

SAP Solution Brief
SAP for Consumer Products



SOLUTIONS FOR SALES EXECUTIVES IN THE CONSUMER PRODUCTS INDUSTRY

Integrated Sales and Marketing Increases Agility, Alignment, and Visibility

The mission of sales executives in the consumer products industry is to deliver sales volume and profitability. To accomplish your mission, you must connect your sales team with the rest of the enterprise; invest trade funds in the most profitable promotions and align them with your marketing efforts; and drive retail orders and consumer purchases. The SAP for Consumer Products solution portfolio gives you greater visibility into your business so you can make faster, more accurate decisions. This allows you to excel in the marketplace and increase revenue and profits.

Sales executives of consumer products companies are responsible for driving revenue upward. It's your job to make sure your company reaches – and exceeds – its sales goals.

You must meet increasing revenue targets, achieve profitable growth, stick to your budgets, and outperform your competitors. And you must work with retailers to execute the pricing, promotion, placement, and product strategies that your brands depend upon for success. And, oh, by the way, you have to help retailers grow their businesses, too.

Without complete and accurate information, your job is even more difficult. You need to orchestrate your entire go-to-market plan, and you need visibility into your own sales processes – and into marketing, finance, supply chain, and operations processes as well – to leverage your efforts effectively.

The Cost of Doing Business Blindly

Operating with just your sales information makes a difficult job even more difficult. You can't approach a key retailer armed with just your own sales programs to discuss ways to increase your business. You need a complete marketing and sales program with a supporting strategy and research that supports your tactics and validates their potential for success. You are at a competitive disadvantage with anything less.

But you can't produce such a program if your sales operations aren't aligned with marketing, supply chain operations, customer service, and finance. Marrying all of these elements together is nearly impossible if each group uses proprietary solutions that can't speak to others or uses data that is not in real time.

The pain caused by disparate solutions is all too familiar:

- You can't allocate trade funds based on past effectiveness.
It's easy to just replicate last year's trade promotion programs if you don't have clear indicators as to what did and didn't work the previous year. You need to know what works, what doesn't, and what programs you should eliminate. In addition you need to identify your best customers and your poorest performers.
- You lose opportunities because sales operations are poorly aligned with marketing.
Without the appropriate information, you can't align your promotion plans with consumer marketing and media programs that target consumers. If programs designed to create consumer demand aren't timed to coincide with in-store promotions, you miss opportunities, waste resources, and may wind up with overstock.
- Product shortages occur when promotions succeed.
Disconnected volume planning systems in sales and production result in confusing and conflicting forecasts. Promotions begin before the supply chain is ready to support the increased demand. Products sell out and can't be replenished quickly, and you miss your sales target and aggravate your customers.
- Orders are riddled with errors.
If information on promotion discounts, pricing conditions, and program timing isn't available to your order fulfillment and financial systems, programs may not be applied when you invoice. Or you may not release earned payments on time because performance rebates aren't incorporated into your financial software. Invoice inaccuracies, unjustified deductions, and inconsistent pricing erode margins and reduce cash flow.
- You can't accurately evaluate programs.
You need consistent information on promotion programming – incremental volume, store-level execution, price discounts, rebates, deductions and media buying, and other direct marketing costs – to evaluate the performance of promotions. If you don't know which programs deliver a margin and which don't, you waste valuable time, money, and resources.

These pains are all the result of disparate, disconnected systems. Without a single source of the truth, you waste time cleaning and consolidating information. Unsynchronized teams confuse and frustrate retailers, who are only too willing to turn to your competition. Disparate systems lead to lost revenue, lost profit, and poor customer satisfaction, and, ultimately, a weaker competitive position for your company.

Increase Visibility into Sales and Marketing

How do you resolve these problems and turn the tables on your competition? By providing visibility into marketing, consumer promotion, marketing research, financial reporting, operations planning, and demand planning. With this visibility, you can bring your enterprise's real power to bear on growing your business.

The SAP for Consumer Products solution portfolio provides visibility – from strategy to execution, budgeting to payment, negotiation to delivery, and from promotions to accountability – by linking everything together on a common data model. It eliminates guessing games. Because everyone works with a single version of the truth, everyone knows what they must deliver. Here's a look at what you can accomplish with SAP for Consumer Products.

Perform Detailed Promotion Analyses

With SAP for Consumer Products, your account managers have account-specific information on promotion effectiveness right down to the account and category level, as well as supporting data to manifest the success potential. Armed with this information, they can have meaningful, fact-based conversations with retailers about the best allocation of funds. Your sales operations teams can quickly identify which programs don't produce and eliminate them. At the same time, you can quickly determine which programs are productive and then replicate them on a broader scale. By allocating funds to the most effective promotions, you drive revenue and reduce waste.

Coordinate Sales and Marketing

SAP for Consumer Products provides a consistent and accessible marketing calendar that aligns all marketing and trade promotional activities, including television, radio, consumer promotions, sweepstakes, public relations events, and new product introductions. All teams use the same integrated environment for planning and programming, leading to more accurate forecasts and better promotional plans, and ultimately, better sales results. And by sharing your marketing and sales promotion plan with your retail partners, you show them how you benefit them by bringing consumers into their stores to purchase your products.

Integrate Your Supply Chain

With SAP for Consumer Products, you can incorporate the increased demand expected from your account managers' trade promotion plans into supply chain planning in time to prevent out-of-stock situations during promotions. Sales forecasts that are created months in advance of in-store execution can be delivered to the demand-planning teams within supply chain departments well in advance of their need. And demand planners can roll up all customer plans into the sales volume forecast well in advance of a promotion. If the sales forecast results in operations and supply challenges, the appropriate teams can create alternative plans for production and delivery. SAP for Consumer Products ensures continuous product supply and fast replenishment, so you can take full advantage of promotions through consistently high fill rates.

Have Accurate Financials

With SAP for Consumer Products, error-free data flows from invoices and orders. You have precise records of discounts, deductions, and rebates associated with promotions, giving you crystal clear financial information. This information serves as a firm foundation for analysis and compliance with government regulations. You can post promotional expenses into the appropriate financial documents for compliance, as well as build the appropriate accruals to manage the expected expense liabilities

that come with postperformance payments. Invoices are clean. You can closely track agreements with retailers and eliminate deductions. You can evaluate promotion programs knowing that all details are captured. And you use this information to modify subsequent programs to take advantage of what you have learned.

Manage Data and Compliance

With successful and accurate data management, you can define trade promotions better, push them easily through order management, and account for and analyze them to determine which promotions succeeded. Errors are corrected immediately, before they go too far. Teams no longer have to decipher numbers from other areas of the business and try to align them with their own figures. Everyone has the same 360-degree view of the customer. SAP for Consumer Products also prepares you to move price discount information into the right enterprise system to fulfill the reporting and performance requirements of the Sarbanes-Oxley Act.

Because you can integrate data among sales, supply chain, finance, marketing, and operations you have more power to shape consumer demand by orchestrating consumer and trade marketing efforts and to increase promotion effectiveness. Increased consumer demand turns into higher customer orders with continuous replenishment and a top-notch shelf presence at all times. And you have complete visibility into all finances, so you can shift trade spending toward the most profitable activities. Instead of each team operating independently – and in a vacuum – your entire enterprise is focused on your customer.

Be a Better Partner for Your Customers

The visibility provided by SAP for Consumer Products also helps you extend benefits to your customers: more accurate invoicing and increased order and truckload fill rates.

SAP for Consumer Products supports mobile devices, allowing faster, more effective account management. Sales professionals can work online or offline, so you have complete flexibility and mobility as to where trade promotion planning takes place.

SAP for Consumer Products helps you respond instantly to market dynamics. You can collect and integrate external data while sales and promotions are taking place, compare it with planned data to look for deviations – both underperforming and overperforming – and take the appropriate action during the promotion.

You also develop better leverage with retailers. With the right information, you can work with retailers to increase your portfolio footprint in their stores, become a category master, turn annual price wars into a value-added discussion, and create more revenue-generating opportunities for retailers and your company.

Learn More

To learn more about how SAP® software can increase visibility and drive revenue, call your SAP representative today or visit us on the Web at www.sap.com/consumer.

Powered by SAP NetWeaver®

SAP for Consumer Products is powered by the SAP NetWeaver® platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business solutions rapidly using enterprise services. As the foundation for enterprise services architecture (ESA), SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.