



# Tactical Insights

**"Today's corporations will succeed or fail depending on how well they can constantly take in data about their changing business landscape and then communicate that understanding throughout their organization."**



**"The only sustainable competitive advantage for an organization today is the ability of managers to learn." Aerie de P. de Geus - Harvard Business Review**

## **Sales Effectiveness Software for the CPG Industry**

Even the experts know that in today's business arena a sales organization must continually seek ways to increase the speed of communication in both the information gathering and the dissemination process.

But it's not just making information come at you faster. It's important to make it meaningful, make it useful, more versatile and capable of being used in a wide variety of formats and reports.

Many CPG companies realize the benefits of streamlining or digitizing their information stream: more consistent and more effective communications with your trade customers, shortened decision cycle time, and more finely-tuned control for managers.

### **Starts and fits**

Early on, in an effort to speed the communication of critical promotion information (which is revised and updated often), many sales organizations used to use a combination of E-mail and Lotus Notes and/or CD's to distribute data and replace the printed material in the traditional 3-ring binder used by field sales.

But unfortunately revisions often remain in the email stack or Notes folder as disconnected data points -- underutilized information, not readily located and not easily integrated into the variety of reports and formats required in today's business environment. The approach can cause frustrations for it is a less than effective solution.

### **Enter "Bit Engines"**

In the race to digitize marketing communications, many companies have been creating data warehouses for the sales and marketing department to mine. A number of bit engines or software modules have been created to gather and disburse data.

There are content managers, presentation builders, product launch managers, collaboration managers, campaign managers, media publishers, electronic catalogs, and wizard driven templates to manage the structured and unstructured data. These bit engines are placed on top of the database to make it useful.

Another approach to managing the disparate collection of data in your warehouse is to create "metadata". In this instance, metadata refers to key words or syntax and information clusters that interface with the database and present to the user the slice or the view of the information selected.

### ***What you should look for in Software for CPG Sales and Marketing Teams***

1. Empower field sales to produce more
2. Streamline sales planning and reporting
3. Enable the planning of more productive promotions
4. Give management more finely-tuned control
5. Get to know each of your customers better
6. Help sales give more effective presentations

### **Opening A Portal**

Frequently these databases are put on a web portal, so field personnel have access via the web as well as local area networks to a central pool of timely, accurate sales and marketing information.



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Marketing departments often find this approach appealing as they can do it by outsourcing rather than having to burden through already overworked internal IT staff.

If the application is being developed by a large CRM software firm, you also need to be careful that the application focus remains on marketing and doesn't become too global. Because if it does, it will cost too much, and take too long to implement. (Reference Meta Group Benchmark survey of CRM satisfaction and url to locate it.)

Vendors sometimes promote their data warehouse and data mining tool sets as Sales Effective-

ness Software when talking to sales and marketing organizations.

## CPG buyers need to look closely

When they come calling, be sure to look closely at the companies the software has been initially designed for and is currently installed in. Many on the market today were developed for the "direct to the consumer" marketing model. Often for selling to thousands or millions of customers.

(Continued below screen shot)

They focus on digital interaction with the customer because of its efficiencies and effectiveness in the consumer marketplace. They attempt to treat each customer one to one in a process called mass customization. But mass customization is not what CPG marketers need.

Instead of thousands, a typical CPG company may have less than 25 customers who represent 80%+ of volume, and a couple hundred other direct

buying customers. The type and nature of the communications between seller and buyer plus ancillary departments is significantly different from those directed toward large number of end consumers.

Best practices in consumer marketing may not lead to the best practice in marketing to your Trade customers. And trying to customize a program like



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this to your needs is usually more costly and time consuming than starting from scratch.

Another problem with database centric design is that it puts the emphasis on data collection and storage, when the emphasis should be on how you actually use it, manipulate it, forecast with it, present it, report it. You need to build systems on top of the database that make sense to your people, that follow your procedures and use your formulas. (Not easily found in an off-the shelf software product.)

There are many alternatives to the database centric approach. Think about the Dewey Decimal library system. It divides information into categories without exact definitions, technically called an ambiguous organization system, into what we might call fuzzy categories.

Yes, you can look a book up by author or title, but sometimes you want to see what is available in an area, and you don't know exactly what you are

looking for. In that case, the ambiguous organization scheme serves you very well. It becomes iterative and interactive and leads to associative learning, which means the information is more used and better used.

Another organization model, purely topical, is the yellow pages, ordered by subject and topic. The metaphor-driven model is another example where, for instance, you might lay out your information like a department store or pharmacy with big signs in the aisles. Or like a magazine table of contents with a hierarchy of subjects.

### Task Oriented Electronic Workbook

One particularly useful organizational scheme for the sales and marketing team is task-oriented design. Here you look at the processes and functions your people need to accomplish.

Store Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
<b>Item 1-Planned</b>													
Feature Ads		20-Feb				12-Jun					6-Nov		
Off Shelf Display		End				Floorstand		Floorstand					
TPR		1.00 off				1.50 off							
New SKU Distribution													
Consumer Overlays		1.50 rebate				Sportspack					BOGO		
Other													
<b>Item 1-Actual</b>													
Feature Ads													
Off Shelf Display													
TPR													
New SKU Distribution													
Consumer Overlays													
Other													
<b>Item 2-Planned</b>													
Feature Ads													
Off Shelf Display													
TPR		5.00 off			5.00 off							5.00 off	
New SKU Distribution													
Consumer Overlays		Cancer Society			Education Materials							Holiday Meal	
Other													
<b>Item 2-Actual</b>													
Feature Ads													
Off Shelf Display													
TPR													
New SKU Distribution													
Consumer Overlays													
Other													



You design collections of individual actions and put them in drop down menus. You create a pool of linked online document clusters, or electronic workbooks that organize related material in usable and quickly accessible formats. A linked table of contents can serve as an electronic promotion source book using the metaphor of the well-known 3-ring binder.

It is important the design incorporate the relatedness of the information. This will lead to a more natural and logical flow in the use of the material.

Dipping into the database should not mean facing an ocean of information to get a tea cup sized report, but more a linear process-driven experience. The electronic workbook can facilitate tasks from creating a new presentation out of pre-existing materials and current online data to planning promotion expenditures.

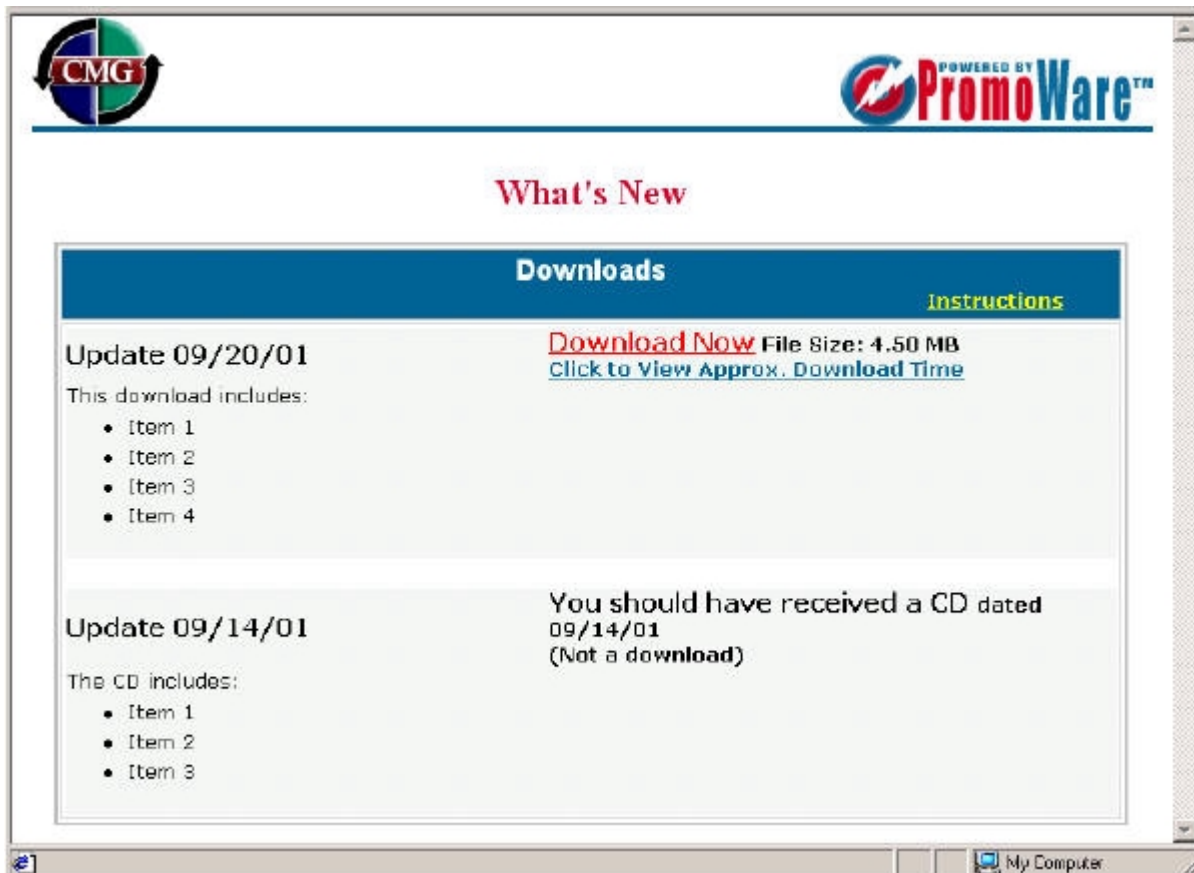
If you view material in a web browser you can take advantage of its many navigation tools and not be reinventing wheels. But don't stop there. Insist

on a wide range of search and find mechanisms including key word and free form text search engines, site maps, information grids, glossary, index, content lists, help files, guided tours, etc.

Because you will sometimes not know exactly what you are looking for, you will want some of your search engines to follow a fuzzy logic and return all information "like" what you requested. All these tools should be built into your system so that different users can work with the material in the way that is most intuitive and natural for them.

## Work Local, Think Your Customer

People on the go don't want to have to stay connected to the server in order to get work done. Especially if they are in the field with 56k modems. They want and need to work offline. That means a portion of the information has to reside locally on their laptops. So they can put together presentations, do what-if spending scenarios, learn details about the latest product introduction, check the latest price sheet.





That raises the issue of insuring that they are working with the latest information on their laptops. What do you do? Send out CD's every week with the changes? Send email attachments?

The problem is that neither integrate into the laptop resource easily or automatically. Each individual on the system has to manually insert the new data where it goes. That's why the database may seem to be the answer. Put it up there and let everybody go get it.

But if the most current version resides only on the server, on the database, you have to be online to work with it, remote users will continually deal through bandwidth and connectivity issues. These are what you need to reduce for field personnel.

Good programming should provide you with the capability to update your information on each field user's laptop easily via the web, have it integrate automatically, so you still offer the ability to work offline in the electronic sourcebook model.

Make sure, too, that your search and browse indexes are automatically updated with each revision. The result of your data collection, then, is that the whole is more than the sum of the parts.

## Distribute Decision Making

In the name of efficiency many corporations are flattening their organization charts, reducing layers of management. So today it's more important than ever to distribute budget and spending authority (with proper tools and guidance) to the front lines where customers are making the buying decisions.

The best way to distribute this authority while still retaining strategic control is through an online portal that provides the tools for inputting plans, receiving approval and measuring expenditures and effectiveness. It needs to be online so that it is readily accessible any time any place (with the appropriate security,) not an Excel spreadsheet that is passed around by email.

Another important benefit of distributing some authority is the streamlining of the decision making loop and reduction in decision cycle time so important for success in this fast paced business environment.

## What you should look for in Software for CPG Sales and Marketing Teams

In designing your own system be sure you get the following benefits:

### 1. Empower field sales to produce more

Provide your salespeople with the resources that they need to achieve their objectives. The starting point is current, accurate information, as timely as possible. Automated updates over a secure website to an "Electronic Sales Binder", discussed earlier, is a real-world example.

Also, distributing budget responsibility to the field puts the decision point right into the front lines, to reps in direct communication with the customer. With intelligent reporting, management can oversee and approve spending as desired, yet push decision making to the field, and shorten decision cycle time by buyers, advertising managers, etc.

If many back office chores are done on or by the system, reps can focus more on the customer relationship. And with more current information distributed to the field, sales can make more informed plans and decisions.

### 2. Streamline sales planning and reporting

Provide an efficient portal for the dialogue between field and management on budget allocations and promotion plans.

- Collaborative planning tool
- Communicate instantly plans and projections
- Promotion plan reports let management see spending levels
- Query the database by a variety of parameters, e.g. trade class, account, brand, time period, etc.
- Incorporate real time updates as commitments are modified

### 3. Enable the planning of more productive promotions because you can . . .

- Take advantage of past learning--use easily accessible promotion history for planning
- Factor in current market and competitive conditions
- Have every promotion option at the salesperson's fingertips
- Provide easy access to your trade promotion, account specific and/or customer marketing programs
- Make it easy to tailor programs for large customers

### 4. Give management more finely-tuned control

You can stay instantly in touch with field promotion planning and spending. View the data from any perspective and on any level: planned



spending by account, brand, national, regional, down to SKU.

Also make it easier to compare the effectiveness of dollars spent.

## **5. Get to know each of your customers better**

Capture and keep valuable "field knowledge" of accounts and turn it into a searchable resource. What are your customer's favorite local charities? Do they like in-store demos to generate traffic? Do they have co-marketing dollars to spend?

Without capturing this in a sales knowledge-base, every time a sales person moves on, you lose much of this valuable information. Now you can accrue and build upon such useful customer data.

## **6. Help sales give more effective presentations**

With a single portal to view all relevant sales and promotion resources, from all your agencies, TV commercials, radio spots, current price lists, product packaging photos, plus retailer logos and account specific promotions, all in one place, accessible and ready to integrate into a dynamic laptop presentation.

Sales people can create highly customized presentations on the fly, offline, un-tethered. All the multimedia components can be inserted into any PowerPoint slide show so TV and radio spots can be shown along with the brand story and any account specific promotion plans.

The result: more personalized, more specific for each account, more dynamic and powerful presentations.

## **Recommendations**

Look at sales effectiveness software. But be sure the vendor understands your business and doesn't try to outfit you with direct to consumer business models. When you look at a database driven solution there are a number of factors to consider, not least of which is how useful will the data warehouse actually be to the field users and the marketing department. And how will it help streamline the ongoing, repetitive chores.

In short, the database approach may lack the required tactical sales and marketing focus and vertical application tools for a CPG company to make the system intuitive and useful.

Look for open systems developed with well-known languages. Try not to get locked into proprietary software. You may be paying fees forever, it's more expensive to maintain, and more difficult to development yourself.

Understand that there is a spectrum of service providers and vendors out there that offer everything from a database with mining tools to custom designed applications that streamline your specific processes.

In the end you will probably blend the two approaches to enhance your sales and marketing effectiveness. But just be aware that there is a continuum of friendliness ranging from database query to menu drive and wizard driven tools to custom made applications that follow your procedures. Be sure to understand the comfort level your people will have with this range of options before you decide where your team falls on the continuum.