

CPG GUIDE

Launching a Trade Promotion RFP

Contents

03

Introduction

04

Setting Expectations

05

Business Overview

06

Capabilities - TPM

07

Capabilities - TPO

08

The World of Trade Solutions

09

Technical Requirements

10

Security Overview

11

Training and Support

12

Project Management &
Implementation

13

Next Steps

Let's Get Started



Read on for a guide to organizing and simplifying your trade promotion solution RFP process.

Launching an **RFP process** to qualify and narrow your search for the right technology solution has become common practice for CPG companies. Unfortunately, this process can also become tedious and complicated due to the demands of multiple stakeholders and the large scope of many of these projects.

“With the **paradigm shifts** in the industry, companies know that they cannot be sedentary. There is too much at risk. Inaction **isn't an option.**”

--Promotion Optimization Institute

Set Expectations

Outline the system capabilities you need. Don't forget to outline any business objectives and pain points related to your trade spend process. The RFP should address all of your expectations.

Questions to answer to help define expectations:

- ✔ What are the **top 3 challenges** that you think the technology solution will address?
- ✔ When the project is complete how will the organization **measure success**?
- ✔ Who in the organization will **use the solution** and what is their expectation of the outcome?
- ✔ What is the **expected ROI** of this project? How long until you expect to reach it?
- ✔ What **other technology** projects are being considered that may impact project completion?
- ✔ What are your expectations for **change management**, training, technical enhancements?



Business Overview

Learn about the solution vendor during the RFP process. The RFP should not reinforce misconceptions (ex: bigger is better or global customers are necessary to understand the global market). Instead it should seek to understand how the vendor plans to address your objectives and how they have done similar projects in the past.

Questions to answer about your vendor's business:

- ✔ What is the experience that your company has **within the CPG industry**?
- ✔ What do you think **differentiates** you from other competitors in this space?
- ✔ How has your company addressed **similar concerns** with your existing customers?
- ✔ Describe your most challenging implementation. Describe your **smoothest implementation**.
- ✔ What **other technology** projects are being considered that may impact project completion?
- ✔ What are your expectations for **change management**, training, technical enhancements?

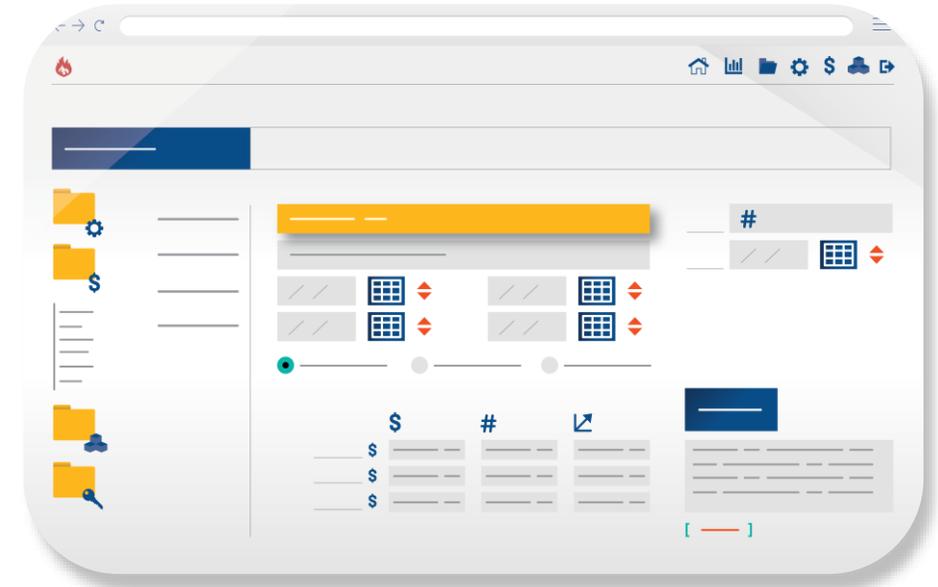


Capabilities: TPM

Understand TPM system functionality of the solution you're looking at. Instead of a laundry list of checkmarks, this section should uncover how the trade solution can apply its capabilities to achieve your objectives.

Questions to ask about TPM software:

- ✓ How does the solution **handle accruals**?
- ✓ How can a user use the system for **account planning** or to make changes to existing plans?
- ✓ How does the solution allow users to **define contract attributes**?
- ✓ How are **claims reconciled** using the solution?
- ✓ How can a user use the solution to **clear deductions** and manage budgeted spending?
- ✓ How does the system allow a **user manage workflows and approvals**?

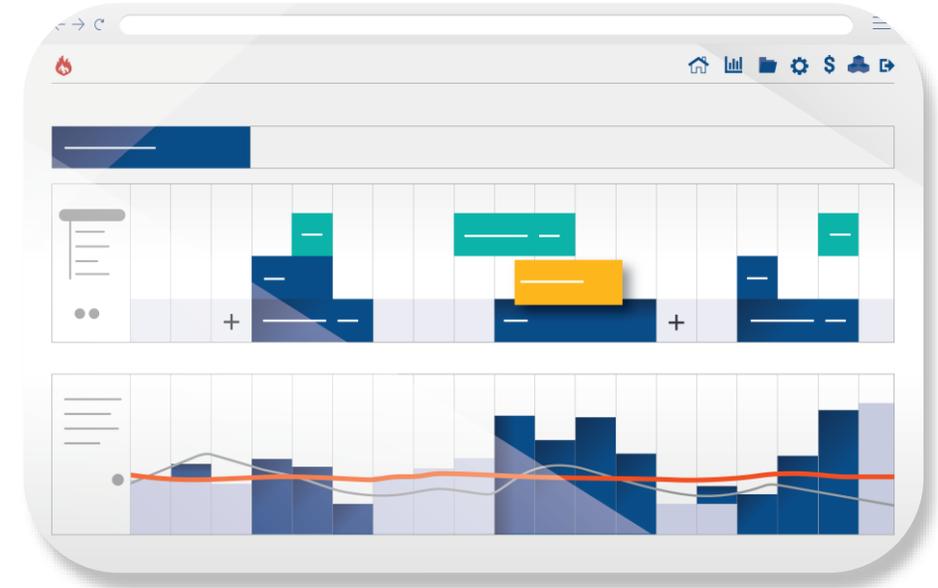


Capabilities: TPO

Assess TPO capabilities similarly to those of TPM. In addition to core functionality, responses should address the analytical methodology and statistical accuracy of post-event analytics, scenario planning, customer Planning, and optimization aligned to your company's objectives.

Questions to ask about TPO software:

- ✓ How does the solution **cleanse and harmonize data**?
Can it integrate syndicated data?
- ✓ What is the methodology used to accurately calculate **baselines** and account for anomalies?
- ✓ What KPIs does the solution calculate **during post-event analytics** and how much time is required by a user?
- ✓ Describe **the steps a user needs** to take to plan an event and/or customer plan?
- ✓ Can the solution calculate **retailer KPIs**?
- ✓ Describe the **optimization process** and what constraints are available to users?
- ✓ How is **reporting** done using the solutions and what can be measured?



The World of Trade Solutions

Many CPG companies are interested in an end-to-end trade spend software ecosystem. In the RFP, add questions that focus on functionality, integration, and ease with which users can navigate between TPM and TPO systems.

Questions to ask about integrations between TPM & TPO:

- ✔ What **dashboards** are available within the solution?
- ✔ Describe how **data flows between** different portions of the solution.
- ✔ Describe the **integration processes** within and between this solution and other solutions that the company currently uses.
- ✔ How are **hierarchies** used to segment capabilities for different user types?
- ✔ Describe the **workflows between TPM and TPO** functionality.
- ✔ Explain the rollout process the **end-to-end solution** vs individual TPM and TPO solutions.



Technical Requirements

Explore the granular technical requirements of TPM and TPO. This will help you identify resource commitment and potential conflicts during rollout.

Questions to ask about technical requirements:

- ✓ How do you ensure **data quality**?
- ✓ Describe the **technical architecture** of the solution.
- ✓ Describe your technical options for inbound and outbound **communication** with adjacent systems.
- ✓ Describe the **database management** and solution hosting.
- ✓ How does the solutions handle **error logging**?
- ✓ Detail solution **uptime rate**.
- ✓ Identify what type of **APIs and web-services** are available to pull and push data.
- ✓ What is the **programming language** of the software?



Security Overview

Ask questions that align with your company's security protocols. Whenever data is part of a project, security concerns should be addressed in the proposal stage.

Questions to ask about security:

- ✔ What are the current corporate **IT security policies** and procedures covered by your hosting partner?
- ✔ In the event of a problem, what is the **data recovery** process?
- ✔ For any **remote access** (including cloud based deployments), what security protocols are used to protect data outside of our network?
- ✔ What type of **monitoring and alerting** is standard in the SaaS solutions?
- ✔ Describe the problem **escalation process**.
- ✔ Describe the solution's **security framework**.
- ✔ What are **the access controls** for source code?

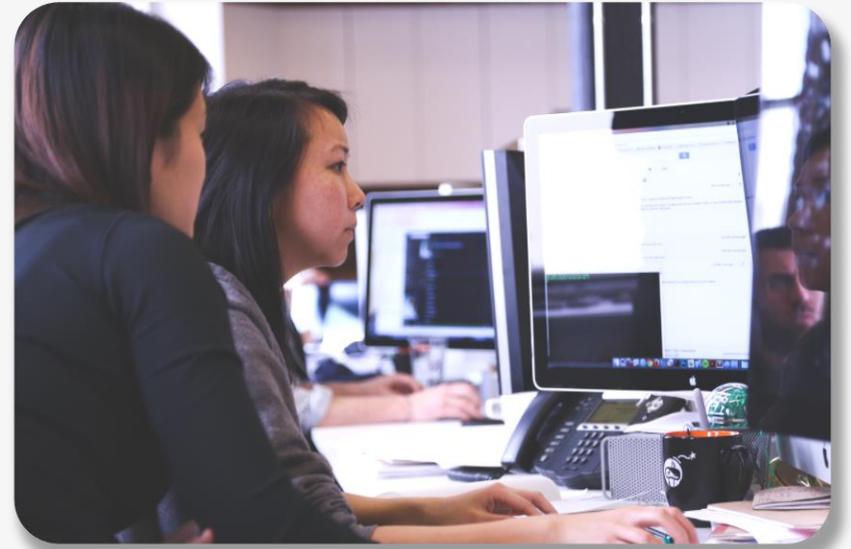


Training and Support

Find out what training and customer support the software provider offers. A successful trade spend solution implementation relies on user adoption.

Questions to ask about training and support:

- ✔ What is the **experience and background** of the training team?
- ✔ What is the **typical training** protocol? Who from our team is involved?
What is the outcome?
- ✔ What training documentation and **enhancement** training is included?
- ✔ What is the **support** protocol?
- ✔ Describe the different **levels of support available** after implementation.
- ✔ Is customer support provided by **the vendor company** or a 3rd party?
- ✔ What is the support **escalation process**?



Project Management & Implementation

Prepare for your TPM and TPO software implementation. Consider the process/project management process, the change management protocol, and discuss preparation for future enhancements.

Questions to ask about project management & implementation:

- ✔ Provide an example of a **project management plan** for a typical roll out.
- ✔ How many people and **how much time** needs to be dedicated before, during and after project implementation?
- ✔ Describe the experience and **qualifications of the members** of your project team.
- ✔ How often are **product enhancements released** and how are upgrades rolled out?
- ✔ How are customer **requests for enhancements** during implementation handled?
- ✔ Is implementation and integration handled by **your internal team** or 3rd party?
- ✔ **What change management** services are offered?



From Trust to Testing

The RFP is only one part of vendor selection. While demonstrations, proof of concepts and references will be part of the next steps, having vendors provide descriptions of what comes next will help your organization assess cultural fit and define future expectations.

Questions to ask about next steps:

- ✔ Provide references of 3 customers with **similar objectives** to ours.
- ✔ Describe what can be **expected during a proof of concept** with a vendor.
- ✔ What **data** will our company need to provide to execute a complete proof of concept?
- ✔ What **quantifiable outcomes** will we be able to see during a proof of concept?
- ✔ **Outline** the recommended use and user cases for your solution.
- ✔ How long will the proof of concept take to show **meaningful results**?



The Role of Technology



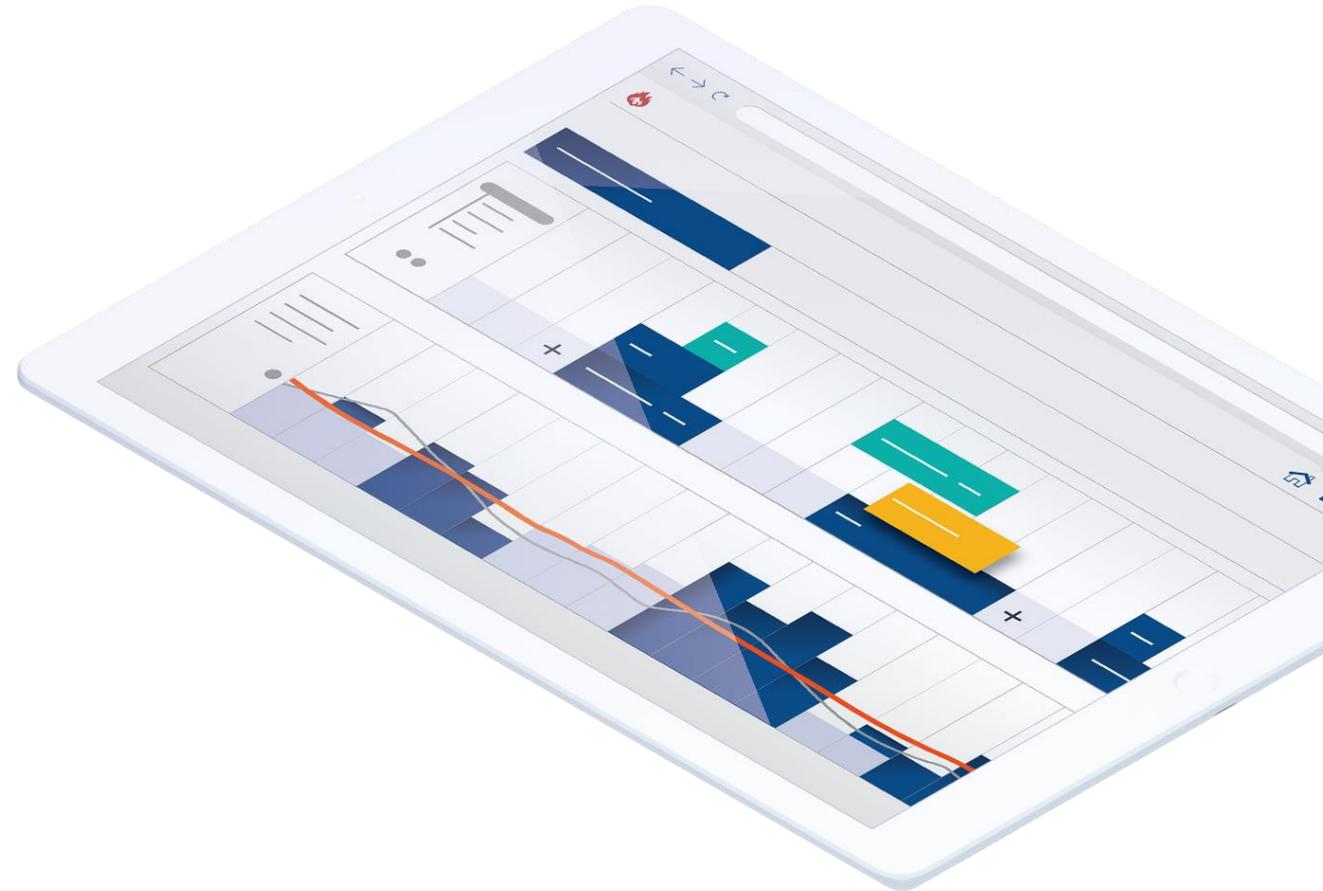
Trade Promotion Management (TPM)

- Manage all planning and events
 - Wholesaler
 - Retailer
 - Banner and indirect
 - Accrual tracking
 - EDLP & O I
 - Scan, in-store & end-aisle
- Approve contracts
- Process claims and match deductions
- Measure performance



Trade Promotion Optimization (TPO)

- Comprehensive post-event analysis:
 - Baseline visualizations
 - Quantifiable KPIs
 - Harmonizing POS, shipment and spending data to measure ROI of a promotion
- Future planning for testing event scenarios and calendar building.
- Constraint-based modeling to determine the optimal event or promotional mix.



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