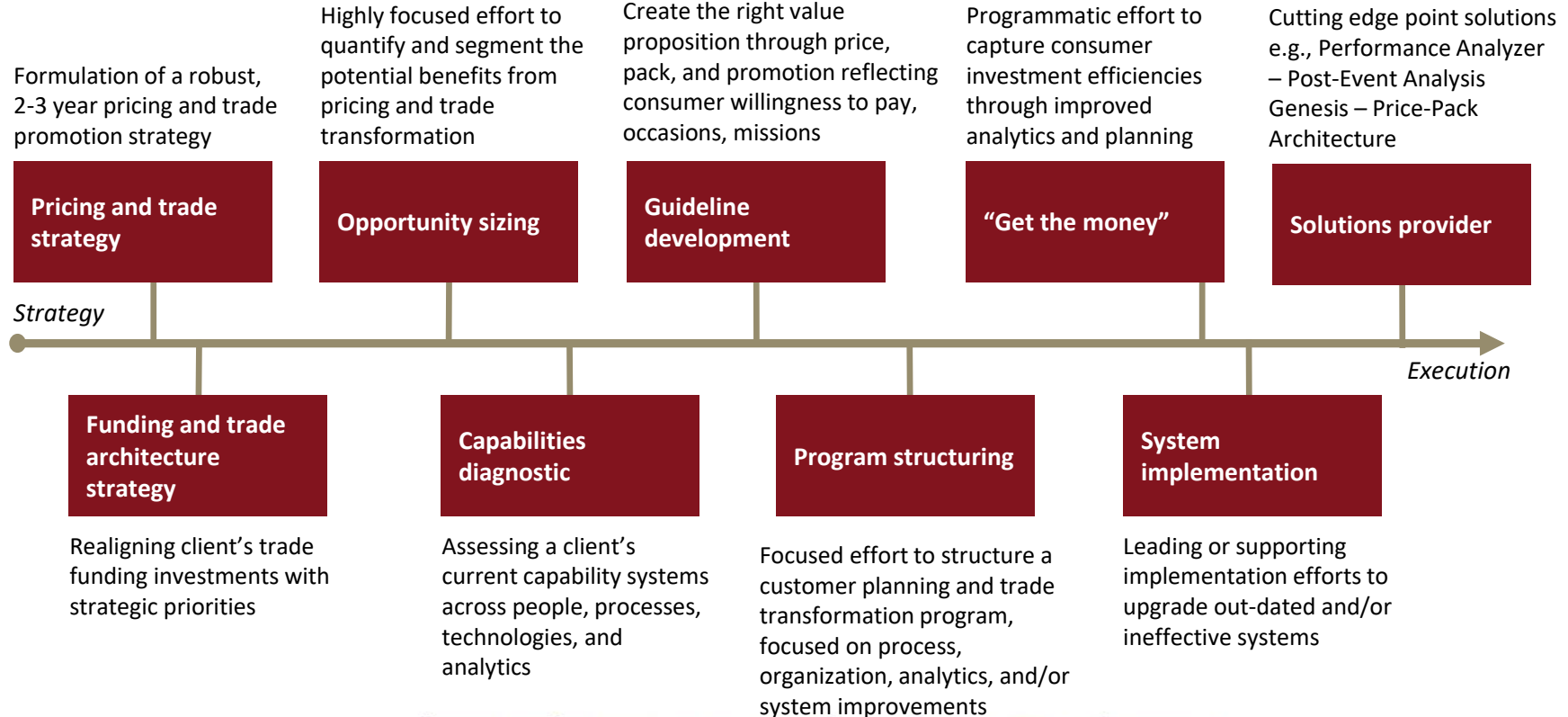
What We'll Cover

- Introductions
- Del Monte's ROI & Ongoing Dynamic Planning Journey
- ROI Product Evolution (Change can be good)
- Performance Analyzer ROI and PEA Solution Capabilities
- Key Points to Take Home
- Q&A

Strategy & Trade Promotion Excellence Team

We have helped 12 of the top 15 CPG companies transform their pricing and trade capabilities

Strategy & Range of TPE Projects



Del Monte Foods, Inc.



Del Monte Vegetables, Fruit & Tomatoes



S&W Canned Vegetables, Fruit & Tomatoes



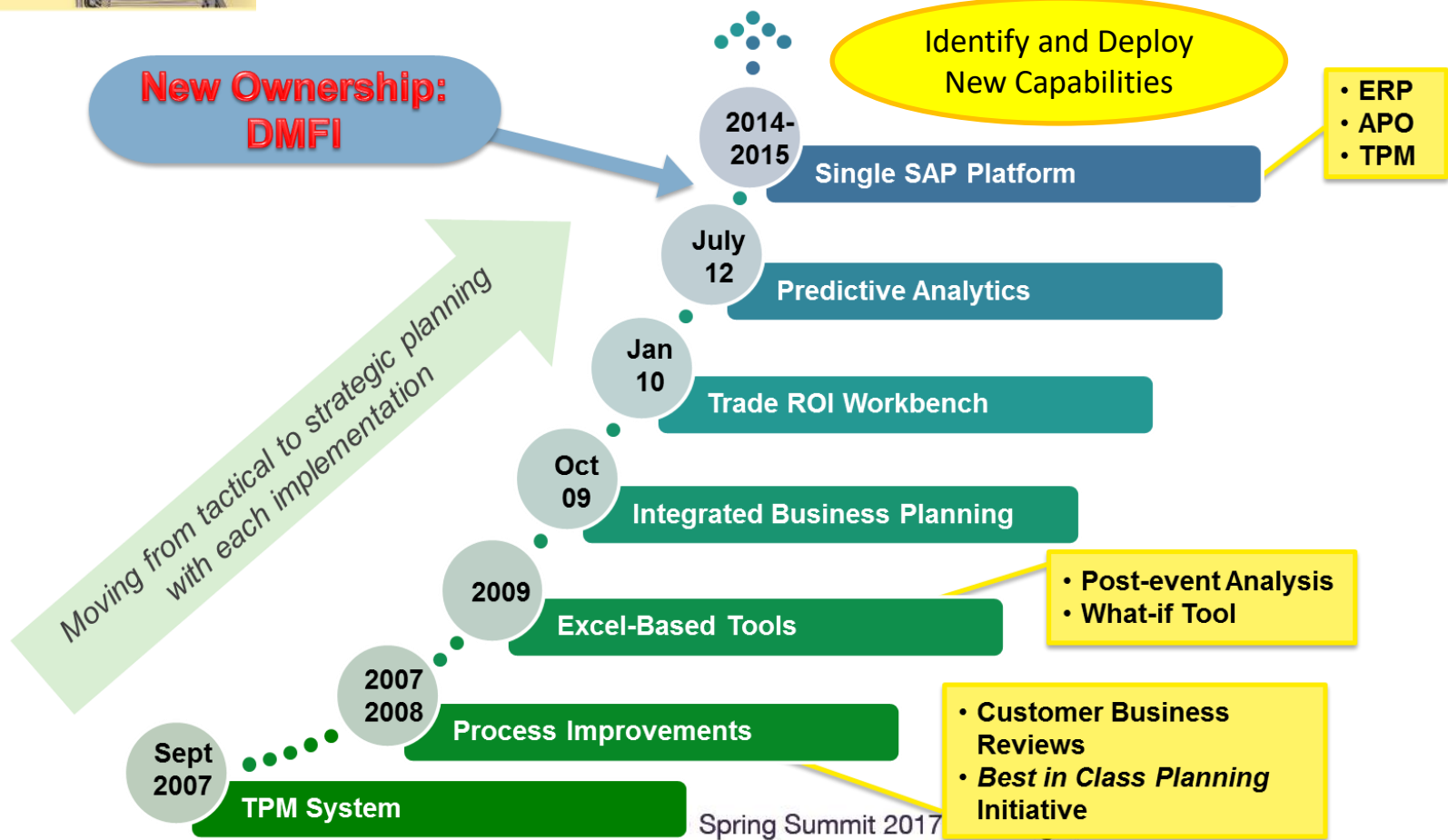
Contadina Tomatoes



College Inn Broth



Del Monte's Continual Improvement Roadmap



Importance of Promotion Analysis

- Imperative for us to understand what incremental volume and profit we receive for the trade dollars we invest
 - We need to make informed decisions and strive for better returns:
 - By Customer
 - By Product/Business
 - Across Customers
- How does this tie into Del Monte Objectives:
 - AOP Planning process--leveraging ROI is an expectation
 - Improved trade strategy & go to market direction
 - Critical for On-going dynamic planning, plan efficiency & continual improvement

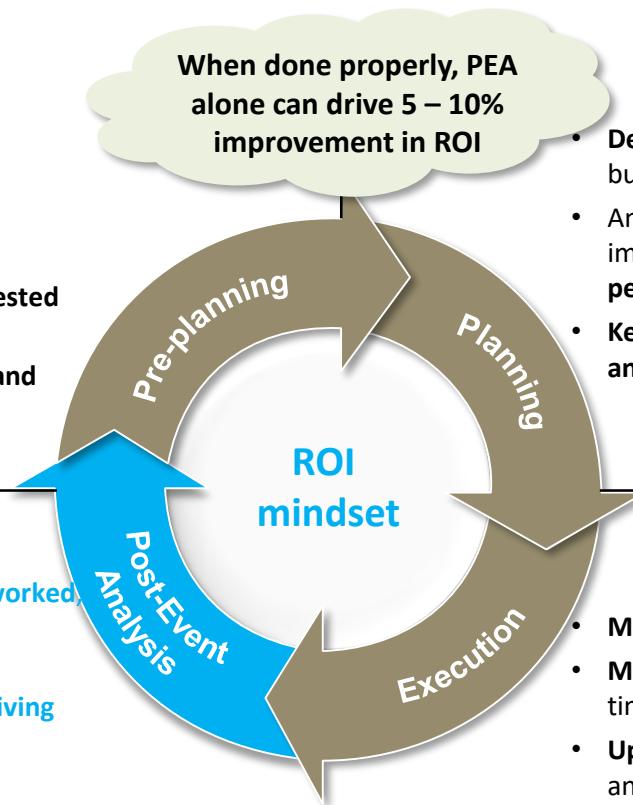
Del Monte's On-going dynamic planning

Pre-planning

- Define strategies and goals
- **Leverage PEA to identify events to add, change, and/or eliminate**
- Leverage tools such as TPO to **model anticipated results from previously untested ideas and event scenarios**
- Create **library of unconstrained events and base driving activity ideas**
- **Key Systems: PEA, TPO**

Post-Event Analysis

- Review of event history to identify **what worked, what did not**, and develop **improvement hypotheses**
- Fact base that serves as **foundation for driving improved ROI**
- **Critical input for planning** that leverages recognizable data and results
- **Key Systems: PEA**



Planning

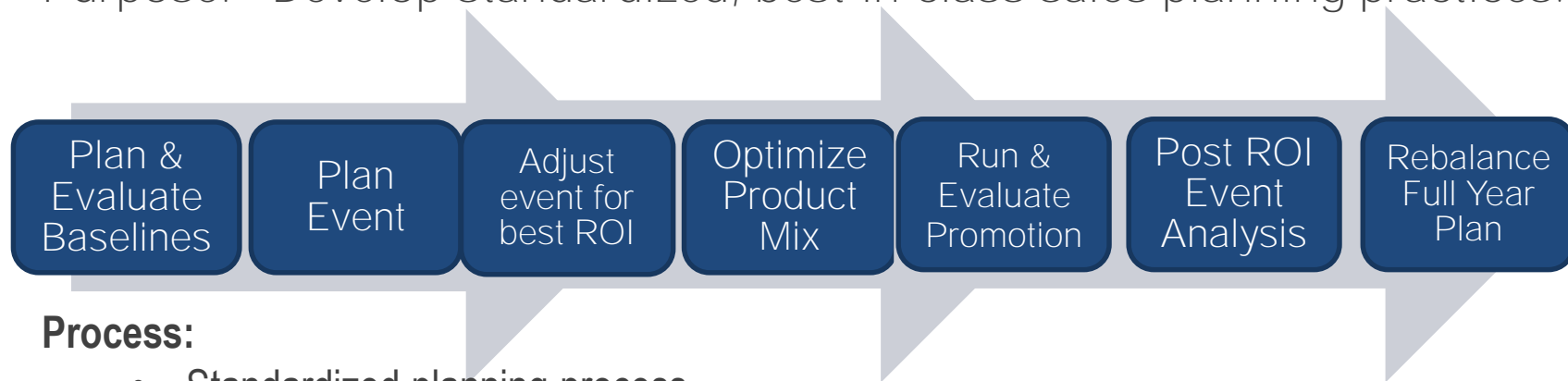
- **Develop overall plan** for both base and promoted business **given budget and targets**
- Analyze and assess different **plan scenarios** and impact on both **manufacturer and retailer perspective**
- **Key Systems: TPM, Planning and Scenario analysis tools, PEA, TPO**

Execution

- **Monitor and evaluate** execution vs. plan
- **Manage the settlement** process and update real-time checkbook
- **Update plans** accordingly based on actual results and updated funding
- **Systems: TPM, ROI Tool**

Best In Class Planning Initiative

Purpose: Develop standardized, best-in-class sales planning practices.



Process:

- Standardized planning process
- Pre- and post-event performance (ROI)
- Develop & communicate insights with HQ to impact future strategy

Payoff:

- Better execution and a healthier, more profitable business
- More reliable and transparent forecasting (S&OP)
- Quicker planning decisions at the customer

Post-Event ROI Analysis (Excel-based)

Comparative event analysis at the customer level provided a bridge to new skills and behavior.

Event Comparison	F09 Actual	F10 Planned	F10 Projected
Del Monte Information	Product X Essentials (054977 1-12RY6T	Product X Easter BOGO (153095) 1-1L4YGR	Product X Easter BOGO (153095) 1-1L4YGR
	3.12.09- 4.22.09	03.25.99- 04.03.10	03.25.99- 04.03.10
Product	X Product - 24pk	X Product - 24pk	X Product - 24pk
F&D	93%		71%
Feature Only	100%		100%
Display only	87%		80%
Event Duration	6	2	2
Baseline Trend Weekly	5,866	6,528	6,528
Total Shipment \$ for event	\$X (masked)	\$X (masked)	\$X (masked)
Total Consumption for event			
Lift %	38.80%	871%	952%
Every Day Retail Price	\$1.30	\$1.29	\$1.29
Event Price Point	\$0.79	\$0.67	\$0.65
Competitive Price Point (Brand)	\$0.66/ NP	\$1.50/ \$1.21	\$0.66/ \$0.51
Competitive Price Point (PL)	NP	\$0.87	NP
Event T/S	\$X (masked)	\$X (masked)	\$X (masked)
EDLP T/S	\$X (masked)	\$X (masked)	\$X (masked)
Total Spend	\$X (masked)	\$X (masked)	\$X (masked)
Total Incremental Spending	\$X (masked)	\$X (masked)	\$X (masked)
Variable Allowance/cs (BB, OI (except scan, except EDLP)	\$X (masked)	\$X (masked)	\$X (masked)
Scan Allowance	\$X (masked)	\$X (masked)	\$X (masked)
ESLP Allowance/cs	\$X (masked)	\$X (masked)	\$X (masked)
Fixed Fees	\$0	\$0	\$0
ROI	24%	9.10%	10%
Incremental Profit \$	\$X (masked)	\$X (masked)	\$X (masked)
Profit \$	\$X (masked)	\$X (masked)	\$X (masked)
Profit Margin	26%	28.40%	22.10%

Scenario Planner– “What if” Tool (Excel)

- Non-Predictive “What if” tool
- Provides quick look at overall list sales, trade spending and T:S for multiple scenarios
- Allows preview of optimal frequency and depth on annual promotions/plan (pre-TPM entry)
- Allows quick, on-the-spot full year analysis during in-market field planning sessions
- Ability to share annual plan with customers

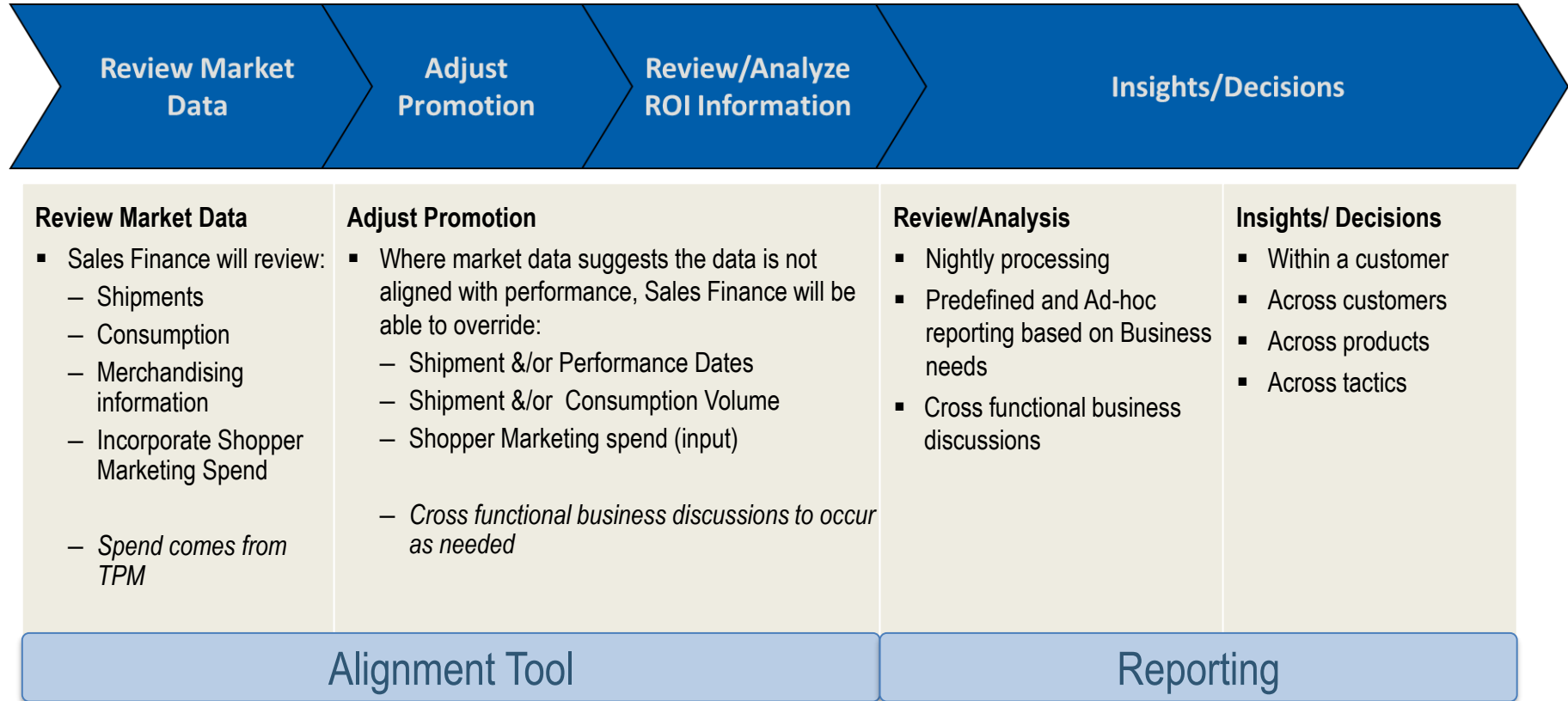
Customer:	Customer							9/6/2011		Scenario 1					HIDE FORWARD BUY						
L2	DM 300 Core Veg L2							Scenario Name:							SHOW FORWARD BUY						
Promoted Group	300 CORE VEG - 24pk							FY12 Proj	\$2,260.6	Case Pack	24	Case Cost	\$ X.XXX	Target T:S	Copy Scenario 2						
Cube updated May 31, 2011 6:44:58 AM																Copy Scenario 3					
Case Sales Per Wk								Del Monte Information					Retailer Consumption Information					CLEAR			
week	Base	Lost Baseline via Fwd Buy	Incremental	% Lift	Forward Buy	TOTAL	YA Consumption	DM Revenue	DMB per Case	Scan per Case	Fixed Spend	Total Spend	Retail	Unit Cost	Retailer Margin	Retailer Revenue	Retailer Cost	Retailer Case Cost	Event ROI	DELMONTE	
09/02/11	1,000					1,000		\$ -				\$ -				\$ -	\$ -	\$ -		Cases	\$ 62,000
09/09/11	1,000					1,000		\$ -				\$ -				\$ -	\$ -	\$ -		Revenue	\$ -
09/16/11	1,000					1,000		\$ -				\$ -				\$ -	\$ -	\$ -		Fixed Spend	\$ 5,000
09/23/11	1,000		5,000	500%		6,000		\$ -	\$ X.XXX		\$ 5,000	\$ 35,000		\$ X.XXX		\$ -	\$ X.XXX	\$ X.XXX	148.1%	Variable Spend	\$ 61,500
09/30/11	1,000		5,000	500%	300	6,300		\$ -	\$ X.XXX			\$ 31,500		\$ X.XXX		\$ -	\$ X.XXX	\$ X.XXX	175.7%	Total Spend	\$ 65,500
09/06/11	1,000	(300)				700		\$ -				\$ -				\$ -	\$ -	\$ -			

Trade ROI Workbench Objective

Analyze Planned and Actual Promotion Performance and ROI

- **Accurate, automated, and fast data gathering**
- **Expansion of customer & product analysis** to enable increased decision making
 - Analysis, insights and decision making across a broader set of customers & products
 - Replaces the existing ROI spreadsheet with automated data
 - Provides enhanced analytical capabilities such as EDLP ROI (*price elasticity*) and 12M ROI
- **Business-driving insights**
 - Promotional information available via **pre-defined & ad hoc reporting**
 - Provides **visibility across business partners to drive insights and decisions**: Trade-offs across customers and products; Understanding performance trends around specific tactics, price points, deal structures, durations; Rank performance accordingly

Trade ROI: Process



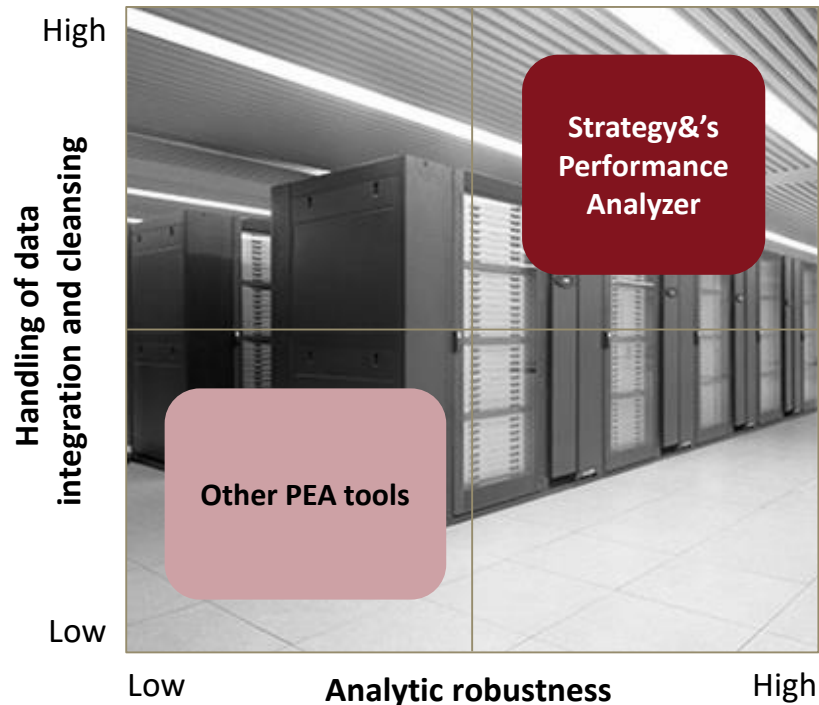
Realized Benefits.....

- Increased Promotion effectiveness & efficiency ---Improved Promotion ROI
- Analysis across a broader set of products & customers
- Automated & streamlined data gathering
- Increased field sales visibility and decision making
- Greater cross-functional understanding of performance
- Flexible reporting/business views
- Increased trend analysis/insights

Performance Analyzer

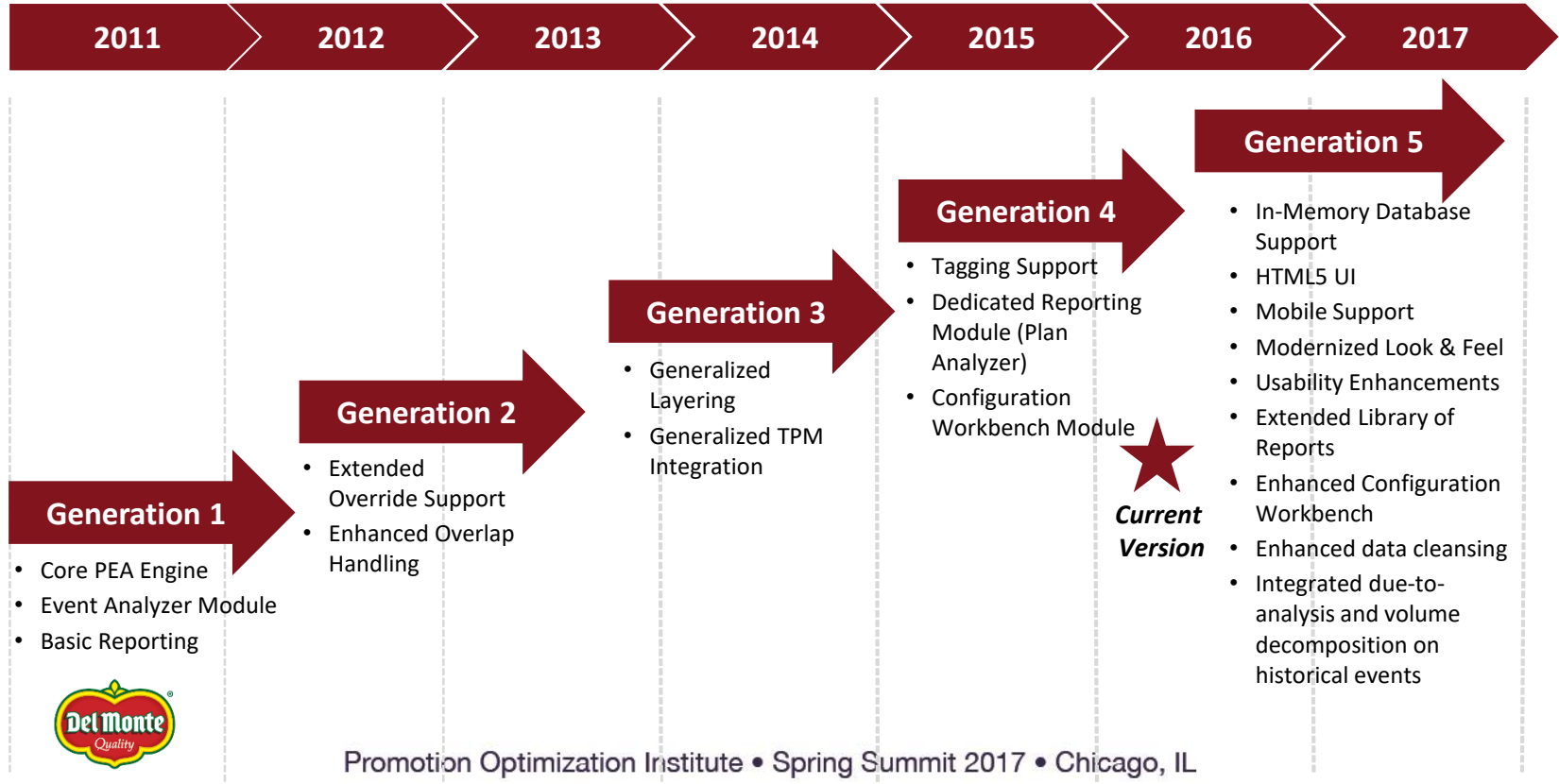
Key differentiators

PEA market landscape



- 1 **'Out of the Box' PEA application**
- 2 **Comprehensive data cleansing** – both automated and facilitated
- 3 **Covers all trade spend** – e.g., merchandising, EDLP, EDLC, Shopper Marketing
- 4 **Handles real-world complexities** of multiple concurrent tactics and **enables data aggregation without double counting**
- 5 **Enables enrichment of promotion data** – automatically or ad hoc - for additional analysis
- 6 **Source system agnostic and enabled by either Microsoft or SAP Technologies** – resilient to restatements of source data
- 7 Not just a PEA tool, but a **broader business intelligence capability** for competitive and category analysis
- 8 Encapsulates **Strategy&'s intellectual capital** and library of reports with open access to **infinite analyses with any mainstream reporting tool**

Performance Analyzer Product Development Roadmap



Performance Analyzer Application Overview

Configuration Studio



Provides a clean UI for system administration, configuration, and maintenance

Event Analyzer



360° view into a pro-motion – customer and company impact of individual events

Plan Analyzer



Analyze event, plan, category and even total business results with a robust library of pre-defined reports

Model Analyzer



Assess model 'goodness of fit', correct data errors, select preferred model

Data Factory

Automates the integration and initial cleansing of disparate sources into *Performance Analyzer*



Product

Pricing

Cost /
Margin

Customer

Shipment

Events

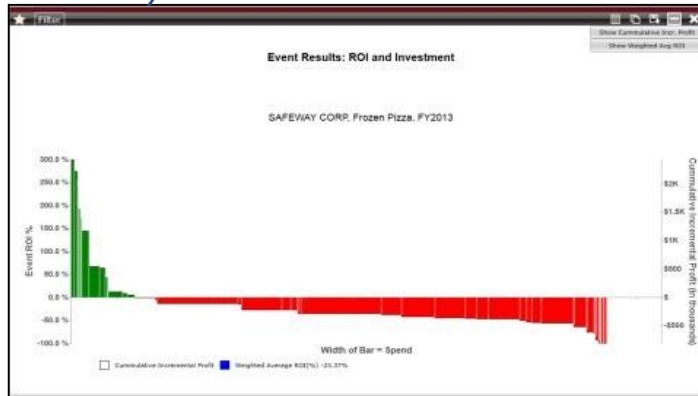
Consump-
tion

Volume
Decomp.

Elasticity

Reports were designed around our experience delivering real value for our clients

*How did my events perform?
Why was one better than the other?*

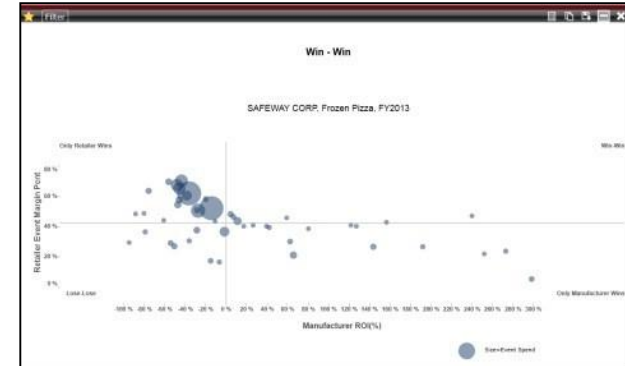


Promotion Details

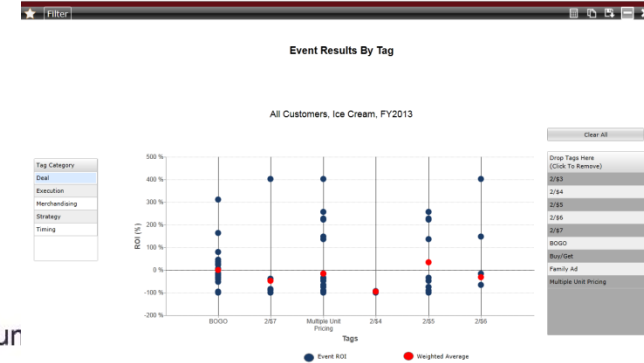
SAFEWAY CORP. Frozen Pizza, FY2013

Actual	Plan	Variance	Actual	Plan	Variance	Actual	Plan	Variance	Actual	Plan	Variance
ROI	62%	142%	42%	142%	100%	28%	126%	98%	14%	110%	96%
Total Revenue	\$754,455	\$1,765,791	\$255,876	\$1,478,344	\$244,023	\$234,023	\$1,021,393	\$102,281	\$102,281	\$102,281	\$102,281
Incremental Total Revenue	\$110,815	\$142,426	\$94,498	\$75,513	\$23,310	\$23,310	\$4,015	\$1,271	\$1,271	\$1,271	\$1,271
Total Profit	\$175,038	\$145,945	\$128,575	\$85,245	\$115,579	\$40	\$15,880	\$15,880	\$15,880	\$15,880	\$15,880
Incremental Profit	\$38,814	\$88,441	\$13,123	\$45,145	\$40	\$40	\$15,880	\$15,880	\$15,880	\$15,880	\$15,880
Total Spend	\$754,455	\$7,455	\$28,599	\$945	\$1,563	\$1,563	\$1,563	\$1,563	\$1,563	\$1,563	\$1,563
Cost	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417	\$579,417
Promo Price	\$3.42	N/A	\$4.14	N/A	\$6.58	N/A	\$6.58	N/A	\$6.58	N/A	\$6.58
% Discount	37%	N/A	35%	N/A	35%	N/A	35%	N/A	35%	N/A	35%
% Lift	75%	N/A	30%	N/A	12%	N/A	8%	N/A	8%	N/A	8%
% Feature And Display	9%	N/A	6%	N/A	0%	N/A	0%	N/A	0%	N/A	0%
% Feature	96%	N/A	9%	N/A	0%	N/A	0%	N/A	0%	N/A	0%
% Display	0%	N/A	2%	N/A	0%	N/A	0%	N/A	0%	N/A	0%
SAFEWAY CORP America											
SAFEWAY CORP Sales	\$754,455	N/A	\$457,645	N/A	\$57,281	N/A	\$57,281	N/A	\$57,281	N/A	\$57,281
SAFEWAY CORP Profit	\$155,827	N/A	\$144,767	N/A	\$23,392	N/A	\$24,882	N/A	\$24,882	N/A	\$24,882
SAFEWAY CORP Margin	20%	N/A	28%	N/A	45%	N/A	46%	N/A	46%	N/A	46%

Which events are winners for both us and our customer?



*Which holidays are best for promotions?
What pricing strategy works best?..*





Key Points to Take Home

- Understanding Event ROI is the foundation of trade optimization
- Interim tools are useful for deploying new processes and capabilities
- Building the processes and standardization drives user adoption of the tools
- State of the art Post Event tools facilitate *data alignment and analysis*
- Performance Analyzer provides these capabilities with an “out-of-the-box” solution



Questions?