

To improve your company's Trade Promotion activities, Hitachi Consulting deploys a methodical approach to achieve objectives, including:

- Improved accuracy of the settlement process and reduced settlement processing time
- Using transaction data for higher order analytics
- Developing post-promotion effectiveness analysis



# B Business Case for Technology Enabled Trade Promotion Management

## Four-Part Business Case

Food, beverage and retail manufacturers face numerous challenges every day. By adopting Trade Promotion Management (TPM) technology, these challenges could be eliminated.

Hitachi Consulting has helped many companies to adopt superior TPM by using a four-part business case that touches every area of a large enterprise. The four-part business case includes the following:

### Cost

In areas associated with costs, companies must strive for an expedited contract creation process, including steps for negotiation and approval. They must anticipate automated claims and billback collections, processing and validation. Goals should include eliminating inaccurate, untimely trade promotion payments and reducing the cost of resulting disputed deductions. Companies should also try to eliminate redundant processes and integrate systems.

### Controls

Sales organizations need to align incentives and commissions with performance. In other areas, companies must promote accurate financial accounting, reporting and regulatory compliance.

In addition, companies should set goals to improve working capital, accrual accuracy and reduce deduction write-offs.

### Planning

In order to optimize supply chains, companies should set their sights on improving inventory, production and overall management. Specifically, outline a plan to enhance forecasting, optimize pricing, reduce expediting costs and cut back on obsolete inventory. In addition, companies should provide a foundation for improved demand and supply planning.

### Revenue

Companies with revenue concerns should increase contract compliance and thoroughly understand program, customer and channel profitability. They must identify new opportunities, make informed decisions and spend less time reconciling disputes, while placing more emphasis on selling. The imperative is finding and maximizing the best market mix.

# B Business Case for Technology Enabled Trade Promotion Management

Leading Foodservice Manufacturer  
This company faced a number of challenges, resulting from an extended period of IT stagnation and poor business processes. Challenges included:

- Manual, slow data entry
- Customer satisfaction issues stemming from slow payment turnaround times
- Potential overpayments on operator rebates
- Inefficient use of distributor trade dollars
- Lack of access to timely, meaningful data

Hitachi Consulting worked with the company to reorganize and adopt advanced technologies to resolve problems. The company achieved a quick return on investment through benefits, such as:

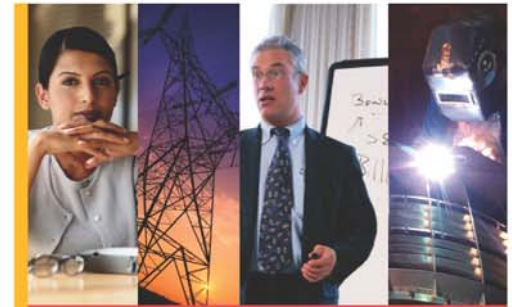
- Decreased payment turnaround time by half
- Eliminated the need to add headcount to scale with programs/data volume
- Realigned distributor incentives to drive street business—ability to isolate contract volume versus street
- Identified more than \$120K in invalid products during the first year
- Improved operator unit compliance

Leading Beverage Manufacturer  
This company faced a number of business challenges, including:

- Poor visibility into distributor sales data
- High cost of data processing and program administration
- Data collection from 1,200 points of distribution, at more than 400,000 locations
- Inability to accurately recognize revenue
- Ineffective customer marketing programs

Hitachi Consulting worked with the company to reorganize and adopt Business Intelligence capabilities to solve their problems. Some benefits and return on investment, included:

- Generated \$3 million in savings from identification of duplicate submissions, non-company accounts, and products in the first year
- Rationalized account customer list from 12 million to 396,000 units
- Improved missing volume submissions by two percent
- Improved accuracy and timeliness of data collection from months to days



## About Hitachi Consulting

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes nearly 30 percent of the Fortune 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge to our clients throughout each engagement. For more information, call 877.664.0010 or visit [www.hitachiconsulting.com](http://www.hitachiconsulting.com)

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