



Commercial
Intelligence
& Insight

>
accenture

High performance. Delivered.

Commercial Intelligence & Insight: emerging needs

Most consumer packaged goods (CPG) companies have focused on delivering profitability and returns to Shareholders through aggressive reductions in operating costs. However, the investor community has questioned whether such strategies alone can deliver sustained performance and growth in the long term. As a result, many companies now look to their trade and marketing spend to deliver an increased return on investment through better targeting of brands, consumers/shoppers and retail customers.

Achieving this goal poses a challenge for many CPG companies at a time when marketing spend is under pressure and when media channels have become fragmented and their impact more diffuse. Another common difficulty is that information and intelligence gathering have not been aligned to support key decision-making, and insufficient emphasis has been placed on performance measurement.

For many CPG companies, there are considerable financial benefits to be gained through integrated sales and marketing planning with greater financial discipline.

Typical questions that the CPG companies are facing today and opportunities linked to the different needs:

How do I get insight into the right consumer needs and opportunities for to go after?

- Support marketing decision making with factual up to date information
- Set of definitions and standards for commercial data and reporting
- Frequently run analysis on up to date information from various internal and external sources
- Define picture on Customers

Where to place my bets on a global stage across so many countries, categories and brands?

- Better analyses to help understand where to invest in sales and marketing
- Understand the bottom line of individual marketing initiatives and brand-channel-customer combinations
- Be able to simulate the effects of important decisions and events

- Make all current and historic marketing information accessible (availability and ease of use) - "If only we knew what we know"

How can I make sure each part of my organisation gets from A to B as in our plan?

- Reduce ongoing loss of marketing know how due to high rotation rate of marketers
- Reduce information overload of Marketers/Sales teams
- Minimize routine work and maximize productivity of marketers



Commercial Intelligence & Insight to achieve high performance

Commercial Intelligence is defined as a set of offerings to support the Sales and Marketing functions by providing the intelligence and insight needed to make the right choices.

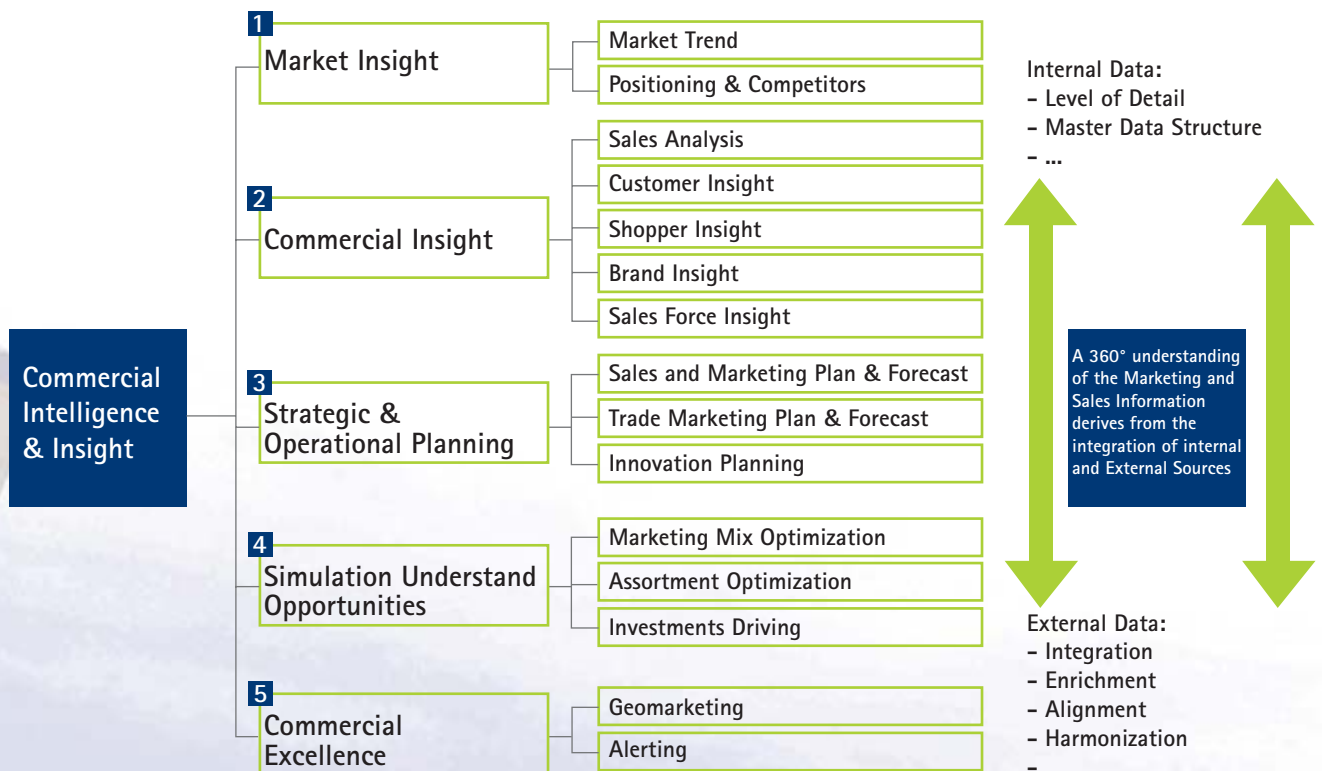
In the face of more challenging and sophisticated customers, Commercial Intelligence & Insight:

- ensures focus on shared commercial objectives and strategies
- prioritises marketing and sales investment
- maximises marketing return on investment
- maximises return on selling costs

The different offerings are providing a complete understanding of the Marketing and Sales Information through the integration of Internal and External Sources

- **Market Insight** provides an overview on market Key Indicators. By collecting information from customer and acquiring Data from external Data Providers our Client gains market information.
- **Commercial Insight** gives an overview of Client business: performance by channel, brand, geography and Customers enables a complete commercial analysis to understand strengths and weaknesses
- **Strategic & Operational Planning** enable Client to perform Predictive Analysis to anticipate market trend & innovation opportunities among different business scenarios

- **Simulation** help to achieve business opportunities analyzing impact of Client decision
- **Commercial Excellence** is a collection of advanced tool to enable the activation of the Operating Excellence.



Commercial Intelligence Framework

The Accenture Milan Competence Center has integrated the offerings above with the Commercial Intelligence Framework, developed by Accenture to help CPG companies to improve performance and shareholder returns. The framework can help sales and marketing executives identify where best to focus improved capability development in order to support the delivery of short-and long-term commercial objectives. The framework integrates "closed-loop", cross-functional processes in Strategic Planning, Operational Planning, Execution and Evaluation.

The framework develops capabilities in the following areas:

- **Functional integration:** integration of marketing, sales and finance
- **Process integration:** strategic planning, operational planning, and execution and measurement

- **Insights management:** Fact-based/future-back (i.e., opportunity-based) planning, performance measurement and continuous learning

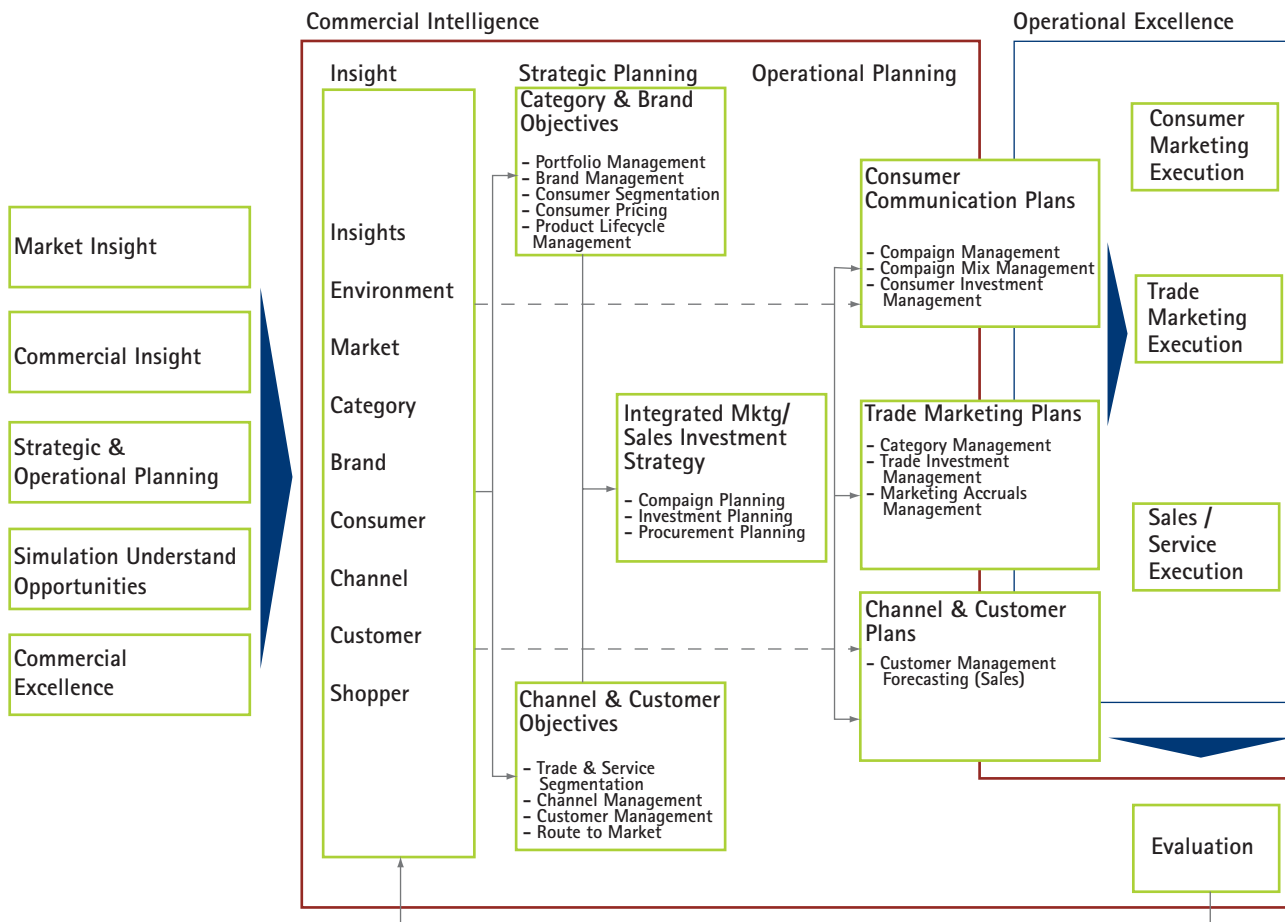
Leading CPG companies have one thing in common: They are improving the accuracy and integration of their commercial planning not only to meet ever-more stringent governance and reporting requirements, but more importantly, to improve financial results.

Because the Commercial Intelligence Framework enables a shared view of investment priorities between marketing and sales, it can help improve the return on consumer and trade marketing investments and foster more effective planning activity.

In addition, the framework has the potential to improve the following areas:

- Return on sales and general administration costs
- Working capital costs of marketing materials
- Working capital costs of finished goods inventory
- Accruals balance
- Information procurement
- Information management costs

The benefits that can be achieved through an integrated commercial planning approach and applying rigor to related processes, will enable CPG companies to enhance shareholder returns and achieve a higher level of performance in the marketplace.



Commercial Intelligence & Insight at the Milan Competence Center

The Accenture Milan Competence Center has some peculiarities that are making the Commercial Intelligence & Insight offerings the state of the art in this field and absolutely in line with the worldwide best practices for Marketing and Sales

Knowledge

- The experience gained on several local and international clients drove us to consolidate capabilities and verticals assets to support the typical needs of the CG&S market
- Commercial Intelligence & Insight knowledge has been summarized in:
 - Blueprint
 - Key Performance Indicators Library
 - Process Framework & Capabilities

Information

- The CI architecture provides different tools design to collect, transform and harmonize data coming from different sources:
 - Company's internal data managed on different enterprise platform (e.g.: ERP, DW, etc.)
 - External Data Provider (e.g.: IRI, Nielsen, IMS, etc.)



Solution

- The Assets and Key Alliances with Software Vendors allowed the Milan CG&S Centre to define a standard and modular platform providing all required capabilities to support end-to-end CI solutions
- The components of the architecture have been developed together with our clients empowering the technology with Business Models and Processes to support CG&S business needs
- The modularity of the architecture easily fits the customer priorities with solutions part of a integrated platform

Delivery Model

- The skills and the technical infrastructure of the CG&S Centre offer to our customer the opportunity to develop the solution with two different approaches:
 - In House Delivery Model: typical project implementation with on-site and off-site activities
 - Managed Information Delivery Model: service is delivered to the customer through the CG&S Centre technical architecture

Commercial Intelligence & Insight architecture

The technical architecture is based on consolidated Accenture standard solution.

Standard solution because the design of processes, data model, analytics and main reports related to the different business processes are already defined and realized in order to respond to the demands of each single functional area of the CPG market. Moreover, the offering includes the processes of transformation and the loading of data from the sources to the data models through the use of pre-defined input interfaces.

The solution re-uses the development effort deriving from the previous projects and from the know-how matured in the CPG market. During the implementation, the approach used is the "fit-gap" (customization of the solution on customer's specific demand) instead of an analysis starting from zero for each implementa-

tion. In this way, a great part of the "core" of the solution is already developed.

Tangible benefits for the Client:

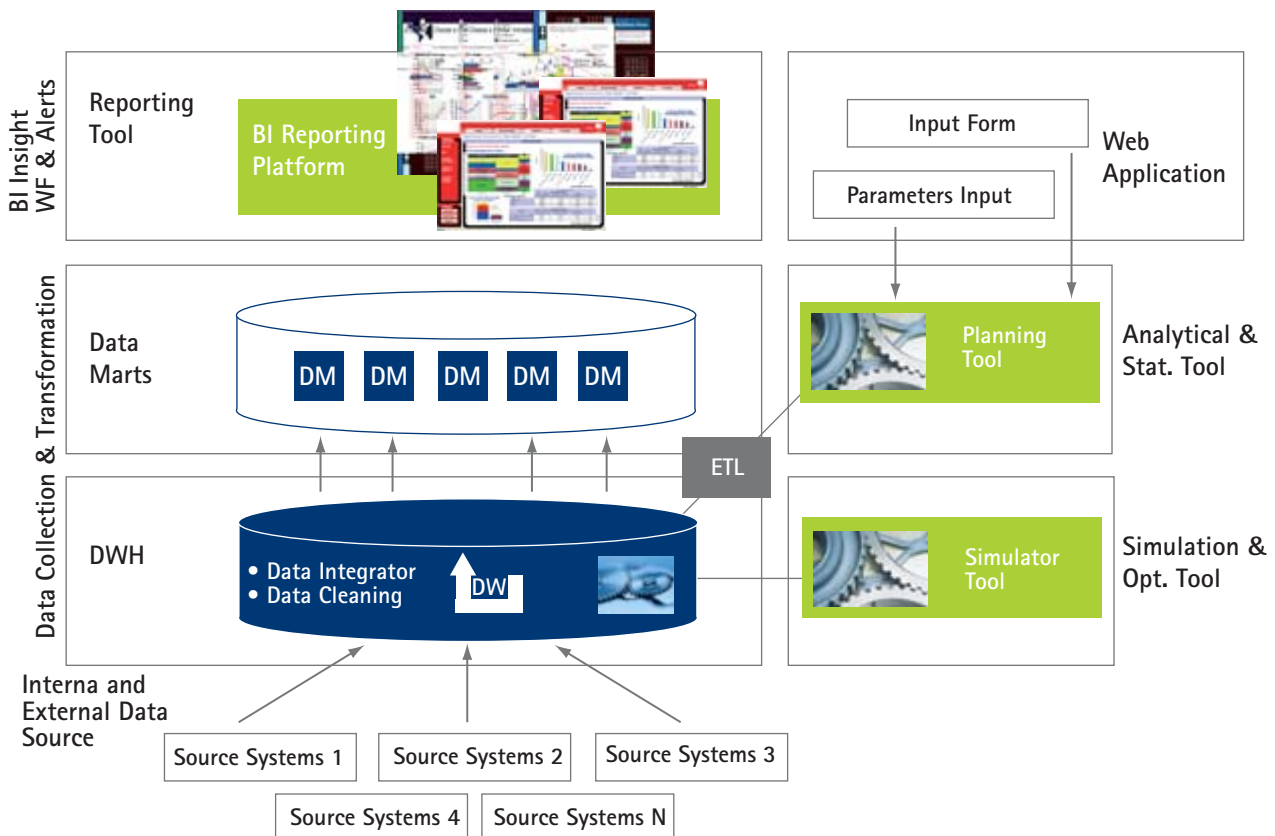
- Reduction of the time needed to carry out the whole project
- Reduction of the project costs
- Considerable risk reduction – complex business models are already integrated in the solution

The main technical components of the Commercial Intelligence & Insight solution are:

- Data source
- Population architecture (ETL)
- Data warehouse (DWH)
- Metadata repository (Metadata management)
- End-user data access architecture (reporting front-end)

- End-user data manipulation architecture (planning and simulation front-end)
- Evaluation workflow architecture

All the components above represent different layers of the solution, fully integrated with each other.



Case Study: leading global beverage company

The Client is a Leader in the soft drinks beverage market. As such it distributes its products through a Bottler/Commissary channel to Retailers, Food Service, Convenience and Small Stores. The bottling/packaging and distribution of the retail product is handled completely by the Bottlers through a franchise system.

One of the main business objectives was to monitor sales up to the final store level and on a daily basis for the single product.

The same information needed to be shared with associate parties like the Bottler community and the major retailers. Accenture worked with the Client to apply the disciplines of the Commercial Intelligence & Insight and to develop new related sales, marketing and finance capabilities.

The business challenges were:

- collect sales & master data / information through different channels/sources (i.e. Bottlers, Commissaries, etc)
- cleanse and standardize the collected data for consistent reporting
- integrate the collected information with internal or market data and distribute in a secured manner the results to all parties involved in the project.

The main area of intervention has been the Commercial Insight focusing on Sales Analysis and Demographic Analysis.

The main results that have been achieved are:

- Sales Analysis:
 - Gathered, integrated and managed PoS data and Bottler / Distributors sell-out data (to PoS).
 - Defined and implemented Analysis and Reporting, integrated sell-in vs sell-out data
- Demographic Analysis: analyzed sales data using also demographic parameters based on the stores' served areas.

