

Top SKU Distribution



Agenda

- Executive Summary
- Problem Statement
- Solution Approach
 - Basic Analysis
 - Advanced Analysis
- Current Status: Basic Analysis
 - Prototype definition
 - Preliminary Findings
- Discuss Next Steps

Executive Summary

- Prove **business value of company data assets** through an advanced analytical approach
- Preliminary analysis of an area (Valle Zone) with **potential opportunity** – derived of increasing distribution and customer service level- **valued at \$ 13.2 MM pesos total year**
- **Scalable Analytical Model** to other BU or PMF products



Problem Statement

Basic question to be solved

How can we grow our salty sales volume, expanding our distribution to 100% and raising the service level for the top ten salty skus?

1. Perspective /Context

1. *Weekly volume declining / stagnating: 76 MM Weekly Salty DTS Units sales AVG last 3 years*
2. *Rack investment: +1 Million DTS Racks from 2009 to 2012*
3. *Routes: +1,456 DTS Routes from 2009 to 2012*
4. *Average distribution performance 85% last 3 years*
5. *Top products distribution performance expectation: 100%*
6. *Sales Projects investment over last 3 years (por validar monto)*

2. Stakeholders/ process

1. CEO
2. BU VP

3. Criteria for success

- *Analysis identify main reasons that explain 80%+ of the gap between actual vs. expected distribution performance*
- *Stakeholder buy-in*
- *Insights applicable to top 10 salty sku's initially*

4. Scope of solution space

Assessment focused on top ten salty DTS sku distribution and volume performance derived from sales and INASE raw data mining of last 3 years.

5. Barriers to impact

1. *Potential exposure due to functional efficiency opportunities*
2. *Current data aggregation levels might disturb analysis or hide opportunities*
3. *Unable to get support from functions to implement improvement initiatives*



Solution Approach

Current Step

Following Steps

Future (possible) steps



✓ Brainstorming

✓ **Hypothesis settlement**

✓ Identification of variables related to business challenge

✓ Identification of data sources

✓ San box enabled over a Sample of Information

✓ Preliminary analysis: Data Exploration – visualization

✓ **Preliminary findings**

✓ Integration of complementary variables

✓ **Deep dive analysis and diagnostic:**

→ Rigorous analysis of data to identify underlying patterns in the data

→ Develop of statistical / mathematical model

✓ **Refine analysis and findings:**

→ Field Observations

→ Operational Processes implied

✓ Processes analysis to determine opportunities

✓ Results Interpretation

✓ **Generation of Insight**

✓ **Generation of actionable Insight**

✓ **Improvement Plan**

Basic Analysis

(current step of initiative)

Prototype Building to explore sales information by product for main DTS customers to identify preliminary opportunities

Advanced Analysis

(Proposed next steps of initiative)

Complementary variables to build a Statistical & Mathematical model to identify drivers of sales volume and distribution to confirm opportunities

Basic Analysis: Preliminary Findings

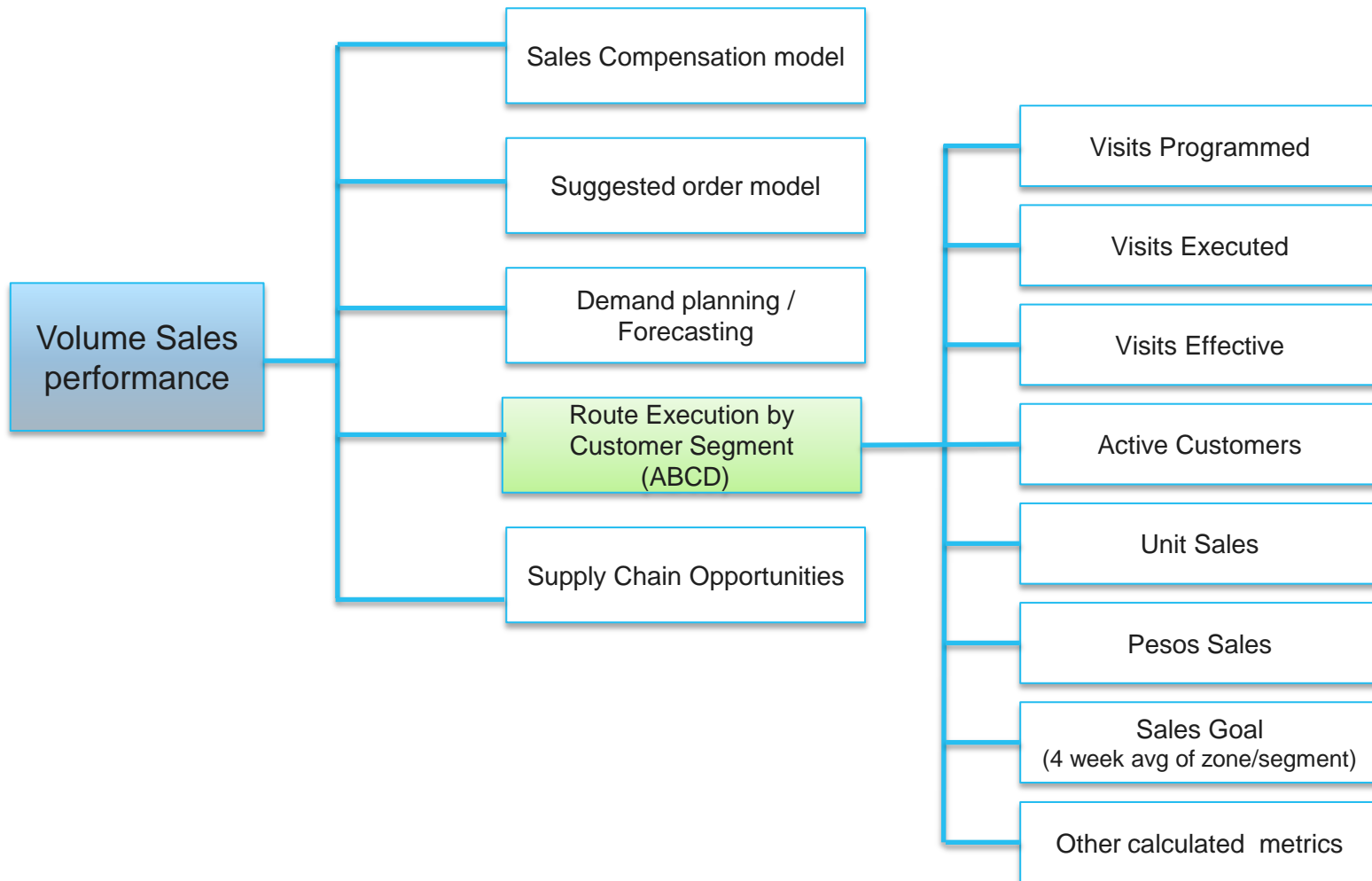
Based on prototype exploratory analysis we can summarize:

- 884 Active “A” Customers without Sale in 2013 B3 S4: potential sale estimated* in 14,511 SKU Units (equivalent to \$85.6 Mpesos)
- Potential Sale of Valle in 2013 B3 S4 (“A” customers below 4 week AVG): 44 M Units (equivalent to \$265 Mpesos)
- Annual Potential Sale of Valle (50 weeks): 2.2 MM Units (\$13.2 MM pesos)

Segment considered (data sample): “SKU Papa Sal Chico for A Customers of Valle in 2013 B3 S4”:

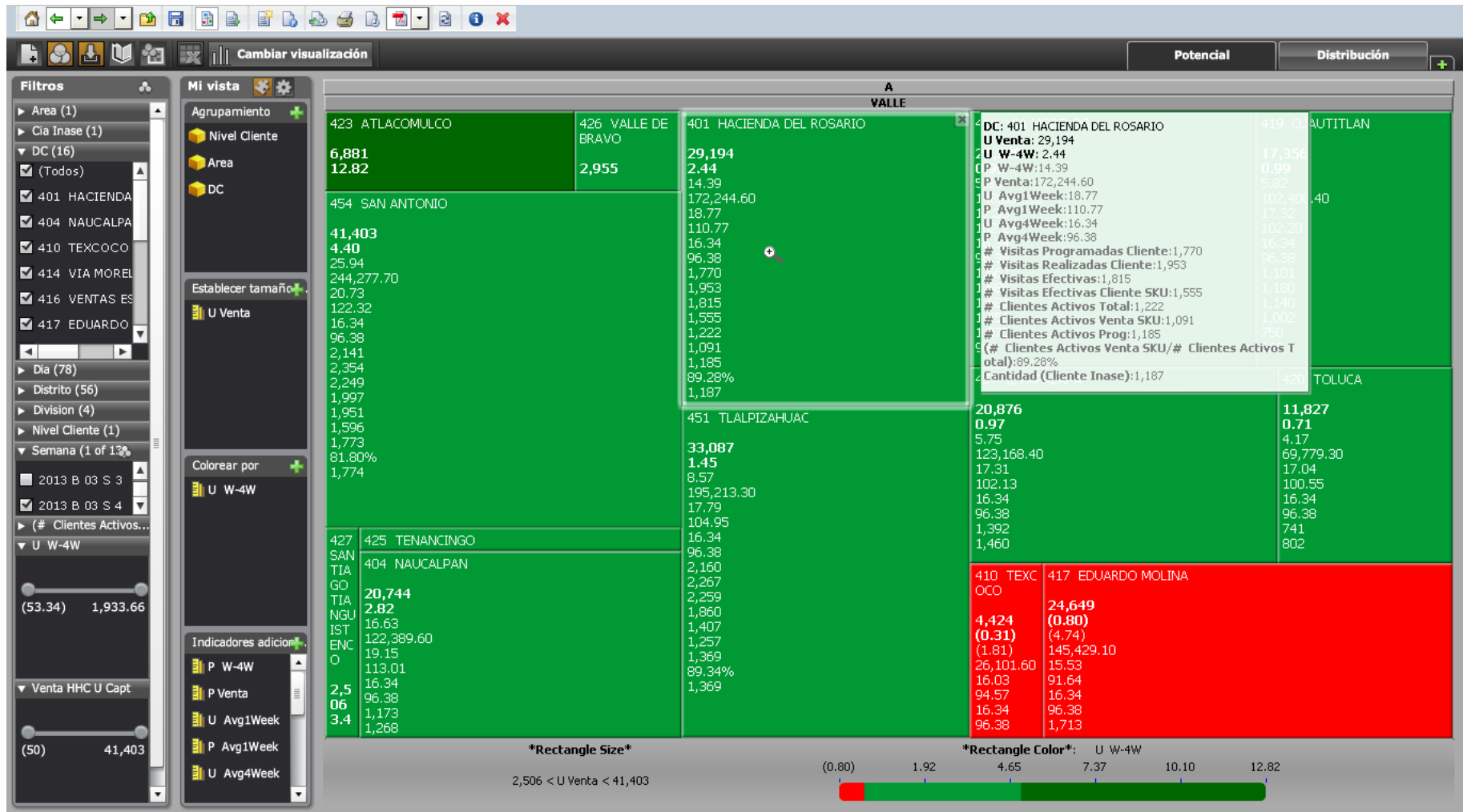
** Estimation formula= (Active Customers without Sale) * (4 Week AVG Visit Sale of A Customers in Valles)*

Exploratory Decision Tree

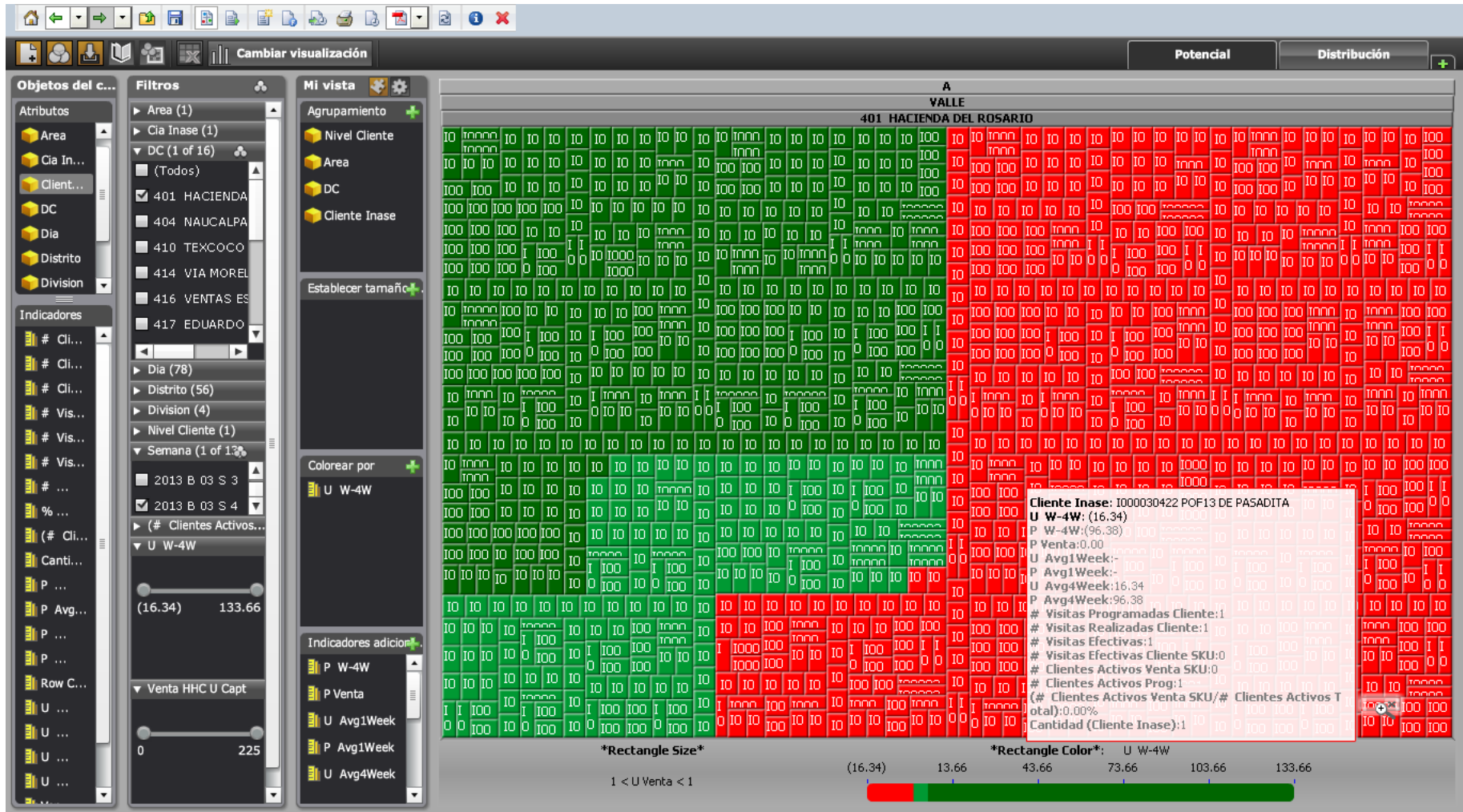


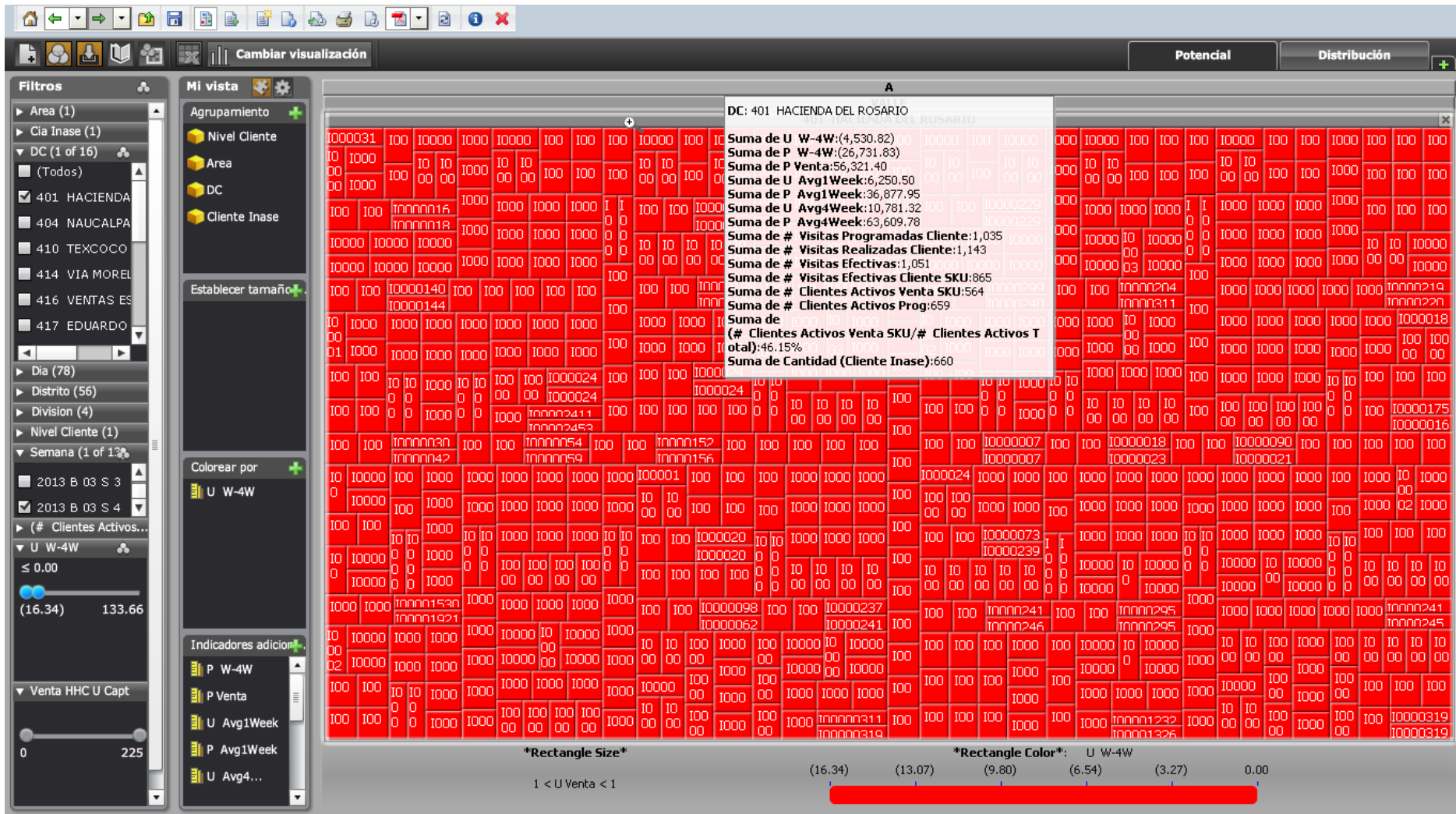
Prototype

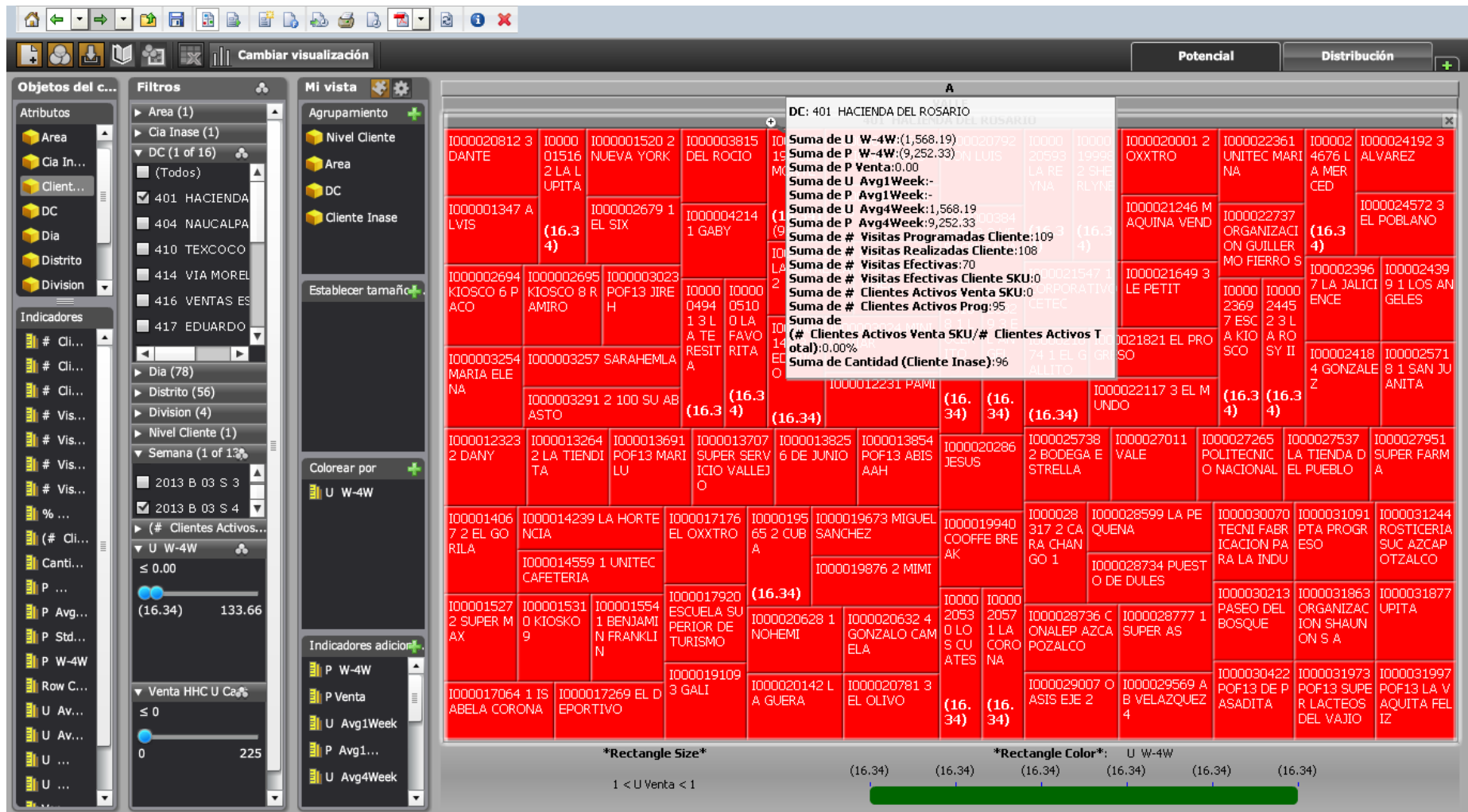
Demo

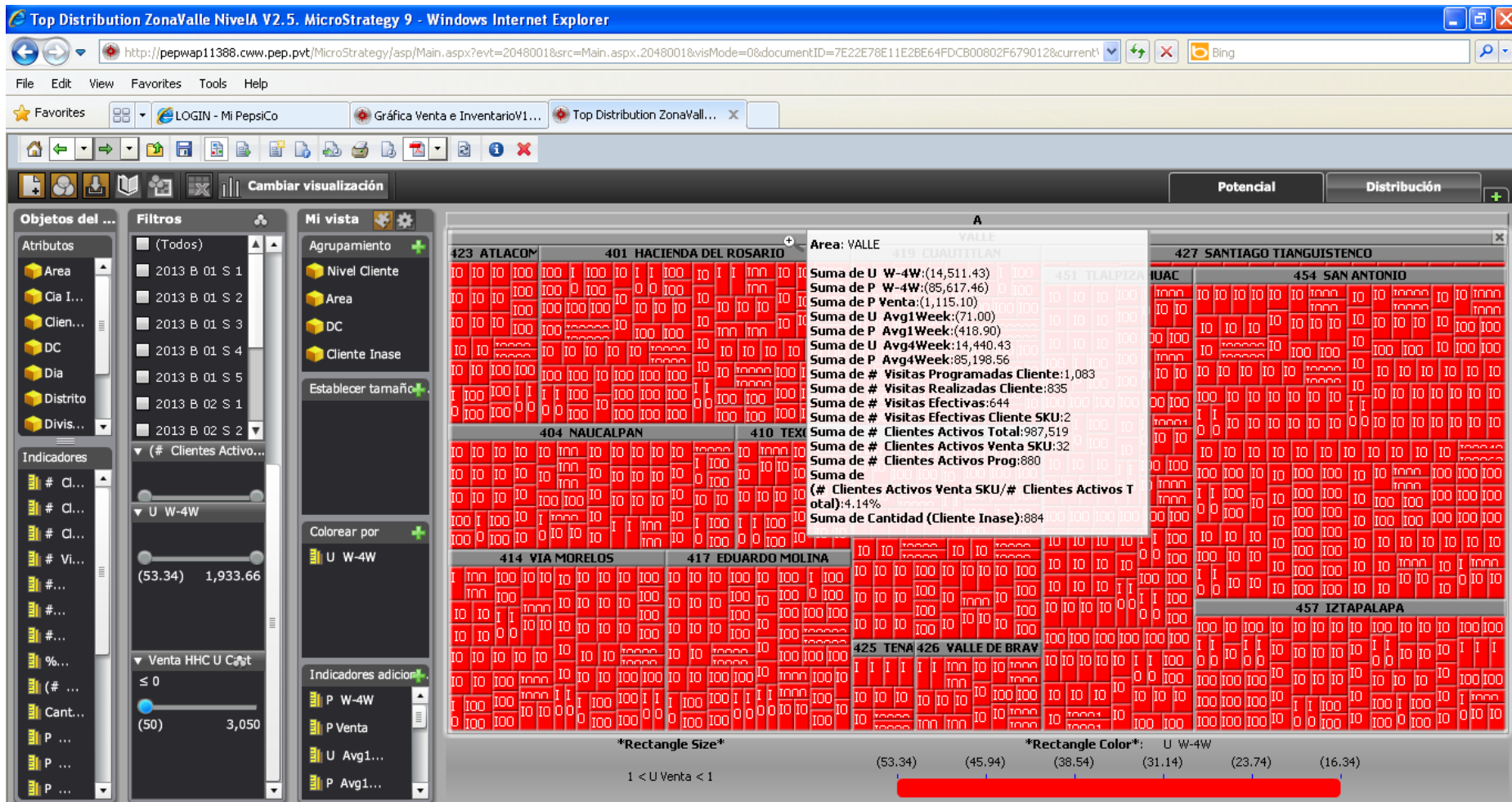


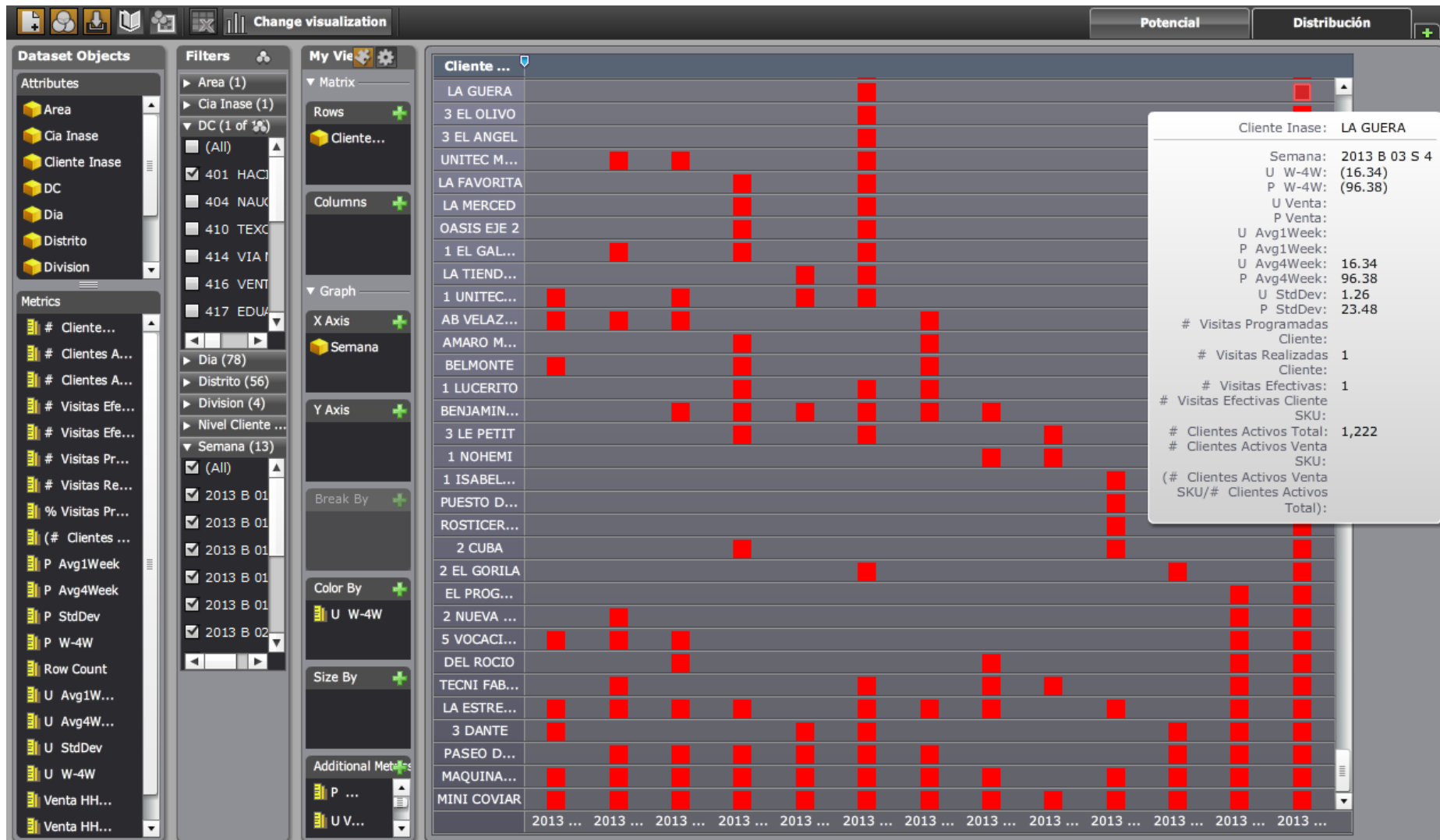
Demo

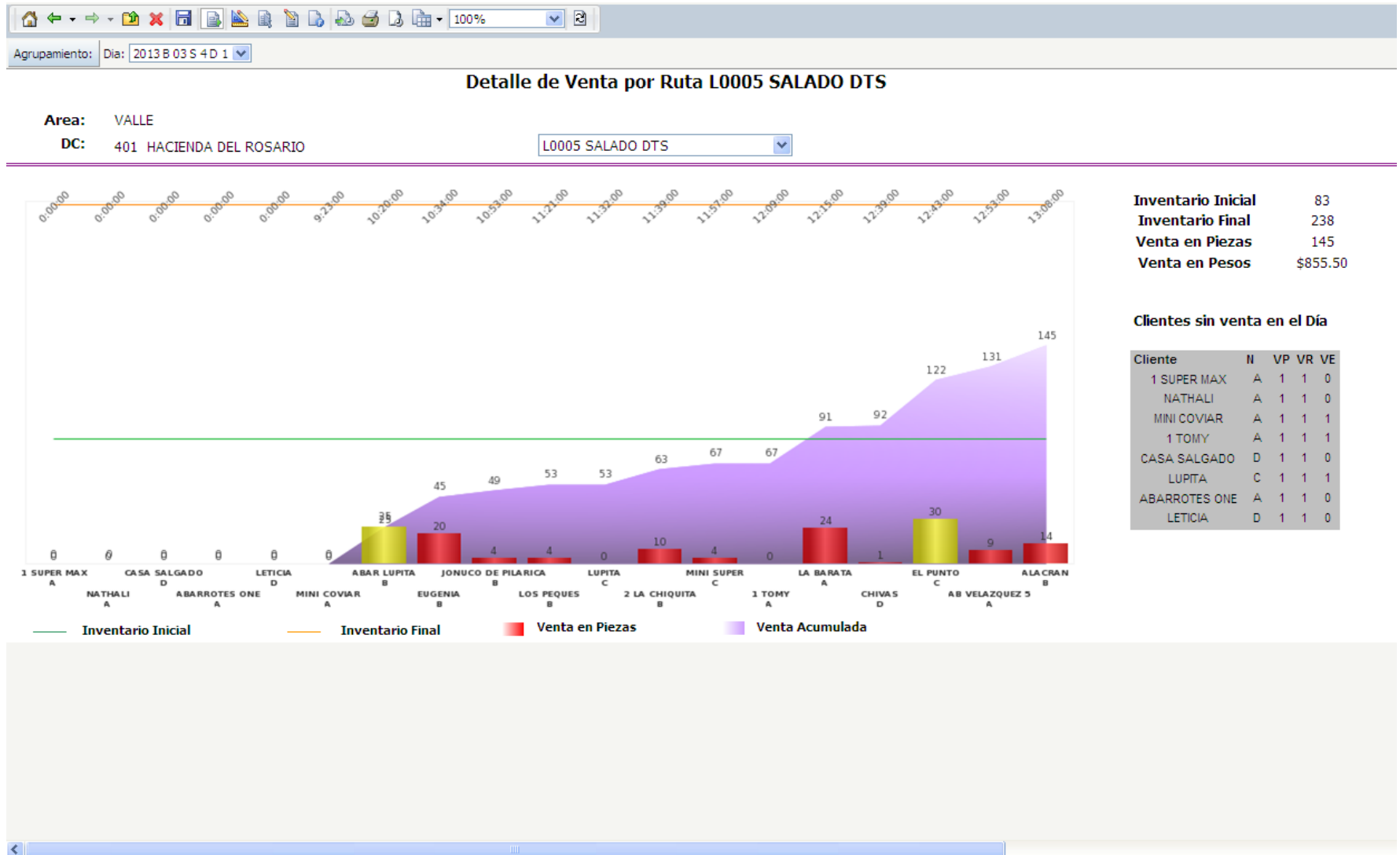








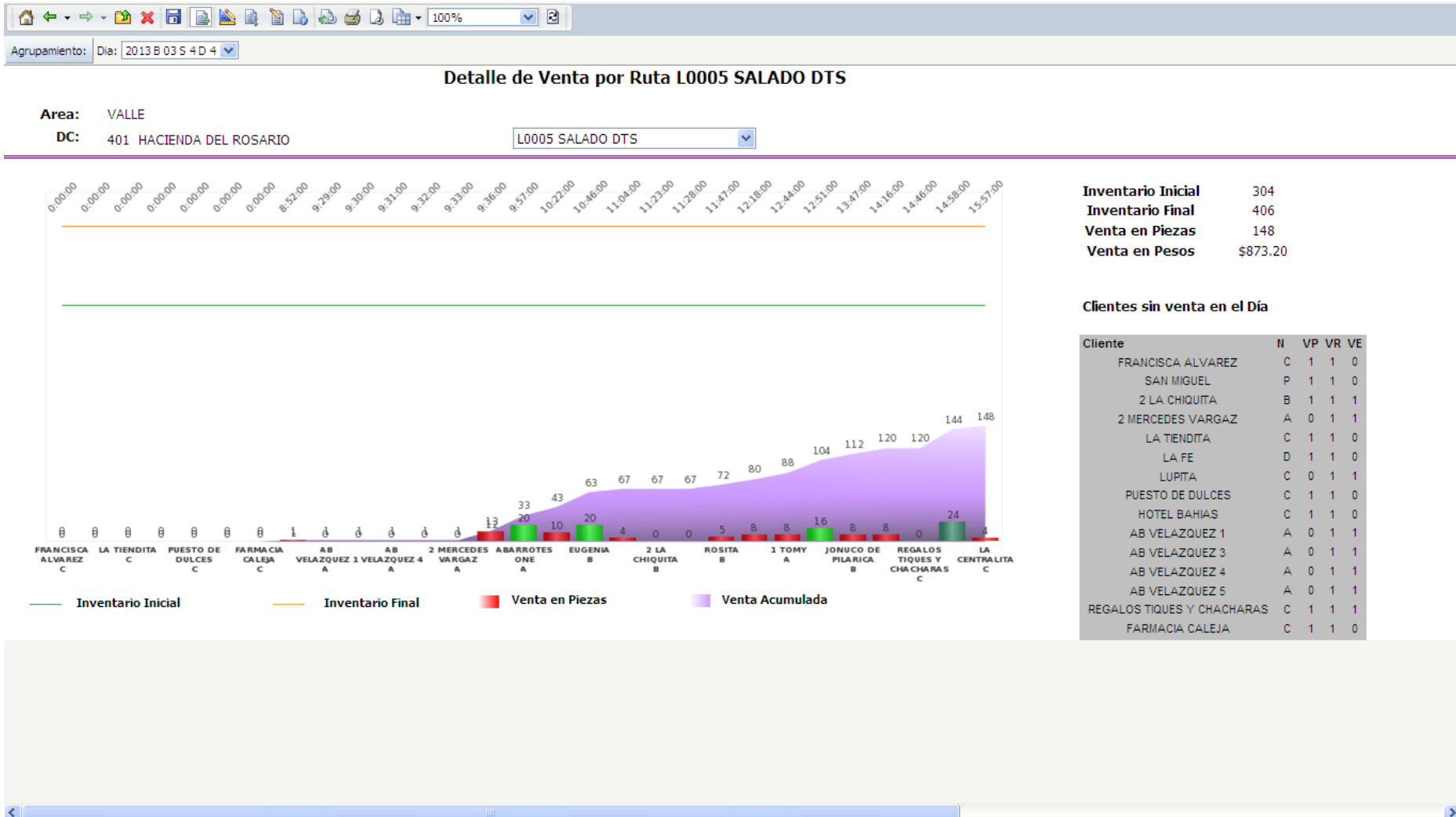




Inventario Inicial 83
Inventario Final 238
Venta en Piezas 145
Venta en Pesos \$855.50

Cientes sin venta en el Día

Cliente	II	VP	VR	VE
1 SUPER MAX	A	1	1	0
NATHALI	A	1	1	0
MINI COVIAR	A	1	1	1
1 TOMY	A	1	1	1
CASA SALGADO	D	1	1	0
LUPITA	C	1	1	1
ABARROTES ONE	A	1	1	0
LETICIA	D	1	1	0



Inventario Inicial 304
Inventario Final 406
Venta en Piezas 148
Venta en Pesos \$873.20

Cientes sin venta en el Dia

Cliente	N	VP	VR	VE
FRANCISCA ALVAREZ	C	1	1	0
SAN MIGUEL	P	1	1	0
2 LA CHIQUITA	B	1	1	1
2 MERCEDES VARGAZ	A	0	1	1
LA TIENDITA	C	1	1	0
LA FE	D	1	1	0
LUPITA	C	0	1	1
PUESTO DE DULCES	C	1	1	0
HOTEL BAHIAS	C	1	1	0
AB VELAZQUEZ 1	A	0	1	1
AB VELAZQUEZ 3	A	0	1	1
AB VELAZQUEZ 4	A	0	1	1
AB VELAZQUEZ 5	A	0	1	1
REGALOS TIQUES Y CHACHARAS	C	1	1	1
FARMACIA CALEJA	C	1	1	0

Distribution Backup Slides

¿Que es la Distribución?

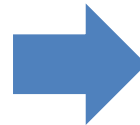
La distribución en Pepsico “consiste en hacer llegar físicamente el producto al cliente y este debe estar a disposición del potencial comprador en el momento y en el lugar indicado”

¿Como medimos la distribución en PepsiCo?

“El Calculo de Distribución Vertical, se basa en el numero de clientes con venta del o los productos que se quieren medir. Y depende de la cía son las semanas que toma para medir esta.”. “En PepsiCo se crearon agrupadores para **facilitar** y **ahorrar tiempo** para el calculo de la distribución, y **contar con la informacion oportuna** para la toma de decisiones”

1.- Seleccionas producto(s)

Agrupadores
SABRITAS SAL
PIRUETAS
PELON PELO RICO
BARRA DE FRUTAS



2.- Seleccionas cía

Compañías	Semanas
Sabritas	4
Alegro	6
Gamesa	4
Quaker – Foods	4



Formula
$\frac{\text{No Clientes con Distribución Producto - Conteo}}{\text{No Clientes}} = \% \text{ dist producto cte}$



Distribución
TOP 1
TOP 2
INNOVACION

3.- prioridad de distribución



Distribución Vertical en PepsiCo

Ejemplo..

Cliente Inase		B 05 S 4	B 06 S 1	B 06 S 2	B 06 S 3	B 06 S 4	B 07 S 1	B 07 S 2	B 07 S 3		No de Clientes con Distribucion Vertical							
Cliente Inase		Venta HHC \$ Capt									Sem_1	Sem_2	Sem_3	Sem_4	Sem_5	Sem_6	Sem_7	Sem_8
I000000007	COLEGIO CRI CRI		3.8								0	1	1	1	1	1	1	1
I000000014	TERE 1					32	3.8		24		0	0	0	0	1	1	1	1
I000000025	LA VILLITA			3.8				3.8			0	0	1	1	1	1	1	1
I000000026	EVA MARTINEZ	9.4		48					3.8		1	1	1	1	1	1	0	1
											1	2	3	3	4	4	3	4
										No Clientes	4	4	4	4	4	4	4	4
										% Distribucion	25%	50%	75%	75%	100%	100%	75%	100%

Clientes
con
venta

Venta
por
semana

Total de
clientes

Tuvieron venta en
ultimas 4 semanas?? 1
si / 0 no
=IF((C7>0,D7>0,E7>0,F7>0),1,0)

Para medir la distribucion vertical es necesario tener la base de venta por nip, y calcula si tuvo venta o no en las ultimas 4 o 6 semanas. Al final sum todos los clientes con venta del producto y lo divide entre el total de clientes

$$\frac{\text{No Clientes con Distribución Producto - Conteo}}{\text{No Clientes}} = \frac{\% \text{ dist producto}}{\text{cte}}$$