

# PROJECT BRIEF



Business Problem  
Challenges  
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Deliverables  
Outcomes  
Technology

## TRADE PROMOTION ANALYTICS & FORECASTING

### CUSTOMER:

Fortune 500  
Consumer Goods  
Manufacturer  
– Midwest USA

### PROJECT:

Trade Promotion  
Analytics &  
Forecasting

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### BUSINESS PROBLEM

As a fortune 500 food manufacturer, this client is responsible for coordinating the activities of over 200 sales reps across over 3000 key accounts. Accurately forecasting trade promotional spend and sales volume is a critical business process that impacted both top line revenue and bottom line profitability. Senior management felt that the current process, which relied predominantly on spreadsheets, was neither accurate nor timely enough to meet the requirements for operational production planning. This client wanted timely, accurate information that could provide insight into what Trade Promotion efforts were working and the expected impact on revenue and profitability.

### CHALLENGES

- Each member of a 200 person field sales team updated a spreadsheet-based application for review, consolidation, analysis, and reporting creating a complex spreadsheet-based workflow in need of streamlining.
- Consolidating data from other systems such as trade promotion which limited insight into the effectiveness of promotional spend.

### BUSINESS OPPORTUNITY

- Improve revenue and margin visibility to better manage promotional spending and to ensure that the \$100 million plus marketing budget is being spent as effectively and efficiently as possible.
- Improve account-level tactical decision-making in a competitive market highly sensitive to pricing and retail promotions.
- Timely analytics and forecasting to allow operations to better understand sales and operational planning (S&OP).

### DELIVERABLES

- An automated process was implemented to connect existing data warehousing infrastructure to access disparate data sources which included Nielsen, sales forecast, and trade promotion.
- A cloud-based statistical modeling engine and spreadsheet which gave users a familiar look and feel was implemented for the sales and management teams. This allowed for easier data entry by sales and for easier retrieval of reports by everyone to support trade promotional spend and sales volume forecasting process.

### OUTCOMES

- A month long process was reduced to a week, and users spent less time updating their forecasts.
- The time previously spent by analysts in consolidating spreadsheets was directed to more high-value scenario creation and optimization work.
- Forecast accuracy improved to such an extent that manufacturing now relies on the forecasts provided by sales.
- Over time the application has evolved to the point where more than 100 forecast measures can be modeled such as marketing spend, product costs, and distribution costs.
- The company now relies on this solution for sales and supply chain forecasting both tactically and for annual planning.
- The client has realized a savings of four percent over a \$100 million marketing budget.

### TECHNOLOGY USED

- EiVia