

Strategic Value Assessment

- 2019 AFS USER CONFERENCE
- *“Enhancing the Value of Today’s Consumer Goods Manufacturers and Distributors Through Advanced Analytics - WiiFM”*

Speaker Introduction



Harry Ferrante, Senior Project Manager and Business Consultant and Product Owner V3 TPM

Harry has more than 20 years of experience in finance and IT roles for mid-sized consumer products corporations. Dozens of successful TPM Retail implementations, and astute understanding of business operations and performance drivers across technology and management lines for all functional areas



Pam Gregson, Senior Project Manager, and Product Owner, TPM Division

Pam brings over 25 years of CPG expertise with experience from the broker, manufacturer and Trade Management software perspective. She has worked both directly and indirectly with AFS as a system administrator, and sales/finance manager.

Strategic Valuation Assessment

- The AFS Strategic valuation assessment is designed to make sure each customer is obtaining the maximum benefits from the TPM application.
- The SVA offers an opportunity for changes and improvements post implementation. Now that the organization has experience with the application and processes, lets get some feedback and make improvements.
- Return on Investment for this service is excellent. There are opportunities for significant improvements at a modest cost.
- Allows us to have an in-depth conversation regarding the product roadmap and ensure you are taking full advantage of all functionality

Common areas addressed by SVA



Annual Planning Value Assessment

Did the application shift the time spent creating a Top down/Bottom up plan, to an analytical focus?

- Evaluating plan performance clients can typically reallocate trade spend and may experience a 1% to 3% increase in Net sales.

Did the application's ability to layer activity, provide the ability to see a Net Unit Cost or contribution margin?

- Evaluating plan performance aligning to margin requirements clients may experience a 1% to 2% increase in contribution with the correct product mix and correct tactics.

Ensure you are utilizing best practice controls and processes

Planning and Effective Execution Assessment

Are your promotions being entered in a timely manner? What percent are being entered after the start date portraying an inaccurate accrual?

- By evaluating the timeliness of the planning performance and addressing this behavior clients can typically see a 7 to 10% increase in the accuracy of their promotions.

Are you closing promotions on a timely basis in order to release the accrued funds?

- By ensuring that the promotion are closed after all of the settlements have been applied clients can typically see an increase in the accuracy of the accrual as well as the ability to redistribute the dollars.

Sales Forecast Process Assessment

Are you satisfied with the accuracy of your sales forecast? Do you have all the information required for users to view when making updates?

- Are you using available reporting to measure forecast accuracy? When the application provides additional data, users have the information they need to make accurate updates. Do users compare SALESLE to Objectives?

Are you using the forecast generator? AFS TPM has various utilities to assist with the sales forecast process

- The forecast generator can be used at any time to make updates to sales forecast in mass, including making updates for new products. AFS can discuss your specific needs and issues and recommend improvements.

Opportunity: Settlement Execution

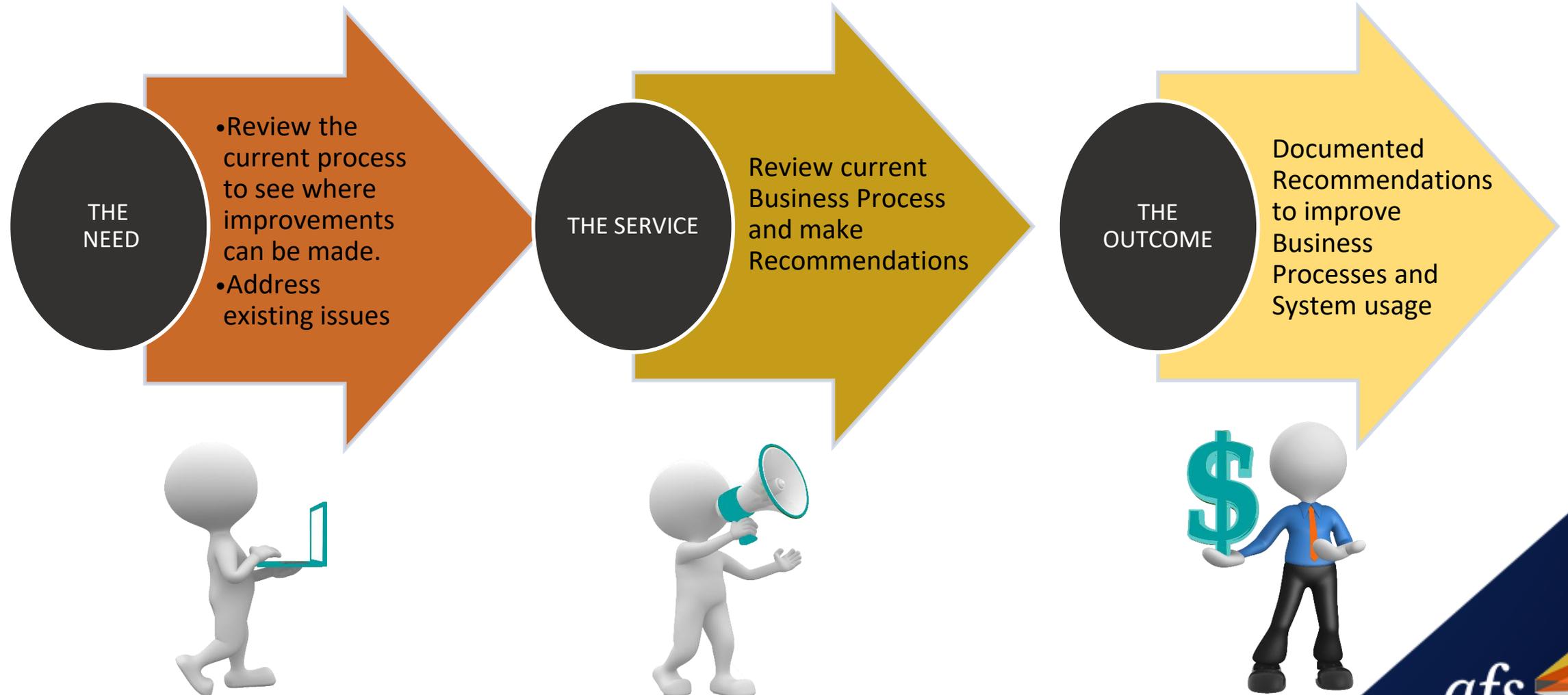
Did you improve your Deduction Days Outstanding metric?

- Evaluating the accuracy and timeliness of your promotions as well as the performance of the users allows the clients to sometimes see a substantial decrease in the days outstanding.

Do you have mismatched deductions? Are you able to effectively address post audits?

- By reviewing deductions and the supporting back up the client may expect to see 3 – 5 % of total deductions that were matched incorrectly or do not have supporting back up supplied. This review allows the client to address the biggest issues that cause post audits, by having the correct detail attached the promotion and deduction it decreases the time needed to investigate post audits.

Solution: AFS Strategic Value Assessment



Why is it important?

To get the value from TPM Retail that was initially expected when you implemented the software.

- Whether you have just implemented TPM Retail or you have been up and running for a while, it is important to periodically fine tune and improve your processes.
 - It is a good idea, and a profitable one, to take a step back and re-visit;
 - Current Processes
 - Best Practice
 - Data Analysis
 - System Parameters
 - Additional Training Needs
 - Overall system usage
 - New Functionality
- Do you continue to improve your processes and usage of TPM Retail?
- Are there advanced capabilities in TPM Retail that may not be enabled or that you may not be leveraging?

•The Strategic Value Assessment service will provide this opportunity to visit recommended Best Practices and evaluate the value that you are deriving from your TPM Retail application.

Engage Objective Experts Through The AFS Strategic Value Assessment



Benefits

Make improvements - the organization is now experienced with the TPM Application.

Enhance Sales Forecast processes and Accuracy (forecast generator, integration to demand planning)

Maximize usage of Trade Budgets and Objectives

Enhance Promotion processes from creation thru Closing

Fine Tune and Increase Trade Accrual Accuracy

Review deduction processes

Eliminate functional Gaps

Advanced User Training

System Configuration Changes / Updates

Ask end users about their pain points and address user concerns



New Features



- The AFS team will review the latest features with your team to ensure you are getting the most out of your application.
- If you have questions on the new features we are here to provide technical and business case scenarios on how they can benefit you.

Value Assessment Approach

1. Project Kickoff
2. Assessment
3. Working sessions with customer
4. Analysis of Findings and Presentation
5. On-Site meeting to present Recommendations

AFS professional services will only focus on areas identified as “needing improvement” after meeting with individuals from your organization

What you can expect from the Evaluation



A Business Consultant with extensive industry experience

A Full review of current processes and recommendations for change

Documentation that details findings and recommendations

A meeting at the conclusion to review recommendations and expected benefits around the following:

Process improvement opportunities – using best practice as a guide

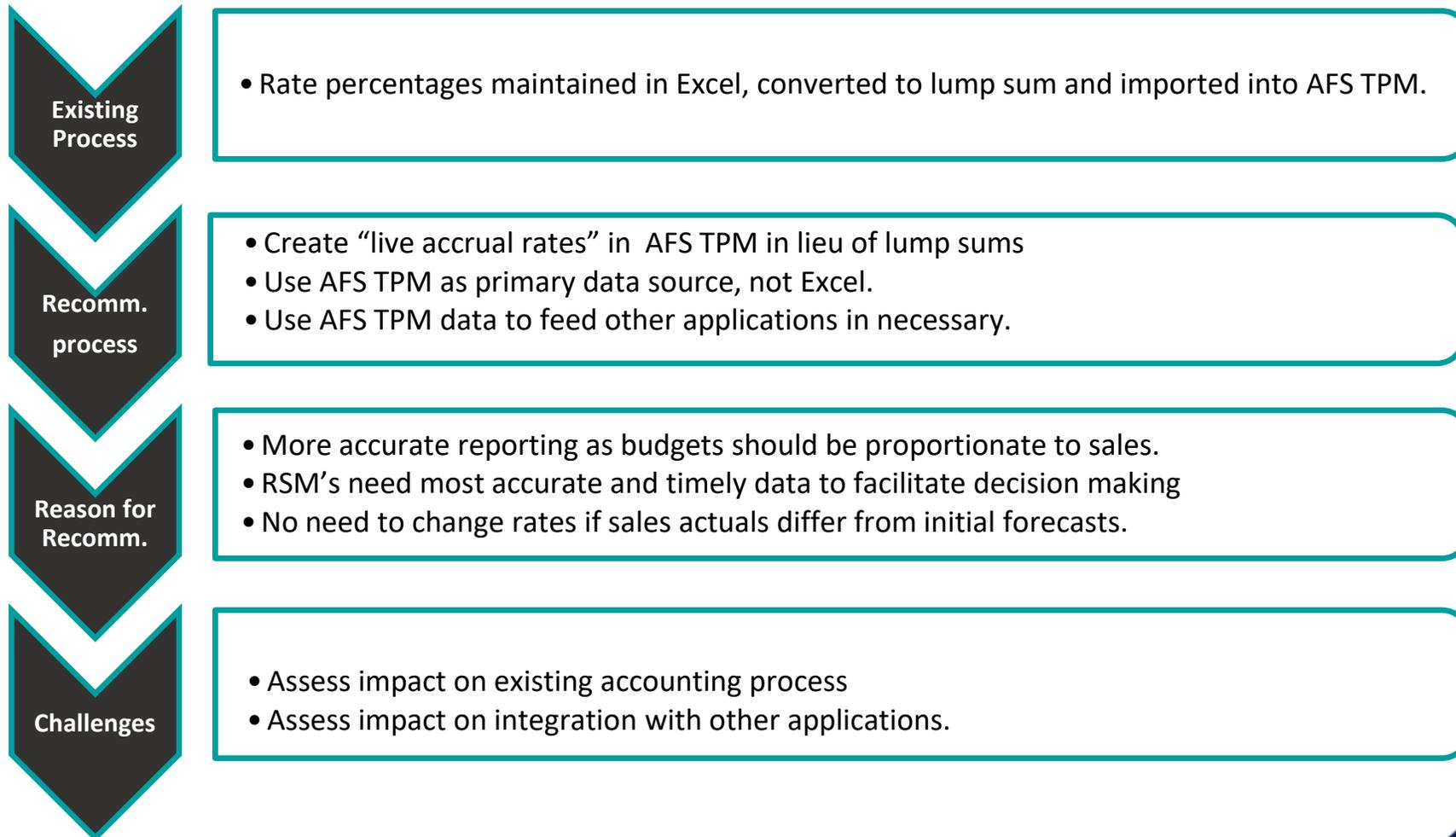
Data related recommendations

Training needs identification

Recommended usage of advanced features – using functionality from recent releases

Recommendation Example:

Creation of Trade Budgets



Recommendation Example:

Measure SPENDLE and SALESLE versus Budgeted Spend and Budgeted Volume



Reporting available but promotional data may be incorrect and/or incomplete..



Address data integrity and processes issues as necessary.



Measuring promotional activity against budget data is easy, accurate, and understandable
Planning system is an early warning system.
Many underlying performance issues can be detected and addressed using this approach.



Can necessary changes be made to promotion and deductions processes?
Will the existing ERP application support desired changes?

Recommendation Example:

Recapture of accrual dollars when promotions are closed



Client records the recapture of accrual dollars in the current financial period.



Let AFS TPM record the relieved accrual in the period in which the promotion was run.



To accurately record spend against budget for the promotional period.



ERP application might not support the recommended process. A change in accounting process is required.

Learn More Today

Contact your AFS Representative today

Sharon Fay

519-502-2838 | sharon.fay@afsi.com

Laura Smith

289-923-2251 | laura.Smith@afsi.com

THANK YOU!

Q & A



Microsoft



ZEBRA

Honeywell