

Producing Planograms in a Snap



Dr Pepper Snapple Group Wins More Business and Transforms its Category Management Process with JDA Planogram Generator

Dr Pepper Snapple Group Fast Facts

Industry

Beverage Manufacturer

Headquarters

Plano, Texas

Description

Dr Pepper Snapple Group (DPS) is a leading beverage manufacturer, bottler and distributor in North America with \$6 billion in revenues. The company's portfolio encompasses more than 50 brands, including Dr Pepper, Snapple, 7UP, A&W Root Beer, Country Time, Hawaiian Punch and Mott's.

Revenues

\$6 billion

Number of Employees

More than 20,000



Business Challenge

Mass producing store-specific planograms for its retail customers drained DPS of its time and resources prior to installing advanced technology. To remedy the situation, the company needed advanced technology that would support its aggressive initiative to improve category management efficiency and productivity.

Business Solutions

- JDA® Planogram Generator
- JDA® Space Planning
- JDA® Intactix Knowledge Base

Business Benefits

- A boost in the number of retail partnerships without increasing headcount
- Ability to mass produce planograms for retailers of any size
- Optimized days of supply
- Increased inventory turns
- Reduced excess inventory leading to an increase in cash flow

Quantifiable Benefits

- Ability to reset retailers' planograms twice a year or more
- Improved accuracy rate of 99 percent
- Increased efficiency: new planogram-generation model requires two people and about 40 hours compared to the previous model, which required a team of 10 and 600 hours to complete the same number of planograms

"Our space methodology paired with JDA Planogram Generator optimizes days of supply and increases inventory turns on an item-by-item basis, which results in a reduction in excess inventory and a boost in cash flow for the retailer. We can also reset our retail customers' planograms twice a year or more, which many of our competitors just can't handle."

- John Williams,
director, category management,
Dr Pepper Snapple Group



Dr Pepper Snapple Group (DPS) is one of North America's leading refreshment beverage companies with \$6 billion in revenues. The company manufactures, bottles and distributes more than 50 brands of carbonated soft drinks, juices, teas, mixers and waters. In addition to its flagship Dr Pepper and Snapple brands, the beverage giant's product portfolio includes 7UP, Mott's, A&W, Sunkist, Hawaiian Punch, Canada Dry and RC Cola. Over 75 percent of the company's brands are ranked either first or second in their flavor categories.

Resulting from the 2008 spinoff from Cadbury Schweppes Americas Beverages, DPS operates 21 manufacturing and bottling facilities and more than 250 warehouses and distribution centers. The company sells its diverse and popular soft drinks to franchise businesses like Coca-Cola, Pepsi and other independent bottling companies throughout North America. With category management a core competency, the beverage company's space, assortment and speed-to-insight capabilities are continuously evolving, according to John Williams, director, category management, DPS.

"It is critical that we invest in robust tools and technology like JDA to meet and exceed the changing needs of our customers," Williams said. "Without it, we wouldn't be able to quickly produce accurate planograms on a large scale."

"Our competitors can easily spend more money or employ more people than we can," added Williams. "We focus on category management because we know that our space processes and methodologies are what differentiate us from other companies in the industry."

Speeding Up Planogram Production

Mass producing store-specific planograms for its retail customers drained DPS of its time and resources prior to installing advanced technology. To remedy the situation, the company launched an aggressive initiative to improve category management efficiency and productivity.

"In order to increase our retail partnerships and categories without increasing headcount, we needed to implement proven

solutions that would support our new approach to space management and help us speed up the planogram creation process," Williams said.

DPS selected the ground-breaking Planogram Generator solution from JDA Software's Category Management suite. The solution, which employs JDA's Intactix Knowledge Base and Space Planning applications, automates the large-scale production of optimized, store-specific planograms. These large sets of planograms are highly accurate, taking into account user-defined merchandising instructions, fixtures, assortments and performance data.

Resetting Planograms Twice Annually

Automatically generating planograms based on user-defined information allows DPS to dedicate more resources toward category analysis and market trends.

JDA® Planogram Generator also gives the beverage giant the ability to mass produce planograms for retailers of any size; as such, DPS is winning more business and making existing accounts more strategic.

"We were impressed with JDA Planogram Generator's accuracy, speed and ease of use. The solution gives us the ability to produce planograms faster and better than any other company in the industry today, and that appeals to our existing and new retail partners," said Williams, a statement that is backed by *Progressive Grocer's* recognition of DPS as the Category Captains Award winner for the Carbonated Soft Drinks category in 2005, 2007, 2008 and 2009.

"Our space methodology paired with JDA Planogram Generator optimizes days of supply and increases inventory turns on an item-by-item basis, which results in a reduction in excess inventory and a boost in cash flow for the retailer," Williams added. "We can also reset our retail customers' planograms twice a year or more, which many of our competitors just can't handle."

Resetting planograms throughout the year can help better position product selection based on seasonality or changing consumer demand. For example, current trends show

that while bottled water was a best-selling product a year ago consumers today are buying more carbonated soft drinks and juices, according to Williams.

“Bottled water sales are declining,” he said, which he believes is due to the impact that plastic bottles have on the environment, as well as the current economic climate.

“There’s a major push for products that are environmentally friendly. Also, people are looking for value and realize that they can get water right out of the tap. Value brands are really growing whereas demand for premium or higher-priced items is decreasing. The ability to reset planograms on a large scale can help retailers adjust their product assortments to accommodate for trends like this.”

“Changing the Game” with Reduced Resources and Greater Accuracy

JDA Planogram Generator supports DPS’ go-to-market space management model, consisting of a data architect who runs the server applications and a category analyst who trades rule sets within the solution. This team of two can complete planogram projects of any size for large and small retailers alike.

“We’ve really changed the game with our new space management model,” Williams said. “While our past process would take as many as 600 hours and require 10 people to support, we now have a fully automated



process that takes two people and about 40 hours to generate an equivalent number of planograms. JDA’s solution accounts for bottler and fixture complexities, scales to an unlimited planogram quantity and leaves no room for human error.”

Since leveraging JDA Planogram Generator, the company now benefits from a 99-percent accuracy rate compared with a much lower rate prior to implementing its new space management approach. DPS’ category managers, category analysts and data architect are also pleased with the solution’s ease of use.

Williams noted, “One of the DPS analysts said that using JDA Planogram Generator is like making the switch from manually filling out a 1040 tax form to using an automated, online tax application. It’s so quick, easy and accurate – why would you ever go back to the old way? That’s a perfect way to describe how much the solution has transformed our business. With JDA Planogram Generator, we are well positioned to support even the largest retailer manage their store-level, consumer-driven planograms.”

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS) is the world’s leading supply chain solutions provider, helping companies optimize operations and improve profitability. JDA drives business efficiency for its global customer base of more than 5,800 retailers, manufacturers, wholesaler-distributors and services industries companies through deep domain expertise and innovative solutions. JDA’s combination of unmatched services, together with its integrated yet modular solutions for merchandising, supply chain planning and execution and revenue management, leverage the strong heritage and knowledge capital of market leaders including Manugistics, E3, Intactix and Arthur. When supply chain results matter, companies turn to JDA.

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