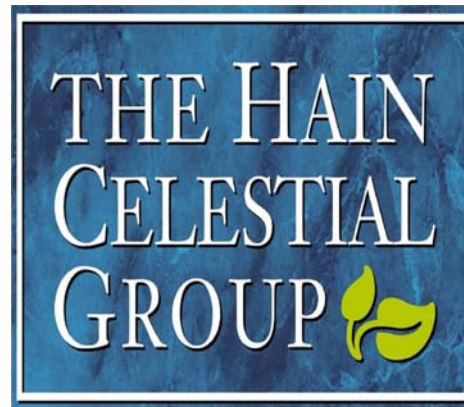


# A Road Map For Change



## What We Will Accomplish

- Underline the need for a TPM solution
- Understand the dynamics behind process changes and software application
- Provide a roadmap for a successful TPM implementation

# Agenda

- Background and experience
- How to identify the need
- Process for change
- Measure success
- Learning's

# Matt Bennett

*Background*

- Over fifteen years in Consumer Products sales and trade planning
  - Nabisco
  - Fujifilm USA
  - Kraft Foods
  - Pinnacle Foods
  - The Hain Celestial Group
- Trade Promotion Management

# The Hain Celestial Group

*Background*

- Headquartered in Melville, NY
- Sales in North America and Europe
- Leading natural and organic food and personal care products company
- **Brands include:**
  - **Health Valley®**
  - **Terra®**
  - **Garden of Eatin'®**
  - **WestSoy®**, **Earth's Best®**
  - **Spectrum Naturals®** and **Spectrum Essentials®**

# Why a TPM Solution?

*Identify  
the Need*

- Checkbook to manage our funds
- Need to be savvy to our environment
  - Retailer
  - Distributor
  - Sales Person

**“Manage your business like you manage your personal checkbook”**

# Real-Time View and Access

*Identify  
the Need*

- More Profit Focused
  - Mature sector
  - Not only focused on volume
  - Bonus-driven
- Maximize strategy
  - Exploit opportunities
  - Shift tactics where needed
  - No surprises

“One Stop  
Shopping”

# The Need to Shift Paradigm

*Identify  
the Need*

- Before
  - Volume driven
  - ... at any cost
  - Bonus structure
- Now
  - Closed-Loop TPM solution
  - Profit driven
  - Bonus structure

# Efficiency of Trade Spending Identify the Need

- Not necessarily reduce trade spending
- Drive profitable volume with same \$ spend
- Identify & Eliminate Poor Performing events
- Exploit/replicate high profit building plans
- Need “Closed-Loop” system

***“Bigger Bang for the Buck”***

# Complexity of the Business

*Identify  
the Need*

- Categories
- Accounts
  - Go to market
- Flexibility to grow—  
Acquisitions

# Organization

- Senior Management Support
- Strong Project lead
- Be prepared to make difficult decisions
- Cross functional involvement
- Need right people
  - Entrepreneurial spirit
  - Profit driven

# Need for Consulting

*Process for  
Change*

- Before, During and After
- Tunnel Vision
- Upper Management listens to experts
- Conduct a Business Process Assessment
  - **Measure against industry best practices**
  - **Adopt process recommendations to close industry gaps**

“Streamline the Chaos”

# Training is Critical

- Hands on training
  - Preparation
  - Execution
  - Reinforcement
- Follow-up training
  - New personnel
  - “Train the Trainer”
  - Advanced training including best practices
  - Software enhancements and process changes

# Closed-Loop Benefits

*Measure  
Success*

- Visibility
  - “One View of the Truth”
- One-Stop Shopping
  - Reduce Silos and Confusion
  - Improve Workflow
- Category Leadership status
  - Fact-Based

# What Customers Drove

**Measure  
Success**

PRODUCT ALL  
THIS PERIOD 10/01/06 To 09/29/07 (52 wks)

## Profit & Loss Detail

Date Prepared 09/30/07  
Time Prepared 17:32:35  
Source INTERNAL  
User ADMIN  
Revision 602.2702.2

REPORT # 30

Hain Celestial Group

BY PLANTO (By Transaction Date)

	KEHE FOOD DISTR INC		KROGER/FRED MEYER		WAKEFERN	
Gross Dollar Sales	\$18,141,403.36		\$14,516,498.50		\$8,996,536.24	
Less Credits	\$378,780.32	2.09%	\$66,896.09	0.46%	\$157,163.74	1.75%
Adjusted Gross Dollars	\$17,762,623.04	100.00%	\$14,449,602.41	100.00%	\$8,839,372.50	100.00%
Trade Promotion Discounts	\$3,957,287.11	22.28%	\$3,470,708.07	24.02%	\$981,861.41	11.11%
Misc Adjustmests to Net	\$317,114.56	1.79%	\$289,301.28	2.00%	\$174,007.10	1.97%
Net Dollar Sales	\$13,488,221.37	75.94%	\$10,689,593.06	73.98%	\$7,683,503.99	86.92%
Cost of Goods	\$4,588,845.75	25.83%	\$4,473,665.00	30.96%	\$2,399,578.94	27.15%
Freight	\$521,505.89	2.94%	\$320,109.09	2.22%	\$215,332.82	2.44%
Non-Promotional Expenses						
Brokerage	\$321,218.87	1.81%	\$289,923.33	2.01%	\$211,251.03	2.39%
Warehouse	\$139,182.79	0.79%	\$111,097.70	0.77%	\$77,363.83	0.88%
Subtotal: Non-Promotional Expenses	\$460,401.66	2.59%	\$401,021.03	2.78%	\$288,614.86	3.27%
Subtotal: Promotion/Non-Promotion	\$460,401.67	2.59%	\$401,021.03	2.78%	\$288,614.85	3.27%
Variable Contribution	\$7,917,468.07	44.57%	\$5,494,797.94	38.03%	\$4,779,977.38	54.06%

# How are We Projecting to finish the Quarter?

**Measure Success**

**CATEGORY** Category 1  
**THIS PERIOD** 04/01/07 To 06/30/07 (13 wks)

## Budget/Projected Variance

Report# 59

Demo Corp

BY CATEGORY, ACCOUNT

**Date Prepared** 04/11/07  
**Time Prepared** 09:08:43  
**Source** Plans/Actual  
**User** ADMIN  
**Revision** 602.2700.50

ACCOUNT	Budget			Planned			Actual			Projected				
	Budget Revenue	Budgeted Spend \$	Spend % of Sales	Planned Revenue	Planned Spend \$	Spend % of Revenue	Actual Revenue	Actual Spend \$	Spend % of Rev	Projected Revenue	Variance (Proj-Budg)	Projected Spend \$	Proj Spend % of Rev	Variance (Proj-Budg)
MONEL, INC. MIAMI FL (4374-4)	315,568	56,802	18.00	446,726	75,103	16.81	227,093	9,799	4.31	412,554	96,986	61,239	14.84	4,437
ORGANICA U.S.A. MIAMI FL (1603-4)	184,016	33,123	18.00	319,500	48,096	15.05	79,118	0	0.00	216,354	32,338	22,430	10.37	-10,693
RICKY DIAMOND LA (4396-4)	191,663	34,501	18.00	264,474	44,996	17.01	90,745	6,190	6.82	237,883	46,220	38,278	16.09	3,777
SNYDERS NETWORK- SE (4408-4)	120,643	22,922	19.00	122,887	46,330	37.70	60,593	0	0.00	129,713	9,070	41,482	31.98	18,560
TREE OF LIFE SE ELKTON FL (1717-4)	106,500	20,234	19.00	113,618	17,189	15.13	59,170	0	0.00	117,856	11,356	13,284	11.27	-6,950
WISE DIST OF JACKSONVILLE FL (4456-4)	491,725	73,759	15.00	424,426	98,392	23.18	263,717	7,442	2.82	422,849	-68,876	98,331	23.25	24,572
<b>SUBTOTAL</b>	1,410,115	241,341	17.12	1,691,630	330,107	19.51	780,436	23,431	3.00	1,537,210	127,095	275,044	17.89	33,703

# Where Were We?

*Learnings*

- Utilizing spreadsheets
- Manual Planning process
- Fragmented visibility
- Limited ability to analyze activity
- Many versions of the **Truth**
- Human Error
- Communication Breakdown

# Where Are We Today...

*Learnings*

- Trade spending remains a large line item
- Account P&L capability
- What-if scenarios
- Analyze promotional activity
- Ability to adjust strategy & tactics
- Planning the business, not just planning promotions

# How Did We Get Here?

*Learnings*

- Consistent look
- One truth—same system for all
- Automated process
- Visibility of plans and results

# Learn From the Experience

*Learnings*

- A need for a Closed-Loop system
- Forced Discipline
- Plan the business and not just promotions
- Paradigm shift

Questions???