

One-Time Costs**Estimate Rationale**

Implentation

Hardware and Software

Training for Project

Concept Analysis

Development

Test and Validation

Total Project Investment

No infrastructure and software cost because Kraft Heinz has invested in SAP HANA IN 2016.

2 weeks employees training to prepare for the project. We estimate the training cost by opportunity cost which is the sum of the product of number of team members in each expertise, time spent on training and their average hourly wages.

Based on average concept analysis and market survey costs

Total 20 weeks of model development according to the schedule. We estimate the development cost by opportunity cost which is the sum of the product of number of team members in each expertise, time spent on training and their average hourly wages.

Estimated 12% of the total project investment .

Recurring Costs

Cloud Storage Subscription

Cloud Computation Costs

Maintenance Costs

Data acquisition Costs

Total Operating Costs

Additional data storage requirement due to expanded data acquisitions. We estimate it to be \$5000/month for SAP HANA Cloud.

Additional query costs due to the implemented model. The cost is esimated to be \$400/month/server and we assume Kraft Heinz has five servers.

Annual maintanance costs for robust model is estimated to be \$200000.

Purchase of data from retailers and data brokers to support model analysis. The average cost for data is \$1300/TB and we assume that we need 10TB of data each year.

Project Benefits

Sales Benefits

Incremental Net Sales Stage 1

Incremental Net Sales Stage 2

Marketing Savings

Operation Optimization

Total Benefits

2% increase in U.S. net sales in Phase 1 and Phase 2 rollout. The U.S. market accounted for 71% of the total \$25 billion net sales in 2019.

2% increase in non-U.S. net sales in Phase 3 rollout. The non-U.S. market accounted for 29% of the total \$25billion net sales in 2019.

5% reduction in marketing costs. The marketing cost in 2019 was \$728 million.

1% saving in product innovation investment. Kraft Heinz are planning using \$2 billion savings in procurement for product investment for the next five years. We estimate the annual investment to be \$0.4 billion/year.