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# THE KEYS TO SUCCESSFUL TRADE PROMOTION MANAGEMENT IMPLEMENTATION

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As with many enterprise software products, the actual *implementation*, or the process of customization and installation, testing and launching of the new software has become one of the most important factors in the consideration of improving business technology. Unfortunately, many of those decisions have been postponed simply due to the problems often caused by long term, costly and disruptive implementations. But they shouldn't be lengthy, disruptive or as costly as they often are.

If there is a business requirements assessment, comprehensive and careful process reengineering and a well orchestrated team of implementation service resources, there is no reason why so many problems would exist. The industry's best companies have used process knowledge, business maturity, I/T and domain expertise and knowledge of industry KPI's to affect successful implementations of trade promotion management technology, education and process reengineering. A leading confectionary company completely reengineered their processes and technology around trade promotion, using the project as a company-wide event with tracking of progress, issues and problem resolution and milestone achievement as an internally promoted corporate celebration. It can be done well if the right commitment, planning and follow-through execution is maintained.

This white paper specifically focuses on the problems facing manufacturers, channel companies and TPM vendors around the implementation of new TPM processes and technology. Implementation, as a definition, cannot be limited to the physical customization, installation, testing and rollout of the new system. For any reasonable treatment of this subject, we must consider the process leading up to those specific project activities. The most important part of the entire TPM initiative is the process and battery of activities leading up to the actual engineering design and development, testing and launch of the technology. Yet many fail to incorporate those activities within the full definition of *TPM Implementation*. We will not make that omission, nor will we be guilty of failure to cover it in as much detail as we can within the limits of this document.



WHITE PAPER





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## INTRODUCTION

As with many enterprise software products, the actual *implementation*, or the process of customization and installation, testing and launching of the new software has become one of the most important factors in the consideration of improving business technology. Unfortunately, many of those decisions have been postponed simply due to the problems often caused by long term, costly and disruptive implementations. But they shouldn't be lengthy, disruptive or as costly as they often are.

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## THE TPM INITIATIVE

The number of manufacturers in consumer goods that have begun major reviews and analyses of their trade channel promotion programs, processes and systems has jumped significantly in the past three years. While much of that may well be the result of audits performed against new Sarbanes-Oxley legislation; it also must be determined that much of it is also due to the intense concern about the value and return on the huge investment of trade funds. In fact, trade spending globally has tripled in the past two decades alone.<sup>1</sup>

Even within other key initiatives, trade promotion figures highly. In a recent webinar by *Consumer Goods Technology* magazine, Richard Douglas of *webMethods* showed a chart portraying the plans of CPG companies to innovate technology and processes in order to become Demand-driven. While his chart appears to depict trade promotion as one of the lower priorities, making it appear low in the prioritization of becoming a demand-driven enterprise. The truth is that TPM touches virtually every other key segment shown. Due to the power and strength of on-line access, customers seek to know more about their trade spending, therefore Douglas' other graphic components including data synchronization, electronic processes, scorecards, company-wide view of data and so many more actually *include* trade promotion data, query requests and

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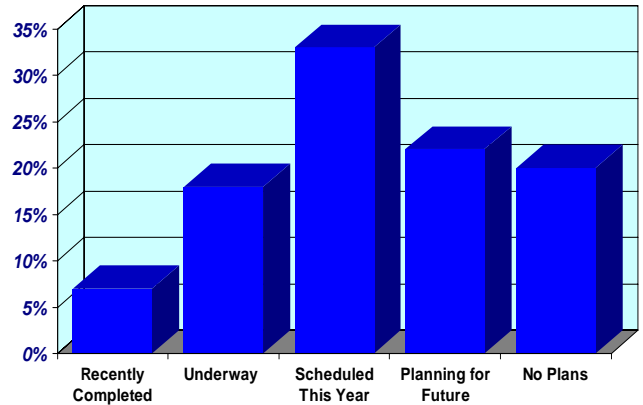
<sup>1</sup> HPM Survey on Trade Channel Promotion, 2004 shows that average spending as a percentage of revenues in 1984 was just higher than 6% of revenues while 2004 spending approached 19% for CPG companies polled (238 CPG companies in 9 different industry categories).

other elements. Essentially, therefore, TPM is so wrapped into the other key demand-driven elements that in and of itself, it is possibly the *highest* priority.

With the implementation of sophisticated and mature supply chain management technology, trade promotion is becoming more of a mandated solution; hence major corporate I/T initiatives are including the renovation and/or upgrade of TPM capability more now than at any time in history. In fact, more than half (51%) of the 766 manufacturers polled in a recent survey indicated that they are either underway with or plan to initiate a TPM implementation.

Until very recently, the number of *viable* trade promotion management vendors of enterprise software, hosted and/or ASP or pure outsource business models was low. Moreover, for those companies offering TPM systems or services, the breadth and depth of application functionality was (and still is in many areas) less than adequate to support a full trade promotion administration requirement. In the past, few of the major enterprise software and I/T outsource companies provided TPM solutions. Now, the largest companies all have growing TPM suites including enterprise software powerhouses such as SAP, Siebel and Oracle. There is a growing base of second tier software companies whose previous points solution focus with analytics, demand planning, sales and operations planning and CRM all have strong new TPM offerings as well. Trade promotion management is being touted by most analysts and the press as one of the most frequently stated needs of consumer goods manufacturers to complete their entire supply and demand management requirements.

TPM Implementations 2006



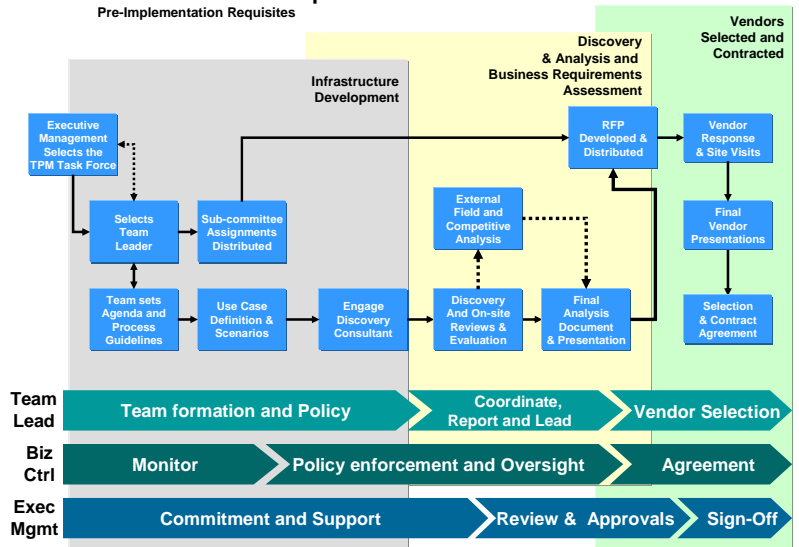
Source: HPM Survey on Trade Channel Promotion, March, 2006  
766 Manufacturers Polled

*Implementation Process Part I*

Unlike a typical business assessment, TPM presents special problems that can add problems.

- *First*, the entire domain knowledge of trade promotion is limited. Few understand it on an industry-wide basis, including many in the “big 4” consulting firms. Therefore, being able to move “outside the box” for process reengineering and overall competitive business practices can be difficult and result in less than adequate processes and technology.

Assessment Process Footprint



- *Second*, most of the existing technology has been internally developed or horrible applications of spreadsheets – inconsistent and error-prone.



- *Third*, few companies actually have a depth of experience bringing a Global 1000 company through trade promotion technology implementation and launch.
- *Fourth*, a depth of understanding of actual internal TPM system functionality often causes less than adequate support of modern processes and demands of trade channel customers.

### **THE PERFECT TPM SYSTEM**

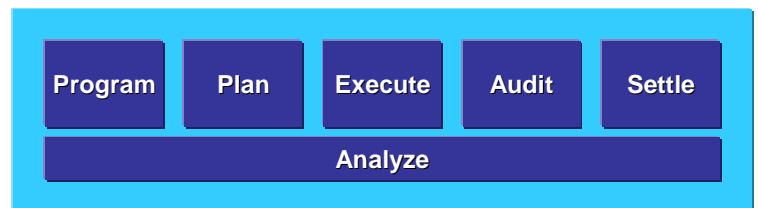
Most people have varied opinions of what the composition of a fully functional trade promotion management system is. Often TPM is seen at a “back office only” application with functionality that primarily involves the settlement, deduction management or bill-back payables processes. However what companies are now demanding is a TPM *suite* that provides end-to-end functionality and support from the development of the promotional offer terms to the final analysis of performance and ROI.

The chart shows the six primary “modules” that comprise the complete TPM system.

The native TPM component functionality is both independent and linked to other modules internally and externally. For more information regarding specific definitions and functional specifications, refer to the HPM white paper, “TPM Functionality” on [www.handpromotion.com/whitepapers](http://www.handpromotion.com/whitepapers).

#### **The TPM Functionality**

Therein lays the problem for most companies that execute a TPM implementation initiative. Much of the performance and functionality of the TPM systems depend heavily upon data elements and relationships that exist in other critical systems such as the ERP, SFA, S&OP, Demand Management and VMI systems.<sup>2</sup> Given that many of these systems are either in development themselves, are out of date and soon to be replaced, or simply nonexistent, direct integration can often be dangerously difficult or impossible within the timeframe of a TPM implementation. This is also due to the many key data points that are part of the usual TPM process and workflow, and the subsequent ignorance of those elements among other I/T and operations personnel responsible for other key interface functions. The good news, however, is that most of these other systems have, over the years, taken priority over the TPM needs, and therefore are already in place and operational for most consumer goods companies. This is especially true for the largest of CPG companies where these initiatives have been completed for years. But contrary to this, however, is the potential that these systems are in their second or third generation upgrades – equally a problem for a TPM implementation team to solve.



### **Fitting Functionality to Technology**

Many of the major first and second tier enterprise software companies struggle to complete TPM implementations. For a major telecom company recently, the customization design, development and testing process alone took six months. This is due to the basic lack of depth and hierarchical infrastructure of most enterprise TPM software. While configuration capabilities are improving significantly, the domain knowledge and understanding of the process requirements and subsequent

<sup>2</sup> ERP – Enterprise Resource Planning; SFA – Sales Force Automation; S&OP – Sales and Operations Planning; VMI – Vendor Managed Inventory.



functionality needed in the application is often traded for more engineering and analyst personnel on the job.

The rush to install a TPM function to complement other new technology or offset immediate problems in deduction management, fund accounting or audit compliance is often done at the expense of the fulfillment of the most appropriate design specification. A number of strong “point solutions” of smaller vendors often outperform the same functionality in first tier enterprise software applications; however the balance of consideration is that the smaller companies do not have the necessary built-in and/or integration-ready links; and that can create significant time and cost in the customization of interfaces to other enterprise systems. This is a major consideration and must be given highest priority in determining the most appropriate and cost effective “fit” for the company’s processes, policies and rules for trade promotion management.

## START WITH A PROPER BUSINESS REQUIREMENTS ASSESSMENT AND VENDOR SELECTION

Implementation is actually the *second* major action taken by a company that wants to reengineer its TPM processes and technology. The first is a *business requirements assessment* – specifically to the trade promotion program and management. But this is a subject unto itself – warranting a separate paper; therefore we will only highlight the key points to consider before tackling a full scale TPM implementation.

The assessment phase ends with the selection of a vendor suitable for the objectives outlined. The implementation problems often arise from vendors that are less than experienced, even though they may be first tier software companies. TPM expertise and strong satisfied references are keys to this decision.

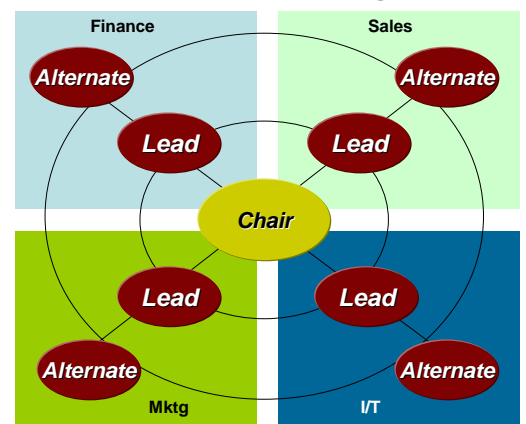
### *Put Together a Solid Team*

Most I/T initiatives are managed through either the CIO or CTO’s office – mainly because any technology implementation involves serious integration between existing systems. However, nothing can be more damaging to the eventual functionality of a TPM system than for people who have little or no domain knowledge to rule on priority of functionality and worse, perhaps, the *vendor* selection.

While the presence and oversight of I/T management is critically important and necessary, it often detracts from the business and user needs. As such, the leader of the task force must be someone who knows trade promotion, has years of experience in a variety of systems, processes and programs; and one who can provide the most effective overall leadership to the team.

At least in the early stages of assessment and vendor selection, deference needs to be given to the execution, measurement and analysis of trade promotion program performance over the technical requirements. Of course this too must factor into the mix, so a close relationship must indeed exist between the TPM task force manager and the I/T organization.

### The Ideal TPM Task Force Organization



The ideal TPM Task Force should have an experienced project leader with eight (8) voting members (Leader gets the tie breaker). Each area should have a lead and an alternate, with a quorum being 4 members and the chair. The assistant to the chair should be a rotating role.

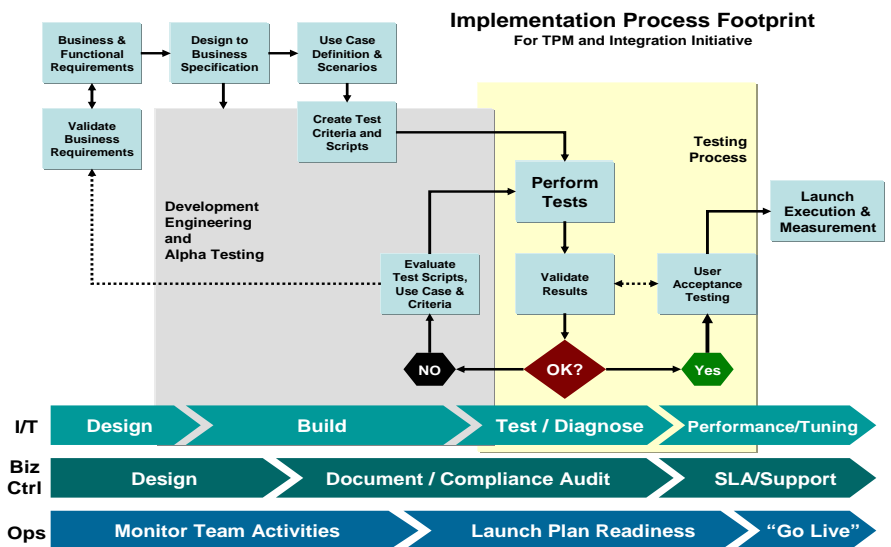
## MANAGING THE IMPLEMENTATION PROJECT

There is a notorious saying regarding major I/T business application implementation projects: *“Critical business processes will be supported by new technology designed and developed by people who have no idea what the business or process is.”* Think about this. Most of the time, major software implementation projects involve teams of people who know the software well, but fail to reasonably understand what you do and/or how you do it. These paradigms may well be history soon, we hope; however for now the problems associated with implementation and their corresponding challenges to the business for a solution seem to be losing ground to the complexity of the system functionality requirements as a whole.

For instance, most trade promotion management systems have at least marginal accounting functionality to handle the generation, accrual, allocation and decrement of trade funds. To ensure complete business practice best-of-breed capability, the system must be able to handle virtually any type of fund accrual and accounting function. This means that the primary interface with the revenue generation systems must feed the TPM net shipment data from which trade funds can be calculated. Today, however, it is not enough. Because of the complexity of the nature of the deals these days, the system must be able to not only integrate with multiple revenue sources, but also be able to follow detailed rules from master price lists (sometimes in the hundreds and thousands of variations and line items) across brand and category hierarchies and perform complex tracking and reconciliation between shipped product, returns and now even scanner-based point of sale performance. What began as a simple arithmetic calculation of one number against a simple variable has now morphed into a terribly complex infrastructure of rules, exceptions and the danger of failing to comply with strict governmental regulations such as Sarbanes-Oxley in the United States or the Trade Practices legislation in Canada, Australia and Europe.

All this says is that the *management* of the implementation is the *assurance* and *guarantee* that the system “go live” performance occurs on time, within budget and *exactly* as the design specifications dictate.

The chart at the right shows a general blueprint for the essential processes involved in a TPM implementation. It is the follow-up process from the *Implementation Process Part I*, depicted on a previous page. There is significantly more detail to a finished process blueprint, of course, but this indicates the key elements of a successful implementation, including the business controls aspect of the project – critical in areas like North America where Sarbanes-Oxley regulations impact the ability of the system to meet tougher guidelines for financial accounting compliance standards.



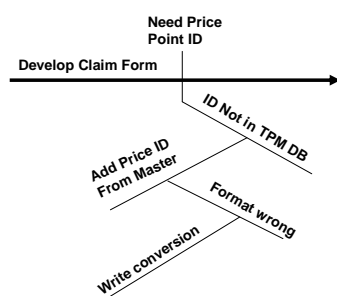
Before the declaration of success can be claimed, there must be a fully agreed to set of expectations, objectives and measurements of achievement settled in the beginning of the project. Changes will occur; and it is not simply enough to have detailed and



thorough business requirements assessments. We have seen many projects where the requirements document was extremely precise and detailed, but the system failed to perform to the standards. This is simply due to the lack of consistent management and leadership throughout the implementation process. Once the requirements are in place, the vendor's bid or the I/T design spec is the final rule. There is no room for independent I/T and/or user executives or team members to make decisions to change. But unfortunately, the all-too-often lack of domain expertise produces design specifications that, upon review and testing, prove inadequate to meet the original goals. Thus so many good plans are suddenly laid to rest with less than full functionality or worse, abandonment of needed functionality altogether.

### *Rules of Engagement*

Implementations are often complex and meandering affairs that can render the original idea completely lost. If the first half of the implementation process is done well and the business requirements have been fully and completely identified and scoped, implementation should be smooth and relatively delay-free. However, if the requirements assessment is poorly done or lacks the domain expertise to understand the industry practices, trouble comes in the way of a fishbone diagram.



Assuming that the process is managed well, this deviation can take on a life of its own and not only delay the project, but create so many “black holes” that coming back to the main schedule could take weeks and potentially render the original plan worthless.

Having said that, a key to a successful implementation is to ensure that there are specific “rules” in place to cover the need to deviate from the original course. When this happens, there should be a specific set of contingency plans that call for effective response to these “mid-course corrections.”

There is no need to be overly complex in rules development. They are based on common sense and provide for sound management. A key reason for this is the often broad and competing definitions of TPM needs; and the lack of consensus as to which directions to proceed. For example, while many in the sales and finance area want to attack and solve the deduction problems first, marketing wants more focus on the data elements necessary for effective promotion analyses. The latter is much more difficult, and often gets abandoned out of pure time requirements for design and construction – hence often are left off the plan for a “later version.” This is a dangerous path to follow. As such, here are the simple guides to follow:

- 1. Build the design specification agreed upon*  
Don't change the design or the functionality until the original system is fully constructed. This is the number one problem on most implementations.
- 2. Deviations are “last resort” options*  
There may well be situations where the nature of or course of business changes the requirement. Likewise, there may be a major mistake made in the original requirement or design. In those cases, change may be warranted ONLY if the change is required to ensure full functionality and/or is a business necessity.
- 3. The Task Force Lead has the final authority*  
Numerous arguments entail during the natural course of a TPM implementation. Sometimes those disagreements stem from misunderstandings or different interpretations of a specific design item. The Task Force leader is



the final authority and his/her decision rules. It has to be that way; otherwise it can be a long and painful project.

4. *Communication is a mandate for every piece of information*

Do not fall into the trap of being too busy to communicate to the team. Weekly or even daily meetings are fine; but there is a need for hard copy or electronic follow up and notification of all decisions, status changes, issues, problems, or schedule changes.

5. *Changes must be approved through oversight review*

In most respects, this is a “killer” issue for the implementation project. Generally, “changes” occur because of a failure to do the right job of defining the business requirements or, too often indeed, the software vendor has been less than honest about the actual functionality of their application. The most significant problems faced by the customer from changes – either legitimate or otherwise – include the delay to the “go live” date and the incremental cost increase to design and develop the customization required to accommodate the change. The best practice implementations are those where there is a well-defined and enforced change approval routing policy and procedure – agreed to and never changed. The anchoring policy here should always be that no changes are allowed in the functionality unless mistakes have been made or where market conditions have changed sufficiently to require new functionality. To keep the process from coming to a total stop, the “oversight” should be as independent as possible – more appropriately including director level personnel for the major business units represented as well as the project lead and a financial executive. Changes must be submitted in writing to this oversight group and, where major issues arise, allow ONE presentation by the parties advocating the change. Meetings are held to minimal timing, with only an hour given to a formal presentation. The final vote is non-negotiable.

6. *Vendors cannot make independent changes to the specification design*

At this rather early stage of enterprise TPM, this happens often. Vendors all too often and much too casually make changes based on their own internal perception and/or performance needs. We see numerous situations where the I/T engineering team removes complex functionality to ensure more rapid processing of data or some other system performance objective. As with most other change issues, this bypass of approval procedures cannot be permitted. A critical component of the business requirements assessment is the identification of performance standards. The vendor needs to take whatever action it must to ensure that those performance standards are met; and the failure to fully comprehend and/or understand the technical effects of complex functionality is not an excuse to arbitrarily make functionality decisions.

7. *New functionality is logged on to future releases and/or updates*

There are TPM implementation projects that began five years ago yet continue to be incomplete. The primary reason for this is the continual *insistence* of the customer to make additions, changes, deletions or other amendments to the original specification. Make this policy law and enforce it with strength and consistency.

8. *No work begins on the next phase until the current phase approval is signed*

The best implementations of TPM technology are those that actually end. This means that there is a defined point at which the first phase of work is completed and signed off. It is simply too difficult to continue with a second phase when there may be those in the signoff loop who have issues or problems with specific functionality completed in the first phase that could impact the



work to be done in phase two. This should be a contractual covenant that clearly stipulates that no payment will be made for any work completed until the previous phase is approved and signed off.

*9. User training and technical documentation is created and updated in parallel to the project*

Far too many good TPM systems fail due to the lack of current, comprehensive and detailed technical and user manuals. Technical assistance personnel require the most current edition to ensure quality support; and if the users are not able to draw down the most current and up-to-date “Help” data, they will be frustrated and often stop using the tool altogether.

Even at the risk of a longer delivery date, both the user and technical documentation must reflect the actual code and functionality. Therefore, the training manuals must also be created during this process. Training manuals must be very complete, based on the concept that the references are going to be critical for those in remote locations where tech support may not be immediately available or reasonably utilized. They will be “tested” along with system functionality for accuracy and comprehensiveness; however if the team waits too long to have the manual developed, the delay between completion of the system and launch could be months.

*10. Disputes are resolved immediately with full follow up reports on decisions*

Disputes arise because the functional requirements are either confusing or simply wrong. So one of the most effective ways to resolve disputes is to limit or eliminate them entirely through a more effective and comprehensive requirements assessment. But if they do arise (and often even a strong plan creates interpretation issues), require all parties to submit their disputes in writing to the oversight committee. The dispute should be handled similarly to a change (above) with a short window for resolution. The best practice implementations typically resolve disputes within 48 hours with a full report of findings, reasons and remedies, where applicable. Contractual disputes, of course, could take longer. But in any and all cases, clarity in the requirements document, and perhaps even overly verbose descriptions of functionality help to reduce such issues.

If it seems that we put the greatest emphasis on the initial business requirements assessment, it is with these good reasons above. The one clear and overwhelmingly obvious consistency in best practice TPM implementations is a strong, well developed and comprehensively thorough TPM business requirements effort.

### *Prioritization and Patience*

A major apparel manufacturer recently implemented an enterprise TPM software solution with the entire project taking more than two (2) years! “We could have done this in half the time,” says the co-op advertising manager and overall project leader. “We did a good job of assessing our needs, but within those needs, our prioritization of design and development was bad. We created user input screens and data entry fields before we settled on exactly what went into those fields!”

This is a common problem. Even with a strong planning document backed up by a comprehensive TPM requirements analysis, the assignment of modular development resulted in a number of “cart before the horse” problems. The solution to this problem is to create the prioritization strategy immediately following the completion of the requirements assessment. The first task is to identify the key functions needed



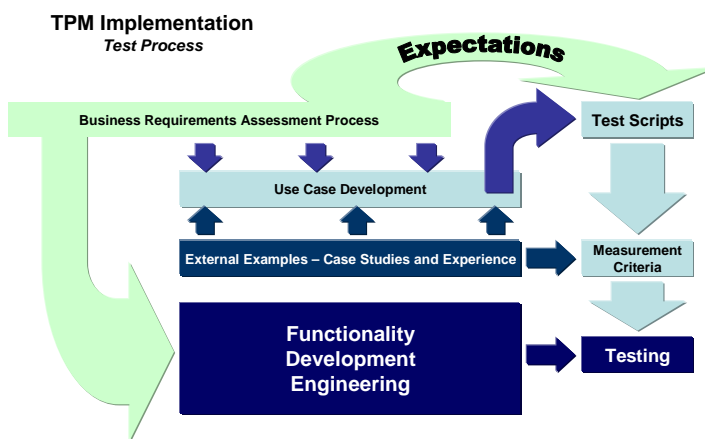
and to establish a priority for each module and function element within. As each company’s situation will no doubt be unique, it is impossible to establish a “best practice” for this process. Business objectives and corporate goals must be the driving criteria for determining the most appropriate ranking of need. The solution to this issue is to meet as a team while every requirement is fresh in the minds and each problem can be addressed immediately and solved.

For many companies, priorities will be naturally given to data issues. The clarity, cleanliness and even availability of data often trumps any other application installation or customization – especially in consumer packaged goods companies where a significant volume of external data (e.g. syndicated and store-provided POS, merchandising and retail execution intelligence, etc.) is required to interact with TPM functions.

### Testing is a Crucial Event

For most companies, the process of testing freshly developed code is a daunting task to say the least. At best, it is often trail and error, replete with continuous reprogramming delays and often less than acceptable results. More often than not, key functionality that continues to fail alpha and beta testing is relegated to future versions for the sake of getting to the “go live” date. Wipro’s own testing regimen is always built with the primary objectives in mind, and executed along the lines of the plan with careful measurements and strong reporting and correction practices. This comes from years of practice and universal understanding of a large array of system technology, functionality and business processes.

The process of testing begins and ends with the validation and realism of the user test case scenarios. These can be created based on the business requirements assessments and/or the independent input of external sources such as field sales reps, brokers, customers and administrators.



The expectations of functional execution created from the business assessment will form the basis for the test scripts – the actual individual scenarios that are created with sufficient detail and data that enables the engineers to perform tests of the functionality. These situations occur often in this rather immature TPM technology environment because of the lack of experienced TPM functionality and modular execution. The actual use cases, the basis for the test scenarios, need to be created

independently, but in concert with the business requirements process such that they are compiled with both the results of the requirements assessment and actual external examples provided by reps, brokers, administrators and even customers. That information is condensed into specific measurement criteria against which the test will be analyzed for precision and completeness of the customization or modular functionality.

The best implementation processes, such as those employed by Wipro, actually provides testing done “on paper,” or the *theoretical* validation of a particular scenario against realistic business environments and situations. Generally this is done by the process owners and members of the team. This is best done outside of the I/T



team because they are going to be busy writing code and the test scripts need to be delivered to them with confidence that their work against the scripts and testing criteria is without question already validated as actual and realistic.

The testing itself must be conducted swiftly with oversight by the process owner and the team leaders. It is human nature for omissions and/or mistakes to be made in the translation and engineering of functionality; therefore the testing will need to be done in a two-phase format. First, the *alpha* testing will be done by the engineer to ensure that the code written performs as it should. This is done without the oversight of the task force personnel generally, but where major functional changes or customization occurs, such tests should include the process owner, at least. The second phase testing or “beta” testing provides actual scenarios – the inclusion of the use case test scripts in the actual test of functionality and system execution.

Once the tests have been completed and the functionality accommodates the requirement and/or satisfies the criteria, there should be a short (very short indeed) notice written to “close” the test script. This “closure” indicates the testing done, the signed off validation of compliance or functional execution and any notes relating to the impact on future user application. This constitutes what we believe as an industry “best practice” testing process.

### *User Acceptance*

This is more about user *confidence* than it is “acceptance.” Many very good systems have been designed and developed only to fail miserably because the intended users refuse to accept it. While it seems ludicrous that after such an expenditure of money and time the company would *allow* the users to refuse to use it, the unfortunate truth is that the implementation can so riddled with problems and failure to create the usable tool that management reluctantly agrees that the use of it would cause more problems, cost more money and take more time than it was worth.

Assuming that the process has been followed properly, as described above, the next logical step is to *prove* to the ultimate users that this is a fabulous new resource for them to execute their job and, more importantly, to enable higher compensation and more frequent achievement of goals.

The user acceptance testing, or “UAT” to accommodate our mandate for business acronyms, is the debut of the system and process. It is the first (and often the last) chance that the users get to put their hands and minds on this new tool. There can be no greater performance than this! The event must be planned as if it were the Academy Awards® - ensuring that the users’ experience is not only satisfactory, but fun and exciting.

The first major step is to decide which *users* are invited to the test. The best UAT success stories we’ve been involved with include the following key determinants for choosing the most appropriate users:

- The “Naysayers” – those who have perennially complained and/or been hard to impress.
- The “Power Users” – those who take advantage of technology and use it regularly in their positions on a daily basis
- The Influencers – those who have both respect and regard within their peer groups (e.g. the top sales guy, the most respected senior rep, etc.)



- The New People – it is often appropriate to bring in someone who is new to the team, but has tremendous experience in other companies – especially where TPM technology is better or higher regarded.
- Key Personnel – those who command the best territories, the biggest accounts, etc.
- Management – Above all, the managers must be part of this group. If they like it, they will support and enforce use.
- The CEO – really, this is an excellent idea. Who can complain when the top guy/gal is in the chair next to you? More appropriately, what better way to incite enforcement among the senior staff and/or the company as a whole?

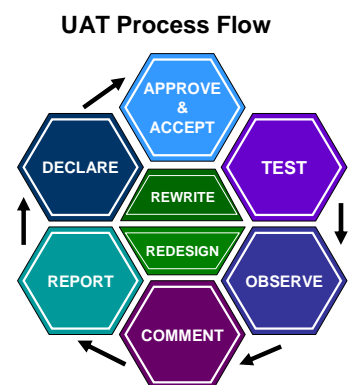
Make sure that the testing is complete and that all of the “bugs” are eliminated. Nothing destroys confidence more than having a problem erupt during this process. The people in the UAT expect that the system is complete. Any “bug” will squelch that assumption.

The most effective UAT events are those where the company places a high degree of emphasis on the outcome – both in preliminary communications (e.g. invitations from the CEO) as well as the actual formality and execution of the event itself. Most large companies have facilities for training and/or education where there are computer stations on which the software runs and can be accessed and tested. For those companies that do not have such facilities, local training centers or tech schools can be used to accomplish the same goal. In addition, the vendor probably has facilities in their corporate headquarters. The key is to formalize the UAT and ensure that the delegates chosen to participate understand the importance of the event and more specifically their roles.

To that end, the *role* of the UAT delegate is to test, observe, comment and report. The diagram to the right shows the basic flow of the testing process. If it is determined that functionality does not perform to the specification requirement, there is a key point at which the *Declaration* must be made as to whether to fix the problem or leave it for a future update. If the decision is to fix the problem, the I/T team must redesign and rewrite the code to solve the problem.

This is usually done during the process of identification and analysis of the functional issue – that is to say the observation, comment and reporting of the non-performing feature is usually redesigned “on the fly” or in parallel with the understanding that there is indeed the need to change the programming.

Once the team has fully tested and functionality deemed to be within design and requirement specification, it is approved and accepted as complete. This “approval and acceptance” process must be documented and communicated to the entire team.



### *Real-Time Training Manual Development*

What we typically see is that any training materials created are written and produced after the UAT process. While this may make sense from a cost standpoint, it misses one of the most important aspects of the training process. The majority of training materials are written by professional trainers and educators who understand the dynamics of learning new technology. This is important, no doubt. But our observation of the best practices is that the most effectively used manuals are those that are created *before* and updated throughout the UAT process to capture the nuance, include realistic user responses and accommodate the most up-to-date functionality changes.



Another key reason for having the training program development teams present at the UAT is that the manual itself can also be “tested.” For instance, the online “Help” and other tools – both print and electronic – can be updated with “user tips and tricks” learned from the UAT process. This will go a long way to provide not only more effective on-line and print help manuals, but it will also give the users confidence that the training guidelines are based on real experiences with the software. The Wipro TPM Center of Excellence guidelines provide for this development concept as a significant advantage toward a successful TPM implementation and ongoing system management process.

Perhaps the most valuable advantage to completing the manual during the UAT is that once the system has been declared accepted, training and launch can begin immediately without the usual delays associated with independent development of the user training program materials.

### *The Finished Product*

The declaration of a finished product hinges, of course, on the outcome of the UAT results. Those results, once compiled, are generally condensed into a single page document that essentially praises the work of the UAT team and helps to cement the knowledge and trust in the soon-to-be-available new tool. Wipro’s TPM Center of Excellence guidelines also call for the finished product definition to include all documentation (user and technical), a plan for launch and of course, the training program and materials.

Ultimately, the final activity (after a UAT Approval Party, of course) is to publish the news throughout the company that the system is ready for launch and to provide the basic plan and timeline for roll-out. Once that has been completed and distributed, the system is ready for launch.

### **Launch and Execution**

Even with the most carefully diligent execution of all of the steps mentioned previously, the launch process goal of rapid acceptance, assimilation and embrace of the new technology can make the difference between success and failure.

### *Strategic Planning*

Timing is everything, it is said. That is indeed true in the case of TPM launches. Due to the breadth of business controls and functions that trade promotion touches, careful attention must be given to the most appropriate time and manner of launch. The *strategy* of planning the launch is critical.

The system is ready, having been through the rigorous development and UAT. The training programs and tech support are all poised to deliver the needed education and support to new users who will likely stumble through the system or possibly be reluctant to use it in the first place. Other key considerations for the launch strategy and timing include corporate and/or market events that could detract from full and complete focus of attention. These include key trade shows, new product launches, end of year closing, other new technology launches, and holidays.

Ideally, the launch should be done as quickly as possible; however business organizational infrastructure, geography and/or other internal divisions could cause the launch to be done in waves or phases. Most TPM implementations today include advanced integrated analytical tools that depend upon significant input of data from the field and/or broker community. As such, the more hands on the system, the better

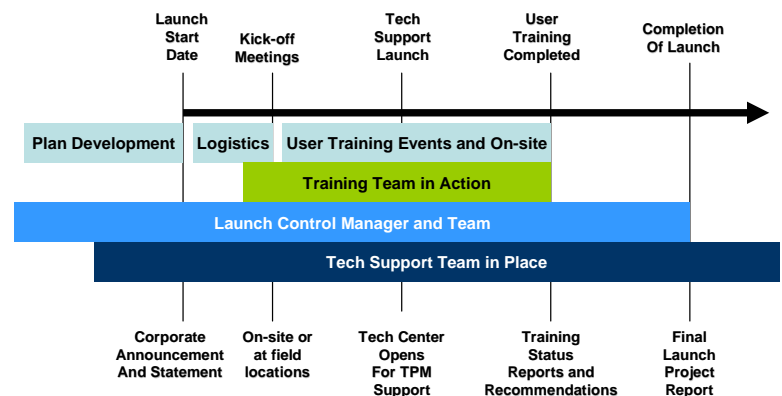


the data and the more effective the analyses are. Therefore, management tends to want to move the launch quickly throughout the entire company. The cost consideration, however, sometimes plays a major role as well, with companies desiring to compress the launch in the shortest time to maximize the value and eliminate long term costs of project launch consultants and vendors.

Just as the core system installation, integration, customization and testing had to adapt to a strong project plan, so should the launch. As such, the most successful implementation launches begin and end with a strong plan of action that includes timing, responsibilities,

prerequisite dependent actions and measurable milestones. Aside from roles and responsibilities, the plan also must contain contingency actions that have to be in place if certain environmental or market forces impact the execution and/or timing. The keys to a successful launch is to have the people in place and the events scheduled to ensure that everyone performs in unison and within the plan. Many of the best launch programs are structured to enable the entry of the key functional managers within the scope of time to support the roll out training. Once the training is completed for a particular set of users, the tech support team moves in, establishes the base of operations (e.g. supplies the users with the appropriate guidelines for calling in tech support issues and the phone numbers, web sites and email addresses for communication and traffic of issues and problems) and begins supporting the user community.

## The Launch Plan



The primary manager of this process is one we call the “Launch Control Officer” or the person in charge of the entire launch effort.

### *The Launch Control Officer*

During this period of time, the individual selected to head up the launch plan is not typically a company employee. For numerous reasons, not the least of which are the independence necessary to arbitrate issues or problems, provide non-political direction and maintain the calendar apart from other internal forces vying for attention; the LCO is the most experienced person on the team. He/she knows what to do, when to do it, and how to manage the overall process.

In addition, the LCO is typically charged with the observation and communication (reporting) of issues, concerns and problems, along with the appropriate industry best practice solution recommendation.

### *Milestones and Measurements*

As noted in the above chart, the launch process for a TPM application is divided into the following major sections:

- Logistical Development
- Kick Off Events
- Training and Education



- Tech Support Center Establishment

The LCO will typically present the company with a full launch plan, complete with milestones, measurements and logistical considerations. These include sites for training, how the tech support team is positioned, when they “turn on” the tech support telephonic support and so on. There is generally a short time interval between the official start date and the first user training event.

The “Kick-Off” event should be another important and supported event. It does not necessarily have to be the day or two before training, but it helps. It is a “stand-alone” event that provides a forum for promoting not only the new technology, but also the processes, procedures and policies that will invariably accompany a new TPM system. This could be coupled with new corporate policies on major issues like deduction management, planning, audit and compliance validation, and even settlement methodologies. Especially in TPM, this usually involves more sophisticated analytical tools; so there is a key role played by the sales and marketing management in explaining and “selling” the importance and value proposition of having better analytics delivering keener insights that drive more competitive positioning, higher revenues and profitability.

The actual training is the focus and the primary effort during the launch. Not only do the users get trained, but they should also get educated on the values and advantages that the new systems and processes bring. Measurements include time to train, number of users trained, questions asked, and most importantly, scores on tests given by the trainers to ensure understanding and execution skill.

When training is complete, a key measurement is the feedback from the users themselves. How the training was presented, knowledge of the industry and/or products, ability to respond accurately and clearly to questions and comments, and the quality and usefulness of the documentation and training materials all should be measured. A good launch control officer will indeed measure this as a matter of course. However, these findings and results should be not only used to tweak and upgrade the future training, but also to provide feedback to the users that their issues were all addressed and problems solved. This is a powerful way to begin the use of sophisticated and sometimes complicated technology and processes and to gain immediate acceptance by the users.

Finally, tech support needs to be established before the first training, with actual members of the tech staff present for training. This gives even more encouragement to the users as well as confidence that there are people on the other end of the phone or website that can relate to their needs, have faces and are part of the team – all with the same goals and objectives. Measurement indices for tech support are numerous and include items such as response time, number of issues submitted, turnaround on problem solutions, number of telephone rings, etc. The most important thing to understand in a TPM implementation is that the data is critical and most systems contain fields and screens that demand more data input and much more detail than ever before. With more data come more problems. The tech support personnel need to be trained as well, which should be done immediately preceding the UAT events.

Most companies already have internal or external tech support centers. TPM presents a unique challenge to technical people, and they need to have a thorough understanding of what the users do and why. However, once trained and operational, the tech support center must be continually vigilant for new problems, issues and functionality requirements. As such, the final requirement for a strong TPM tech support operation is to have a conduit for observation and analysis of findings along new and problematic issues presented them by the users. These conduits must go



directly to the trade promotion management personnel where in these issues, they too are measured as part of the overall tech support operation.

### *Mission Accomplishment*

The definition of *mission accomplished* often cannot be stated immediately following a successful launch. The "mission" of launching the new system is indeed complete and there should be an acknowledgement of it. In our experience, the *MISSION ACCOMPLISHED* banner should be hung at the end of the first year after the rollout begins when everyone uses the systems and no one is still using spreadsheets.

The Wipro TPM Center of Excellence contains its own process measurements and guidelines – all designed to ensure that the above processes are carried out with quality and excellence. Most companies that engage in these highly crucial and often difficult TPM initiatives struggle to continually question the eventual worthiness. In many cases, sadly, their efforts fail; and the system staggers along with less than full user support or worse, sits dormant with users giving up on the product for a number of reasons.

Trade promotion has never meant more to both the channel and the manufacturer. With global trade spending continually rising above 20% of gross revenues, yet consistently with perception of general failure on behalf of the manufactures who make this money available, the time for ignorance of the process, system technology and policies required to succeed has long passed. Wipro's own experience lately with companies such as SAP, Siebel and other first and second tier trade promotion vendors clearly denotes a movement in the direction of better, more ardent support of trade promotion management.

Retailers face the problems as well, which is why trade funds planning and promotional collaboration is quickly becoming one of the most watched business initiatives in the world today. As the technology matures and the know-how to configure, plan and execute successful trade promotion expands, TPM implementation will become more of an industry issue than ever.

## **FOLLOWING SUCCESS – ONGOING REVIEW AND ASSESSMENT**

### *Creating the Measurement Indices*

With so much emphasis on corporate ROI from high cost enterprise software implementations, there is no doubt that measuring the value of the new process and/or technology is a critical ongoing issue. The follow up to implementation should include a detailed assessment of costs and time. HPM's survey on trade promotion indicates that as much as 17.5% can be saved from an advanced TPM technology and process.<sup>3</sup> However it is also important to note other key measurement indices such as:

- Deduction write-offs
- Fund usage and channel participation
- Claim audit and payment turnaround time
- Budget and allocation timing
- Trade spending compared to revenue

#### **TPMA Measurement Standards**

The Trade Promotion Management Association (TPMA) has begun a full scale evaluation and cross-industry standards initiative that will soon provide all industries with the most effective, appropriate and precise measurement indices and standards for trade promotion analysis. Representatives from manufacturers, retailers, analysts, consulting firms and TPM software and outsource vendors are participating. For more information, contact [www.toma.com](http://www.toma.com).

<sup>3</sup> HPM Survey on Trade Channel Promotion, 2005



- Lift and profitability analyses

These are just a few key areas; however the more important issue is to continue measuring and reporting these indices on a monthly basis, at least, with follow up assessment quarterly. Wipro has a body of intelligence surrounding the key indicators necessary to control and manage the ongoing success of the TPM program and administration ROI.

### *When To Act On Change*

I/T organizations are exhausted after a detailed and intense implementation. So it is wise to consider at least a semi-annual review for ongoing version updates and/or point releases. Of course your vendor will have these as well – generated from other projects or your own needs. The time to act on change is immediately, by providing a detailed communication of the issue, system performance requirement and prioritization of need. Some changes need to be made immediately, others, in fact *most* can wait until the next release. Your own best judgment dictates that.

### *The “Next” TPM Initiative*

The next time to consider a new initiative is going to vary from one company to the next. Our recommendation is to conduct a full review every two years. The rapid evolution and maturity of TPM technology is causing significant panic among many Global 1000 companies today because they fear that their enterprise TPM solution will be obsolete before it is in production. However, make sure that your initial assessment is rigorous enough and detailed thoroughly such that your needs are projected years ahead. This is the best reason to use Wipro and HPM, for example, to conduct that initial discovery. We understand the industry needs and build anticipation into the solution recommendation.

## **ABOUT THE AUTHORS**

Somjit Amrit, General Manager of CPG Practice at Wipro Technologies has over 15 years of professional experience in handling multi-million dollar, multi-location and multiyear programs of some of the largest global companies in the CPG industry. His specific areas of interest are in trade promotion administration and analytics.

[somjit.amrit@wipro.com](mailto:somjit.amrit@wipro.com)

Rob Hand, CEO of Hand Promotion Management is a renowned author, speaker and industry expert on trade promotion. He has over 32 years of experience spanning all industries of consumer goods as a consultant, I/T and outsource service vendor, and industry analyst.

[Rob@Handpromotion.com](mailto:Rob@Handpromotion.com)

Balakrishnan Anantharaman heads the trade promotion management center of excellence under the aegis of Retail, CPG and Distribution practice in Wipro Technologies. He has over 10 years of professional experience in functional consulting, project management and application development & management in the retail and CPG domain.

[balakrishnan.anantharaman@wipro.com](mailto:balakrishnan.anantharaman@wipro.com)



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## ABOUT HAND PROMOTION MANAGEMENT

Hand Promotion Management is the world's premier expert in trade channel promotion management. They offer consulting services that help strengthen the programs, processes and systems of manufacturers who sell through channels of distribution all over the world.

[www.handpromotion.com](http://www.handpromotion.com)

### **Worldwide HQ**

Wipro Technologies,  
Sarjapur Road,  
Bangalore-560 035,  
India.  
Tel: +91-80-844 0011.

### **U.S.A.**

Wipro Technologies  
1300, Crittenden Lane,  
Mountain View, CA 94043.  
Tel: (650) 316 3555.

### **Germany**

Wipro Technologies  
Am Wehr 5,  
Oberliederbach,  
Frankfurt 65835.  
Tel: +49 (69) 3005 9408.

### **U.K.**

Wipro Technologies  
137 Euston Road,  
London, NW1 2 AA.  
Tel: +44 (20) 7387 0606.

### **Japan**

Wipro Technologies  
# 911A, Landmark Tower,  
2-1-1 Minatomirai 2-chome,  
Nishi-ku, Yokohama 220 8109.  
Tel: +81 (04) 5650 3950.

### **France**

Wipro Technologies  
91 Rue Du Faubourg,  
Saint Honoré, 75008 Paris.  
Tel: + 33 (01) 4017 0809.

### **U.A.E.**

Wipro Limited  
Office No. 124,  
Building 1, First Floor,  
Dubai Internet City,  
P.O. Box 500119, Dubai.  
Tel: +97 (14) 3913480.