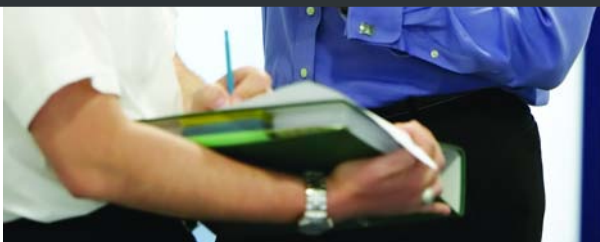


MANUFACTURING: Trade Promotion Management



**PERFORMANCE BLUEPRINT
APPLICATION BRIEF**

**A WEB BASED PERFORMANCE
MANAGEMENT APPLICATION**

INTRODUCTION

Trade promotion spending—monies paid by a manufacturer to a retailer in return for product promotion and merchandising—has become an enormous expense category for manufacturers. For many, it is the second largest expense behind cost of goods sold (COGS) and often equals as much as 10–20 percent of revenue. And what do manufacturers get in return for this investment? In many cases, they don't know!

Manufacturers struggle to understand the effectiveness of their trade promotions for a variety of reasons, including limited access to the right information, functional and informational silos that make collaboration difficult, poor processes for monitoring sales lift driven by trade promotions, and an inability to compare the sales and financial implications of multiple promotions.

The *Cognos Trade Promotion Management (TPM) Performance Blueprint* provides a performance management framework—including planning, metrics, and reporting—that enables manufacturers to optimize trade promotion effectiveness and ROI. The *Blueprint* lets brand managers and sales executives evaluate multiple scenarios and plan the mix of promotional activity that will yield the greatest return on investment. They can monitor how a given promotion is performing and change course mid-stream if necessary. And they can analyze and evaluate trade promotions effectiveness, then apply lessons learned from one cycle to future planning.

BLUEPRINT OBJECTIVES

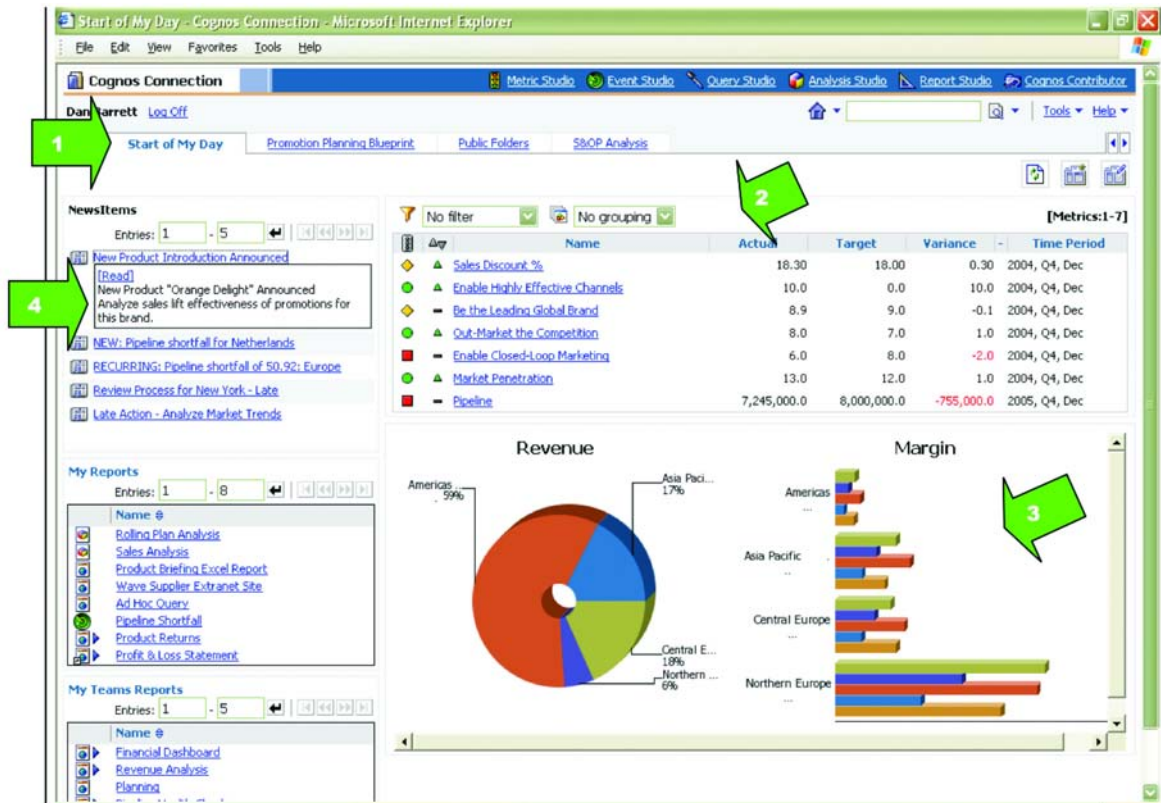
With the *Cognos Trade Promotion Management Performance Blueprint*, manufacturers can evaluate promotion options based on financial impact, monitor promotion results, and analyze across promotions to optimize return on their trade promotion investments. The use of a single, integrated solution ensures that all departments—such as sales, marketing, category management, and production—are aligned with one another. The *Blueprint* extends the planning process beyond finance to sales and marketing management—the people at the corporate, regional, or district level that are accountable for performance.

Key Cognos Planning Benefits

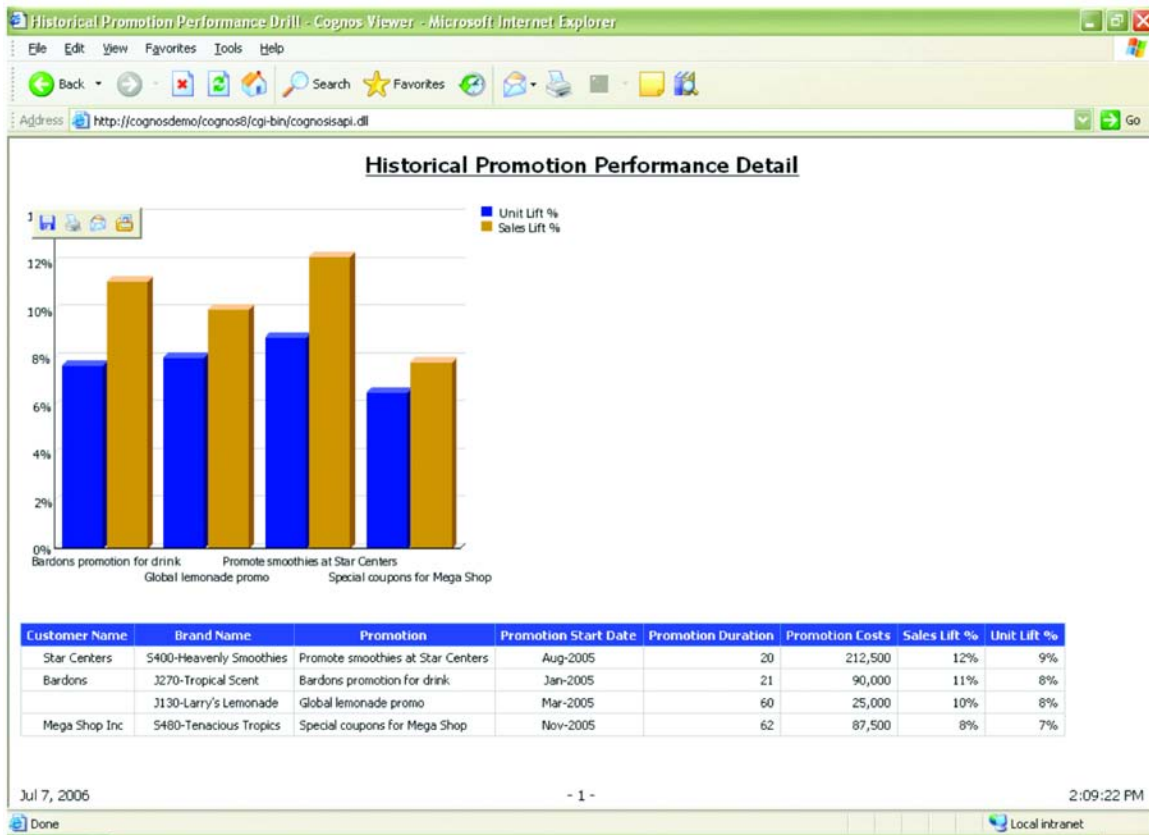
- Flexible model development to support a wide variety of planning models.
- Web- or Excel-based deployment of models for data collection and consolidation.
- Easy version control.
- Real-time workflow to enhance collaboration.
- Real-time consolidation.
- Real-time reporting.
- Real-time browser-based calculations to provide immediate results.
- Audit and user text annotations at cell, worksheet, and model levels to further improve collaboration.
- Drop-down validation lists to ensure data consistency.
- Scalable architecture with proven deployments to thousands of users.
- Linking functionality to provide divergent, yet interrelated components of planning environment.
- Off-line capabilities.
- Custom date capabilities with no limit on the time dimension, allowing planning by the week, season, period, quarter, or year.
- Unique multi-directional calculation engine that allows input across any dimension at the detail level or the total level.

PROMOTION ANALYSIS

Brand managers, account executives, and channel managers have tailored access to information based on their role in the organization. They can access a “Start of My Day” dashboard (1) which gives them snapshots of metrics (2), summary reports (3) and alerts to actions (4) that need to be taken.






Drilling down on the alert takes the promotions manager to a more detailed analysis of promotions. The promotion manager has immediate visibility into the effectiveness of particular promotions and can then use this analysis to move forward in the planning process.



REAL-TIME WORKFLOW VISIBILITY

As brand managers, account executives, and channel managers make changes to product-based or customer-based promotions, upper level managers have real-time visibility to the workflow status of plans company-wide.

In the example below, “All Brand Promotions” is the parent for the four main brands of our hypothetical fruit juice company. This offers marketing management and executives the ability to quickly see the status of brand managers’ promotion plans. Additionally, for “Key Customers,” the workflow state is available regarding any promotions planned through our key account managers. All workflow status changes, data consolidations, and aggregations occur in real-time—without a batch process—which drives down the time needed to perform the planning iteration.

Before data is entered, state of the plan is  **Not started**. Once a plan is saved, the state becomes  **Work in Progress**, and remains accessible for further editing. When an item is submitted, the plan is  **Locked** and no more changes can be made. The Locked state indicates that the plan is ready for review. A reviewer can review the plan in any state, but can only reject a Locked plan item. When a locked plan is rejected, it returns to a state of Work in Progress, making it editable once again for the brand manager or account executive.

Cognos Planning - Contributor
 Administrator [User Instructions](#) [About Help](#)

Welcome - Cognos Planning
 Driving effective performance planning.

Reviews

- All Brand Promotions
 - Solo Fruit Juices
 - Fruit Fiesta Juices
 - Heavenly Smoothies
 - Wham Energy Drinks
- All Sales Promotions
 - Key Customers
 - BigMart
 - Bardons
 - Mega Shop Inc
 - Star Centers
- Channels
 - Super Markets
 - Drug Stores
 - Convenient Stores
- Distributors
 - CustFinder Company
 - Global Flyer Inc

You are a reviewer for:

Name	State	Ownership	Reviewer	Last Data Change
All Brand Promotions	Work In Progress	Email All		1:37:30 PM - Friday, June 09, 2006

Which is made up of:

Name	State	Ownership	Reviewer	Last Data Change
All Brand Promotions (All)				
Solo Fruit Juices	Work In Progress	Administrator	Email All	1:37:29 PM - Friday, June 09, 2006
Fruit Fiesta Juices	Work In Progress	None	Email All	1:36:55 PM - Friday, June 09, 2006
Heavenly Smoothies	Work In Progress	None	Email All	1:36:23 PM - Friday, June 09, 2006
Wham Energy Drinks	Locked	Administrator	Email All	1:35:51 PM - Friday, June 09, 2006

Work-flow information for All Brand Promotions:

Current state: Work In Progress.
 All items that make up this e-List item have been edited and saved. At least one item has not yet been submitted. [More...](#)

Time of last state change: 10:38:39 AM - Monday, June 05, 2006

User who last changed state: undefined

Viewed: no
 Reviewed: no

Plan - Monitor - Report Local Intranet

REPRESENTATIVE WORKFLOW

The following sections of this application brief describe the basic workflows in which a brand manager, channel manager, or account executive might participate during the planning process. (*Note: The views and available inputs are the same for our three major types of users, but the **Brand Promotions** tab is only available to brand managers. As with any **Blueprint**, views and inputs can be edited to meet specific needs.*)

Brand Promotions

This tab offers a brand manager the ability to input specific promotions applicable at the brand, category, or product level (SKU level is not present in the *Blueprint*, but is certainly possible as an option). There are two pages for brand promotions. One allows input of “New Promotions,” while the other allows a manager to leverage previous promotions and create “Repeat Promotions.” For both promotion types, the user inputs details about specific promotions including a title, promotion type, description, status, category or product, start- and end-dates as well as the promotion expenditure and sales and unit lift as a percentage. The status field allows for the values “Committed” and “Proposed.” These status states are important considerations, as they will have a financial impact on the brand’s profit-and-loss statement. Repeat promotions allow the user to select a previous “Promotion ID” to pre-load the details of a previous promotion in the input form. It is then possible to customize the repeat promotion with overriding values for any of the fields except “Promotion Type.” For both new and repeat promotions, a valid product or category for the brand must be chosen or else the financial impact of the promotion will not be included. All sales and unit impact from these promotions are applied at the total customer level; each customer’s sales and unit forecasts are increased relative to their proportion of the base forecast for the selected product or category.

New Promotions

New Promotion Title	Promotion Type	Description	Status	Category/Product	Start Date	End Date	Duration	Promotion Costs	Sales Lift %	Unit Lift %
01 Summer Splash Days	Merchandise Allowance	Early summer discounts	Committed	J100-Solo Fruit Juices	07-01-2006	03-11-2007	254 days	\$250,000	2.00%	2.00%
02 Grape Days	Co-op Advertising	Move Grape drink	Committed	J160-Gorgeous Grape	08-01-2006	09-30-2006	61 days	\$300,000	4.00%	4.00%
03 single fruit explosion	Merchandise Allowance	category promotion	Committed	J100-Solo Fruit Juices	07-01-2006	07-31-2006	31 days	\$100,000	2.00%	1.00%
04 Fiber month	Market Development Funds	In celebration of fiber month	Committed	J170-Presto Prune	11-01-2006	11-30-2006	30 days	\$300,000	3.00%	4.00%
05 Sci Fi parade	Other	Sponsorship of Star Trek conference	Committed	J140-Galactic Grapefruit	09-01-2006	09-05-2006	5 days	\$275,000	10.00%	3.00%
06								\$0	0.00%	0.00%
07								\$0	0.00%	0.00%
08								\$0	0.00%	0.00%
09								\$0	0.00%	0.00%
10								\$0	0.00%	0.00%
11								\$0	0.00%	0.00%
12								\$0	0.00%	0.00%
13								\$0	0.00%	0.00%
14								\$0	0.00%	0.00%
15								\$0	0.00%	0.00%
16								\$0	0.00%	0.00%
17								\$0	0.00%	0.00%
18								\$0	0.00%	0.00%
19								\$0	0.00%	0.00%
20								\$0	0.00%	0.00%
Total								\$1,225,000		

Repeat Promotions

Historical Promotion ID	Promotion Type	Historical Category/Product	Historical Customer	Historical Start Date	Historical Duration	Historical Promo Spend	Historical Sales Lift %	Historical Unit Lift %	Description	Status
01	005-Juice	J280-Fruit Fiesta Juices	BigMart	09-05-2005	29 days	\$120,000	6.00%	9.86%	Larry's Lemonade Golf Tournament	Committee
02	006-Juice	Other	Global Flyer Inc	10-21-2005	72 days	\$295,000	3.94%	3.92%	Grape promo again	Committee
03	004-Juice	Product Slotting	BigMart	06-21-2005	18 days	\$220,000	2.93%	1.28%	annual fruit juice promo	Committee
04	009-Juice	Merchandise Allowance	BigMart	05-10-2005	71 days	\$40,000	7.01%	7.65%	prune time	Committee
05	006-Juice	Volume Incentives	J280-Raspberry LemonJuice	03-01-2005	89 days	\$125,000	1.70%	1.46%		
06						\$0	0.00%	0.00%		
07						\$0	0.00%	0.00%		
08						\$0	0.00%	0.00%		
09						\$0	0.00%	0.00%		
10						\$0	0.00%	0.00%		
11						\$0	0.00%	0.00%		
12						\$0	0.00%	0.00%		
13						\$0	0.00%	0.00%		
14						\$0	0.00%	0.00%		
15						\$0	0.00%	0.00%		
16						\$0	0.00%	0.00%		
17						\$0	0.00%	0.00%		
18						\$0	0.00%	0.00%		
19						\$0	0.00%	0.00%		
20						\$0	0.00%	0.00%		
Total						\$0	0.00%	0.00%		

Customer Promotions

The Customer Promotions tab enables brand managers to create promotions applicable to specific key customers, customer groups, channels, or distributors. Additionally, this is the key input for promotional activity in the sales organization. Account executives and channel managers can plan specific promotions for their customers here including items like co-op advertising and product slotting fees. Similar to brand promotions, there is the ability to create both new and repeat promotions. For specific customers the sales and unit lift impact is calculated against their base forecast while promotions at higher levels (e.g. “Distributors”) will be allocated down to the members that make up the summary item, again relative to their proportion of the of the overall sales and unit base forecast.

New Promotion Title	Promotion Type	Description	Status	Customer	Category/Product	Start Date	End Date	Duration	Promotion Costs	Sales Lift %	Unit Lift %
BigMart grape days	Product Slotting	get product moving in BigMart	Committed	BigMart	J100-Solo Fruit Juices	11-01-2006	11-20-2006	20 days	\$2,100,000	3.00%	3.00%
Bardons annual juice days	Co-op Advertising	Circulars for juice days	Proposed	Bardons	J100-Solo Fruit Juices	08-01-2006	09-20-2006	51 days	\$400,000	7.00%	6.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
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									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
									\$0	0.00%	0.00%
Total									\$2,500,000		

Historical Promotions

Here the user is presented with the historic details of past promotions to enable better decision-making and serve as templates for future promotions (i.e. the “repeat promotions” feature). All key metrics for a particular promotion can be found here, including the actual performance of the promotion in terms of sales and unit lift. Each promotion has a promotion ID as its row label which is used to drive repeat promotions.

Promotion ID	Promotion Type	Description	Category/Product	Customer	Start Date	Duration	Promotion Costs	Sales Lift %	Unit Lift %
001-Juice	Merchandise Allowance	Spring sale	J200-Fruit Fiesta-Juices	BigMart	04-01-2005	12 days	\$112,500	3.00%	3.50%
002-Juice	Market Development Funds	Promote drink in Mega Shop	J220-Strawberry Lemonluff	BigMart	02-01-2005	28 days	\$230,000	4.22%	2.91%
003-Juice	Scan-downs	Global lemonade promo	J130-Larry's Lemonade		03-15-2005	60 days	\$25,000	10.00%	8.00%
004-Juice	Product Slotting	instant discount for all customers	J100-Solo Fruit Juices	BigMart	06-21-2005	18 days	\$220,000	2.93%	1.28%
005-Juice	Other	Sponsor Golf Outing with BigMart	J200-Fruit Fiesta-Juices	BigMart	09-05-2005	29 days	\$120,000	6.00%	9.86%
006-Juice	Co-op Advertising	Distributor promotion	J160-Gorgeous Grape	Global Flyer Inc	10-21-2005	72 days	\$205,000	3.94%	3.52%
007-Juice	Scan-downs	Bardons promotion for drink	J270-Tropical Scent	Bardons	01-01-2005	21 days	\$90,000	11.20%	7.65%
008-Juice	Volume Incentives	Move overstock of Raspberry Lemonluff	J280-Raspberry Lemonluff		03-01-2005	89 days	\$125,000	1.70%	1.46%
009-Juice	Merchandise Allowance	Summer Grape promotion	J230-Grape Ade	BigMart	05-10-2005	71 days	\$40,000	7.01%	7.65%
010-Juice	Co-op Advertising	Co-op for Apple mix drink	J210-Apple Cranalicious		07-20-2005	84 days	\$82,500	0.20%	4.90%
001-Smoothie	Market Development Funds	Promote smoothies with distributor	S400-Heavenly Smoothies	CustFinder Company	08-15-2006	77 days	\$247,500	1.71%	0.38%
002-Smoothie	Product Slotting	Display for smoothie flavor	S420-Banana Blast	BigMart	12-01-2005	68 days	\$87,500	2.42%	6.67%
003-Smoothie	Scan-downs	Special coupons for Mega Shop	S480-Tenacious Tropics	Mega Shop Inc	11-23-2005	62 days	\$87,500	7.80%	6.53%
004-Smoothie	Merchandise Allowance	Winter smoothie promotion	S430-Wildberry Crossing		11-10-2005	24 days	\$190,000	1.26%	1.59%
005-Smoothie	Volume Incentives	Move overstock of smoothie	S450-Strawberry Sensation	BigMart	09-10-2005	77 days	\$222,500	2.77%	5.53%
006-Smoothie	Co-op Advertising	Promote supermarket sales of smoothies	S400-Heavenly Smoothies	Super Markets	06-15-2005	51 days	\$85,000	6.22%	1.35%
007-Smoothie	Scan-downs	Promote smoothies at Star Centers	S400-Heavenly Smoothies	Star Centers	09-11-2005	20 days	\$212,500	12.22%	8.84%
008-Smoothie	Merchandise Allowance	Smoothie discount for veterans	S400-Heavenly Smoothies		11-01-2005	19 days	\$167,500	9.52%	1.34%
009-Smoothie	Market Development Funds	Promote improved flavor	S410-Orange Cream	BigMart	12-18-2005	9 days	\$75,000	9.77%	7.34%
010-Smoothie	Merchandise Allowance	Summer special on smoothie flavor	S470-Breakfast Explosion		06-01-2005	7 days	\$70,000	6.57%	2.63%

Monthly Impact

The Monthly Impact tab shows impact of each planned promotion. Both proposed and committed promotions are included, allowing for impact analysis of each type. The view includes several details for each promotion, including title, days active in each period, spend amount, base sales, and unit forecasts as well as resulting sales and unit lift calculated from the forecast lift percentage. A promotion margin is also calculated to help aid decision-making. Even though cost of goods sold is not currently included in this margin, it can easily be added as required.

Since promotions will not be active in all periods, there will often be data columns containing zero values. The illustration below shows how using “suppress zero columns” restricts the view to only those months impacted by a particular promotion. The example also illustrates how the *TPM Blueprint* supports promotion activities that span more than one fiscal year with spend and lift allocated to all promotion periods regardless of which year the period is in. The *Blueprint* supports promotions running more than 12 months.

Promotion Title	Jul-06	Sep-06	Oct-06	Nov-06	Dec-06	2006 Total	Jan-07	Feb-07
Promotion Days	Summer Splash Days	Summer Splash Days	Summer Splash Days	Summer Splash Days	Summer Splash Days	Summer Splash Days	Summer Splash Days	Summer Sp
Promotion Days in Period	31 days	31 days	30 days	31 days	30 days	31 days	184 days	31 days
Trade Spend	\$30,512	\$30,512	\$29,528	\$30,512	\$29,528	\$30,512	\$181,102	\$30,512
Base Sales Forecast	\$10,289,531	\$12,044,069	\$12,262,019	\$12,073,321	\$12,102,626	\$13,241,013	\$72,012,579	\$16,915,188
Base Units Forecast	9,995,669	9,157,921	10,219,240	9,813,211	9,176,152	8,530,688	56,892,880	13,178,370
Sales Lift \$	\$205,791	\$240,881	\$245,240	\$241,466	\$242,053	\$264,820	\$1,440,252	\$338,304
Units Lift	199,913	183,158	204,385	196,264	183,523	170,614	1,137,856	263,567
Promotion Margin	175,279	210,370	215,713	210,955	212,525	234,300	1,259,149	307,792
PM % of Trade Spend	574.46%	689.47%	730.55%	691.39%	719.75%	767.93%	695.27%	1,086.76%

Promotional Spend Summary

The Promotion Spend Summary tab offers the ability to review the effectiveness of overall categories of promotion types. The promotion types included in the *Blueprint* are Merchandise Allowances, Co-Op Advertising, Product Slotting, Scan-Downs, Market Development Funds, Volume Incentives, and Other. These promotion types can easily be changed to reflect the in-house promotion types used by any organization. Some of the key metrics driving promotion performance in this tab are “Trade Spend as a % of Total Sales” and “Trade Spend as a % of Total Gross Margin.” Additionally, sales and unit lift are readily available allowing insight into those promotions whose cost may exceed the resulting financial impact to sales or the initial “return” on the promotion.

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	2006 Total
Total Trade Spend	\$0	\$0	\$0	\$0	\$0	\$0	\$130,512	\$93,238	\$126,801	\$30,512	\$29,528	\$30,512	\$441,102
Total Sales	\$11,858,212	\$13,455,775	\$12,762,342	\$11,822,181	\$12,953,325	\$12,381,161	\$11,009,799	\$12,797,537	\$12,738,129	\$12,386,763	\$12,477,247	\$13,569,983	\$149,522,453
Trade Spend as % of Total Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.19%	0.73%	1.00%	0.25%	0.24%	0.22%	0.30%
Total Gross Margin	\$2,868,114	\$3,839,162	\$2,346,780	\$1,815,644	\$2,163,379	\$2,588,784	\$763,670	\$3,491,938	\$2,320,119	\$2,484,572	\$3,205,680	\$4,964,850	\$32,853,282
Trade Spend as % of Total Gross Margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.03%	2.67%	5.47%	1.23%	0.92%	0.61%	1.34%
Sales Lift	\$0	\$0	\$0	\$0	\$0	\$0	\$411,581	\$342,119	\$305,004	\$241,466	\$242,053	\$264,820	\$1,807,044
Unit Lift	0	0	0	0	0	0	299,870	244,712	275,915	196,264	183,523	170,614	1,370,899
Total Units	8,665,834	9,521,522	10,264,064	9,860,989	10,286,561	9,676,262	10,425,483	9,552,988	10,646,214	10,076,423	9,430,312	8,723,032	117,169,744

Unit & Sales Forecast

The Unit and Sales Forecast tab contains base forecasts for all customers across all products. Additionally, this is where sales and unit lift is allocated down through the customer and products hierarchies, depending on planned promotion levels. As one might expect, the allocation of perhaps hundreds of promotions’ financial impact to the overall unit and sales forecast is a powerful capability. The resulting promotional sales and unit forecast by product and customer is a key to the Cognos *TPM Blueprint*. The *Blueprint* is currently configured to perform lift allocations for committed promotions; however, proposed promotions will still flow through to the Profit and Loss tab.

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	2006 Total
Promotional Sales Forecast	5,332,951	5,371,739	5,967,658	4,435,027	5,779,672	5,520,942	5,095,628	6,340,498	6,272,896	5,790,087	5,659,278	5,986,041	67,552,416
Promotional Unit Forecast	3,979,674	4,659,037	4,710,346	4,550,464	4,525,817	4,576,379	4,357,026	4,286,129	5,064,946	4,549,800	4,180,210	3,905,716	53,345,544
Base Sales Forecast	5,332,951	5,371,739	5,967,658	4,435,027	5,779,672	5,520,942	4,762,269	5,976,223	6,028,781	5,639,885	5,480,422	5,841,839	66,137,406
Base Units Forecast	3,979,674	4,659,037	4,710,346	4,550,464	4,525,817	4,576,379	4,177,398	4,104,330	4,854,082	4,430,414	4,033,870	3,824,174	52,425,984

Profit and Loss

The Profit and Loss tab provides full financial details for both brands and customers. For the brand managers, this tab represents brand P&L, including lifted sales and planned promotion costs, along with other overheads and expenses. For the account executives and channel managers, the tab represents the specific customer or channel P&L. Profit and Loss includes scenarios as well. As seen below, users can view their P&L with actual data, only committed promotions included, or with committed and proposed promotions included (i.e. the Proposed scenario). Additionally there are three “what-if” scenarios where users can make high-level changes to strategy assumptions and analyze the impact of these changes to Operating Profit.

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	2006 Total
Proposed	1,559,219	13,455,775	12,762,342	11,822,181	12,553,325	12,381,161	11,009,799	12,797,537	12,738,129	12,396,763	12,477,247	13,569,983	149,522,453
Actual	0	0	0	0	0	0	130,512	93,238	126,001	30,512	29,528	30,512	441,102
What-If 1	858,212	13,455,775	12,762,342	11,822,181	12,553,325	12,381,161	10,879,287	12,704,299	12,611,327	12,366,251	12,447,720	13,539,471	149,881,351
What-If 2	8,980,098	9,816,813	10,415,561	10,008,537	10,389,345	9,792,377	10,115,617	9,212,361	10,291,209	9,881,679	9,242,040	8,574,821	116,228,059
What-If 3	868,114	3,839,162	2,346,780	1,815,644	2,163,979	2,588,784	763,670	3,491,938	2,320,119	2,484,572	3,205,680	4,964,850	32,852,292
GM as % of Net Sales	24.81%	29.53%	18.39%	15.36%	17.24%	28.91%	7.82%	27.49%	18.48%	20.09%	25.75%	36.67%	22.94%
Advertising	0	0	0	0	0	0	0	152,459	147,541	723,658	386,311	630,030	2,700,000
Promotions	0	0	0	0	0	0	0	0	0	0	300,000	0	300,000
Selling Costs - Trade Investment	0	0	0	0	0	0	1,250,000	1,250,000	0	0	2,100,000	0	4,600,000
Marketing - Discusstionary	0	0	0	0	0	0	0	0	1,425,223	349,777	0	0	1,775,000
Trade Spending	0	0	0	0	0	0	1,250,000	1,402,459	1,572,764	1,073,436	3,386,311	630,030	9,375,000
TS as % of Net Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.49%	11.04%	12.47%	8.68%	27.28%	5.10%	6.25%
Contribution Margin	2,868,114	3,839,162	2,346,780	1,815,644	2,163,979	2,588,784	(486,330)	2,089,479	747,355	1,411,136	(180,631)	4,274,819	23,478,252
CM as % of Net Sales	24.81%	28.53%	18.39%	15.36%	17.24%	28.91%	(4.47%)	16.45%	5.93%	11.41%	(1.45%)	31.57%	184.68%
Sales Overhead	261,352	35,031	51,696	141,715	396,328	582,067	295,787	587,695	205,131	126,838	250,269	653,878	3,587,776
Marketing Overhead	461,016	687,423	13,242	645,032	136,276	677,407	366,151	195,158	503,057	413,321	585,959	584,285	5,269,126
Commercial Expenses	233,090	368,328	375,170	572,676	650,924	464,026	170,260	659,001	417,707	88,234	172,882	620,788	4,792,956
Central Expenses	22,599	245,975	598,958	289,887	482,988	483,582	41,372	521,138	195,646	309,857	122,495	64,261	3,249,548
Administration Expenses	333,867	88,362	673,006	600,010	152,187	4,306	547,733	35,276	672,039	448,362	401,281	95,366	4,854,299
Other Operating (Income)/Costs	453,653	140,852	594,087	15,790	73,894	131,566	252,678	545,761	503,443	466,455	406,679	245,821	3,830,699
Operating Profit	1,102,587	2,272,591	41,821	(419,166)	291,372	325,290	(2,168,911)	(454,530)	(1,750,468)	(442,501)	(2,121,294)	2,009,500	(1,386,188)
OP as % of Net Sales	9.54%	16.89%	0.32%	(3.55%)	2.32%	2.63%	(19.86%)	(3.58%)	(13.88%)	(3.58%)	(17.04%)	14.84%	(0.88%)

Trade Spend Budget

The final tab in the *Trade Promotion Management Blueprint* is Trade Spend Budget, where details are held on what a particular brand or customer has budgeted for trade promotion spending. Actual spend and committed spend are included to help users determine how their planned spending lines up against the budget. In situations where a users have over-planned a particular period or had actual costs above budgeted costs, they will receive a handy notification that spending for that period is over budget.

	Budgeted Trade Spend	Actual Spend	Committed Spend	Available Trade Spend	Message
Q1-06	\$5,750,000	\$6,014,301	\$0	\$(264,301)	Spending Over Budget!
Q2-06	\$5,750,000	\$5,235,699	\$0	\$514,301	
Q3-06	\$5,750,000	\$0	\$4,575,774	\$1,174,226	
Q4-06	\$5,750,000	\$0	\$5,240,328	\$509,672	
2006	\$23,000,000	\$11,250,000	\$9,816,102	\$1,933,898	
Q1-07	\$6,000,000	\$0	\$68,898	\$5,931,102	
Q2-07	\$6,000,000	\$0	\$0	\$6,000,000	
Q3-07	\$6,000,000	\$0	\$0	\$6,000,000	
Q4-07	\$6,000,000	\$0	\$0	\$6,000,000	
2007	\$24,000,000	\$0	\$68,898	\$23,931,102	
Q1-08	\$6,250,000	\$0	\$0	\$6,250,000	
Q2-08	\$6,250,000	\$0	\$0	\$6,250,000	
Q3-08	\$6,250,000	\$0	\$0	\$6,250,000	
Q4-08	\$6,250,000	\$0	\$0	\$6,250,000	
2008	\$25,000,000	\$0	\$0	\$25,000,000	

ABOUT THE COGNOS INNOVATION CENTER FOR PERFORMANCE MANAGEMENT

The Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 Cognos customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.



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