



[CASE STUDY]

Enlightening Shelf Tactics

OSRAM SYLVANIA brightens customer relations through a company-wide strategy

For a diverse consumer products company like OSRAM SYLVANIA (OSI), delivering superior customer service within the competitive categories it plays in is paramount to company success. A subsidiary of OSRAM, based in Munich, Germany, OSI has more than 20 manufacturing facilities throughout North America where it researches, develops, and engineers lighting products. OSI is also well known for its wide array of consumer electronics and home and automotive lighting products.

STRENGTH AT RETAIL

To strengthen its position in North America, OSI had to grow its strategic relationships. "Once we start growing our share and differentiating ourselves, we start strengthening collaborative relationships with our retail partners," says Brendan Locke, Category Management Insights Marketing manager, OSI. "We want to be a consumer-focused manufacturer. We're really trying to grow sales and profits by ringing the registers for our retail partners."

Locke says a magic bullet does not exist when embarking on this type of initiative, which has to be driven by top management. Key areas that OSI is focusing on entails people, process and technology. "We've invested heavily in all of these areas to really maximize the benefit for our collaborative relationships," says Locke.

On the technology side, Locke says OSI felt it was vital to implement category management best practices that are streamlined into practical and tactical objectives. In its prior process, OSI was far



With 20 manufacturing facilities throughout North America, OSRAM SYLVANIA is well known for its wide array of consumer electronics as well as home and automotive lighting products.

process allows OSI to combine forecast, inventory, order and sales data into regularly updated presentations, as well as the potential to integrate syndicated and panel data with their existing data points. The result is that OSI spends less time on the tactical aspects of category management and more time on the strategic components that drive bottom line results through the discovery of "uncommon" insights. XP3 also provided a very quick return on investment. Within eight weeks, OSI implemented hardware and software to manage, analyze and present insights to a major mass merchandiser where it serves as Category Captain. Store level, daily data for the entire category is incorporated into a flexible, scalable warehouse. The output is

also needed to maintain the flexibility to analyze ad hoc requests and change outputs to meet business dynamics," says Mike Mahoney, manager, e-sales and customer integration, OSI. "The investigation of the tools available for use to accomplish these criteria led to our eventual selection to use XP3 as our category management tool of choice."

Aside from the overall objectives, in choosing the proper tool, OSI considered a number of additional criteria in the selection process, some of which were ease of use, audience reach and tool flexibility.

"With the organizational approach at OSI, key data is shared across most functional areas of the business to provide improved responsiveness to market, customer and consumer needs," says Mahoney. "People needed to be able to use the tool quickly while at the same time provide the audience with the flexibility to view information in the formats they desire. The XP3 suite from Interactive Edge fulfills the evaluative criteria set by OSI originally established early on in the selection process and delivered as described."

"Key data is now shared across most functional areas of the business to provide improved responsiveness to market."

Mike Mahoney, Manager, e-Sales and Customer Integration, OSRAM SYLVANIA

from tactical or practical in its approach as it was spending too much time on data organization, implementation and integration. "We need to switch that around," says Locke. "Thanks to Interactive Edge technology, we were able to implement a hardware and software solution in eight weeks that allowed us to spend more time analyzing the data at the store level."

COMPANY WIDE INITIATIVE

Interactive Edge's XP3 is a now a core component of OSI's category management program. As the enabling technology, XP3's data automation

presented in the familiar Microsoft Office platform. Using XP3, OSI is improving its relationship and status as Category Advisor.

SHIFTING THE WORKLOAD

The category management practices at OSI were evaluated for work flow and opportunities to shift work loads from data manipulation and preparation of presentations to analysis and evaluations. The company focused on increasing the value added areas of the category management process — analysis and insights — and mitigating non-value added processes. "We

PEOPLE, PROCESS, TECHNOLOGY

Dr. Brian Harris of The Partnering Group is a firm believer of how people, process and technology work together to enable successful category management initiatives. Harris has also taken note of OSI's success in becoming category captain for a major mass merchandiser. Harris notes that the importance of a collaborative effort between retailers, wholesalers and suppliers, and the central role that data and technology tools will continue to play in ensuring successful category management are lessons to be learned from OSI.

"Category management has focused retailers and manufacturers on the importance of understanding the consumer and the value of consumer insights information," says Harris. "When this information is used correctly with intelligence and technology tools it can lead to differentiation for both parties." **CM**