

Putting the Operator into Focus

Foodservice Manufacturer White Paper



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Lack of Operator Visibility Threatens Growth

Think about the burning questions you have about your foodservice business – the ones whose answers have always been out of reach. That list likely includes at least some of the following:

- How is our volume spread across operator segments, and how are those trending?
- Which trade programs with my distributors and contracted customers are driving business growth, and which are not?
- Where do we have untapped cross-sell opportunities?
- How will operators react to our changes in our prices and trade terms?
- How much does it cost us to acquire new business when all of the marketing programs are netted out?

So what keeps you from answering these questions? Most likely it involves being disconnected from the operator, having information spread across multiple systems, and too much manual effort required to analyze your data. Operator end-unit information is fragmented across deviated price claims from multiple distributors, rebate claims from contract customers, loyalty program redemptions, and others. Without a way to link operator information across sources, getting a complete picture of any single operator’s behavior is difficult.

Despite these obstacles, manufacturers must find a way to piece their overall demand picture together. Tailoring sales, marketing and assortment decisions to operators’ preferences demands accurate knowledge of where your business is and how it is changing. The combination of slower industry growth and rising obligations to both distributors and operators makes it even more critical to improve decision making in these areas. The present situation in which manufacturers spend nearly twenty cents out of every dollar earned on trade programs whose effectiveness cannot be

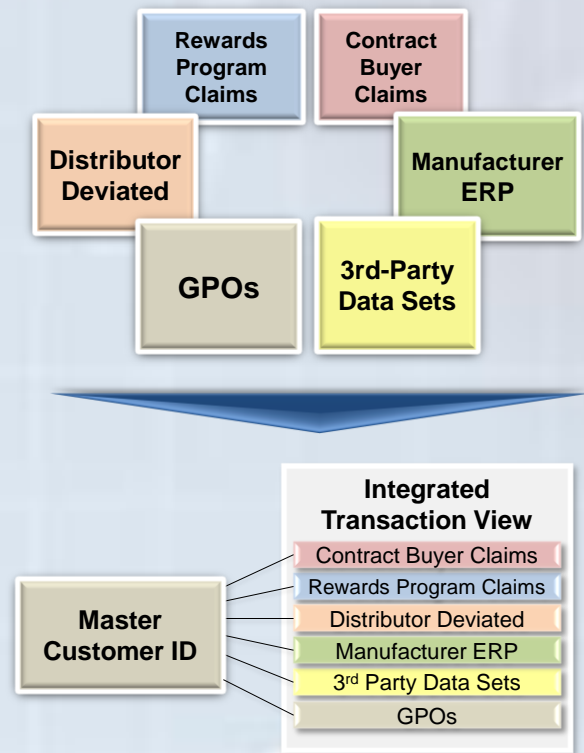


Figure 1. By mapping operator information spread across multiple sources to a Master ID, the business can connect its marketing investments to business outcomes at the operator level.

measured¹, fail to harmonize the information they already have, and struggle to make evidence-based decisions cannot be sustained. Incorporating new information to continuously improve foodservice execution is vital to protecting existing business and growing in this environment.

Putting the Operator into Focus

Sentrana helps manufacturers execute against three imperatives for maximizing the value of their data and continuously improving their execution and decision making capabilities.

1. Integrate Disparate Information Sources and Provide Tools for Exploring the Data

Even without visibility into distributors’ sales data or a direct channel to the operators, manufacturers can use their existing data to make more informed Sales, Marketing and Trade Finance decisions. The disparate information feeds that manufacturers currently receive each tell the business something about a specific part of the market. What the business has lacked is an easy means of joining all of this market information into a clear picture of operator behavior. MarketMover®, Sentrana’s cloud-based analytics and CRM platform, integrates all of the business’ internal and external data sources into a unified repository designed to support high-performance analytics. The data warehouse combines several algorithmic approaches to match customer records from different sources and create universal Operator IDs. These IDs show which

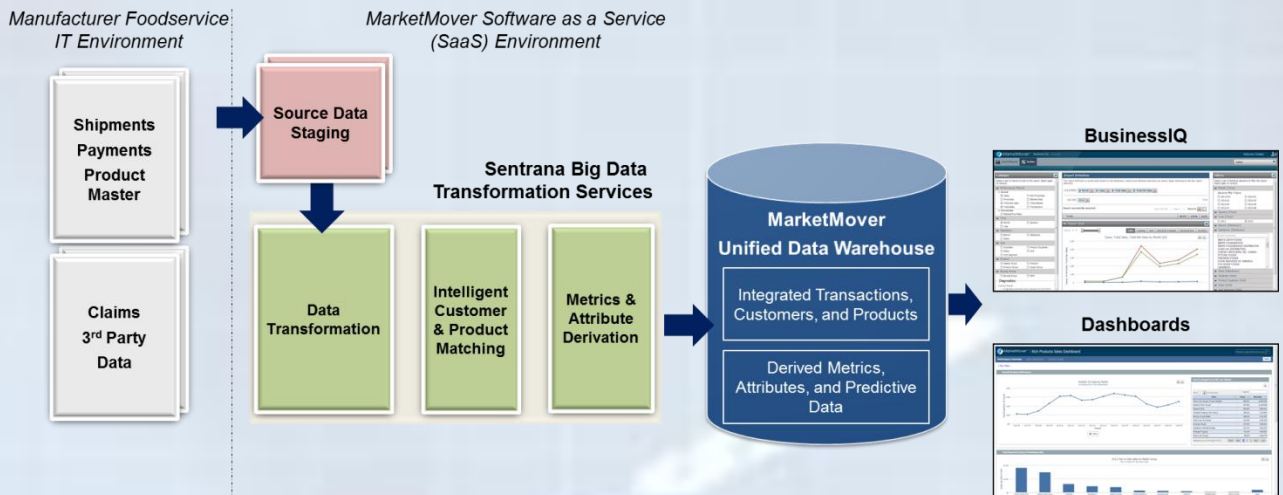


Figure 2. MarketMover integrates disparate information sources into a unified data warehouse that enables users to explore data directly and consume reports through customizable dashboards

¹ Hale Group and MarketIntelligence Survey. 2010.

pieces of information relate to the same operator, allowing the business to connect changes in its trade spend and other marketing activities with their impact on sales.

Once data and operator records are integrated within a single repository, the internal cost of performing analysis falls dramatically. You should anticipate a similarly dramatic increase in demand for analytics from different corners of the business as a result. Marketing, Finance, Sales and the Executive team among others have all been sitting on questions. How can you satisfy this demand? First, recognize the need to “democratize” access to the data and also that different groups consume information differently. Analysts in any department usually want to explore the data without restrictions and iterate quickly through multiple analyses. Executives, sales reps and similar users, on the other hand, usually want to get quick answers rather than explore the data. MarketMover provides tools to support this range needs. *BusinessIQ*, MarketMover’s analysis and data visualization toolkit, provides a powerful, flexible, and highly intuitive user interface that puts the full breadth of data at users’ fingertips. Drill-down and charting capabilities allow them to visually pivot to get down to operator-level details to generate reports. For disseminating insights to different groups, customizable dashboards can highlight performance trends, growth opportunities, and anything else that users want to access quickly.

2. Continuously Refresh Your View of the Market

Making better use of your foodservice data is not a “one-and-done” project. Operators are constantly reacting to new incentives, new products, and new marketing terms. New sources of information will arise that can shed light on the market’s behavior. Bottom line: your market is constantly changing, and your line of sight must keep up with new information as it becomes available. MarketMover automates the data refresh process and makes it easy to add new data feeds. Instead of wasting time reconciling spreadsheets, people can instead focus on identifying growth opportunities, creating market plans, designing incentives – in other words, on doing their jobs.

In addition to hosting the unified data warehouse, Sentrana works with clients to configure the automation infrastructure that manages the data. The automated data extraction, transfer, and cleansing processes relieve business resources of tedious, repetitive tasks and automatically flag any data discrepancies. As new information resources become available, our expert Foodservice

Solutions and Services teams work with clients to modify requirements and incorporate new data into the system.

3. Use Advanced Analytics to Make Information Actionable

It sounds counterintuitive, but there are several reasons why predictive analytics and other advanced techniques often make data easier for the business to use. First, the claims and other data feeds do not cover 100% of the business. Predictive analytics can fill in some of the gaps. For example, Master Operator ID's allow us to intelligently "pool" data across similar² operators and SKU's to increase sample sizes to infer what happened in the absence of good data. Figure 3 illustrates how pooling allows us to more confidently estimate customer price sensitivity in the face of sparse or incomplete data.

Another major advantage is that predictions make data more actionable. For example, knowledge of which SKUs correlate most highly with each other and with different types of customers lets us to predict unit-level cross-sell opportunities. In this case, predictive analytics allow us to suggest a set of concrete next steps for account owners. MarketMover can push these operator-specific recommendations through dashboards to the right account reps, brokers, and other customer touch-points to fill out their market plans. As data accumulates over time, the predictive models learn and refine their accuracy, making insight discovery and execution a living business capability.

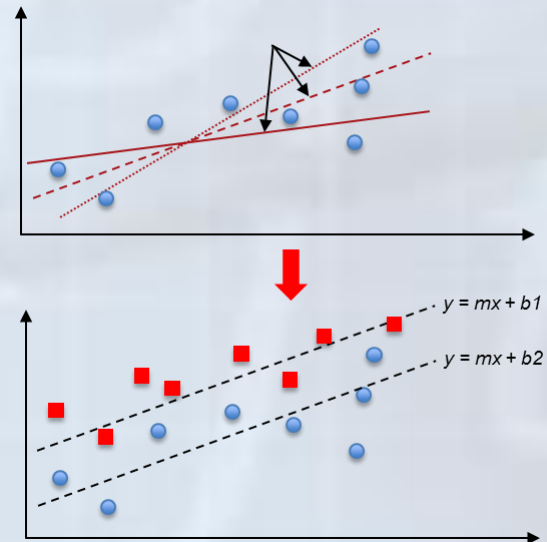


Figure 3. Price sensitivity illustrates the value of pooling data. The magnitude of the price-quantity tradeoff is hidden when the data set is too small, but pooling data across similar operators and SKU's enables us to quantify the true relationship between price and demand for this SKU.

² Determining sufficient similarity across customers for pooling is one of the most complex aspects of the predictive modeling process. For a detailed explanation of how we do it, you can download this free scientific paper from our website: <http://www.sentrana.com/knowledge-wp-the-science-of-revenue-optimization.html>

Get Beyond Insights to Results-Driven Execution

Blending strategy, technology, and culture to continuously improve execution is the ultimate competitive advantage. MarketMover can help enable this virtuous cycle, but if the emergence of Business Intelligence and Big Data has shown us anything, it is that great tools and insights don't grow the business on their own. The key takeaway for foodservice manufacturers is that any initiative centered on analytics capabilities should be tied to specific, measurable business improvements. Delivering more personalized communications to operators, allocating resources more effectively, eliminating waste (ever pay out claims to more than one distributor on the same case?) - these are the types of goals that MarketMover was designed to help support.

5 Steps to Maximize the Value of Existing Operator Data

1. Match customer records across data sources within an integrated operator data repository
2. Give business users access to the tools they need to explore and view the data
3. Expose KPI's and recommendations to decision makers across the business
4. Use predictive analytics to fill in gaps and uncover operator-specific opportunities
5. Connect Sales, Marketing, and Trade investments with results in the market

To achieve our mission of helping the business continuously improve decisions that affect the customer experience, MarketMover is built on a set of guiding principles:

- *Make Information Accessible* – MarketMover supports different kinds of users by making data accessible in ways that match their needs and abilities.
- *Maximize Efficiency* – Data exploration, visualization, and dashboard tools improve users' "return on time" through automated data integration and cleansing and high-performance computation
- *Enable Knowledge Creation* – Predictive analytics supplement existing data to provide users with the additional context to uncover new insights and translate them into action.
- *Facilitate Collaboration* – MarketMover makes it easy for users to share reports with each other and converse around analytics, fostering collaborative innovation.

About Sentrana

Sentrana is a leading provider of quantitative marketing and analytics technology in the foodservice industry. Its flagship platform, MarketMover®, combines Business Intelligence, CRM, and predictive analytics into a suite of integrated capabilities for helping clients optimize prices, target marketing promotions, and explore their data.

To learn more about how Sentrana can quickly help your business get more value out of its data or to schedule a product demo, please contact Jim Klass jim.klass@sentrana.com or Christian Bonilla christian.bonilla@sentrana.com.