

Traffic Lights for Trade Promotions

Applies to

SAP BW 3.5, CRM 4.0 and Above

Usage

The Traffic Lights are company benchmarks used to judge trade promotions and to display the status of a planned trade promotion in Marketing Planner using traffic lights icons. The "traffic light scale" provides you with an initial estimation of your company's performance.

Author(s): Surendra Pande

Company: IBM India Pvt. Ltd.

Created on: 23 August 2006

Author Bio



Surendra Pande is a **SAP BI consultant** currently working with **IBM India Pvt. Ltd.** He is having over four years of experience in various BW implementation projects around the globe.

Table of Contents

Applies to.....	1
Usage.....	1
Author Bio	1
Development Context.....	3
Development.....	4
Summary.....	7
Appendix A: Example FOX formula Code.....	8
Appendix B: Example FOX formula Code.....	9
Disclaimer and Liability Notice.....	10
Related Content	10

Development Context

We customized alerts for providing estimation to judge trade promotion at a glance. These alerts use the "traffic light scale" and provide you with an initial estimation of performance of the planned Trade Promotion.

There are some **Predefined Alerts** in SAP SEM-BPS

- **Incremental Costs:** This alert shows the ratio of promotion budget to uplift quantity. This ratio gives you an idea of how high the costs for the expected uplift could be. The higher the value of this ratio, the better.
- **Incremental margin:** This alert shows the ratio of net revenue to billed quantity. This ratio gives you an idea of how the margin could develop as a result of the planned trade promotion. The higher the value of this ratio, the better.
- **Return on Investment:** This alert shows the return on investment (ROI) that a trade promotion could generate. The higher the value of this ratio, the better.
- **Uplift Ratio:** This alert shows the ratio of uplift quantity to base quantity. This ratio gives you an idea of the effect the planned trade promotion could have on sales. The higher the value of this ratio, the better.

Prerequisite for Trade Promotion Planning

Settings in SAP CRM

If you want to plan trade promotions using the Marketing Calendar and Marketing Planner, you must firstly maintain the following settings in the reference IMG in SAP CRM.

- Customer Relationship Management → Marketing → Marketing Planning and Campaign Management → User Interface Settings → Define Field Selection for Trade Promotions
- Customer Relationship Management → Marketing → Marketing Planning and Campaign Management → User Interface Settings → Define Field Selection for Trade Promotion Elements
- Customer Relationship Management → Marketing → Marketing Planning and Campaign Management → Basic Data
- Customer Relationship Management → Marketing → Marketing Planning and Campaign Management → Product Assignments

Settings in SAP R3

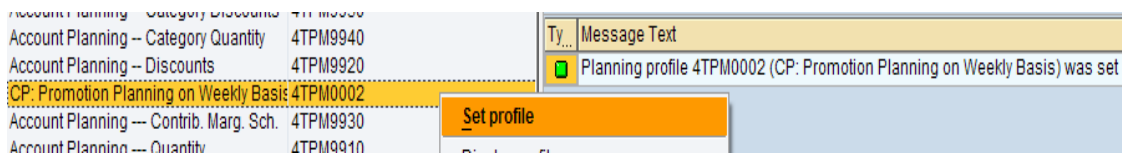
In order to use conditions and rebate agreements within the framework of Trade Promotion Management you must firstly maintain the necessary Customizing in SAP R/3. The settings you maintained are then transferred by means of a Customizing download to SAP CRM. Maintain settings in the following areas:

- Condition Maintenance
- Maintenance of Rebate Processing
- Interchange of Condition

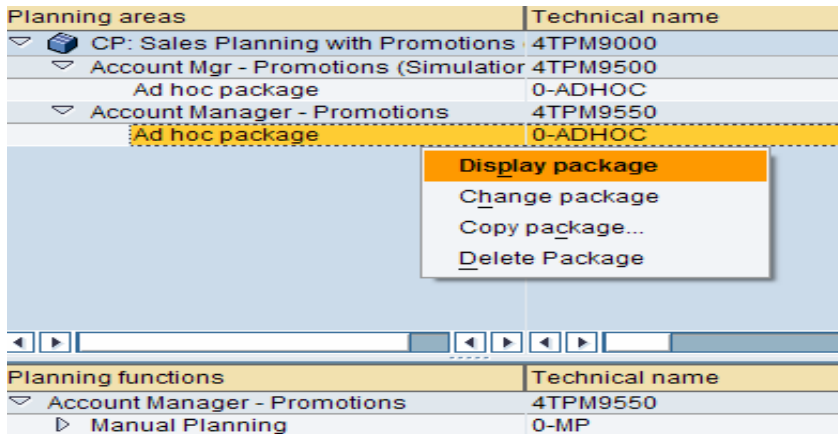
Development

Settings in SAP BW-BPS

1. Go to the Planning workbench Transaction BPS0 → Click on Planning Profile Button → Set Planning Profile 4TPM0002



2. Click on planning button → Expand Planning level Account Manager –Promotions



3. Select Planning level at lower left frame(Planning functions) → Right click → Create planning function→ Give the Technical name for planning function and description Exa. 'Traffic lights' → select Planning function type 'Formula'

Select Field to be changed: Key figure name, Product, promotion phase, sales unit

4. Select above planning function → right click → Create Prameter group → Give the Technical name for planning function and description Exa. 'Return on Investment'.

5. Here is coding of the FOX planning function that you could use to calculate the Return on Investment → save all

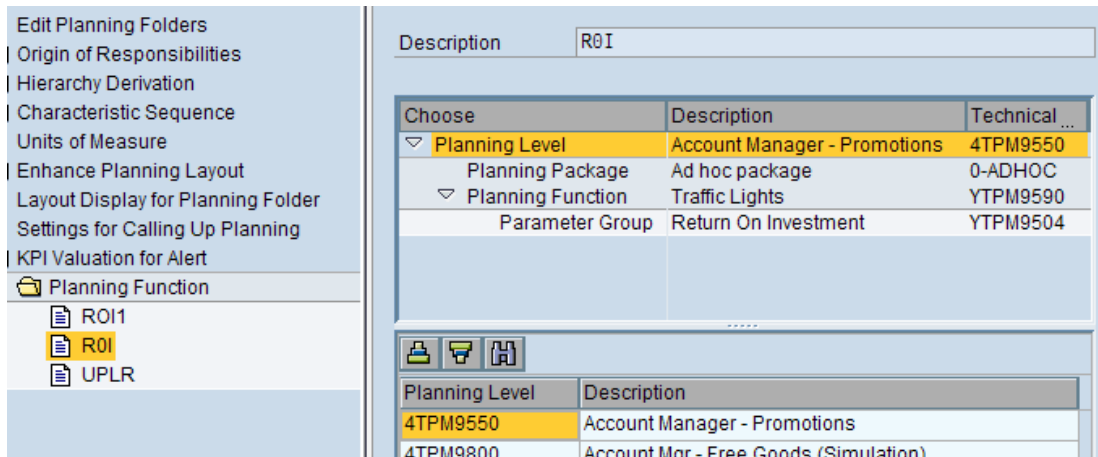
(see appendix **A** for a detailed coding of the Return on Investment)

6. Repeat steps 4 for parameter group 'Uplift Ratio'→ Here is coding of the FOX planning function that you could use to calculate the ratio of the uplift → save all

(see appendix **B** for a detailed coding of the Uplift Ratio')

7. Go to the Setting for Planning Services Transaction UPX_MNTN →double click on Select Planning area → check/select Planning area→ continue→ Drill down KPI Valuation Alert → Planning function → Right click → Create.

- Choose the combination of planning level, ad hoc planning package, planning function, and parameter group, and give the combination a name.



Settings in SAP CRM

Assign these predefined planning profiles to the planning profile group

- You need to maintain settings in Customizing for SAP CRM under Customer Relationship Management → Marketing → Marketing Planning and Campaign Management → Key Figure Planning → Define Planning Profile Groups
- Choose a planning profile group and then choose SEM-BPS Interface: Assignment of Traffic Lights to (Groups).
- Choose new entries.
- Choose one of the four entries from the dropdown box for KPI-NO and KPI ID.
- To finish, choose Save.

- Go to Marketing Planner, Transaction CRM_MKPTL → Create Trade Promotion → Enter basic data → assign defined Planning Profile Group → Select Volumes/Trade Spends Tab → enter the value in Keyfigures which you have been assigned in Fox Formula → observe traffic light colors and values, which are changing according to the values you are entering for respective keyfigures

Customer Type/Customer: 02 Hierarchy Node R301_0000000040 Walmart California // Los Angels CA
 UPLR 0,1111 ROI1 0,0450

Basic Data | Notes | Documents | Channels | Segments | Products | Volumes/Trade Spends | Discounts

Planning Profile: 4TPM0002 CP: Promotion Planning on Weekly Basis

Generate Conditions | Release for Settlement | Transfer Trade Spends

Spend Type	Spend Cat	SpendMeth	Discount	Planned Start	Planned End	Part Rate	Pynt met...	Rel.Volume	Conditions	Rebate...
Not assigned	aaaaaaaaaaaa	EA	Not assigned	08.2006	D-00008003-1-1-F235E	10.000,00	EUR	5.000	EA	

Tip: You define the name for the KPI when making the sales planning settings for the combination of planning level, ad hoc planning package, FOX planning function, and parameter group. Once the KPI has been defined in this way, you then transfer it as an alert into SAP CRM. Message UPX_KPI 400 is evaluated for each KPI.

Summary

This functionality is introduced in CRM 4.0 Marketing Planner. In the Marketing Planner you can display the status of a planned trade promotion using red, amber, or green traffic lights. To do this, you can use the alerts predefined in Business Planning and Simulation (BPS). You can also modify existing alerts or define your own ones

Appendix A: Example FOX formula Code

Return on Investment

```
DATA UPLIFT TYPE F.
DATA TOTAL TYPE F.
DATA NETRV TYPE F.
DATA SPENDS TYPE F.
DATA LST_PRC_SU TYPE F.
DATA RATIO TYPE F.
DATA GRADE TYPE I.
DATA UOM TYPE @SALES_UNIT.
DATA PHASE TYPE @PERIOD_TYP.
DATA PROD TYPE @CRM_PROD.

UPLIFT = 0.
TOTAL = 0.
NETRV = 0.
SPENDS = 0.
LST_PRC_SU = 0.

FOREACH UOM.
  FOREACH PHASE.
    FOREACH PROD.
      UPLIFT = UPLIFT +
        {@UPLI_QTYS, PROD, PHASE, UOM}.
      TOTAL = TOTAL +
        {@INV_QTY, PROD, PHASE, UOM}.
      SPENDS = SPENDS +
        {@BUDGET, PROD, PHASE, UOM}.
      LST_PRC_SU = LST_PRC_SU +
        {@PRC_LST_SU, PROD, PHASE, UOM}.
    ENDFOR.
  ENDFOR.
ENDFOR.

*GRADE 1 = GREEN
*GRADE 2 = YELLOW
*GRADE 3 = RED

NETRV = UPLIFT * LST_PRC_SU.
RATIO = ( UPLIFT / TOTAL ) * ( NETRV / SPENDS ).
IF RATIO > 0.10.
  GRADE = 1.
ENDIF.
IF RATIO < 0.10 AND RATIO > 0.05.
  GRADE = 2.
ENDIF.
IF RATIO < 0.05.
  GRADE = 3.
ENDIF.

MESSAGE I400 (UPX_KPI) WITH RATIO GRADE.
```


Appendix B: Example FOX formula Code

Uplift Ratio

```
DATA UPLIFT TYPE F.
DATA BASE TYPE F.
DATA TOTAL TYPE F.
DATA RATIO TYPE F.
DATA GRADE TYPE I.
DATA UOM TYPE @SALES_UNIT.
DATA PHASE TYPE @PERIOD_TYP.
DATA PROD TYPE @CRM_PROD.

UPLIFT = 0.
TOTAL = 0.
BASE = 0.

FOREACH UOM.
  FOREACH PHASE.
    FOREACH PROD.
      TOTAL = TOTAL +
        {@INV_QTY, PROD, PHASE, UOM}.
      UPLIFT = UPLIFT +
        {@UPLI_QTYS, PROD, PHASE, UOM}.
    ENDFOR.
  ENDFOR.
ENDFOR.

*GRADE 1 = GREEN
*Grade 2 = Yellow
*Grade 3 = Red

BASE = TOTAL.

IF BASE > 0.
  RATIO = UPLIFT / (BASE - UPLIFT).

  IF RATIO < 0.01.
    GRADE = 3.
  ENDIF.

  IF RATIO >= 0.01 AND RATIO < 0.10.
    GRADE = 2.
  ENDIF.

  IF RATIO >= 0.10.
    GRADE = 1.
  ENDIF.

ELSE.
  RATIO = 1.
  GRADE = 1.
ENDIF.

MESSAGE I400(UPX_KPI) WITH RATIO GRADE.
```

Disclaimer and Liability Notice

This document may discuss sample coding or other information that does not include SAP official interfaces and therefore is not supported by SAP. Changes made based on this information are not supported and can be overwritten during an upgrade.

SAP will not be held liable for any damages caused by using or misusing the information, code or methods suggested in this document, and anyone using these methods does so at his/her own risk. SAP offers no guarantees and assumes no responsibility or liability of any type with respect to the content of this technical article or code sample, including any liability resulting from incompatibility between the content within this document and the materials and services offered by SAP. You agree that you will not hold, or seek to hold, SAP responsible or liable with respect to the content of this document.

Related Content

1. http://help.sap.com/saphelp_crm50/helpdata/en/4c/faa841c0dae134e10000000a1550b0/frameset.htm
2. http://help.sap.com/saphelp_crm50/helpdata/en/da/d0ec2349f3894d9ff47eb950498c09/frameset.htm

Copyright

© Copyright 2006 SAP AG. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG. The information contained herein may be changed without prior notice.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

Microsoft, Windows, Outlook, and PowerPoint are registered trademarks of Microsoft Corporation.

IBM, DB2, DB2 Universal Database, OS/2, Parallel Sysplex, MVS/ESA, AIX, S/390, AS/400, OS/390, OS/400, iSeries, pSeries, xSeries, zSeries, z/OS, AFP, Intelligent Miner, WebSphere, Netfinity, Tivoli, Informix, I5/OS, POWER, POWER5, OpenPower and PowerPC are trademarks or registered trademarks of IBM Corporation.

Adobe, the Adobe logo, Acrobat, PostScript, and Reader are either trademarks or registered trademarks of Adobe Systems Incorporated in the United States and/or other countries.

Oracle is a registered trademark of Oracle Corporation.

UNIX, X/Open, OSF/1, and Motif are registered trademarks of the Open Group.

Citrix, ICA, Program Neighborhood, MetaFrame, WinFrame, VideoFrame, and MultiWin are trademarks or registered trademarks of Citrix Systems, Inc.

HTML, XML, XHTML and W3C are trademarks or registered trademarks of W3C®, World Wide Web Consortium, Massachusetts Institute of Technology.

Java is a registered trademark of Sun Microsystems, Inc.

JavaScript is a registered trademark of Sun Microsystems, Inc., used under license for technology invented and implemented by Netscape.

MaxDB is a trademark of MySQL AB, Sweden.

SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

These materials are provided "as is" without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.

SAP shall not be liable for damages of any kind including without limitation direct, special, indirect, or consequential damages that may result from the use of these materials.

SAP does not warrant the accuracy or completeness of the information, text, graphics, links or other items contained within these materials. SAP has no control over the information that you may access through the use of hot links contained in these materials and does not endorse your use of third party web pages nor provide any warranty whatsoever relating to third party web pages.

Any software coding and/or code lines/strings ("Code") included in this documentation are only examples and are not intended to be used in a productive system environment. The Code is only intended better explain and visualize the syntax and phrasing rules of certain coding. SAP does not warrant the correctness and completeness of the Code given herein, and SAP shall not be liable for errors or damages caused by the usage of the Code, except if such damages were caused by SAP intentionally or grossly negligent.