

SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Services
Trade Performance Management	Dairy Product Brand	Consolidated the trade agreements to help the Finance team track the trade expenses more efficiently and reconcile with the bills received from the retailers to ensure there is no trade spend leakage	

TRADE PERFORMANCE MANAGEMENT FOR A DAIRY PRODUCT FIRM

ABOUT THE CLIENT

Client is a large **dairy product brand** in the U.S. with a wide range of SKUs and categories

SITUATION



- The company faced issues related to reconciliation of the **accrued trade spend and actual trade spend**. The spend did not match every month and the process was very inefficient and consumed large number of resources.
- Merilytics partnered with the company to closely work with the Sales and Finance team to **build tools to reconcile accrued trade expenses with actual trade expenses** and highlight major discrepancies

VALUE ADDITION



- Created a **tool to reconcile the accrued trade expenses with actual trade expenses** at the most granular level (Customer-SKU-promotion event level)
- The tool **estimated accrued trade expense based on the trade agreement** (specific to each SKU-promotion and customer) **and actual volume sold** during promotion (scan data)
- Estimated **accrued trade expense is compared with actual trade expense** (based on trade bills received from customer) and any major deviations are highlighted

IMPACT



- Helped the company to automate and **efficiently manage the trade spend reconciliation**
- The company was also able to **track actual trade spend on a real-time basis** and map the bills received from customers to promotions, ensuring that there is **no leakage of trade spend**

TRADE PERFORMANCE MANAGEMENT

ILLUSTRATIVE

Customer	ALL
Product ID	Prod 1
Trade Spend Type	ALL

Drop-downs for customer, product and promo type selection

Accrued Trade Spend (estimated) and Actual Trade Spend (Trade bills)

Unique ID	Customer	Promo Event Code	Trade Spend type	Product identifier	Start week	End week	Accrued Trade	Actual Trade (Trade bills)	Additional P/L Impact
							\$165,166	\$172,979	\$7,813
Customer 1-Promo type-1-3-3	Customer 1	Promo type-1-3-3	Promo type-1	Prod 1	3	3	\$8,754	\$13,121	\$4,367
Customer 1-Promo type-2-9-11	Customer 1	Promo type-2-9-11	Promo type-2	Prod 1	9	11	\$20,542	\$17,200	-\$3,342
Customer 1-Promo type-3-20-23	Customer 1	Promo type-3-20-23	Promo type-3	Prod 1	20	23	\$20,131	\$18,873	-\$1,258
Customer 1-Promo type-1-33-39	Customer 1	Promo type-1-33-39	Promo type-1	Prod 1	33	39	\$12,082	\$18,962	\$6,880
Customer 2-Promo type-1-3-5	Customer 2	Promo type-1-3-5	Promo type-1	Prod 1	3	5	\$10,746	\$8,176	-\$2,570
Customer 2-Promo type-3-32-38	Customer 2	Promo type-3-32-38	Promo type-3	Prod 1	32	38	\$1,086	\$650	-\$436
Customer 3-Promo type-1-2-7	Customer 3	Promo type-1-2-7	Promo type-1	Prod 1	2	7	\$14,472	\$19,624	\$5,152
Customer 3-Promo type-2-10-16	Customer 3	Promo type-2-10-16	Promo type-2	Prod 1	10	16	\$18,146	\$24,251	\$6,105
Customer 3-Promo type-2-22-26	Customer 3	Promo type-2-22-26	Promo type-2	Prod 1	22	26	\$21,183	\$18,972	-\$2,211
Customer 4-Promo type-3-34-35	Customer 4	Promo type-3-34-35	Promo type-3	Prod 1	34	35	\$8,599	\$8,338	-\$261
Customer 4-Promo type-1-44-44	Customer 4	Promo type-1-44-44	Promo type-1	Prod 1	44	44	\$21,242	\$13,480	-\$7,762
Customer 5-Promo type-3-36-39	Customer 5	Promo type-3-36-39	Promo type-3	Prod 1	36	39	\$8,183	\$11,332	\$3,149

P&L Impact due to deviation

- **Company shared trade agreements with Merilytics** which includes information about Customer, trade spend type, SKUs on promotion, promotion period (start and end week) and trade billing terms with the customer
- **Accrued trade expense** on a SKU-promotion event is **estimated based on the trade billing terms** and volume sales during the promotion period
- **Trade bills received from the customer are mapped to individual SKU-promotion events** and **actual trade expense** incurred on a SKU-promotion event is determined
- **Accrued trade expense and actual trade expense are compared** at a Customer-SKU-promotion event level and any significant deviations are highlighted