



THE POI NORTHEAST REGIONAL SUMMIT

Achieving Growth Through RGM,
Retail Execution, eCommerce,
and Analytics Excellence



Applying & Integrating AI with Trade Funds for ROI

Presented by:

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VP, Sales, Kantar Trade Optimization

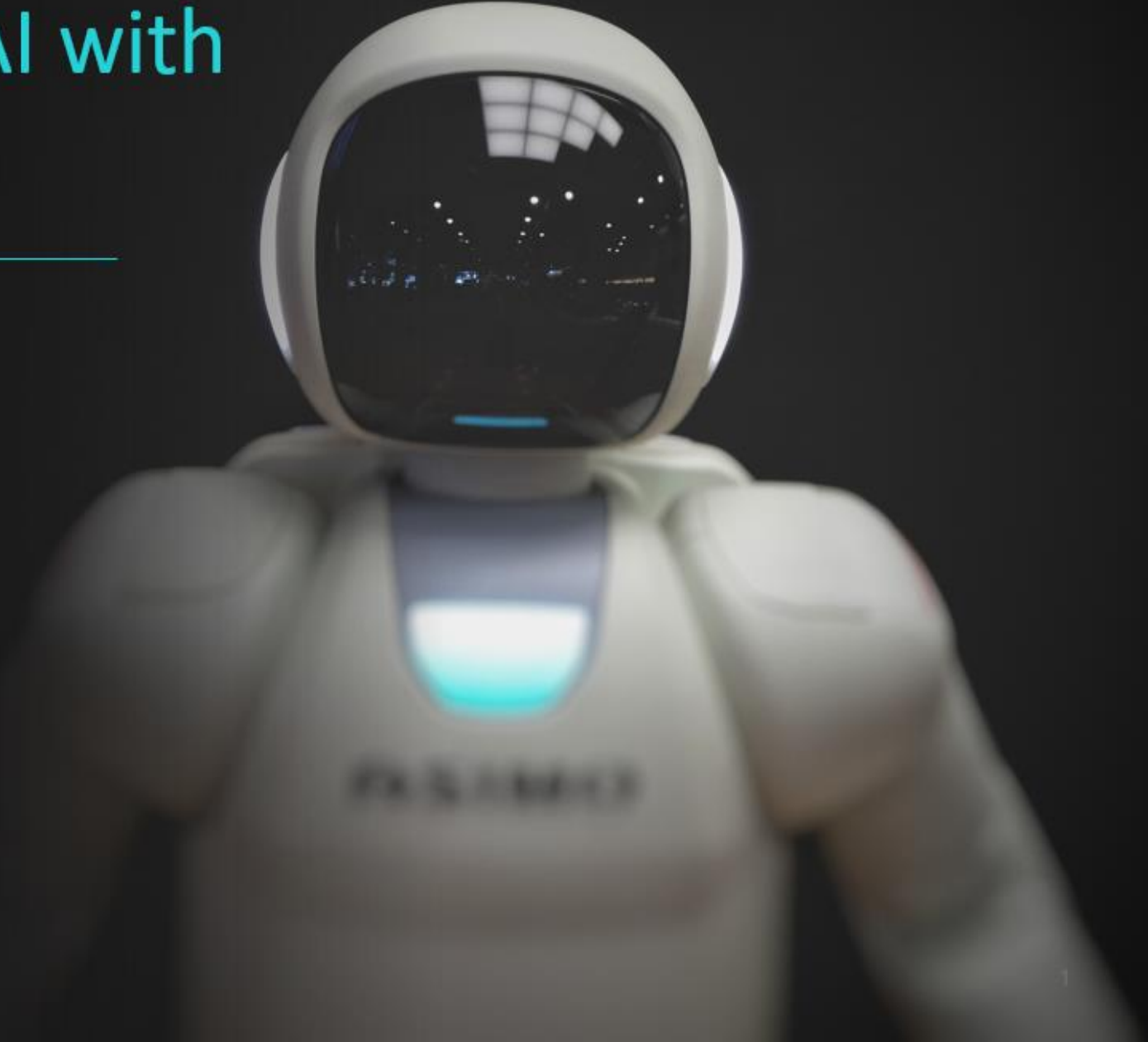
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September 27, 2019



What do we mean by Artificial Intelligence and how does it work within CPG?

1

Demand Identification

Products, Consumers,
Need States

2

Product Development

Features
and Benefits

4

In-Market Execution

Pricing, Assortment,
Distribution

3

Product Marketing

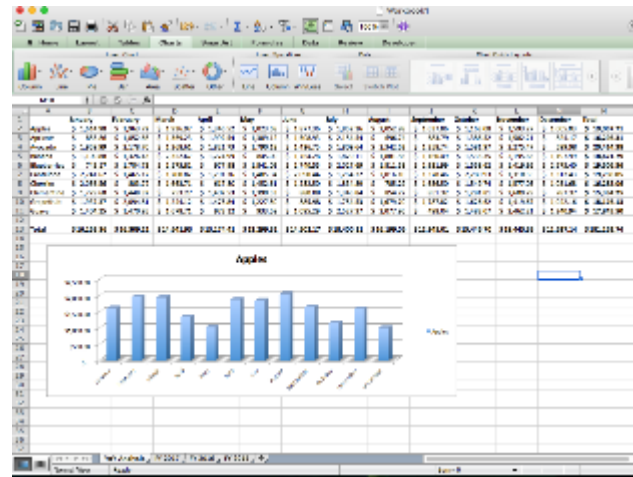
Communication,
Targeting, Channels



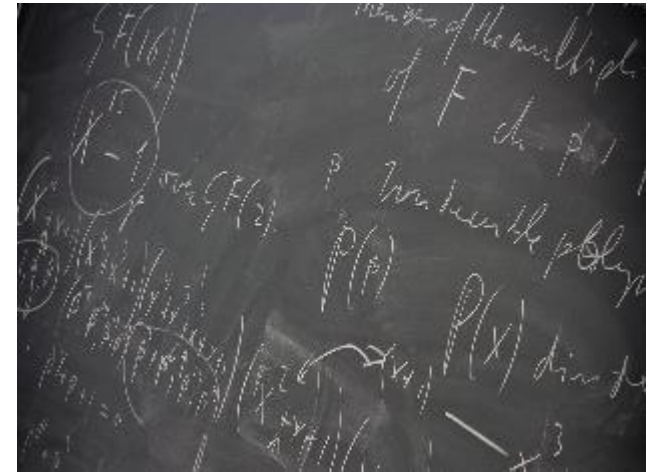
We're Stuck: Organizations want to run profitable trade promotions, but aren't quite sure how to get momentum going



Data



Spreadsheets



Lack of Forecasting

There's good reason to be optimistic about the future

Retail and consumer goods are among the top five industries in which artificial intelligence (AI) is being applied



To some extent, there are 3 key drivers inspiring the rise of the need for optimization

1

CHANGING CULTURE
OF CPG
ORGANIZATIONS

2

PROLIFERATION OF
DATA

3

TREMENDOUS
PRESSURE ON CPGS
TO BE INNOVATIVE,
NIMBLE AND
FORWARD-LOOKING.

Let's take a step back....how did we get here?



The critical factor is the speed and amount of data available today and the speed required to turn that data into actionable insights.

These applications grew out of large mainframe-based systems whose primary job was to capture and store information, not use information for real-time business management.



HOW
NOW
ARE
YOU?

Let's take a step forward....

Today's data it's fast and the furious, with data streaming from multiple sources in huge quantities at high speed.

There is simply no way to get the work done unless your tools work

A data-based ecosystem increasingly demands that data not just record the past, but also model the future

The benefits of using AI in Trade

01 | Multi-Strategy

With AI, local tactics for a given retailer, category, region and brand can be continuously aligned with global strategies. Leveraging AI-enabled insights from current (and historical) data and promotions can be realigned as needed.

02 | Self-Learning Modules

AI can not only continuously tune thousands of models, but also recognize trends and new factors as they start to become significant, automatically incorporating them into these models.

03 | Discerning Patterns

For promotions that are new and do not have a history of usage, the deep learning capabilities in AI can be leveraged to compare a set of similar promotions – look-a-like promotions – to the new promotion to arrive at an initial forecast.

04 | Win-Win for Both Manufacturer and Retailers

AI enabled solutions can provide each party (retailer and manufacturer) visibility to the economics of the deal from their own vantage point and enforce guard rails that reflect their own strategic priorities.



The most important step in making a tool useful.....

...IS NOT ACTUALLY THE TOOL

The critical differentiators in a technology implementation are:

- ✓ **People**
- ✓ **Process**
- ✓ **Measurement changes**

that go along with that implementation.



Using AI and Technology to drive positive change amongst your trade teams



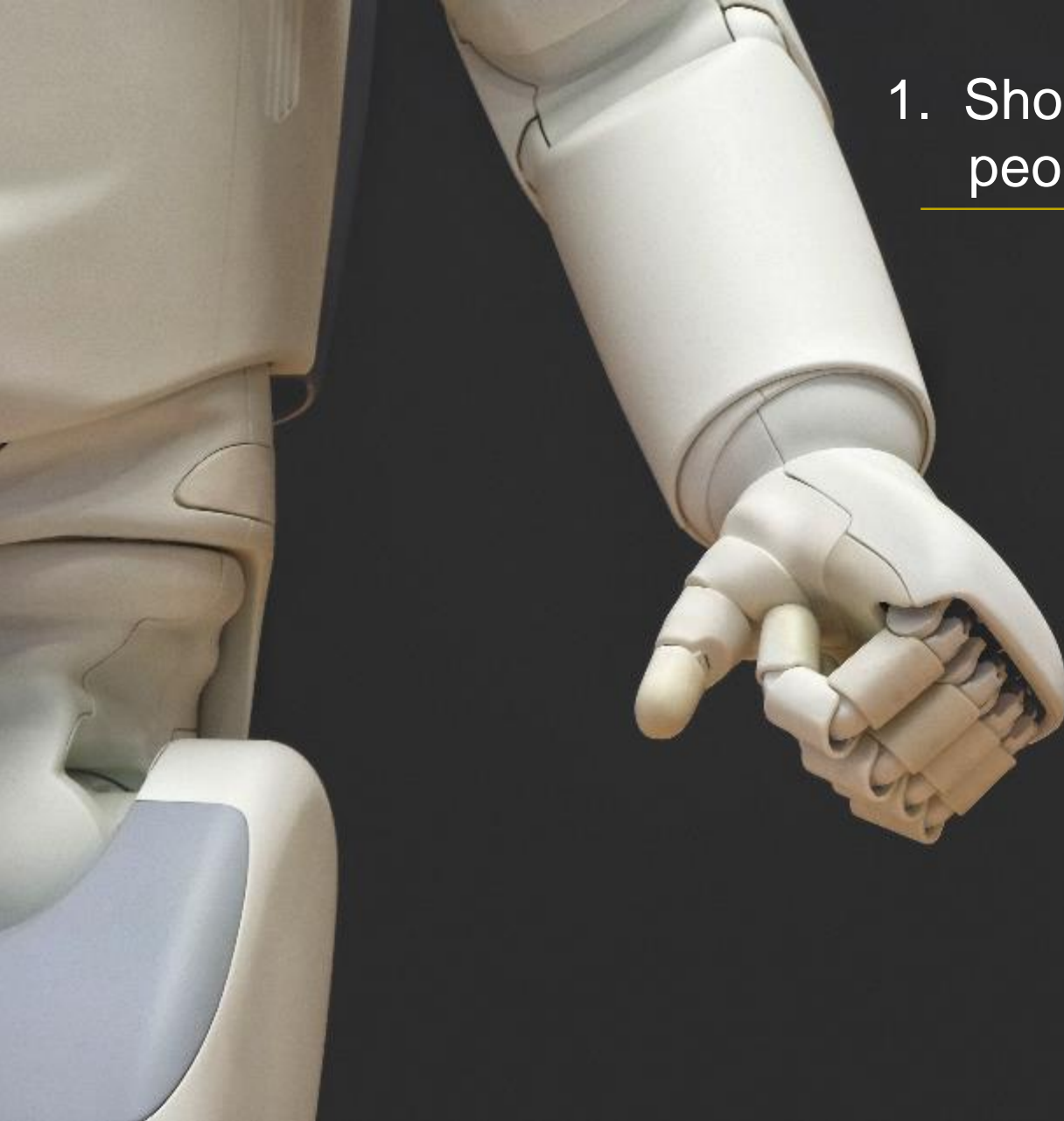
Show How AI/Tech can Make People Better At What They Do



Show How AI/Tech can Make People Faster At What They Do



Show How AI/Tech can Make Their Jobs Easier



1. Show how AI/Technology can make people **better at what they do**

The Challenge:

Being “Better” is often hamstrung by the rearview mirror. The less growth in the past, the more these systems struggle to project future growth.

What are some of the critical success factors to Helping People Be Better?

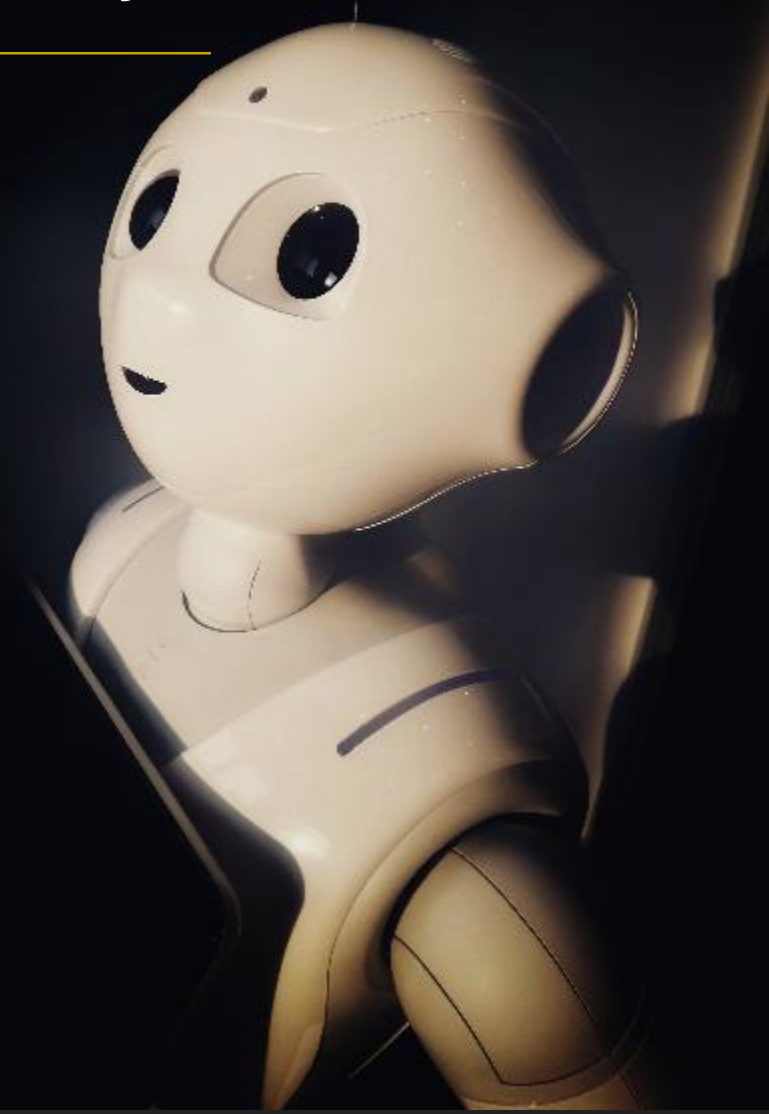


- 1 | **An abundant, wide-angle market view:** The key to making your best better is to use processes and systems to hardwire this view into your plans.
- 2 | **Abundant tools:** At an promotional level, knowing which events genuinely increase workflow as well as ROI makes the “best” optimization solution a stronger economic proposition for both the manufacturer and the retailer as well.
- 3 | **Abundant revenue growth:** A better “best” is one where revenue growth management principles are integrated into category strategy to guide product innovation. Revenue growth management can and should be a guide to building a category with greater economic potential.

2. Show how AI/Technology can make people **faster at what they do**

The Challenge:

Joint business planning has historically been a labor-intensive and relatively slow annual process between retailers and suppliers. As retailers continue to speed up their decision-making processes, manufacturers must speed up in kind.

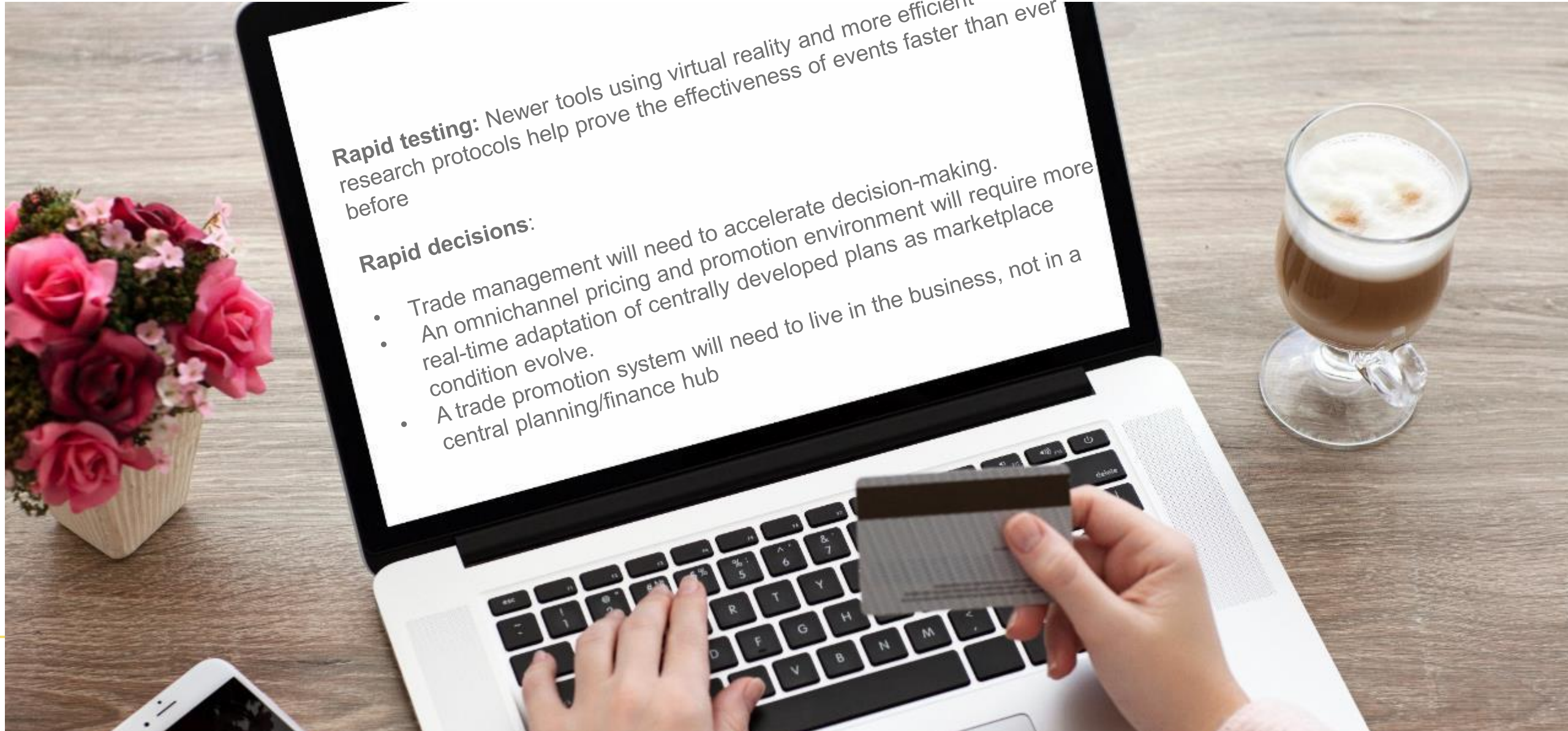


Tell me more about this “Faster” Technology

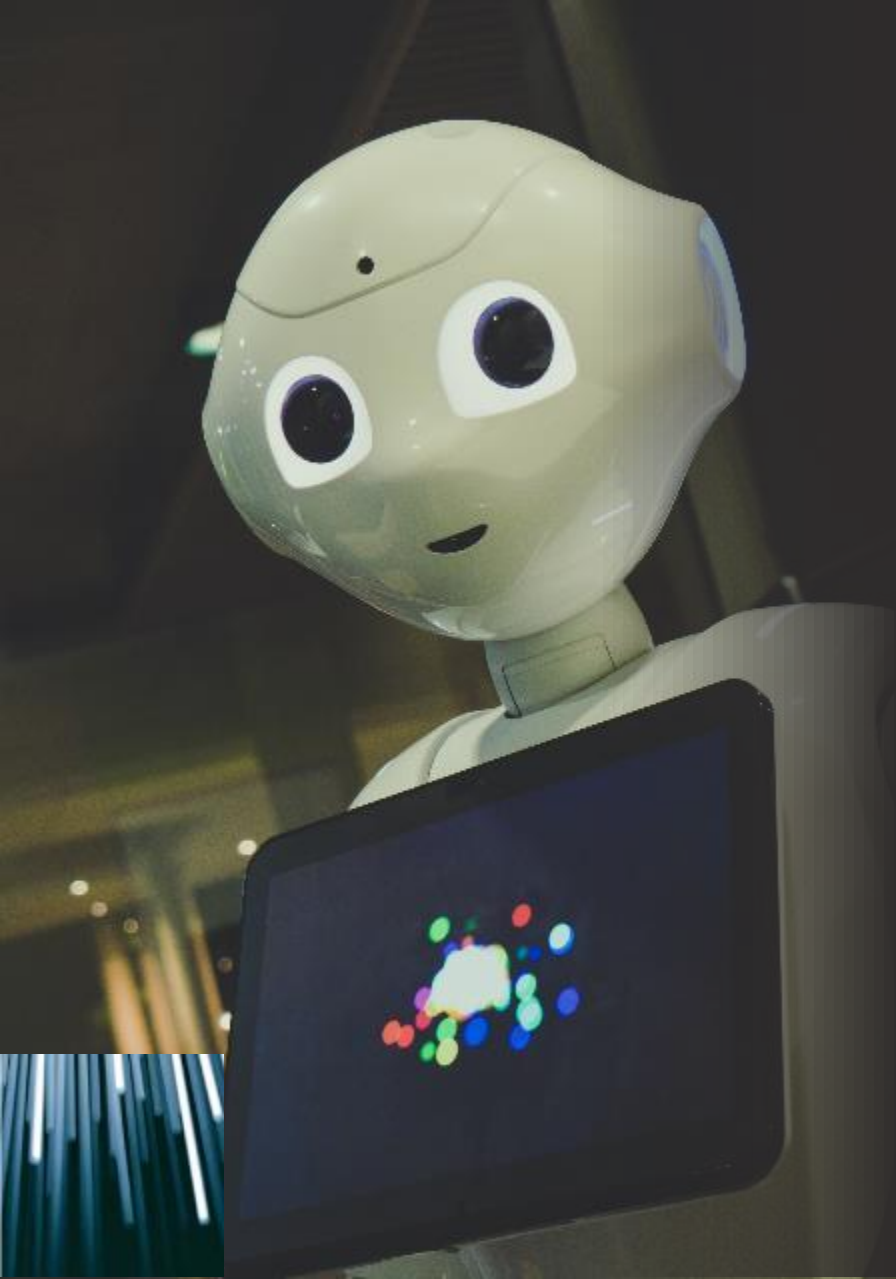
Rapid testing: Newer tools using virtual reality and more efficient research protocols help prove the effectiveness of events faster than ever before

Rapid decisions:

- Trade management will need to accelerate decision-making.
- An omnichannel pricing and promotion environment will require more real-time adaptation of centrally developed plans as marketplace condition evolve.
- A trade promotion system will need to live in the business, not in a central planning/finance hub



3. Show how AI/Tech can make their jobs easier



The Challenge:

In traditional business planning, each organizational silo is responsible for its own data, tools, templates, and assumptions. This process wastes time, money, and, most importantly, energy.

Can you explain “Frictionless”?

Frictionless trading:

The days are gone when a trade promotion management/optimization system was too clunky to be useful and when it was someone’s job to “put the work we figured out how to do in Excel into the system.” Nowhere is the journey from Excel to excellence more pronounced than in making optimized trade planning easier.

Frictionless automation:

As AI and machine learning play an increasingly large role in commercial planning, the assumption is that they will simply make things easier. But implementing these new algorithms comes with a significant human component. The first step is overcoming any cynicism and distrust people may have over how the algorithm decides. Nothing disenfranchises people faster than the sense that “the system” doesn’t understand their business.



In Summary: What's the end result of all this change?



- **Seeing growth opportunities more easily:** If your team is working better, you'll have built tools, capabilities, and processes that diagnose and define more growth opportunities more quickly.
- **Develop growth strategies more quickly:** Smarter tools will lead to stronger top-line growth as opportunities that would have been missed are converted.
- **Breaking down siloes and lag times:** Integrated processes that tie different commercial activities into a shared platform will transform not just what gets done, but how.
- **Increasing the number of executions and plans that drive positive results:** The ability to both manage and optimize promotional activity throughout the organization in closer to real time will change the mindset around promotions to make them more strategic.
- **Transforming the company through people:** Properly deployed, new tools should make people more energized, more collaborative, and more aggressively seeking commercial improvement. Successful transformation involves changing tools, skills, process, measures, and culture simultaneously, with equal energy dedicated to each spoke of that wheel.

THANK YOU