

Oegema

# TRIANNUAL

SPRING 2017

THE IMPORTANCE  
OF **DIVERSITY**  
IN TECH

Why Perks  
**Don't Equal**  
Company  
Culture

The **Benefits**  
Of the Online  
Rebate

How I Figured Out  
What 360insights Does:  
The Sales Channel  
**Made Easy**



**360insights**



# How I Figured Out What 360insights Does: The Sales Channel Made Easy



What comes to mind when you hear ‘Sales Channel’? Do you imagine sitting in a dimly lit room late at night and turning the television on to reveal an infomercial with a young man grinning brightly? “Hi It’s Vince with Slap-Chop!



You’re gonna be in a great mood all day ‘cause you’re gonna be slappin’ your troubles away with the Slap-Chop!” All of a sudden across the screen flashes ‘First 100 callers get a free Sham-Wow!’ Desperate for this hot deal, you scramble to find your phone. Meanwhile in another city far away, Whitby, a 360insights employee answers: “I’m sorry, sir, you’re caller 101; you were too late.” You start crying. “It’s ok sir, I know what can make you feel better: a new Slap-Chop! You can chop away your worries.”

In this case, ‘Sales Channel’ does not refer to the shopping channel or to Vince and his fabulous slap-chop. In fact, it means something a lot more complicated. The ‘Sales Channel’ refers to the complicated process of how something gets from a manufacturer to your home.

You know; things like sell through allowance, co-op advertising? Oh wait, I’m getting a little too far ahead of myself. Let’s back things up a bit.

Imagine we have a man named Bob, and Bob owns an apple orchard. Bob sells his apples to a market in town that is owned by a man named Richard. Richard has three employees that work at the market named Lenny, Penny and Benny. However, Bob isn’t the only person who’s selling apples to



Richard’s market. If Bob wants Richard to keep buying his apples for the market, Bob has to make sure his apples are the ones being sold. Bob decides to offer an incentive to Lenny, Penny and Benny. For every apple they sell, he will give them \$0.50. This means that they are more likely to try to sell these apples to customers over other ones.

**THIS IS CALLED A SPIFF OR SALES INCENTIVE.**

A few months later, business is a little slow and people aren’t really buying apples anymore. Bob decides to run a ‘program’ with provisions that for everyone who buys an apple in the next month, they can mail in their proof of purchase and receive an incentive from Bob.

**THIS IS CALLED A REBATE.**

Due to Bob’s blooming business and success with his apple orchard, he decides to expand his orchard and start growing special super apples. These apples are organic and made from 50% apple and 50% love. Bob wants these apples to be considered ‘elite’ or ‘upmarket.’ He wants these special super apples to be sold for a certain price to preserve their prestige. (Similar to how a Ferrari is

considered to be ‘upmarket’ because it’s a limited, premium product and costs a hefty sum of money.)

Bob knows that Richard sometimes will sell his apples for a lower than usual price. Bob doesn’t want this to happen to his super special apples so he puts in place a UMRP (Unilateral Minimum Retail Price Policy) which means that if Richard sells the apples below a certain price, Bob won’t sell him anymore apples.

Things are all fine and dandy, people are buying many apples a day and keeping many doctors away. As mentioned before, Richard doesn’t only buy apples from Bob, Bob tries to keep favour with Richard by giving him a discount on his apples, however he receives this ‘discount’ or ‘money back’ only after he sells each apple. This is called a sell through allowance. It gives motivation for Richard to buy Bob’s apples and convince his employees to sell them.

The summer has passed and fall is coming up. This is the time when Bob truly shines; all of his apple trees are producing beautiful, ripe fruit and he has a lot of it. Luckily for him, fall is apple season. Bob knows that people will be making apple crisp, apple donuts, apple fritters, apple pies and he knows that each of those things require one key ingredient: apples. Bob happens to have apples and lots of them. Since at around this time of the year, Bob has a plentiful supply of apples, he decides to offer a discount to Richard. If Richard buys 1000 apples, Bob will give him 20% off. This is called a Volume Discount. Richard publishes a flyer each fall to advertise their fall-friendly foods, Bob tells Richard that if he publishes a giant advertisement about Bob’s apples on the front page of the flyer he will give him some money.

**THIS IS CALLED CO-OP ADVERTISING.**



So basically this whole sales channel thing is using money to convince and help people to buy and sell things.

*“Ok, so you guys have built a business on this whole...incentive thing. How is this helpful? Why is it valuable?”*

Alright, let’s examine this sentence again using money to convince people to buy and sell things. Notice that magical word that starts with an m and makes the world go round? Yes money.

Companies can spend hundreds of millions of dollars a year on incentives. Notice the other word that starts with a c? Wouldn’t it be nice to have an insight into whether or not your incentives actually worked?

The thing is with the sales channel, manufacturers don’t really know what happens to the product once it leaves their hands and ends up in someone’s (or your) home, especially if they are only selling to a distributor or network of distributors. They use these incentives in attempt to engage members of the sales channel into doing what they want; in this case, showing preference to their brand on the sales floor. However, whether or not they work...well that’s another question that, in many cases, nobody can truly answer. This sales channel pathway is a dark tunnel with many moving targets and you just kind of throw rocks at it and hope you hit something.

As we all know, scary and bad things can happen in dark places. There have been people who have taken advantage of this dark tunnel and committed rebate fraud. In some cases, they have cheated companies out of thousands (and even hundreds of thousands) of dollars.

So this is where 360insights comes in, we basically bring technology to a very outdated and old industry to shine a flashlight on this dark tunnel and make it not so scary anymore. So instead of throwing rocks at targets you can’t see and not knowing whether or not you’ve hit them or not, you can fire arrows at a target in clear sight and have much better aim.







# The Benefits Of the Online Rebate

It's a great day. The sun is shining, the birds are singing and you just bought a brand new Thingamajing 3000. You come home and eagerly rip it out of its packaging and then you notice a small slip of paper fall out of the box and onto the floor. You pick it up and peer at the small font and a striking message stands out

“Save \$50 on the Thingamajing 3000, after mail-in rebate.”

You jump for joy, there is so much you could do with \$50. That's when you notice the terms and conditions of the rebate:

“Simply send proof of purchase with a lock of your second cousin's nephew's son's hair, place in neon coloured

green envelope wrapped with a pink bow and thirty stamps, in which two of them are from Africa. Please seal the envelope using water found in the seventh ring of hell and please include the fingerprints of your great great grandparents.”

The reason for this is that, hopefully, the idea of the rebate will entice you to buy the product, but the difficulty of the rebate will persuade you to not actually follow through with it. What companies who offer these unduly complex rebate terms are hoping for is called “breakage” and “slippage” in program participation.

Faced with scaling the complicated wall built upon the classic mail-in rebate process, it is very easy to see why many rebates go unclaimed.

So, what is the benefit of modernizing the rebate and making it more accessible? Well, first of all, the people buying the product will be happier because they'll actually get the

rebate that might have played a part into their decision to buy the product. On the surface though, from the company's perspective: easier = more people doing it = company pays more money.

From a financial perspective, it's hard to see the benefit for the company offering rebates.

Let's start with the easiest aspect that comes to mind:



## CUSTOMER LOYALTY

It doesn't take a rocket scientist to deduce that when someone has a good experience, they're most likely to do it again. If you go out to a restaurant and the food is good, the service is great and you had an overall wonderful time, you're more likely to go again. On the other hand, if you go

somewhere and service is slow, the staff are rude and the meatloaf you ordered is actually the neighbour's cat. You're going to be more reluctant to go there again.

Positive experience often leads to positive association. Let's say I buy two very similar products from Company X and Company Y. Both offer me a \$100 rebate. Company X provides a very easy online process that I can just log in, upload my proof of purchase and get my money within 2 weeks. On the other hand Company Y offers the rebate through the mail-in method and the process is a lot more difficult. If I were to carry out both rebate processes I am more likely to associate positive feelings towards Company X due to their easy process. I'm more likely to associate feelings of frustration with Company Y. In the future, when I go out shopping and I see another product that's offered by Company Y and Company X, I would be more likely to buy the one offered by Company X because of my

previous positive experience. No one is going to be thinking, “Oh man, that really frustrating experience I had with Company Y just makes me want to go out and buy all their products!”

(For more on this idea, check out *Three Ways Mobile Is Changing Canadians' Expectations* by the people at Think With Google.)



## DATA COLLECTION / DATA INTEGRITY

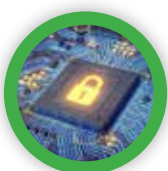
Second, and this is the piece that's arguably creating the most value for brands who have figured it out already: it's much easier to collect data from digital sources over paper sources.

As mentioned earlier, easier rebate process = more people doing it = company pays more money. That's true, but when more people are doing it, this means that there is more data on the people buying your products.

“I want less information on the people buying my products!”  
said no one ever.

Want to know if that ad you ran actually led to more people buying your product? Or if your efforts to persuade a certain age group to purchase something are working? With more data it's easier to answer these questions. The beautiful thing about having lots of data is the ability to see trends and see which tactics are working and which tactics are not. Sure, you might be spending more money on rebates, but you're also getting more data on the people buying your product.

It's also much faster and easier to process an online rebate over mail in rebate. This means that the cost per rebate processed goes down.

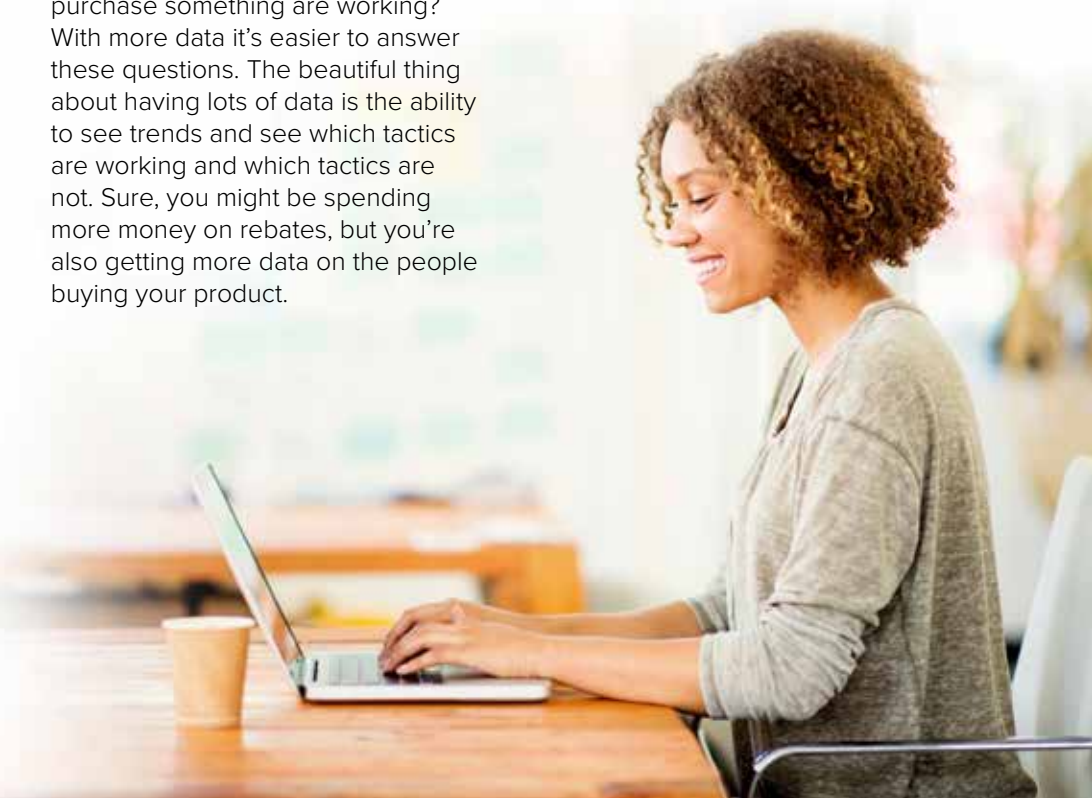


## REBATE FRAUD REDUCTION

Another wonderful thing about data and the digital age is it makes it a lot easier to validate things. It's a lot easier to sift through digital data than stacks of paper, and because of this it's a lot easier to detect fraud. This means that your company will actually be saving money, because you will only pay money out to people who actually bought your products as opposed to any random and sneaky folk.

There are a lot of benefits with creating an easier rebate process, increased customer loyalty, more data, faster fraud detection, and cheaper processing.

**Final thought:** it's hard to convince people that your brand is creating innovative products that are paving the way in the new age when you use an outdated system that screams otherwise.







# THE IMPORTANCE OF DIVERSITY IN TECH

The earliest airbags that graced the automobiles of the American auto-industry ended up contradicting their purpose of saving lives when they wound up killing many women and children. The reason? The all-male teams of engineers that worked on the devices had failed to account for the smaller frames of over half of the population.

It's apparent that problems can easily arise when something needs to be developed for an entire population, but only a small segment of that population is put in charge of addressing that issue.

Despite the fact that most university graduates are women, the tech industry is still statistically a primarily white and Asian male-dominated field. In the 1980's, it was estimated that women accounted for 37% of computer science. Since then the number has not gone up, in fact, it has dropped to 18%. Outside of universities, 26% of the computing industry is occupied by women and as you climb the corporate ladder, that number drops to 5%.

With an estimated 1.4 million jobs in computer science by the year 2020, it is alarming to note that only enough qualified graduates will exist to fill 29% of those, in which 3% of those will be women.



Earlier this month, 360insights placed eighth on the 'Best Places To Work for Women,' list, for the second year in a row. We also launched #WomenInTech, which recognizes a bunch of amazing women working in the tech industry. In fact, 360insights is a rarity in the tech industry, given that women account for 54% of the company.

In the world of gardening, a monoculture (one type of plant growing in an area), is more prone to pests and diseases than a polyculture (multiple types of plants growing in an area). In the gardening world there is strength in biodiversity; a diverse garden is stronger and the principle holds equally true for the tech industry.

It doesn't take a rocket scientist to figure out that when you have a more diverse team, you get more diverse ideas. It should come as no surprise that diverse companies perform better.

These aren't false claims either, a study conducted by the National Centre for Women And Information Technology (NCWIT) that analyzed 2,360 global companies found that those that had women on their executive boards performed significantly better than companies that had all male executive boards. In fact, companies that had a greater gender balance tended to perform better financially.

Another examination of 500 US businesses, found that teams that had more racial and gender diversity tended to have a higher sales revenue, more customers, greater market shares and profits than in less diverse companies.

In the tech industry, where innovation is the key to survival, diversity can play a vital role since there is more likely to be innovative change from diverse knowledge bases versus homogeneous ones. The easiest way to get a diverse knowledge base is by having a diverse group of people.

Just like it is in gardening: the richer the garden, the more you get you get out of it.



## Why Perks Don't Equal Company Culture

A common trend that I've seen in the tech industry is that the quality of company culture is often determined by how many employee perks are offered. A lot of job seekers will see bean-bag chairs, free food and a ping pong table and nod their heads and exclaim "Ah yes, this is a company I want to work for. Look at this great company culture." Likewise, companies will try to attract the best and brightest talent by investing their time and money into providing ridiculous perks for their employees such as free monster trucks or Friday helicopter rides. Perks nowadays range anywhere from free lunch to Google's private bus service for its employees. The common misconception is that if you spend the money on perks, the culture will follow, everyone will be happy and there will be sunshine, rainbows and free lunch.

Now don't get me wrong, perks can be used to enhance an already great culture, but there is no way that they can be used as replacement for culture. Perks may attract people, but culture is what keeps them.

Think of corporate culture as an apple tree. It is really easy to pick the apples. It's a lot harder to water the tree and take care of it. Perks are easy. You usually just spend some money and implementing them is usually the responsibility of a few people. Culture on the other hand, requires the effort of everyone in the company. Everyone has to contribute to watering the cultural apple tree.

Culture is the personality of the company; it defines the environment in which people work. It is what determines a worker's happiness and productivity.



It is more than a bunch of half-hearted 'values' scribbled on a wall somewhere. A great work culture can be painted as an inclusive environment, where individuals are appreciated for who they are, the talents that they bring to the table and are recognized for the impact they make. If someone goes into work everyday and genuinely enjoys being there and the people they work with, there is a really low possibility that the person will wake up one day and say

“

I need to leave the company I work at, because they don't offer free bicycle rides like they do at company X.

”

Likewise, apples don't taste as good if they are harvested from a rotting tree. If someone is surrounded by toxic people who are out to get them, no amount of reptiles in the office is going to convince that person to stay.

Just as you can't place a bowl of apples on a table and simply expect a full apple tree to just grow out of nowhere, you can't expect to grow culture from perks. However, you can plant an apple tree, and after some tender loving care, you can grow some apples from that tree. The perks that stem from the corporate culture tree should be a result of intention and care for the company's culture and a reflection of its values.



If you were to travel the world and notice the cultures present in many different countries and community they will all have one thing in common: their cultures were created by people, not perks.

Why should company culture be any different?







“Humans are allergic to change.  
They love to say, 'We've always done it this way.'  
I try to fight that.”

---

GRACE HOPPER

 **360insights**

Thank You!