

SPRING 2016

INSIDE
ADVANTAGE



In Touch with the Changing Consumer

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Letter from the CEO



2016 Key Themes

We are already deep into the first quarter of another dynamic year for our industry. It is clear that many of last year's key themes are continuing to shape our industry in 2016:

► **Consolidations:** The numerous consolidations, mergers, and spin-offs over the past year have shown the effort companies are making to hone in on core business portfolios and streamline around sectors where they can apply existing capabilities.

► **Consumer Behavior:** Consumers' changing preferences and decreasing loyalty to retail formats are challenging CPGs to build strategies that focus on delivering a clear ROI across every aspect of the business.

► **Industry Talent:** On top of it all, CPGs are being asked to do more with less in every aspect of their business, get the right people in the right roles, and build the corporate bench strength to attract and retain top talent.

In this issue of *Inside Advantage* you will read about some of the things we are doing to help clients solve for these issues. We discuss how dynamic retail routing and flexible coverage can deliver the greatest impact in store (see "Reinventing Retail" on pg. 3). Michael O'Keefe, President of Sales, talks about our approach to enhancing skillsets across the organization from new hires to retail teams to BDMs to executive leaders (see "Selling in a Changing CPG Land-scape" on pg. 6). We also profile our new division focused on innovative technology solutions, including a system that integrates with retailers' internal platforms and third party data sources to give CPGs the most comprehensive view of their performance (see "Digital Technology Solutions" on pg. 8).

To reflect the broader array of strategic services we provide to address today's challenges, we've changed our name to Advantage Solutions. While our new name better represents who we are, know that we will be as focused as ever on our core sales and marketing services. We look forward to partnering with you through future industry changes, working side by side to deliver the best sales, marketing, and technology solutions for your business.

Winning Together,

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retail

Reinventing Retail

In today's hypercompetitive retail environment, agility, customization, and the ability to implement rapid and impactful change are critical for success. With retail as we know it constantly undergoing dramatic changes including clean floor policies and single source merchandising strategies, manufacturers are feeling the pressure to maximize every moment in the store. To build a better solution, Advantage is reinventing its approach to retail services to ensure maximum return on investment for each retail activity on every store call through dynamic routing, flexible coverage, and enhanced retail technology. *(continued on page 9)*

insights

Accelerating the Speed of Insights: Ai2

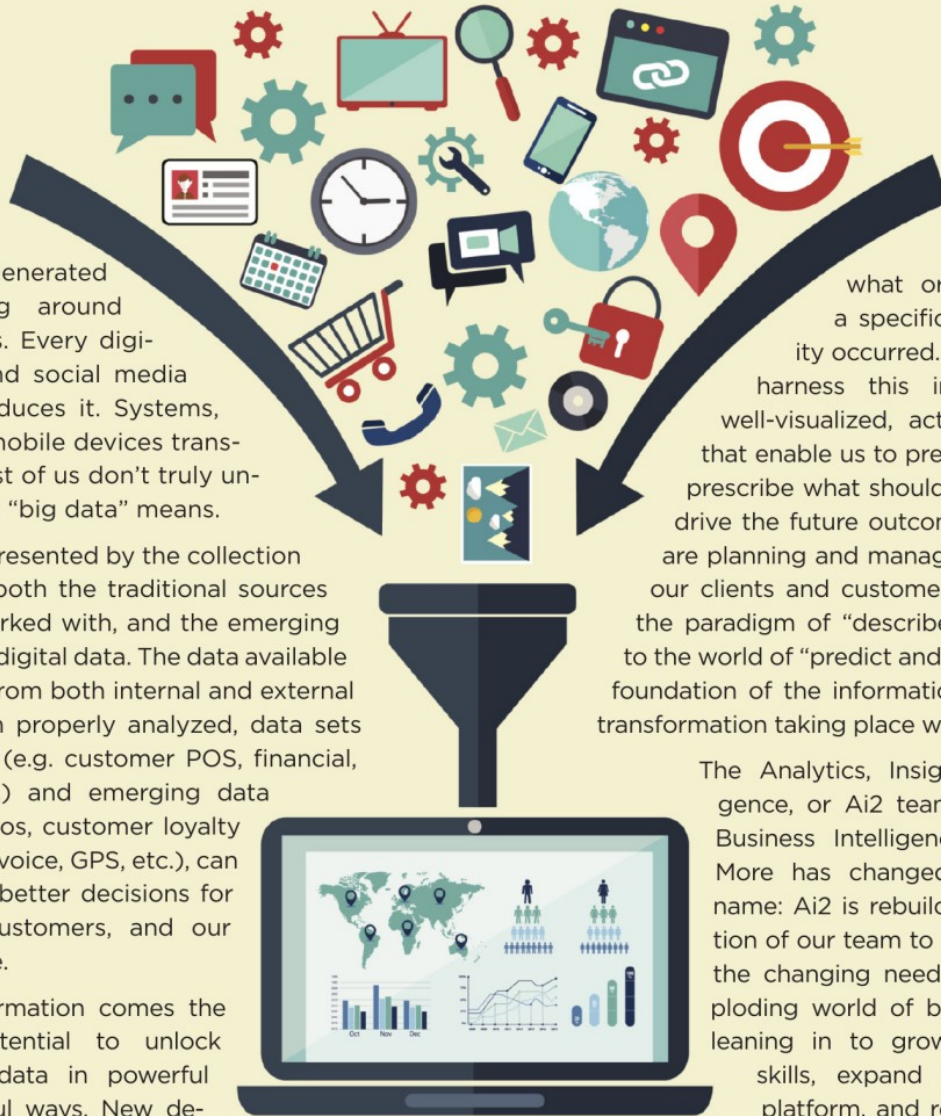
Big data is generated by everything around us at all times. Every digital process and social media exchange produces it. Systems, sensors, and mobile devices transmit it. But most of us don't truly understand what "big data" means.

Big data is represented by the collection of data from both the traditional sources we've long worked with, and the emerging wealth of new digital data. The data available today comes from both internal and external sources. When properly analyzed, data sets we know well (e.g. customer POS, financial, shipment, etc.) and emerging data sets (e.g. photos, customer loyalty card, weather, voice, GPS, etc.), can help us make better decisions for our clients, customers, and our own enterprise.

With this information comes the enormous potential to unlock and analyze data in powerful and meaningful ways. New demands and technology capabilities make it no longer acceptable for data to report yesterday's news. We cannot just rely upon reporting and data visualization capabilities that merely describe

what or diagnose why a specific event or activity occurred. Rather, we must harness this information into well-visualized, actionable insights that enable us to predict what can or prescribe what should happen to best drive the future outcome of events we are planning and managing on behalf of our clients and customers. Shifting from the paradigm of "describe and diagnose" to the world of "predict and prescribe" is the foundation of the information and analytics transformation taking place within Advantage.

The Analytics, Insights, and Intelligence, or Ai2 team, is the former Business Intelligence organization. More has changed than just the name: Ai2 is rebuilding the foundation of our team to evolve and meet the changing needs of today's exploding world of big data. We are leaning in to grow our analytical skills, expand our technology platform, and realign our talent to best position our current capabilities and, more importantly, deepen our knowledge and create new competencies to meet the analytical demands the big data explosion requires.



The work delivered today across the Ai2 discipline areas of Shopper, Consumer, Category, Space Planning, Brand Development, and Market Research through our client, customer, and SMART associates will continue to evolve with heightened focus on training and development. In her new role as Director of Analytical Development, Jennifer Gruber is leading Ai2's intense focus on expanded training and best-demonstrated practice analytics for analysts to hone skills in their field of discipline. New online learning and peer-review programs will deepen knowledge and advance skill creation with the progression of each associate's career path. A new website coming this summer will provide Ai2 associates - and the internal analysts we support - with a virtual community for collaboration. By sharing critical knowledge and BDPs, and providing opportunities to strategize as a team on analytic challenges, we will bring together our diverse workforce in the digital world to tackle the emerging opportunities of analytics, insights, and intelligence.



With new skills come new analytic tools. The Ai2 tools of Sales Opportunity Explorer (SOE) and Causal Opportunity Explorer (COE), a key competitive advantage clients frequently cite as a reason for entrusting their business to Advantage, is being redesigned for even faster Speed To Insight™. The new platform will provide more data granularity, more flexible output, and better visualization and is targeted for user release in Q1 2017. The new capabilities provide the functionality users need to be more precise in their analysis including:

- More access to item-level data for opportunity identification and competitive analysis
- Improved data visualization capabilities that enable more end user flexibility for graphics and reports
- Back-end efficiencies that enable the system to directly integrate data through API calls that increase data updates
- Integration of new data types

Ai2 is working closely with third-party data partners Nielsen and IRI to explore new data tools, access, and expanded data sets that will bring new analytical capabilities and insights to all information users. Pilot

groups are working today to test new data visualization and analytics software for accessing all syndicated data that can provide personalized, customized data views for all Advantage associates, using a wide variety of disparate data sources.

Tests of expanded demographic and shopper data tools also bring exciting new capabilities to our ability to provide more targeted shopper analytics and support the targeting, segmentation, and activation needs of our business with greater precision. By the end of 2016, Advantage users will have more robust tools, information, and insights available to them both directly and through their Ai2 partners.

The renewed mission and energy of Ai2 is to deliver on the promise of analytics, insights, and intelligence for our clients, customers, and enterprise business partners. We live in a data-driven world; the game-changing implications that big data brings to our industry requires that we continuously develop and enhance the tools, techniques, and skills to harness the power these data can bring. We have developed a restless passion for continuous improvement. We are acutely aware that what was innovative yesterday will become commonplace tomorrow, and these practices are being continuously developed - both across people and technology - to help clients gain a long term competitive advantage and build a leadership role within CPG analytics today and into the future.

This article was developed by Lori Stillman, SVP of Analytics, Insights and Intelligence and Jennifer Gruber, Sr. Director of Analytics Development. For more information, please contact Jen at jennifer.gruber@advantagesolutions.net.



interview



Michael O'Keefe, President Sales Selling in a Changing CPG Landscape

2015 was a dynamic year for the industry, marked by numerous consolidations and mergers. How do you see CPGs responding to the changing retail environment moving forward?

Retailers are becoming larger and more sophisticated, allowing them to make bigger investments in resources like shopper data to make increasingly important one-to-one shopper connections. They are also partnering with other retailers that have their own brand equity to build in specializations (for example, CVS within Target and Starbucks within Albertsons) as a way to draw in consumers.

Manufacturers need to ask themselves how they can help retailers with this strategy and leverage this approach on behalf of their own brands and categories. An additional level of complexity is that retailers are executing two divergent strategies: consolidation and decentralization. Some retailers are doing both by building their overall presence as a centralized organization while pushing more and more decision making responsibilities to the regions. This approach

enables large retailers to make locally relevant decisions and connect with the consumer on a one-on-one basis. For CPGs, this opens up opportunities for regional brands and decision makers to be part of the discussion. To partner with retailers effectively, they need to be well-versed in capabilities like shopper marketing, with teams on the ground at these retailers who can be part of the decision process. At Advantage, our decentralized model and expertise across all disciplines help our manufacturing partners execute these complex strategies at retailers across the country.

Tell us more about why having top talent will be a differentiator in the industry?

It's no secret that the selling process has changed. Gone are the days when a sales strategy simply meant building a display with a "Buy One Get One" offer. Programs themselves have become more sophisticated to capture the shopper at an individual level. Today's business managers need strong communication skills, understanding of multiple disciplines, analytical skills, and operational expertise to build compre-

"Today's business managers need strong communication skills, understanding of multiple disciplines, analytical skills, and operational expertise."

hensive and complex programs that will win in the marketplace. Given the critical importance of building teams that will enable our clients to lead in the future, Advantage has enhanced our focus on training and learning materials to build our teams' skills at every level of the organization. This includes updated retail training for supervisors and new hires, as well as development programs for our sales teams that focus on sales negotiations, financial acumen, and leadership skills. We also continue to invest in the Business Development Specialist (BDS) role, which strengthens our BDM bench with the skills that are needed for tomorrow's leaders. This also gives our BDMs more face time with customers and clients.



Many categories, particularly those in center store, that used to have a large impact are declining and becoming less relevant. What do you recommend to maximize this space? Do you have predictions for the future of these categories?

There is no question that center store is under attack as retailers make a conscious decision to expand fresh and locally relevant sections of their stores to draw in more shoppers. Center store categories and brands need more innovation - it's a steal share game right now. Center store brands must be more reliant on 360 degree shopper programs that expand the shopper experience instead of just providing price promotions. The best approaches will have a clear understanding of the target audience and a multi-pronged approach across various channels, including a "shopper first" strategy and one-to-one interactions for specific shopper segments. Brands must also carefully deploy the marketing tactics (trial, loyalty, new market expansion, etc.) that have the highest ROI for each targeted demographic.

How will retail coverage factor into the sales equation in 2016 and beyond?

There are several mega-trends happening in retail right now: single source merchandising, inventory management, and clean floor policies. In response to all of these trends, retail coverage must become more dynamic and prescriptive to locate and address issues and opportunities in real time. Advantage is already building the systems that will lead us into the

future of retail coverage, using advanced in-store technology and access to retailer data. The ability to link to retailers' ordering and inventory systems gives us the insights to deploy our teams in the most effective and efficient way to ensure distribution and display compliance. Today we are doing this at Walmart and Target using Atlas technology, and our reach will expand as Atlas has more retailer partnerships on the horizon.

Dynamic routing will also be critical for retail in the future. A great recent example of Advantage implementing dynamic routing occurred during the 2015 Halloween season for Mars. Advantage reps were sent to stores based on the product delivery schedule, which meant that our team was in store the same day that the product was delivered to make an immediate impact and eliminate the need for return visits.

In addition to dynamic routing, Advantage rolled out a new itinerary management tool that gives teams the autonomy to adjust their schedules to prioritize the most pressing issues in store. We are also making effective investments in retail technology that allow us to train our reps more intensively on category trends and data, as well as provide them with professional in-store selling stories. Our overall goal is to provide a more effective workforce on our clients' behalf in the store, and we work every day to meet this goal.

“Center store brands must be more reliant on 360 degree shopper programs that expand the shopping experience instead of just providing price promotions.”





digital

Advantage Introduces Digital Technology Division

Technology continues to be a major disruptor to our industry as solutions like digital couponing, grocery delivery services, and at-shelf image recognition are changing the game for companies. In addition to delivering a competitive edge, technology platforms help brands and retailers operate more efficiently with greater productivity across every aspect of their business from resource allocation optimization to supply chain and operations management.

Advantage saw this trend as an opportunity to add a third pillar to our core Sales and Marketing offerings by creating a Digital Technology division. The objective of the Digital Technology team is to bring innovative technology solutions to clients and customers via acquisitions, strategic partnerships, and organically developed solutions. The first digital technology acquisition into the organization was Atlas Technology Group in the summer of 2015. Atlas is an amazing tech-

nology company and a true entrepreneurial story with CEO Nick Dozier building this business within the largest retailer in the world. Atlas provides brands with insights and products through its proprietary application suite to enhance product sales in store. The products integrate with retailers' internal platforms and third party data sources to empower CPGs with the most comprehensive view of their performance. The same information can be leveraged for more effi-

cient in-store merchandising execution and optimized space planning.

“Advantage was a customer of Atlas for years before we joined forces. We saw the value they were bringing to the market across all their products, each of which were complementary to spaces where Advantage works with clients and customers,” said David Cortese, President of Advantage’s Digital Technology division. “Now that Atlas is part of Advantage, we continue to grow together by bringing solutions to the market that leverage capabilities from both organizations as well as our collective brand and retailer relationships.”

Atlas’s value proposition is manifold. First, there’s automation of manual processes that saves clients time and money; Atlas’s platform saves a typical Walmart analyst 10-12 hours a week getting information on a brand’s performance. Second, the massive amount of information Atlas manages is on a scale that most brands can’t justify by themselves alone. Atlas’s infrastructure allows us to leverage their platform in a cost effective way across many clients. This includes not just product performance, but critical information such as out of stock or phantom inventory issues. Lastly, Atlas brings a suite of solutions that can leverage the same information for other services – optimizing space planning and in-store mobile solutions to name a few.

In 2016, Advantage will continue to increase Atlas’s scale while building out additional core competencies like eCommerce. Through capabilities like Digital Technology, Advantage is delivering a full array of scalable solutions that complement the company’s existing sales and marketing services.

Reinventing Retail

(continued from page 3)

A Dynamic Routing Solution at Walmart

In 2015, Advantage’s Walmart Syndicated Team implemented a dynamic routing solution to maximize retail ROI for clients at the world’s largest retailer. By leveraging distinct metrics, including Walmart POS data, authorized items, and average number of daily zero sales alerts, Advantage now identifies and routes the stores where teams can have the highest impact. While in store, reps focus on on-shelf availability, packing out cases, correcting zero sales, and making phantom inventory adjustments. Preliminary results for one client showed a 19.3% sales lift after a dynamic routing approach was implemented.

Flexible Seasonal Coverage

The impact of increased retail coverage during critical selling periods such as holiday, summer, and back to school can have a dramatic impact on sales. To ensure clients get the most out of these seasons, Advantage provides customized and flexible seasonal coverage support for any initiative. In a recent pilot of seasonal flex coverage, Advantage increased retail coverage for a client at Kroger to support two key promotional events. During the first event, the number of stores with display activity increased by 10%, driving incremental sales of \$220K. The second event delivered \$420K in incremental sales, with 38% of total sales occurring during the surge coverage period, providing a significant ROI and proving the impact this targeted coverage can deliver.

Technology as a Differentiator

In conjunction with these impactful and customized coverage solutions, Advantage continues to invest in and leverage new technologies that support our retail teams. The recently deployed Itinerary Manager tool provides flexibility for retail reps to create electronic itineraries. These itineraries are visible to field management for easy on-the-go schedule updates. The model allows teams to maximize ROI for clients by adjusting coverage to increase frequency in stores with the greatest potential impact and also gives supervisors the ability to reschedule stores to ensure full coverage. Supervisors and client leadership can view a project’s status through customized dashboards accessible on all electronic platforms including laptops, desktops, iPads, and mobile phones. Viewable metrics include coverage, execution against KPIs, exception reporting to guide reps, surveys, distribution, zero sales, and much more.

Solutions for the Future

While there is no doubt that retail will continue to be impacted by the many changes occurring in the industry, Advantage’s commitment to identifying, developing, and deploying the best retail routing, coverage, and technology solutions will ensure success for clients for years to come.

For more information on how Advantage continues to reinvent retail, contact Ron Woolsey at ron.woolsey@advantagesolutions.net.



Inspiring Great Experiences Away from Home...

Waypoint Builds Capabilities Across Multiple Disciplines

The foodservice industry is expanding at a rapid pace; consumer demands for specialized eating out experiences are growing, and suppliers have more access than ever before to data and information that allows them to cater to these demands. Because foodservice has such a broad array of segments and channel partners, manufacturers competing in this space must have a firm understanding of the complex growth strategies of operators and consumers. As the industry becomes more connected and

consumer-driven, Waypoint continues to leverage its understanding of operators and consumers to build and enhance leading capabilities that “inspire great experiences away from home.”

Foodservice Marketing Services Deliver an Edge

In 2015, Waypoint expanded its marketing capability in foodservice through Advantage’s acquisition of Marlin Network, Inc. Marlin Network, based in Springfield, Missouri and led by founder and CEO Dennis Marlin, is a group of foodservice marketing agencies with 30 years of experience designing high-impact creative and strategic marketing campaigns that drive sales, build brand awareness, and foster brand engagement for leading national brands. For example, Marlin recently partnered with The French’s Food Company to launch Frank’s RedHot “King of Wings” program, an operator microsite that includes training, resources, and recipe solutions to help operators execute best in class wings.

The Marlin Network acquisition makes Waypoint the only foodservice agency that offers a comprehensive range of services from point-of-purchase through point-of-consumption for brands and operators.

Business Process and Data Intelligence Enhancements

Waypoint is laser focused on developing flexible and efficient processes that provide clients with full visibility to their brands and connect every step of the sales journey from contract signing to contract execution. Waypoint provides the tools, data, information, and insights to identify key sales opportunities that drive execution and grow clients’ business. This includes building sophisticated business intelligence capa-



bilities that leverage Waypoint’s sales team information to not only secure new business but also ensure compliance at the operator level. For example, Smucker Foodservice, one of Waypoint’s valued clients, has been very effective in leveraging the Smucker brand and product quality to gain contracts.

However, the sheer size of the foodservice marketplace can make tracking contract execution challenging. Knowing that access to data and market intelligence is the key to successful execution, Waypoint collaborated with the Smucker national account team to develop a process that would not only provide targeted operator unit sales intelligence to Waypoint sales associates, but also provide unit level reporting back to Smucker. As a result, the Waypoint team is able to view the same unit level information as the Smucker sales managers for complete alignment and improved results.

In addition, data transfers seamlessly to identify targets to convert competitive business into Waypoint’s proprietary CRM system. Waypoint’s progress has far outpaced that of other Smucker brokers due to this innovation and led to Waypoint being named Smucker “Broker of the Year” in a key market.

Inspiring Great Experiences Away from Home

As the nation’s first national foodservice sales and marketing agency, Waypoint provides unparalleled strategic business intelligence, channel and segment-specific expertise, proficient scalable execution, and innovative culinary support. From marketing solutions that bring sales work to life to improved processes that deliver enhanced visibility, Waypoint provides a variety of unique solutions for clients in the foodservice space.

If you have questions on how Waypoint can help your business inspire great experiences away from home, please contact Scott Pool at scott.pool@asmwaypoint.com.



WAYPOINT

case study

Toyota Mirai Vehicle Launch

Agency: 206inc.

Date: October 2015



In the beloved film "Back to the Future Part II," Marty McFly and Doc Brown arrive from the past on October 21st, 2015 via the iconic, time-traveling automobile, the DeLorean, which was completely fueled by garbage. And while Marty and Doc's time-traveling DeLorean was a fictional idea, the innovative thinking behind fueling a car on anything, including garbage, is not. This forward thinking model could very well act as the leading edge technology for auto engineering and the auto industry as a whole.

206inc. saw a grand opportunity to align the movie's before-its-time thinking with similar ideation regarding Toyota's international launch of their hydrogen fuel cell vehicle, the Mirai. The idea was an out-of-this-world event that would merge the fictional movie's predictions of 2015 with the actual present day future thinking of 2015 and 2016.

The event scene in Torrance, CA was set with a life-size video projection of the "Back to the Future Part II" Hill Valley courthouse. The courthouse video projection doubled as a centerpiece and a stage for a presentation and panel discussion regarding Toyota's Mirai launch.

Once the official courthouse panel was complete, guests were invited to emerge from the awe-inspiring, animated, Toyota Mirai branded holographic mist, and into the festivities. Next, guests could choose from a menu of "Back to the Future Part II"

themed foods with a futuristic, molecular gastronomy twist. There was even a celebrity chef, Richard Blais, serving up a specialty cocktail. The event concluded with guests sharing their photos from the night and receiving a "Back to the Future Part II" themed prize from an on-site vending machine.

Media that participated included the *LA Times*, *USA Today*, *Motor Trend*, *Inhabitat*, *OCRegister*, *Digital Trends*, and various Japanese TV outlets. The estimated Twitter reach via Twitter's API was 247,450 users. In addition, the Instagram vending machine produced 69 posts in 110 minutes which is roughly one post every one and a half minutes. And in about two hours, 71 photos were captured in the provided photo booth. With a multi-media approach including video projections, holographic mist, themed menu/food, and an interactive photo and social sharing vending machine, 206inc. was able to connect with the audience in multiple ways, creating an experience that was out of this world. The event played up the elements of the future envisioned in the film and evidenced that the realities of 2015 and 2016 are even better than fiction.

Toyota Mirai's reception and success internationally has been a hot topic in the auto world. This remarkable vehicle has the ability to change the landscape of the international auto industry, and it's only just begun.





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