

Solution Brief

SAP Customer Relationship Management

TRADE PROMOTION MANAGEMENT

BOOST BRAND PRESENCE AND PROFITABILITY WITH SAP® TRADE PROMOTION MANAGEMENT

The SAP® Trade Promotion Management application helps you control your entire trade promotion process. This integrated application can help you plan and improve the effectiveness of your promotions, optimize profits, enhance appreciation for your brand, and make better funds and trade decisions.

In today's fragmented and complex market, savvy consumers who know what they want are forcing manufacturers to expand their brand and product offerings. To remain competitive, trade marketers must devise creative plans and strategies to manage trade promotions and spending. However, managing trade promotions presents challenges, including the need to gain insight into high volumes of transactions across multiple categories. Promotional spending consumes the bulk of budgets, even though managers have limited visibility into how promotion-related activities affect profits. Trade managers struggle to gather historical and other data that could help them adjust strategies and plans.

Adding to the challenge are disjointed sales, marketing, and financial processes that can result in inaccurate and inconsistent data. Effective trade promotions require fact-based planning and timely performance tracking, but incomplete views of customers, products, and profitability limit your ability to optimize them. Coordination of trade and consumer marketing activities is critical to maximize their impact, increase brand recognition, and generate sales. To be successful, you must manage trade funds, account planning, sales execution, trade claims, and other interconnected processes.

The SAP® Trade Promotion Management application helps you handle your trade promotion operations more efficiently by providing increased visibility into all related processes. Integrated

with your back-end systems, the application provides accurate accounting of trade and financial results so you gain insights that help you optimize trade activities and boost brand awareness and profits.

The application helps your executives and managers gather data during promotions so they can monitor compliance with brand strategy. They can capture data in real time and link it with enterprise data to assess promotion profitability, make fact-based decisions, refine strategy, and plan new events. Integrated trade promotions and analytics facilitate a complete view of promotions and their impact on profits. Accurate forecasting and planning help you optimize funds, while timely access to correct demand-planning data can limit inventory stock-outs.

Maximize Trade Strategies with Integrated Processes

SAP Trade Promotion Management helps you develop strategies and plans for trade promotions. The application provides executives with visibility into consumer marketing plans, which facilitates their ability to collaborate. Visibility also enables sales executives to plan overall sales goals. Integration with the SAP ERP Financials solution provides real-time expense data for accurate costs forecasting and promotion planning.

Trade funds management functionality helps account managers use trade dollars to drive volume and profitability,



ensuring budget compliance. This functionality enables you to pay only for promotions that meet expected performance criteria. You can systematically track and account for all costs related to trade activities, which facilitates compliance with Financial Accounting Standards Board accounting principles and government regulations such as the Sarbanes-Oxley Act.

You can simplify the annual operating-planning process, integrate marketing plans with sales execution, and improve visibility into your trade-spending process. The use of actual sales data from past promotions helps you plan and forecast future promotions. Access to downstream data and the integration of sales volume with demand-planning operations can increase your planning and forecasting accuracy. Analytical functionality helps you assess and optimize the effectiveness of trade funds and activities so you can increase your brand presence and maximize profits.

Manage Trade Funds

Support for top-down, bottom-up, and middle-out budget planning helps you optimize the fund-allocation process. Complete financial accrual management functionality enables you to determine all financial liabilities, and a single funds repository provides a complete view of all financial transactions.

You can attain visibility into trade funds, achieve accurate accounting of costs and expenses, and assign funds to promotional activities. Integrated trade funds and promotions processes im-

prove your ability to track promotion allotments, while a fund checkbook can help you summarize the status of all debits and credits and provide an overall financial report. You can centrally manage a fund's planned and actual expenses as you manage and distribute marketing funds more effectively.

Optimize Account Planning

You can develop account and category plans that align with corporate marketing goals to maximize the overall business impact. The application helps you foster consensus among constituents for planning activities, employ baseline data for designing plans, and track multiple versions of promotions. Planning and forecasting functionality helps you estimate sales volumes and promotional expenses, including payments to retailers for their performance. After determining your plans, you can communicate strategy and direction to field sales representatives and generate account and promotional plans.

You can define plans at several levels, including those involving accounts, categories, and products. Functionality helps you design, simulate, and forecast plans based on historical promotional data, planned pricing, discounts, promotion types, and other information. You can generate account-specific promotion planning from templates and use a calendar view to schedule all trade promotions for specific time frames. The application helps you align your sales force and brand strategies to ensure consistent and optimal approaches to trade activities.



With more accurate accounting of trade and financial results, you gain key business insights to help you optimize trade activities and boost brand awareness and profits.

Boost Sales Execution

Help your field sales representatives with sell-in efforts by supplying them with the results of retailers' past promotions and insights into planned promotional activities. The application helps sales reps design proposals and calendars, generate deal sheets

and accurate invoices, transmit deal-related orders from their mobile devices, and capture proof of execution.

In addition, sales reps can capture all orders and requests and ensure the information is fed into the demand planning application. With access to administrative tools, sales reps can manage accounts efficiently and monitor all promotional activities, such as appointments and retail visits.

Manage Trade Claims

The application enhances your ability to manage and process trade claims and handle disputes according to contracts. You can quickly validate, process, and post deductions and invoice claims, as well as identify and challenge invalid ones. A claims repository helps you centrally manage invoicing, deductions, and scheduled-payments processes, and you can control deductions-related processes, including chargebacks and write-offs.

Measure Performance

Comprehensive analytical functionality helps you gain insights that drive business decisions. Real-time analyses of trade activities help you identify the most successful and effective promotions, brands, and products so you can adjust current promotions and fine-tune follow-up activities. Predefined reports help you meet specific operational and performance-measurement goals. Data about current and previous trade promotions helps you gain insight into promotional effectiveness, plan for future activities, and compare promotions with sales goals.

The SAP® Trade Promotion Management application helps you handle your trade promotion operations more efficiently by providing increased visibility into all related processes and integration with your back-office applications.

Integration of claims-related data with SAP ERP Financials enables you to evaluate historical claim validity, plan future promotions, and assess each promotion's costs and profits. Powered by the SAP NetWeaver® technology platform, SAP Trade Promotion Management enables the integration of market information and other third-party data to help you determine the impact of each promotion.

Make the Most of Your Promotional Dollars

SAP Trade Promotion Management delivers the following significant advantages, which can help you plan promotions, maximize their profitability, and increase brand appreciation:

- Optimally allocate trade funds to the most effective and profitable activities; monitor and control all trade funds planning activities with detailed data and tight integration of trade funds, account planning, trade promotion planning, and trade claims management
- Centrally manage trade plans by aligning sales promotions with advertising plans and media buying in an integrated marketing calendar, thereby maximizing consumer purchases

- Close the loop on payments and deductions with a clear understanding of profitability by assigning discounts, deductions, rebates, and marketing costs to promotions
- Improve planning and forecasting accuracy with analytical functionality that helps you maintain adequate stocks during promotions and reduce stock-outs to meet sales targets

Summary

With integrated and comprehensive functionality, the SAP® Trade Promotion Management application helps you handle your entire trade promotion operation. Visibility into trade promotion processes enhances your ability to manage all trade activities so you can boost brand presence and improve profits.

Challenges

- Satisfy demanding consumers and retailers
- Deal with proliferation of brands and products, forcing trade and brand managers to manage trade funds and activities in a complex, fragmented market
- Improve visibility into trade promotions' performance and overall profitability
- Avoid disconnected process, which lead to incomplete and inconsistent trade promotion data and limited ability to make the best decisions

Supported Business Processes and Software Functions

- **Trade funds management** – Perform top-down, bottom-up, and middle-out budget planning; conduct trade funds planning and forecasting; and access performance data
- **Account planning** – Align account and category plans with marketing goals to maximize impact
- **Sales execution management** – Create proposals, generate deal sheets and invoices, transmit orders into demand planning, and capture proof of execution
- **Trade claims management** – Pay for promotions that meet expected performance criteria; manage deductions (including chargebacks) through centralized claims repository and integration with trade funds functionality
- **Measurement and analysis** – Identify successful promotions and determine spending and profitability for each promotion by integrating funds and claims functionality with back-end software and third-party data

Business Benefits

- Enterprise-wide integration of trade promotions processes and data
- Streamlined management of trade funds allocation
- Improved handling of all trade activities
- Centralized management of payments and deductions
- Enhanced planning and forecasting accuracy

For More Information

To learn more about how SAP Trade Promotion Management can help your organization, call your SAP representative today or visit us on the Web at www.sap.com/crm.

50 087 268 (07/11) Printed in USA.
©2007 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, Business ByDesign, ByDesign, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.