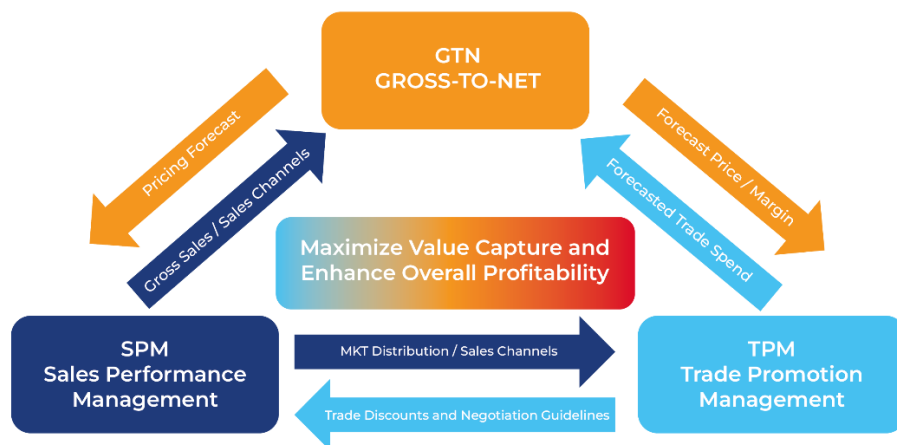


TRI-PILLAR REVENUE PLANNING

Pricing, Marketing, and Sales Performance Management: Unlock Your Full Revenue Potential

Real-time connections lead to optimized execution. Operational efficiency is a balancing act, and all three pillars of Gross-to-Net (GTN), Trade Promotion Management (TPM), and Sales Performance Management (SPM) must support each other. Pricing, with strong forecasting standards, partnered with clear trade management, sales forecasting frameworks, and scenario planning capabilities allow organizations to make informed decisions throughout their forecasting cycles. Let the collective intelligence of your team power the decision excellence of your enterprise.



- + **Maximize ROI of trade spend.** Go to market with a price and volume combination that maximizes net sales. When running a promotion, leverage historicals and infer promotion effectiveness based on changes in demand, comparing that to what planners forecast as expected uplift. This creates an iterative cycle where positive behaviors are repeated in the next forecast while promotions that did not generate successful outcomes are phased out.
- + **Forecast and track results across the GTN value chain,** including wholesalers, resellers, retailers – capturing the different trade promotions and different margins realized within each sales channel. Base GTN forecasts on the TPM schedule and define market distribution and sales channels based on SPM. As gross sales shift throughout the year based on sales forecast, the GTN forecast will also shift throughout the year based on changes to the TPM strategy by market segment.
- + **Understanding sales channels and your brand's route to market ensures diversified points of sale.** SPM excellence in CPG leverages sell-out data to understand consumer preferences, optimized distribution levels, mitigate out-of-stocks, arm sales reps with information for negotiations and assortment planning, plan for and respond quickly to market signals. Visibility into each channel allows your organization to identify key accounts, efficiently deploy trade promotion investments, determine growth opportunities and minimize losses, attenuate the effects of unforeseen market events.
- + **Maximize revenue potential and growth while maintaining low operation costs.** Connecting TPM to an integrated SPM process can create equitable account assignments to maximize revenue potential, align your sales force with the right incentives, and maximize customer potential with sufficient account coverage. Reflect changes to the trade promotion calendar in your sales strategy and P&L in real time.



TRI-PILLAR REVENUE PLANNING

Why Connect Planning for Revenue Growth?



A stool with only one or two legs cannot stand up independently, much less support one's weight. Meanwhile, a stool with uneven, wobbly legs is likely to fall over if pushed.

Think of the legs of a stool as the pillars of your commercial strategy: Pricing, Marketing, and Sales. You would not want to market a trade strategy that cuts away too much of your margin or forecast sales perfectly without understanding net sales.

THE KEYRUS SOLUTION: A PERSPECTIVE, AN APPROACH, A SOLUTION.

Creating a revenue strategy that can hold steady in changing market conditions relies on the synergistic behavior of all three well-balanced pillars. Accordingly, robust, and responsive commercial revenue planning sits at the nexus of pricing, marketing, and sales.



Pricing. Trade, allowances, and other gross-to-net (GTN) reductions make up 25-30% of gross revenue for CPG companies. GTN spend, however, is typically underestimated due to low visibility on total discounts. Proactively managing GTN pricing ensures maximizing margin management. Organizations with responsive GTN forecasts can better understand the value of each marginal sale and better predict net revenue.

Marketing. More people, more often, with bigger average basket sizes. Trade promotions span the planning, management and execution phases of collaborative promotional activity that CPG companies perform with their retail partner(s) to boost revenue, increase coverage and defend market share. CPG companies spend 23% of revenue on trade promotions such as bogos, coupons, discounts, and rebates. Properly executed trade promotions increases net sales via increases in sales volume and are a powerful tool.

Sales. Changing market conditions and consumer preferences will always fall outside of your organization's control, but a perfect sales performance management (SPM) process can ensure your sales force is organized most efficiently by creating equitable account assignments to maximize revenue potential, aligning your salesforce with the right incentives, maximizing client potential with sufficient account coverage.

BUSINESS ROADMAP TO ACHIEVE A BALANCED OUTCOME

Start with the quick wins, build on them and engage with more people across the organization:

- **Year 1**
Align marketing spend and pricing strategy.
- **Year 2**
Focus on marketing efficiency and trade promotion management.
- **Year 3**
Go for sales force improvement the moment you have the rest aligned.

GET STARTED NOW

Contact us to learn more or receive a demo of this solution

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