Accenture Trade Promotion Management Supports Expansion

As one of the world’s largest winemakers, this U.S.-based company sells 60-plus brands in more than 90 countries across the globe. It produces and sells table and sparkling wines, beverage products, dessert wines and distilled spirits.
A global winemaker’s trade promotion management (TPM) system and processes were no longer fit for its ambitious plans to grow revenue and expand product lines. It embarked on a long-term collaboration with Accenture to standardize its trade promotion management processes and implement a supporting Accenture TPM platform in many countries across North America, Europe and Latin America. In 2006, Accenture implemented the solution in the United Kingdom and integrated with the company’s JD Edwards enterprise resource planning system all within a year. Given the solution’s flexibility, scalability and immediate value, the winemaker soon rolled it out to Canada, as well as more traditional markets in Germany, Poland, Russia, Argentina, Brazil, Chile and Venezuela. Its new capabilities allow the company to apply leading industry trade promotion practices from the beginning as it develops its business in new markets. Since the initial implementation, the company has upgraded the solution three times.

Rich, timely data and a holistic view of trade promotion activities are helping the winemaker improve volume planning and return on investment analysis. Automation and fast processing speeds are helping to improve its performance in both modern and traditional markets. The new capabilities help it reallocate funds and products to the most profitable promotions and retailers. The winemaker can also use the data to lower production costs and improve logistics management. Retailers also benefit from the data by having stock on the shelf and lower product cannibalization; this has helped the winemaker improve long-term collaboration with its most valuable retailers. And most importantly, consumers get the right promotions at the right time, with products on the shelf.

Opportunity
A global winemaker wanted to make its promotions more effective to help launch new product lines and gain traction in new markets, many of which did not use modern trade promotion management (TPM) practices. Its “home-grown” trade promotion systems, however, were fragmented and failed to cover all of its needs requiring large amounts of manual input from all departments. The systems had limited pre- and post-promotion evaluation capabilities and were not integrated with the company’s enterprise resource planning (ERP) system. As a result, the company tended to focus on data preparation rather than analysis. And what data it did get were prone to inaccuracies and practically obsolete by the time the company received it, making debt collection and payments more difficult to resolve. The confusion gave the winemaker little insight into who was doing what, resulting in duplicated efforts and higher costs. Because promotional evaluation was primitive, it made the same mistakes over and over again.

The winemaker needed a new TPM system to empower it with rich data and sophisticated account planning and forecasting capabilities. Having a central, holistic planning platform would allow it to understand and consolidate successful promotions—helping to increase revenue and support new products launches more effectively. It embarked on a long-term relationship with Accenture to revamp its trade promotion processes and implement a new TPM system across many developed and emerging markets in North America, Europe and Latin America.

Solution
In 2006, the company selected Accenture Trade Promotion Management solution to help expand activities in the United Kingdom. Within one year, the team integrated the solution into the company’s JD Edwards World ERP solution and took it live. Shortly thereafter, they extended the solution to Canada. Since then the winemaker has upgraded...
the solution three times. Thanks to the long-standing, collaborative relationship, the company joined the Accenture Advisory Board, which gives Accenture clients the opportunity to discuss how well the software products are meeting their business needs and how they could be improved to be more market relevant. The solution proved so successful in these two initial markets that the company rolled it out to Argentina, Brazil, Chile and Venezuela and many other Latin American countries where it was expanding its business. Later, Accenture also helped the winemaker implement the solution in Germany, Poland and Russia where trade promotion management was a relatively new practice. Implementing the solution and leading practices in these traditional markets allowed them to obtain value quickly and launch their activities with standardized modern processes.

The solution embedded the most effective trade promotion processes for modern and traditional markets. By applying these processes to its business—rather than customize the solution to the company’s existing processes—the winemaker was able to get the solution up and running quickly. However, the Accenture modeler also gives the company the flexibility to adapt the solution as the market or needs change. Select super users can easily make a change in the modeler, which writes the code for them; they do not need to be a highly trained technical person to do it.

Results
The flexible, scalable platform is helping the winemaker to increase revenue, support new product launches more effectively, and expand its footprint quickly in new target markets both modern and traditional. It gives the winemaker a holistic view of trade promotion activity and consistent data for planning and analysis. All 200 users see the same accurate, timely data to make decisions and evaluations. With its new reporting capabilities, users can forecast sales and plan the volume of wine sent to distributors and retailers. Improved data visibility means that they can reallocate promotional funds to the most successful promotions and profitable retailers. The insights also allow the winemaker to move product to in-demand locations. And most importantly, for the consumer, the right brand is promoted at the right time—with stock on the shelf. Better forecasting helps to improve logistics management and costs associated with production. With this data in hand, the winemaker can plan more effectively with the retailer, helping to improve collaborative relationships and avoid cannibalization.

Integrated electronic workflows and approval processes are automated, allowing management to understand activities, monitor controls and focus on results. Spending guard rails, for instance, help promotions remain profitable. Automation helps to speed up paper work and enable faster collection of debt. The company has reduced the time taken to resolve deductions—and lessens the risk of erroneous deductions sticking. Quick processing speeds mean that the solution can handle lots of individual transactions and promotions. The winemaker now has the flexible system it needs to scale its business.

About Accenture
Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 375,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.