

# Promotion Planning Performance Blueprint

## Maximize marketing spend and vendor trade funds

Marketing and promotion costs can significantly impact a retailer's bottom line. To optimize promotional monies and drive profitable growth, chains need to be able to model options, evaluate promotion success, and effectively manage vendor trade funds.

But for most retailers, maximizing marketing spend is a challenge. According to the National Retail Federation, consumer product manufacturers spend 12 to 15 percent of revenue on store promotions. But they experience marginal success rates: effectiveness is between 50 to 60 percent.

To help retailers increase marketing effectiveness, IBM offers the *IBM Cognos® Promotion Planning Performance Blueprint*. It provides a complete performance management framework that enables chains to accurately plan, measure, and report on marketing and promotional activities. So they can drive higher returns and achieve competitive advantage while protecting margins.

### Promotion planning

With the *IBM Cognos Promotion Planning Performance Blueprint*, retailers have complete visibility into all promotional activities. Managers can plan promotion campaigns, model and evaluate promotion options based on costs or sales lift, monitor results, and analyze promotions for optimal return on marketing campaign investments.

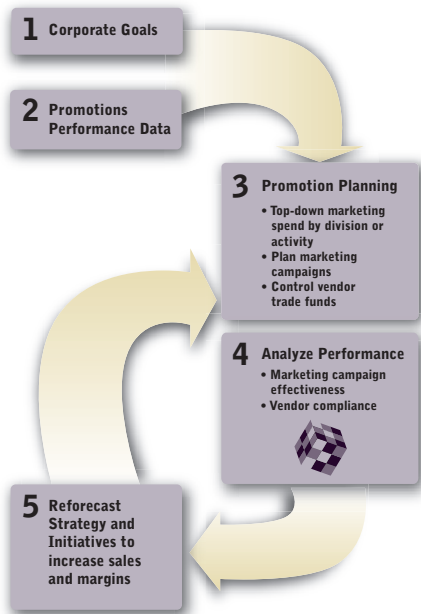
Going well beyond the capabilities of a spreadsheet-based system, the *Blueprint* offers simplified and streamlined planning, forecasting, analysis, and reporting functionality. It delivers an intuitive top-down and bottom-up planning and reporting environment.

- Allocate corporate marketing spend:
  - Utilize built-in calendaring and historical data to pre-populate plans.
  - Strategically apportion funds to divisions or channels, or by types of marketing activities such as circulars, TV, radio, or direct marketing.

- Model multiple scenarios to determine overall usage of marketing funds.

- Manage marketing campaigns:
  - Conduct what-if analysis and determine the optimal promotion mix for individual divisions or activities.
  - Define, plan, and model promotional campaigns including costs, margins, and expected sales lift.
  - Measure campaign costs, results, and effectiveness versus plans.
  - Analyze historical promotions and use results to drive future campaigns and optimal promotional mix.
- Manage vendor trade spend:
  - Forecast trade fund receivables by vendor.
  - Define, plan, and model vendor incentives such as trade fund receivables, types of promotional activities, margins, and expected sales lift.
  - Monitor vendor compliance for timeliness and completeness of remittances versus plans.
  - Measure campaign costs, results, and effectiveness versus plans.

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- Rapid re-forecasting capabilities empower chains to adjust promotional mix and campaigns on-the-fly based on performance and consumer responses to date.
- Fast consolidation reduces planning cycles and allows chains to react quickly to new vendor-sponsored opportunities, address market trends, and counter competitive actions.
- Embedded workflow functionality helps drive collaboration and accountability, while streamlining the approval and monitoring process.
- Compliance-monitoring capabilities improve control over trade funds and accelerate reimbursements due from vendors.

Other features:

- Visual dashboards and reports provide organization-wide visibility into promotional activities – committed, planned, and results.

## Built on IBM Cognos performance management

The *Blueprint* is comprised of IBM Cognos 8 Planning and IBM Cognos 8 BI.

*“In an industry where profit margins are key, retailers are always looking for ways to streamline their promotion processes to deliver consistent, targeted messages to their customers at the lowest possible cost and in the quickest timeframe. Sophisticated promotions planning solutions are becoming more prevalent in this industry, allowing retailers to spend more time strategizing and optimizing, and less time on administrative tasks like aggregating and validating their data.”*

– Cathy Hotka, SVP of Technology and Business Development, Retail Industry Leaders Association

Name	State	Ownership	Reviewer/Last Data Change
Corporate Promotions (All)			
Circulars	Work In Progress	Danielle Scahillin	7:04:40 AM - Tuesday, March 06, 2007
Advertising - Radio	Locked	Danielle Scahillin	7:03:26 AM - Tuesday, March 06, 2007
Advertising - Radio	Not Started	Danielle Scahillin	7:03:06 AM - Tuesday, March 06, 2007
Advertising - Print	Not Started	None	7:01:54 AM - Tuesday, March 06, 2007
Direct Mail	Not Started	None	7:01:34 AM - Tuesday, March 06, 2007
Customer-Specific	Not Started	None	7:00:24 AM - Tuesday, March 06, 2007
Special Events	Not Started	None	7:00:03 AM - Tuesday, March 06, 2007
Online	Not Started	None	6:57:21 AM - Tuesday, March 06, 2007
Other	Not Started	None	6:56:59 AM - Tuesday, March 06, 2007

Workflow information for Circulars:  
 Current state: Work In Progress.  
 The e-List item has been edited and saved but not submitted. More...  
 Time of last state change: 10:38:07 AM - Tuesday, August 01, 2006

Campaigns can be planned by division and/or campaign type.



## Promotion Planning Performance Blueprint

IBM Cognos 8 Planning is a Web-based, high-participation solution for modeling, planning, budgeting, and forecasting.

It lets management define the process, models, and content required, and then distribute pre-populated, Web-based templates to data contributors across departments. Contributors supply required information, with access to views that are specific to their job area. IBM Cognos 8 Planning helps retailers achieve consistent operating performance through highly collaborative, real-time planning.

By integrating with IBM Cognos 8 Business Intelligence capabilities, the *Blueprint* gives retailers the power to publish reports and conduct analyses based on critical information such as past period sales, expenses, budgets, and return on investment.

IBM Cognos 8 Planning collects more information from more people more often. Combined with IBM Cognos software, it gives managers more time for analysis and better-informed decision-making.

### More performance blueprints for retail

A wide range of additional performance blueprints are available to help retailers align strategy with execution and drive better performance:

- *IBM Cognos Store Operations (P&L) Performance Blueprint*. Provides integrated financial planning capabilities, allowing retailers to perform collaborative store-level revenue and expense planning. It ensures that individual store plans for sales, labor, controllable expenses, and initiatives are in line with corporate targets.
- *IBM Cognos Store Development Performance Blueprint*. Lets retailers understand what store development projects deliver the highest business benefits, best returns, and greatest support for corporate objectives. Chains can define initiatives for new stores, upgrades, or remodels; develop financial plans; apply initiatives to regions, stores, or groups of stores; and communicate initiatives to store managers.
- *IBM Cognos Financial Merchandise Planning Performance Blueprint*. Enables chains to improve top-down, bottom-up planning for merchandise sales, margin, gross profit, and stock by division, channel, department, or category. This helps retail managers and executives meet sales objectives and profitability goals.

These pre-built solutions provide integrated planning that links finance, operations, marketing, and merchandising to ensure all departments are working towards common business objectives and financial goals.

For more information, visit:

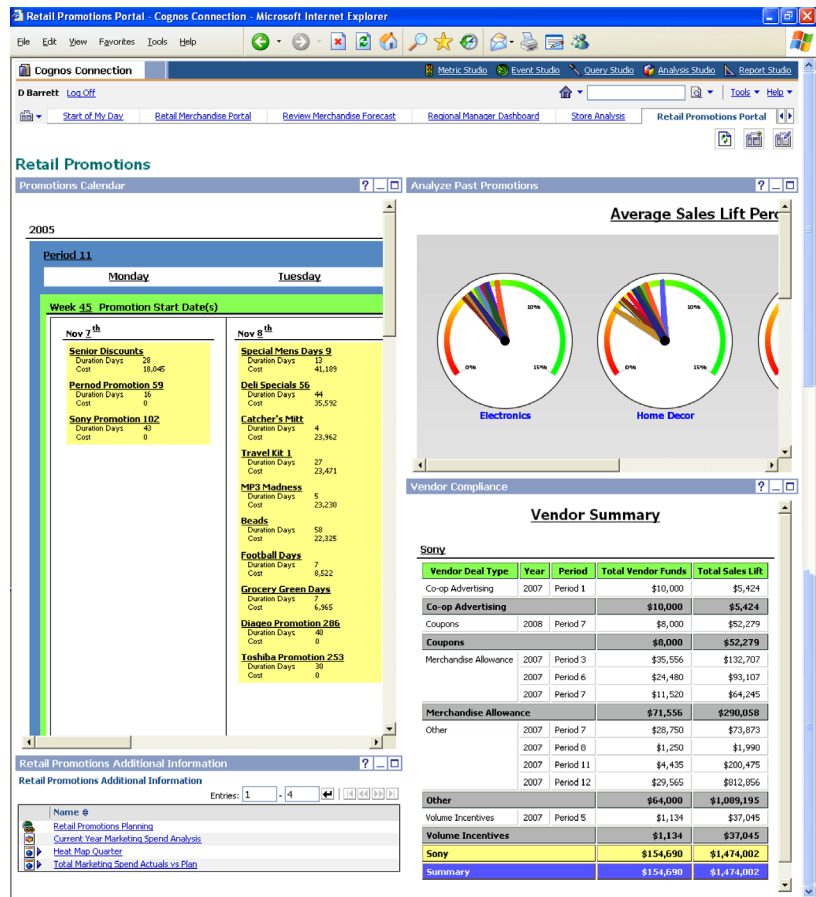
**[www.cognos.com/solutions/industry/retail/index.html](http://www.cognos.com/solutions/industry/retail/index.html)**

## Promotion Planning Performance Blueprint

### Drive performance through planning, analysis, and reporting

The *Blueprint* uses a sophisticated, bi-directional calculation engine for allocating marketing spend, planning costs, and sales lift, and evaluating the financial impact of promotional decisions.

It uses the Web to enhance data collection and performance measurement, and makes it easier to do what is most important – plan for higher return on both corporate and vendor investments in promotional activities. And the *Blueprint* provides access to powerful reporting and administration tools designed for all levels of users.



The Retail Promotions Portal provides an enterprise-wide view of marketing activities: promotions calendar, campaign effectiveness reports, and vendor compliance summary.



The IBM Cognos solution strategy links store and channels operations, marketing, and merchandising with finance and executive management so that all parts of the organization are working towards a single set of business goals and financial objectives.

### Planning prerequisites

**Scalability.** IBM Cognos Performance Blueprints fit retailers of any size or format. The Web-based design and attention to bandwidth economy make for an easy roll-out to marketers, merchants, and buyers throughout the enterprise.

**Flexibility.** A company shouldn't change its structure to fit an off-the-shelf system. IBM Cognos Performance Blueprints are flexible enough to fit any business. Companies of all sizes use IBM Cognos solutions for planning, reporting, analysis, scorecards, and dashboards.

**Compatibility.** IBM Cognos Performance Blueprints capitalize on existing technology investments and extend the value of in-place transactional systems. They also share information with other solutions, such as financials, and readily accommodate future growth.

**Web-based planning.** IBM Cognos 8 Planning helps companies model, plan, analyze, manage, and control retail resources efficiently and cost-effectively.

**Easy data access and manipulation.** The centralized database and powerful calculation engine is designed to support rigorous analysis, consolidating multiple data sources – including point-of-sale and financial data – into one environment and providing users with the information they need to optimize planning and operations.

**Powerful reporting and analysis.** IBM Cognos 8 Planning offers visibility into operations and development activities and seamless access to data from multiple sources, facilitating reporting, analysis, and scorecarding to monitor vendor compliance and financial performance, and to improve decision-making.

**High IT value.** At the back end, IBM Cognos 8 Planning uses common technology standards. At the front end, its network-friendly architecture minimizes network traffic, while its choice of Web or Microsoft® Excel® interface means easy deployment and maintenance with minimal end-user training.

### **About the IBM Cognos Innovation Center for Performance Management**

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos solutions customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

### **About IBM Cognos BI and Performance Management**

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: [www.ibm.com/cognos](http://www.ibm.com/cognos)

### **Request a call**

To request a call or to ask a question, go to [www.ibm.com/cognos/contactus](http://www.ibm.com/cognos/contactus). An IBM Cognos representative will respond to your enquiry within two business days.



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