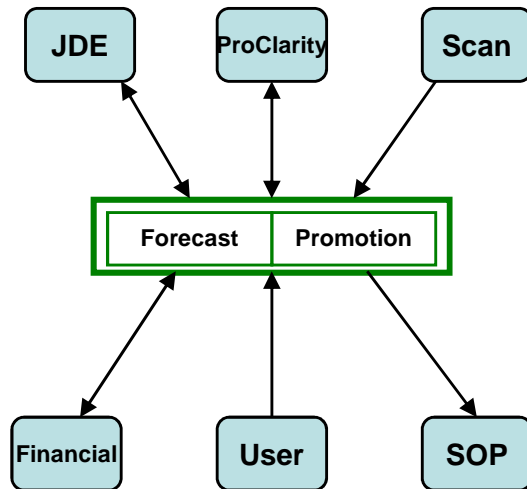


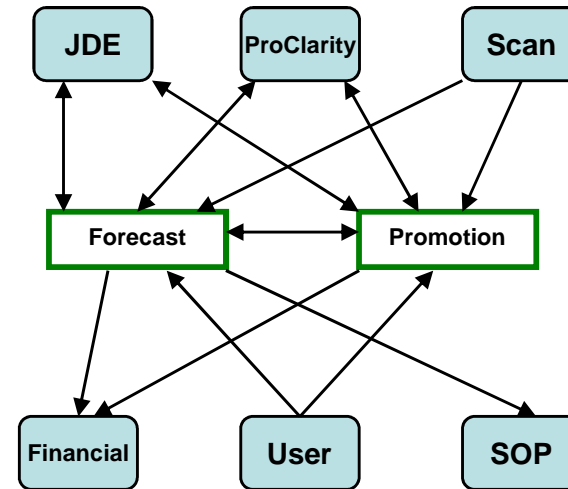
# Sugar Australia Background

- Two key business functional tasks (Demand Forecasting and Trade Promotions) with obvious 'touch points':
- Alternate solutions:
  1. Integrated - A single solution provided by a single vendor; or
  2. Independent - 2 separate solutions provided by 2 separate vendors

## Integrated



## Independent



Note: Only data flow between 'Project' system have been illustrated

# Solution

- **Integrated solution chosen:**
  - Demand Management
  - Predictive Trade Planning
- **Project team set-up:**
  - Project Sponsor
  - Project Manager
  - Project Team

## DEMANTRA

- DM / S&OP
- PTP / DSM

- GM Sales & Marketing
- Business Analyst - Sales & Marketing

Project team - Functional Area
IT
IT
Finance
Sales & Operational Planning
Sales & Marketing (Retail)
Sales & Marketing (Foodservice)
Sales & Marketing (Food & Beverage)
Business Intelligence Systems

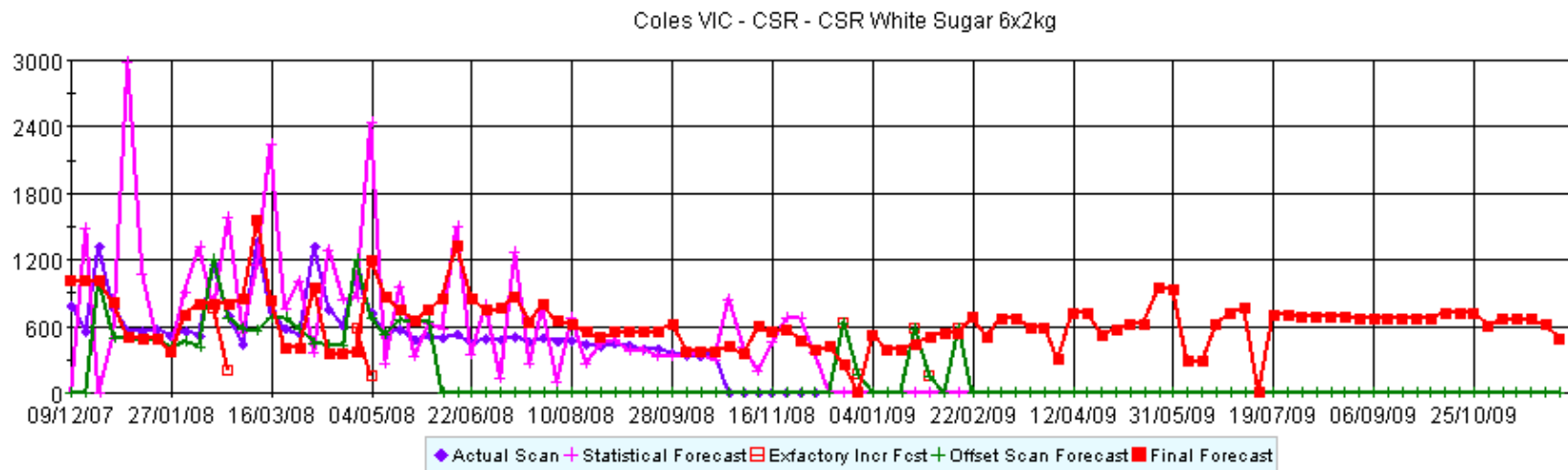
## Demantra Integration Update

- **Demand Management (DM) in place @ 4 months in 2007**
- **Predictive Trade Planning (PTP) system went live 20/10/08**
  - Initial focus has been on Retail channel
  - Woolworths, Coles & Indies promotional programs now fully loaded in PTP
  - Promotional accruals now being calculated & posted to the GL daily
    - Still in audit stage, with manual verification prior to posting
    - Process is being refine in order to fully automate the process
  - Individual promotions now able to be assessed for true financial ROI



# Trade Spend Management

- **Demand & Settlement Management (DSM)**
  - Claims are being processed & checked against expectations
  - 95% of Coles & Woolworths electronic claims managed via automated process
    - Assessing impact of Coles new promotional week – scan data not 100% aligned
  - Still evaluating overall impact on Independent claims processing
- **Longer term plans to review high level promotional effectiveness**
  - Annualised view of trade spend cost / benefit
  - “What if” modelling on overall promotional strategies; impact on fiscal YEM



# PTP Process Summary

- **Key steps in PTP**

	<b>Process</b>	<b>Description</b>
1.	Unplanned	Under development and not considered by engine.
2.	Planned	Waiting agreement from Retailer
3.	Approved	Promotion agreed with
4.	Committed	Promotion ready for in store execution
5.	Accrual	Under development and not considered by engine.
6.	Scan	Adjustment of accrual based on actual scan data
7.	Claim	Claim received
8.	Dispute	Different to adjusted accrual – requires approval
9.	Approve	Same as adjusted accrual – approved Manual approval if disputed
10.	Close	Close

## **Demand Management Integration / Scan Data**

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- **Scan data sourced from information provider**
- **FTP input uploaded via SGL server into DM and PTP**
- **Data in Weekly buckets**
  - Baseline & Incremental volume
  - By SKU, by account, by state
- **DM data then used to revise baseline forecasts based on new data and past history combined. More data added over time results in more robust/accurate forecasts**
- **Scan data also fed to and used by PTP algorithm to produce measure of uplift versus normal baseline situation**
- **PTP also able to optimize forecasts for Promotion results based on such things as number of simultaneous events, promotion length, and other constraints (all calculated internally to system)**

# Retail Promotion Example

Oracle Demantra Predictive Trade Planning

File Worksheet Edit View Options Data Help

TPM: Planning Environment This Quarter - PM (Coles)

Filters

Page Items

Retailer: Coles Brand: CSR Promotion Group: CSR White Sugar 12x1kg

Event Planner

Promotion	Customer State	Unit Deal	Shelf Price	Promo Sale Price	Lift	Base Evt Vol	Incr Evt Vol	In Evt V Orde	Ttl Evt Vol	Evt Status	Actuals Ttl
CSR White 12x1kg : 16-10-2008	Coles NSW	\$0.38	\$1.57	\$1.19	1.17	12,072	2,060		14,132	e. Accrual	
	Coles QLD	\$0.35	\$1.54	\$1.19	2.27	6,592	8,340		14,932	e. Accrual	
	Coles SA	\$0.32	\$1.51	\$1.19	2.71	5,062	8,648		13,710	e. Accrual	
	Coles TAS	\$0.58	\$2.22	\$1.64	12.90	704	8,376		9,080	e. Accrual	
	Coles VIC	\$0.58	\$1.61	\$1.19	1.30	11,551	3,508		15,059	e. Accrual	

Volume Breakdown for Event

Cost Benefit Review

Promotion	Customer State	Rtl Prft	Evt Spend	CPIU	% Spend	Start Event	GL Accrual Post	GL Accr Fix
CSR White 12x1kg : 16-10-2008	Coles NSW		\$5,370	\$5.21	27%	16/10/08	\$4,661.25	
	Coles QLD		\$5,226	\$1.25	25%	16/10/08	\$2,612.76	

Empty Rows Shown Row: 1, Col: 3

## Integration with E1

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- **Sugar Australia current release - OneWorld Xe**
- **We made a decision to develop own interfaces between Demantra and the Z tables using our data warehouse**
- **Interfacing**
  - Forecast accruals daily
    - Processed automatically overnight (same time as day's sales)
      - Demantra works in weekly buckets so we had to be careful to maintain integrity within the interface when breaking into daily postings
    - Significant improvement on past where month's accruals were posted on one day mid-month
    - If promotion runs over several months, accrual is broken up over those months – we were not achieving this with old process
  - Scan adjustments
    - Processed weekly when scan data is received from Nielsen
    - More accurate data than forecast, thus post to G/L at earliest time
      - In past only posting adjustments to forecast after promotion closed

## Integration with E1

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- **Interfacing cont.**

- Claims

- Claims interfaced into JDE AR as soon matched and approved in Demantra
- Using subledger on all postings to manage balance in balance sheet accrual account by promotion

- Closing of promotions

- If difference exist between claims processed and scan value, further journal created for difference
- Different document types to identify forecast accrual, scan adjustment, claims and closing transactions

## Reporting

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- **Using our current data warehouse (Proclarity) to report Demantra data**
- **Includes views over**
  - Forecast, scan, claim and close adjustments by promotion
  - Reconciliation between Demantra and JDE by promotion by week for each of the transactions
  - Impact on profitability of customer and items

# Retail Promotion Example

Oracle Demantra Predictive Trade Planning

File Worksheet Edit View Options Data Help

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