

TPM Best Practices

A path to Foodservice
Excellence



TPMA Foodservice Council

- Dean Foodservice
- Farmland Foodservice
- JM Smucker's Foodservice
- Hormel Foodservice
- Kellogg's Away from Home
- Master Food Service
- Rich's Foodservice
- Sara Lee Foodservice
- SCA
- Tyson Foodservice
- Associated Member
 - SAP
 - Hitachi Consulting

Accomplishments to Date

This group of industry leaders has worked diligently to develop a foundation for trade promotion to advance the industry's dialog. We have develop the two main pillars of the foundation:

- Develop a working ***Definition*** of what Trade Promotion is (and isn't)
- A ***Framework*** of the Trade Promotion Process

Foodservice Trade Promotion

- **Foodservice Trade Promotion Management or Foodservice TPM** is comprised of various types of trade spending that can be considered a "Reduction in Revenue" as defined by the Sarbanes-Oxley Act of 2002. Foodservice Trade Promotions are monies paid by a manufacturer to a distributor, wholesaler, customer or operator as payment for consideration of various promotional, merchandising and/or product, brand or category building activities for the manufacturer. Specific to Foodservice, this typically includes: Bids; Rebates; Off-Invoice Allowances; Price Allowances; Market Pricing Allowances; Deviated Pricing; Corporate Growth Programs; Local Growth Programs; Local Marketing Programs; Local Blanket Bids; Distributor Sales Reps(DSR)/Marketing Associates (MA) Spiffs. Other types of trade spending are also included when associated directly with promoting a product and include: No Charge Equipment, Food Show; Distributor Event.

What it isn't – Marketing Expense

- **Foodservice Marketing Expenses** are comprised of various types of marketing spending that can be considered an "Expense" as defined by the Sarbanes-Oxley Act of 2002. Foodservice Marketing Expenses are monies paid by a manufacturer to create Brand Value and Brand Equity for a manufacturer's products typically through various methods of customer communication. Specific to Foodservice, this typically includes: POS – Point of Sale Signage; Table Tents; Menu Mention; Co-op Advertising; Radio/TV/Media Advertising; Training; Wait Staff Promotions; Charity Events and Outings; Foodservice Conventions and Organization Meetings.

Trade Promotion Management Process Framework Based on work by TPMA, and enhanced by Hitachi Consulting

Sub Processes and Steps

TPMA Trade Management Processes

PROGRAM	Define Performance & Product Objectives	Establish Program Using Standards	Establish Metrics	Gain Approvals & Communicate Program(s)	
PLANNING	Analyze Program, Market and Competitor	Perform Price Analysis and Set Guidelines	Ensure Linkage to Related Business Functions	Establish Budgets	Set Up Program
DEAL	Gain Internal and External Program Acceptance	Create Contracts	Approve and Communicate Contracts	Track Contracts	Renew/Retire Contracts
EXECUTION	Track Execution Across Business Functions	Track Contract Performance	Resolve Execution Problems	Manage Contract Data	Communicate Contract Performance and Issues
SETTLEMENT	Receive and Process Claims	Resolve Exceptions and Disputes	Accept or Reject Claims	Pay Claims and Commissions and Generate Accruals	Manage Claims Data and Documentation
ANALYSIS	Collect and Analyze Data Aligned with Program Goals	Create Standard Reports	Respond to Ad Hoc Requests		

Trade Promotion Management Associates Process Framework

Based on work by TPMA, and enhanced by Hitachi Consulting Corporation

