

Urban Science devises methodology to manage annual retailer targets

Chertsey/Rome – October 6th, 2004: Every year manufacturers and National Sales Organisations (NSO) face a contentious issue: managing the annual planned volumes. Under the block exemption directive manufacturers and NSOs must ensure that the planned volumes are calculated consistently for all retailers. Urban Science has devised a methodology that allows flexibility for the manufacturer and fairness for dealers whilst maintaining the integrity of a defined and robust process.

From exhaustive capture to real improvements

While it is tempting to use historic sales performance only, these do not help in understanding and evaluating the real performance of a brand and retailers within their local area of influence.

Urban Science methodology uses historic dealer sales combined with competitive market segments and expected penetrations to calculate the real value of each area of influence based upon national brand aspirations. This along with brand specific data for each location allows the creation of a more realistic picture of the volumes to be expected from a local area. The process takes a further step, recognising that volumes calculated may be too much of a stretch from current levels of performance, a pragmatic adjustment based upon defined rules, equal for all retailers is applied to give a realistic annual volume. This coupled with full documentation of the calculations and process for each retailer, facilitates an objective communication process between manufacturer/NSO and retailer.

How is this methodology implemented in daily operations?

Urban Science offers two options:

1) A fully-managed bureau service

Pragmatic consultation with brand staff utilising our process-derived volumes lead to realistic, defensible and scientifically sound numbers. Requiring only minimal effort from the brand itself. Flexible options exist for the presentation of results and a wide range of tools can be subsequently deployed to monitor and validate numbers on an ongoing basis.

2) Provision of Urban Science tools

A suite of PC based Urban Science tools allow the client to completely manage the retail target setting process themselves. Urban Science can run phases of the process or provide expert opinion as required or dictated by client staff skills and resource availability. Once the planned volumes have been agreed upon, specialist tools will then allow for tracking throughout the year. Sales targets for new entrants that join the network mid-year can also be determined.

Urban Science International

www.urbanscience.com

Urban Science helps companies around the world to evaluate, structure and manage their retail sales channels to achieve competitive, cost and customer-relationship advantages. We apply sophisticated data analytics, experience-based strategic insight and advanced scenario planning tools to build end-to-end sales channel solutions that get results.

Urban Science delivers results through three Practices:

Network Solutions

Quantify channel potential, improve market share and lower sales channel costs.

Site Solutions

Measure performance and drive market success on a dealer-by-dealer basis.

Customer Solutions

Build lifetime relationships, spur customer acquisition and boost marketing ROI.

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