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BASYS AI TPM

Trade Promotion & Profitability Management

The preferred AI supported cloud-based TPM/TPO service for emerging markets of global FMCG & CPG brands

Fast-deployed solution for trade promotion planning & optimization, real-time sales operations forecasting, revenue & profit analysis based on Dynamics 365 Sales, Power BI Imbedded and Azure services.

Executive Summary

Context:

Forecasting and promo planning processes based on excel-tools and heavy BI systems are not fast and flexible, therefore aren’t efficient and reliable enough to sustainably support the strategic growth

Solution:

to Connect and Integrate existing processes into one sustainable, scalable and flexible platform via implementation of a cloud based fast and AI supported calculation system to support key business planning processes:

- **S&OP and demand planning processes**
- **Trade Promotion planning process**
- **Up-to-date P&L KPIs forecasting process (targets VS actual VS forecast)**

FMCG & CPG brands’ common profitability challenges

Global

Up to 40% of promotion spendings on emerging markets are inefficient, but business is not able to manage it entirely.

For many FMCG brands in the emerging markets, the share of promotion sales went beyond 50%

At the same time, *up to 40%* of such investments do not return the real estimated effect and business *looses the profitability*.

The penetration of TPM-systems at the regional level is about 10-20%, which means that the business *does not have information, which investments indeed create value.*

Millions $ investments in the implementation of centralized TPM-solutions do not bring the fast result.

Business generally *spends from 12 to 48 months and up to $ 2 million per year* for a site on the implementation of centralized TPM-solutions (SAP, etc) for analysis, control and optimization of trade investments in large regions.

Emerging markets - Latin America, Asia, East - are growing up to *10 times faster* than traditional ones, *and companies do not have time to implement, adopt and develop huge corporate templates.*

Local

Local (regional) management does not have an effective tool to support achieving strategic goals, yearly based volume, revenue and profit targets with increasing promotions share

As corporate management tools, e.g. reporting, forecasting, planning and controlling the Excel is still widely used or heavy centralized analytical systems are being continuously implemented.

But the reports prepared in this way are "posthumous"! There is no integrated operational data with the required depth and reliability, no scenarios, no feedback and communications = there is no possibility to effectively manage changes on time to achieve KPI goals

Common back up issues: Areas to improve!!!

Common for listed processes

1. Data is disintegrated among processes
2. Excel based process consumes time inefficiently to:
    - Administration of huge files
    - Excel calculation performance/limitation
    - Reconciliations of files
    - Mistakes in formulas
3. Inefficient Process of promotions approval by finance and supply
4. No Single point of data, tool not scalable
5. Manual KPI's calculation
6. Inefficient Communication

Trade Promotion Efficiency

1. Up to 10+ files reconciliation into 1 to get promo calendar
2. Long and ineffective communication in the process of promo approving and post-analysis.
3. Time consuming process for KAMs
4. Lack of pre-calculated KPIs, figures & data for Managers
5. Human factors in data entry & approval process
6. No up-to-date historical and target references on hand for approval

Sales & Operations Management

1. Disintegrated and postponed novelties forecasting
2. Lack of planners interchangeability due to complex excel files
3. Forecast untransparency (building blocks behind number)
4. Demand Planning statistical models are manual, not scalable
5. R&O integration is not transparent

Short-term forecast planning

1. Short Term forecast Inconsistent to S&OP process
2. No source for live tracking of changes in forecast
3. Time consuming disaggregation calculations
4. Lack of transparency of numbers behind forecast
5. No online team communication, risks and change management

Common basic automation requirements

Demand

- Data Consolidation from multiple sources
- Statistical baseline forecasting
- History keeping functionality
- Supportive data in system (i.e. distribution, sell-throw etc)
- Integration with Promo Planning
- Necessary Reporting
- Online Volume to value calculation integrated with flexible formulas
- Adjustments of forecast at required measures with manageable disaggregation factors
- Scenario Planning (several versions of forecast)
- Auto disaggregation monthly buckets to weekly and to DCs (Distribution Centers)

Promo

- Promo management at level of Customer/Format/SKU
- Promo attributes management (i.e. promo mechanics, dates, budget, % of discount
- Ad-hoc promo pre-evaluation. Integration with forecast data: baseline, NSV, promo uplift (Promo vs Baseline)
- Ad-hoc after promo effect and cannibalization forecasting (while planning promo)
- Restrictions and alerts on promotions entered by KAM on budget beyond guidelines, timing shorter than frozen horizon, ROI, GP etc
- Promo approval process depending on timing, budget, level of discount, etc
- Promo risks and change management integrated with operational demand planning
- Post promo evaluation and recommendations

BASYS addresses to global and local challenges

BASYS TPM - is AI supported cloud-based service for trade promotion optimization, online business forecasting, revenue & profit planning for FMCG & CPG companies. It allows to instantly increase trade marketing spendings' efficiency in the growing markets and rapidly helps to achieve the operational and strategic business goals.

BASYS TPM in Henkel Beauty Care Russia

BASYS TPM for Henkel Beauty Care

BASYS TPM covers end-to-end sales and operational forecasting (demand -> sales operations -> revenue/profit), promotion planning and coordination, trade agreements management, assortment & target listing management, obtaining online business analytics on all sales channels. BASYS TPM allowed to fully automate data collection and processing to integrated business forecast. In the new system, KAMs of the federal/regional chains can track their performance in real-time, review planned and actual promotions, keep up-to-date target listings, trade agreements and other terms of working with partners, effectively collaborate with trade marketing, category management, S&OP teams avoiding time-consuming meetings, files exchange and email overload.

Schwarzkopf & Henkel

BENEFITS

The BASYS TPM solution allowed to build transparent and lean Trade promotion and S&OP planning business processes, engage teams in real-time forecasting with what-if scenarios support, respond to market changes in a faster and most efficient way. The system provides managers of all levels with daily KPI data forecasting their target achievements for 18 month ahead. The forecast adjusted for baseline and promo scenarios, after promo effect, novelties, target listings, growth factors, etc. The detailed performance analytics for the key business aspects is embedded into the processes and indicated in a clear and visually-friendly way. The interface is customized for both front and back office users, seniors. The team did a great job throughout the project. We are happy with the result!

BASYS AI TPM
High valued improvements opportunities

2-4 months

Deploying 2nd and further site

40%

Trade Promo ROI Increasing

30%

Promo + After Promo uplift growing

4 times

S&OP planning cycle optimization

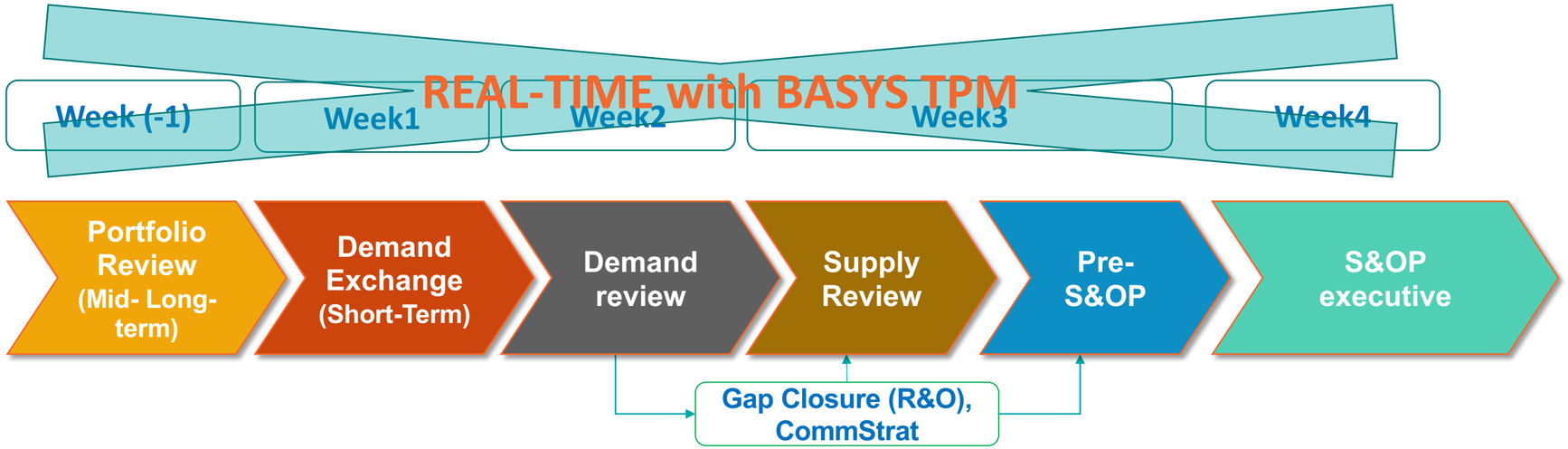
$1 bln
region turnover

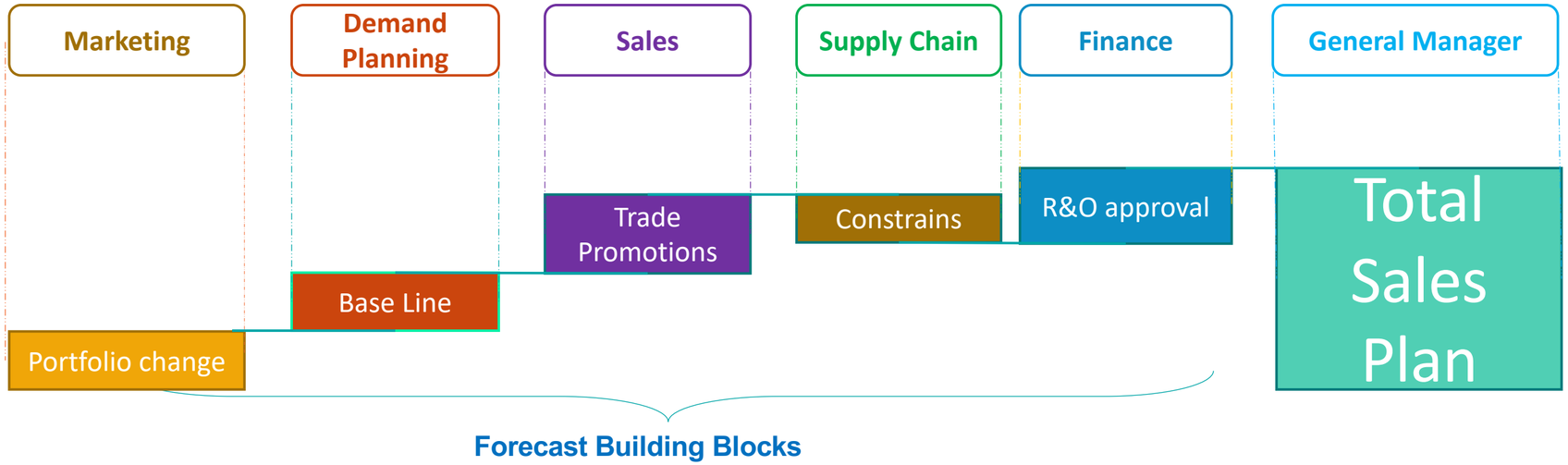
+ BASYS TPM =

up to 50 mln $
Improvements per year

S&OP Planning process improvements

Each building block corresponds to S&OP process steps and owned by function
Each function is responsible for managing forecast up-to-date



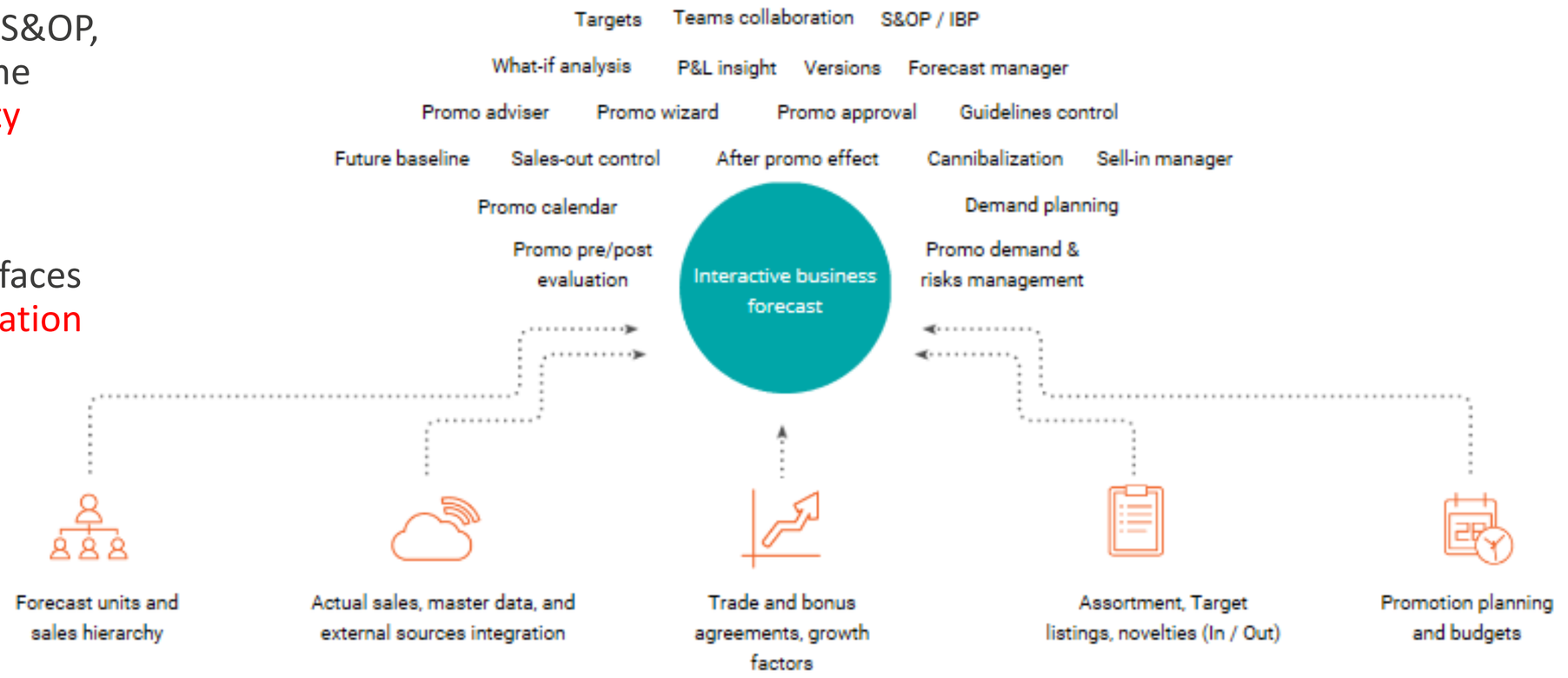


Why BASYS AI TPM

Real-time forecasting

- ✓ The integrated trade promotion, S&OP, business forecasting. The real-time demand, revenue and profitability management tool
- ✓ Predefined data model, business processes, integration, user interfaces and reporting for fast implementation
- ✓ Cutting-edge technology stack for maximum user productivity

How it works



Why BASYS AI TPM

Out-of-the-box

AI supported forecasting and analytical models

User friendly interface and unified communications

Ready-made solutions set for business process automation

Integrated promo planning, S&OP forecasting and change management concept

- ✓Promo pre/post evaluation. Accurate effectiveness prediction
- ✓Promo adviser. Optimized promo values, discounts, etc
- ✓Promo wizard. Quick and easy promo modelling
- ✓Promo approval. Guidelines supported fast promo launch
- ✓Promo demand alignment. Real-time risk management

Why BASYS AI TPM
State-of-the-art

Featured by Azure Services

Mobile apps
Give opportunity for quickly data review and input being out-of-office

Internet of Things
Direct data obtaining from selling spots ability

Integration and master data mngt
Allow to manage actuals & master data from internal and external data sources

Imbedded Business Intelligence
Delivers real-time comprehensive information for every user

Social engagement
Invloves teams to collaboration and knowledge sharing

Big Data, Machine learning & Cloud Computing
Simplify predictive analytics and AI supported forecasts

Process & workflow mngt
Provides transparent & agile business processes, easy and fast approvals

Interactions and knowledgebase
Organize document management, information storage and reuse

BASYS TPM during 2-3 years can be successfully deployed in your key emerging regions as second tier TPM & TPO solution to bring fast and TCO efficient productivity

Transparency of trade marketing spendings and forecast

~~X%~~

100%

100+ countries with deploying partners and fast implementation methodology

~~from 9 to 36 months~~

2-4 months per site in parallel

Cost of ownership
Of the solution per year per site

~~$600-2000 ths.~~

$ 60-200 ths.

Global platform, local support

Microsoft Dynamics 365 Sales local template deployment

~~1 language~~

45 languages

Ultimate strategic advantage of BASYS TPM — fast parallel deployment capabilities

BASYS TPM can be quickly distributed as TPM/TPO second tier service to all representative offices and businesses that are not covered by centralized corporate solutions (first tier)

- ✓45 user interface languages, multi-currency and multi-UOMs supported
- ✓integrated centralized and decentralized support model
- ✓cloud and scaling ready via Microsoft Azure
- ✓implementation and support resources ability all over the world (via Microsoft Partner Network and Microsoft Co-sell Ready solutions support program)
- ✓corresponds to corporate standards and regional local requirements (regional localization and local customization ability)
- ✓cutting-edge technologies (incl, CRM embedded analytics, Social engagement, Big data, AI, mobile apps, IOT, etc)

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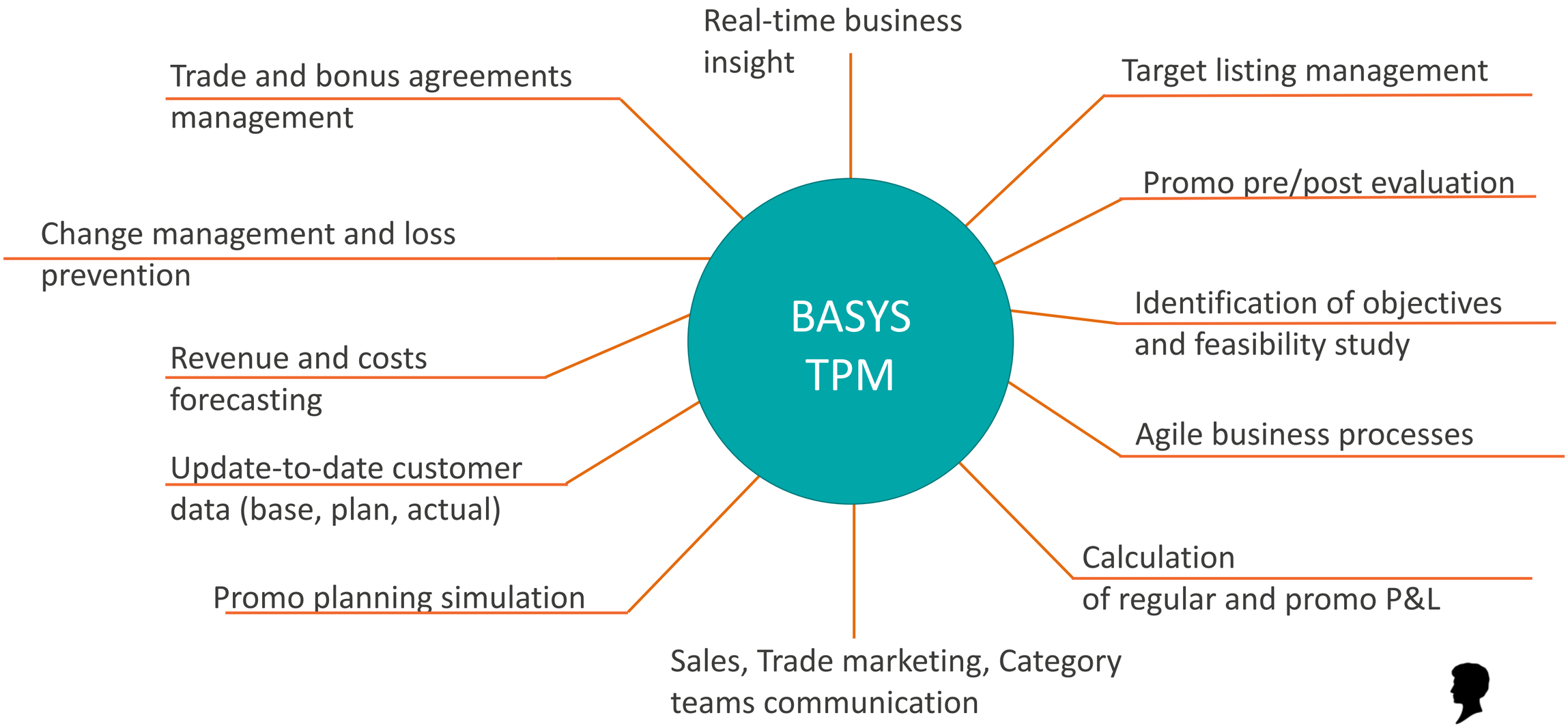

Read the full press-release version

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Five strategy key aspects

Global platform

45 languages, simplified adaptation and local system development ability

Deployment partners

Unlimited technology ready resource hub all over the world for system roll-out and support

Innovative product

AI supported integrated promotion & S&OP planning, business forecasting and change management tool

High technologies

State-of-the art inbound technologies (CRM, Imbedded BI, Machine learning, Social Engagement, IOT, etc.)

Microsoft Azure

Scalable and the most sustainable worldwide PAAS platform. Co-sales and support by Microsoft team

BASYS TPM

Trade Profitability Management

Contact me to arrange an appointment

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