



High performance. Delivered.

Trade Promotion Management for Consumer Packaged Goods Companies

The business problem

For consumer packaged goods companies, it seemed like a good idea at the time: earmarking some portion of their marketing funds to programs they could collaboratively execute with key retailers to boost the sale of products, thus benefiting both parties. Yet somewhere along the line, the concept—trade promotion—grew into a beast that few consumer packaged goods companies have been able to tame.

The trade promotion management (TPM) challenge is by no means insignificant. Consumer packaged goods companies spend substantial amounts of time and money—14 percent of revenue according to an AMR Research study—on promotions with retailers designed to boost revenue or increase/protect market share (or both)¹.

It's clear that a new approach to TPM is needed—one that can help consumer packaged goods companies break the cycle of spending substantial sums of money on promotions and getting little to show for it in return.

Such an approach must address some of the main obstacles to more effective TPM—which include well-entrenched business practices and behaviors, data and technology limitations and generally ineffective processes no longer relevant to today's complex and largely global consumer goods supply chain. Indeed, only 29 percent of companies in the Consumer Goods Technology and AMR research study said their current capabilities in trade promotion are good, with a mere three percent saying their system is "best-in-class" ².

The solution

Accenture has drawn on direct client experience as well as original research on the characteristics of high-performance businesses in the consumer goods industry, functional and technical knowledge, along with expertise in SAP[®] solutions or software to create a unique approach that blends strategic thinking with advanced analytics and modeling to help identify and measure the most effective trade promotions.

¹"What is an Effective Trade Promotion?" Lora Cecere, Fenella Sirkisoon, AMR Research, November 9, 2007.

²"2007 Sales and Marketing Report", Consumer Goods Technology and AMR Research, June 2007.

The Accenture Trade Promotion Management Solution helps companies manage every step in the process, enabling them to more precisely identify, plan, execute and fully evaluate their trade promotions. See Figure 1. This end-to-end approach helps companies to define strategies, optimize promotion spending, improve process coordination and establish effective organization skills—all supported by the right tools and systems.

The Accenture Trade Promotion Management Solution uses the SAP® Account and Trade Promotion Management for Consumer Products software available through the latest edition of the SAP Customer Relationship Management (SAP CRM)

application. Accenture was chosen by SAP to help in the development and testing of the new product due to historical synergies within our client base and extensive past joint work on initiatives supporting SAP CRM.

By adopting our trade promotion management solution, consumer packaged goods companies can gain a major competitive advantage and position themselves for high performance in a market where trade promotions continue to present a substantial challenge. Contact Accenture today to discuss how our unique combination of industry expertise, functional knowledge and process insight can help your company maximize returns on trade promotions.

Contacts

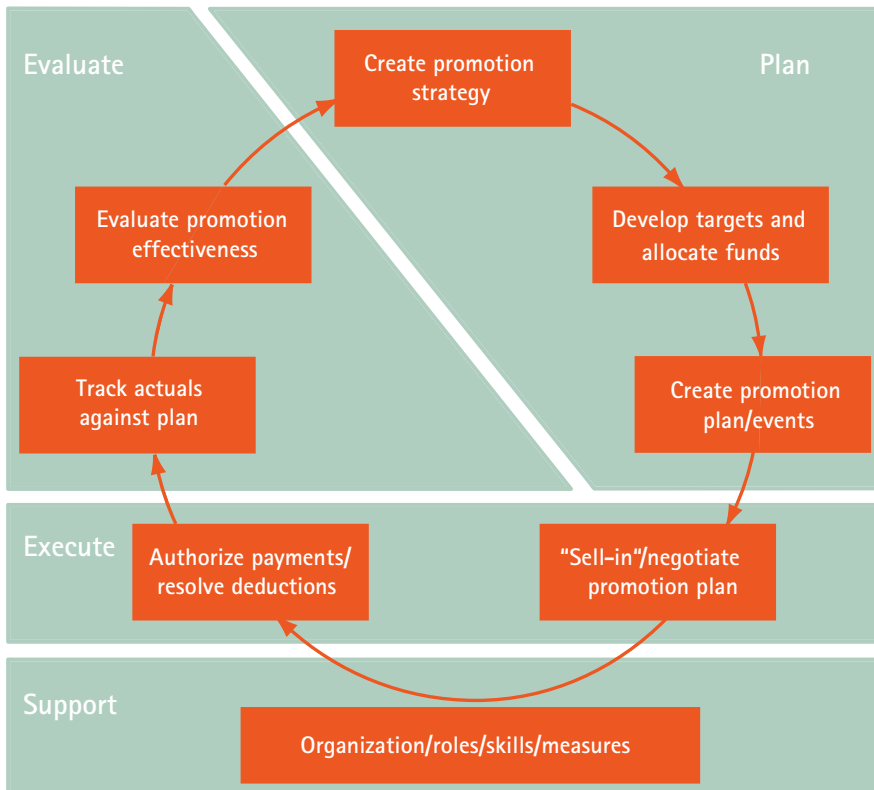
Angelo d'Imporzano
Europe, Emerging Markets,
Africa and Latin America
+39 335 5996653
angelo.dimporzano@accenture.com

North America
James B. Coleman
+1 773 255 0087
james.b.coleman@accenture.com

Gary E. Singer
+1 312 693 3603
gary.e.singer@accenture.com

Anish Gupta
Asia Pacific
+91 9810037467
anish.gupta@accenture.com

Figure 1. The Accenture Trade Promotion Management Solution



Copyright © 2008 Accenture
All rights reserved.

Accenture, its logo, and
High Performance Delivered
are trademarks of Accenture.