



Trade Promotion Management – Retail

Briefing Document

Table of Contents

| | | |
|-----|-------------------------------------|----|
| 1 | Executive Summary..... | 3 |
| 2 | AFS TPM Retail Differentiation..... | 4 |
| 3 | Benefits of AFS TPM Retail | 5 |
| 4 | Solution Overview..... | 6 |
| 4.1 | Account Planning..... | 7 |
| 4.2 | Corporate Planning..... | 7 |
| 4.3 | Settlements | 8 |
| 4.4 | Analysis | 8 |
| 5 | Fast, Proven Speed to Value | 10 |
| 6 | Recent Relevant Experience..... | 11 |
| 7 | AFS Differentiation..... | 11 |

1 Executive Summary

With trade investments equaling approximately 20% of a Consumer Goods company's annual revenue, effective management of trade is mission critical. However, these investments are commonly being managed ineffectively in spreadsheets.

Far too frequently Trade Promotion Management (TPM) solutions are too expensive and too slow to implement. This causes many CPG companies to leave emerging markets experiencing double-digit growth without an established TPM solution. Even in mature markets where effective promotional evaluation is key, CPG companies feel the promised, ground-breaking corporate solution is always one more year away.

AFS Technologies are a global TPM solution provider with a proven track record of deploying TPM quickly and cost effectively. Our AFS TPM Retail solution can be integrated with your existing IT landscape in as little as three months to provide complete end-to-end support of your TPM processes.

AFS is proud to serve the largest and most diverse customer base of any TPM vendor

- 140+ instances of SaaS hosted TPM systems
- Operations across 7 of the 8 CPG categories (defined by Deloitte)
- Annual revenues ranging from \$10 million to some of the world's largest CPG companies
- Globally focused with the functionality to translate offerings into any language

Our process-in-a-box model provides a low-risk way for companies to implement a proven and complete end-to-end TPM process. Twelve years of continuous, customer-driven improvement has resulted in AFS TPM Retail evolving proven industry best practices for all TPM processes.

Regardless of the maturity of your existing processes, AFS TPM Retail will complement your business. AFS TPM Retail can be used quickly to establish best practices for companies with immature processes. At the same time AFS TPM Retail has the sophistication to also faithfully reflect existing mature processes, but at a lot lower cost of ownership than most other solutions.

The maturity of AFS TPM Retail and the experience of our implementation teams will ensure implementation is delivered in industry leading timeframes. This is possible because of a minimal amount of time to configure and test the pre-built functionality within the system. A typical implementation will see the system ready for use in less than 100 days.

This briefing guide will walk you through the benefits of AFS TPM Retail and through its adoption demonstrate how you can transform your way of doing business.

2 AFS TPM Retail Differentiation

At AFS our focus is providing solutions software to all areas of the Food and Beverage Industry, the area which we have focused on for over 25 years. In addition, to our solutions, we continue to invest in people who can provide not only the experience, but the best practices which coincide. This experience has allowed us to cut our project implementations time in half, providing the ability to utilize the solutions capabilities faster, which leads to a quick Return on Investment.

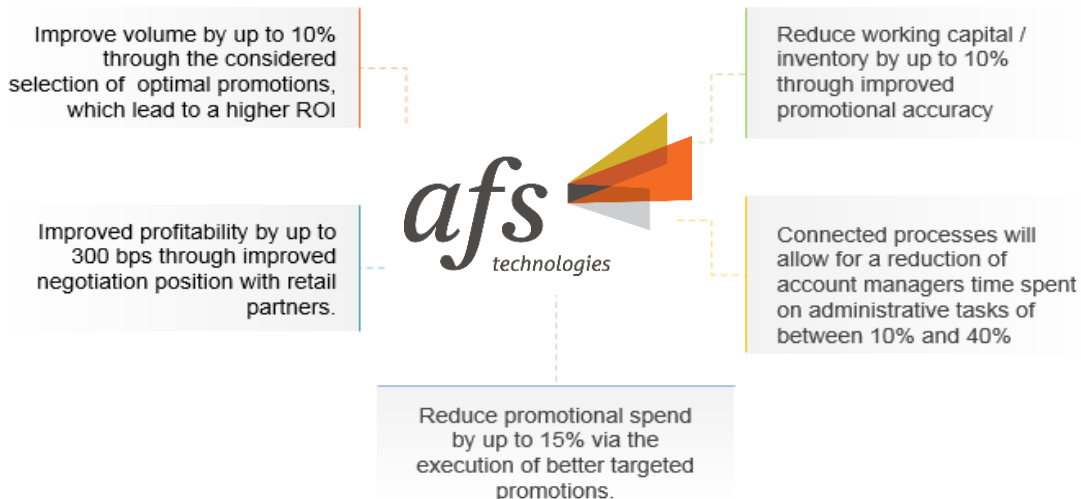
- AFS TPM Retail offers full closed loop management Trade Promotion Management. Users are able to plan, deploy, execute and settle all promotional activity within one solution
- Independent technology research company Gartner recognized AFS' User Interfaces (UI) as best in class
- Numerous configurable switches are available to ensure the system can be flexed to meet the needs of any organization
- Near real time reporting empowers your organization with accurate, timely data designed to provide real business insight
- Analyze your account plan using numerous customer and product hierarchies
- Create hierarchies to replicate your customer's view of their hierarchies to enable effective joint business planning
- AFS TPM Retail is the only solution that provides a dynamic relationship hierarchy enabling you to manage direct sales, indirect sales and consumer sales
- AFS TPM Retail combines direct and indirect customers, pulling shipments, distributor sales and retail sales all into one solution
- AFS TPM Retail contains a powerful disaggregation mechanism which breaks down forecasts, budgets and targets to a granular level using ratios based upon previous year's sales. This ensures that users can easily enter figures at a level of their choice and AFS TPM Retail will save the user valuable time by completing the essential work of breaking the data down in a meaningful way to a sku, customer and weekly level
- Go live in four months with account planning available after three months
- AFS TPM Retail is designed to be used in international markets with the facility to set language, number format and currency settings depending on the needs of the market
- SSAE 16 Compliant

3 Benefits of AFS TPM Retail

Through the adoption of AFS TPM Retail your CPG company will realize numerous benefits.

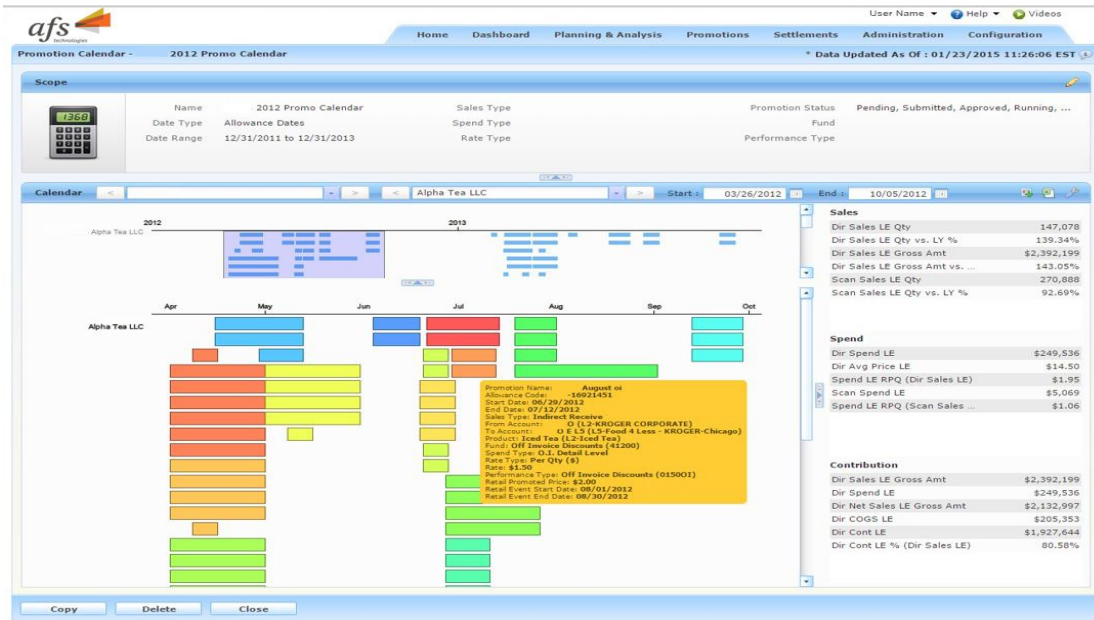
- A near real-time account plan fully reflecting planned promotions and actual volumes will be available so comparisons can be made against the top down targets business targets set by Management.
- Reduce Invoicing errors through the nightly running of the automated pricing condition interface.
- Free up valuable funds through the clearing of deductions and the management of payments in a more accurate and timely manner.
- Demand Planning can be supplied up to date forecast data on a nightly basis through the use of one of our automated interfaces.
- Uniform processes enable key account managers to make consistent proposals which management can readily understand and evaluate.
- The appropriate level of management attention can be applied to every deal via automated workflows.
- Powerful alert engine can be utilized to highlight any issues which need immediate attention.
- Creates a forum in which best practice can be established and applied to every deal.

Based on information provided by IBM, Gartner and Accenture the following benefits are typical for organizations who make the transition to a closed loop TPM solution.



4 Solution Overview

The TPM Retail solution was added to the AFS Technology suite of solutions during the acquisition of MEI. The solution was rebranded as part of the acquisition and is now known as AFS TPM Retail. AFS currently has over 80 clients using AFS TPM Retail who integrate with a wide range of ERP solutions or even spreadsheets.

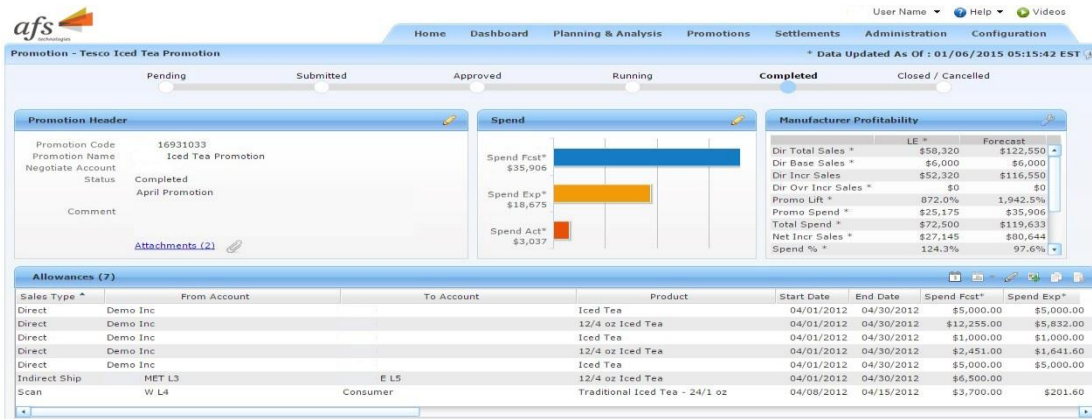


AFS TPM Retail is a closed loop TPM solution, this means all aspects of a trade promotion event are catered for within AFS TPM Retail. This is achieved through the provision of industry leading features and functionality to ensure any CPG company can manage the four commonly recognized cornerstones (shown below) of any closed loop TPM solution.



4.1 Account Planning

Create and review Promotions using our Gartner recognized, best in class user interface.

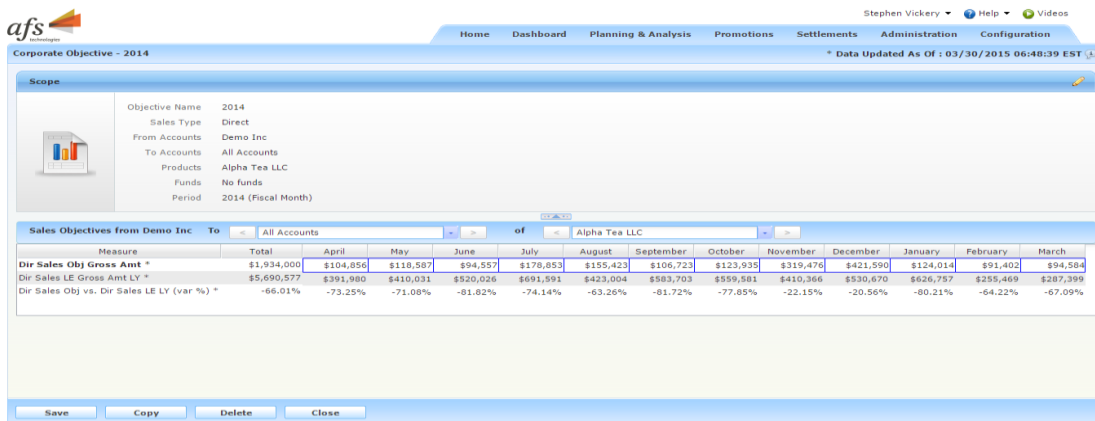


AFS TPM Retail provides account managers the flexibility to tailor promotions to exactly meet their needs. This is achieved by allowing multiple tactics, rebate types and payments methods all within the same promotion whilst attaching products or customer from any level of the numerous hierarchies available within AFS TPM Retail. Baselines can be managed or simply viewed in a read only mode within TradePro and are also used to calculate a key promotional P+L waterfall within the promotional evaluation screens. This empowers a user to manage a promotion to the net unit cost or net revenue encompassing not only trade, but cost of goods.

Creating an optimal account plan containing the right combination of promotions with spend allocated appropriately can be a real challenge. Once the plan has been created it can be viewed easily within a promotional Gantt chart which is supplemented by key metrics for the plan displayed.

4.2 Corporate Planning

Enter and report against your CPG companies top down sales and spend targets

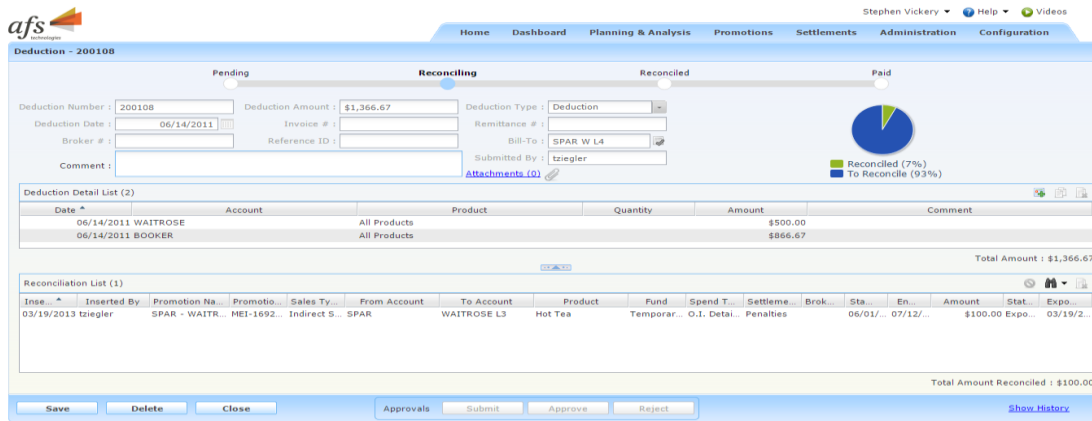


Targets can be easily entered either through the use of the user interface within AFS TPM Retail or via an interface from an external system. Senior management can then monitor

the critical gap which may exist between the bottom up plan containing promotions and baselines and the top down targets with the confidence that the data being shown is near real-time.

4.3 Settlements

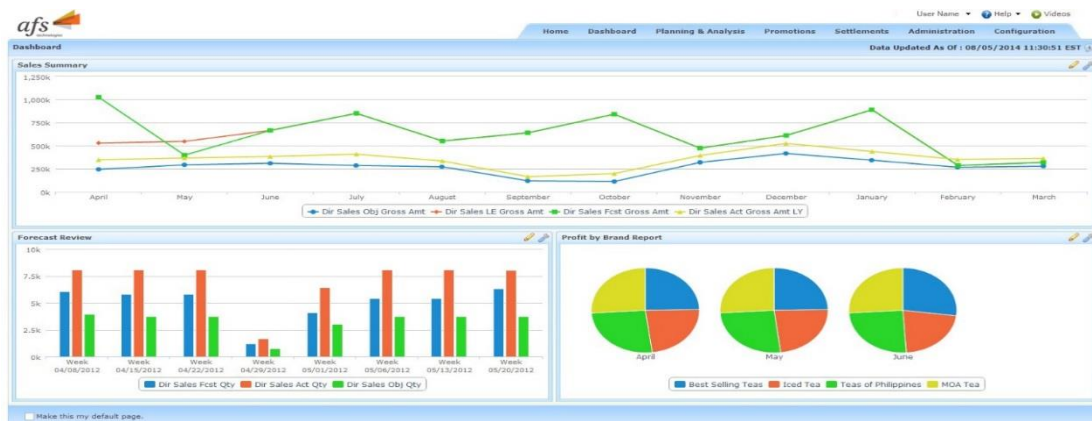
Utilize the end to end trade settlement capabilities contained within AFS TPM Retail.



AFS TPM Retail provides all the functionality required to manage both the clearing and investigation of on and off-trade payments. Payment methods catered for include, off invoice at either invoice or detail level for both direct and indirect customers, deductions, credit notes and check requests. You can also ensure your CPG companies trade spend is not being over exposed by retailers by basing accruals on either shipments, POS data or indirect sales invoice data.

4.4 Analysis

Users can gain valuable business insight through the creation of their own bespoke reports or by accessing canned reports which we have designed to support industry best practice.



Easily review customer channels or accounts, (including financial, category, customer and competitive analysis) and identify major opportunities and risks which may exist. Reports can be viewed from many different angles through the use of the numerous customer and

product hierarchies contained within AFS TPM Retail whilst always allowing a user to drill down (or up for that matter) to gain a deeper understanding of the underlying data. Leverage the benefits of joint business planning by reporting against retailer hierarchies. Valuable time can be saved by arranging a combination of commonly accessed system or user built graphs, reports and workflows into a user defined dashboard. We appreciate that many of users like to further interrogate data in Excel which is why all our reports come with an export to Excel button.

The large volumes of transactional information held within AFS TPM Retail can be summarized and intuitively presented to executives as actionable insights within AFS Discovery. The Dashboards enable executives to quickly identify areas of opportunity or exceptions which require immediate attention. It is possible to drill down from the Dashboard into the underlying detailed information in order to identify the root causes of the opportunity or exception.

The Dashboards can also represent data from other systems and 3rds parties, such as retailer POS data or syndicated sales data, therefore the metrics are not limited to those purely in the scope of AFS TPM Retail.

AFS Discovery delivers best practice insights and understanding into the key business metrics sought by Consumer Packaged Goods manufacturers. Benefits include:

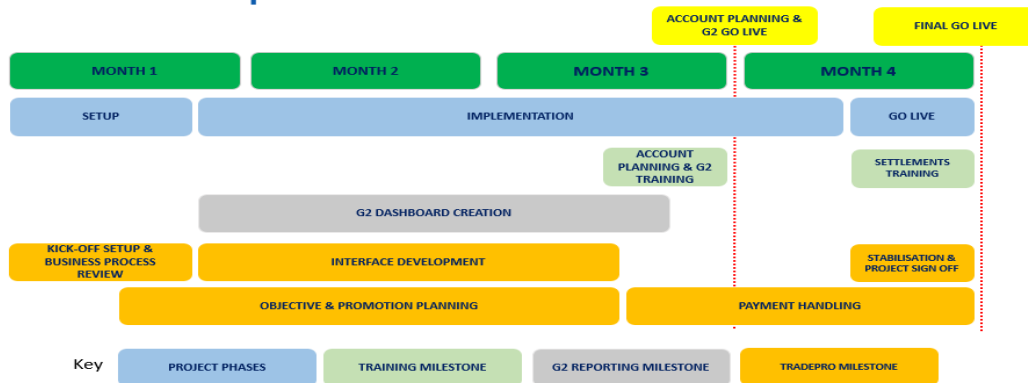
- Visibility into critical areas of information and KPI's
- Enables self-service access to intelligence
- Delivers proactive intelligence
- Provides real-time and complete business insight
- Leverages multiple sources of data
- Encapsulates best practices across all business applications
- Scaling technology ensure massive amounts of data can be accessed by numerous users simultaneously in a timely fashion.
- Available either online or offline
- Available on multiple platforms including:
 - Laptop
 - Tablet
 - Smartphone
- Easily drill down from a high level view of your CPG company to investigate problems / insights at a granular level.

5 Fast, Proven Speed to Value

AFS has a robust mature deployment strategy which has evolved over 140 implementations. Objective & Promotion planning would be possible after three months and full go live including the Payment components would be achieved after four months.

For multi market roll outs the initial market would take four months and for each subsequent market implementation would only take three months. This reduction in time is driven by subsequent markets adopting 80% of the global configuration. The remaining 20% is usually made up of region specific business processes and interfaces.

Typical TradePro Implementation Timeline



Set Up Phase

- Internal Communication Email
- Welcome Email sent to Customer
- Project Kick Off
- Business Process Review & Discussion
- Setup environment
- Establish escalation processes & procedures
- Establish a detailed working Project Plan

Implementation Phase

- Schedule Weekly Project Calls
- Work through Integration (file specification)
- Verify and approve all data
- G2 Dashboard Creation
- Full system test to include business processes
- User Acceptance signoff by Client project team

Go Live

- Project Team training
- Formal handover to support
- Account Manager continues to measure customer satisfaction

6 Recent Relevant Experience



AFS TPM Retail was recently implemented to enable Nestle to manage trade promotions across all categories in Canada including beverage. The project was successfully delivered in under six months despite the fact that a number of significant extensions to the standard product were required to deliver all mandatory functionality



Has used AFS TPM solutions for the last ten years, initially in the UK and Ireland but more recently in Poland. In a major project last year AFS Professional Services developed new interfacing between the AFS system and the corporate SAP systems

7 About AFS

AFS Technologies (AFS) the leading global provider of software and services purpose-built for consumer goods (CG) companies. We are committed to efficiencies in trade spend, retail execution and supply chain. With 30 years of experience, AFS serves more than 1,300 customers of all sizes, in more than 50 countries, with innovative and configurable solutions that are proven to optimize your potential with automated processes, improved productivity and rapid time to value.

To learn more about AFS, visit www.afsi.com.