

ROI on Field Sales / 3rd Party Outlet Callage

Contents

- Our Simple Proposition
- Maximising ROI outlet investments
 - Your current situation and approach
 - Our approach to ROI on field sales / 3rd party
 - Meridian CIM – Customer Investment Maximiser
 - An easy way forward

Our simple proposition

- We will help our clients to:
 - Understand the ROI from current Field Sales investments (Grocery, wholesale/C&C, impulse, convenience)
 - Understand, quantify and focus future activity on what adds value and cease activity on what does not
 - Align capability of the execution methodology to the prioritised sales driving activities
 - Test this insight (revenue impact and durability)
 - Develop an ROI Model that:
 - Targets investment to opportunity dynamically (Where, what, how)
 - Measures compliance to call plan
 - Measures ROI by retailer, outlet, brand, sku and individual
- This could add 3-5% revenue and could result in a decrease or re-allocation of expenditure on customer facing investments

ROI on field coverage

A review of Meridian's approach
to maximising ROI on field
investments

Your current situation and approach?

- In-house / 3rd Party
- 3rd party agreement / brief
- Channels & universe
- Blanket / targeted
- # & frequency
- Full time / part time management
- Sales drivers
- Capability
- In call process
- In-store entry/exit data
- Data collection / analysis
- EPoS
- Customer Marketing Business Analyst
- Correlation / cause & effect / control
- Effectiveness / ROI model

Tension of 3rd party usage

- Supplier
 - Revenue impact & positive ROI
 - Coverage based on opportunity
 - Callage frequency according to need / durability
 - Event triggered / flexibility
 - Cost flexibility
 - Insurance policy (premium based on risk of each element)
- 3rd Party
 - Regular calls
 - Standard journey plans
 - Dedicated teams
 - Large call files
 - Calls based on sales not potential
 - Lowest cost resource (low skill)



Background

- BTL spend is increasing
- Retailer problems with availability, promotional compliance & even simple planogram execution
- Companies invest in outlet callage to:
 - Close compliance gaps
 - Liberate the local incremental opportunities
- But only a minority of stores need fixing
 - Where?
 - What cost?
- So far only a handful of leading edge companies have developed a reliable way of calculating & measuring ROI on an ongoing basis

Our challenge to our clients

Calls to biggest stores by own personnel or 3rd parties in order to audit, report & fix

Consumer / Shopper facing BTL activity permanent or temporary

Agreements with retailers to pay for implementation of the business plan

Summary EPOS data



N.B. proportions vary by category & manufacturer

How do you measure the impact of the BTL expenditure associated with in store execution?

How do you ensure your thinking behind each element of these investments 'joined up'?

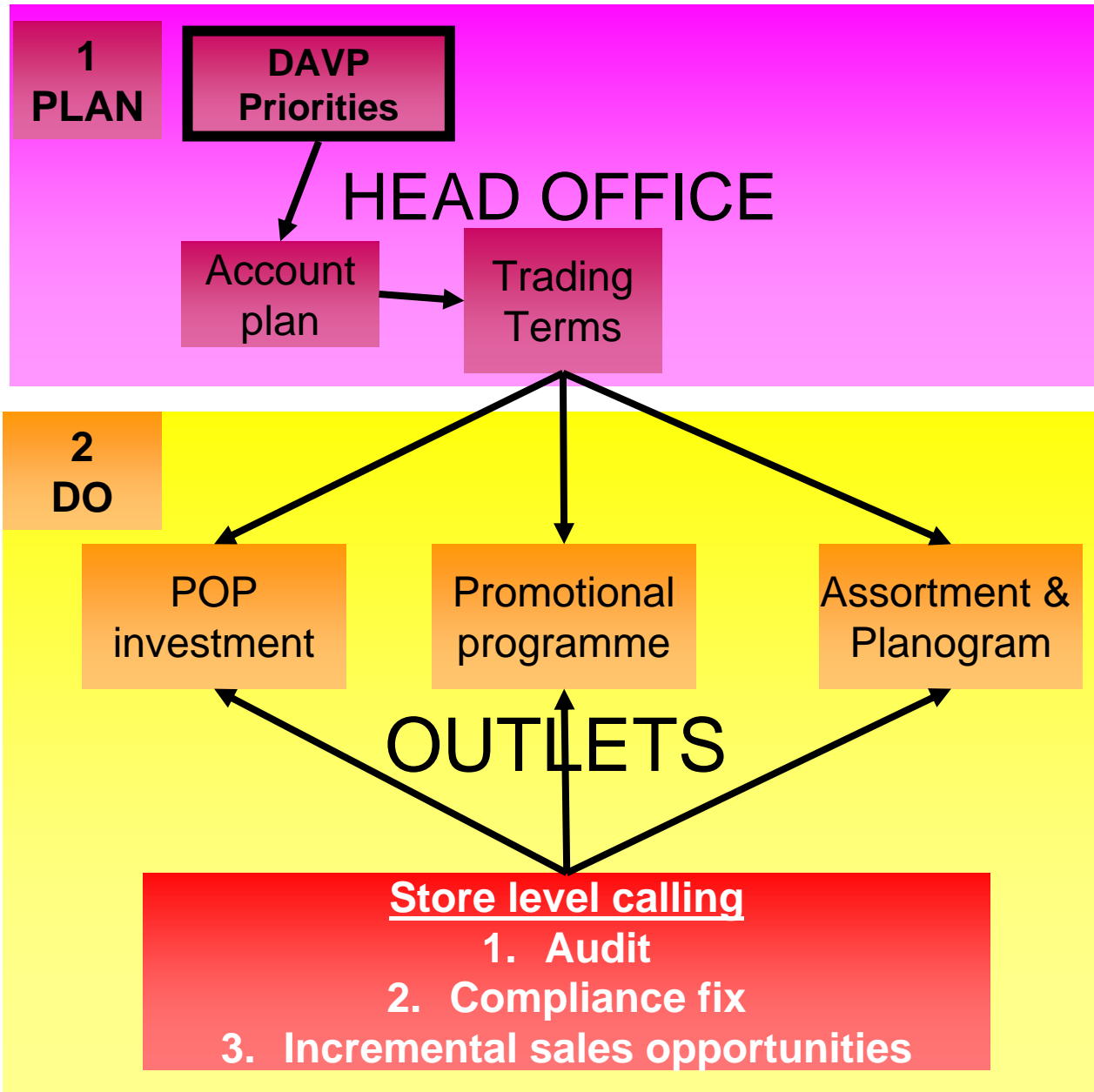
How do you maximise the ROI on the above expenditure?

The great unknowns

- Does regular calling lead to long term behavioural change at store level?
- Do we have to call on consistently compliant stores 'just in case' they slip up?
- What competencies are needed to influence key sales drivers?
- Impact of specific in store actions – which sales drivers are most important?
- Durability of in store corrective action taken – how long does it last?
- Likelihood of the store fixing it themselves – after the visit when (if ever) would they have fixed it?

And most important of all – where are the stores with the most significant issues this week?

Why send field salespeople to grocery outlets?



Most manufacturers report gaps between PLAN & DO – but the complexity & sheer size of task has been a barrier to one off or continuous resolution of the issue. A cost effective, iterative and dynamic solution is required

The answer – join up the data and continuously monitor sales driver impacts

- 3 modules:
 - **Understand the current ROI** with a rigorous **Analysis Module** to guide clients through the mass of available data to genuine insight
 - Review what we know today
 - Verify with data from other sources
 - Identify the ‘mission critical’ gaps
 - Test the hypotheses behind the gaps
 - **Calculate the Size of prize** with an **Econometric Model** that constantly analyses outlet level ‘cause-effect’ data, **PLUS Target activities** to direct resources to the greatest potential wins, indicating the priority actions to be taken
 - **Performance Management** with **Ongoing support service** to continuously monitor priority retailers & outlets for which offer the greatest short term sales potential

Data feeds a model, directing resource to highest priorities on a constantly changing basis





SALES FORCE AUDIT & SALES ACTIONS DATA







**MERIDIAN CONSULTANCY INSIGHTS
MANUFACTURER DATA,
ACCOUNT AGREEMENTS,
CONSUMER & SHOPPER
INSIGHTS**

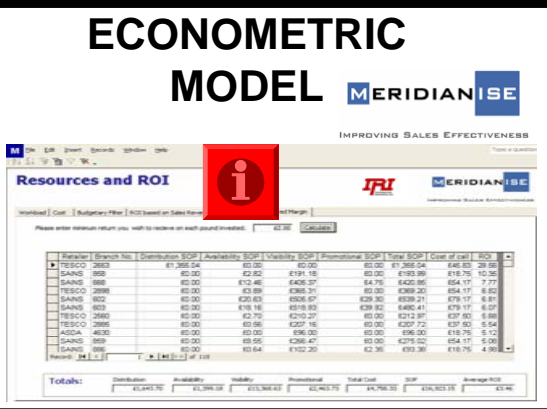
MERIDIAN ISE
IMPROVING SALES EFFECTIVENESS




**RETAILER
EPOS
DATA**

**ECONOMETRIC
MODEL** **MERIDIAN ISE**
IMPROVING SALES EFFECTIVENESS



Brand	Stock No	Contribution	SOPI	Amortisation	SOPI	Net Profit	SOPI	Total SOPI	Cost of Sale
TESCO	2863	£1,366.54	80.00	80.00	80.00	80.00	80.00	£1,366.54	646.83
SAANS	989	80.00	80.00	80.00	80.00	80.00	80.00	80.00	15.36
TESCO	2868	80.00	80.00	80.00	80.00	80.00	80.00	80.00	7.77
SAANS	989	80.00	80.00	80.00	80.00	80.00	80.00	80.00	6.60
TESCO	2863	80.00	80.00	80.00	80.00	80.00	80.00	80.00	6.07
SAANS	989	80.00	80.00	80.00	80.00	80.00	80.00	80.00	5.88
TESCO	2868	80.00	80.00	80.00	80.00	80.00	80.00	80.00	5.54
SAANS	989	80.00	80.00	80.00	80.00	80.00	80.00	80.00	5.12
TESCO	2863	80.00	80.00	80.00	80.00	80.00	80.00	80.00	5.00
SAANS	989	80.00	80.00	80.00	80.00	80.00	80.00	80.00	4.98



List of stores with Greatest potential



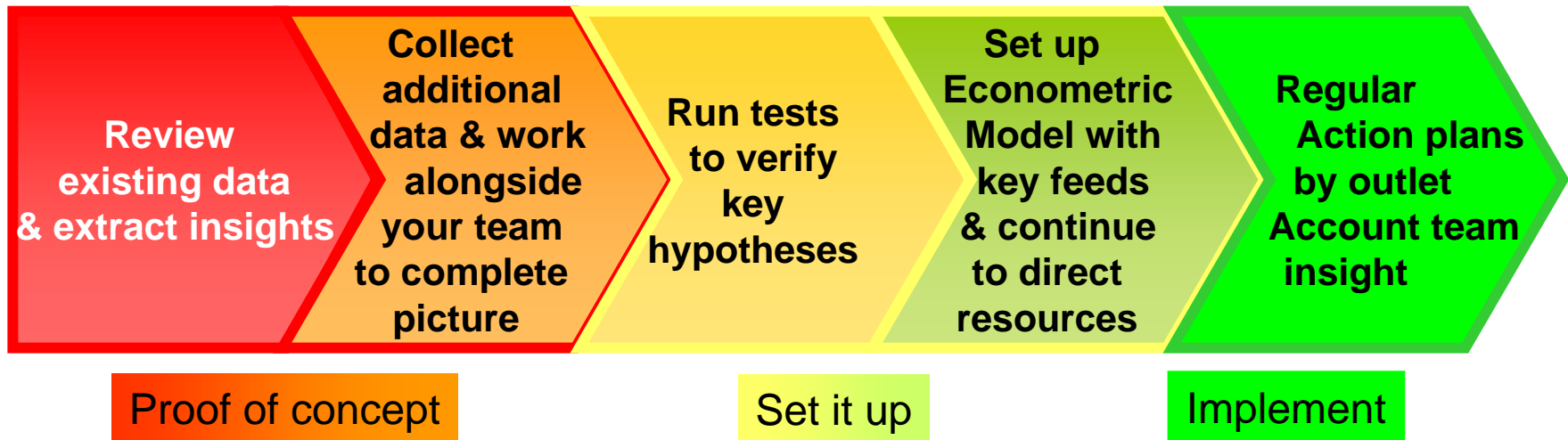
Fix top DAVP priorities



Increased Shopper offtake

What is the Meridian process?

1-2 weeks 4-12 weeks 8-12 weeks 4-6 weeks Every week/
month/quarter



It can be set up in a remarkably short time period

Reprioritised list of DAVP investments, Field sales costs can be reduced, trading terms payments may reduce.....

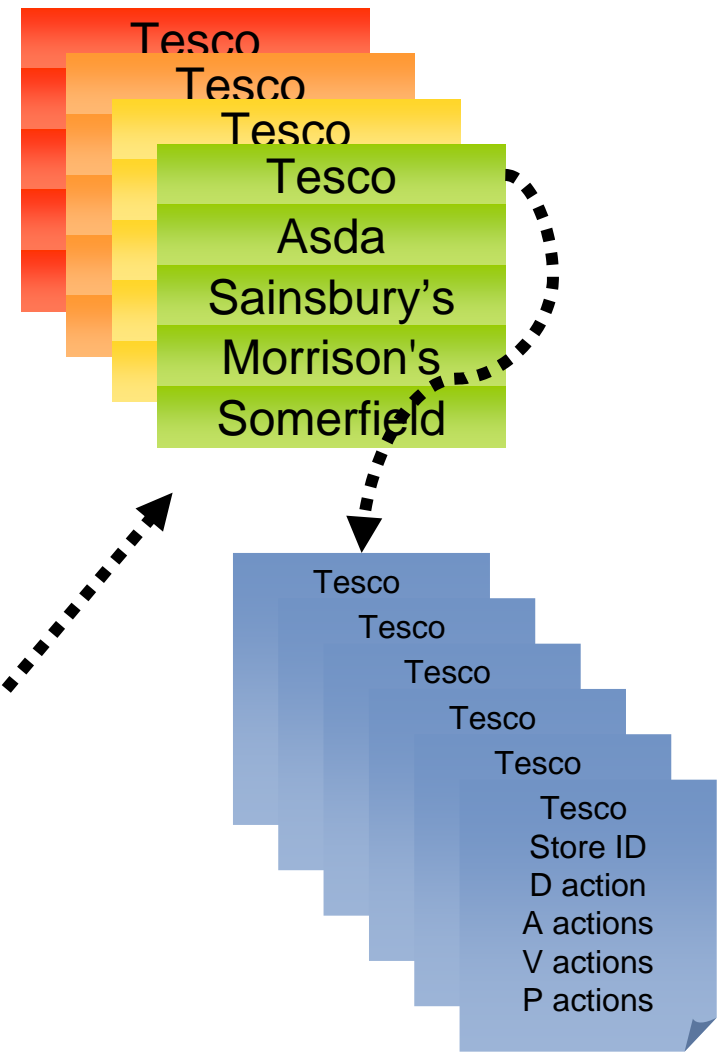
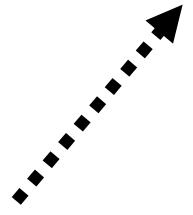
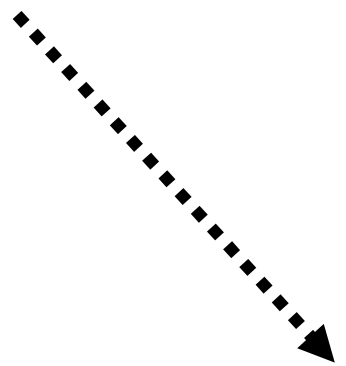
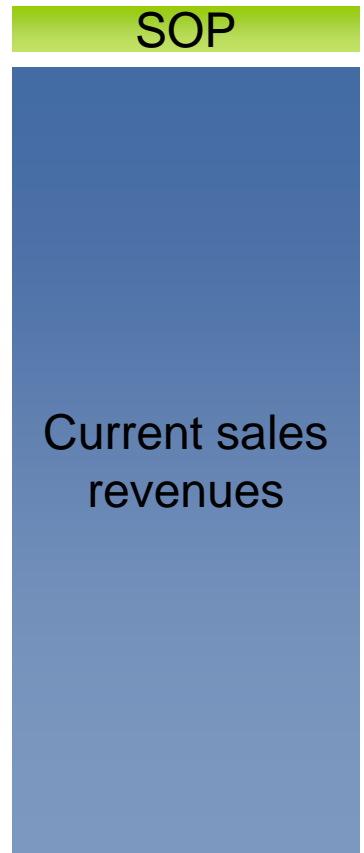


Revolving audits
Targeted rogue stores
Tactical initiative support

Store level EPoS
NAM alerts
Field sales priority list

.....absolute investment will be optimised

.....and revenues could increase



The Meridian 'shallow dive'

- an easy way forward

- Select one or two retailers
 - EPoS data for a defined period
 - Sales actions data for the same period
 - Overlay retailer agreements / promotion plan
- Produce first level insights
- Define wider data set
- Develop testing hypotheses
- Minimal investment