



Shredding the Paper Trail

An interactive category management tool enables Dr. Pepper/7UP to focus on its core business

BY TIM CLARK, MANAGING EDITOR

Across the globe, consumer goods companies continuously churn out high volumes of innovative products that people rely on every single day. But, there is one product being produced that threatens the very innovation that consumer goods firms hold so dear: Paper.

Ask any consumer goods firm the amount of reports they generate for their sales teams, for instance, and they are likely to give you a number that is in the thousands.

Unfortunately, the more time and money spent printing and analyzing reports means less time focusing on building value for retailers. It's an inefficient scenario that Craig Hodnett, vice president, category management, Dr. Pepper/7UP is all too familiar with.

"Most sales reports are basically the exact same thing with very small tweaks," says Hodnett, who is now shredding his company's paper trail with a "point-and-click" category management tool from Interactive Edge. "This kind of tool and this kind of thinking gets you out of the paper trail. Now I have time for the 20 percent club projects and that's where the productivity comes in."

How It Works

The XP3 Suite from Interactive Edge is a Microsoft PowerPoint-

based analytic and presentation tool that transforms data into actionable insights. Utilizing streamlined, user-friendly analytic capabilities, XP3 Suite helps improve the quality and development speed of data-intensive, custom presentations for strategic initiatives such as category management, new item presentations and business reviews.

For Hodnett and his team, this translates into the uncanny ability to adapt to virtually any category management scenario, especially since every account has its own method. "Countless times I'd be working with the database, wondering how I can get my sales force on the same page with all of the insightful templates and into one system," says Hodnett. "That's where Interactive Edge comes in. I can walk into an Albertson's or a Safeway and if you had your templates ready to go, this is literally a tool that is point and click technology, which is key."

Hodnett says that because sales people are typically afraid to try something new, when you show them that they can use point and click technology, they can actually

click their way through to find insight. "It's a fun way to look at the business and its very a high-impact presentation to the retailer when the can ask a question, and the sales person can point and click to provide the answer."

In the Beginning

In the old days, if a sales deck was created before a retailer decided to eliminate certain products to be replaced by another, the sales person

relate to the bottler or distributor. "We build a real, live situation and we play the role of the buyer," says Hodnett. "They have to use the tool to solve the problems."

On top of the training, Dr. Pepper/7UP engages in "situational selling" after the company realized that about 80 percent of its requests come from salespeople who have made connections with brand new buyers not familiar with buying carbonated soft drinks. It's during these key situations when Dr. Pepper/7UP needs to quickly present something to the potential buyer and also position the company as knowledgeable, insightful and someone to partner with.

"Interactive Edge gives me the technology to allow me to do that and the tool helps me do that quickly," says Hodnett. "Situational selling has made us very, very productive."

AC Nielsen data also helps lure in the "80 percent club" and is fed into the Interactive Edge tool every four weeks. The AC Nielsen templates reside in the beverage builder part of the tool that the salesforce can easily access. This frees the support team in category management to focus on the 20 percent club.

"Having that kind of thinking and that kind of tool has literally tripled our productivity," says Hodnett. "It is incredible what it has enabled us to do."

Third Time Is the Charm

Dr. Pepper/7UP is in its third year using the Interactive Edge tool, which Hodnett says takes a full year minimum to get the templates and salesforce aligned. ROI in six months was never top of mind with the company, however, speed to insight was and still is.

"It's one of my company's core competencies," says Hodnett. "This tool is definitely a key enabler but you also want to be careful to not become enamored with it. Anybody can go buy a tool. What you do with that tool is key."

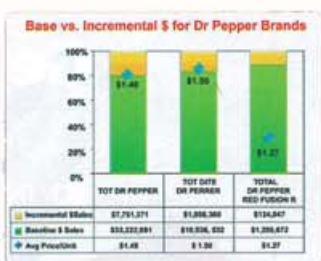
would have to realign their database to meet those needs, which eliminates precious time away from the retailer. According to Hodnett, that scenario is ancient history, thanks to Interactive Edge. "I can literally stand right in front of them now and say, 'not a problem.' A few clicks to add the new items and subtract the items that he no longer is put in that in that category and our presentation is ready to go, right in front of him within seconds. That's power."

Training Day

To ensure that the Interactive Edge tool is used to its utmost capacity, Hodnett says Dr. Pepper/7UP holds workshops for category managers and salespeople by developing role-play scenarios. The company has seven categories, five of which relate directly to the retailer and two that

Dr Pepper Brand Overview

TOTAL US - DRUG STORES



	TOT DR PEPPER	TOT DIET DR PEPPER	TOTAL DR PEPPER RED FUSION R
Incremental Sales	\$7,751,271	\$1,006,369	\$134,847
Base Sales	\$53,222,881	\$19,506,552	\$1,295,672
Avg Price/Unit	\$1.40	\$1.50	\$1.27

- Total DR PEPPER RED FUSION R has gained 2.3 share points since YAGO
- TOT DIET DR PEPPER is the price leader at \$1.50 per unit