CATMAN TRAINING CASE STUDIES: CONSUMER PACKAGED GOODS, WHOLESALE, RETAIL, HARDWARE

Introduction (Who we are; What we do; Why we do it)

We believe that all organisations and individuals can improve, and we are passionate about helping them to do that. Although all clients have different needs, we firmly believe that best practice leaves clues we can learn from. Our purpose is to help our clients and students leverage that learning, to meet their growth and profitability targets.

Our driving strategic intent is to fashion customised solutions which deliver sales and marketing improvements in strategy, structure, systems and skills. Our normal mode of operation is as an adviser to Senior Line Management, and as a high-level facilitator. We have been involved in Key Account Management, Sales Management and Marketing for over thirty years. We are experienced in working within all industry sectors, with particular strengths in consumer goods, hardware, healthcare, grocery, energy, chemicals and retailing. More...

Scope of This Paper

Over the past decade we have witnessed a number of trends in many segments of the consumer/retail market place.   Our clients asked us to respond, and this overview paper outlines that response.

Category Management.   There has been a quantum leap forward in the requirement for CatMan disciplines and thinking. Suppliers need to consider their partners' "go-to-market" strategies, category roles, and assortment guidelines. This goes deeper than the traditional range review, and involves strategic thinking about the only domain in which the supplier, the retailer, and the shopper meet.

Shopper Insight.   Retailers now expect suppliers to engage with them on the shopper decision frameworks for the category. Even in the absence of hard data, suppliers need to be able to hold their own in "grey areas", such as path to purchase, points of engagement, point-of-purchase drivers, and demographic profiling. And they must understand the difference between "consumer" and "shopper".

Score Cards and Metrics. The simple stuff like GP dollars and GP% are no longer enough. Even stock turn calculations need to become automatic. Retailers now expect suppliers to understand their more challenging metrics including GMROI, GMROS and AWOP, and understand their score cards.

Personal Selling Skills. The increasingly "savvy" purchaser, the explosion in on-line retailing, and the continuing entry of well-resourced overseas channels with proven retail formats, will all increase the demands on the "last three feet" of the path to purchase. The sixth "P" in our POP Driver model is "People"; a key differentiator for "bricks and mortar" retailers and arguably the most important. Well trained sales staff can still make a telling contribution to brand and product choice, in most segments.

Member of CPG CatNet

Category Management and Shopper Marketing (Our Proprietary Models)

Category Management, or "Shopper Marketing", is the only place where Shopper, Retailer and Supplier meet. Information sharing and planning within each Category help the Shopper make the right purchase by providing the right products, in the right place, in the right quantities, at the right price. It enhances the shopping experience, building loyalty and retention, and delivering Category profitability and growth, for both Retailer and Supplier.

The diagram on the right shows the 4 broad steps we advocate for Category Management. We see it as a cycle, rather than a linear process. If it is to be successful, Category Management must engage all its stakeholders effectively, including the sales force, who normally require significant training. **Appendix A** details these four broad steps, and also lists the supporting skills and tools which are often found to need strengthening. This is important.
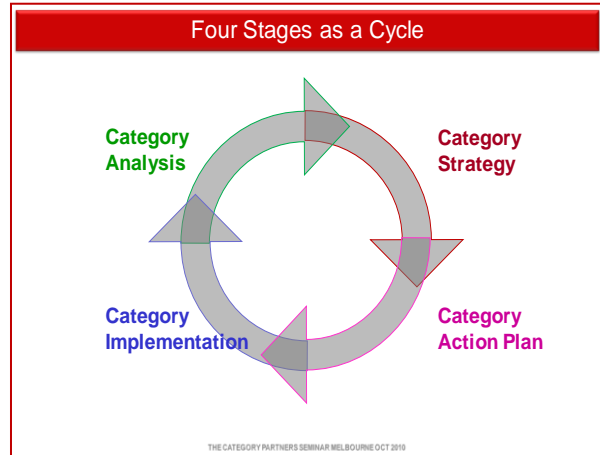
Appendix A also illustrates the different levels of CatMan at which we operate (especially taken together with the four case studies on the following page. Case Study 1 (for example) engaged us across all three columns of Appendix A, installing processes, but also honing skill-sets and developing customised tools, templates and formats. Case Study 2 by contrast, required us simply to discuss and refine existing processes within the client's existing business model.

Typically, therefore, our first step is to help our client audit their CatMan capability, prior to defining our intervention. **Appendix B** shows screen shots from the proprietary tool we use for this purpose, which links the key success factors of the CatMan process to the relevant competencies to be found in position descriptions and KPIs.

The framework for this audit, and for subsequent training, is the six elements shown in the diagram on the right. We refer to them as "POP Drivers", or Point-of-Purchase Drivers. This model has been used successfully with many clients, both inside of their own businesses and in coaching their channel partners. More…
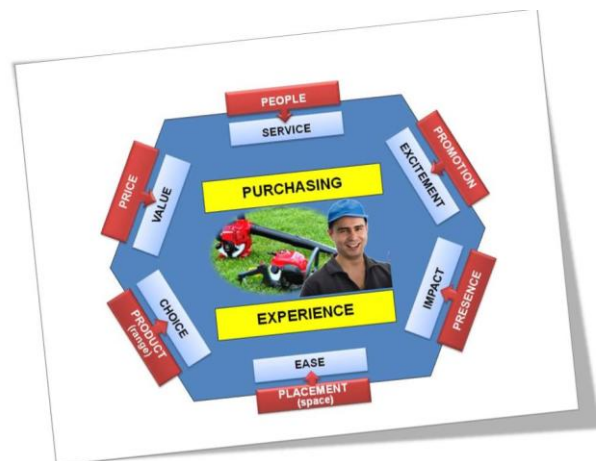
Case Studies

Client 1:	Major supplier with 5 leading hardware brands
Requirements:	Three levels of training for CatMan and Sales skills

We designed and installed the CatMan process itself, but we also sharpened all of the necessary "soft skills" and provided all of the templates and tools for financial metrics, etc. Target audience was a core group of 23 nominees, who became the "engine room" group ("Level 2"). They received 12 days of training, using two facilitators, over an 18 month period. The Client invested a total of around $70,000 on this influential group of managers and senior sales people.

Client 2:	National building supplies buying group
Requirements:	Review best practice in Category Management processes

CEO asked us to spend 1½ days with his newly formed (but experienced) Product CatMan Team, with very little preparation or customisation, at a cost of $5000. The input was required to add credibility and substance to company's transition from a buying group to a CatMan support team for their members.

Client 3:	Cleaning products company
Requirements:	Install a process for a "Plan on a Page" Account Plan

National Business Manager asked us to spend two highly interactive workshop days with his team to develop and install a highly customised process, template and discipline for producing simple Account and Category plans. As well as the learning outcomes, we produced actionable output in the form of written "first-pass" plans for a number of real-life situations in hardware and grocery channels.

Client 4:	Leading supplier of garden power equipment to specialist dealers
Requirements:	"Brickwall" existing channel relationships through CatMan and Marketing skills

Senior Management wanted to refresh and sharpen the consultative Dealer management skills of their team of Account Managers. Our first meeting addressed marketing and merchandising, which were both seen as key elements in supporting the competitiveness and profitability of the Dealer network. We provided our 6P framework in a checklist format for the experienced team to "audit" three of their Dealers before the program.

Our second workshop, to be conducted next month, will deal with financial and negotiation skills in more depth.

CATMAN TRAINING CASE STUDIES: CONSUMER PACKAGED GOODS, WHOLESALE, RETAIL, HARDWARE

Appendix A: Category Management Skills Map

©Harrison Consulting 2014
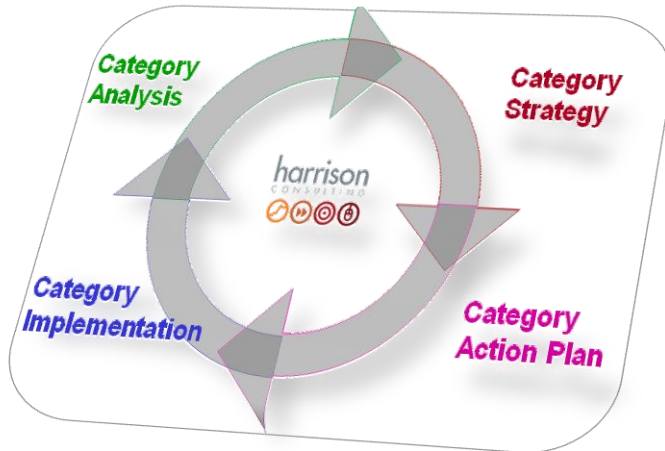
The Harrison Consulting approach to Category Management is based on extensive learning from CatMan application in a variety of industries. It is a streamlined and cyclical model, in the four broad areas shown in the diagram. Below the diagram, the process is documented in more detail, along with the supporting training we have the capability to deliver on the soft skills and typical support tools we design to facilitate the process. The balance of client needs across all three columns determines the overall intensity, depth and duration of the training required.

	PROCESS	SKILL SETS	TOOLS
CATEGORY ANALYSIS	Define the category and its segments	Analytical skills	The Retail Wheel
	Establish a consumer need framework		
	Explore retailer strategy/clusters etc	Communication skills	Mark-up/Margin tables
	Establish current category role		
	Assess item roles/category assortment	Relationship skills	Discount tables
	Analyse current category performance		
	Cross-validate retailer/supplier data.	Strategic planning	Strategic profit checklist
CATEGORY STRATEGY	Category SWOT and insights		
	Value-add options (quantified benefits)	Marketing skills	Retail finance reminder card
	Integrate with Account Plans and Mgt		
	Category strategy	Retail finance	Assortment assessment grid
	SMART objectives		
	Program the POP Drivers	Consultative selling	OPEN® Question planner
	Align supplier and retailer strategies.		
CATEGORY ACTION PLAN	P1 for ranging and assortment	Presentation skills	Account mgt reminder card
	P2 for space and planOgrams		
	P3 for visual merchandising	Negotiation skills	Stakeholder mapping tool
	P4 for pricing		
	P5 for promo support and advertising	Account planning	Negotiation shopping list
	P6 for staff training and incentives		
	Negotiate retailer/supplier inputs.	Account management	CatMan planning templates
CATEGORY IMPLEMENTATION	Build and Present Category Case		
	Obtain Trial Commitment	Training (Retailers)	Score Cards and Dashboards
	Set up Score Cards and Dashboards		
	Conduct deep and thorough Review(s)	Mentoring (Internal)	Review templates
	Identify Resources and Budget		
	Roll out to stores, "buy-in" & compliance	Leadership.	CatMan Support Package.
	Engage & utilise joint resources.		

Member of CPG CatNet

Appendix B: CatMan Capability Assessment Tool - Screen Shots

©Harrison Consulting 2014