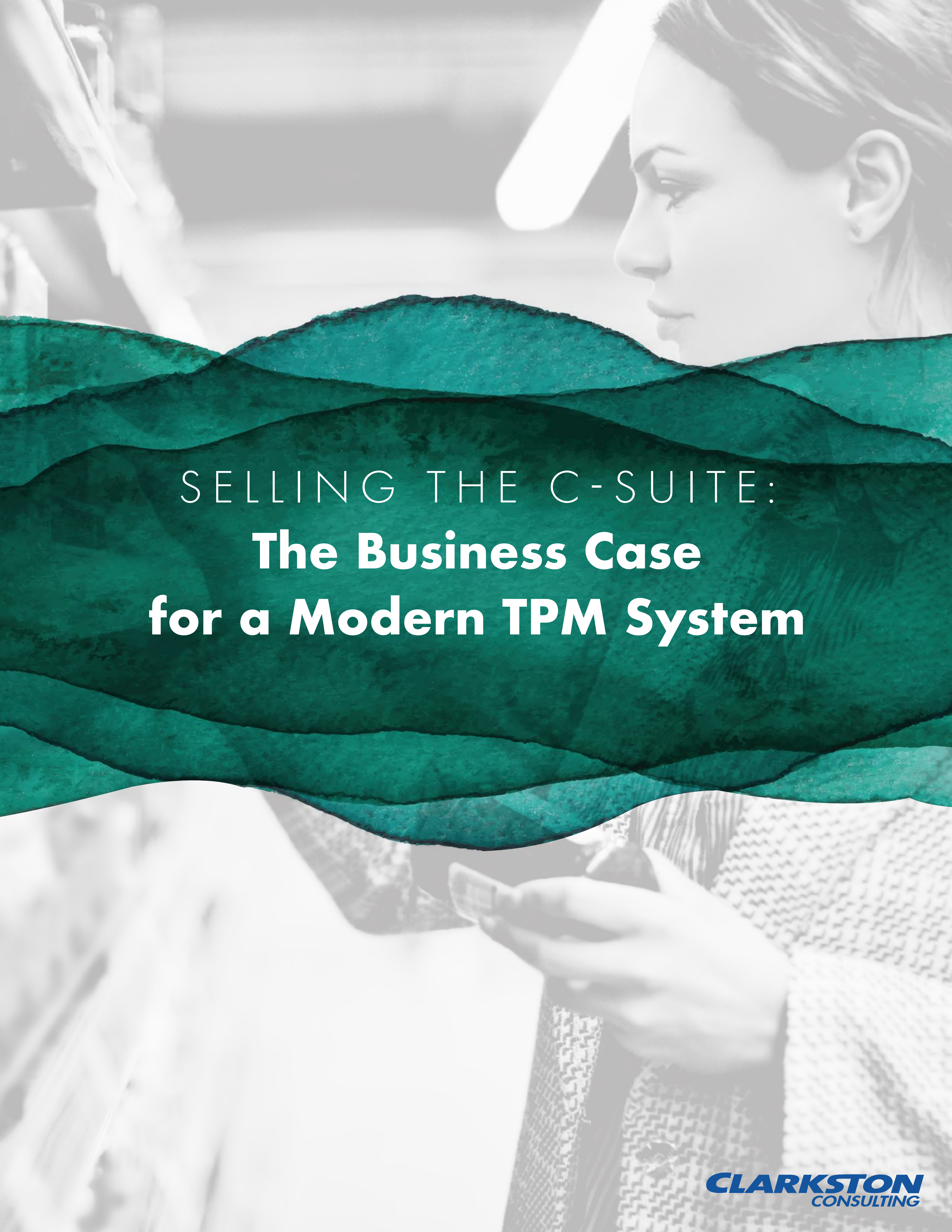

SELLING THE C-SUITE:

The Business Case for a Modern TPM System

CLARKSTON CONSULTING

Cloud-based trade promotion management (TPM) solutions have made it easier than ever for consumer goods manufacturers to track and manage trade promotion activities. While implementing any large-scale technology platform requires considerable effort and investment, the potential benefits of a best-in-class TPM solution far outweigh the costs. From the field sales level to the C-suite, effective trade promotion management can transform the way your business operates (and profits). Trade promotion can have cascading effects and outcomes for nearly every area of the business. It's critical for each member of the C-suite to understand how a TPM solution can potentially impact their respective functional areas to drive returns, enable growth, and improve consumer engagement.

CHIEF EXECUTIVE OFFICER - CEO

1. The enhanced analytical capabilities and improved knowledge sharing afforded by a TPM solution enables the organization to move towards 'one version of the truth'

a. An effective TPM solution requires more cohesive companywide annual planning (often extending beyond trade) and allows for improved interdepartmental collaboration around sales forecasting, demand planning, and other important sales planning processes

b. Improved coordination also drives alignment around key companywide strategic, marketing, and financial initiatives

c. Enhanced cohesion also fosters an environment that encourages information sharing between departments and fosters a data-first approach to problem-solving

2. Best-in-class industry technology in trade helps your company scale and manage growth in a cost-efficient manner

a. Ensures that trade investments drive bottom line as well as topline growth

b. Improved automation reduces manual offline Excel work and frees up resources for more impactful and profitable activities

c. Provides a gateway to more advanced customer segmentation, trade funding, and revenue management models that help ensure that your company gets the most out of its relationships with its customers

3. A modern TPM solution enables your company, regardless of size, to take the next step on the technology maturity arc

a. For larger firms, TPM solutions can be integrated with existing technology applications, such as internal shipment data and syndicated consumption platforms, to create advanced internal analytics networks

b. For smaller companies, TPM solutions can help your company align its business practices with the industry standard, making it easier to integrate and synergize with potential M&A partners

CHIEF CUSTOMER OFFICER - CCO

1. TPM technology provides real-time oversight of customer teams' planning activities

a. Captures robust detail of promotional activity that can be easily accessed and viewed by headquarter users

b. Sheds light on annual customer planning and provides an opportunity for users outside of customer teams to review the potential impact of trade promotions before the activity takes place at the customer

c. Enhanced trade budget tracking capabilities provide up-to-date estimates of actualized trade spends and help sales teams track and manage the remaining promotional funds

2. Effective trade solutions provide improved trade event ROI and enhanced trade promotion optimization capabilities

a. Centralizes trade analytics in a single location and eliminates siloed offline Excel-based analysis across various teams within the organization

b. Allows sales organizations to make investments in revenue management capabilities and analytical teams aimed at improving bottom line as well as topline sales growth

c. Enables improved segmentation analysis that can be used in the rebalancing of investments between customer, channels, brands, and promotional tactics to maximize sales growth while minimizing investment

3. The foundation of a TPM solution drives fact-based selling conversations with customers

a. Analytics generated by TPM and TPO activities can help level the playing field when negotiating with retailers

b. Learnings generated by post-event analysis can easily be shared between customers teams to create channel specific best practices and benchmarks

CHIEF FINANCIAL OFFICER - CFO

1. Enhanced deduction matching capabilities provided by a TPM solution create a clear path to savings

a. Enables claims specialists to match and clear more deductions in a shorter amount of time

b. Reduces the costs associated with clearing deductions

c. Clear and concise promotional information reduces the risk of invalid deductions and provides opportunities to track down repayments

2. A TPM solution reduces potential compliance risks

a. Provides a SOX-compliant approval process to ensure that all financial transactions have a clear audit trail

b. Explicit in-system approvals ensure that promotional discounts can be fully documented, vetted, and approved prior to being executed at the customer

3. Improved post-promotion analysis from TPM technology can help produce more accurate P&L reporting for company, brand, and customer

a. Visibility into promotional spend can help ensure that trade investments are correctly assigned to the brand and customers that incur those costs

b. Can help shed light on potential finding gaps that may be causing Brands or Items to underperform

CHIEF MARKETING OFFICER - CMO

1. TPM solution facilitate better communication between sales and marketing

a. TPM planning applications enable synchronization between marketing and trade marketing activities

b. Optimize the timing of shopper marketing activities to maximize the impact of shopper marketing investments

2. Post-event analysis from a trade system provides increased insight into the performance of marketing/shopper marketing activities and their impact on instore sales

a. Improved marketing mix analysis provides opportunities to optimize marketing spends and maximize their potential impact on sales

b. More accurate trade spend reporting and budgeting accuracy to help ensure that brand teams better understand full impact of brand investments

c. Helps identify potential funding gaps that may be causing brands to underperform

CHIEF OPERATING OFFICER - COO

1. Improved organizational demand forecasting from a TPM solution enhances operational performance

a. Insight into promotion timing can provide understanding for peak-periods of promotional demand

b. Reduced out-of-stock situations caused by large promotional events

2. Statistical forecasting tools through a TPM solution can help improve the overall accuracy of sales forecast inputs provided by sales to demand planning

a. Learning forecasting algorithms can account for promotional activity to create better baselines which will help improve forecast accuracy

b. Statistical forecasting tools can also provide suggested promotional lifts and help reduce unrealistic promotional lift projections

c. Improved visibility into seasonal and other periods of volatile demand

To learn more about how Clarkston can help your business realize the benefits of a modern TPM system, please contact us.

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