



### Business challenge

Facing stiff competition from local chocolate manufacturers, Hershey's Brazil wanted to boost sales effectiveness by gaining faster, deeper insight into customers.

### Transformation

Working with IBM Business Partner CTI Global, Hershey's Brazil introduced an enterprise planning solution that delivers detailed insight into each customer, supporting more targeted, successful selling.

#### Business benefits:

### Increases

profit margins with optimized sales performance

### Drives

faster, more informed decision-making, boosting sales effectiveness

### Sharpens

competitiveness, helping the company gain valuable market share

# The Hershey Company

## Delivering a boost to profit margins with new insight into customers

The Hershey Company, commonly referred to as Hershey's, is the largest chocolate manufacturer in North America and one of the top ten largest chocolate manufacturers worldwide. It was founded in 1894 and its products are sold in around 90 countries.

*"IBM Cognos TM1 is a powerful tool that is helping The Hershey Company in Brazil transform its business."*

Wilmar Moreira Junior  
Head of Planning  
Hershey's Brazil

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## Shaping smarter sales strategies

The Hershey Company in Brazil (Hershey's Brazil) faces stiff competition from local chocolate manufacturers. To maximize sales to its customers—primarily food retailers and wholesalers—Hershey's Brazil sought a better way to capture customer-specific data, such as profit-and-loss information and local patterns in demand, and use the insight to shape more effective sales strategies.

“We didn't have enough information in relation to each customer,” says Wilmar Moreira Junior, Head of Planning at Hershey's Brazil. “We worked with high level information, and could only view sales by channels and region. Competition in the Brazilian market is fierce, so it is very important for us to pay attention to detail in order to win valuable business ahead of our rivals.”

Hershey's Brazil wanted to better understand its customers in order to make the best business decisions and increase sales.

## New insight into customers

Hershey's Brazil sought a solution that would allow it to compete at its best in the challenging Brazilian marketplace.

Moreira Junior comments: “We chose to work with CTI Global, a local IBM Business Partner, as we felt they could provide us with a good solution, great expertise and valuable knowledge transfer. Their experience of implementing similar solutions for other large enterprises in Brazil was another key selling point for us.

“Together with CTI Global, we decided to build a new enterprise planning platform using IBM® Cognos® TM1®. The Cognos solution stood out for us because it provided a powerful way to access detailed customer information in real time. This would allow us to gain the deep insight we needed to make better sales and marketing decisions.”



## Increasing profits

With Cognos TM1, Hershey's Brazil can drill down into sales data to determine the best price point for each customer, in each region of Brazil.

"We now have profit and loss information on each of our more than 2,000 customers in Brazil," explains Moreira Junior. "This helps us make the correct decisions for each customer, for each region, and for each specific channel in Brazil. We are able to customize how we approach individual customers using TM1, which boosts our chances of making the best possible deal."

Harnessing detailed customer information has enabled Hershey's Brazil to make better decisions and create more effective sales strategies, boosting profitability and sharpening the company's competitive edge.

"Thanks to the new insight delivered by IBM Cognos TM1, we have increased our profit margins," says Moreira Junior. "In addition, we have been able to create a new metric for measuring sales team performance, introducing a new variable contribution margin. This is proving to be a valuable motivator in helping sales teams to hit targets, which enables us to further increase our profitability."

What's more, Hershey's Brazil is using TM1 to identify key value drivers through comparison of actuals versus forecast budgeting analyses, for example.

"We can capture the volume driver, the mix of products, the pricing, the channel mix variation and use this information to drive sales," explains Moreira Junior.

With access to up-to-the-minute customer information, Hershey's Brazil has been able to change its planning calendar, moving from an annual budgeting process to a more flexible, real-time monthly budgeting process.

In the future, Hershey's Brazil intends to expand the use of the IBM solution to cover cash-flow management, costs, and the sales and operations planning process.

Moreira Junior concludes: "Now that we are using detailed, real-time customer information to inform our pricing and sales strategies, and can adapt to changes quickly with our monthly budgeting process, the impact on profitability has been clear. We look forward to extending Cognos TM1 to drive more flexible, efficient planning across more areas and maximize opportunities to run a more profitable business."

*"Thanks to the new insight delivered by IBM Cognos TM1, we have increased our profit margins."*

Wilmar Moreira Junior, Head of Planning,  
Hershey's Brazil

## Solution components

- IBM® Cognos® TM1®

### Take the next step

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