POI European Summit

Successfully Navigating Growth in the New CPG and Retail World

Periscope® By McKinsey

Promotion Optimization Institute • May 2019 • SS Rotterdam

Periscope is McKinsey's Marketing & Sales big data analytics and tool provider that accelerates and sustains impact on clients' growth transformation journeys

| Strategy | People | Process | Data Enrichment | Advanced Insights | Technology and tools | Capability Client Service | Decision support |

McKinsey&Company
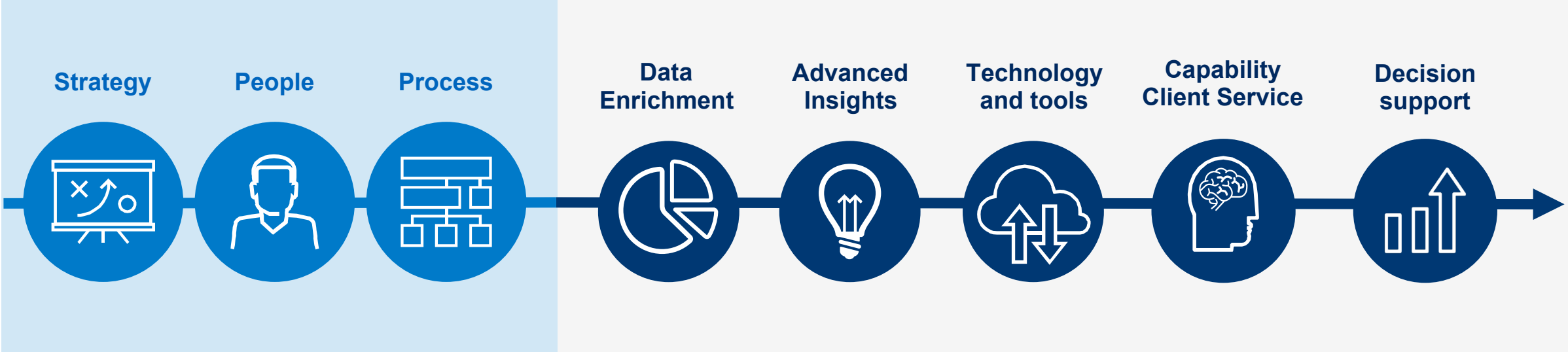
Periscope®
By McKinsey

Supported by McKinsey Consulting   Periscope embeds and sustains on-going capability

500+	6	26	625	25+	300+
Clients Served (in 2017 & 2018)	Continents	Locations	People	Solutions	Expert Network

In the case of RGM, Periscope builds and maintains a toolkit bringing together advanced analytics, descriptive / predictive agile tools, and technology-enablement

The different RGM levers …

» **… are covered by a dedicated RGM toolkit**

RGM Levers
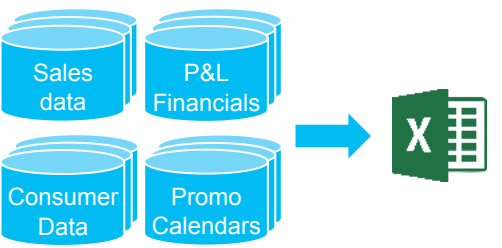
- Pricing
- Assortment
- Promotion
- Trade Investment

Advanced analytics

Descriptive transparency tools

Predictive simulation tools

Domain-agnostic tech-enablement

How can we move to a fully integrated, real time RGM tech stack … How long will it take … Where do we start …

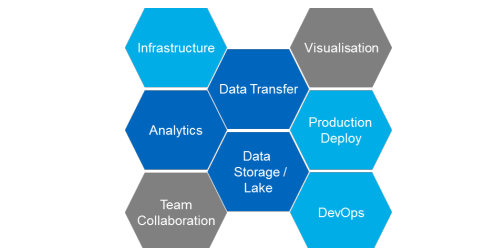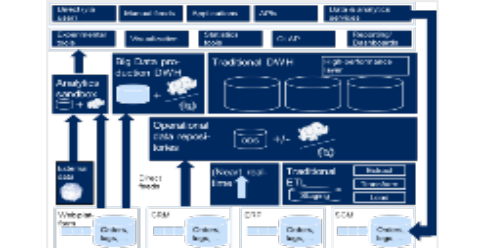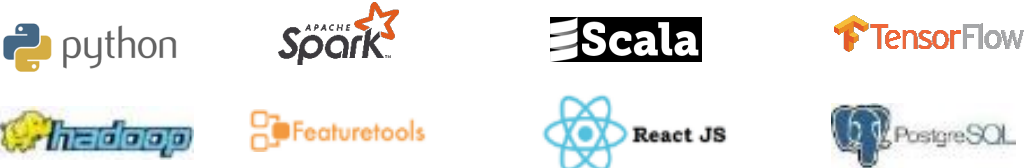|	**A** Ad hoc	**B** Offline & configurable	**C** Online & customised	**D** Fully integrated, real-time tech stack
Summary	**Ad hoc RGM analytics and selected tools used over the duration of a strategic engagement**	**Ad hoc RGM analytics manually fed into a standard set of offline / desktop agile tools**	**RGM analytics fed into an online hosted, configurable front-end UI powered by automated data pipelines to facilitate refreshes**	**A cloud-based, data lake enabled RGM analytics and toolkit with automated data pipelines feeding regular insights refreshes**
Toolkit deliverables	▪ Expert-led analytics ▪ Pragmatic offline / desktop tools (typically Excel/Tableau) ▪ Focus on insights/outcome, not UI or tool sustainability	▪ Expert-led analytics ▪ Offline / Desktop tools with basic visualisation front-end (typically Excel/Tableau ▪ Light configuration of tools during the project phase ▪ Tools left behind (licence free) with sustainability roadmap	▪ Online / Cloud-based ▪ Mix of expert-led analytics w/ potential to automate some ▪ Automated data pipelines/ETLs ▪ Tool UI in a license-free, fully configurable visualisation front-end (typically Tableau, Dash, Power BI)	▪ Online / Cloud-based ▪ Data lake enabled and fully automated data-to-tool ▪ Integration with other commercial planning processes / tools (e.g., inbound and outbound data interface with ERPs)
Optimal Scenario	▪ Small business / market ▪ 1x category ▪ Rapid impact	▪ Midsize business / market ▪ 1-3x categories ▪ Rapid and sustainable impact	▪ When scaling to 5+ markets ▪ 3+ categories per market ▪ Need for global standardisation	▪ Multi-market, 3+ categories per market, complex/extensive SKU sets, and >100 end users

Getting started: Tech-enablement capabilities are becoming increasingly more accessible and commoditised
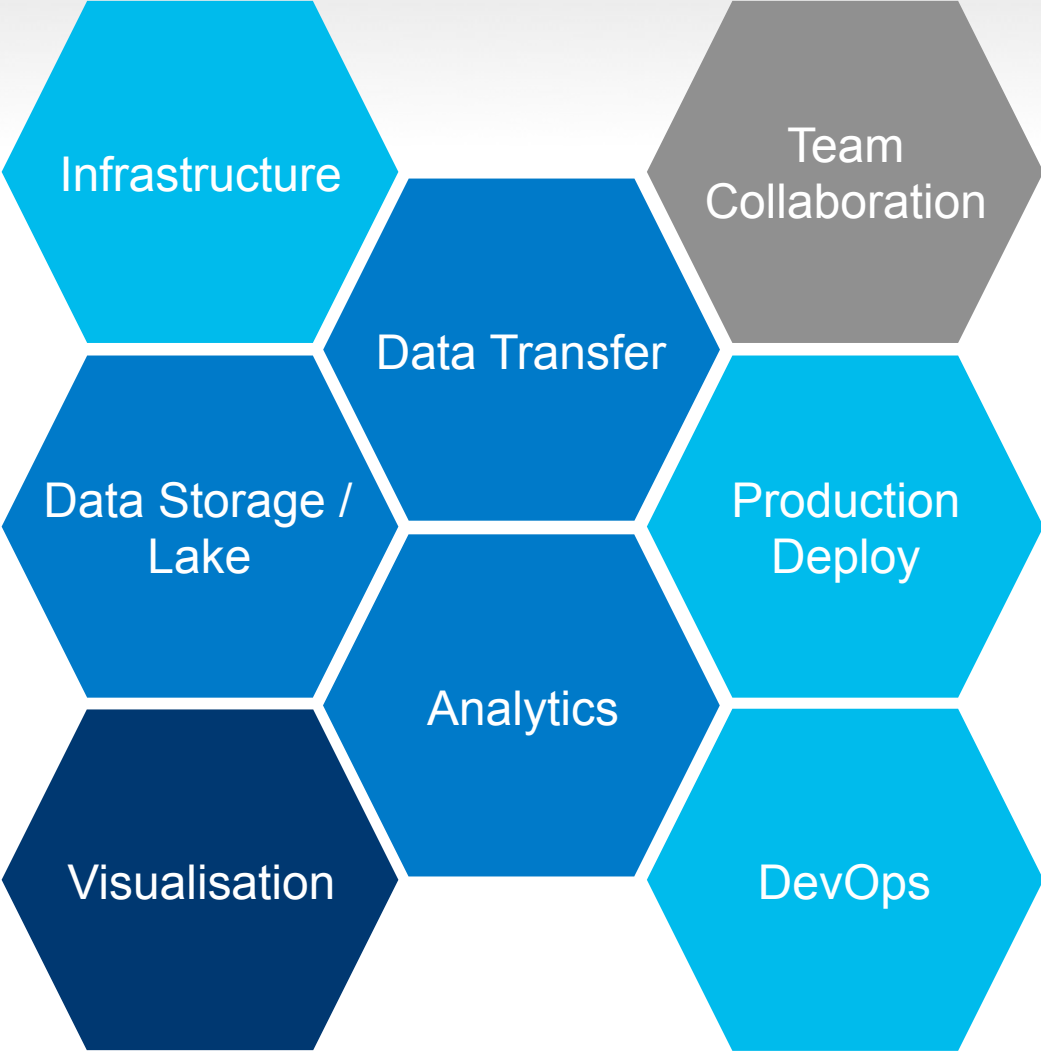
Accessible support is increasingly available …

… across all aspects of tech-enablement

Open source software

python · Apache Spark · Scala · TensorFlow

hadoop · Featuretools · React JS · PostgreSQL

Third party commercial off-the-shelf

aws · Microsoft Azure · Google Cloud · aspera an IBM company

DemystData · databricks · alteryx · tableau

- Infrastructure
- Data Transfer
- Team Collaboration
- Data Storage / Lake
- Production Deploy
- Analytics
- Visualisation
- DevOps

Example enabler: 'Off the shelf' MVP backend data warehouse architecture capable of shortening the time to insights / actions to weeks

Data sources

Data management

Analytics

Tools

POS data

Shopper / household panel

P&L

ERP

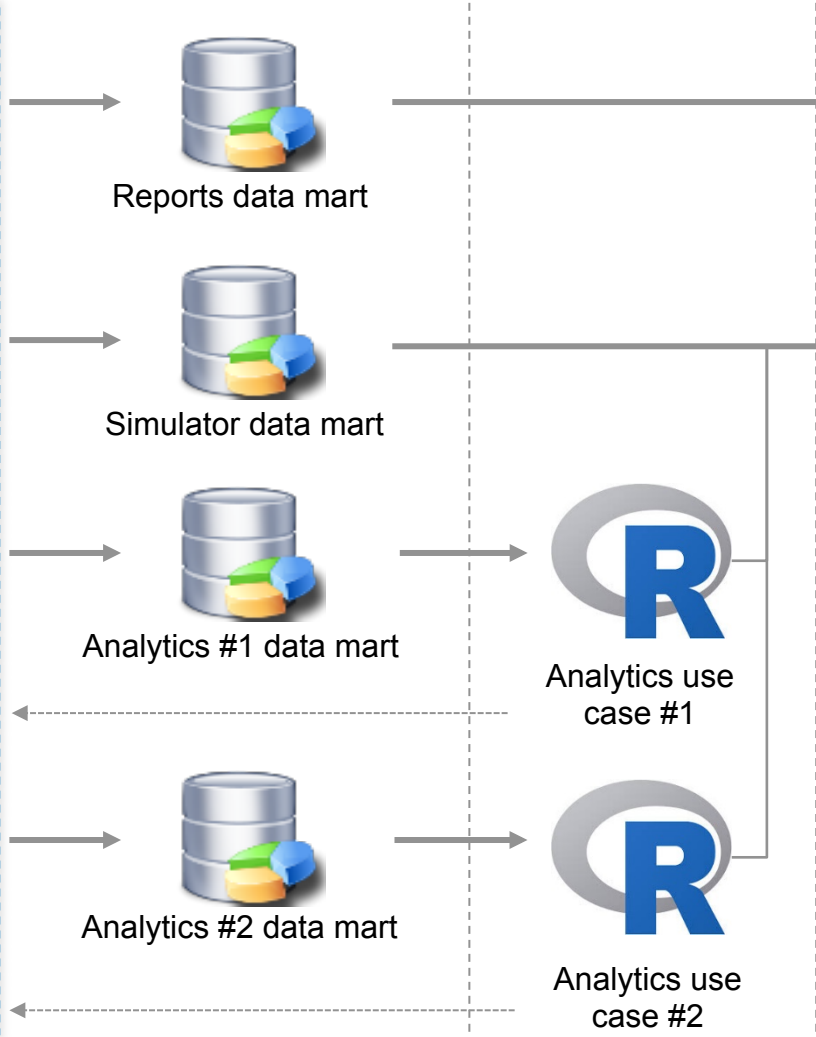U&A / Brand equity

…

FTP

alteryx

Data warehouse

Data transformations to create single source of truth include:

- Cleaning, merging and mapping of all data sources

- Data enrichment through derived SKU attributes

Reports data mart

Simulator data mart

Analytics #1 data mart

Analytics #2 data mart

Analytics use case #1

Analytics use case #2

tableau

Descriptive Transparency Tools
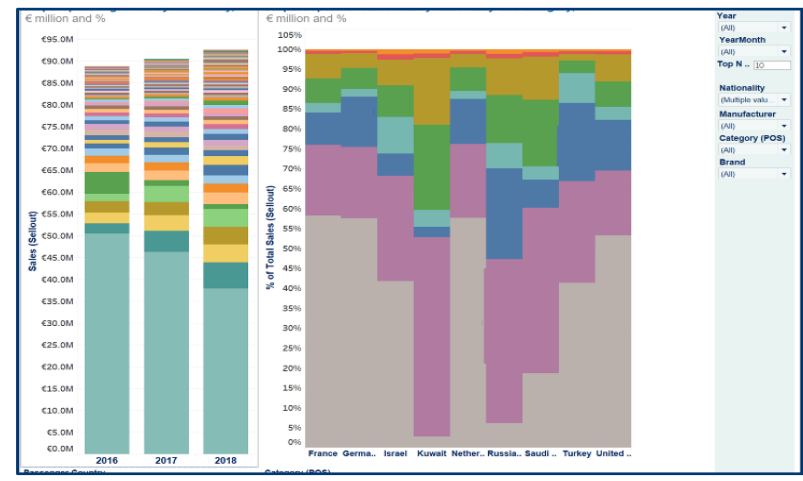
Predictive Simulator Tools

Example output: 'Category strategy' data visualisation use cases developed using open-source off-the-shelf functionality
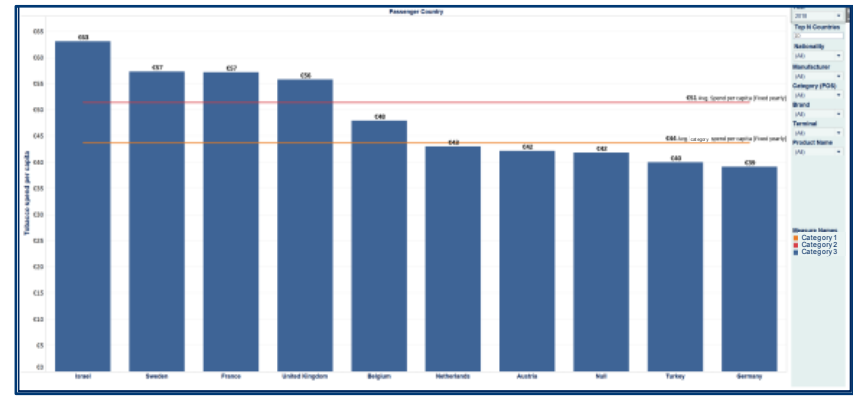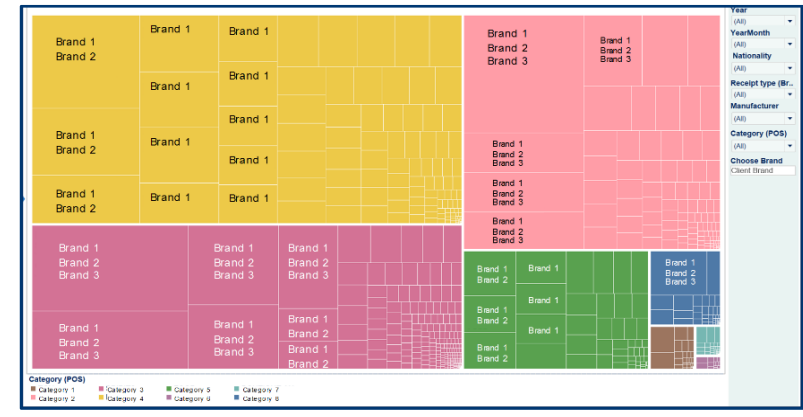
Price pack architecture
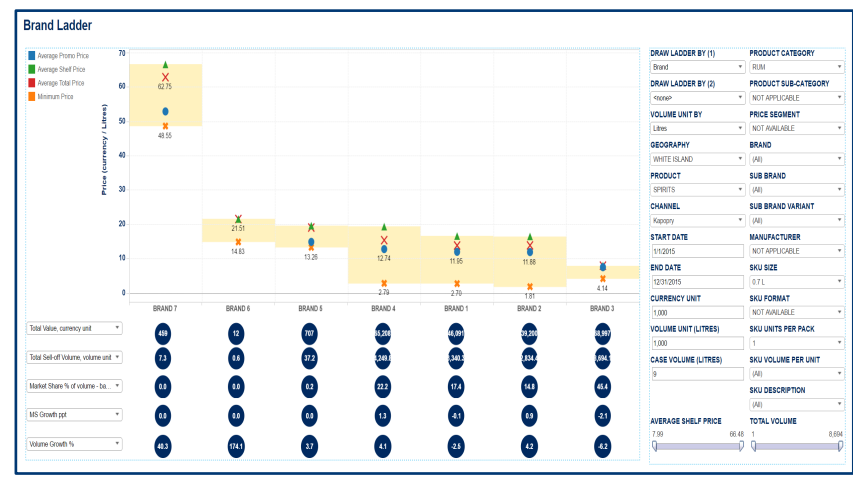
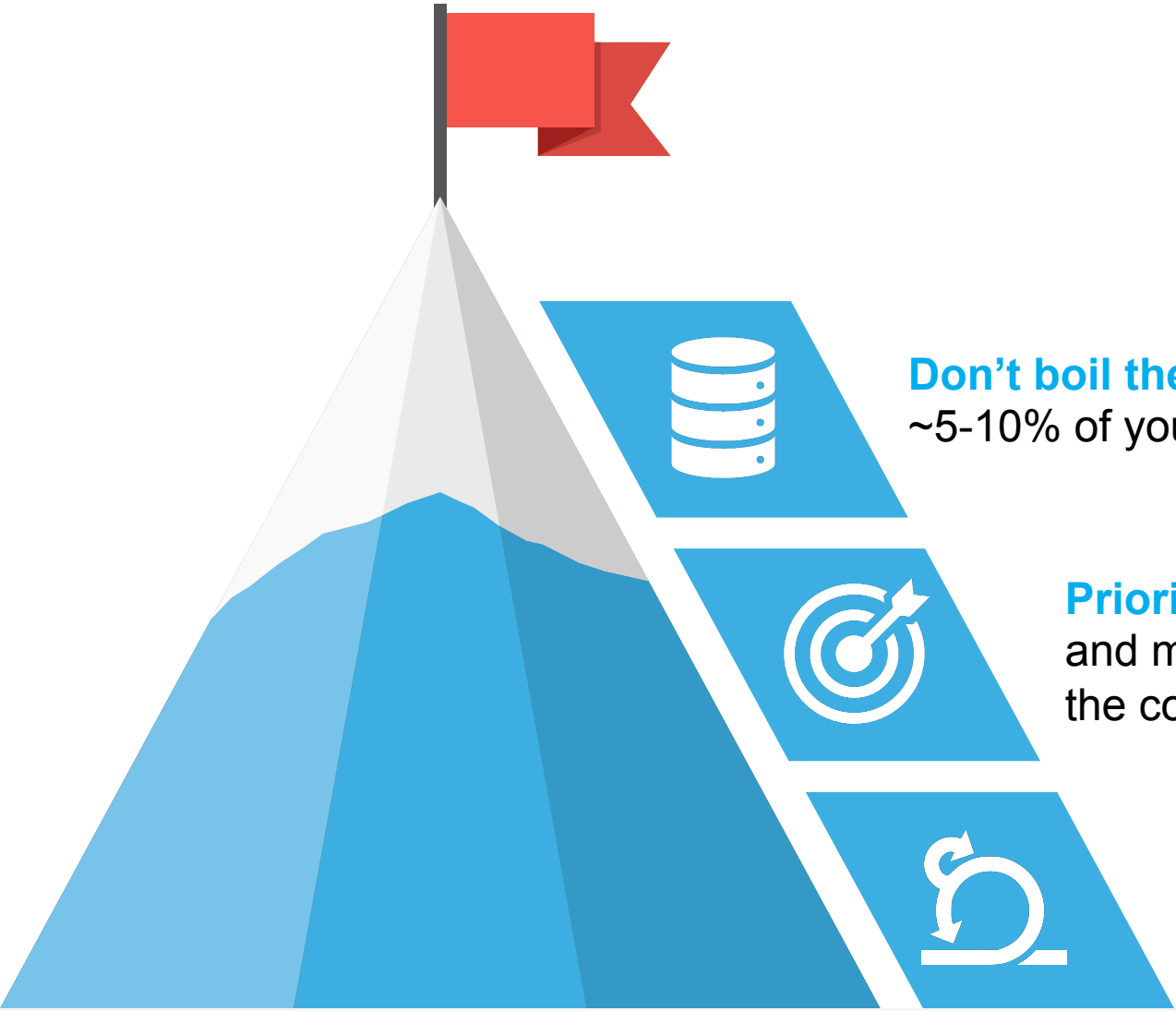## Category volume and value performance

Price tier and spend analysis

Basket analysis to understand interactions

It's easier to **get started** with Tech-enabled RGM journeys than you may think …

Don't boil the data lake! You typically only need ~5-10% of your data organized to start

Prioritize the top 1-3 absolutely critical use cases and match the tech platform to the use case to prove the concept before scaling

Work in agile sprints with a test-and-learn mindset Set yourself interim milestones, embrace "failure", and adapt based on what you learn

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Thank you for joining us today