

SUCCESS STORY: Foodstuffs

Implementation of PP&C to unlock the full potential of SAP PMR

New Zealand South Islands's leading food retailer Foodstuffs South Island implements SAP PMR and **retailsolutions'** Promotion Planning & Calendar (PP&C).

With approximately half the product range on promotion at any given time, Foodstuffs South Island (FSSI) has a **high volume of promotional offers** to manage, with most promotions being vendor-proposed. FSSI had a **manual promotion planning process**, using a combination of spreadsheets, emails and meetings, with promotions only being keyed into the system once all details were confirmed.

While the manual maintenance of such a high number of promotions is a challenge in itself, this also led to time consuming **fragmented ways of working** and presented challenges **managing master data changes**. It was for these reasons that Foodstuffs decided to digitise their campaign planning and bring the end-to-end promotional planning process on-system.

retailsolutions was chosen for the project not only because of their unparalleled expertise with promotional management but also because of their **PP&C add-on** solution, which supports the early promotion planning process and unlocks the full potential of the **SAP PMR** solution.

The combination of the two solutions not only **improved** the **coordination** and **reduced time and efforts** during the process but also significantly **increased customer satisfaction** and **enhanced vendor relationships**.



Optimised promotion planning improves margins

In order to digitise Foodstuff South Island's promotional management processes, **retailsolutions** implemented **SAP Promotion Management for Retail (PMR)** to maintain promotional offers and associated vendor funding and paired it with **Promotion Planning & Calendar (PP&C)**, the out-of-the-box Industry Cloud solution for enhanced support of high-level promotion planning.

The implementations provide a **suite of applications supporting the end-to-end planning process**, leading to **transparency** and **accurate** up-to-date **master data**.

Those features improve the coordination of the promotion plan across all categories, leading to **fewer mistakes** and rework through the **improved accuracy**, allowing staff to focus on more high-level activities, which finally **increases customer satisfaction and** leads to a **better margin**. Problems caused by obsolete master data and fragmented ways of working are now a thing of the past.

As most Foodstuffs' promotional offers are vendor proposed, managing negotiations with them was time-consuming. So **retailsolutions** developed a **custom vendor portal** allowing suppliers to view planned promotions and propose products along with associated vendor funds, which can directly be approved in the system, this improves **transparency** and **reduces communication efforts**, allowing **easy negotiations** and better vendor relationships **positively affecting margins**. Automated offer terms construction based on vendor rebates and pre-set target margins significantly **reduces efforts** to maintain the large volume of promotional offers and thus accelerates the whole **process**.

Despite being delivered entirely remote due to Covid-19, the project was completed **in time and budget** and sustainably **optimised** Foodstuff South Island's **promotional functions**, positively affecting the whole organisation.

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The introduction of PMR promotions and planning tools has optimised our promotional functions in the Support Centre and our stores. We have gained many efficiencies and are already coming up with new ways to potentially add to these functions to enhance other areas of our promotional activities. Vendors are excited to use the new portal functionality and are enjoying the immediate visibility this provides them to assist with funding allocation and forecasting of upcoming promotional activity.

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Amanda Beatty
SAP Retail Support Manager,
Foodstuffs South Island

Solution Overview

CHALLENGE

- Manually managed promotion planning process led to fragmented ways of working; challenges caused by obsolete master data
- Majority of promotions are vendor proposed, managing negotiations with vendors is time consuming
- Manual maintenance of a large volume of promotions
- Covid-19 pandemic led to the project being executed entirely remote

SOLUTION

- Implementation of **retailsolutions** PP&C and SAP PMR to bring the end-to-end planning process on system - enabling working with accurate and up-to-date master data with automatic notifications of master data changes
- Custom Vendor portal allows suppliers to view planned promotional activities and submit proposals for product promotions along with associated funding ready for approval directly in the system
- Automated offer terms construction based on proposed vendor rebate proposals and pre-configured target margins

BENEFITS

- Improved coordination of the promotion planning process
- Fewer mistakes, better accuracy, reduced rework, improved transparency
- Less communication effort reduces the scope for errors and improves vendor relationships
- Significant reduction in effort required to maintain promotional offers.

About Customer

Foodstuffs South Island Co-operative is a market leader in New Zealand South Islands's retail grocery industry. The Co-operative supports the well-known brands: New World, PAK'nSAVE, Four Square, Raeward Fresh, Henry's and On The Spot. The company is headquartered in Christchurch, Canterbury (NZ) and achieved a revenue of more than 2 billion NZ\$ in 2017.

They are proud to be 100% owned and operated by people from New Zealand, and they believe that their success is down to the people who bring their skills, experience, passion and expertise to make the Foodstuffs South Island Co-operative what it is.

About retailsolutions

retailsolutions is one of the leading SAP retail consultancies in Europe.

From our locations in Switzerland, Germany, Austria and England, we support customers throughout Europe. More than 200 employees support our customers in the implementation of SAP project realisations. Our portfolio includes solutions along the entire value chain. We attach great importance to sustainable and future-proof IT solutions. Through constant investment in innovative topics, technologies and the know-how of our employees, we consistently orient our work towards the future.

Do you have any questions?

You can find further information and contact details at: www.retailsolutions.uk