

## SAP for Consumer Products



# **PRECONFIGURED SAP® SOFTWARE SIMPLIFIES CATEGORY MANAGEMENT**

## **AN EFFECTIVE STRATEGY FOR TODAY'S CONSUMER MARKETS**

**As a consumer products manufacturer, you know that category management is a promising concept for increasing the reach of your products. It can bring you closer to your customers and help you learn their preferences. It can enhance customer satisfaction and loyalty, thus increase market share and profitability. It can help you make better decisions and reduce the time wasted on non-value-added activities. SAP® now offers a preconfigured solution that lets you achieve the kind of collaborative category management that will make your business more competitive.**

It's hard to satisfy consumers today. Their purchasing behavior is no longer driven only by need. Shoppers today demand added value. That's why, for consumer products companies, issues such as brand awareness, image, and presentation are becoming all-important. Your success depends on finding out what makes your customers tick and developing strategies to satisfy them. This approach to marketing demands new and powerful software solutions – solutions that put consumers at the heart of your business processes.

One of these solutions is category management, which changes your perspective on marketing to help you achieve greater business benefits. Category management swings your marketing focus away from the prices and margins of individual items and lets you view products in categories. The categories might include snacks, family purchases, items for oral health care, or whatever grouping makes sense for your markets. By analyzing consumer behavior in these categories and developing strategies based on that analysis, you can ensure that your product assortments, marketing, pricing, and in-store positioning provide maximum value to shoppers. And in satisfying your customers, you produce a better bottom line for your enterprise.

Category management, however, is a demanding task. To accomplish it, you must gather and analyze volumes of data. You must convince and enable your retailers and manufacturers to cooperate and share information on an unprecedented scale. And you must rethink and reengineer your business processes so that they become more customer- and consumer-centric. Until now, most consumer products companies have made do with a piecemeal and limited approach to category management. But as competition heats up and customers grow more discerning, that approach is proving inadequate. To keep competitive you need a full-fledged, state-of-the-art category management solution that is preconfigured to save implementation time and costs – a solution that offers unique value and opportunities for consumer goods manufacturers.

### **A SUPER MARKET SOLUTION**

SAP offers a preconfigured solution for collaborative category management that meets all these demands. Built on integrated mySAP™ Business Suite applications such as mySAP Business Intelligence, it provides the sophisticated Web technology that enables you to practice category management across your company and with your retail partners on a day-to-day basis.

With the SAP® solution you can quickly define, manage, and exploit categories for maximum effect, collaborate with retailers to precisely assess consumer needs and behaviors, manage brands by category, and even establish joint marketing ventures with your key customers and business partners. You can also monitor and analyze information about categories, products, sales, promotions, placement, and customers, then act on that information to fine-tune your strategy. The solution helps ensure that you place the right products on the right shelves at the right price to improve consumer and customer satisfaction, increase your profitability, and grow your market share.

### **Based on Industry Best Practices**

The category management solution from SAP not only supports the industry-standard eight-step best practices, it also supports a more practical and individual account- and project-driven business planning process. This process extends from category definition and account/channel assessment to implementation and project review.

### **Gets You in Tune with Consumers**

At the heart of the solution is the consumer decision tree (CDT), a sophisticated and flexible model of shopper behavior, based on historical data and market research information. You use the CDT to define the categories you want to analyze and to plan and execute truly consumer-centric strategies.

The solution incorporates the full range of powerful data warehouse capabilities you need for creating and analyzing CDTs. It lets you handle multiple CDTs, provides you and your collaboration partners with the broadest knowledge base possible, and enables maximum flexibility throughout all stages of category management.

### **A CLOSED-LOOP, COLLABORATIVE PROCESS**

The category management solution offered by SAP is a powerful, closed-loop process that enables you to collaborate with your business partners to create business plans, monitor results, and fine-tune your strategies. The process:

- Provides sophisticated decision-support templates that allow you to put category management decisions into action
- Offers flexible tools for creating and maintaining CDTs and working with multiple article hierarchies
- Enables you to run several category management projects simultaneously, even when they are at different stages of development
- Incorporates powerful reporting, planning, and analysis tools
- Provides preconfigured content (including content from market-data providers and retailer point-of-sale systems), planning layouts, user roles, and menus

- Provides end-to-end support for collaborative communication, project handling, decision-making, and execution
- Interfaces with stand-alone space- and shelf-planning systems to provide a complete planning solution

### **Full Integration, Easier Collaboration**

The SAP solution makes it possible to implement a truly collaborative category management strategy. Its flexible, preconfigured processes slash implementation time and user-training requirements while its standardized interfaces let you integrate diverse applications and environments. The solution makes it easier to work with a variety of systems to share information and carry out joint tasks – ranging from planning to space management.

### **Using Your Intelligence**

The solution incorporates a standardized data model that allows you to leverage and combine all available internal and external facts and figures. Central data storage guarantees that everyone involved in the process works with the same accurate, timely information regardless of platform and format. Sophisticated business intelligence capabilities deliver interactive reports based on integrated information from your operational systems as well as external data about consumers and competitors.

### **KNOW YOUR CUSTOMERS TO GROW YOUR BUSINESS**

Category management enables you to maximize your business performance on the basis of objective knowledge of your customers and their needs, desires, and behaviors. It is the only solution that supports you throughout the complete process of analysis, planning, and implementation. And only the category management solution offered by SAP provides an environment in which you can do all of the following:

- Understand your customers and their needs in unprecedented depth and detail
- Build business processes that are truly customer-centric
- Leverage data from various external sources and combine it with the specialized knowledge of your company and your collaboration partners
- Ensure that all business partners in your value chain have the information they need – reports, planning tables, and process knowledge – to work together seamlessly
- Formulate and execute category plans in less time using flexible, end-to-end processes
- Continually analyze product performance and optimize your category strategy
- Generate lasting loyalty on the basis of true customer intimacy
- Enhance your market share and profitability
- Expedite inventory turnover

The SAP solution gives you the integrated information and proven industry best practices you need to excel at collaborative category management. Most importantly, it helps you transform category management from a fragmented activity into an ongoing process – one you can measure, manage, and modify so that, over time, you can keep increasing sales, profits, and customer satisfaction.

To learn more about how the SAP category management solution can help your company expand its product reach, visit our Web site at: [www.sap.com/consumer](http://www.sap.com/consumer)

[www.sap.com/contactsap](http://www.sap.com/contactsap)

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