2018
IBM Consumer Products Solutions Guide
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New technologies continue to transform how consumers communicate, interact with
and research brands—and how and where they shop for goods and services. Agile
innovators have taken advantage of technology to develop new business models,
services and offerings that have disrupted the consumer products landscape and
changed consumers’ expectations. Manufacturers must respond by finding new
ways to understand, engage and serve consumers in an always-on and
technologically savvy world.

The physical and digital worlds are converging, and a seamless consumer brand
experience—true engagement across all channels—is no longer optional for
consumer goods manufacturers. Mobile and social engagement are expanding into
geo-location services and Internet of Things (IoT), where machines and wearable
technology generate data from connected devices, opening up new opportunities to
gain competitive advantage through insights and innovation. Added to this, Cognitive
computing enables companies to understand new sources of information at scale,
and dramatically change the way they innovate, manufacture, and distribute their
products. Manufacturers that collect, secure and analyze these burgeoning sources
of external data can better understand consumer purchase and consumption
preferences and trends to drive better, more timely decisions across the enterprise.

We believe that there are four imperatives that consumer products manufacturers
must address in today’s environment in order to win in the marketplace:

- **Consumer Experience**: Deliver a differentiated brand experience
  through the use of deep shopper and consumer insights
- **Channel Collaboration**: Collaborate more effectively with channel
  partners to differentiate at the point of purchase
- **Supply**: Optimize supply and distribution networks by integrating
demand and supply signals
- **Operations**: Reinvent processes and accelerate organizational
  agility to enable growth
Technology enablers play a vital role in helping manufacturers execute on these four universal imperatives. New analytics capabilities applied to both “new” and existing data can help decode patterns, preferences and trends that enable more effective product innovation, more compelling marketing and promotions, and more agile operations. Mobile and social engagement technologies allow contextual and relevant connections with consumers, customers, employees and suppliers. Cloud computing and other new delivery options provide the new capabilities stakeholders are demanding more quickly, efficiently and reliably. And enterprise security ensures the company’s most important information—especially consumer data—is protected.

New capabilities taking advantage of Blockchain and location-based services such as data from The Weather Company® support increased operating efficiencies, transparent processes and agility, to deliver the products and services consumers expect.

IBM offers unmatched capabilities to help manufacturers transform to become more responsive to their customers and consumers, from strategy consulting to help companies define their vision and the roadmap to achieve it, to integrated solutions that enable the roadmap.

This guide showcases IBM solutions for consumer products manufacturers. It provides a quick overview of what consumer products manufacturers need to do within each of these areas and the IBM solutions that can support those efforts.

Please contact your IBM representative to arrange for a briefing on any of the IBM offerings in this solutions guide.

Sincerely,

Your IBM Global Consumer Products Industry Team
Introduction: The IBM consumer products imperatives

Every manufacturer faces a unique business situation and brings a unique set of resources and assets, strengths and advantages to the marketplace. But we believe that there are universal imperatives that each consumer products manufacturer must get right to compete—and win.
This guide describes our four imperatives and organizes the IBM offerings for the consumer products industry around them to show how we help the world's leading consumer products manufacturers achieve their business objectives.

Industry imperative:
Deliver a differentiated brand experience by way of deep shopper and consumer insights

Solutions:
• Consumer Insights and Engagement

Industry imperative:
Optimize supply and distribution networks by integrating demand and supply signals

Solutions:
• Procurement
• Manufacturing and Supply Chain

Industry imperative:
Collaborate more effectively with channel partners to differentiate at point of purchase

Solutions:
• B2B Commerce
• Channel Partner Analytics and Collaboration

Industry imperative:
Reinvent processes and accelerate organizational agility to enable new growth

Solutions:
• Talent and Workforce
• Performance Insights and Management
• Back Office and Security

On the following pages, we examine these imperatives and the IBM offerings within each.
Manufacturers that deliver a more meaningful consumer experience interact with consumers in ways that provide each individual with a timely, relevant and personalized experience.

To compete in a world where consumers expect to be treated as individuals, you must understand and act upon your consumers’ needs, wants and aspirations. A meaningful consumer experience must also extend beyond the notion of separate channels. Consumers should be able to interact with you in the store, on the web, using mobile devices or through call centers — in an absolutely seamless way — with the flexibility to connect, research, shop and receive products purchased as they would like. For example, the recent IBM Institute for Business Value study “Brand Enthusiasm: More than loyalty,” detailed how the consumer-brand relationship has evolved and how consumer products companies can differentiate between consumers that crave brand engagement and consumers that are primarily driven by price. In other words, manufacturers can engage their consumers in accord with their consumers’ preferences as to when, where and how.

Consumer products companies need to execute around a new understanding of consumers and their preferences regarding brand engagement in today’s modern, digital world. They can do this by segmenting their consumers based on relevant attitudinal and behavioral characteristics, to understand who wants to be engaged (and who doesn’t), when they want to be engaged and how they want to be engaged — throughout the path to purchase.

Companies can then begin building two-way relationships with their consumers, based on the preferences and behaviors of each of these segments — and, ultimately, individual consumers. This requires an understanding of increasingly available and complex consumer data, not just customer and category data. Ultimately, as their dialogue with individual consumers grows, leading companies need to deploy a single, comprehensive picture of individual consumers across all touchpoints, and gain the ability to turn that insight into the best action for each consumer.
What it takes to deliver a meaningful consumer experience

Once captured, these new consumer insights can then help drive the development and launch of more compelling products in the marketplace, as well as more timely, relevant messages and experiences throughout the path to purchase.

IBM helps manufacturers collect, manage and analyze disparate external data generated through mobile and social channels and the Internet of Things, enabling them to understand their consumers’ preferences and behaviors in much more detail—often at the individual level. By applying analytics to the information that is available—from new sources, structured and unstructured data, inside and outside the organization—it becomes possible to begin to understand an individual consumer’s interests and current lifestyle needs and wants.

Do it in real time, and you can determine exactly what information, message or promotional offer to deliver to each consumer, right at the moment of awareness. Do so consistently, and you can deepen your relationship and motivate consumers to become loyal brand enthusiasts, taking into account the rapidly changing parameters of consumer brand engagement.

Turn the page to learn about the portfolio of IBM solutions that enable a meaningful consumer experience.
HOW WE DEFINE IT

Getting to know your consumers and effectively using that information to build solid relationships is a critical competitive issue. But most manufacturers struggle with the problem of how to make this happen.

Consumer products companies need to develop new and actionable insights into consumption and purchase preferences and behaviors, based on the application of advanced analytics capabilities on both existing and emerging internal and external data. Use these insights to design and deliver differentiated brand experiences through both improved new-product innovation and the execution of a seamless, compelling consumer experience throughout the consumer journey across all channels, including e-commerce (direct to consumer and indirect by way of a retailer e-commerce channel), digital, mobile, social and in store.

Success here is measured in the ability to understand changing lifestyle needs and influence consumer behavior in real time to drive dramatically higher return on marketing spend, improve the success of new products and, ultimately, increase sales and market share.

WHAT YOU NEED

Deep consumer insight to understand each of your consumers as an individual
A new way to describe what you need is something called “brand enthusiasm,” which includes information on who your consumers are, where they live and their demographics, interests, activities, attributes and preferences, shopping behavior, social interactions and mobile activity—all stored in one place. However, brand enthusiasm goes far beyond traditional demographics analysis to encompass consumer engagement with the brand experience. Using all this information to properly analyze and segment consumers will be the foundation to drive compelling messages and targeted campaigns.

Effective marketing planning and operations to optimize the effectiveness of consumer marketing spend across offline and online channels, including social, mobile, digital and in-store experiences
Marketing campaigns must no longer be exercises in broadcasting. They must be strategic and planned to reach individual consumers with personalized messages and offers based on history, behavioral drivers and current lifestyle needs to drive shoppers to take the desired action.

Seamless and effective consumer experience and engagement throughout the path to purchase
Delivering the intended, targeted consumer experience for your brands throughout the path to purchase across channels and geographies is critical to success. This includes working with channel partners to deliver a consistent, compelling e-commerce experience and ever-more-effective direct-to-consumer commerce through web and mobile. Providing a congruent and simple purchase process for your product line is integral in today’s environment.

BUSINESS CONTEXT EXAMPLE

CONSUMER INSIGHTS AND ENGAGEMENT

Marketing performance optimization
Ability to measure and optimize the effectiveness of consumer marketing spend across all channels

Consumer engagement and experience

Strategic marketing planning and operations

Advanced social media analytics

Consumer segmentation analytics

Shopper behavior analytics

Consumer insights

Omnichannel engagement

Direct-to-customer commerce

POTENTIAL BENEFITS

Increased sales and margins

Improved new-product development and introduction

Improved return on marketing investment

Improved trade promotion ROI
CONSUMER INSIGHTS AND ENGAGEMENT

HOW WE DELIVER IT

The set of capabilities we call consumer insights and engagement can be achieved using a number of architectures, but it requires close integration of people, processes and technology.

A consumer master hub using the IBM consumer insights and engagement platform gives you a single view of each consumer. A key goal is to establish a way to manage the consumer’s attributes, identify the most important pieces of information and define how to make that data available to every system and process that needs it—in real time.

IBM analytics solutions enable you to manage and sift through vast quantities of consumer data rapidly, and to synthesize insights for optimal segmentation to improve consumer engagement. The statistical modeling capabilities of IBM® SPSS® Predictive Analytics can help predict consumer behavior with greater accuracy. IBM Watson®—the next generation in cognitive computing—uses machine learning to discover new patterns and insights in seconds. We help your staff leverage their knowledge with this capability, providing consultation to help ensure thorough adoption.

Experience and research with thousands of companies led us to create IBM Campaign Automation, part of the broader IBM Watson Marketing portfolio of products and services.

IBM Watson Marketing makes it easier to design meaningful customer experiences across applications, devices and time, accelerating today’s results and tomorrow’s ambitions.

The suite of IBM solutions for consumer engagement allows manufacturers to tailor the consumer experience across channels and at the right touchpoints. The IBM suite helps you deploy real-time personalization to deliver targeted interactions at scale, and properly refine your engagement over time.

IBM Watson Marketing solutions enable you to engage the consumer in a continuous, interactive dialogue and influence the path to purchase through display ads that reflect browsing history and product recommendations to deliver exceptional experiences across all channels.

The solution can highlight additional opportunities in your digital channels, such as site or cart abandonment due to issues in the digital experience. Consumer experience management solutions from IBM can provide critical visibility, insight and answers to help you meet online conversion and consumer retention objectives. Onsite assistance by IBM experts helps ensure a smooth transition of this solution to your organization and helps guide campaign execution by highlighting what matters most to your staff.

Central to these capabilities is being able to process vast volumes of data far more quickly than ever, apply analytics and act in real time. IBM can help you engage with each consumer throughout the path to purchase by way of traditional, digital, mobile and other channels—inside and outside the store.

SELECTED IBM OFFERINGS

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More information on each of these offerings is available on the ibm.com® website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

COCA-COLA ENTERPRISES

The global beverages company used an IBM Cloud platform to reduce IT costs and simplify the process of bringing new capabilities to market. This ultimately played a key role in driving new forms of engagement for the company. The results:

- Reduced time to deploy new infrastructures and applications by more than 30 percent
- Engage consumers in a personal way, no matter when or where opportunities present themselves
- Reduce ongoing IT expenses, while also increasing flexibility

BEAR NAKED GRANOLA

This US cereal and snack food manufacturer used IBM Watson Chef to power Bear Naked Custom, a new program that allows customers to design their own personalized granola blend. As a result, Bear Naked was able to:

- Meet their consumers’ desires for unique food experiences
- Offer consumers thousands of different flavor pairings based on more than 50 ingredients
- Set the stage for future leadership and innovation in cognitive food manufacturing

THE CLOROX COMPANY

This leading multinational manufacturer of consumer goods and professional products utilized IBM Journey Analytics and the IBM Marketing Cloud to better understand how consumers interact with its online and mobile channels. Now, The Clorox Company can:

- Use insights from organized data to shape smoother digital journeys
- Detect and resolve issues on its digital channels with efficiency and speed
- Create more personalized experiences for each visitor by serving up the right content
In today’s dynamic environment, effective collaboration between the consumer products company and the various channels it operates in is paramount to success. Consumer products companies are constantly looking for ways to differentiate in the marketplace. Through more effective collaboration in the channel, consumer products companies can win.

Improved channel collaboration strategy means delivering a differentiated consumer experience at the point of purchase and differentiated, value-added services to channel partners. Joint priorities requiring alignment include: joint merchandise planning, optimized promotion and assortment decisions, shared consumer insights, forecast and supply chain efficiency, optimized order management, cost-effective distribution logistics, and price and invoice data synchronization.

To drive growth, consumer products companies must better integrate customer and consumer-focused insights and capabilities, and be able to respond to local conditions to meet consumer demands. Being able to utilize new sources of data such as weather, sensors, mobile, and local events, in addition to traditional sales data, can further drive insights into pockets of opportunity not previously discovered.

There is a need to elevate customer management and integrate it more effectively with the consumer-focused dimension. This requires deep organizational change and investment in new capabilities such as cognitive computing, weather analytics, and cloud, among others.

What does a consumer products company need to do for truly effective channel collaboration? Here are some suggestions:

- Optimize cross-channel order fulfillment processes in the channel
- Optimize customer planning and trade-spend efficiency to profitably grow brand and overall category sales
- Build collaborative, forward-looking channel and merchandising plans for the brand and the category
- Continuously educate and align on new and existing product updates
- Leverage consumer insights, predictive analytics, and cognitive capabilities as part of channel planning and execution
- Improve product assortment, new-product launch success and on-shelf availability to grow the brand and category
- Use mobile and sales and merchandise automation for efficiency
What it takes to build effective channel collaboration

The first step is to drive revenue by delivering a seamless, compelling B2C-like experience for retailers and distributors across all channels, including web, mobile and call center.

Your organization also can help increase sales through improving price, promotion and assortment planning, and execution, as well as effective category management and sales reporting.

Turn the page to learn about the portfolio of IBM solutions that enable effective channel collaboration.
HOW WE DEFINE IT

B2B COMMERCE

You need to maximize your sales performance by more efficient and effective B2B processes aligning order management, invoicing, fulfillment, sales execution, product education, merchandising execution, and digital analytics.

There is also a need to deliver a seamless, compelling B2C-like experience for retailers and distributors across all channels, including web, mobile and call center. This also includes improvement in field sales, delivery and service operations through task automation, and improved effectiveness by adopting analytics in task execution, as well as the management and allocation of field personnel.

WHAT YOU NEED

Effective invoice and order management
This includes an efficient order-to-cash process to manage invoicing, deductions, and settlement processes.

Personalized, seamless channel experience
The consumer products organization must rise to the challenge of delivering a personalized, seamless B2C-like experience for retailer and distributors across all channels including web, mobile and call center. This involves education, a social community and product understanding.

Exceptional information management
There is an additional requirement of maintaining a centralized hub to manage and fulfill orders across disparate order entry systems, channels and customers. Additionally, this involves effective management of store point-of-sales and demand-signal data for complete visibility.

Effective channel execution
At a base level, consumer products companies need to deliver improved in-store merchandising conditions through enhanced retail execution. To do this, you need to improve sales force efficiency through automation of pre-sales, sales and merchandising activities. Higher-order capabilities in this space include being able to more strategically allocate field personnel based on the improvement of a targeted business objective through the application of predictive analytics (for example, allocating field personnel based on predicted on-shelf availability issues). Likewise, leading capabilities include being able to deliver effective communications and training to field personnel, so that they can have a more consultative, valued relationship with customers. Utilization of mobile technology, weather data, and other analytics will assist.

BUSINESS CONTEXT EXAMPLE

Capabilities to enable integrated, end-to-end commerce between the consumer products firm and channel partners

POTENTIAL BENEFITS

- Increased order size and revenue
- Improved new-product introduction effectiveness
- Improved on-shelf availability and inventory management
- Decreased route labor
- Increased field sales productivity
- Reduced operating costs
HOW WE DELIVER IT

B2B commerce can make doing business easier throughout the channel, and make you a more value-added partner to customers in order to drive growth and success for you and all your channel partners. IBM’s approach to B2B commerce balances omnichannel fulfillment with overall channel execution capabilities. We have brought forth large-scale B2B platforms for consumer products companies around the globe. Our comprehensive information management capabilities enable more effective retail execution and shelf management. Our deployment models enable you to deploy in a variety of forms to meet your current and future infrastructure requirements.

Our goal is for you to optimize your order fulfillment processes in the channel, and provide mutual and collaborative insights and education—for retailers, wholesalers and partners—for bottom-line success for you and your channel partners. Our consultants can provide the tactical expertise to help you operationalize these new capabilities in your partner ecosystem.

We do all this by leveraging our suite of IBM Watson Commerce solutions, which offer intuitive business tools for you to create a positive channel experience in e-commerce and order management and fulfillment.

IBM Digital Commerce on Cloud provides tailored and targeted experience to each of your customers. IBM Watson Content Hub gives business owners the power to create iconic, robust and consistent brand experiences using cloud-based, cognitive content management capabilities. IBM Watson Order Optimizer enables lines of business to execute optimized fulfillment plans in real time, to maximize capacity while reducing shipping costs for increased profit, especially during peak periods. IBM Watson Customer Experience Analytics can help you see your sites and apps from the customer perspective to gain insights you need to resolve issues, boost online conversions, and improve customer value.

As mobile needs grow, effectively connecting to customers’ personal mobile devices is key. With the IBM Mobile solutions, you build once and deploy to multiple mobile platforms, including mobile apps for salesforce effectiveness that can be managed more securely to better serve the channel. Responding to individual needs on your salesforce regarding these applications can help fully integrate these capabilities in the field and operationalize your mobile strategy.

Having strong information management is vital to success in B2B commerce when working with data from inside and outside your channel network, such as point-of-sale, inventory, shipments and other sources. With IBM Analytics solutions and the IBM Watson Data Platform, you can transform data into trusted and actionable insights with data integration, management, warehousing and advanced analytics capabilities.

IBM also offers a wide array of process improvement and implementation services, ranging from strategy and analytics to application integration, interactive user experience and design, and enterprise architecture.

SELECTED IBM OFFERINGS

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<th>Software and cloud solutions</th>
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<td>IBM Watson Content Hub</td>
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<td>IBM Watson Order Optimizer</td>
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<td>IBM InfoSphere® and MDM</td>
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More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

BERN哈RTD FURNITURE CO.

This US furniture manufacturer worked with an IBM Start™ team to build a virtual showroom app that helped give sales reps rapid access to product information, removing the need to spend time pouring over product guides.

The results:
- Increased revenues for the company’s export division by 20 percent
- Achieved an ROI of 196 percent, along with full payback in only six months
- Provides sellers better insights into products, trends and customers

ORNUA

This Irish agri-food cooperative built a highly automated trading partner integration platform, based on IBM Sterling B2B Integrator. The move helped Ornua greatly streamline its supply chain, resulting in:
- Faster and more informed decisions, based on global supply chain visibility
- A significantly shorter timeline to onboard new customers and suppliers
- Optimized on-shelf availability, while also reducing inventory

HARIM GROUP CORP.

This Korean agribusiness company deployed a mobile order management system based on IBM MobileFirst technology. The new solution means sellers can spend less time checking on order status, giving them more time to spend with customers. The results:
- Increased order volume by 20.4 percent
- Improved productivity by reducing order management time 20 percent
- Increased use of the order management system 74 percent, when compared to the previous web-based solution
Channel partner analytics and collaboration is our term for driving capabilities in maximizing trade spend effectiveness and execution, driving better sales and assortment decisions through enhanced analytics, and improving demand forecasting.

Consumer products companies continue to struggle with their inability to predict the impact of trade spend on lift, consumer behavior and profit. They often lack the capability to evaluate the impact and profitability of past promotions, and cannot validate that trade events have been executed as planned. Because of disjointed planning processes and inaccurate forecasts, there is often suboptimal performance in sales and costs.

The ability to use new local sources of data (such as weather, social, and mobile), advanced predictive analytics, and cognitive technologies are some ways to assist these important processes. And new tools like Blockchain can establish a single, authoritative view of the interactions between various counterparties, and greatly reduce the incidence of errors, misunderstandings and disputes.

**WHAT YOU NEED**

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<th>Improved trade-spend planning, analytics, and execution</th>
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<tr>
<td>Your organization requires improved and optimized plans for baseline and incremental volume. Being able to predict the impact of promotions on lift and profit including the category, cross-category and cross-customer impact is essential. Evaluation of the impact and profitability of past promotions will reduce cost, improve ROI and inform future planning. Further automation of claims and deduction processes can drive cost savings.</td>
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<th>Enhanced sales and assortment analytics</th>
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<td>The challenge is to enable a fact-based approach to sales and assortment analytics and insights, supported by a properly managed data foundation of a wide set of sources. Tailored assortments based on local buying patterns help improve performance and optimize product mix for brand and category growth.</td>
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<th>Demand forecasting and insights</th>
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<td>Having accurate forecasts into true product demand at a local level is an avenue to drive financial results. Making use of all available social, POS, weather, and demographic data to understand local conditions for the brand, category and SKUs for merchandising, supply planning, forecasting, and new product management is an opportunity.</td>
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**BUSINESS CONTEXT EXAMPLE**

**Strategic business planning**

**Analysis and insights**

**Customer**

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<td>Improved forecast accuracy</td>
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<td>Improved utilization of trade funds, and trade-spend ROI</td>
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CONSUMER INSIGHTS AND ENGAGEMENT

Each consumer products company’s journey to enabling enhanced channel partner analytics will be unique, depending on their starting point, goals and resources. Our varied software, strategy, implementation services and delivery platforms are all critical components to our offerings in this space. Our goal is to help our clients ensure successful implementation of IBM solutions, as well as solutions from third-party providers such as SAP or Oracle (in the trade promotion management (TPM) space).

Effective information management is one important starting point. IBM InfoSphere and its related suite of products, as well as tight partnerships with best-in-class demand signal management companies, enables the realization of a single trusted information base. Information is varied, varied and central to the improvement of channel and trade analytics. Both internal and external data sources must be effectively managed to improve bottom line results. That is often a very challenging but integral part of significant improvement in this space.

IBM MetroPulse takes these many disparate data sources, but focuses additionally on combining localized data sources such as mobile patterns, weather, social, event data, traffic, and others. With the additional insight derived from hyper-local demand signals, MetroPulse can help you drive improved execution of your trade and sales programs. IBM MetroPulse can also assist you in improved demand forecasting through its advanced analytical capabilities.

IBM SPSS Predictive Analytics provides advanced analytics to effectively make accurate trade plans a reality. IBM Planning Analytics is designed to enable the creation and management of top-down and bottom-up promotional plans across channels, various levels, SKUs, locations and time periods. IBM Decision Optimization allows for further optimization of trade plans to maximize accuracy and decision making.

IBM trade promotion optimization capabilities, through best-in-class algorithms, provide additional value in the area of improving trade-spend ROI, by identifying events that are unprofitable or need adjustment in future plans.

Key to all success in channel partner analytics is our unmatched IBM Global Business Services® team. With global experience in trade deployments across clients large and small, the Global Business Services team brings strategy and analytics, enterprise architecture, best-in-class methodologies, application integration and data management capabilities dedicated to your success. Our people typically come to IBM with years of senior executive experience in consumer products and retail companies, so we can most assuredly assist you in getting the most from your investment.

Delivered on cloud, hybrid or in-house, IBM’s channel partner analytics and collaboration solutions scale as your needs dictate, enabling maximum flexibility as your organization evolves.

HOW WE DELIVER IT

SELECTED IBM OFFERINGS

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IBM Global Food Company uses IBM technology to implement a cloud-based predictive analytics solution, helping the company better understand their consumers’ behavior and adjust their operations accordingly. This allowed the company to:

- Improve forecasting abilities in real time
- Better predict consumer demand and product profitability
- Optimize inventory to prevent both stock-out situations and excessive spoilage

A global food company in the US reduces trade spending by minimizing losses from unprofitable trade promotions through integrated information. They are able to understand the true profitability of promotions and increase overall trade effectiveness.

- Over USD 100 million in savings in unprofitable events
- Over 4,300 effort days saved per year
- Clearly analyze customer promotional activity at the event level

Case Studies

Case Studies

THE DANNON COMPANY

This US-based yogurt manufacturer used IBM technology to implement a cloud-based predictive analytics solution, helping the company better understand their consumers’ behavior and adjust their operations accordingly. This allowed the company to:

- Achieve a 35 percent compound monthly growth rate for sales of a new beer
- Form new partnerships with two breweries based on the value of their data-driven strategy
- Improve resource efficiency 75 percent by replacing spreadsheets with IBM SPSS models

ANDREWS DISTRIBUTING

This Texas-based beverage wholesaler used IBM technology to build a predictive analytics solution, allowing the company to mine beer sales data from over 10,000 retailers. This gave the company insights that allowed them to:

- Over USD 100 million in savings in unprofitable events
- Over 4,300 effort days saved per year
- Clearly analyze customer promotional activity at the event level

GLOBAL FOOD COMPANY

More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.
Management of the supply network must be continuously informed by a deep, real-time awareness of consumer demand. In using a demand-driven approach, accurate information visibility, and management of disparate demand and supply information, becomes critical.

Supply networks for consumer products organizations have dramatically evolved over recent years. In the past, functional departments of the consumer products company were often isolated despite working along the same value chain, leading to a lack of collaboration and end-to-end visibility. In today’s environment, however, companies are being forced to respond to consumer and customer demands in a near real-time way. Proper management of demand and supply information can enable a much more streamlined and effective supply chain by synchronizing company, customer and supplier operations.

Management of the supply network must be continuously informed by a deep, real-time awareness of changes in consumer purchase and consumption behavior and preferences, including an understanding of localized demand in traditional channels, as well as e-commerce behavior. New sources of data such as mobile traffic patterns, social behavior, weather, and local events can help drive even deeper localized understanding.

The empowered consumer is causing dramatic change in multiple factors: increasing price pressure due to better pricing knowledge of competitive products; expectations of customizable product configurations; increased expectations of product availability—expecting the right product at the right place, at the right time; higher levels of immediate customer service than ever before; demands of consistent offers and promotions through multiple channels; and flexibility in product pickup and delivery means.

With these major consumer demands, the processes that carry products from suppliers to stores, channels and the end consumer must take advantage of the latest supply chain optimization tools to drive the highest possible efficiency, transparency and accountability. Using the leading technologies that leverage social media, mobile, big data, Internet of Things, cognitive computing, Blockchain, analytics, and cloud are dramatically increasing in importance.
What it takes to build effective supply networks

You need to leverage analytics and predictive models on sourcing of materials and managing commodity prices to reduce supply cost and optimize gross margin. You need to improve compliance and performance of suppliers through improved contract management, supplier collaboration, and procure-to-pay processes. Additionally, you need more transparent product information for consumers.

You need flexible and intelligent manufacturing and supply capabilities at the least cost, which are responsive to dynamic consumer demand patterns. You need to integrate various data points gathered from the entire value chain to better anticipate demand across multiple channels. You need to apply multiechelon planning to optimize inventory levels, to fulfill more perfect orders and to effectively weigh the tradeoffs between fulfillment and service levels.

Turn the page to learn about the portfolio of IBM solutions that enable effective supply networks.
HOE WE DEFINE IT

Consumer products companies are looking for ways to continue to improve profitability from better strategic management of sourcing decisions, commodity price changes and reducing operating costs. Additionally, there is a continued need to better provide transparent product information for consumers throughout the supply chain.

In an ever-changing consumer-driven supply network, you need to drive standard contract processes and compliance across disparate operations, enforce better governance, and drive down raw material costs. At the same time, it is very important to improve collaboration with suppliers, as well as effectively manage continual commodity price fluctuations for your benefit.

Direct and indirect procurement is still one of the biggest line items in consumer products companies’ financial statements. By leveraging effective procurement analytics, strategic sourcing and supplier collaboration platforms, costs can be driven down, capacity better utilized, and regulatory compliance improved.

WHAT YOU NEED

<table>
<thead>
<tr>
<th>Strategic sourcing</th>
<th>Contract management</th>
<th>Supplier lifecycle management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer products companies continually expect higher value, lower costs and compliance to sustainability demands, driving the need for more effective and agile sourcing strategies. Clear traceability of the source of goods is ever increasing in importance.</td>
<td>Intense focus on achieving the bottom line means procurement and sales contracts need to be profitable and managed against compliance and risk. Clear visibility into conditions and compliance are critical.</td>
<td>Empowered consumers are raising expectations for product availability and are demanding shorter cycle times, driving the need for more effective supplier collaboration and risk management strategies.</td>
</tr>
</tbody>
</table>

Commodity price optimization and enterprise spend management

Consumer products companies need to have a good understanding of the future commodity price fluctuations and merge this insight with additional fact-based insight into customer buying patterns, price sensitivity and margin opportunities. Additionally, competitive pressures to economize on spend across categories and divisions is driving the need for greater spend visibility and control.

BUSINESS CONTEXT EXAMPLE

Capabilities to enable integrated, end-to-end process flow

- Contract management
- Strategic sourcing
- Enterprise spend management
- Supplier lifecycle management
- Commodity price optimization

POTENTIAL BENEFITS

- Improved gross margins
- Decreased raw material costs
- Improved regulatory compliance
- Increased capacity utilization
- Increased sustainability and traceability
HOW WE DELIVER IT

Each consumer product company’s journey to improving procurement effectiveness will be unique and will depend on their current solution maturity, goals and resources. The goal is to assist the procurement organization in achieving top performance that results in higher margins and enhanced competitive advantage.

The IBM Procurement suite has multiple components. IBM Procurement assists the consumer products organization in areas such as procurement intelligence, source to contract, category spend management, risk and compliance management, provision of a virtual supply master, and operational performance maximization. IBM Procurement provides reporting and analytics to help drive improvements across the various procurement processes.

IBM Decision Optimization additionally helps with optimization of procurement to further extend and take advantage of advanced optimization capabilities.

With several newer capabilities in the marketplace, your procurement processes can be greatly enhanced. The IBM Watson platform brings forth the power of cognitive computing to drive additional value. IBM Watson Internet of Things and IBM Blockchain capabilities can help drive improved visibility into sourcing and product traceability. Weather data can assist in better understanding of sourcing input markets.

IBM can help you build the roadmap for developing new capabilities, calling on our global experiences. We can also help your organization operationalize contract management in a custom-fit manner for each supplier, rather than taking a one-size-fits-all approach.

IBM also has strategic alliances with key business partners to provide additional assistance in some areas, such as best-in-class commodity price optimization, to maximize value to your organization.

IBM’s diverse software capabilities beyond those mentioned earlier can assist in additional areas of data management, inventory optimization and partner collaboration, as the need arises.

Strategy and implementation services from IBM form a key component of our offerings in this area. Our consultants can provide deep experience in large-scale implementations. Our consulting team is highly skilled in the various components of supply chain management and procurement optimization, and has consistently demonstrated this with global consumer products companies, large and small.

Additionally, IBM’s ability to offer fully IBM-managed services for procurement, supply chain analytics and finance analytics presents varied options for deploying value-added capabilities in this area.

SELECTED IBM OFFERINGS

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<td>Supply chain strategy and analytics</td>
<td>Global Process Services Supply Chain Management and Analytics</td>
<td>IBM Cloud</td>
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<tr>
<td>IBM Source to Pay on Cloud</td>
<td>Optimized supplier collaboration</td>
<td>IBM Digital Commerce on Cloud</td>
<td>IBM PureSystems</td>
</tr>
<tr>
<td>IBM Contract Management on Cloud</td>
<td>Strategic supply and risk management</td>
<td>IBM Blockchain</td>
<td>IBM PureSystems for Analytics</td>
</tr>
<tr>
<td>Watson Cognitive Procurement</td>
<td>Price and revenue strategy</td>
<td>IBM Watson Internet of Things Platform</td>
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<tr>
<td>IBM Decision Optimization</td>
<td>Dynamic inventory optimization systems</td>
<td></td>
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<tr>
<td>IBM InfoSphere Master Data Management</td>
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</tbody>
</table>

More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

A GLOBAL PHARMA COMPANY

This company used IBM cognitive analytics and simulation capabilities to improve forecast accuracy and profitability:
- Improved their 80 percent legacy forecast accuracy to 99 percent, with cognitive forecasting
- Increased revenue by 2 percent, using IBM’s optimization engine to evaluate hundreds of millions of investment options in seconds

E.&J. GALLO WINERY

The world’s largest family-owned winery, based in California, used an IBM Analytics solution to better understand the needs of individual plants. This helped them increase crop yield while also making more efficient use of water and fertilizer. The results:
- Reduced water consumption by 20 percent in a test vineyard
- Increased crop yield by 10 – 20 percent
- Ensured consistent high quality across entire grape crops

L’OREAL USA

The US branch of the global cosmetics and beauty company worked with IBM to optimize procurement, replacing its decentralized, paper-based system with one based on IBM Emptoris® and IBM supply chain best practices. As a result, the company was able to:
- Target double-digit procurement cost savings
- Attain 90 percent procurement compliance, significantly reducing rogue procurement
- Speed up procurement significantly with category management expertise and sourcing
**WHAT YOU NEED**

**Superior sales and operations planning**
The S&OP process allows an organization to be aligned to achieve common goals and provide operational and financial visibility. It brings together different functions, ranging from demand planning, production planning, inventory planning, new product introduction teams, finance and others. A robust S&OP process will provide technical capabilities to link resources, what-if capabilities during consensus planning and business intelligence to easily understand the impact of scenarios.

**Near real-time inventory visibility and management**
The shift from individual islands of inventory planning to enterprise inventory planning forces organizations to adapt processes and technology to accommodate multi-echelon inventory planning. A global, multi-echelon inventory optimization process strategically positions raw materials, work in progress and finished goods inventory across the supply chain to improve inventory turns, improve service levels, free working capital and increase cash flow.

**Optimized network, transportation and assets**
Manufacturers need to minimize the number of trucks used, and the total distance traveled, through effective vehicle routing. They need to effectively manage inbound and outbound logistics and warehousing, and quantify the impact of their actions on energy use and carbon emissions. The ability to predict equipment failure is now possible with predictive maintenance capabilities. This new, optimized network must balance agility with cost.

**Advanced manufacturing**
For consumer products organizations, flexible and intelligent manufacturing that is more responsive to dynamic consumer demand patterns is becoming critically important. The ability to harness the power of Internet of Things sensors and devices throughout the manufacturing and asset maintenance processes is increasingly important to achieving desired outcomes.

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**BUSINESS CONTEXT EXAMPLE**

**Capabilities**
- Advanced manufacturing
- Inventory optimization
- Network and transportation optimization

**PotentialAction**
- Reduced inventory costs
- Improved forecast accuracy
- Improved margin
- Improved service levels
- Improved cash flow
HOW WE DELIVER IT

Our goal is to help you drive flexible and intelligent manufacturing and supply capabilities that are responsive to dynamic consumer demand patterns. We balance operational, financial and sustainability aims by applying advanced analytics and optimization to integrated demand and supply signals.

Our expertise spans from advanced manufacturing and predictive asset maintenance to sales and operations planning and supply chain optimization.

Our capabilities in asset management, using intelligence from areas such as IBM Watson Internet of Things and IBM Maximo® asset management can help drive optimized production facilities, while minimizing downtime and disruption. Being able to properly diagnose the wellness of your production facilities and take preventative actions using advanced cognitive analytics can help drive efficiency. Through our IBM MobileFirst for iOS applications such as Find and Fix and Parts Expert, you get the power of mobility, machine learning, and advanced analytics to predict asset maintenance issues and ensure the right equipment maintenance is performed in advance of unexpected failure.

In the area of sales and operations planning, our process allows an organization to align different functions, ranging from demand and production planning, new products, finance and others. Using our various business analytics software offerings and services, we can help you with what-if capabilities during consensus planning and drive business intelligence to understand the impact of scenarios.

IBM MetroPulse, powered by Watson, is a platform that can help drive both planning and execution throughout your supply chain. Using the power of hyper-local data such as weather, mobility traffic, local events, point-of-sale, social, and internal data, MetroPulse uses cognitive computing to derive the best outcome for your planning and execution needs—from out-of-stock management to demand forecasting, to facilities and asset placement, among others.

IBM provides many additional capabilities within supply chain optimization to ensure the coordination of multi-echelon inventory planning and optimal product flow. IBM SPSS Predictive Analytics and IBM Decision Optimization provide this advanced analytics and optimization capability.

SELECTED IBM OFFERINGS

### Software and cloud solutions
- IBM Maximo Asset Management
- IBM MobileFirst for iOS: Find and Fix
- IBM MobileFirst for iOS: Parts Expert
- IBM Decision Optimization
- IBM Cognos Analytics
- IBM SPSS Predictive Analytics
- Watson Order Optimizer
- IBM Order Management
- IBM PureData Analytics
- IBM Business Partners

### Process improvement and implementation services
- Supply chain strategy and analytics
- Supply chain planning and execution
- Sourcing and procurement
- Application integration services
- Weather data and analytics from The Weather Company

### Managed services
- IBM MetroPulse powered by Watson
- IBM Watson Internet of Things Platform
- IBM Blockchain
- Global Process Services Supply Chain Management & Analytics
- IBM Digital Commerce on Cloud
- Application management services for Oracle and SAP

### Technology platforms
- IBM Cloud
- IBM PureSystems
- IBM PureSystems for Analytics

More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

**SWEDISH MATCH**

This Swedish tobacco products manufacturer used an IBM Maximo solution to improve its enterprise asset maintenance and management processes, replacing a disjointed series of legacy systems. This helped the company:

- Achieve 2 percent yearly inventory savings at each of their sites
- Transition from “putting out fires” to a preventive approach to maintenance
- Use KPIs and planning tools to increase maintenance efficiency and machine uptime

**FARMERS EDGE**

A global leader in precision agriculture, Farmers Edge worked with IBM Weather Company data to integrate hyper-local weather forecasts into its predictive modeling. This will help Farmers Edge:

- Build the largest real-time weather monitoring network in Canada
- Provide farmers real-time data to improve decision making
- Set the stage for the future digitization of agriculture, supporting higher crop yields

**BLIZZARD SPORT GMBH**

This Austrian manufacturer of winter sports gear built a production management system that draws from the analytics power of IBM Cognos Business Intelligence. This allowed the company to:

- Integrate production line systems with ERP systems to improve visibility
- Identify and address production issues proactively to prevent downtime
- Analyze more than a million records of manufacturing data in near-real time
The consumer products industry must improve operational efficiency and business insight to drive performance. More demanding consumers, emerging brands, disrupting technology and changing retail and channel environments are pressuring leadership. The CIO, CFO and CHRO have mandates to reduce enterprise costs, improve access to and reduce the cost of capital, support compliance and risk management, implement process and data standards, and more.

Achieving operational excellence in the consumer products organization entails streamlining back-office processes; taking advantage of reduced-cost delivery models; optimizing people, process and system capabilities at the enterprise level; protecting the business from evolving threats; and establishing better visibility into organizational performance. These can result in new growth, differentiation, agility, accelerated productivity and expanded margins.

Rapidly evolving technology presents opportunities and challenges. New technology platforms like cloud and mobile offer ways to deploy applications and functionalities to employees, plant facilities and trading partners quickly and cost-effectively, and advanced analytics can dramatically improve application portfolio management efficiency. Cloud-based approaches can help manufacturers cut IT costs, make IT more flexible and robust and quickly enable a range of otherwise impractical business innovations.

A host of new options are available to manufacturers seeking ways to improve efficiency and reduce the cost of back-office processes like security, finance, administration, HR, non-merchandise procurement and real estate management. Leveraging global delivery models and the high-quality execution managed services offers can yield big cost savings.

The threat of cyberattacks compels executives to address digital security in a long-term strategic way. They must anticipate security threats and erect defenses to reduce the odds of a successful attack; use advanced, automated detection mechanisms to see patterns and intrusions quickly; and create a culture of informed vigilance prepared to respond swiftly.

Attracting, motivating and empowering people in the organization is critical. Using behavioral insights, talent management, HR research, process outsourcing, collaboration, and data analytics can boost workforce performance.
What it takes to drive efficient operations

You need to enhance the ability to attract, motivate and empower human capital across your organization. Considerations must be given to the latest in HR capabilities in recruitment, talent management and social collaboration.

You have an opportunity to improve financial performance management and planning and analysis processes to better anticipate future conditions and more effectively take advantage of new growth opportunities.

You must ensure that you are using the highest-quality, lowest-cost infrastructure to support your business processes, leveraging shared service models, optimizing process execution, leveraging cloud computing and supporting mobile capabilities to improve business performance—all the while ensuring security and privacy for your organization and for your consumers.
HOW WE DEFINE IT

Consumer products organizations in today’s competitive environment are realizing more and more the importance of their workforce in improving the bottom line of their enterprise. Even with tight IT budgets, companies are realizing the importance of employing new capabilities to better service their workplace.

IBM defines talent and workforce transformation as improving the ability to enhance, attract, motivate and empower human capital across the organization. Results in this area can be delivered through a combination of human behavior insights, talent management, research, software, process outsourcing and a collaborative social network and data analytics platform.

An efficient workforce for consumer products companies is one that engages and employs the use of latest capabilities in mobile, analytics, behavioral science, recruitment technology and social collaboration.

With these many new touchpoints inside and outside the enterprise, talent and workforce transformation is top-of-mind with manufacturing executives. Your employees are one of your company’s greatest assets.

WHAT YOU NEED

- **Improved recruitment practices across the organization**
  Knowing your organization’s culture, you need to most effectively find and attract those who will be a good fit and maximize your on-boarded talent. You need to easily connect the right person to the right job, using a combination of social solutions, assessments, competitive compensation and process outsourcing.

- **More effective talent management and motivation**
  Client needs will vary greatly. A combination of improved learning suites, leadership development, improved onboarding, employee surveys and engagement, succession planning, talent assessments and compensation are a few of the areas that will drive improved success.

- **Improved understanding of human behaviors (behavioral science)**
  Having at your fingertips the leading industry insights into human behaviors, and what is currently driving workforce productivity and motivation, is critical to success. Ensuring that your leadership understands the importance of staying current in this area will help you manage retention to optimum levels.

Platform for social business

Many companies have found that effective deployment of an internal social networking and collaboration platform with mobile capability will help integrate employees across various divisions, organizations and geographies, and greatly assist in employee development and motivation. Using analytics from the social platform will help you develop insights into your workforce to further maximize organization and HR program impact.

BUSINESS CONTEXT EXAMPLE

![Behavioral sciences](image1)

**Motivate**

**Attract**

**Deliver**

**Empower**

**Platform for social business**

**POTENTIAL BENEFITS**

- Attract and hire the right candidates
- Improve engagement and sales per employee
- Increase sales per labor hour among top performers
- Reduce human resources costs
HOW WE DELIVER IT

Our solutions enable clients to better attract, motivate and empower their employees across the organization. We can do this through a combination of behavioral insights, talent management, HR research and analytics, software, process outsourcing and a collaborative social network and data analytics platform. The results are many, including increased productivity and retention, improved talent acquisition, decreased costs, improved management decision making and more.

In addition to the business benefits our solutions can deliver, we operate in an on-demand delivery model in order to materially reduce the costs and risks clients face when deploying our solutions, compared to deploying traditional on-premises applications.

The IBM Watson Talent and IBM Kenexa® integrated suites of solutions includes: recruitment process outsourcing, employment branding, employee assessments, recruitment technology, onboarding, performance management, compensation, employee surveys, learning management and leadership solutions. We can help you operationalize this suite of new capabilities as your staff embraces a new way of working.

Recruitment involves understanding your organization’s culture and attracting those who fit. It includes recruitment technology, social solutions, recruitment process outsourcing, assessments and compensation management. Talent management and development entails motivating your workforce for success. Empowerment includes onboarding, leadership development, surveys and assessments and the learning suite. Motivating involves employee engagement, leadership development, performance management, succession planning, assessments and ongoing compensation.

To us, business is personal. With every person we recruit, every assessment we administer, every technology solution we deliver, every survey we conduct, every leader we develop, every technology solution we deliver, every compensation strategy we support, lives are impacted. We understand that you hire us to help improve your company.

The drive to improve companies is at the core of every decision we make and every product, service and solution we offer.

Additionally, our comprehensive suite of social collaboration tools will enable organizations to have a foundation for effective internal communication, education, information and leadership. Our consultants can assist your leadership in helping operationalize an evolved corporate culture of communication to help ensure sustained implementation success.

Our solution set is complete, with breadth and richness in talent management expertise and analytics. Where other companies’ focus is narrow, we focus on bringing all of the pieces together to better ensure your company’s success.

Cloud-based software and recruiting process outsourcing (RPO) integrate people and processes, providing solutions to engage a smarter, more effective workforce across critical business functions. IBM supports 8,900 clients across a variety of industries, including consumer packaged goods.

SELECTED IBM OFFERINGS

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</tr>
<tr>
<td>• IBM Kenexa Suite</td>
<td>• MobileFirst Infrastructure Consulting, Integration and Optimization Services</td>
<td>• Talent Development</td>
<td>• IBM PureSystems</td>
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<tr>
<td>• IBM Connections™ Platform for Social Business</td>
<td>• Leadership and Strategy Development, Process improvement, and Enterprise Architecture Assessment</td>
<td>• Talent Experience &amp; Engagement</td>
<td>• IBM PureSystems for Analytics</td>
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<tr>
<td>• IBM Talent Analytics</td>
<td>• Strategy and Analytics (Recruiting and Sourcing Strategy)</td>
<td>• Digital Change management</td>
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<td>• Application Integration Services</td>
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<td>• Employee Retention Analytics</td>
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More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

MCDONALD’S UK

The UK branch of the global fast food brand deployed a candidate assessment solution based on IBM Kenexa technology. This helped the company identify suitable candidates faster, while leading unqualified candidates to remove themselves earlier. The results:

• Reduced crew applicants by 35 percent and managerial applicants by 50 percent, indicating a higher proportion of serious, qualified candidates
• Decreased applicant-to-hire ratio by 66 percent
• Reduced the time to hire managerial candidates by 25 percent

BRITISH AMERICAN TOBACCO

British American Tobacco was looking to identify and hire the best talent available, without using costly and inefficient third-party recruiters. They deployed a customized direct hiring process based on IBM Kenexa technology, which allowed them to:

• Hire 70 percent of managers directly
• Save $1.5 million every year on recruitment agency fees
• Hire employees that perform substantially better than agency hires

KIMBERLY-CLARK

This global manufacturer wanted to create a new collaborative experience that would transcend organizational and geographic silos to hear thoughts and ideas related to accelerating culture change.

• Broad participation in 66 countries, with 12,000 employees, both salaried and hourly, contributing over 22,000 posts
• Results: Six specific themes with ideas, best practices, tools and resources identified and shared through a communication series to drive local empowerment and accountability; immediate and ongoing change through people applying Jam feedback locally
HOW WE DEFINE IT

To drive growth and profit in an omnichannel consumer products organization, everyone must work toward a single, coherent set of shared information, business plans, financial goals and objectives. But at most manufacturers, key functions operate in silos, with no alignment of operations, channels, marketing, manufacturing or supply chain. Often, finance is unable to anticipate or answer critical business questions.

Additionally, the CFO in many consumer products companies is under the pressure of increasing transparency and regulations, continued economic uncertainties and volatilities, unprecedented global demographic shifts, growing shareholder expectations, changing product development and supply chain models, and more.

IBM’s solution in this space provides the ability to structure and enable the complete performance management and financial planning and analysis processes to look at trailing indicators of past and current performance—and anticipated future conditions—to take full advantage of growth opportunities. Our solution can help consumer products companies improve budget cycle times, financial analysis accuracy, visibility alignment to common KPIs and metrics, and productivity and labor savings.

WHAT YOU NEED

Advanced predictive analytics, planning and forecasting
Drive profit and revenue growth by applying predictive analytics—advanced modeling, discovery of causal relationships and understanding of lead-lag indicators. This also includes guided root-cause analysis for deep understanding of performance gaps and assessment of alternatives. What-if analysis and scenario modeling help you determine the financial impact of various alternative decisions to help you choose the best course of action in a rapidly changing environment.

Unified scorecarding, management reporting and strategy management
Enable real-time reporting and scorecarding, with enhanced visualization, to provide clear performance monitoring and measurement against strategic objectives. Enable executive and tactical visibility through integrated dashboards that align consistent metrics across common objectives.

Data and systems integration and management
Effectively manage trusted information that provides deep confidence in reporting and analytics fundamental to success. Ensuring that the right platform and tools are in place is critical.

Application management and business process services
In some cases, having a third party manage the ongoing operations in non-value-added areas to eliminate cost can drive results directly to the bottom line. A trusted partner that can manage those areas of strategic outsourcing, where applicable, is important to have as an option for your organization.

Cognitive computing to delve more deeply into subjects and insights where perhaps no one has thought to look before (as an option)
The new era of cognitive technology processes information more like a human than a computer—by understanding natural language, generating hypotheses based on evidence and accelerating research. Companies look to cognitive computing to discover new insights about their financial and operational performance drivers that exceed what can be attained by traditional technology.

BUSINESS CONTEXT EXAMPLE

| Performance management strategy and roadmap development |
| Performance management process and operating model design |
| Planning and forecasting | Predictive analytics and scenario modeling |
| Profits modeling and optimization | Scorecarding and strategy management |
| Management and performance reporting |
| Data integration, systems integration and management |
| Implementation and change management |
| Application management and business process services |

POTENTIAL BENEFITS

Improved budget cycle time, financial analysis, accuracy and visibility

Improved supply planning cycle time

Decreased financial reporting time and reduced costs

Improved productivity and labor savings
CONSUMER INSIGHTS AND UNDERSTANDING OF YOUR VISION, THEN DEVELOP DIFFERENT NEEDS, WE START WITH A STRATEGIC PLAN. REALIZING THAT EVERY COMPANY HAS AN ORGANIZATION'S STRATEGIC GOALS AND NEEDS IN THIS AREA. EFFECTIVE PERFORMANCE MANAGEMENT AND PLANNING STARTS WITH AN UNDERSTANDING OF THE BUSINESS CONDITIONS. INCLUSIVE OF INTEGRATED ANALYTICS, IT PROVIDES DASHBOARDING, MEASURE, MONITOR, DISCOVER AND ANTICIPATE WHAT-IF ANALYSIS TO EFFECTIVELY ENABLE YOU TO USE THE POWER OF PREDICTIVE ANALYTICS AND WHAT-IF ANALYSIS TO EFFECTIVELY DRILL-THROUGH TO DETAIL AND INTEGRATED WHAT-IF ANALYSIS TO HELP YOU ASSESS THE IMPACT OF ALTERNATIVE FORECAST ASSUMPTIONS ON VARIOUS FINANCIAL OUTCOMES. AS PART OF THE PLATFORM, TEMPORAL CAUSAL MODELING IS USED FOR GUIDED ROOT-CAUSE ANALYSIS.

OUR SOLUTION ENABLES YOU TO USE YOUR OWN EXTRACT, TRANSFORM AND LOAD (ETL) TOOLS TO EXTRACT DATA FROM SOURCE SYSTEMS AND INTEGRATE IT INTO YOUR OWN DATA WAREHOUSE AND DATA MARTS. OUR APPLICATION INTEGRATION SERVICES TEAM CAN HELP YOU PROPERLY INTEGRATE THE SOLUTION INTO YOUR LEGACY SYSTEMS (ERP AND GENERAL LEDGER) AND ENSURE HARMONIZATION AMONG THEM.

AS ONE OPTION, SOME CLIENTS ELECT TO USE STRATEGIC OUTSOURCING FOR SOME OF THEIR NON-VALUABLE-ADDED SERVICES IN THE FINANCIAL MANAGEMENT AREA. TO MEET THIS NEED, IBM PROVIDES WIDESPREAD CAPABILITIES WITH OUR GLOBAL PROCESS SERVICES TEAMS. WE HAVE MET THE NEEDS OF CLIENTS LARGE AND SMALL IN THIS AREA, ESTABLISHING GLOBAL OPERATIONS CENTERS AS YOUR NEEDS EMERGE. THIS IS AN AREA IN WHICH COMPANIES HAVE ACHIEVED GREAT COST REDUCTIONS FOR THEIR BOTTOM LINE.

COGNITIVE COMPUTING IS THE FINAL, HIGHLY INTRIGUING ELEMENT HERE. IBM Watson processes information more like a human than a computer, and by understanding natural language can represent a major shift in an organization's ability to quickly analyze, understand and respond to changes in the business. THE ABILITY IBM Watson Has to Answer Complex Questions with Speed, Accuracy and Confidence is Transforming Decision-Making Across a Variety of Industries.

OVERALL, OUR PRODUCT STRENGTH, DEPTH OF EXPERIENCE IN FINANCIAL PERFORMANCE MANAGEMENT, ANALYTICS AND PROCESSES, GLOBAL MARKETPLACE POSITION AND PROCESS OUTSOURCING CAPABILITIES CAN ASSIST YOU IN ACHIEVING YOUR IMPORTANT OBJECTIVES IN THIS SPACE.

HOW WE DELIVER IT

Effective performance management and planning starts with an understanding of the organization’s strategic goals and needs in this area. Realizing that every company has different needs, we start with a strategic understanding of your vision, then develop a roadmap with you for how to achieve it. Our services teams work closely with you in understanding your current operating model, and help design a process and model that enables an ideal future state.

Once your goals, objectives and operating model designs are in place, we can assist in various areas of the performance management infrastructure. A wide array of software capabilities can help drive effectiveness. Our IBM Performance Insights platform, powered by the Cognos and SPSS suites, enables you to use the power of predictive analytics and what-if analysis to effectively measure, monitor, discover and anticipate business conditions. Inclusive of integrated analytics, it provides dashboarding, temporal causal modeling.

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More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

PABST BREWING COMPANY

This US beer manufacturer deployed IBM Cognos TM1 to help improve planning and reporting across the enterprise, and IBM SPSS to provide highly detailed predictive insights. As a result, the company is now able to:

- Reduce forecasting cycles from three months to two weeks
- Better manage the supply chain to cut costs and prevent stock-out situations
- Dedicate 80 percent of staff time to value-added analysis, compared with only 20 percent before

CONESTOGA WOOD SPECIALTIES

This US supplier of custom wood components used an IBM Analytics solution to gain a better understanding of demand for its made-to-order products, allowing it to better optimize inventory levels to meet that demand. The results:

- Conduct analysis 790x faster than previously, delivering deep insights in seconds
- Predict customer preferences based on sales data
- Shift manufacturing to meet demand while also making the most efficient use of labor

SAN MIGUEL BREWING COMPANY

This Philippines-based beer manufacturer worked with IBM to implement a centralized budgeting and forecasting system, which automates key processes and provides access to accurate data in real time. The new system allowed SMB to:

- Increase productivity by 20 – 25 percent through analytics-driven decisions
- Reduce financial planning and budgeting cycle by 60 percent
- Create an integrated budgeting and analytics system that drives better results across the business
WHAT YOU NEED

BUSINESS CONTEXT EXAMPLE

HOW WE DEFINE IT

Manufacturers are always under pressure to improve operational efficiency, reduce costs and increase productivity throughout the enterprise. Increasingly, companies are focused on security threats to the enterprise as cyberattacks become much more commonplace. Companies need to adopt new ways of working that enable new and creative business models and the integration of processes. They need to seek cost efficiencies in supply chain, finance, human capital management, and sales and marketing. There is a need to accelerate enterprise cost reduction, free up working capital and accelerate time to value. Additionally, there is a need to improve process standardization and reduce total cost of ownership.

Our definition of enterprise IT and functional transformation is the transformation of processes, people and technology. This transformation involves leveraging shared services models, optimizing process execution and implementing new or rationalizing existing enterprise business applications to improve business performance and enable the reallocation of resources to drive growth. Enterprise IT and functional transformation leverages the latest advances in cloud, social, mobile, security and process outsourcing to drive this growth.

WHAT YOU NEED

Clear IT strategy, operating model and roadmap development

Having a clear definition of the business processes, coupled with clear value-realization metrics and KPIs, is critical. Ensuring your IT providers have the methodology and process assets which facilitate transformation in a rapid yet holistic and trusted way is important.

Seamless systems, data integration and security

Applications must be properly integrated into existing components with transparency. Ensuring data trust and integrity across existing and new applications will drive organizational acceptance and value. Confidence in all aspects of data and systems security is imperative for consumers, customers and employees alike.

Excellent implementation and change management

Superior change management procedures are a key consideration for any IT transformation initiative. Once initial implementation is successful, managing change requests requires diligence, and a balanced approach, to drive maximum functionality.

BACK OFFICE AND SECURITY

Superior ongoing application management

Ongoing manage-and-run capabilities must provide exceptional service levels and appropriate attention to the ongoing needs of the business. Whether in a cloud, on-premises or hybrid deployment, applications and services must be managed by trusted professionals—whether your own staff or managed as a service.

Superior outsourced business process management

To be confident in outsourcing staff where appropriate, a well-developed methodology to institute quality and process controls, with proven global client delivery success, is critical. You need a strategic approach to determining differentiating as opposed to non-differentiating components that can be candidates for outsourced services—to bridge skill gaps, heighten service levels or improve analytics. Attention to the escalating importance of security and privacy is imperative.

POTENTIAL BENEFITS

Decreased operational costs

Freed up working capital

Improved productivity and labor savings

Reduced procurement and sourcing, HR and labor costs
CONSUMER INSIGHTS AND
BEST-IN-CLASS TOOLING

Our big data and analytics transformational platform takes industry, globally. Our big data and analytics transformational platform takes best-in-class tooling combined with technical and business consultants can help your organization embrace the changes these new capabilities bring about.

Our unique combination of software, services, analytics, cloud, social, mobile, security, process services and research assets helps us assist you in your diverse IT needs. The challenge is to operationalize these assets across your enterprise, and IBM has deep expertise in using execution models that help transform enterprise business and IT functions. Our technical and business consultants can help your organization embrace the changes these new capabilities bring about.

We have deployed and service hundreds of ERP implementations in the consumer products industry, globally. Our big data and analytics transformational platform takes best-in-class tooling combined with knowledgeable consulting to drive transformation. Our vast partner network delivers IT services that yield maximum business value.

IBM can ensure that it is done securely to protect the applications, data, intellectual property and critical assets and transactions involved. With cyberattacks making headlines far too often, we have over 8,000 security experts who can reduce risk exposure and help security operations prevent, detect and respond to threats.

We can provide geographically dispersed service and delivery capabilities in regions of need. With over 50 delivery centers on five continents using standardized processes, we can distribute work efficiently, execute consistently and transfer work between sites as required to help ensure business resiliency—all backed by IBM’s considerable technology investments.

We serve clients in finance and administration analytics; supply chain management; indirect procurement; marketing operations and analytics; HR learning, recruitment and analytics; and managed security services. IBM also provides facility and real estate management software solutions that can help manufacturers manage capital investments in stores, warehouses, distribution centers and other property.

**SELECTED IBM OFFERINGS**

**Managed services**
- Finance and administration
- HR and payroll administration
- Recruitment
- Global payments
- Managed security services

**Process improvement, security and implementation services**
- Finance and administration services
- Supply chain management and analytics
- Security services
- Marketing operations and analytics
- Talent and engagement consulting services

**Software and cloud solutions**
- IBM Maximo enterprise asset management
- IBM Blockchain
- IBM TRIRIGA® facilities and real estate management
- IBM Watson Work and Collaboration suite
- SAP Ariba for sourcing and procurement contract management
- IBM QRadar® Security Intelligence Platform and QRadar Advisor with Watson
- IBM Resilient Incident Response Platform
- IBM Application Security for Cloud

**Technology platforms**
- IBM Cloud
- IBM POWER7®+, IBM PureFlex® System

**More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.**

**CASE STUDIES**

**L’OREAL S.A.**
This global cosmetics and beauty company turned to an IBM master data management solution to help it track and organize data for its complete line of products. This new approach to data management has helped the company achieve the following benefits:

- Map data about more than 200,000 products into a single data management platform
- Increase overall data quality by 40 percent with indexing, rationalization and synchronization
- Reduce time required to gather data for regulatory compliance reports by 90 percent

**SAVORIT**
This Indian flour and pasta manufacturer replaced its on-premises ERP system with ERP capabilities hosted on an IBM Cloud platform. This helped the company dramatically improve results, while also removing the need for a costly IT upgrade. The results:

- Provide centralized, real-time data access to all employees
- Increase productivity by allowing workers to process transactions on mobile devices
- Cut recurring IT maintenance costs by 70 percent

**REFRESCO GERBER**
This European beverage bottler wanted to allow employees access to corporate data on mobile devices, but needed to do so securely. IBM MaaS360® solutions helped make this possible, allowing Refresco Gerber to:

- Decrease business risks through remote management and deletion of sensitive corporate data
- Reduce costs through centralized management and control of mobile devices
- Ensure regulatory compliance with increased data security standards
IBM has more than 4,000 professionals around the world who are focused on the consumer products industry, as well as one of the largest global networks serving consumer products manufacturers, in addition to having almost 2,000 IBM Business Partners.

IBM’s preeminence in the development of leading industry solutions is the direct result of our strong commitment to research and development. We invest more than USD 5 billion annually in R&D, and for 24 consecutive years have been the leading patent-earning organization in the United States. IBM earned 8,088 patents in 2016 alone—the first time any organization has been awarded more than 8,000 patents in a single year.

IBM ANALYTICS
IBM Analytics enables anyone to engage with data to answer the toughest business questions, uncover patterns and pursue breakthrough ideas. Manufacturer-specific advanced analytics solutions help consumer products organizations transform insight into action.

IBM WATSON
IBM Watson, a cognitive system that enables a new partnership between people and computers that enhances, scales and accelerates human expertise. IBM Watson Analytics brings intuitive visualization and predictive analytics to every business user. IBM Watson Ecosystem developers and partners can embed cognitive computing APIs (application program interfaces) into their cloud-based applications to deliver innovative Watson-powered consumer products industry solutions.

WATSON MARKETING
Tap into new insights from inside and outside the organization, revealed by customer behaviors, patterns and sentiment to fuel new business opportunities.

WATSON SUPPLY CHAIN
Solve problems proactively with an embedded expert at your side giving you recommendations and helping the entire team get ahead of problems before they arise.

WATSON COMMERCE
Better understand customer preferences, behaviors and market influences to capitalize on opportunities and trends and deliver personalized customer experiences.

IBM MOBILEFIRST
Combine the power of enterprise data and analytics with an elegant user experience to redefine how you empower your consumer products organization to interact, learn, connect, and perform.

IBM SECURITY
Our security software and services help clients protect against advanced threats, fraud protection, identity and access management, and leading application, data and infrastructure security capabilities.

IBM CLOUD
IBM cloud solutions includes infrastructure as a service, software as a service and platform as a service offered through public, private and hybrid cloud delivery models. By leveraging the power of agile cloud development, organizations can make faster and better business decisions with total visibility and control.
FOR MORE INFORMATION
For more information on any of the solutions described in this solutions guide, contact your local IBM representative or visit: ibm.com/consumerproducts

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