

# DYNAMIC PRICING APPROVAL

In less than six weeks, Conagra eliminated offline record keeping by streamlining and automating the deviation request process.

by Jennifer Schiffrman

In the days before dynamic pricing at Conagra Brands, deviation requests and complaining went hand in hand. “Everyone used to complain about the deviation requests,” Matt Stredney, Manager of Business Development told us. “They came in via emails, phone calls and even sticky notes.”

This lack of methodology and structure created data that wasn’t organized and communication that was ineffective. He-said, she-said conversations were all too common, and that wasn’t good for

making responsible business decisions that everyone could stand behind.

For nearly ten years Conagra used a “sales deviation request” form in Excel, and although it was more direct than emails, it was still very time consuming. The business operates from a category-centric perspective, where P&L owners sit on category marketing teams. When requests spanned multiple categories, a representative from each category would send an email updating the spreadsheet, and then someone would need to consolidate the responses and keep the information organized. Workflows were duplicated, disrupted and downright messy. It was tough getting complete information in a consistent

format. Conagra knew there had to be a better way to manage pricing approvals.

## STARTING POINT

Amidst this chaos, where did Stredney start? Since ultimately the process would be automated through FORGE (Conagra’s trade promotion management software from Blacksmith Applications), it made sense to begin the process there too. Stredney worked with Blacksmith’s industry experts to ensure that every request routed properly and its details were mapped precisely. The goal was to have the right deals automatically make their way to the right approvers while ensuring irrelevant deals never hit their radar.

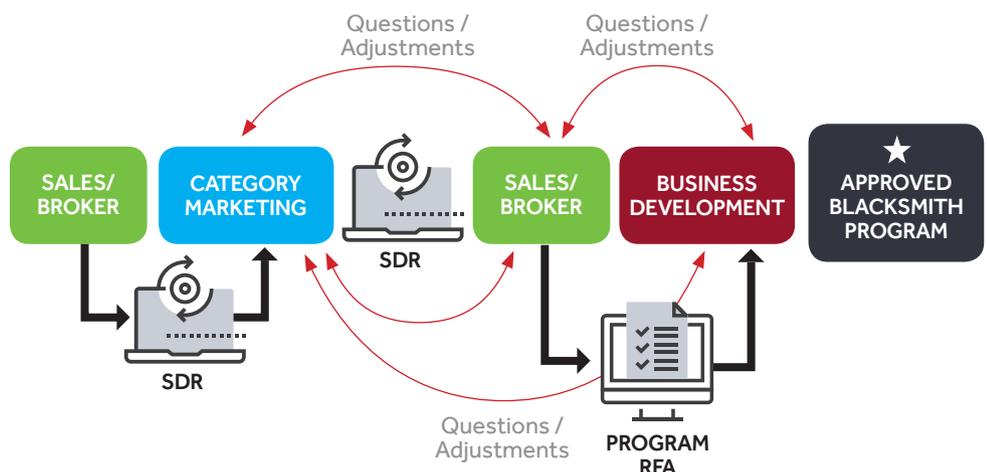


### PROGRESS FROM PAIN

The old pricing process was fraught with opportunities for error. Communication took place via email and Excel documents had to be aggregated offline.

The new approval model, in FORGE, validates the entire process from start to finish. Improvements in accountability and automation are just two enhancement victories.

## EXCEL APPROVAL / OLD PROCESS





“THE DYNAMIC PRICING APPROVAL IMPLEMENTATION FREED UP A TON OF MY TEAM’S TIME. NOW WE CAN FOCUS MORE ON ANALYTICS, CUSTOMER PROFITABILITY, SKU RATIONALIZATION AND PREEMPT OTHER WORRISOME ISSUES LIKE DOUBLE DIPS.”

—MATT STREDNEY, MANAGER, BUSINESS DEVELOPMENT / CONAGRA

With the implementation of the Dynamic Pricing Approval model, Conagra’s trade management approach became exponentially more sophisticated. Stredney extols the virtues of the updated process saying, “Now we have a sequential and efficient flow. There are no questions about who owns decisions. We eliminated offline record-keeping. Every action is logged in FORGE with a timestamp and user name. The visibility is incredible.”

### THE NEW PROCESS

The new pricing approval process also led to dramatic improvements in margin visibility. Deal level P&Ls show all the layers of direct trade that a category lead could be signing up for. This granularity is key, because what might look like a harmless \$0.25 deviation may pose a serious risk. P&L owners are encouraged and empowered to be

in the system, seeing the whole picture, including each deal, every program and how they impact margin. Nothing is confined to a single layer, which means an interrelated view has a big impact on overall profitability.

From a sales perspective, the new pricing approval process supports quicker program turnaround with more transparency. The tradeoff, however, is that approvers are now in the system, where they can access claims associated with programs from prior years. Approvers can now challenge sales when they receive requests that don’t align with historical data.

For instance, if sales requests \$10 per case on a million cases, the volume might be aspirational. P&L owners can compare the new deal schema to actuals from the prior year to make informed decisions.

### ADDED BONUS

Stredney’s team is also enjoying new opportunities to focus on more valuable work. “The Dynamic Pricing Approval implementation freed up a ton of my team’s time,” he says. “Now we can focus more on analytics, customer profitability, SKU rationalization and preempt other worrisome issues like double dips. We never would have been able to get this done in under six weeks if we had to wait for IT resources.”

The success of this initiative has Conagra seeking to deploy similar process enhancements with other trade types. Next up, local distributor deviations and off-invoice programs. After the system logs enough data, Conagra plans to set up EZ buttons for pre-approved rates and deal types that can be automatically approved without user intervention, further reducing admin hours for the team. 🔥

### FORGE APPROVAL / NEW PROCESS

