

Value proposition

CPG



Value Proposition for the CPG market

Introduction

- CPG products are generally sold in large quantities with low profit margins. **Small percentage variations of these margins can have a significant effect on the company's profitable gains.**
- These features require that the company pays specific attention to the significant impact the production has on the overall logistic management. Process mapping, logistics and production are widespread and require a certain complexity in the planning and control of the entire network.
- Low contribution margins force the company to keep under constant control the price of goods and trading costs (bonuses), which if managed efficiently, will definitely make a difference.
- For these reasons a company working in the consumer packaged goods market needs to set itself specific objectives:
 - Improve sales planning related to the actual margin by assessing the impact of the promotional campaign and the introduction of new products
 - Optimize demand planning to help improve production processes and policies on stocks
 - Make budgeting, planning and forecasting (BP&F) processes faster and more frequent to promote the concept of collaboration in order:
 - to analyze the profitability meticulously
 - manage closing procedures in a timely manner
 - quickly provide accurate information to both management and investors
 - Increase the control on margin and planning analysis from both a economic and financial point of view
 - Improve the system of production planning by increasing the service and decreasing stocks

Our Solution

- Thanks to the partnership with Tagetik, Akeron's solution in the CFO area is developed around the following two main aspects
 - **Unity, collaboration, built-in.** This is a complete and integrated CPM solution for the management of cross industry processes. Solutions market leader with worldwide acknowledgments and high level ratings given by analysts like Gartner and Forrester. All of which has created the following benefits:
 - The use of one single database and dimensional module allows processes to be unified and integrated making collaboration among contributors easier.
 - Using the same platform for actual and provisional data provides perfect conditions for the analysis of variances
 - Created with a built-in feature which helps reduce project deadlines
 - A fully integrated solution for financial planning/forecasting and sales/operational planning
 - **Specific features.** There are program-specific features in the software solution that offer a prompt response to typical processes found in the CPG market:
 - Planning and management of production costs and analysis of variances using the Tagetik PCP&C module
 - Management of problems related to promotional discounts and premiums by using Akeron TP
 - Planning and management of costs and investments using the Tagetik Expense Management module
 - Management of the distribution of the production of a plant
 - Defining shifts and organization of the processing lines and departments
 - Making daily updates of the demand curve on warehouses and deposits

- Scheduling of production lines
 - Management and control of the delivery plans of raw materials with the “Just in time logic” thanks to Akeron SC
- All of this allows you to have one product, one single service, an integrated expertise for managing the entire business process and, therefore, a real cost reduction in the continuing quest for greater business profitability. Akeron's solution operates in the managerial area and can be fully integrated into any ERP system.

Key features and Advantages

- **Strategy and efficiency:** The model we propose allows the management of highly strategic processes for the CPG industry by ensuring a strong efficiency in the production process planning and management control.
- **Structural savings:** Our solution can be integrated into existing business processes without requiring disposal in the event that they are already well-functioning or alternatively they can replace those that are near termination.
- **Model management:** The module that controls CPM is centrally managed on a single application guaranteeing coherence among the various project areas.
- **Budget reconciliation:** The entire planning process is managed on a single platform, therefore the reconciliation and collaboration among the various parts of the company is guaranteed.
- **Variations analysis:** The structure of our solution allows you to make an immediate analysis of the variances, as both forecasting and final balance processes are united in one single area. It is possible to verify these analyses in the classic field of business trading, but above all in those related to production costs, off-invoice and margins in general.
- **Built in and vertical competences:** Our product is one of a kind as it completes Tagetik's offer by adding to the advantages of its built-in modules specific skills of our vertical products (not in CPM): Akeron TP for the management of promotional bonuses and Akeron SC for production scheduling and planning of supply.
- **Cost-effective approach:** The solution we propose is able to manage the complex matters of company growth by reducing in a significant way all operating costs, such as hardware infrastructure, licenses, fees, consultancy services and application maintenance.

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