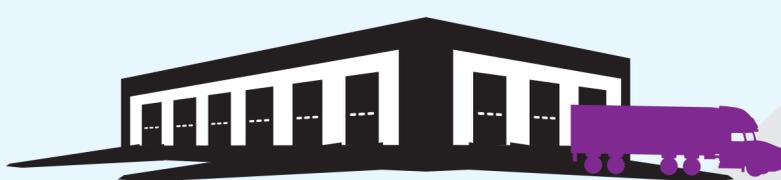


DSD Is Changing the Road Map for Consumer Products Companies and Their Retail Partners

From frozen pizza to soft drinks, direct store delivery (DSD) is driving innovation and profit across a wide range of consumer products (CP) companies.



DSD makes up **24%** of the items delivered to grocery stores,



and those products drive **52%** of the grocery channel's retail profits.¹



DSD Gets Your Products Straight to Retailers' Shelves – But There Are Roadblocks Along the Way



DSD operators see ongoing challenges in 4 key areas:



LACK OF SALES AUTOMATION

DSD operators make **10 to 20** deliveries per route with on-time and in-full guarantees and other requirements that vary by retailer and even specific location. DSD operators juggle many roles including sales, merchandising, and delivery. They need less paperwork and more timely customer information to better anticipate retailer needs.



CUMBERSOME TRANSPORT AND DELIVERY PROCESSES

DSD operators spend only **5%–7%** of their day on direct selling – the rest is spent on product handling and driving. DSD operators are far too critical a resource to spend over 90% of their time on driving and product handling. They need more robust logistical support so they can be more effective.



INSUFFICIENT RETAIL SYNCHRONIZATION

Out-of-stocks are costing the industry upward of **US\$100 billion** per year.

Lack of visibility into consumer sell-through at the retail shelf remains a big blind spot for CP companies. Synchronizing sales and pricing information across the retail network can improve demand visibility, raise supply efficiency, and reduce stock-outs.



DISCONNECTED BRAND AND PROMOTION PROGRAMS

Almost **4 in 10** DSD respondents expressed dissatisfaction with their existing DSD solutions in part because of the lack of real-time visibility. Without real-time access to retail point-of-sale (POS) data, CP companies often miss opportunities to maximize promotions and drive cross- and up-sell opportunities.



Leading Consumer Products Companies Are Removing the Barriers:



Bringing sales automation and process optimization together

Best-in-class CP companies are reducing order entry times by **50%–55%** and processing costs by **25%**.

By separating sales and merchandising from delivery and by connecting everyone with integrated DSD and customer relationship management solutions, DSD operators can execute smarter, faster, and at lower cost.



Streamlining transport and delivery

Best-in-class CP companies are reducing distribution costs by **2%–3%**.

Innovative technology is helping make truck routing and load planning more efficient and far less manual, so DSD operators can enhance inventory visibility and even reduce fleet size.

Improving synchronization with retail partners

Best-in-class CP companies are achieving up to a **4%** increase in sales through better monitoring of retail partners.

Companies that are able to integrate POS data from the various retailers in their network can better meet retailer needs such as reducing stock-outs and ensuring pricing and merchandising compliance.



Integrating real-time data to improve execution at the shelf

Over **50%** of CP companies are integrating real-time data capabilities within their next-generation DSD solution.

Companies are putting detailed and timely sales and pricing data from retail partners to work to better target promotions, optimize rebate programs, and ensure effective new product launches.

Consumer Products Companies Are Getting Ready for the Road Ahead...

Almost **8 in 10** CP companies have increased their annual DSD solution budgets.

CP companies are taking advantage of innovative and flexible DSD solutions that connect with core enterprise systems to enhance collaboration and ensure timely, accurate information across the DSD network.

...And Are Already Seeing the Benefits of Integrated DSD

Profitability	+44.4%	Revenues	+34.7%
Operational costs	-41.3%	Stock to sales	+28.6%
Out-of-stocks	-35.7%	Shelf spoilage	-27.0%
Inventory turns	+34.9%		



Learn More

Find out how SAP can help you bring your DSD operation to the next level by visiting: www.sap.com/pc/tech/mobile/software/applications/industries/applications/consumer-products.html.

Source

1. All data points referenced from "Next-Generation DSD: Optimizing Consumer Goods Sales and Distribution," VDC Research, November 2013.