

**Seven Key
Considerations when
Choosing a TPM Solution
Learnings from the last two
decades**



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Research VP, Industry Advisory
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April 22, 2008**

Microsoft Excel still has more market share than any single vendor, despite its lack of industry functionality...

“In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.”

**--Theodore Roosevelt,
26th president of the United States**

There is No Luck In It! The Key Seven...

- Level and type of integration
- Geographic scope
- Degree of customization required and ease of doing so
- Hosted or On-premise
- Suitability to the task
- Enabling the mobile worker
- Analytical capabilities

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Integration

- **Required for historical sales, external data (Nielsen or IRI), deductions, etc.**
- **Non-integration = non-adoption by users**
- **Don't ask a vendor, "can you", but "where have you" with similar data, ERP, and version(s)**
- **Even purchasing the entire solution set doesn't guarantee ease of integration**
- **Check references carefully to find a proxy for your situation**
- **SOA is still lacking in widespread references**

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Geographic Scope

- **Single instance is a lofty goal but unattainable**
- **Solution must be crafted down to the region or country level, otherwise expect a meltdown**
 - **Ergo, does the vendor have solution for diverse processes? North America, LatAm, S Europe, N Europe, Japan, Australia**
 - **Does coverage include permutations within the geographies? Pubs, HQ, store-to-store, distributors/wholesalers, food service**
- **Vendor must have local expertise through feet on the ground or partners.**

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Degree & Ease of Customization

- **Big companies \$ 1 B + will customize because they can afford to do so and can't keep their hands off the solutions**
- **Smaller companies can't really afford to do so**
- **Only customize to enhance competitive advantage or meet process requirements***
- **Give vendors a couple of scripts and 24 hours to make changes. This shows both ease and resources.**
- **Know what the "base model" looks like and establish the gaps**

***Risk here that solution is the wrong fit or business processes are really unique**

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Degree & Ease of Customization (Continued)

- **Know what the system administration tools can do and what will require vendor/integrator involvement**
- **Check the references that appear most like you, not those the vendor provides**
- **Remember that costs ex-licenses can easily run 3X or 4X the licenses so look for best fit**
- **Customizing country by country is the worst nightmare of all**

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Hosted or On-premise

- **Choose hosted when you prefer:**
 - **Low cost**
 - **SLAs built in**
 - **Ease of changing solutions**
 - **Difficulty in making minor customizations**
 - **Little or no external support**
 - **Focus on competitive advantage in your people and processes, not the solution**
 - **Very little integration**
 - **Small vendors (less than \$15 M in revenue)**

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Hosted or On-premise

- **Choose on-premise when you:**
 - **Want to be able to customize (or can't resist the urge!)**
 - **Need it behind your firewall**
 - **Believe the tool is part of the competitive advantage**
 - **Will add on key processes such as cat man, retail execution, etc.**
 - **Favor integrators to help with deployment**
 - **Envision a lot of data integration**
 - **Plan on staying with the solution/vendor**

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Suitability to Task

- **B2B solutions like salesforce.com, SalesLogix, Act, Goldmine, Access, Excel, Lotus Notes and the like simply can't cover TPM requirements at this time**
- **Since contact management is a part of most any SFA solution, why jack around with a separate solution?**
- **There aren't business processes in other industries that can be extrapolated to consumer goods so looking at an industry solution (like pharma) is a waste of time**

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Enabling the Mobile Worker

- **Pure off-line capabilities for airplanes and buyers offices**
- **Mobile analytics is a huge differentiator**
- **Don't bank on ubiquity of WiFi or cellular**
- **Quality of sync is key. Test, test, test!**
- **Be able to take slices of data on the road**
- **Unified communications is growing in acceptance so mobility is essential**

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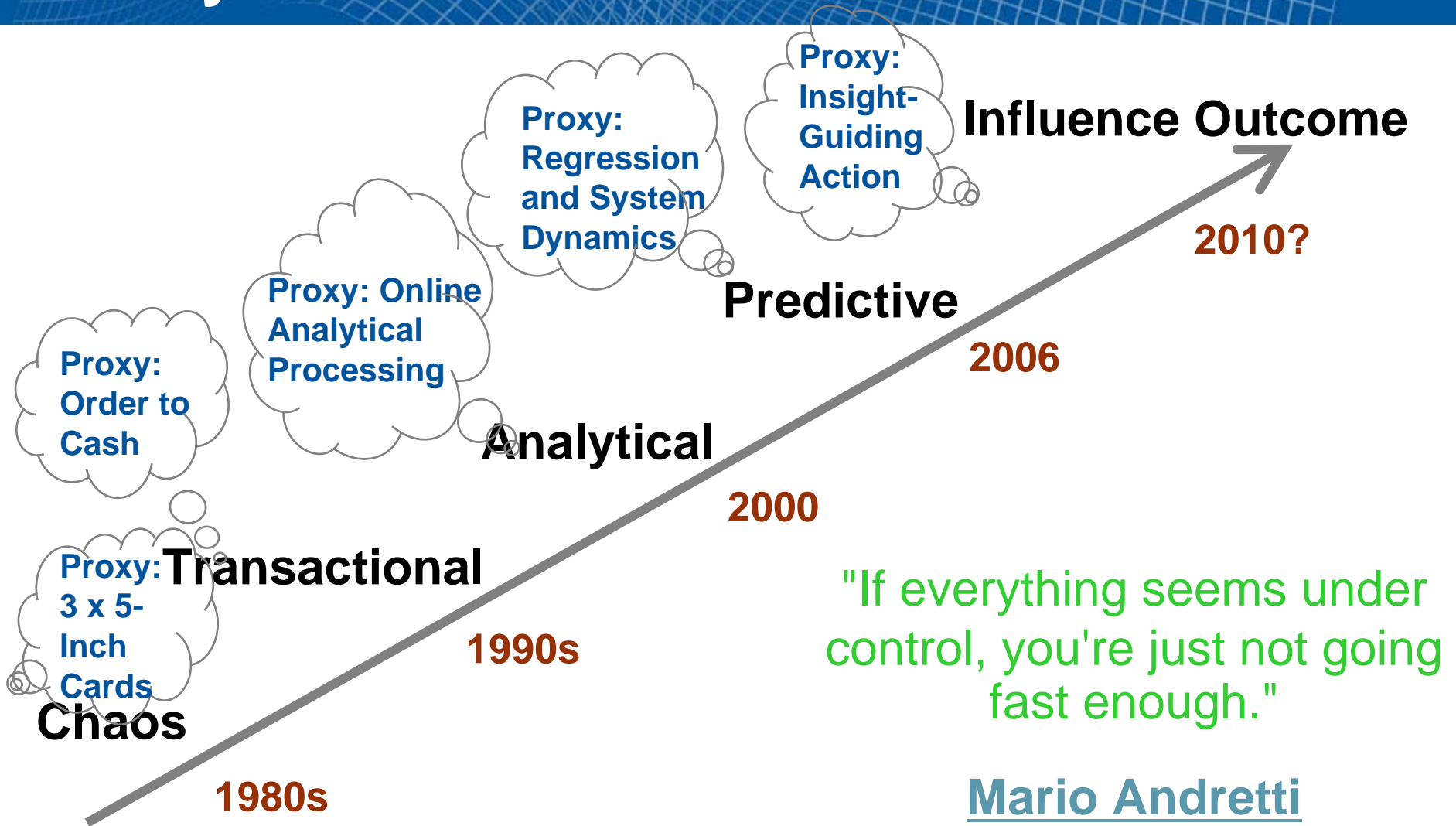
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Analytics: A Generations Model




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Generational Attributes

Chaos	Transactional	Analytical	Predictive	Influence Outcome
<ul style="list-style-type: none"> •Get the job done •Survival •No process •Inconsistency •Disconnected points in the supply chain •Low or no technology •Every person for himself 	<ul style="list-style-type: none"> •Data-capture ability but not doing anything with it •Some process consistency •Limited use of technology •Process/transaction efficiency •Order to cash •Some semblance of strategy/process consistency 	<ul style="list-style-type: none"> •Analysis of the data •Well-defined processes •Multichannel integration •Single view of the customer •Customer segmentation •Sort-based analytics •Dashboards •Customer satisfaction/being able to measure 	<ul style="list-style-type: none"> •Operationalize the data •Influence customer satisfaction •Optimize the data you have for profitability/sales •Change production and processes •Predictive analytics 	<ul style="list-style-type: none"> •Influence customer behavior •Targeted selling •Closed-loop marketing •Scenario management •Real-time analytics •Emotional and behavioral analysis

 **Denotes Most-Common Generation**

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Advanced Analytics: Different Question, Different Tools

Tools:

- ✓ Online Analytical Processing
- ✓ CRM Suite
- ✓ Data mining

Tools:

- ✓ Regression
- ✓ System Dynamics
- ✓ Linear Programming



Analytics

- Dashboards and Alerts
- Reporting
- Query

Advanced Analytics

- Predictive Modeling
- Optimization
- Scenarios

Take a phased approach. First understand the past. Then, look to the future.

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In Summary: The Time for Hype in TPM is Over...

Discovery consists in seeing what everyone else has seen but understanding it for the first time."

--Albert Szent-Gyorgyi,
Nobel laureate in Physiology or Medicine

Don't make decisions because they are the easiest, the cheapest, or the most popular. Make your decision because it's right."

--Theodore Hesburgh,
former president of the University of Notre Dame

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