

WHITE PAPER

# Supercharge revenue growth management with integrated business planning for consumer products

 **Anaplan**



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## Your framework for success

The variables influencing the consumer products sector are shifting faster than ever, making it increasingly difficult to plan trade promotions and pricing strategies. Commodities and raw materials often experience significant price fluctuations due to market demand and supply imbalances, geopolitical events, natural disasters, or changes in economic policies. These fluctuations make it difficult for you to forecast accurately, which in turn affects your ability to budget and plan for future expenses.

Like any sector, there are many other shifts that make strategic planning a challenge, including rising inflation, changing consumer preferences, seasonal trends, skills shortages, economic turbulence, sustainability targets,

demand for personalization, and the variety of purchasing platforms and channels. These variables introduce significant uncertainty and risk into business operations.

Integrated business planning (IBP)-based revenue growth management (RGM) provides the essential framework to help navigate this volatility. It helps you manage costs, protect profit margins, ensure supply chain resilience, and make strategic decisions that drive sustainable growth and competitiveness.

In this paper we'll explore the benefits of IBP-based RGM and how to choose a solution.

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**Integrated business planning (IBP)** connects your planning processes, data, and decision-making to enable you to meet changing consumer demand, remove supply chain risk, and gain market advantage.

**Revenue growth management (RGM)** is an analytical approach to increasing revenue and margins through optimized pricing, product strategy, trade promotions, and retail execution.

## Consumer products challenges: Time, value, and opportunity

From accurately assessing the impact of promotions and pricing strategies to managing shifting consumer loyalties and multi-channel dynamics, you must develop sophisticated planning approaches to remain competitive. Let's examine six critical challenges facing the consumer products sector before providing insights on how RGM can help overcome them.

### Six RGM challenges in the consumer products sector

**1. Visibility into the impact of promotions and pricing:**

Without accurate data and analytics, as well as full visibility across functions, it is difficult to see and measure the effectiveness of promotions and adjust pricing strategies to optimize sales and profit.

**2. Shifting consumer loyalty:** Brand loyalty is diminishing, and price sensitivity is increasing, forcing you to introduce more competitive pricing and attractive promotions. This pressure makes it harder to design timely promotions and set prices that resonate with target customers while protecting margins.

**3. Multi-channel management:** Each channel has unique dynamics and customer behaviors, requiring tailored promotion and pricing strategies that leverage the strengths of each channel and are effective across all platforms.

**4. Predicting price elasticity:** The ability to predict price elasticity of demand varies by SKU, retailer, and region. This insight is crucial for setting optimal prices and anticipating the impact of price changes on demand across different contexts, reflecting current market conditions and consumer responses.

**5. Cannibalization and cross-elasticities:** Decision-makers need to understand how a promotion on one product affects sales of other products in the portfolio, requiring sophisticated analysis to optimize overall performance.

**6. In and out volume optimization:** Products that linger on shelves may require deeper discounts to sell, impacting profitability. Efficient volume management helps mitigate this risk and maintain healthy profit margins. Good planning takes control of the product lifecycle through seasons and price fluctuations so that you can set profitable margins in markdown cycles.

These challenges can all be overcome by infusing RGM with the power of IBP.

## Why do consumer products organizations need to evolve their RGM?

Despite massive investment in RGM, many consumer products organizations struggle to capture the full value of their investment in trade promotions and the opportunity to maximize profits through strategic pricing adjustments. Planning is by necessity cross-functional, but the tools and processes used by most organizations work against that.

Traditional trade promotion planning and pricing tools, whether on-premise or cloud-based, struggle with the complexity and scalability required to manage trade promotions and dynamic pricing effectively. And they often are built on custom data feeds into a data warehouse then pushed out to individual planners using proprietary spreadsheets.

The goal of RGM is to enhance profitability by balancing pricing, price-pack architecture, promotion, product assortment, and distribution strategies, tailored to specific channels — online, store, market, and so on. Ideally these functions should be connected at every level, including data, UX, processes, decision-making, execution, and measurement.

In reality, these are typically treated as separate activities, managed in spreadsheets with inconsistent data. This requires extensive manual effort to update trade promotions and price-change events based on competitor data, necessitating frequent adjustments to pricing models and business rules.

In today's fast-paced environment, no consumer products organization has time to argue over and reconcile different spreadsheets with disparate data and siloed opinions.

Here's where adopting an IBP approach to RGM can shift your planning paradigm from battling spreadsheets to a single, synchronized process that makes real-time consensus decisions a practical reality. As the “connective tissue” between your data sources, scenario building, and stakeholders across finance, sales, marketing, and supply chain, IBP can shorten your planning cycles from months to days or hours, add transparency to build confidence in forecasts and decisions, and realign your planning process from one that reacts to change to one that embraces it from signal to sale.





## IBP-based RGM: Unlocking fast, consensus decisions

Successful RGM means integrating sales, marketing, finance, R&D, and supply chain data to align pricing, promotion, product assortment, and distribution strategies to the needs of the market, instead of just to fulfilment capacity. What's more, companies must establish common financial and service level KPIs to measure their success.

The challenge lies in bringing data from these separate functions into one easily consumable form. IBP-based RGM moves these functions out of their siloes and into a single platform — a persistent set of capabilities that planners use consistently across business functions and updates itself in real time to maintain synchronous process and decision integrity.

This shortens the time between reading the market and transforming those signals into sales, which is the difference between reactive and true demand-driven merchandising. By connecting data, processes, and decisions, you can identify and close value leakage. Most significantly, you avoid the misfires that cause reactive markdowns, excess inventory, and wasted money on failed product introductions and promotions.

RGM enables you to synchronize your product mix and pricing strategies swiftly with fast decisions based on consensus across from the organization that have a positive impact on your business.



## Connectedness: The solution for value leakage

Moment by moment, variables in the consumer products sector offer windows of opportunity but without the right planning tools, they can lead to sub-optimal decisions, or negative knock-on consequences elsewhere. The more your organization relies on spreadsheets and legacy tools to plan, the more your planning is riddled with seams or blind spots that can leak value everywhere without your ability to see and address it.

### Imagine an everyday scenario for the consumer products

**sector:** The price of one of your core raw materials skyrockets while a competitor stocks out. How do you decide which group of products to promote, make, or sell in open shelf space to maximize the moment? Your decision in that moment will have a ripple effect throughout the business and can lead to value leakage — the loss of potential revenue or profit due to inefficiencies, suboptimal pricing, poor promotional effectiveness, or supply chain disruptions.

### In this scenario:

**RGM** identifies high-margin products that don't rely on the currently high-priced raw material in question, determines which products to promote, and implements dynamic pricing and targeted promotions to capture the competitor's market share — all driven by confident reading of changing demand signals instead of just ability to replenish.

**IBP** ensures accurate demand forecasting, inventory management, and cross-functional coordination, allowing for real-time adjustments and agile decision-making.

This integrated approach maximizes revenue opportunities and mitigates cost impacts, demonstrating your ability to respond effectively — and quickly — to market signals and maintain competitive advantage.

It changes the IBP paradigm from bolted-together applications to a seamless, single-platform process that operates as persistent capabilities that planners can use without heavy reliance on legacy technologies that are prone to breaking.

## How IBP fuels effective RGM

While RGM focuses on maximizing revenue through pricing and promotion strategies, IBP provides the structured framework and capabilities needed to integrate these strategies into broader business planning. By leveraging IBP, organizations can achieve collaboration across functions, enhance decision-making processes, and drive sustainable growth and profitability through RGM initiatives.

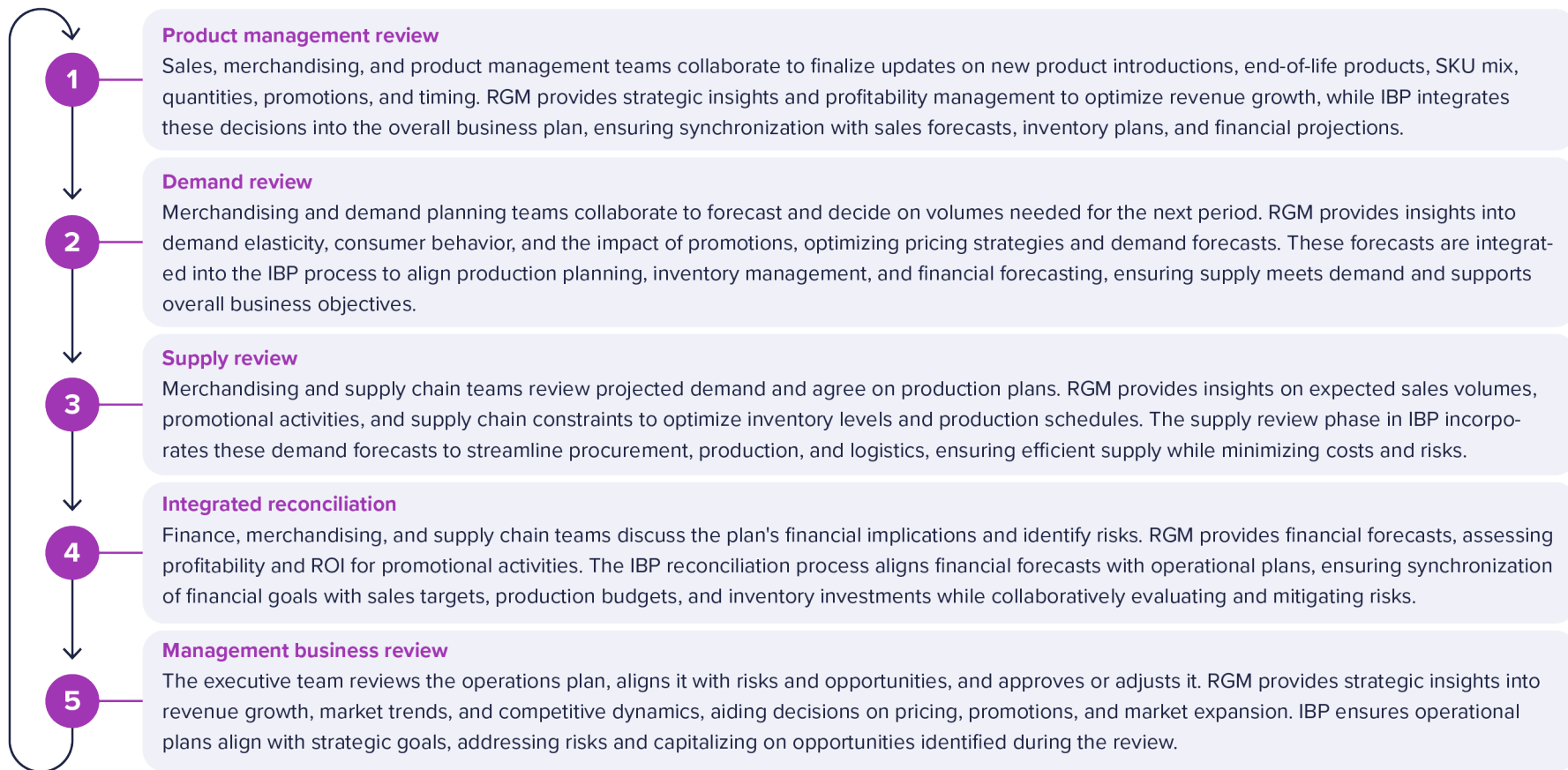
### Four ways IBP powers-up RGM

- 1. Data integration and consistency:** For RGM to boost revenue growth, it needs accurate and consistent data across sales forecasts, promotions, financial planning, and supply chain logistics. IBP makes sure this data is synced up and easily accessible for making decisions.
- 2. Cross-functional collaboration:** RGM involves strategic pricing, promotion planning, and revenue optimization, which requires teamwork across departments. IBP fosters collaboration by providing a platform where teams can align plans, share insights, and coordinate efforts toward common goals.
- 3. Scenario planning and forecasting:** RGM involves assessing different scenarios, like various promotional strategies or market conditions, to predict outcomes and make informed choices. IBP supports these analyses with tools for predictive modeling and scenario simulation.
- 4. Resource allocation and optimization:** Effective RGM means wisely allocating resources, such as budgeting for promotions, managing inventory, and planning production. IBP helps prioritize RGM investments based on their impact on revenue growth and profitability, ensuring resources go to initiatives with the highest ROI.



## Transforming the planning cycle

RGM and IBP converge throughout the planning and review cycle to ensure alignment across product management, demand forecasting, supply chain operations, financial planning, and executive decision-making. Every step of the planning cycle — from product management and demand review to supply review and financial reconciliation — is aligned with strategic goals in real time. Let's see how this works across the planning cycle.



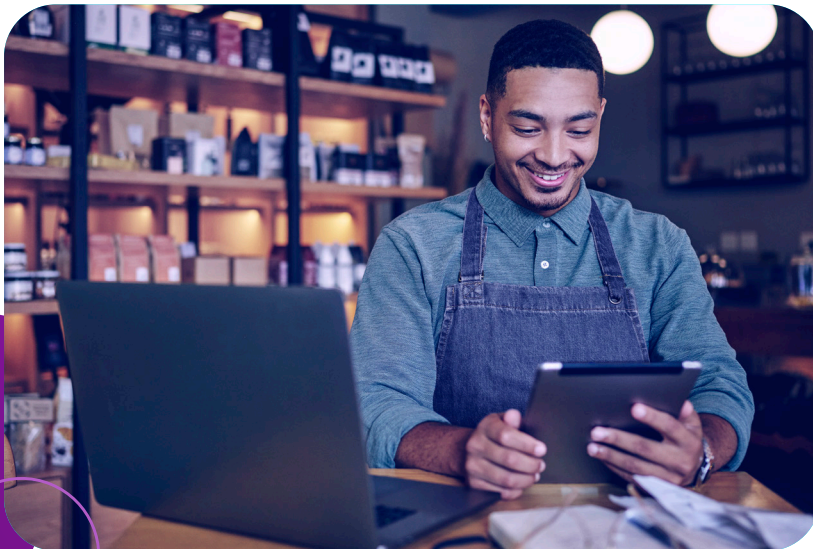
Now that you see how IBP supports RGM across the planning cycle, let's look at how to choose the right solution.

## What must your RGM solution include?

When choosing your RGM solution, there are three key things you need it to do.

### 1. Consolidated data and real-time adjustments across

functions When you bring all your data together, curating and managing it centrally, you get a complete picture of operations. This helps with forecasting, keeping inventory in check, and setting the right prices. Streamlined workflows make sure promotions line up with your overall strategy and are consistent in how they are executed and evaluated. With everything integrated, you can adjust promotions and pricing on the fly using the latest market info and how well things are going.



### 2. Statistical modeling and analysis

With a single, consolidated platform of advanced analytics techniques, you can identify patterns, correlations, and trends across all stakeholder functions within data to inform strategic decision-making. Statistical modeling allows you to forecast demand more accurately, optimize pricing strategies, and identify opportunities for cost savings and revenue growth.

### 3. Scenario planning

Scenario planning helps anticipate and manage variables affecting outcomes by creating hypothetical scenarios based on market conditions, consumer trends, and external factors. This allows you to model potential impacts on business performance, develop contingency plans, assess risk exposure, and make proactive decisions to mitigate disruptions. These capabilities are crucial, especially when historical data is unreliable due to market shifts or unforeseen events, empowering you to navigate fluctuations and lifecycles effectively.

Next, we'll look in more detail at what functions you need your RGM solution to provide.



## Choosing the right solution: A checklist

Every business operates differently, with unique processes, goals, and challenges. Markets are constantly evolving. Choosing the right solution now means futureproofing your business for tomorrow. With the right solution, you can:

- Use **machine learning** to quickly spot trends and analyze the effectiveness of promotions to identify areas of under- or over-performance.
- Enhance **predictive capabilities**, allowing for more dynamic and responsive planning processes that align with both revenue growth and business objectives.
- **Pinpoint underlying root causes** of promotion performance to help refine strategies and tactics, ensuring that plans are data-driven and targeted at addressing specific challenges.
- Enable **collaborations** and predictive planning between individuals and teams to ensure stakeholders are aligned and can contribute insights, leading to more cohesive and effective plans.
- **Manage accruals** as well as claims. Efficient management of financial aspects related to promotions ensures accurate accounting and financial planning, supporting overall business planning efforts.
- Use **market analysis** and real-time data to make informed, agile, and real-time pricing decisions, accurately set prices to maximize margin and increase profits.
- Leverage **standardized management reports** to measure and share results across brands, outlets, or even regions to ensure transparency and accountability, enabling stakeholders to track progress and make informed decisions.
- **Optimize and manage retailer specific promotional programs** to address market and shopper opportunities at a granular level, ensuring that promotional efforts are relevant and effective in different retail environments, contributing to overall business goals.
- Ensure **optimal allocation of spend**, based on promotional performance to maximize the return on investment and supports sustainable growth.

Flexible solutions are crucial because they ensure you adapt to the specific and evolving needs of your business.

## Anaplan: The flexible solution

The ideal solution will bend and adapt around your business — not the other way round. Anaplan facilitates a different approach to solving challenges by acting as connective tissue between systems, allowing for seamless integration, customization, and continuous improvement.

With Anaplan, you'll benefit from:



**Enhanced collaboration:** With Anaplan, teams from different departments can easily work together toward shared goals. The platform improves communication and coordination, making sure everyone's in sync.



**Optimized resource allocation and proactive budgeting:** Anaplan's tools are flexible, so you can allocate resources based on what's most important right now, ensuring you get the best return on your investments.



**Continuous improvement and uninterrupted innovation:** Anaplan supports making small, gradual changes based on feedback and performance numbers. This means businesses can test out new ideas and strategies without causing major disruptions.



**Business ownership and control:** Anaplan puts business owners in charge of planning and modeling processes, so they can make quick adjustments and smart decisions without needing outside help. This boosts how quickly the organization can respond.



**Scenario planning and data management:** Anaplan's scenario planning is adaptable, helping businesses get ready for different market situations and make smarter choices. It ensures decision-makers have the right data they need to plan and forecast accurately.

## ANAPLAN IN ACTION



### Coca-Cola: Constant iteration at the speed of business

By utilizing Anaplan, Coca-Cola has attained 70% accuracy in forecasting against an industry standard of 50%.

“ The platform allows us to build in a much more agile fashion. We iterate constantly. That’s a huge, refreshing change for me. We can react at the speed of business. We don’t have to go and spin up a new IT project and onboard new resources. We can just go ahead and make those changes ourselves, and we can do it as fast as we are capable of. Which, turns out, is pretty fast.”

– Director, RGM System Enablement,  
The Coca-Cola Company

## ANAPLAN IN ACTION



### AB InBev: Better processes, better beer

The largest brewer in the world has not only reduced the amount of time it takes to produce its products, but it’s also made them taste better, too, thanks to the increased accuracy of their processes.

“ We not only have a financial plan with a number, but we know which actions we need to take to make sure that plan, and that number, materialize.”

– Global VP, Finance Planning & Analysis, AB InBev

## Take RGM to the next level

In today's fast-paced consumer products landscape, navigating trade promotions and pricing strategies requires a robust, integrated approach to RGM. This paper shows how using IBP can significantly boost RGM efforts, turning challenges into opportunities for sustainable growth and competitiveness.

Consumer products organizations face diverse challenges that highlight the need for a unified and adaptable planning framework. RGM emerges as a key solution, bridging gaps between functions, ensuring data consistency, promoting collaboration across teams, and enabling quick, well-informed decision-making.

Choosing the right planning solution is crucial. Solutions like Anaplan offer the flexibility and advanced features necessary to support dynamic and responsive RGM processes. By fostering teamwork, enabling real-time data integration, and facilitating scenario planning, these tools help you maintain a competitive edge.

Adopting IBP-driven RGM isn't just a tactical decision — it's a strategic imperative for any consumer products organization aiming to thrive in today's complex and unpredictable market environment.

[To get started, connect with an IBP for consumer products expert](#)