SALIENT MANAGEMENT COMPANY

Salient Revenue Management

Connecting Revenue to Root Cause

Retail

Wholesale

Manufacturing

Distribution

Introduction

Example Use-Cases

Technology Summary

Achieving real value:
the perfect balance between
investment, profit and growth.

Introducing a radical new technology platform for reducing cost, increasing profit

1.

INTEGRATE & AUTOMATE

Transaction and capacity data, actual and allocated, from every data source

2.

MEASURE VALUE ADDED BY ACTIVITY

Growth attained, revenue generated, cost contained, from every transaction, to every customer point and perspective, up to the whole enterprise, down to root cause

3.

MAKE THE KNOWLEDGE ACTIONABLE

Available, accessible and easily understood by everyone who needs to know, a thousand times faster than ever before

GLOBALLY RECOGNIZED

SOFTWARE

SAP

PARTNER

SAP® Certified

FOOD LOGISTICS
TOP 100

CONSUMER GOODS TECHNOLOGY
TOP 10

POSITIONED IN

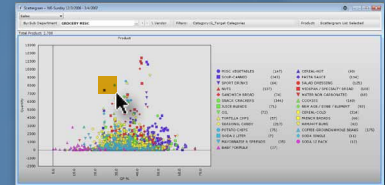**GARTNER**

2011 BI MAGIC QUADRANT

Getting to Root Cause

Understanding the "root causes" behind the results is the key to controlling value. Salient's visual data mining technique simply removes the time it takes to ask the next question.

So ask why five times, or as many times as it takes to get to the bottom of things. It's all free form, so there's no question that can't be asked. It's totally granular, so there's no answer that can't be obtained.

Salient's visual interrogation tools answer not just "who, what, when, and where", but **why**.

Identify Outliers

Drill into Results
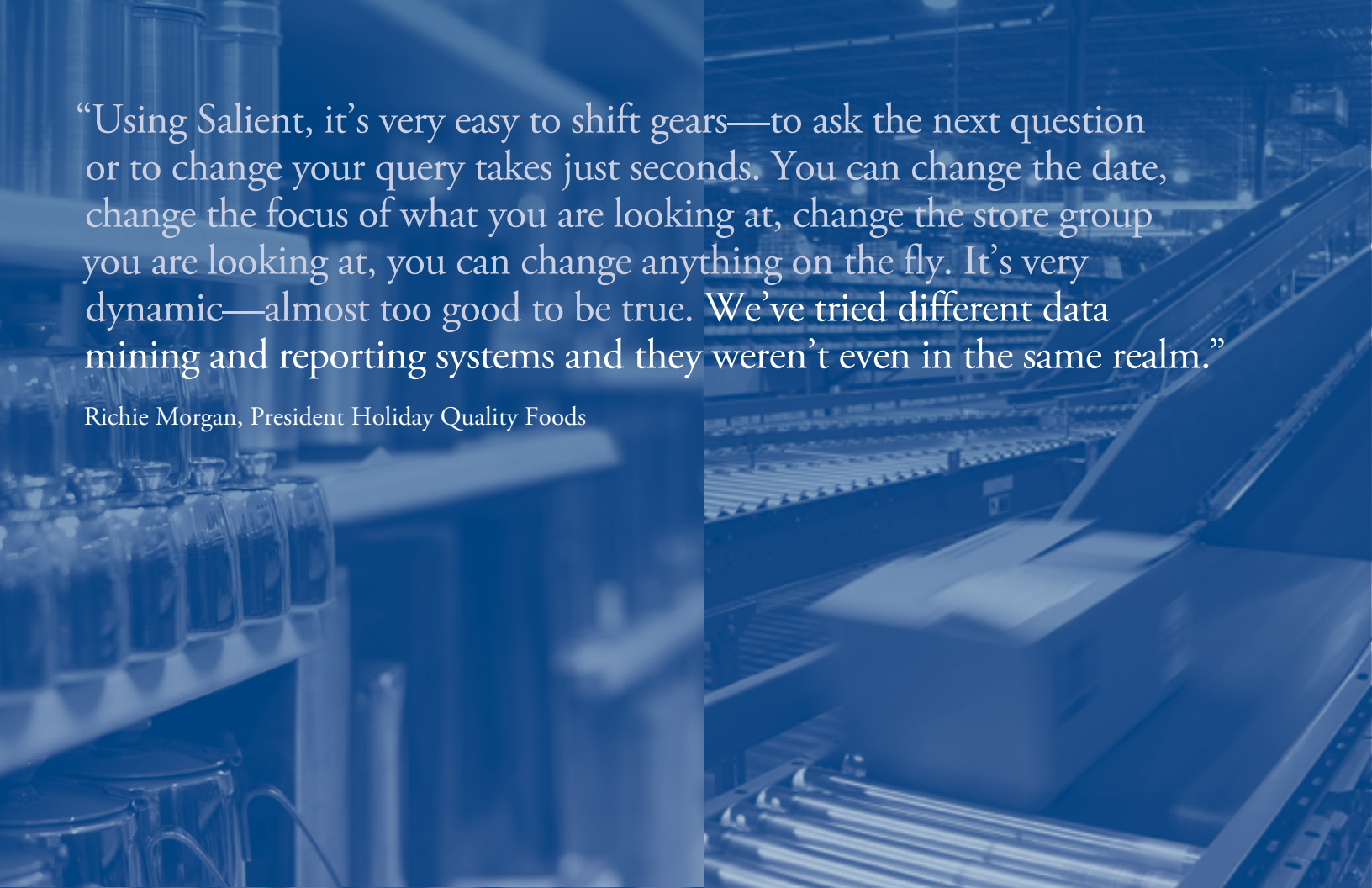

Identify Cause and Effect
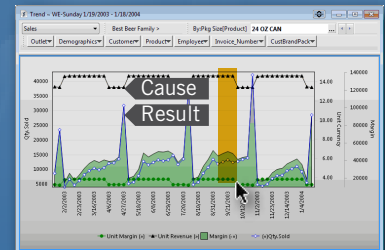
Ask—Act—Repeat!
Improvement in a minute, improvement every cycle.

- **Survey** the patterns hidden in huge data.
- **Expose** the "short list" of performance outliers.
- **Drill** into one member of the list.
- **Connect** past results to the decisions that caused them.
- **Adjust** business levers (price, mix, duration, frequency, stock levels, etc).
- **Execute**.
- **Repeat**.

Enable Continuous Improvement

Survey

Expose

Refine, Adjust, Execute

Investigate to *Root Cause*
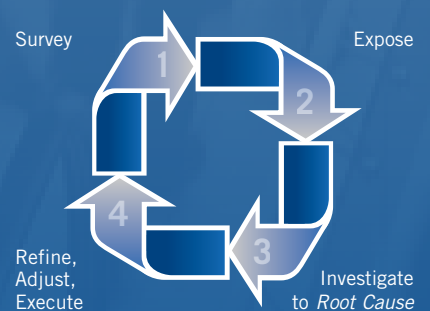
"Using Salient, it's very easy to shift gears—to ask the next question or to change your query takes just seconds. You can change the date, change the focus of what you are looking at, change the store group you are looking at, you can change anything on the fly. It's very dynamic—almost too good to be true. We've tried different data mining and reporting systems and they weren't even in the same realm."

Richie Morgan, President Holiday Quality Foods

Increase the Value of Each Customer Every Day

Revenue management is the sum of all your customer focused business processes. Salient software captures the details of all revenue and cost streams, nets the difference and adds in changes in volume growth. The result is "actual net value per customer", with all causal details. Here are some of the things your managers can do:

Rationalize Promotions
See how discounting, product mix, merchandising and other customer spending affect profit and growth. Optimize SKU mix and trading terms for maximum sell-down, minimum over-stocking.

Optimize SKUs & Product Mix
Measure market penetration, trial, and retrial of products. Easily see which products can or can't support carrying, distribution and marketing costs. See the effect new products have on existing product lines, and how successful salespeople are at getting products into the marketplace. Measure sell-thru and potential sell-thru of active customers to find opportunities for new placements.

Eliminate Sales & Distribution Gaps
Generate actionable lists of products or customers with ad-hoc user-defined exception tests. Measure new account growth and retention. Filter on any segment, visually compare the test results, list areas of interest and drill into the results to identify the entire behavior over time.

Optimize Price Points
Test merchandising and pricing strategies with minimal risk. Immediate feedback allows in-time corrections.

Integrate Supplier Rebates/Agreement Dollars
Match rebate and recovery information to actual sales performance (growth and revenue) at SKU / location / event level.

Pay for Performance
See the whole performance equation: volume growth, cost containment and marginal contribution down to the individual contributor. Reward individuals and teams by the actual value they produce.

Customized to meet your requirements

SKU Rationalization

Mix Management

Sales & Distribution Gap Analysis

Price Optimization

Leverage Point of Sale Facts

Deal Rationalization

Retail Scan Data / Syndicated Data

Market Segmentation

Retail Negotiation Support

Demand Management

Actual vs. Goal Tracking

Ordered vs. Delivered

Wal-Mart Retail Link® Integration

Customer Value Tracking

Forecast Accuracy

Trade Spend Optimization

Off-Invoice Dollars/Rebates

ABC Account Classification
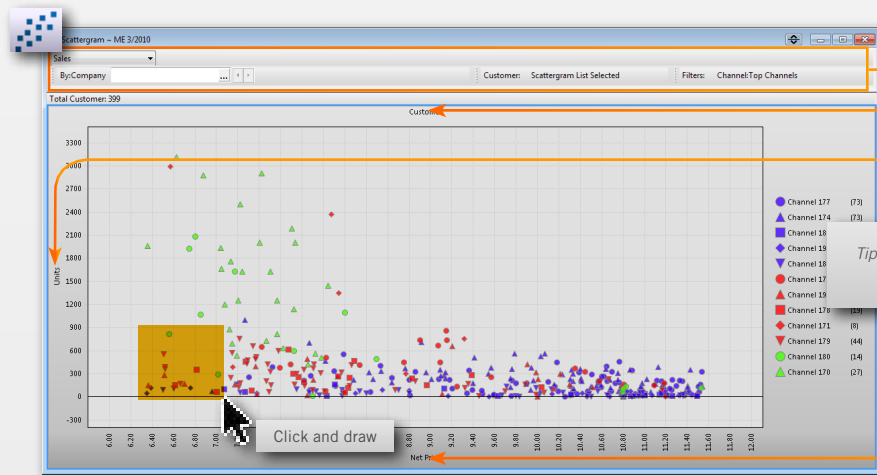
Identify Over & Under-Performers in any Category

In this example:
Visualize customer performance by any two measures (here, price and volume) in any business segment.

- Easily list out any areas of concern (or stores, vendors, promotions…).

Tip: Click to change the metric

Click and draw

- This is a list of customers who are doing poorly on both volume and price axes (within the selected area).

	CustName	Units	Mix (Units)	Net Invoice Price	Unit Discounts	Unit Margin	Margin
11598	Customer 11598	10,593	13.7	$6.26	-$4.54	$2.68	$28,355
09337	Customer 09337	2,871	3.7	$6.50	-$4.30	$2.91	$8,360
09493	Customer 09493	2,467	3.2	$5.57	-$4.63	$1.99	$4,901
70454	Customer 70454	1,802	2.3	$9.50	-$1.30	$5.51	$9,931
70466	Customer 70466	1,736	2.2	$7.81	-$2.99	$3.65	$6,345
02999	Customer 02999	1,465	1.9	$6.56	-$4.24	$2.97	$4,351
70481	Customer 70481	1,347	1.7	$8.25	-$2.55	$4.05	$5,451

- Drill further into any one to isolate over or under performers. Here a price increase caused a temporary drop in volume and margin. The manager's quick reaction—a price reduction to levels slightly higher than before the large increase—restores the overall positive trend for this customer.
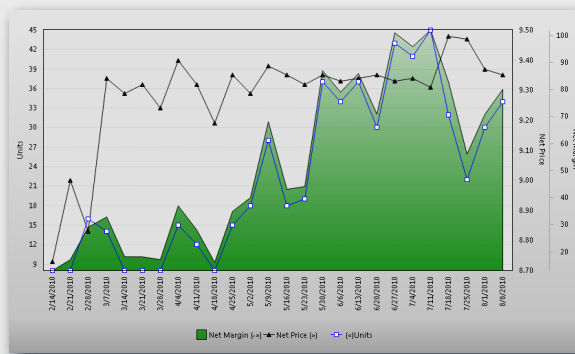
Using Scattergram Interactive Visualizations

List outliers based on any two metrics in any segment of the business with any filters applied. Narrow down to SKU-level, Customer-level details in seconds.

Other Example Uses:
- Volume sold vs. discount amount by product
- Margin vs. revenue by customer

Optimize Pricing

In this example:
We are utilizing the range analysis interactive visualization to adjust price based on demand for each product type.

• For any customer or product segment, a manager can visualize the demand (volume sold) within each price range for any product category.

Tip: Your sales data automatically feeds this chart in the background with no periodic report-writing or manual data manipulation.
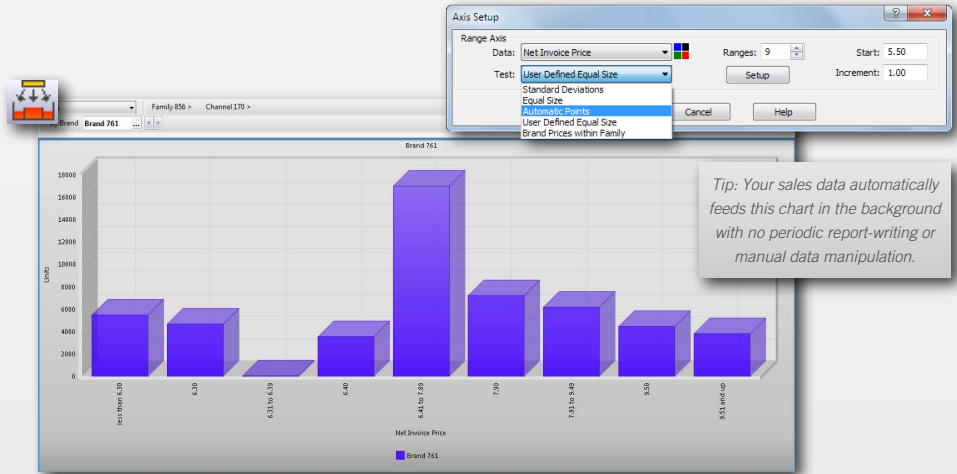
• Easily switch to a "compare by group"; identifying how each SKU or each member of the sub-group compares to others in the category.

Tip: Do you have 100s of SKUs? Drill down into a target group of related products first, like products a consumer chooses between.
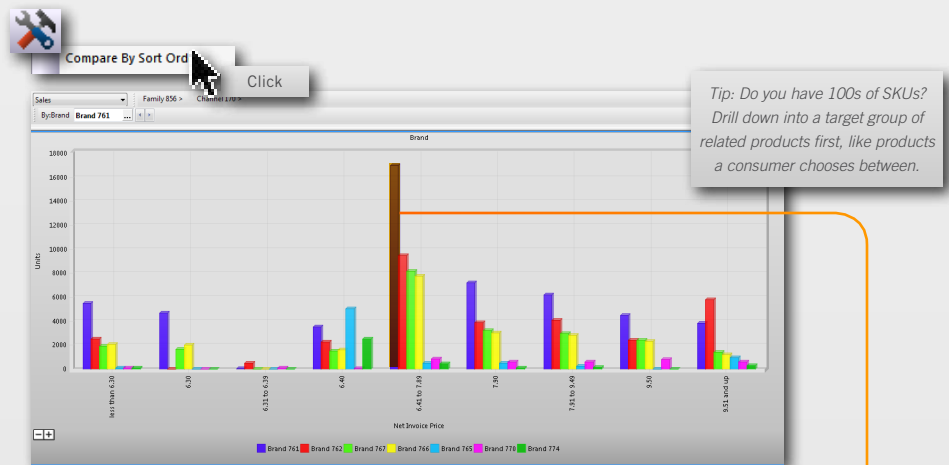
• One can then list the underlying details for each individual price range to better match price with demand to optimize margins.

Using Range Interactive Visualizations
Group results in ranges by any two measures.

Other Example Uses:
• ABC Account Classification by any 2 metrics
• Premium vs. economy segmentation
• # of facing vs. a range of volume sold

Interrogate the facts behind the picture: Category Cannibalization

In this example:
Identify the impact of a new brand on the existing brands in the same category (change over time).

- It is easy to see that the new product quickly becomes the category leader—without significantly cannibalizing other SKUs.

- "Rubber-banding" the weeks before and after the new product introduction to compare bottom-line details. Here, total weekly volume nearly doubled.

- Quickly list individual products that sold or customers who purchased.

- Drill down on any single SKU. View details by store, vendor, or any other segment of your business.

- Now you can tailor the mix based on the unique preferences of each market segment.

Go beyond Revenue Management by integrating shelf space facts, inventory and other information.

Using Share & Mix Interactive Visualizations
Tracks performance share trends.

Other Example Uses:
- Identify how competitor products or locations impact sales
- Track how margin mix changes with new pricing or portfolio items

Interrogate Trends to Identify Root Causes

Interactive Trend visualizations serve as a "stock ticker" for any part of your business. The difference is one can drill-down and list underlying details for decision support.

Here is just one example:
Track the effects of discounting activity to identify whether or not objectives were achieved.

• Each dip in the black line shows a price discount. You can evaluate the amount of the discount (depth), time between events (frequency), and length of the promotions (duration).

Tip: Track trends from any perspective of your business—by package, brand, store, category, supervisor, etc.—for any set of metrics.

Tip: Click the axes to change which metrics are plotted.

Click and drag
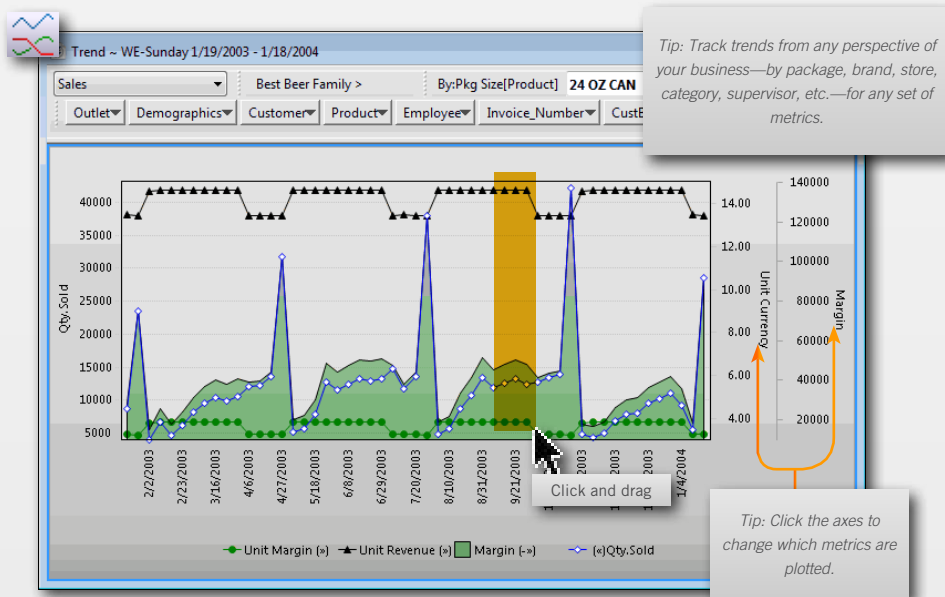
• Expose the bottom-line results: "Rubber band" the weeks before, during, and after the promotion for a comparison of weekly volume and margin.

BEFORE

9/7/2003 - 9/28/2003	Totals	Average
Unit Revenue		$14.65
Unit Margin		$3.84
Margin	$191,982	$47,996

DURING

10/5/2003 - 10/26/2003	Totals	Average
Unit Revenue		$13.46
Unit Margin		$3.23
Margin	$265,157	$66,289

AFTER

11/2/2003 - 11/23/2003	Totals	Average
Unit Revenue		$14.64
Unit Margin		$3.83
Margin	$80,229	$20,057

• Use customer and product level details to modify your trading terms based on objectives to grow (emphasize) volume or margin.

Customer ~ WE-Sunday 11/1/2009 - 3/14/2010
Total Customer: 1,303

	CustName	Units	Mix (Units)	Net Invoice Price	Unit Discounts	Unit Margin	Margin
11598	Customer 11598	10,593	13.7	$6.26	-$4.54	$2.68	$28,355
09337	Customer 09337	2,871	3.7	$6.50	-$4.30	$2.91	$8,360
09493	C						
70454	C						
70466	C						
02999	C						
70481	C						
70463	C						
09203	C						
70469	C						
11902	C						
70471	C						
09054	C						
Totals							

Product ~ WE-Sunday 11/1/2009 - 3/14/2010
Total Product: 28

	Brand	ProductName	Units	Mix (Units)	Unit Discounts	Unit Margin	Margin
0101	Brand 760	Product 0101	170,011	33.4	-$4.29	$2.40	$408,359
5701	Brand 760	Product 5701	84,060	16.5	-$3.50	$3.22	$270,502
0701	Brand 760	Product 0701	77,501	15.2	-$2.56	$4.49	$347,903
2001	Brand 760	Product 2001	43,524	8.5	-$.66	$9.32	$405,621
5901	Brand 760	Product 5901	35,701	7.0	-$6.12	$3.05	$109,023
8301	Brand 760	Product 8301	19,418	3.8	-$3.03	$3.52	$68,411
0801	Brand 760	Product 0801	15,406	3.0	-$1.05	$7.87	$121,239
5801	Brand 760	Product 5801	12,240	2.4	-$3.71	$3.11	$38,080
3601	Brand 760	Product 3601	11,201	2.2	-$.59	$8.30	$92,963
5501	Brand 760	Product 5501	8,628	1.7	-$1.16	$3.88	$33,443
4901	Brand 760	Product 4901	8,423	1.7	-$5.78	$3.48	$29,354
2101	Brand 760	Product 2101	5,851	1.1	-$.22	$9.82	$57,435
4101	Brand 760	Product 4101	4,314	.8	-$.08	$13.38	$57,722
4201	Brand 760	Product 4201	2,396	.5	-$3.52	$13.88	$33,254
Totals			509,472	100.0	-$3.31	$4.17	$2,124,924

Using Trend Interactive Visualizations

Identifies the cause & effect relationships between different metrics over time with bottom-line numbers and averages for any periods chosen.
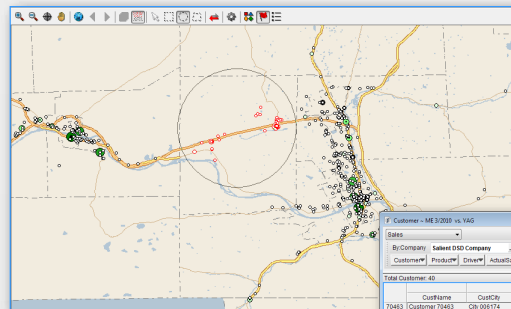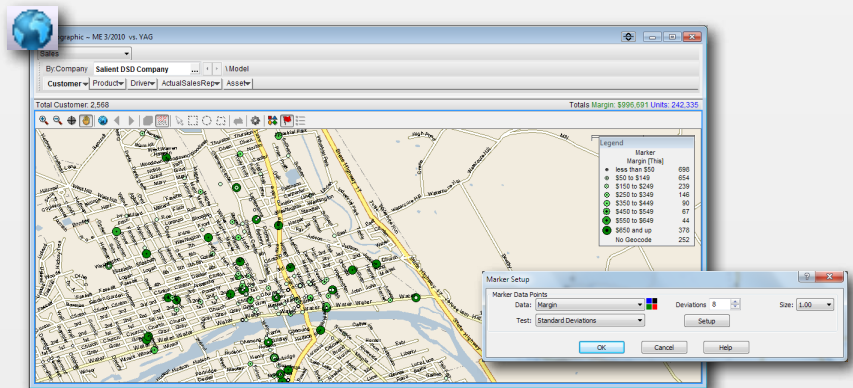
Other Example Uses:
• Lift & elasticity tracking
• Volume sold vs. days of supply
• Wholesale vs. retail scan sales

Integrate Performance and Geospatial Information

Answer location-based questions with point-and-click speed.

Here is just one example:

- Which products and customers are driving margin or revenue?

- Where is a new product selling well and where does it need additional support?

- An interactive geo-spatial view shows margin by geographic area and sales volume for any store, customer, or product group.

- Easily select any over or under-performing areas to list the group for micro economic details.

- Know exactly which locations need attention and identify who to speak to about the issues.

Using Interactive Geo-spatial Visualizations

Select, list and drill into groups mapped by any performance metrics with interactive Geo-spatial visualizations. Layer in additional intelligence by importing from ESRI® and other map programs.

Other Example Uses:
- Match product assortments to area demand information.
- Spot profit and loss performance trends across regions, states, countries, etc.
- Set performance criteria, then instantly map locations that pass or fail

Troubleshoot and Diagnose Each Business Segment

In this example:
Each manager can diagnose and self-correct within their area of responsibility. The **business** user is in control of the metrics chosen, filters, dates, and details.

• A high-level comparison shows changes in margin and revenue for each department since the last chosen period. The top department (Grocery) had a significant decline in margins as indicated by the green bar.
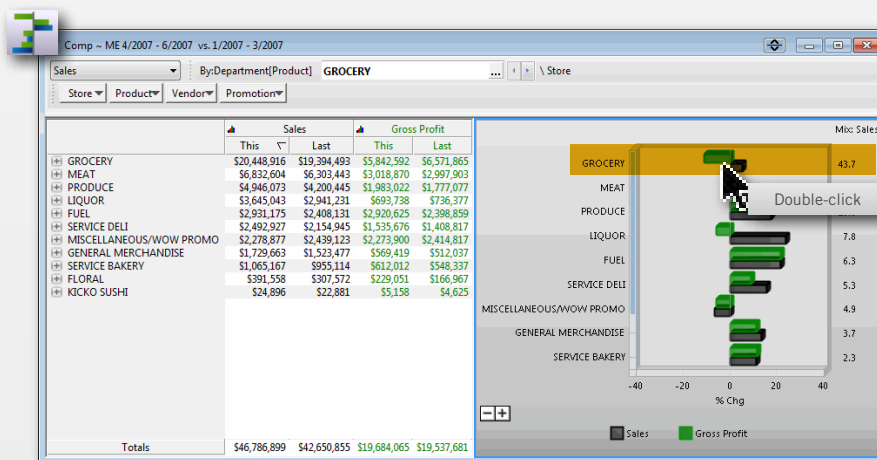
• The next view is drilled down on the Grocery department. Easily add variance and sort to identify the problem outlets.
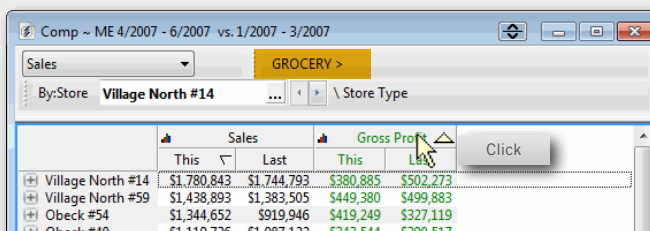
• One store had a margin decline of over $120,000 in groceries.

• List the underlying products, suppliers and promotions to get to the ultimate cause.
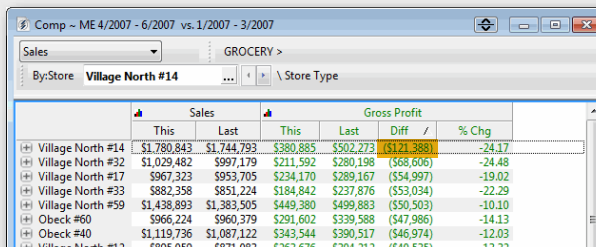
• Save and share this view for discussion with the responsible manager. E-mail the results or save a global bookmark that can be viewed by others. System security is configured to protect and share information as necessary.
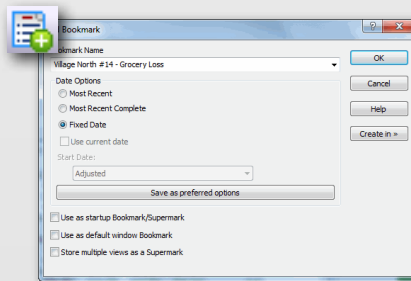
Using Comparative Grid Interactive Visualizations

The Comparative Grid interactive visualization enables a manager to step through business performance in any path desired, segment by segment in any order. It allows for extremely flexible data-mining from summary views to specific details.

Other Example Uses:
• Identify significant changes in profit & growth at a high level then isolate specific problems and opportunities.
• Track product penetration by brand by customer channel by demographic.

Visualize Financial Performance From Customer Level Up to the Whole Enterprise

In this example:

See the impact of on-and-off-invoice costs and revenue adjustments on profitability.

- A drillable waterfall chart shows revenue; marketing expenses such as advertising costs, commissions; coupons; other costs; and net profitability for any part of the business. Each bar represents the effect of an individual metric on profits. The corresponding numbers are in the format of a Profit & Loss statement.
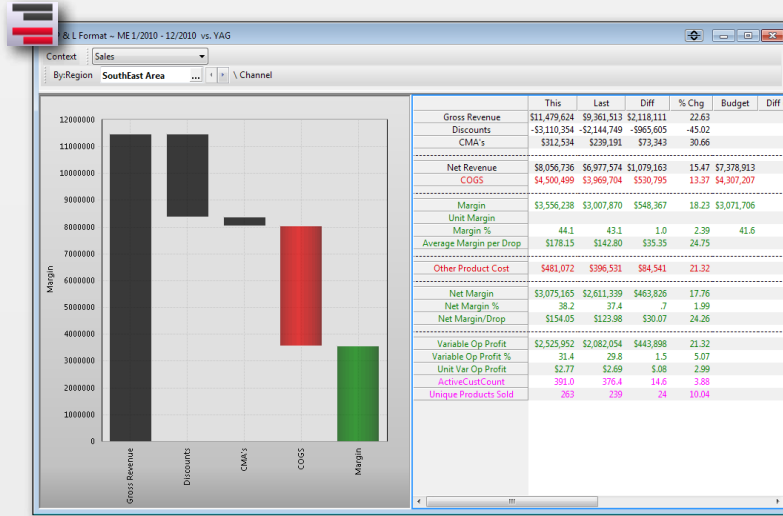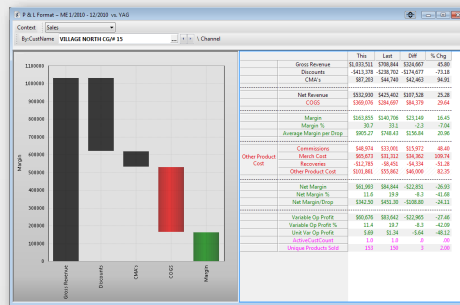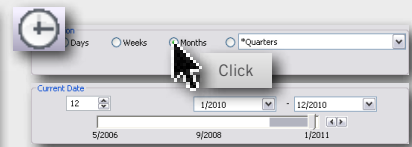

- Focus on a single product, customer, or other business segment.

- Identify how different cost and revenue variables impacted results.

- Expand the date range to see multiple weeks, months or years. Shrink time frames down to a day, just click.

- Compare results for this product to both previous periods and budget goals. Custom highlighting makes it easy to spot variances. Here green highlighting shows where budgeted goals were exceeded by 10% or more.

- The view integrates all revenues and costs for a true measure of profitability at the SKU or other level.

Using Profit & Loss Interactive Visualizations

Make the connection between Financial Summaries and the underlying parts of the business that are rolled up. The Profit & Loss (P&L) interactive visualizations help a manager drill down into cost components and business segments to isolate areas that need attention.

Other Example Uses:

- P&L visualizations on each customer can be used by account managers to determine how off-invoice merchandising activities effect profits per customer.
- Category, vendor and product group P&L visualizations can help track the true margin on products.

Visualize Penetration, Trial and Re-trial by SKU

In this example:
We identify sales and distribution gaps of a new product by channel, by brand and by sales rep to the customer/SKU level.

- Channel by channel, we have pass/fail lists of customers by week or month (date selected) based on any user-defined exception criteria.

  Initial introduction and rate of retrial visually identifies how successful this rollout has been and tracks which accounts still haven't purchased.

- Next, you can see which customers haven't tried the new brand yet and identify the responsible salespeople for those accounts.

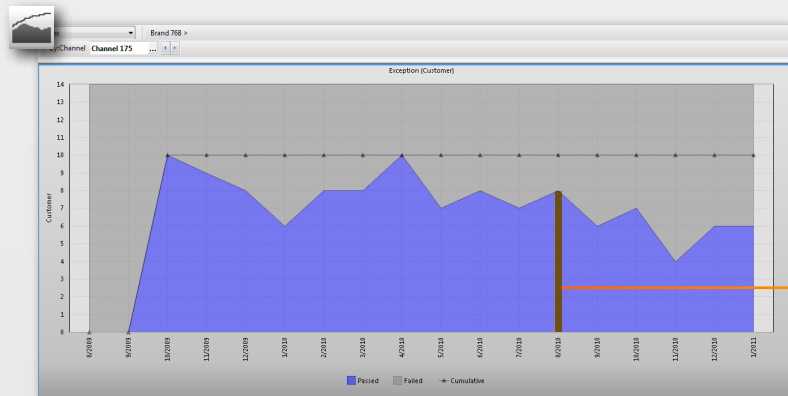 The blue area identifies which customers pass the exception test. The grey area shows and can list the customers who have not bought the new brand yet.

- Now we can distribute this list to the responsible salespeople and set goals to sell the new brand to their customers.

- Save this view to monitor the progress of each sales person.

For another example and a more detailed description of this interactive visualization see page 15.

Bring Unstructured Information Into the Picture

In this example:
Collaboration is made easy. You can add titles, descriptions, attachments and receive comments on saved views.

• Notice how "Resources" like shared documents and pictures as well as comments from colleagues are visible from the Bookmark Information panel.
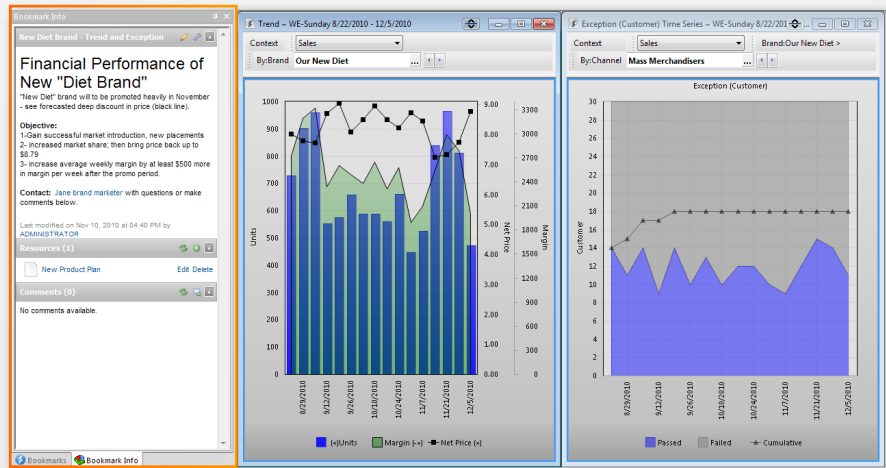
• If colleagues/other users have added descriptions, definitions or meta-data about any items, then that information is available in the "Member Info" panel.

• Now your organization will have a complete resource to leverage structured intelligence with valuable soft-knowledge.
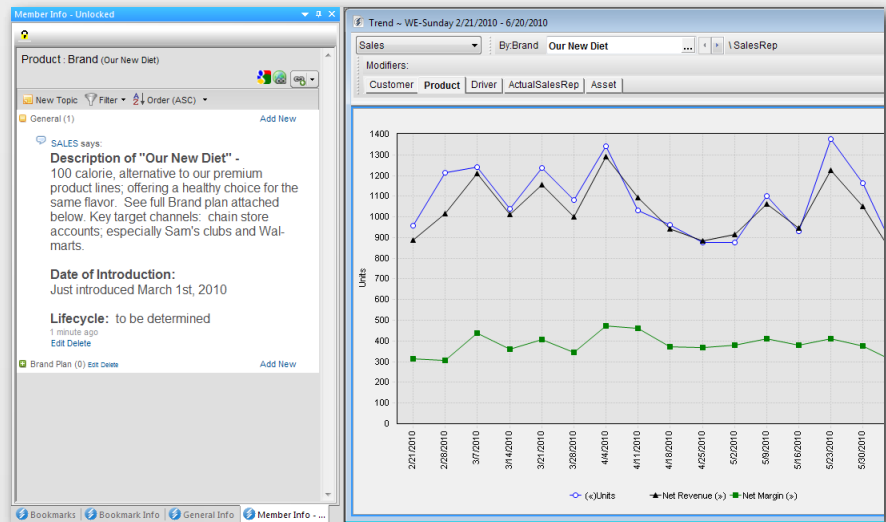
Knowledge Manager

Add titles, explanations, documents and other information to explain saved bookmarks. Make comments and receive feedback from authorized colleagues.

Other Example Uses:

• Comments
• Explanations
• Attachments
• Pictures & videos

Track Returns/Shrink by Reason Code

In this example:
Set customized test criteria to find products with high shrink rates. This test finds products with shrink costs that are over 1% of sales.

- A graphical view shows the test results by department. The red bar represents the percent of products with shrink over the threshold.

- The corresponding numbers view shows the number of products in each department and how many passed and failed the test.
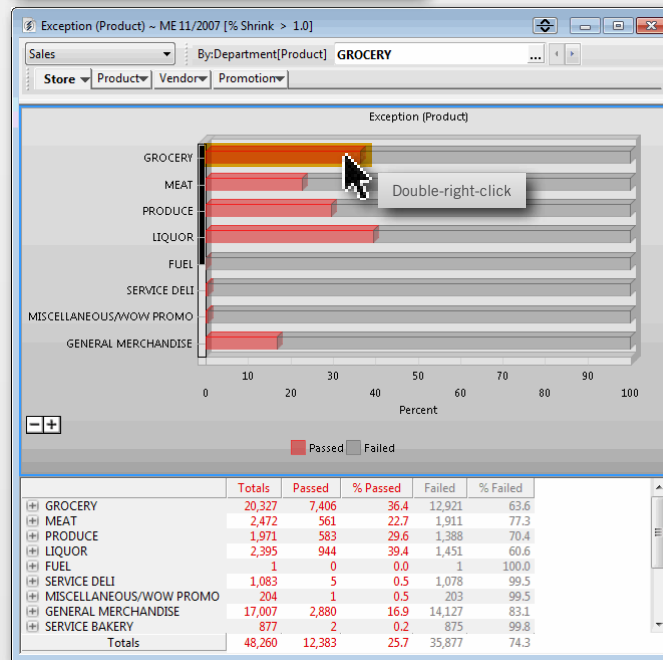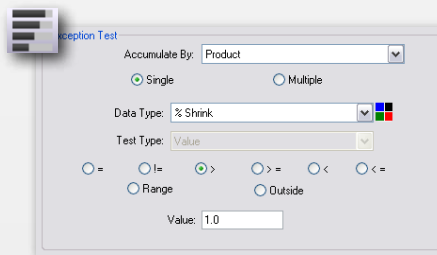
- For any department, list out the products with high shrink costs to investigate them further.

- Drill in on any product to learn more. What were the reasons behind the shrink?

Using the Exception Test Interactive Visualization

This is another use of the Exception Test Interactive Visualization to identify target groups of customers or products based on user-defined pass/fail tests. Make the test simple with metric for one time periods or more sophisticated–multiple metrics and/or rules for one period vs. another.

Other Example Uses:

- Who purchased, who didn't purchase: buy/no-buy tracking and listing.
- Identify out-of-stock situations, days or supply concerns.

Salient Technology Summary

Web Client
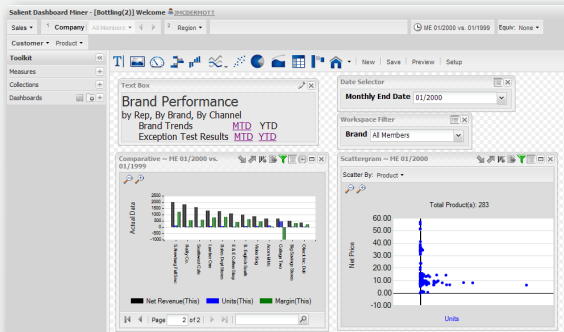
Salient Dashboards™

The only tool that enables independent creation and exploration beyond ordinary dashboard boundaries.

Desktop Client
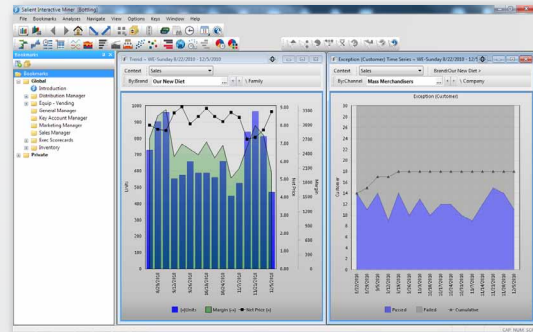
Salient Interactive Miner™

The only self-service, facts-on-demand visual data miner.

The Salient Platform

The only super-scalable in-memory intelligence processing & visualization technology

Salient UXT®
Universal Exchange Technology

Easy Integration

The only integration tool that directly merges information needs with multi-dimensional design

Salient ETL™
Integration Tool
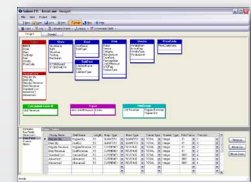
Works with Your Existing Infrastructure

Any Process—Sales, Finance, Distribution, Supply Chain

Any Data Source —Any BI Tool, SAP, Oracle, Any ERP, DW, or POS, MS Dynamics, Excel, Access...

General Visual Data Mining Capabilities
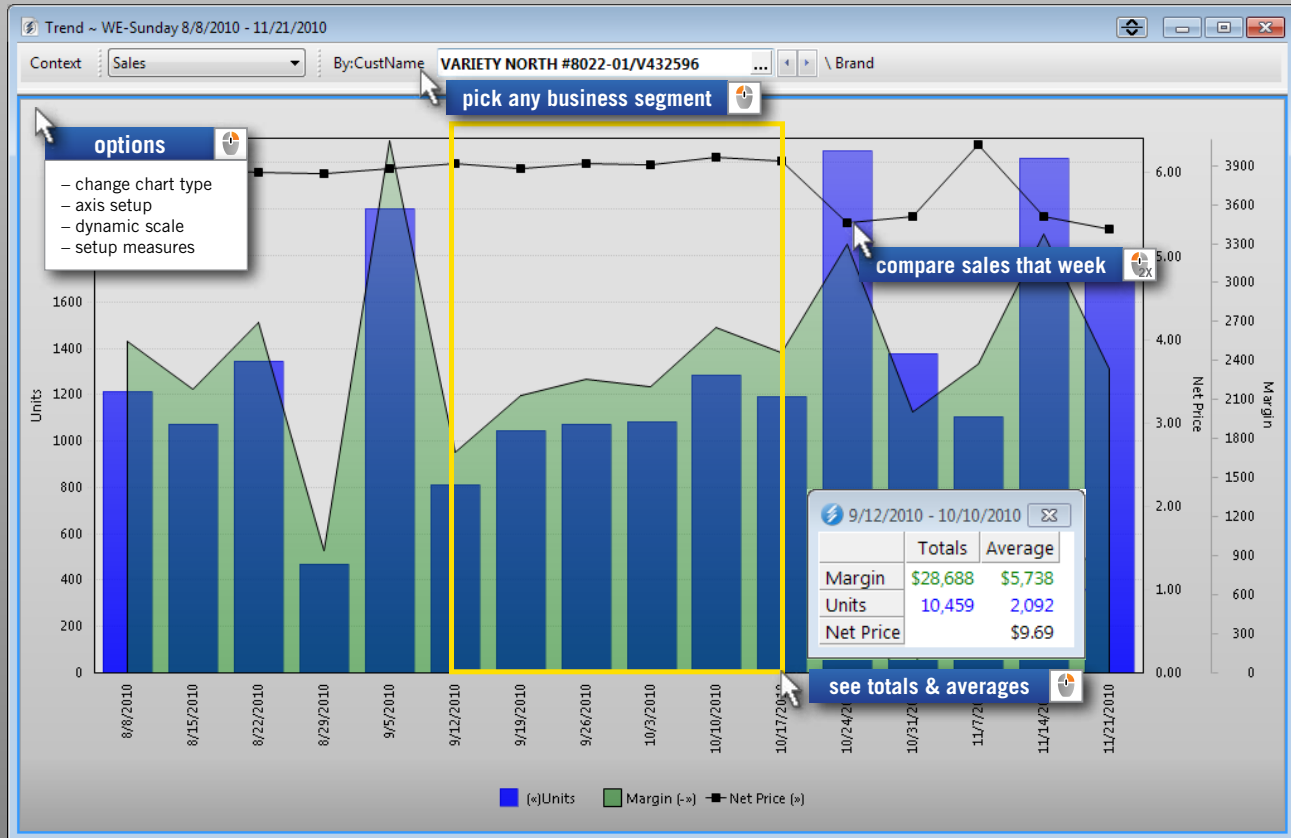
Collaboration

Add to your bookmarks: commentary, illustrations, pictures, etc.

– A brief description of the captured issue and explanation of what is displayed

– Any additional resources (promotional flyers, brochures, technical documents, etc) can be linked for instant access

– Comments help document when and why the Bookmark was created plus suggestions for improving or changing the issue presented.

How Salient Technology is Different

Salient makes it possible for everyday business managers to use intelligence without sacrificing time from their regular duties.

We make it faster and easier to dig into root cause, make the timely correction and improve results continuously.

Salient Performance Management	Typical Business Intelligence (BI) Tools
Business-Ready The solution is already built to be "business-logical" enabling rapid deployment, and greater ease-of-use	**Tool-Kit** The views, analytical capabilities, and more need to be built by an IT team before a solution is ready
Flexible Business-Driven Capability Business users know what question they want to ask, how to frame the question, and what they want to ask next	**Flexible Report Writing** Inflexible resulting views are pre-determined – assuming the business question is always the same
Built for the Information Consumer Instead of traditional "push" reporting, Salient enables situational "pull" access so that managers can shape their own intelligence	**Built for the Information Producer** Typically the solutions are built so that technical staff can create and maintain reports for management.
Associative, Flexible Drill-Path Built the way people think, performing new context selection on-the-fly rather than having to pre-set	**Reporting-Based** If you may want to see it, it needs to be thought of and created ahead of time or redesigned on an ongoing basis
Fully Interactive All the visualizations let you list items of interest, see more about them, focus in on them, or change how you framed them	**Partially Interactive** Has some interactive capability; but not out-of-the-box. They need to be set up by technical staff each time.
Immediate Access to Root Cause Detail All unsummarized details are easily available; it is the details that make facts actionable. Scalable without sacrificing detailed facts	**Departmentalized** Most reporting-based solutions summarize or departmentalize data to increase speed / response time
Minimal Consulting or Technical Services Consulting focuses on logically grouping your business information and then "Role-Based" training	**Required Set-up** Depending on the number of individuals being served, technical resources are needed to create all potential views
Complete Autonomy vs. Ongoing Set-up Requires no consulting or technical services to create or modify views once data is loaded in the application. It is business-user driven; simply "Bookmark" standard views	**Modification Assistance** Services are needed from an internal or external technical resource to create new or modify existing drillable report views on an as-needed basis

"The Salient application is very fast. You don't lose continuity.
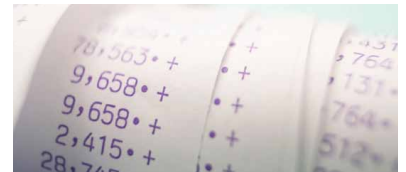You don't lose focus."

Rick Cottingham, Havell's SLI

"Salient gives us a good window on how we're doing in the supermarkets
and it allows us a great deal of flexibility in how we look at the data."

Carvel Ice Cream

"On a day-to-day basis, we can get a gross profit report by product packaging…
It used to take 8–9 days."

Curt Root, Controller, Gillette Group

"Answers are available on the spot—practically as fast as the questions
are asked…Seat-of-the-pants management is becoming a thing of the past.
Within seconds, gut feelings can be documented and substantiated"

Salient Client of 13+ Years

"It's revolutionary…It's a real client-server system with on-line,
real-time information that we get on a daily basis."
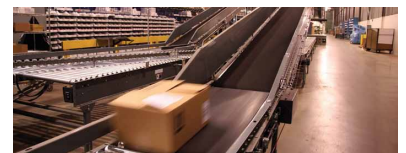
Silver Eagle Distributing Co.

"The system exceeded our expectations. The result is a 3% recovery in
the operating margin."

Neuri Amábile F. Pereira, Spaipa S.A. Industria, Brasileira de Bebidas

"Salient has helped us become much smarter manufacturers."

Randy Bates, Executive Vice President of Sales and Marketing for Golden Flake

"Better information, faster information and a more informed
 sales force—you can't put a dollar figure on that."

Salient Client

SALIENT® MANAGEMENT COMPANY

Now You Know