

Gartner Industry Advisory Services

Expanding into New Markets



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ISA Marketing & Sales Summit

Gartner®

Expand or Contract – You can't stand still

More than one way to expand

The internet does change everything

Product Expansion Case Study

New Geography Case Study

A Brand Expansion Cook Book

Build and Educate the Team

- Executive Level Brand Steering Committee
- Cross Functional Design Team Develops Supply Chain (SC) Framework and Recommendations
- Communicate Strategy and Goals of New Brand
 - Top Tier Premium, Value, Niche
 - Gross Revenue, Market Share, \$GM
 - Targeted Channels/Customers/Consumers
- Design Team will communicate to other internal and external partners
- Facilitates identification of required information, dashboards and controls to support and enhance Brand Equity
- Organization Should Be Brand Centric

Identify Contractual Obligations and Commitments

- Customers
- Manufacturers
- Suppliers
- Service Providers
- Wholesalers/Distributors/Reps
- 3PL's/Transportation/Service Center Networks
- IT Applications/Hosting/Data Pools - DATA
- **This includes previous brand owner**

Identify New Industry's/Brand's Current Merchandise Flow

- Work backwards from Customers/Channels
- Create multiple levels of detail
 - Executive Global Summary
 - Detailed level by geography and measurements
 - Customers (\$sales, \$NI, volume, LT)
 - Distributors/Wholesalers (\$sales, \$NI, volume, LT)
 - Domestic Logistics (\$spend, weight, LT)
 - Consolidators (\$spend, volume, LT)
 - International Logistics - (\$spend, volume, LT)
 - Manufacturers (\$spend, volume, \$GM, LT)
 - Suppliers (\$spend, volume, LT)
 - Consider New Product Pipeline

Identify New Industry's/Brand's Current Information Flow

- This is a larger scope than Merchandise Flow
 - EDI Transactions
 - PO, Invoice, ASNs, Shipment Status, Change, Payment
 - Collaboration Tools/Data Pools
 - ERP
 - Sales Plans, Marketing Plans, Financial Plans – Revisions, Purchasing
 - Production Plans, Inventory, BOM, Manufacturing Operations Management
 - Manufacturing Planning and Scheduling
 - PLM
 - PIM/Data Quality Management
 - Demand Forecasts (Basic and Promotion)
 - POS Feeds, Syndicated Data, Shipments, Order Records, TPM
 - WMS/TMS
 - Carrier Rates/Custom Brokers/Yard Mgt/Appointment/Inv/Labels/CD/Pick
 - CRM
 - Customer Information/DSD/Retail Shipping Requirements/CSA/**Promotion Planning**
 - Analytical Tools and Data Bases

Develop Understanding of Industry/Competitors

	Supply Chain Definition Matrix	Customer or Channel				
Geography		Pharma	F&B	Chemicals	Petroleum	Utilities
	N America	X	X	X	X	X
	S. America	X	X	X	X	
	Europe	X	X	X	X	
	Asia				X	
	Africa				X	

- Document Key Competitors in each market (include PVL)
- Analyze Current Brand SC and Industry/Competitors
 - Focus Areas for SC Competitive Requirements
 - Delivery Performance
 - Velocity and Agility
 - Supply Chain Expense
 - Supply Chain Asset Management
- Distill each of the above points into specific metrics

Identify Criteria for Success – Competitive Requirements

- Focus on SC Requirements of **Strategic** Importance dealing with competition
 - Do **NOT** prioritize areas because you have ability to improve
 - Identify and Prioritize SC Competitive Requirements
 - **Customer's Expectations/Priorities**
 - **Underlying Brand Strategy**
 - Direct competitors/PVL Brands
 - Other corporate Internal Brands

- Assign Rankings: “Superior”, “Advanced” and “Equivalent” Performance

- Distill each of the above points into specific measurable metrics

Perform Gap Analysis and Rankings

- Design Team:
 - Identify variances from target metrics and current SC capabilities
 - Focus on Importance to business strategy and affect on customers & consumers
 - Identify effort, time and requirements to resolve
 - External Stakeholders
 - Internal Stakeholders
 - Internal IT
 - External IT
- Design Team
 - Classify Importance, Performance and Risk of
 - Customers
 - Suppliers
 - Supplies
 - Manufacturing (owned/contract)
 - Finished Product (Sku's)
 - Internal Technology
 - External IT Providers
 - Recommend consolidation, elimination or expansion

Assign Accountability and Institute Systemic Measures

- Develop Short-Term and Long-Term Project Plans for meeting goals
 - The Brand's, SC and IT priorities should be aligned – always
- The Most Important Criteria will be shared by all members of the Brand Team
- Develop Systemic Scorecards by Function and Customer
 - Suppliers, Manufacturers
 - IT
 - Demand, Supply and Production Planning
 - Logistics (Service Centers, Pool Points, Transportation, CSA)
 - Sales
 - Customers (Know this better than they do)
- Establish Regular Reviews
 - Internal and External Performance Review Meetings
 - Root Cause Analysis
 - **Use information as a road map for IT and processes development**

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Thank you

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