

**VERITIES**  
S O L U T I O N S

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# Trade Management 101



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# Discussion Points



- ◆ What is Trade Management
- ◆ Application Overview
- ◆ Challenges with Trade Management
- ◆ Future of Trade Management

# Trade Management?



## ◆ What is Trade Management?

It's Oracle's trade promotions application which deals with:

- ◆ Budget management
- ◆ Trade planning and offer management (promotions)
- ◆ Claim and deduction management
- ◆ Indirect sales management (point of sale, inventory tracking)

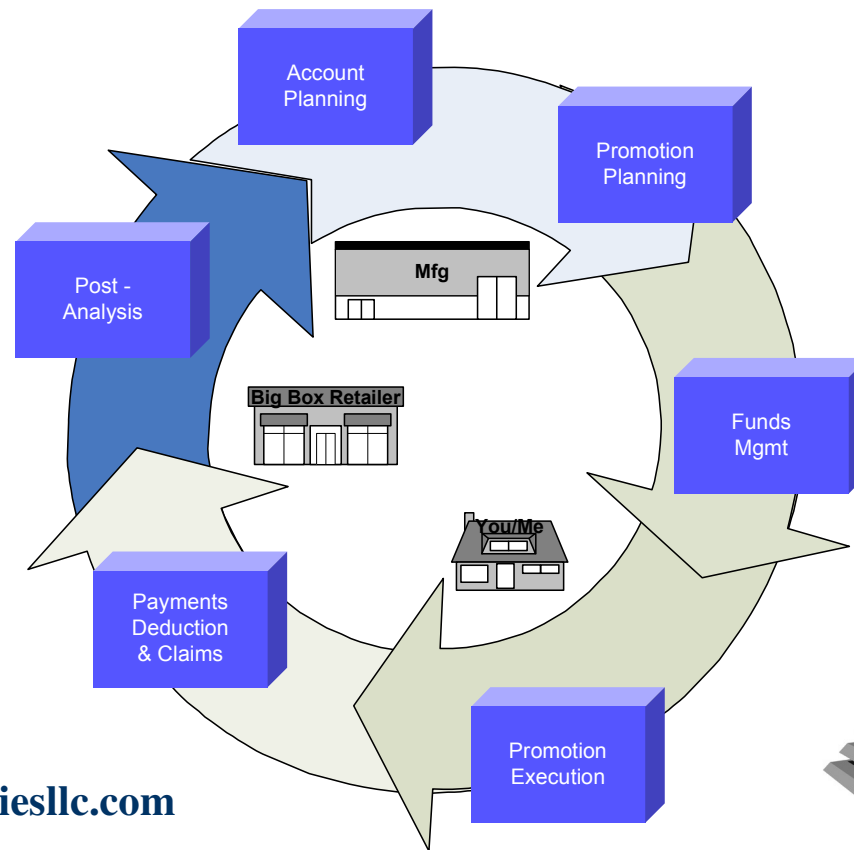
# Trade Management?



Planning

Execution

Analysis



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# Why Trade Management?



- 100 billion spent on trade promotions by consumer goods companies  
• (Source: AMR Research)
- 1 in 5 trade promotions are quantified as profitable (Source: IRI)
- 10% - 30% of revenue is spent on trade promotions (Source: AMR Research)
- Consolidated view of promotional dollars spent by customer/partner
- Consolidated view of claims (promotional and non promotional)
- Improvement in trade fund control and management (SOX requirement)

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# Integration Points



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SOLUTIONS

# Budgets



## ◆ Types of Budgets:

- ◆ **Fixed Budgets** A fixed budget is a pool of money with a value greater than zero that is designated as a fund for sales, marketing, and partnering activities.
- ◆ **Fully Accrued Budget** A fully accrued budget starts at zero and increases according to customer sales.
  - ◆ Live funds (Co-Op)
  - ◆ Demand generated funds (DGF)

# Offers



- ◆ What is an Offer?
  - ◆ An incentive (promotion) designed to entice the customer to purchase your product or service.

## Offer Types:

Off Invoice  
Order Value  
Promotional Goods  
Terms Upgrade  
Volume

## Offer Types:

Accrual  
Lump Sum  
Trade Deal  
Net Accrual  
Scan Data

# Claims



## What is a Claim?

- ◆ A Claim can either be part of promotion or a pure deduction.

## Claim Types

- ◆ Promotional payments
- ◆ Autopay
- ◆ Manual
- ◆ Deduction

# Claims



## Settlement Types

- ◆ Credit Memo – On Account
- ◆ Credit Memo – Invoice
- ◆ AP (Check or wire)
- ◆ Chargeback
- ◆ Write off
- ◆ Contra Charge

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# Trade Management



- ◆ Common integration points
  - ◆ Incentive Compensation
  - ◆ Demantra
  - ◆ Salesforce.com

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# Challenges

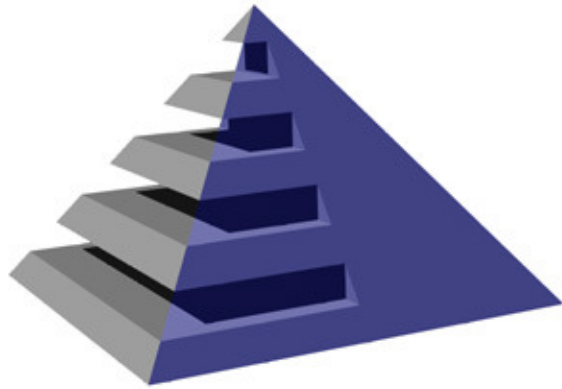


- ◆ Some of the challenges:
  - ROI/forecast features
  - Analytics (cannibalization, promotional scorecard...)
  - Budgeting not deep enough
  - Trade Planning

# Future



- ◆ A combination of applications.
  - Seibel TPM
  - Demantra - predictive and optimization capability
  - Trade Management – pricing, planning and POS



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