POI 2021 Enterprise Planning Vendor Panorama

PwC Strategy & Performance Analyzer
Vendor Profile: PwC’s network of firms has helped many of the world’s leading institutions solve some of their toughest problems and capture their greatest opportunities. Their Consumer Markets Team has been focused on helping clients build out and capture value from TPx and RGM initiatives for 3 decades. Across the globe they have well over 1,000 practitioners dedicated to this space and have led over 100 programs helping CPG firms of all sizes achieve their vision.

Geographic Presence: North America (80%), LatAm (5%), Europe (10%), Asia/Pacific/Africa (5%).

Total Consumer Goods Users (Seats): Approximately 400.

Tiers Represented: Tier 1 (60%), Tier 2 (20%), Tier 3 (20%).

Solution Offerings: TPM, TPO, ROI (TPx), & RGM.

Major Product Sub-Segments Not Covered: None.

Data Management: Performance Analyzer has been meticulously engineered specifically to integrate with complex global CPG systems landscapes (multiple ERPs, multiple TPMs, multiple sources of consumption) and to handle the complexities and often inaccuracies of RGM related data. They do the hard work of making sure data is accurate and therefore generates trustworthy insights. Through PwC’s Data Factory, Performance Analyzer clients have access to client configurable data transformation, cleansing, harmonization, enrichment, and modeling logic to produce a single, clean data model of their business. Once the data has been cleansed and harmonized, it is staged in the Market Model and is then ready for RGM and advanced analytics across the organization. This Market Model is available to clients to integrate with their data lakes which often significantly accelerates efforts related to analytics and RGM. This approach to Data Management can be procured as a one-time project or contracted through ongoing services. Additionally, throughout the TPx system, there are thoughtfully designed ways to help ensure data generated is clean from the beginning and to make harmonization and modeling more efficient.

Baseline Creation: Performance Analyzer offers multiple baseline estimation options ranging from externally sourced to generalized smoothing algorithms to sophisticated modeled baselines driven by Predictive Modeler. Clients can pick from one or more of these approaches to select the best fit approach given the specific nuances of each market, customer, and category. The baseline algorithm within Predictive Modeler relies on predictive analytics to determine the causes that contribute to all configured volume components including base, EDLP incremental, and promoted incremental volume. The model is used in conjunction with proprietary volume decomposition algorithms to eliminate inaccurate volume spikes.

Headquarter Capabilities: While there is currently no ability to set revenue or profit targets at a headquarters level, the system does have the capability to set and manage trade targets with allocations.

Marketing: Within Customer Business Planner, clients are able to incorporate marketing events directly into their sales plans. In addition to capturing marketing within the sales plans, through the M360 Application, there is access to high powered, advanced analytics specifically focused on optimizing full commercial spend (marketing, price, and promotion).

TPM: The Customer Business Planning module offers robust capability for managing trade. Clients have the ability to plan for different types of customers at different levels of granularity through tailored planning modes. This is managed through configuration and can vary across business units within the same instance. Clients have the ability to configure multiple base volume levers to enable more advanced base volume planning. The net funding position
provides users with real time visibility to viewing and managing their checkbook within or across plans. Performance Analyzer is built with the flexibility to reflect real-world relationships and the flow of goods across organizations. A distribution% measure is used to establish relationships between the CPG company and their distributors, wholesalers, and indirects, and quantify the level of interaction between organizations. Trade planning can be done both top down and bottom up. Promotion planning also provides the ability to define different planning templates dedicated for shipper/display forecasting and promotion planning to ensure the unique complexities of planning these items is appropriately handled. PwC understands that execution at the store level is critical for success. In order to achieve a successful planning to execution workflow, they work with clients to create a process and capability around auditing execution for the purpose of gaining actionable insights. Recently released is a dashboard specifically designed for Key Account Managers to use. This dashboard is very visual in nature, quickly drawing the eyes to performance using KPIs. While configurable, this dashboard has been developed for simplicity and ease of use. Also new this year are TPM operational reports. These reports were designed to give the user the capability to dig into the details with reports that are clean and very easy to read. Also configurable, the user can choose measures important to them and very easily create, save, and even share reports. POI likes the KPI bar that is standard across the top of each report, giving the user a quick recap with a glance. Performance Analyzer also has a powerful and flexible accruals engine, allowing for a customized experience. The platform has deductions capabilities, but for those companies already partnering with High Radius for auto clearing capabilities, PwC can further integrate the settlement process with this secondary platform.

**General Analytics:** Performance Analyzer is a robust solution that, in addition to the data management capabilities, includes modules for trade promotion management, marketing analytics, and RGM. The platform is modular such that clients license applications specific to their needs. It is also highly extensible and can serve as a major accelerator for clients looking to build or extend their existing data lake capabilities. Customer Business Planning module allows users to plan, execute, and analyze trade promotions. What-if capabilities enable analysis on the front end and strong post promotion reporting helps users to manage and improve trade promotions. The ability to choose the planning type allows for simpler, shipment-based planning for smaller accounts and more complex planning on accounts with more data points such as sell out data. This flexibility in planning helps users planning for wholesale/indirect customers to be effective without work-arounds. There are imbedded AI driven tags for promotions that help ensure data created within the solution is clean and enables robust post promotion evaluation. Performance Analyzer can also support E-commerce channels by setting up tactics specific to E-commerce activities both connected to an event as well as more general annual spending/margin management. In addition, Performance Analyzer can ingest daily level actual sales/volume data and use the information to actualize promotions and liability calculations.

**TPO:** Performance Analyzer boasts robust optimization capabilities. With strong baseline creation and the options offered for baseline selection, users can confidently plan based on consumption or shipments. Promotion optimization currently evaluates an individual promotion with the ability to compare promotions through side-by-side analysis. Users can export the results and leverage for presentation. Optimization performed within Demand Simulator is robust and constraint based. Output from constraint-based optimization is thorough and very well thought out. Measures can be easily configured.

**Analytics Modeling:** The Predictive Modeler uses proprietary models which are based on multivariant, multiplicative regression models; however, it also provides the flexibility for clients to configure and tune their own models. Multiple models can be run and the recommended option is shown with clear visibility to common goodness of fit measures. If the organization has developed their own internal models these can also be utilized with the Predictive Modeler.

**RGM Analytics:** Performance Analyzer’s suite of revenue management applications have been specifically designed for CPG companies and are highly configurable. The analytics suites are modularized such that the application can grow with an organization as capability matures.
The Demand Simulator module is powered by the Predictive Modeler and enables top-down simulations considering all RGM levers. It is very flexible and allows users to create scenarios at any level of the hierarchy. The primary user of these modules is designed to be RGM rather than a KAM. There are outputs to every scenario and we particularly like the “Due To” analysis, which is a waterfall of the impact of scenario. The Customer P&L module pulls from multiple systems to create a single version of truth for customer level P&Ls. The standard capability of rolling up and down through the hierarchy is here and we like the filter capabilities. The P&L not only shows from gross to net, but also brings in elements below net sales profitability. There is reporting to help make decisions around both strategic and tactical pricing, as well as assortment. Performance Analyzer has over 300 standard metrics that can be used in report configuration for clients. The data is rich for analytics.

**User Experience (UX):** Performance Analyzer is a compilation of Applications that sit on top of Performance Analyzer’s Core Platform: Demand Simulator, Predictive Modeler, Customer P&L, and Sales Planner are examples that make real-time analytics accessible from any device delivered through a modern HTML5 application. There is a very clean and simple UI that is modular in nature. Entry screens are simple to understand and navigation is easy with the menu ribbons shown. There is a lot of data displayed and some areas have charts and visualization. The platform now has standardized reports, and the PwC teams are working to increase visualization of data. This will be a great addition to the user experience. It also has a general utility that allows clients to utilize other reports that they have personally developed leveraging other modern BI tools (e.g., Tableau, PowerBI). There is reporting available to manage TPx and multiple aspects of RGM, including a cross channel price curve and the price ladders. The dashboards in the RGM and Marketing modules give the user the ability to drill down using filters and metrics and the ability to slice and dice each report is nice. Another feature we liked was the ability to embed the playbook into the tool. Overall, the modules are all very clean, intuitive, and simple to understand. The ability for clients to manage coefficients and accrual methods appears to be simple and adds a lot of flexibility.

**Foodservice:** Performance Analyzer has the building blocks that are needed to effectively plan a Foodservice business, however there is not currently a dedicated Food Service application. Performance Analyzer can enable Operator Business Plans and Distributor Business Plans with the following capabilities: Distributor/Operator volume planning and profitability analysis, Distributor & Operator incentive management, and management of deductions. Auto-matching of deductions can be enabled through integration with High Radius.

**IBP:** Performance Analyzer’s TPM module enables detailed sales volume forecasting at a PPG, week, and planning customer combination. The Data Factory provides configurable functionality to automatically convert any consumption-based plan volume to a shipment forecast for supply chain planning. This sales forecast can be integrated with the client’s dedicated IBP tool to serve as an input into the IBP process.

**Configuration/Customization:** The solution is customizable to meet specific needs of the client. The client is in control of the features and functions deployed within the solution. Upgrades are part of the agreement’s standard maintenance support. The solution has been designed to be highly configurable.

**Technology Architecture/Delivery Options:** On-premise, public and private cloud.

**Service Partners:** Performance Analyzer is implemented by PwC RGM practitioners from around the world. The application is supported by a dedicated product team inclusive of on-and off-shore support as well as PwC’s Managed Services organization.

**Technology Partners:** SAP and Tableau.

**Vendor Trend:** We see PwC investing in this solution as they develop it alongside and for clients. The management consulting team is a leader in the TPx and RGM space and they will continue to increase the platform’s sophistication to meet the needs of the CPG industry.
**Strengths:** The application incorporates PwC’s 30+ years of intellectual capital and leading practices developed working with industry leaders to drive value from TPM, Optimization, ROI, and RGM initiatives. The Data Factory and movement of data into the Market Model is strong. Also, the Marketing Module provides insight into marketing mix as well as full analysis around the best way to spend promotional and marketing dollars. Additionally, the way they handle Distributor/Indirect planning is robust. Their deep expertise in the CPG space and ability and willingness to invest in their products will allow them to be a leading player.

**Challenges:** Performance Analyzer is a robust TPx and RGM solution. Early in our evaluation period the POI team mentioned a few capabilities on the development roadmap such as TPM landing page – including target setting, dashboarding, and optimization visibility through side by side what-if comparisons that needed to be closed. Amazingly, not 8 weeks later PwC scheduled a secondary demo to demonstrate they fully closed these gaps. POI was impressed with PwC’s ability to respond quickly and deploy these capabilities, and in a robust manner.

**Adjacent Offerings:** Consulting, integrated software applications related to Analytics & AI transformation, Cloud transformation, Digital Operations, Finance transformation, Front office.

**Key Differentiators:** We see several key differentiators. First, the Data Factory and Market Model offerings for data cleansing and management are stellar. We also see the Marketing planning and analytics suite as exceptional. This allows Performance Analyzer to be an Omni-channel solution for Enterprise Planning capabilities. Strategy & Revenue Growth Management has a key differentiator as they build and embed the capability in the organization with the consulting services they offer, then come alongside and implement the technology to enable the practice. PwC offers very robust capabilities not just for TPx planning, but planning and optimization for the cross-functional enterprise.

**Outlook & Prognosis:** PwC has grown their internal teams and focused on building out and delivering core TPx requirements. They continue to refine the TPx and RGM suite offerings with the goal of delivering a flexible, yet robust offering for all CPG tiers. Performance Analyzer is a highly configurable solution for each client based on business needs, and yet, we do see them putting together a gold standard based on best practices, as evidenced with the integration with Tableau and the development of standard reports. As the industry continues to focus on TPx and Revenue Growth Management, we see Performance Analyzer developing into a “Holistic Enterprise” planning tool for enabling these capabilities.

**Evaluate PwC Performance Analyzer When:** You are looking for a holistic enterprise planning tool that has true end to end TPx and/or RGM capabilities. You desire TPx platform and implementation services delivered through one experienced vendor. You desire depth of reporting and the ability to create your own reports directly in the platform. Also, if your organization needs Data Cleansing and Management capabilities.

**Avoid PwC Performance Analyzer If:** You are a PwC Audit client and primarily looking for a TPM solution. Many of Performance Analyzer’s other RGM related capabilities can be activated for clients regardless of audit client status.

**Distinctions:** Financial Orientation & Simulation, Dash Board, Data Management, RGM
About the Authors

Pam Brown is POI’s Chief Commercial Officer. In this role she creates and executes POI strategy, advisory, and research. She elevates practices and CPG and Retailer relationships. Pam has 29 years in the CPG industry. She began her career executing at retail and, through promotions, advanced to leading retail execution & key account teams for Unilever. For Kayser-Roth she led all Sales and Broker teams west of the Mississippi. In her 13 years with Del Monte, she carried many roles. She was the Director of Sales Strategy and Operations, which included: Sales Systems and Reporting, Sales Operations, BI Analytics, Sales Training, and Sales Policy. Pam’s final role at Del Monte was the Director of IT Governance and PMO, which included planning and leading enterprise-wide technology engagements. Pam has current, extensive knowledge in TPM, TPO, ROI, Revenue Management, Advanced Analytics, Change Management, Sales and Sales Effectiveness, Demand Planning, Supply Chain, Organizational Effectiveness, and other relevant best practices areas. Over the years she has researched, designed, and deployed enterprise-wide solutions to meet business needs. She understands how to execute and gain user adoption of new systems for physical retail and E-commerce. She has advised solutions providers on enhancements to core capabilities and partnered with other CPG manufacturers to share, learn, and drive best practices in today’s challenging retail and consumer goods environment for mutual benefit.

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A special thank you to Sarah Meyer who is a POI Affiliate and supports POI Manufacturer Advisory with Pam Brown. She participated in the Enterprise Planning vendor process and helped to support the creation of the document you have enjoyed. An Affiliate for POI, Sarah works with companies to optimize profit through effective planning and specifically in TPM and TPO. Sarah has over 18 years of experience in the CPG and Food industry. She worked for 15 years with Rich Products Corporation, where she began her career in Finance and transitioned over to Sales to lead the trade management practice and TPM. She has led Sales Account Planning and business implementations of TPM process and technology. She has worked closely with Retailers to lead collaborative planning efforts and drive insights to change.
About the Promotion Optimization Institute

POI brings together manufacturers, retailers, solution providers, analysts, academics, and other industry leaders with the specific objective of collaboratively improving the promotion and distribution of consumer goods. Members of POI share cross-functional best practices in both structured and informal settings.

Additionally, members benefit through our industry alliances, the Certified Collaborative Marketer (CCM)™ program, and industry-leading summits around the globe.

POI aims to instill a financial and metrics-based discipline not typically found with other trade groups. The goal of our innovative approach is collaborative promotion optimization. The focus is on the customer/shopper through sales, marketing, and merchandising strategies.

Executive advisory boards keep us apprised of industry needs and help us provide desired outcomes for members, sponsors, and academia.

For more information: Visit

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