

Intelligent Trade Promotion Optimization (TPO)

We first spoke to our client, a top 5 CPG company in the US, in the early part of 2020. Even in the extremely critical times of the pandemic, their leadership team was looking to leapfrog from making gut feel decisions around their trade promotions to having insight into their promotion's activities.

They had previously tried to go away from excel and had even built an internal platform to do so, but the low adoption rate implied that things were back to business as usual.

The ask from a business lens was the following:

1. Build a Trade Promotions Platform that allows us them to run multiple scenarios to generate optimum business plans with constraints
2. Be able to predict metrics: Total sales, baseline sales, uplift/post-promo dip and effects of cannibalization, customer switching, stock-piling, category expansion
3. Lower the lead time to compute and arrive at TPO plans for retailers in USA & Europe
4. Build a layer of intelligence using ML & AI models that allow them to forecast with a high level of accuracy reducing inventory costs
5. Integrate it with their chat platform so that people can share information in real-time (in this case it is Microsoft Teams)

AT-A-GLANCE:

Customer: Top 5 CPG company

Customer Size: More than 37,000 employees

Country: United States

Industry: Food and Beverage

Products and Services: Microsoft Azure

Customer challenges

Our client is the third-largest food and beverage company in North America and the fifth-largest food and beverage company in the world, with eight \$1 billion+ brands.

They were plagued with the following:

1. Manual promotion planning process
2. Long lead time to compute and arrive at promotional plans for retailers in both Europe and USA
3. Frustration with incorrect forecasts around total sales and baseline sales
4. Not subscribing to the benefits of the cloud

Pactera EDGE Solution

We built an end-to-end solution and helped our client migrate to the cloud for the first time.

1. End-to-end AI platform powered by a time series-based (ADL) Machine learning model
2. Predicts the total sales and baseline sales by each product line for each retailer
3. The demand forecasting accuracy at each promoted product group-level is 85%
4. The entire platform was built on Microsoft Azure cloud and can easily be scaled in their counterparts in different continents

Customer Benefits



Accurate forecast on total sales and baseline sales in promo-weeks by each product ID, for each sub-category, retailer and geography



High quality and intuitive visualization for fast and effective decision-making in scenario planning & simulations using a simple & intuitive front-end



Scalable solution across all geographies, with a well-defined go-to-market process for the solution

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