

# Best-of-Breed Strategy Supports Innovation



Innovation is the fuel that can take a new venture in an established market and create a more formidable presence in a short period of time. Pepsi Bottling Ventures, based in Raleigh, North Carolina has taken business intelligence, married it with creative management, and created a marketing and sales powerhouse.

Pepsi Bottling Ventures, a manufacturing and direct-to-store-distribution company, was formed by a merger of two successful entities: a part of PepsiCo-owned territory and a territory formerly serviced by PepCom, a subsidiary of the Japanese owned company Suntory. PBV provides beverage manufacturing, local marketing, sales and distribution for the merged Pepsi Cola territory that covers much of North Carolina and Long Island, NY. The company handles 50 million cases per year, has 1700 employees and represents brands such as Pepsi, Mountain Dew, Dr. Pepper, Sierra Mist, AquaFina, Gatorade, and SoBe.

As the new venture was being formed and the company was beginning to take shape, senior managers were ready to find ways to fine-tune and amplify the effectiveness of two very effective sales teams that had to learn to work together very quickly. The management team also wanted to position the company for future growth and possible acquisitions.

The management team was committed to innovation and they found a sales analytics solution that solved their immediate needs, molded to their future growth model, and created opportunities that helped drive their business toward even greater success. Pepsi Bottling Ventures selected Margin Minder<sup>®</sup> by Salient Management Company as their analytics solution for profit and sales management.



### Pepsi Bottling Ventures

- Formed by a merger between PBG and PepCom
- Provides beverage manufacturing, sales and distribution to North Carolina and Long Island, NY
- 1700 employees
- Handles 50 Million case per year

### Industry

Direct to Store Distribution Soft Drink

### Geography

- North Carolina
- Long Island, NY

## Challenges

- Amplify sales effectiveness in a merger environment
- Combine two separate sales teams into one cohesive team
- Re-define sales roles and commission structures in a competitive environment
- Develop a disciplined price-setting process

One of the first challenges that PBV had as a merged company was to create an environment where all sales information was available through one system. As separate companies, PBG and PepCom were using two very different systems to manage pricing and profitability for the sales force. One company was using a customized application; the other was using an ERP solution. One system, although customized for the bottling business, was expensive and wasn't positioned for future growth. The other system was out-dated and could not meet future requirements.

Another challenge that senior managers faced was trimming overhead costs and inefficiencies from their traditional DSD sales and delivery model without sacrificing customer satisfaction. PBV wanted to ensure that profits continued to grow and they wanted to find a cost-effective way to create price consistency in a fast-paced environment. The team needed a sales analytics solution that would support their vision of their new sales model.

## Solution

- Unify all sources of sales information into Salient's Margin Minder system
- Realign the sales and distribution functions
- Improve distribution by implementing dynamic routing
- Introduce a price-setting process known as "deal creation"

## Business Challenges

- Amplify sales effectiveness in a merger environment
- Combine two separate sales teams into one cohesive team
- Re-define sales roles and commission structures in a competitive environment

## Solution

Deployed Margin Minder® for sales and marketing teams.

## Results

- Delivered over \$1.25M straight to the bottom line by reducing sales and delivery costs
- Reduced the new product sales execution cycle from 6 weeks to about 2 weeks
- Company is positioned for more growth through mergers and acquisitions

PBV's management team trusted that the only solution to meet their business intelligence needs was Margin Minder® by Salient Management Company. By selecting a best-of-breed solution, the sales team was quickly equipped with a critical selling tool and the company was able to equalize the technology gap between the two sales teams. The granularity and finger-tip control of the information presented by Margin Minder allowed the sales team to understand market behavior and react accordingly to the needs of their individual accounts. The PBV team used the information from Margin Minder to separate the sales function from the delivery function. This created an incremental gain in profitability and a bigger gain in sales execution.

Because sales information is readily available through Margin Minder, the sales management team is now able to enforce pricing discipline. They can monitor information to ensure that deals are occurring as planned. Using pricing and volume history from Margin Minder they can plan future pricing strategies in a process known as Deal Creation. This process allows PBV to be disciplined in analyzing price and volume trends and maximize profitability

Another important benefit of the intelligence provided by Margin Minder is the ability to track new product penetration and sales execution. Before Margin Minder, it would take the sales management team up to 6 weeks to ensure that every customer was fully equipped with product and promotional materials to launch a new product. Using Margin Minder, the sales team can set targets and monitor sales execution quickly and easily. Now sales execution can be measured in about 2 weeks.

## Results

- Delivered over \$1.25M straight to the bottom line by reducing sales and delivery costs
- Reduced the new product sales execution cycle from 6 weeks to about 2 weeks
- Company is positioned for more growth through mergers and acquisitions

**“We have integrated the Margin Minder system into our business and have seen significant improvements in our operating margins and efficiency with the way we conduct our business.”**

Derek Hill,  
V.P. of Corporate Planning  
Pepsi Bottling Ventures

### About Salient ( [www.salient.com](http://www.salient.com) )

Salient Management company provides advanced visual data mining and enterprise analytics systems for a broad range of data intensive programs and organizations in CPG, Retail, manufacturing, Healthcare, Public Sector, and Education Industries. Founded in 1986, Salient today serves more than 115,000 users in 61 countries.

