

A Global CPG Manufacturer Transforms Revenue Growth Management In Europe

Client's Journey with Fractal

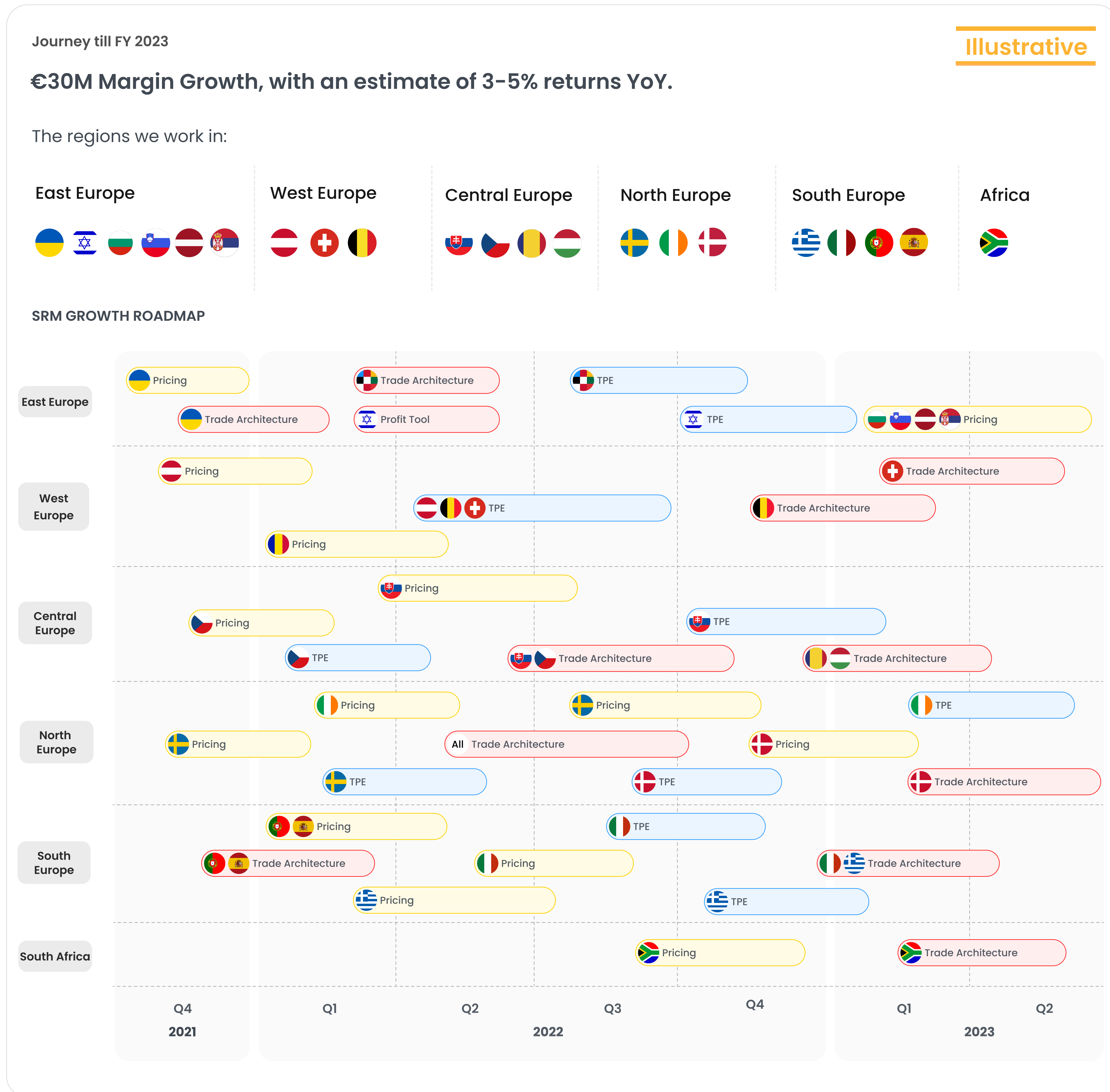
The company has 25+ Tier 2 markets in Europe – with limitations in data & analytics maturity, few RGM experts, and limited budgets. Most Revenue Management decision making was based on individual expertise & experience, and thus required a people intensive approach, rather than a data & technology augmented one.

We traversed a way forward by:

Understanding current pricing market landscape with a view of the entire category

Estimating price and promotion elasticities and tapping into the potential of optimizing prices

Enabling long-term capability which is integrated into the ways of working for each market team



Fractal's Approach

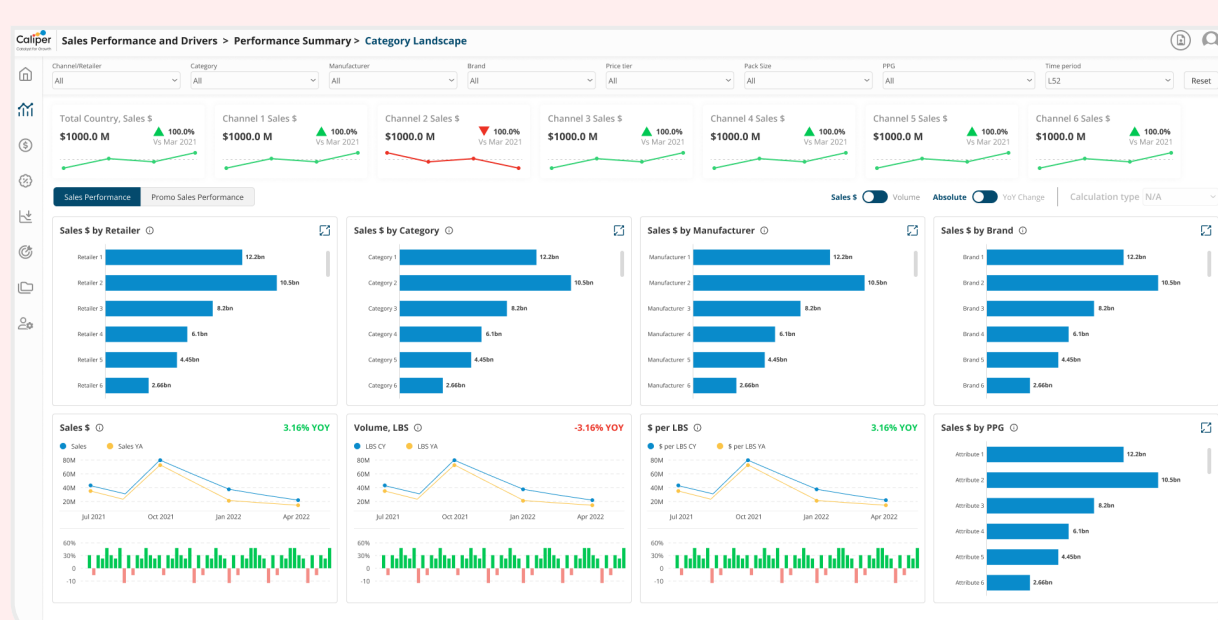
We used a design led approach to identify key business priorities for every market, conduct detailed data maturity assessment, define market archetypes to build contextualized yet scalable capabilities. In addition, extensive consulting & training was provided for every market to raise their analytics maturity and drive adoption & aid execution of decisions.

The decision making platform allowed users to do the below:

Diagnostics

Developing Hypotheses

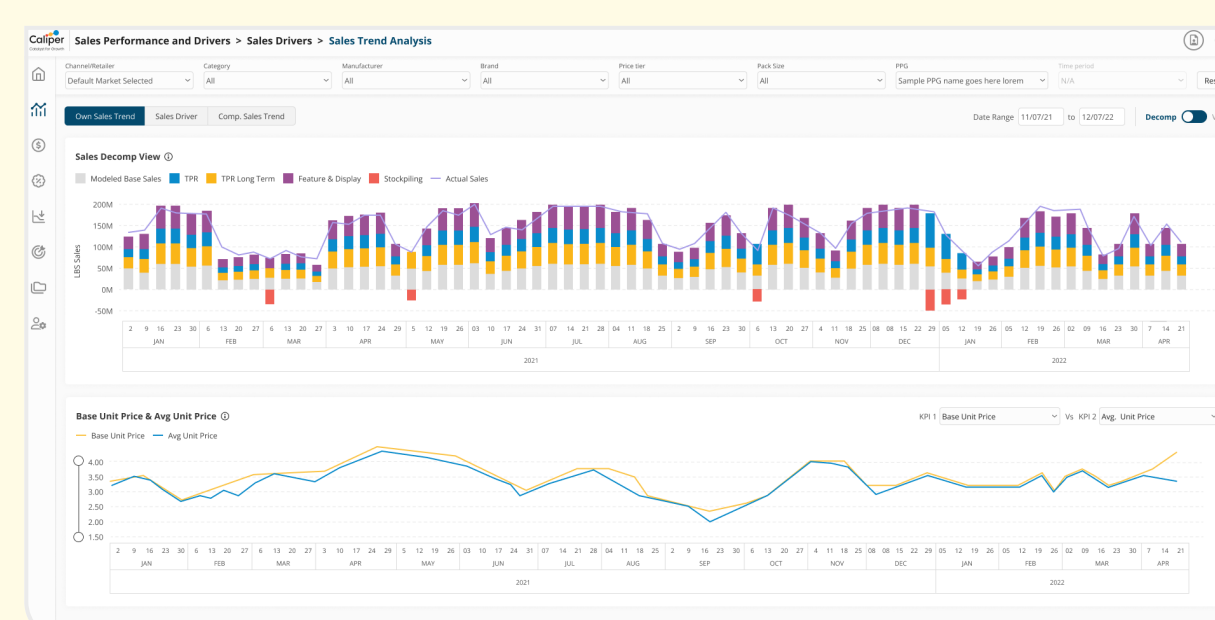
- Identify pricing and promo opportunities by comparing prices against category, competition and internal portfolio
- Develop and validate hypotheses at different granularities



Analysis

Validating Hypotheses

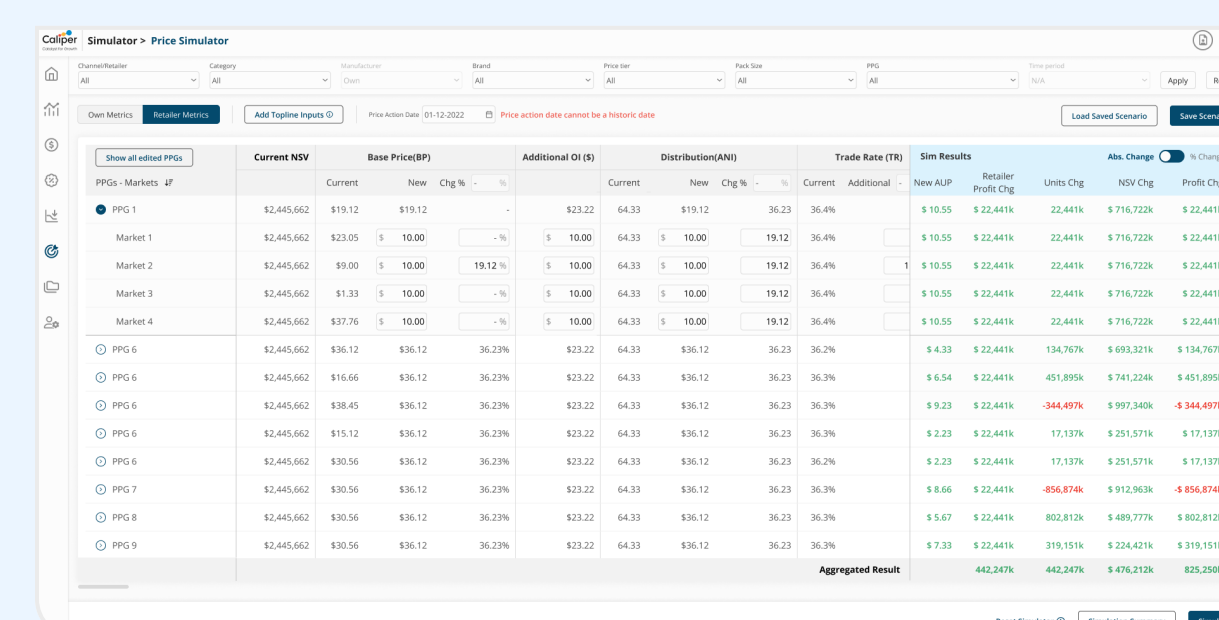
- Estimate elasticities through models to identify right set of products to decision on
- Analyze historical promotion effectiveness through ROI and level of expenditure to tap on margin potential



Simulate

Scenario Simulation

- Simulate scenarios to predict volume and complete value chain on possible pricing and promotion intervention
- Aggregate results at portfolio level to evaluate impact of pricing scenarios



- Co-creation of tools with the core team to ensure high level of adoptability
- Dedicated hands-on training session to onboard market team across all assets

Challenges & Mitigation across Markets

Understanding nuances across different markets in the region.

Market	Challenges	Mitigation	Area
	Nielsen data at a monthly granularity	Used shelf price information to capture base price	Syndicated Sales
	Data was captured in another language	Used google translate to convert to standard English	Syndicated Sales
	Mis-match between total coverage at Channel level compared to Customer level	Scale parameter on Nielsen volume to align numbers with financial data	Syndicated Sales
	Large negative volumes to balance financials were observed during fiscal year ending	Normalized these negative volumes across the year	Finance P & L
	Strong pre-buying period, caused mis-alignment between Nielsen promotion days and sellouts periods	Applied logic based near vicinity adjustment of spends to most probable promotion event	Promotion Calendar
	Sales data was coming in 100+ sheets in 20+ excel files	Build an automated python logic for data consolidation	Syndicated Sales
	Different file formats and input columns across all customers	Created a standardized module to generate coherent output across all customers despite different raw data formats	Promotion Calendar
	Large data size leading to long data extract times	Selected major manufacturers based on value share to reduce effort in data pull	Syndicated Sales
	Segregation between different channels was not straightforward	A high-level ratio was used to segregate the data from different channels	Finance P & L

Impact Created

€30M bottom line enablement over 16 months, with an estimate of 3–5% returns YoY

Data driven decision making and evolved analytics for Tier-2 Markets

Key Account Managers feel empowered to make decisions & win-win negotiations with retailers.

Built 3 digital assets for diagnostics, reporting and simulation