



Promotion Optimization Institute, LLC

POI 2020 TPx Vendor Panorama

This is an excerpt from the POI 2020 TPx Vendor Panorama.

The full report is available for download from the POI membership pages, or contact the POI Institute at: jhampto@p-o-i.org.

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Visualfabrig visualfabrig.com

Profile: Visualfabrig's mantra is to unleash the excellence of its clients in the CPG industry. An integrated TPX vendor, Visualfabrig is focused on taking the manual processing out of enterprise planning through SaaS automation and advanced AI optimization of sales planning, cross-functional Sales and Operation Planning (S&OP) cycle, and digitalizing the Strategic Revenue Management process.

Geographic presence: Current: Europe (60%), LatAm (5%), North America (30%), Asia/Pacific/Africa (25%).

Total consumer goods users (seats): Visualfabrig utilizes an enterprise subscription model (unlimited user) vs. per user/seat model. Estimated users is 2500 across the integrated platform.

Tiers represented: All.

Solution offerings: TPX.

Major product sub-segments not covered: Tobacco, consumer semi-durables, and durables.

Data Management: In preparation for an implementation Visualfabrig will discuss all interfaces with the customer and see where customizations are required. Visualfabrig practice is to have the client cleanse the data, since most data interfaces are recurring. Visualfabrig does allow filtering of data that is loaded and cleans the data from that perspective. For initial data loads performed as part of the implementation system configuration, the Visualfabrig engagement manager will work with the customer to find the most effective solution to data cleansing.

Analytics: Visualfabrig covers the entire planning process end-to-end. They facilitate the creation of a next year plan incorporating all the growth drivers at a high level or detailed using the input from the Pricing Module and Demand Plan. This includes setting of revenue

and profit targets and trade rates. These are auto allocated based on their fair share from prior years. From planning to evaluation, Visualfabriq integrates predictive models for optimized promotion planning while showing the full financial effects. Scenarios can include, but are not limited to: pricing strategy, trade investment, promotional strategy, and volume development. The platform's dashboard is intuitive and signals user action. It is easily configurable with drag and drop capabilities. It provides standardized template reports, which can be enhanced or adapted by the user. The ROI promo scatter chart is a nice way to look at the "Top" and "Flop" promotions in a matrix. It shows causal data such as forward buy in a graphical way. It has the ability to proxy a prediction based on similar promotions or solely based on historical data for companies that change their assortment frequently. It has waterfall charts for both the retailer and manufacturer perspectives. The fully automated post event analytics is very strong because of how it compares actual to expected, highlights forward buy, and provides a copy of the ad for reference. In particular, we like how the ROI is graphically represented, while also providing the standard revenue/ROI data field in chart/grids. Visualfabriq also has some unique KPIs, like "bang for the buck" ratio, to provide deeper insights. The planning process is scalable and configurable. The platform utilizes web based HTML5 (React). The platform incorporates all leading OS machine learning libraries out of the box, allowing client data science teams to generate cleansed data sets by the platform and use those to directly develop predictive models with these familiar libraries and roll them out directly into production, effectuating predictions directly for all the users. It does volume prediction on the fly through standard machine learning. Visualfabriq utilizes a unique approach to embedding AI in TPx; predicting shopping behavior, forward buy, and phasing patterns delivering zero-touch planning. The underlying data structures are once again improving to increase speed and ensure future scalability. They use a combination of linear Scikit-learn, statsmodels; random forest Scikit-learn models, Scikit-learn, xgboost, lightgb gradient models and are one of the few vendors to utilize advanced neural networks using pytorch and tensorflow. Visualfabriq is continually upgrading their AI implementation methodology to provide even greater results and robustness of models.

RGM Analytics: Visualfabriq planning and analytics is a full suite of Revenue Management capabilities with the power of applied AI, which enables holistic planning (TPM/TPO/ROI in the moment of planning).

Configuration/Customization: As a SaaS solution, no hard coding customization is allowed. Client needs have been able to be met through development that is shared across the install base and through the extensive configuration possibilities that include custom KPIs, entry fields, workflows, reports, and screens which all can be altered by the client administrators.

Technology architecture/delivery options: All cloud-based, multitenant SaaS for functionality but database is individual. The platform is moving to Python 3 which will enable different aspects of their platform to be upgraded at different times depending on the elements of the upgrade involved. This will enable more agile developments and an increased release cycle. Hosting is with Amazon Web Services; data can also be covered by Azure if legally required. Visualfabriq is continually monitoring and managing scale by using specific microservices to automate elastic scaling, setup through the front end, and general performance improvements of components. This has resulted in speed improvements for the largest scenarios (500+ products; data tables of 1bln+ records). Visualfabriq is driving to scalable maintenance so organizations don't need developer support. Visualfabriq's platform is a 100% SaaS solution, where new releases are available to all clients without extra implementation effort or costs, allowing their clients to have an evolving platform that always uses the latest technology. This also facilitates a 100% remote working implementation and engagement process.

Service partners: Deloitte consulting, PwC partners, Strategic Solutions (LatAm), and BPX for advancing smoother integrations.

Technology partners: Amazon Web Services for cloud services and hosting. Microsoft Azure for cloud services. Visualfabriq's IP is OWN open source technology and developed in house to stay ahead with the latest technology.

User experience: The entire Visualfabriq front end was upgraded and transferred to React in 2019. The user front end is excellent and reflects enhanced visualization. It continues to have an intuitive and action-oriented tile-based landing page. It is very graphically oriented with both charts and grids being exposed simultaneously based on preferences. HQ users can manage global pricing structures and GSV changes directly in the system via a download excel table that automatically updates the Trade Spend Master. The "ghosting" feature is also very useful on the calendar. It allows a user to see the prior year or a competitor's promotions as a shaded box as a reference point when evaluating or planning a promotion. This can also be used with HQ teams for Go to Market strategy development. Another favorite calendar aspect is the ability to visually see which promotions drive more profit/incremental volume, incremental sales/less incremental profit, and simply more net sales. Visualfabriq is in early pilot with customers on new (Customer) Marketing Events planning, evaluation, and optimization capabilities that impact the plan and forecast, but they do not generate an immediate short-term uplift at the plan account level (sell-in nor sell-out). The event can be planned with multiple (partly) overlapping tactics, which can be tracked in a Gantt. This enables your commercial business to align planning for marketing events and trade promotions. Based on the planned marketing events (SKU's and dates) the system allocates sell-out (and corresponding sell-in) data to the events. A key benefit is the evaluation can highlight unprofitable stacked consumer discounts. New product prediction capabilities help to create sell-out predictions for new product introductions. Best practice sharing across the client base is facilitated by the integrated Zendesk tool and hosting two user groups a year. Joint Customer Business Planning is facilitated by enabling a sales person's ability to present "in-mode" hiding manufacturer cost, etc., and also through exportable PDF proposals. The system has the capability to plan regular and EDLP pricing strategies, register risks and opportunities, and create revenue plans, which provide bottom up input into budget creation and LE's that can be tracked. Revenue planning is delivered holistically and simply through the three modules [Demand Forecast (DMF), Trade Promotion (TPM), and Trade Spend (TSM)] on one platform, closing the entire S&OP planning loop. Visualfabriq has recently enabled a client SaaS University to support client learning and engagement, create discussion, schedule trainings, and drive user adoption.

Select TPx Capabilities:

Baseline: The platform contains a module that uses advanced AI pattern recognition and prediction to automatically create baselines for the user. These can be adjusted top down and bottom up. Visualfabriq has baseline evaluation capabilities to see the accuracy of the baselines- human and machine.

Deductions/Claims/Settlements: Full functionality enabled with entry into North America. Multiple clients are currently utilizing auto-deductions clearing. Built out the accrual engine. Interfaces can be established with AP systems.

Food Service: Contract management including rates, percentages, lump sums, scale discounts, and EDLP scenarios.

Fund/Spend: Full functionality enabled with entry into North America.

IBP: In addition to planning all enterprise planning base, incremental, promoted, and non-promoted volumes, the platform combines sell-in and sell-out data with Product Life Cycle management to predict the most demanding organizations at an unprecedented detailed account level (including all products and innovations). It provides automatic classification and optimization of demand patterns to create reliable forecasts. Visualfabriq enables frozen snapshots to support the IBP process. Teams can manage risks and opportunities in one system with documented assumptions that have been fully integrated in the revenue plan.

Vendor trend: Very positive growth trend and a strong roadmap going forward. In 2019 they entered North America with multiple sizeable tier 1 clients, and in 2020 they have broken into LatAm and Asia and are establishing a new office in Singapore to provide their clients 24/7 coverage. Visualfabriq has tripled their workforce in the last 1.5 years as they have grown from international to global provider. Investment in people and product have been steady. The company has consistently been able to win deals with companies across the 3-tier structure. POI believes the work it is doing on machine learning and the REACT front end capabilities will pay dividends as an early mover advantage. The change to an unlimited user enterprise subscription model vs. per user/seat model is good and has been appreciated by their customers. Roadmap of new offices demonstrates growth: North America August 2018 (NY office established), AsiaPac (Singapore office, 2020), LatAm (New Mexico office, 2019).

Strengths: Visualfabriq is resonating with client needs to unlock their data sources, generate relevant insights, and empower their teams to make better/faster decisions- at a lower cost of ownership. A very robust trade management tool that enables price management, promo what-if optimization, promotion planning, internal/external sell-out predictions, improved baseline creation, and volume forecasting. Visualfabriq is a forerunner in AI usage for trade management. 80% of a tier one client's planning is accomplished through new AI capabilities and models. There is flexibility to utilize the AI models or have users input baselines, lifts, etc. The value is in the flexibility as an organization learns to trust the system. This is especially true with clients that don't have robust historical data. One customer was able to reduce their demand cycle from four weeks to one. It has transformed the cross-functional process to lite-touch and is now a 90% automated process. Visualfabriq utilizes a standard templated blue print deployment process that drives successful system implementation between 2 and 7 months depending on the data availability, quality, and change management. It has the ability to handle significant amounts of data. Visualfabriq offers two major and two minor releases per year.

Challenges: Visualfabriq has a tremendous passion for optimization and advanced topics but must also remain focused on those CG companies that use spreadsheets and just need to move to TPM. There is a high level of change management that accompanies system implementations, even more so with AI. Visualfabriq will need to continue to work with clients to move an organization through the transformative change.

Adjacent offerings: Demand Forecast Manager; Trade Spend Master- Pricing Module and marketing event planner

Key differentiators: The expertise and passion for TPM/TPO/ ROI and machine learning to deliver their clients the tools they missed while working in the industry aids in Visualfabriq's growth and client retention. Visualfabriq is one of the few organizations that allows access to the predictive models and enables a client to get under the hood and understand, align, and facilitate the modeling in a repeatable way (note: model review is by key client members and not all users). Visualfabriq gives back through Net 4 Kids philanthropic program to support disadvantaged children.

Outlook & prognosis: Given solid growth, excellent vision, clients of all sizes, and a strong/insightful user experience, we expect Visualfabriq to continue to be a very strong option for manufacturers. Global expansion is consistent with numerous deployments in the U.S. and Mexico.

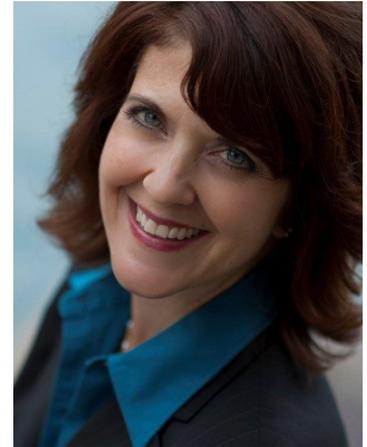
Evaluate Visualfabriq when: When your organization is looking for enterprise planning, a revenue management suite (TPM/TPO/ROI) from a company that has deep expertise. Also, consider Visualfabriq if your organization would benefit from reducing the burden of sales planning, forecasting (S&OP), analytics, and is open to automated promotion/plan “intelligent” recommendations through AI.

Avoid Visualfabriq if: If you wish to customize and create a one-off solution, or want a basic/transactional TPM for the long term.

Distinction: POI Best-in-Class for Financial Orientation and Simulation, Analytics Visualization, TPO Ergonomics, AI, and RGM.

About the Author

Pam Brown is POI's Chief Commercial Officer. In this role, she creates and executes POI strategy, advisory, and research. She elevates practices and CPG and Retailer relationships. Pam began her career executing at retail, and through promotions advanced to leading retail execution & key account teams for Unilever. For Kayser-Roth she led all Sales and Broker teams west of the Mississippi. In her 13 years with Del Monte, she carried many roles. She was the Director of Sales Strategy and Operations, which included: Sales Systems and Reporting, Sales Operations, BI Analytics, Sales Training, and Sales Policy. Pam's final role at Del Monte was the Director of IT Governance and PMO, which included planning and leading enterprise wide technology engagements. Pam has current, extensive knowledge in TPM, TPO, ROI, Revenue Management, Advanced Analytics, Change Management, Sales and Sales Effectiveness, Demand Planning, Supply Chain, Organizational Effectiveness and other relevant best practices areas. Over the years she has researched, designed, and deployed Enterprise wide solutions to meet business needs. She understands how to execute and gain user adoption of new systems for physical retail and eCommerce. She has advised solutions providers on enhancements to core capabilities and partnered with other CPG manufacturers to share, learn, and drive best practices in today's challenging retail and consumer goods environment for mutual benefit.



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About the Promotion Optimization Institute

POI brings together manufacturers, retailers, solution providers, analysts, academics, and other industry leaders with the specific objective of collaboratively improving the promotion and distribution of consumer goods. Members of POI share cross-functional best practices in both structured and informal settings.

Additionally, members benefit through our industry alliances, the Certified Collaborative Marketer (CCM)[™] program, and industry-leading summits around the globe.

POI aims to instill a financial and metrics-based discipline not typically found with other trade groups. The goal of our innovative approach is collaborative promotion optimization. The focus is on the customer/shopper through sales, marketing, and merchandising strategies.

Executive advisory boards keep us apprised of industry needs and help us provide desired outcomes for members, sponsors, and academia.



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