Leading global packaged foods manufacturer slashes loss-making promotions by 24% through trade promotion optimization
**Client background**

- One of the world’s largest global manufacturer and marketer of consumer-branded food products with $15+ Bn in net sales annually
- More than 100 consumer brands marketed across 100+ countries on six continents
- Product categories include: Baking mixes, pet foods, breakfast cereals, yogurt, refrigerated dough, soups, pizzas, snack foods, ice creams, soy products, vegetables, flour

**Challenge**

In response to competitive pressures and rising costs, our client needed a revenue management solution that would provide business users with an insights-driven business planning platform to help them optimize their trade investments.

In addition to trade spend optimization, the client also wanted to improve their ability to predict, and shape promotional demand, which in turn would reduce costs through effective inventory management practices.

**Business requirements:**

- A platform to support extensive data transformation requirements (syndicated data, retailer POS data, master data, and P&L inputs) with varying formats, hierarchy levels and frequency.
- Integration with existing trade promotion management system.
- Advanced machine learning framework based modeling capabilities.
- Pre-built templates to provide visibility to key KPI’s to support global design approach, yet have the ability to configure to meet market-specific requirements.

**Solution highlights:**

- Simulate pricing and promotional tactics and review their impact on financial and volumetric outcomes.
- Ability to predict retailers’ profitability of promotions.
- Enable sales and other business users to increase profitable revenue.
- Provide ROI analysis, incrementality analysis, causal analysis and cannibalization.
- Calculate profit margin for retailers.

**Promax Optimize enabled the client with predictive modeling and promotion optimization capabilities**

**Wipro’s Promax Optimize Solution**

The client selected Promax Optimize and initiated their project with a global design workshop and subsequently deployed to four major countries. All major retailers and product categories were included in the scope of the project. The Promax Optimize solution provided our client the required data transformation and insight-driven planning capabilities required to drive profitable growth.

The Wipro services team supported our client and provided the required assistance to address and overcome all the obstacles (people, tools, data, and process) to effective business transformation, and ensured a high level of user adoption.
**Business impact**

Wipro implemented the Promax Optimize solution in four countries for the customer and is in the process of extending the solution with more advanced capabilities and to additional geographies. The initial business benefits include:

- $3Mn+ rise in incremental net revenue in six months
- Loss-making promotions dropped from 55% to 31% to date
- Improvements in promotion forecast accuracy from 64% to 83% using predictions
- Predictions improved forecast accuracy mean average percentage error by 11%
- Increased promotional ROI while maintaining retailer margin

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