

## Fox Collaborative Planning

**Trade Spend represents 15-30% of total revenue and is normally the second largest item after cogs. Managing this spend efficiently allows you to drive more profit that can deliver more promotional spend or be added to the bottom line.**

### TPM Simplified

The first step in improving your promotional return is to understand the historical effectiveness of your promotional programme. Is the discount level working, are the uplifts high enough or the margins too low, product mix wrong and site fees too high. Each of these, in its own way can have a dramatic effect on returns. Taking those learnings on board allows you set new goals for your teams on any or multiple measures.

The importance of tracking what's actually being spent vs the budget is just as important. Planning Trade Spend at brand and sku level helps you set a baseline expectation of returns on variable levels. But unless the targets have an element of accountability for the Account Managers responsible they will continue to overspend. Having the knowledge that overspends are easily tracked will be a healthy reminder to manage the money responsibly.

**'Failure is success if we learn from it' Malcolm Forbes c1917-90**

Learning from past promotions is critical to getting to a sustainable promotional strategy. Post analysis of promotions is essential not only to track the accuracy vs the original submission, but also to build a database of sales and profit uplifts by site used, discount given, site fees spent, alignment to ATL marketing activity etc. With those learnings visible whilst

planning the next promotional event you can choose the best mechanics, sites and marketing plan that deliver the best returns.

The promotional strategy has been refined, but there is a need to dig deeper to understand where those promotional sales are coming from. Are we stealing from our own brands, are consumers trading up or are they trading down from a higher price and de-valuing the category. A promotion may be successful on paper, but until it is viewed at a higher level there will never be a full understanding of whether it is still the right promotion to be running. Linking your promotional post analysis to category data from IRI or Nielsen will give you the 'big picture' of what your revised promotional strategy is really delivering.

How do our tools help?

- **Basic Planning** – Where you manage the spending within accounts at a total level. You can set budgets at brand and sku level for the various elements like space, retro etc. These then add up to show the overall margin for the promotional spend. The spend sits within the account P+L with all the elements visible.
- **Event Planning** – Where every promotion is managed on an individual event basis. As above this allows you to set the budgets at all levels with the major difference being that the accuracy of budget required will be higher due to all of the events being pre-evaluated prior to the budgets being agreed. With this pre-analysis work you have the ability to cherry pick the events that deliver the best overall plan for the account.
- **Event Analysis** – Uses the pre-analysis work and compares it to the real event sales to deliver the 'true' promotional effectiveness for the event. Taken a stage further it links to your IRI or Nielsen data to analyse halo effects and market share steal.

