

# A Global CPG Manufacturer follows Value-Oriented Mindset to win in the US market.


## Client’s Journey with Fractal

Consistent bottom-line unlocks; 6–7% Profit Growth

- The business had not made any price changes in last 3 years
- The analytics maturity was limited, existing tools were heuristic based and didn’t plan by customer
- Client’s needed to get continuous smart pricing guidance to drive execution


## Value Created

Strategic Pricing Capability driving significant value creation




### Surgical vs Blunt

Pricing strategy varies within the portfolio and specific to each product group




### Value vs Cost Plus

Consumer value perception drives pricing action vs cost pressures



### End-to-End vs Diagnostics

Pricing insights driven by holistic understanding of category, customer and consumer




### Enterprise vs Siloed

Enterprise mindset to pricing action integrated cross functional data and objectives

## Fractal’s Approach


3X drivers of success for the SRM project



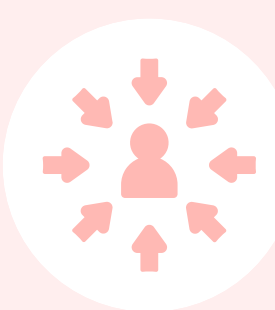
### 1X Ways Of Working

Right Support, Mindset And Key Enablers Of Success


Product ownership from the business MVP and agile development approach integrated teams and mindset value focus




Value oriented experiments




User centric view




Business & leadership ownership of the initiative




Agile ways of working



Local business translator



Continuous long term engagement



### 2X Integrated End-To-End Process

We have built a holistic strategic pricing capability in the US Market

Integration across process steps from opportunity identification, opportunity sizing and qualification, scenario planning and implementation / tracking

#### Opportunity Identification:

- Demand spaces: Identify biggest opportunities for presence & growth with a holistic view of the category
- RGM levers: Assess opportunities from macro-economic, pricing, price pack architecture, promotion, mix & trade architecture to unlock highest size of price

#### Opportunity Qualification

- Price diagnostics: Price indexes, price ladders, pricing curves, relative price elasticity, EDLP/LSP violations
- Predicted volume losses, cannibalization & switching
- Performance across sales & financial KPI's

#### Scenario & Planning

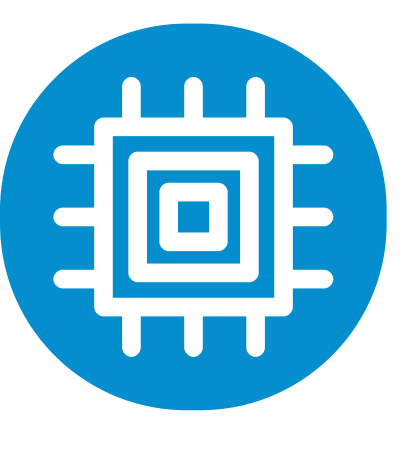
- Multiple scenarios and impact on volume sales and financials
- Assumptions on how competition will react
- Customer centric analysis: category impact and retailer margins

#### Implementation & Tracking

- Pricing change acceptance & alignment across functions
- Implementation progress and impact by customer
- Track actions taken by competition & customer

DesignDiagnosticsInsightsActionsToolGovernance

Harmonised Data Asset Across Pillars



### 3X Holistic Across SRM Levers

Holistic RGM Strategy Driving Synergies Across Levers Critical For Success

Holistic view across SRM levers of Pricing, promo, mix and trade. Not looking for isolated pricing actions that have low potential to success

#### 1. Brand 1:

- Increase list price on extra small and small pack to align with everyday market price of comp brand small pack

#### 2. Brand 1:

- Augment list price increase with Trade rollback to drive promotional volume
- Use increase to drive incremental funding for Food & Drug customers.

#### 3. Brand 1:

- Use a hi-lo strategy for promotions without disrupting EDLP/ecom
- Track promotions to drive trial, monitor for long term impact

#### 4. Brand 2:

- List price increase across medium and large packs in hard package
- List price increase heavily on small packs to improve pack price curve

#### 5. Brand 2:

- Support price increase with deep promotions on small pack in short term

RGM strategic recommendations holistic across levers

PricingPromoTradeMix

## Impact Created

### 0–12% range of Surgical Price Increases across the portfolio over 3 years

2021	2022	2023   Q1
7%	12%	6%

### 6–7% Profit Growth

### "Always-On" RGM Platform within Cloud Ecosystem and automated data & model pipelines