

# Empowering Category Managers and other Business Analysts with SAP NetWeaver BI and Interactive Edge's XP3 Suite

## Applies to:

Consumer Products, Category Management, Trade Marketing, Business Analyst, Analytics, Insights, SAP Netweaver BI, Partner Solutions, ISV

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**Created on:** 25 June 2007

## Summary

In this joint insight paper, Brian Yarnell, Director at Interactive Edge, and Thomas M. Ellenberg, Solution Manager at SAP AG, examine the current challenges of Category Managers in Consumer Products and recommend an approach to empower them to work more efficiently.

## Author Bio



Thomas M. Ellenberg is Solution Manager in the Industry Solution Management Consumer Products at SAP AG and focuses on business processes like Sales and Marketing, Category Management and Business Intelligence in Consumer Products.



Brian Yarnell is the Director of Product Management at Interactive Edge [www.interactiveedge.com](http://www.interactiveedge.com) Brian is a pivotal interface between Customers, Development, Sales and Services and is responsible for strategically identifying and recommending technologies that fit the current and future needs of Interactive Edge customers, working with partners to create outstanding solutions and assisting Sales and Marketing in positioning the company's solutions in the marketplace.

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## Empowering Category Managers and other Business Analysts with SAP Netweaver BI and Interactive Edge's XP3 Suite

Category management has always been important in the Consumer Products industry to both identify and affect growth and profitability opportunities. Determining the right product mix, pricing, promotions and merchandising for individual retail accounts requires not only profound organizational, analytical and communication skills, but also relies on powerful IT capabilities. As a result, many Consumer Products companies have invested in data warehouses, analytical tools and advanced skills to turn insights into profitable growth.

When we from SAP speak to trade marketing/category management representatives today, we are often faced with the following situation. Typically, their IT department has built a centralized data warehouse and provided access to several additional data sources, e.g. syndicated data, pricing and consumer data. For example, one customer recently mentioned using seven different data sources to drive this process. That customer noted the inherent challenges the situation creates: "Can you imagine how long it takes to create clear, simple and fact based proposals – for one single retail customer?"

At the last SAPphire conference in Atlanta we discussed this issue with Interactive Edge, [www.interactiveedge.com](http://www.interactiveedge.com), a "powered by SAP NetWeaver" partner, known for its award winning XP3 solution that focuses on how IT can better support Category Managers and business analysts, and how they can effectively deal with a growing number of data sources.

In our first joint insight paper we examine the current issues facing Category Managers regarding data access and the communication of analytical insights derived from their work. This paper recommends a practical approach to empower Category Managers and other business analysts to work more efficiently and effectively in getting to the "nuggets" that drive the strategic and tactical changes to their category strategies and plans.

### Too Esoteric Access Points – Too Few Users Leveraging Insights - Too Many Data Sources

Generating insights out of internal financial and external POS and consumer data is the key task of a Category Manager to answer business questions like, our category growth rate is 2% at retail account x, but 4% at retail account y. Why? Or, brand baseline volume trends are flat over the past 24 months, but we are spending in excess of \$5M per year on promotion programs to generate incremental consumer demand. What isn't working? And there are many more examples around pricing, product, placement and promotion that are at the core of what Category Managers are looking for to grow products/brands within a category.

Although Category Managers typically have become specialists in extracting data from various IT systems, the entire process of collecting, manipulating and compiling insights is still very time consuming. The reason: critical data sources have grown over time and some of them have never been integrated into a centralized data warehouse such as SAP NetWeaver BI and remain isolated due to various, often understandable, circumstances.

Most Category Managers have learned to cope with this difficult situation, but too often at the expense of generating insights and developing professional presentations to a broader base of retail customers. In addition, other business analysts from sales, marketing and key account management who should also profit from data availability often hesitate to extract and utilize insights due to limited usability/simplicity as well as rigid access restrictions. The result: centralized data investments are often not leveraged and business users tend to continue using spreadsheets – manually built, inconsistent and less attractive for customer presentations.

This current situation makes it very difficult to develop best practices in Category Management and to drive effectiveness in a data-driven environment. The following illustration depicts a typical "day in the life" of a Category Manager, from collecting data to building presentation for retail-specific accounts.

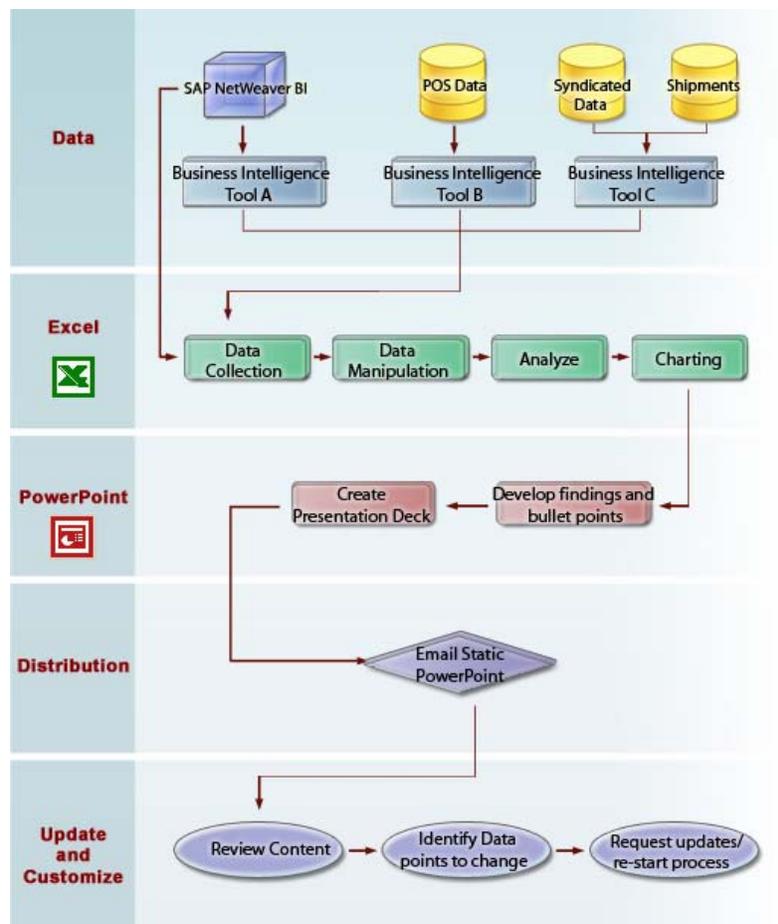


Figure 1: Typical Category Management Workflow

### Remove Esoteric Access Points - Embed Insights in a Familiar Environment – Continue to Consolidate Data Sources

Interestingly, a close look at this workflow uncovers the fact that an ideal environment would entail bringing information and insights to the business user's preferred user interface. The solution: instead of introducing various access points, data should be delivered through an easy-to-use and well-known communication interface – undoubtedly Microsoft Office today.

This is where our partner Interactive Edge and the XP3 Suite represent a value-add. XP3 is a flexible data analysis and presentation authoring tool integrated within Microsoft Office and the SAP Netweaver BI environment and make several of the illustrated steps obsolete. Taking non-value adding steps like data collection, data manipulation etc. out of the workflow reduces the overall process complexity and impacts both efficiency and effectiveness.

Typically, Category Managers and business analysts instantly experience an increase of available time that may be better spent finding answers to critical business questions, considering alternatives and developing account specific opportunities. The fact that XP3 resides within the familiar Microsoft Office environment drives the creation and adoption of best practices and encourages the creativity of business users. Once business users gain retail-specific insights, findings can be easily shared and applied to other accounts using different categories, KPIs and individual text elements.

From an analysis and presentation standpoint, the combination of SAP Netweaver BI and XP3 offer many advantages to the business analysts including better and broader data access in a familiar working environment. Organizationally, the benefits of this type of system are seen both at the front-lines where

business users make better data-driven presentations more easily, and at headquarters where increased productivity and ROI from data investments are realized.

If your current workflow currently touches 2, 3 or more different data sources there may be significant room for improvement. Adding XP3 to a platform like SAP NetWeaver BI empowers business users to better access, analyze and present data further capitalizes on your existing investments. The combination of both solutions provides rapid results and is able to address various situations and stakeholders in the organization.

The following illustration depicts an overview of a combined SAP NetWeaver BI and XP3 suite environment.

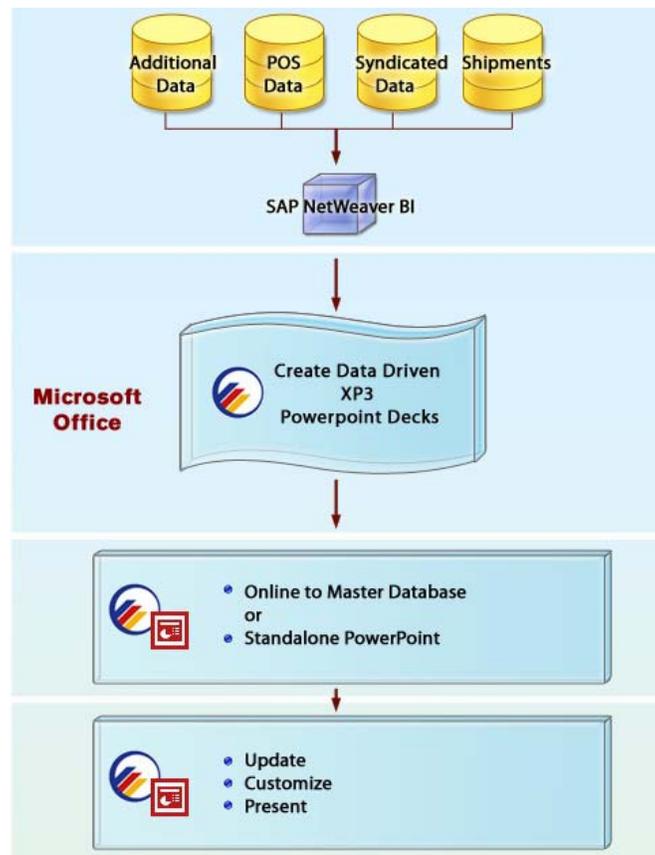


Figure 2: Streamlined Category Management Workflow

Those Consumer Products companies who have started to build a strong, centralized data warehouse begin to profit from economies of scale, flexibility and consistency across departments. The consolidation of data sources into one “system of truth” is an important step to continue reaping these benefits. Interactive Edge supports this direction and provides tools that facilitate and accelerate the use of external data sources in either serving them up to the central SAP NetWeaver BI environment or using them in a stand-alone mode.

Remember the example that we shared earlier, with the organization that manually undertook this process with seven different sources of data? The collaborative approach discussed above would have certainly made that organization’s task easier and broader in focus. In that example, the company struggled to produce data-driven content for a single customer. Clearly tier one customers should be a focus point, but if that organization had a solution like SAP NetWeaver BI and XP3 in their hands, they could have delivered

quality insights at that customer and many more in the same window of time. In an industry like Consumer Products that is constantly challenged to identify new areas for top and bottom-line growth, that efficiency represents a true competitive advantage.

We have created an [example](#) demonstrating how a Category Manager connects to a SAP NetWeaver BI system using standardized XP3 presentation templates. The demo shows how easily and dynamically charts, intelligent text and insights may be changed. Tell us what you think. We are very interested to receive feedback and look forward for a lively discussion on this site.

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