

How To Boost Sales With Better Information

**IDEA E-Biz Forum
Washington DC
September 2008**

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Vista Information Services**



Agenda:

- Introduction
- Information Model & Process
- Applications/Value
 - Distributor
 - Manufacturer
- Q & A

Triad Systems Corporation → CCITRIAD → Activant Solutions, Inc

1972 founded

1997 merger

2003 name change

(Cooperative Computing Inc.)

Vista Information Services

1993

Activant is Distribution's Trusted ERP Provider Since 1975

- **Array, Acclaim, Prelude, Prophet 21, Eclipse and 12 other systems in usage throughout the electrical industry.**

Partner with IDEA since 1999



Industry Data Warehouse

Industry Data Warehouse (IDW) - central repository of manufacturer provided product, pricing and attributed data for authorized resellers to download for application in their business systems. IDW services and software programming is provided by Activant Solutions.



Industry Data Exchange

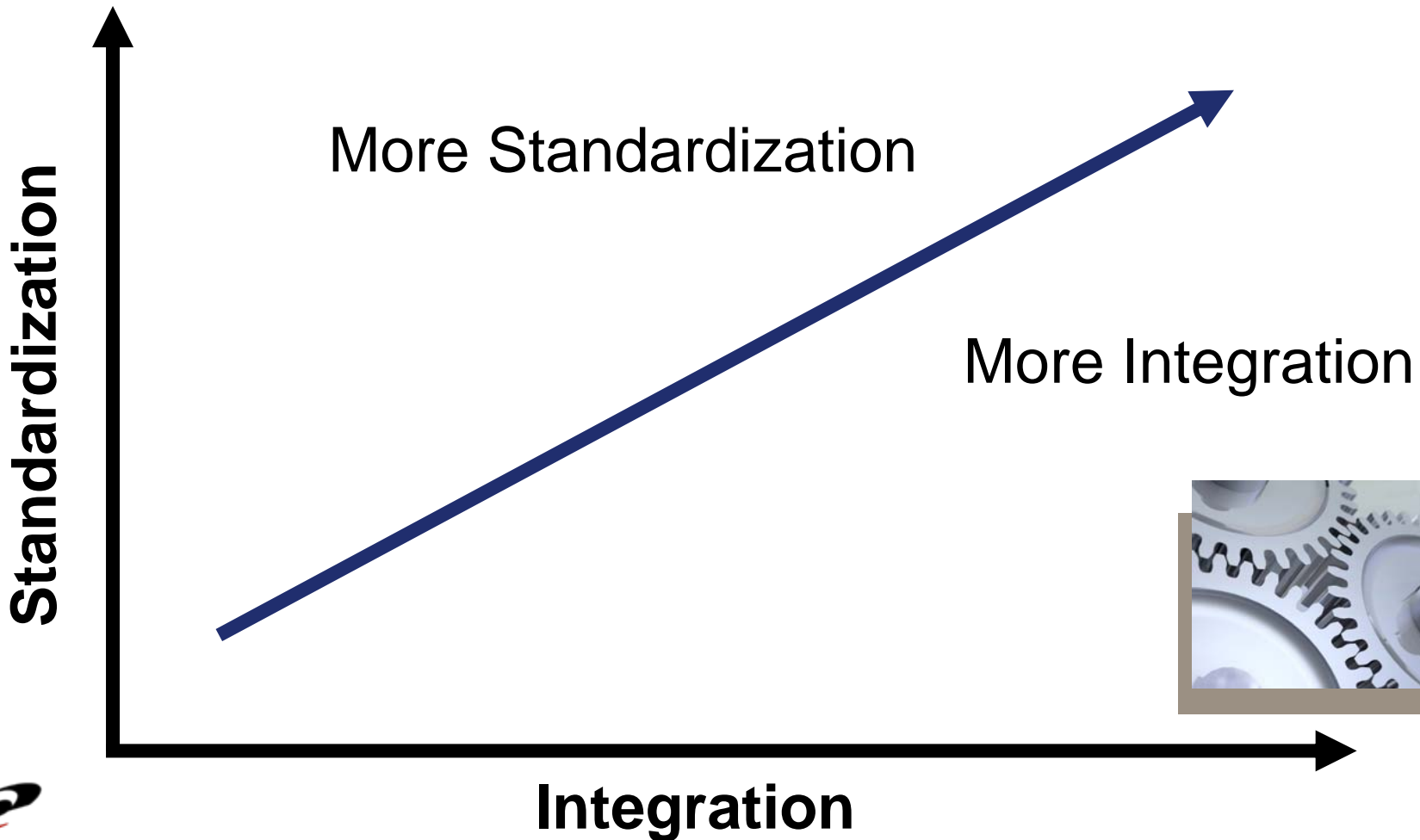
Industry Data Exchange (IDX), enables manufacturers, distributors and service providers to conduct partner-to-partner electronic business on an Internet based network using EDI, XML, flat file or Web Form transaction sets. Activant provides the core network services and Sterling Commerce provides the Value Added Network (VAN) interconnect for off-network trading. The IDX also provides direct connections to other similar Internet based networks. The IDX enables manufacturers and distributors to upload and access product and pricing information from IDEA's IDW.



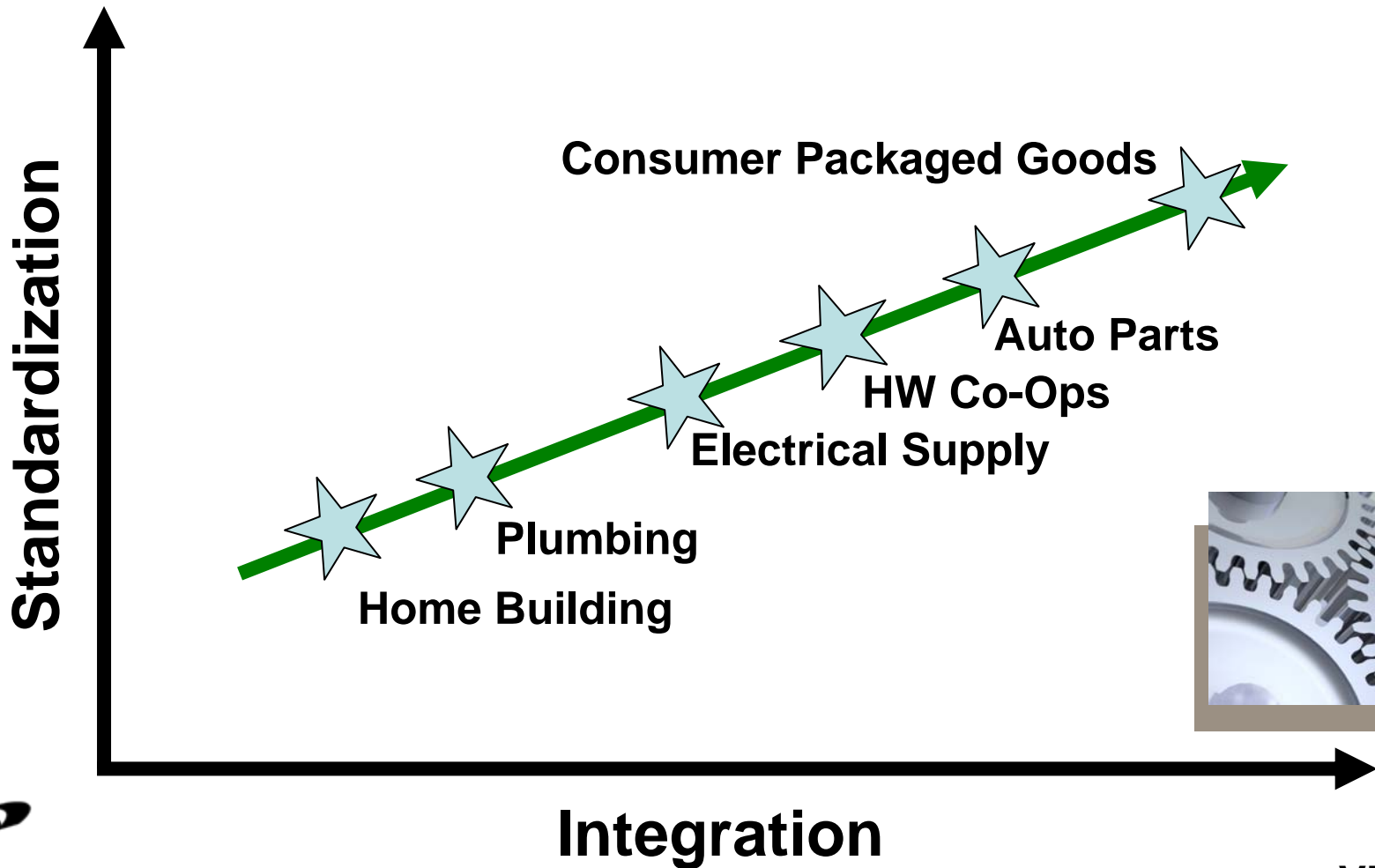
ACTIVANT™

Forces of Change

- **Industry Consolidation**
- **Increased Competition**
- **Increasing Customer Sophistication**
- **Increased Pressure to Optimize ROI**



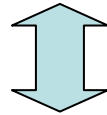
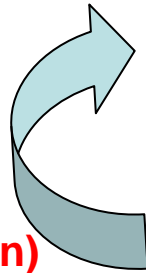
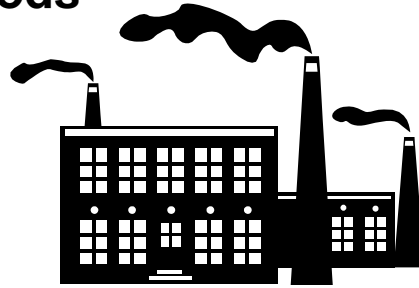
VISTA



Consumer Packaged Goods

What Can We Learn From This Industry?

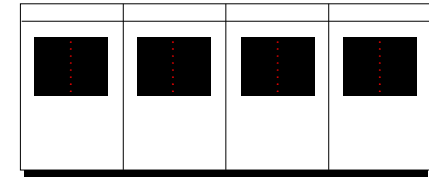
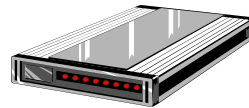
Consumer Packaged Goods



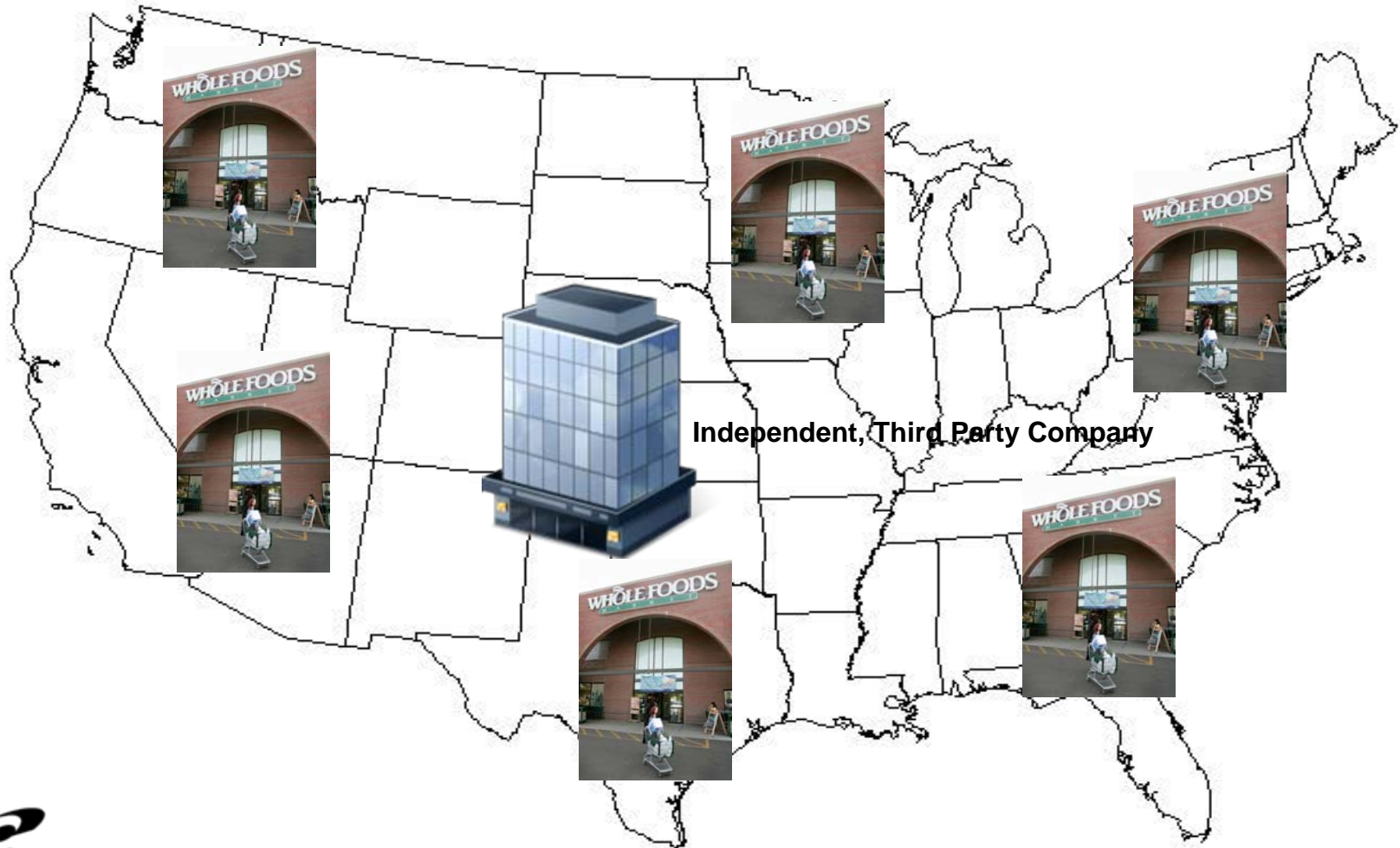
Closed the Loop
(Total Market & Competition)

Consumer Packaged Goods

Independent Third Party Companies Captures Retail Sales



Consumer Packaged Goods



Consumer Packaged Goods



Independent, Third Party Company



**Build Databases
Of Retail Sales**



Client Requirements



Report Delivery



Consumer Packaged Goods



Independent, Third Party Company



Information Provided To Distributor/Retailer

Consumer Packaged Goods

	<u>Month</u>	<u>Quarter</u>	<u>Year</u>
Distributor/Retailer Sales	19,300	55,800	236,400

Recall - the Distributor/Retailer knows their Sales

Consumer Packaged Goods: Distributor/Retailer Reports



	<u>Month</u>	<u>Quarter</u>	<u>Year</u>
Total Market Sales	129,500	381,000	1,643,000
Distributor/Retailer Sales	19,300	55,800	236,400
Distributor/Retailer Share (Total All Categories - Benchmark)	14.9%	14.6%	14.4%

Independent, Third Party provides Market Size and the Distributor/Retailer's Share

Consumer Packaged Goods: Distributor/Retailer Reports

<u>Distributor/Retailer Share</u>	<u>Month</u>	<u>Quarter</u>	<u>Year</u>
Total All Categories (Benchmark)	14.9%	14.6%	14.4%
RTE Cereal	19.6%	17.7%	13.7%
Canned Soup	13.9%	14.7%	14.6%
Coffee	9.6%	10.2%	11.5%

Categories



Distributor/Retailer has a Performance Measurement Tool

Consumer Packaged Goods: Distributor/Retailer Reports

Total Market

	<u>Quarter</u>	<u>Year</u>
Coffee	100%	100%
Folgers	24.6	25.2
Hills Brothers	17.5	17.8
Maxwell House	31.1	30.6
Nescafe'	8.8	9.0
Sanka	18.0	17.4

Understand the Importance of the Brands Within the Market



Consumer Packaged Goods: Distributor/Retailer Reports

	<u>Total Market</u>		<u>Distributor/Retailer</u>	
	<u>Quarter</u>	<u>Year</u>	<u>Quarter</u>	<u>Year</u>
			Benchmark – 14.6% 14.4%	
Coffee	100%	100%	10.2%	11.5%
Folgers	24.6	25.2	12.8	13.1
Hills Brothers	17.5	17.8	28.4	29.6
Maxwell House	31.1	30.6	15.6	15.4
Nescafe'	8.8	9.0	14.3	14.5
Sanka	18.0	17.4	7.3	7.2

Understand the Importance of the Brands Within the Distributor/Retailer

Consumer Packaged Goods: Distributor/Retailer Reports

Distributor/Retailer Exception Report – Items Not Carried

	<u>Total Market</u>		<u>Distributor/Retailer</u>	
	<u>Quarter</u>	<u>Year</u>	<u>Quarter</u>	<u>Year</u>
Sanka	18.0%	17.4%	7.3%	7.2%
- Sanka 1#	5.3	4.9	0.0	0.0
- Sanka 2#	2.4	1.7	0.0	0.0



Consumer Packaged Goods: Distributor/Retailer Reports

Distributor/Retailer Exception Reports - Penetration

(where Distributor/Retailer has disproportionately higher share vs. benchmark)

	<u>Total Market</u>		<u>Distributor/Retailer</u>	
	<u>Quarter</u>	<u>Year</u>	<u>Quarter</u>	<u>Year</u>
Hills Bros	17.5%	17.8%	28.4%	29.6%
- Hills Bros 1#	3.3	3.9	58.2	57.9
- Hills Bros 3#	1.9	1.8	43.6	41.5

Benchmark – 14.6% 14.4%

Consumer Packaged Goods



Independent, Third Party Company



Information Provided To Manufacturer

Consumer Packaged Goods: Manufacturer Reports

Total Market

	<u>Month</u>	<u>Quarter</u>	<u>Year</u>
Coffee	100%	100%	100%
Folgers	24.1	24.6	25.2
Hills Brothers	17.6	17.5	17.8
Maxwell House	31.8	31.1	30.6
Nescafe'	8.9	8.8	9.0
Sanka	18.2	18.0	17.4

Understand the Importance of the Brands Within the Market



Consumer Packaged Goods: Manufacturer Reports

Total Market

	<u>Month</u>	<u>Quarter</u>	<u>Year</u>
Coffee	100%	100%	100%
Folgers - Folgers items	24.1	24.6	25.2
Hills Brothers - Hills Brothers items	17.6	17.5	17.8
Maxwell House - Maxwell House items	31.8	31.1	30.6
Nescafe' - Nescafe' items	8.9	8.8	9.0
Sanka - Sanka items	18.2	18.0	17.4

Understand the Importance of the Brands & Items Within the Market



Consumer Packaged Goods: Manufacturer Reports

Total Market

	<u>Year Ago</u>	<u>Current Year</u>
Coffee	100%	100%
Folgers	26.3	25.2
Hills Brothers	18.0	17.8
Maxwell House	29.9	30.6
Nescafe'	9.0	9.0
Sanka	16.8	17.4

Understand the Importance of the Brand's Trends Within the Market

Consumer Packaged Goods: Manufacturer Reports

Total Market

	<u>Month</u>	<u>Quarter</u>	<u>Year</u>	<u>Rank</u>
Coffee	100%	100%	100%	
Sanka 1#	5.5	5.3	4.9	1
Hills Brothers 1#	3.1	3.3	3.9	2
Maxwell House 1#	2.8	2.5	3.0	3
Maxwell House 2#	2.1	2.0	2.2	4
Folgers 1#	1.7	2.0	1.9	5
Sanka 2#	2.4	2.1	1.7	6

Understand the Importance of the Items Within the Market



Consumer Packaged Goods



Common Language

Dollar Sales

Unit Sales

Brand Shares

Item Shares

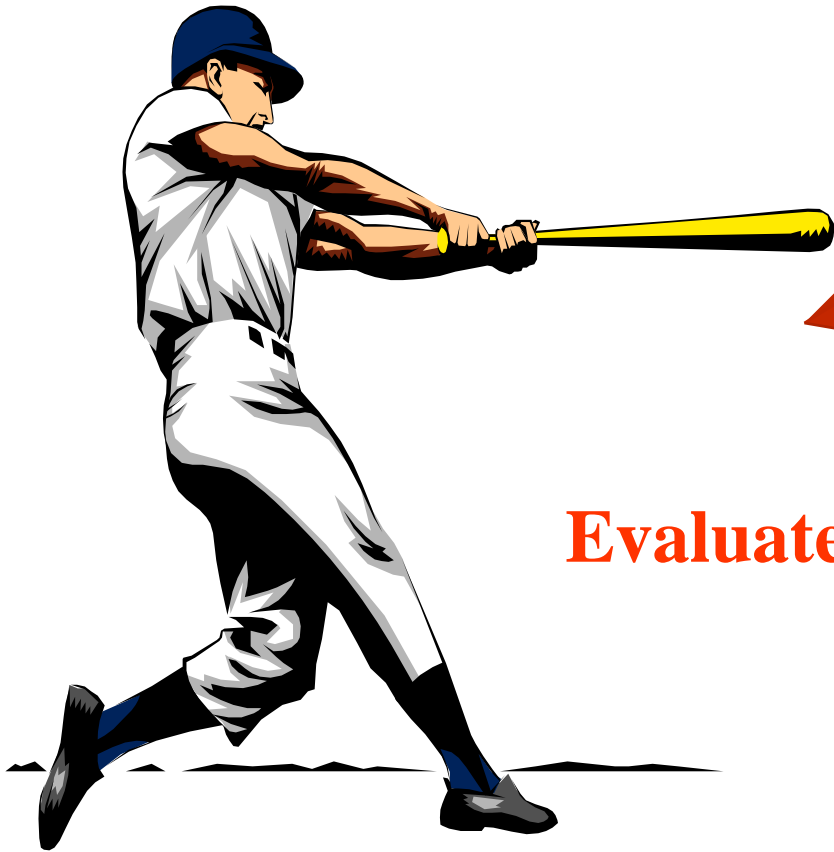
Consumer Packaged Goods



How Does the Industry Work With All of The Information?

Consumer Packaged Goods

Plan



Evaluate



Implement

Consumer Packaged Goods

Vista Answers Such Questions As

- How Large is the Product Category?
- What is its Trend?
- What is the Size & Trend of Important Product Types?
- What are the Brand Shares?

Applications

- **Marketing**
 - Track market share, theirs & competition's
 - Identify retail price trends
 - Track new product introductions
 - Evaluate promotions
- **Sales**
 - Category management
 - Identify sales opportunities
 - Obtain new authorizations
 - Space management - planograms



Category Management

- **The process of managing product categories throughout the channel as Strategic Business Units by focusing on the consumer through data driven decisions on Product Mix, Pricing, Merchandising, and Shelf Placement.**





Define the Category

Determine its Role

Assess the Category

Establish the Scorecard

Develop the Strategies

Develop the Tactics

Implement the Plan

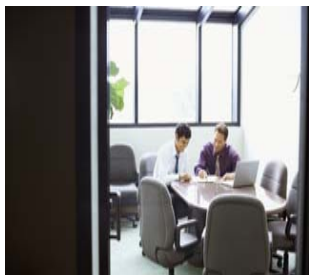
Category Review



Consumer Packaged Goods: Case Study



Consumer Packaged Goods: Case Study



	<u>Total Market</u>		
	<u>Year Ago</u>	<u>Current Year</u>	<u>Point Chge.</u>
Coffee	100%	100%	----
Folgers	26.3	25.2	-1.1
Hills Brothers	18.0	17.8	-.2
Maxwell House	29.9	30.6	+.7
Nescafe'	9.0	9.0	NC
Sanka	16.8	17.4	+.6

Understand the Importance of the Brand's Trends Within the Market

Consumer Packaged Goods: Case Study

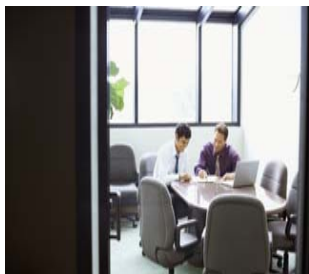


Total Market

	<u>Year Ago</u>	<u>Curr. Year</u>	<u>Curr. Quarter</u>	<u>Curr. Month</u>
Sanka	16.8%	17.4%	18.0%	18.2%

Sanka's Share is Increasing Within the Market!

Consumer Packaged Goods: Case Study



Total Market

	<u>Year Ago</u>	<u>Curr. Year</u>
Coffee	100%	100%
Regular	65.6	61.2
Decaf	34.4	38.8

Decaf Coffee is Growing Dramatically Within the Market!

Consumer Packaged Goods: Case Study



Total Market

	<u>Month</u>	<u>Quarter</u>	<u>Year</u>	<u>Rank</u>
Coffee	100%	100%	100%	
Sanka 1#	5.5	5.3	4.9	1
Hills Brothers 1#	3.1	3.3	3.9	2
Maxwell House 1#	2.8	2.5	3.0	3
Maxwell House 2#	2.1	2.0	2.2	4
Folgers 1#	1.7	2.0	1.9	5
Sanka 2#	2.4	2.1	1.7	6

Recommend Adding the #1 and #6 Ranked Items in the Market!

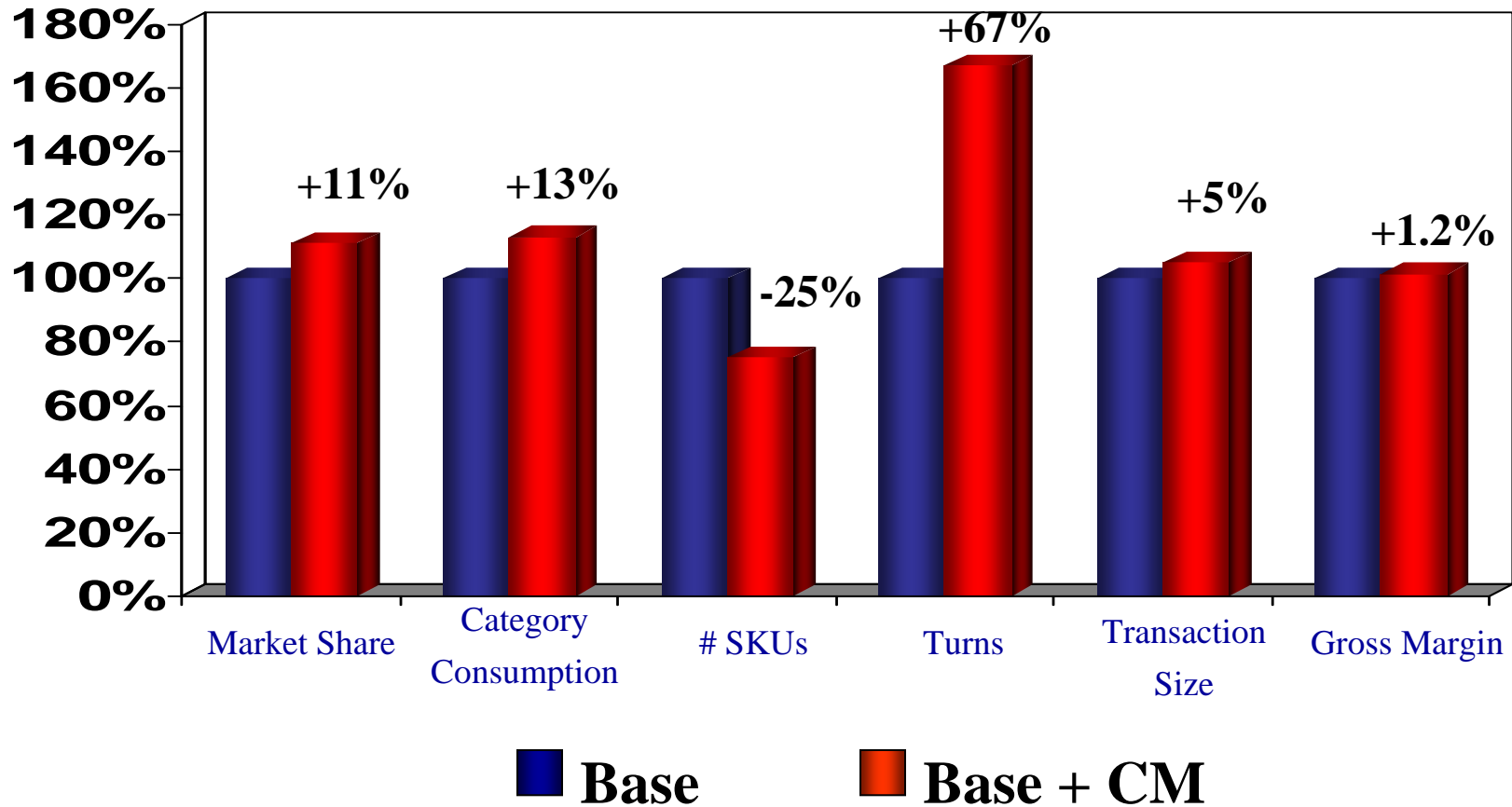


Consumer Packaged Goods



“Does Category Management Work?”

Consumer Packaged Goods



Source: *FMI Study*

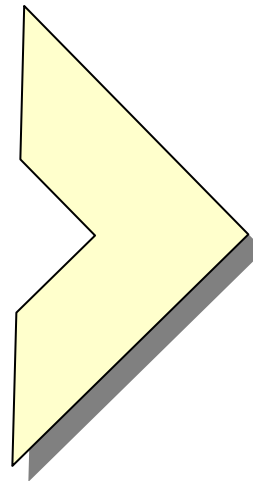


Closing Comments.....



Technology

Information



Competitive Advantage



The Power of Information:

- **Reduce Uncertainty/Risk**
- **Key Input to Planning, Implementation & Evaluation Processes**
- **Value of Correct Business Decisions versus Cost of Incorrect Decisions**

Value of Information: Examples



Sales	Current:	\$50,000,000
	Increase:	0.5%
	Results:	+\$250,000

Inventory	Current:	\$10,000,000
	Decrease:	0.5%
	Results:	+\$50,000

Implications to the Electrical Distribution Channel

Tools Are In Place

Processes Are Known/Can Be Adapted

Implications to the Electrical Distribution Channel



Q & A

Thank You!

