



RDD Learning Academy

Speed to Shelf Best Practices



SPEED TO SHELF



ISE Evolution

ISE hits NY in a big way in 2017:

- Ahold Divisions always had assessments
- Allegiance Announces (Jan 2017)
- ShopRite Announces (Q2 2017)
- Krasdale and ASG follow suit (July 2017)

Impact to RDD is significant:

- Many clients charge us with the assessments and *take off our commission!*
- Commission revenue impact = **significant \$\$**
- Creates a need to cut back our resources and adjust our retail coverage plan



RDD Retail Coverage Adjustments

Commission revenue reduction forces us to realign our retail cover plan

- ShopRite focus refined to achieve more efficient results
- Allegiance and Stop N Shop coverage downgraded in overall number of stores and/or frequency
- Inner City focus put against Key Food and Krasdale
 - KoolTemp program is born
 - Focused selling = **more commission \$**
 - Krasdale pays RDD 66% of ISE assessment with bonus potential to be made whole at end of year



Speed to Shelf Overview

ISE, in theory, is the perfect solution to get new items on shelf quickly:

Focused reset teams, scheduled surge cycles, newly authorized items distributed to stores for cut-in, all in sync with one another.

- Ahold does it the best - has the longest tenured program in our area.
- ShopRite moves to surge teams that are coordinated with categories being reset but not all new item introductions are in sync with the surge schedule and distribution of new items to stores is diminished and incomplete.
- Allegiance ISE process is a complete disaster in perishables with minimal categories surged since its inception (some categories planned for 2019).
- Krasdale and ASG have zero impact on speed to shelf, as process is used to simply clean up and organize cases. There is no effort placed against the coordination of new items to store resets.

Speed to shelf at our customer base is critical to our clients and if we leave it up to our retailers – WE WILL FAIL!

Speed to Shelf Roadmap: ShopRite



- What we discovered was beginning roughly in the middle of 2017, less stores received new item distribution (approximately 52% in Dairy/Frozen and 75% in Fresh)
 - This led to RDD execution against STS goals lacking - **WE WERE CAUGHT OFF GUARD!**

Item	ACV Month 1	ACV Month 2	ACV Month 3
Hood CC Chives 16 oz	43	61	76
Hood CC Country 16 oz	50	62	83
Hood CC Pineapple 16 oz	54	69	83
Hood CC Chives 5.3 oz	47	58	60
Hood CC Country 5.3 oz	47	61	62
Hood CC Pineapple 5.3 oz	50	61	66

Item	ACV Month 1	ACV Month 2	ACV Month 3
Stony Snack Pack Straw Ygt w Cookies	51	69	69
Stony Snack Pack Van Ygt w Cookies	56	71	68
Stony Snack Pack Choc Ygt w Pretz	27	60	55
Stony Snack Pack Straw Ygt w Grahams	41	65	65

- We reacted and put a new plan in place:
 - Identify stores that most likely will take distros and those that won't
 - Target retail and group distro efforts against those stores that do not take distros
 - Coordinate efforts with Chris DeFinizio's teams to assist in getting items to shelf in a non surge cycle
- Brand Manager/Account Manager focus to in conjunction with retail to assist in the efforts:
 - BM/AM's job does not end with new item acceptance - **IT JUST BEGINS!!**

Speed to Shelf: ShopRite (Phase 1)



- Account Manager ensures code # & slots are assigned (working w. Kathy Bain)
- Brand Manager creates sell sheet to help in retail sell in efforts with pertinent info (*promo plan, consumer plan, etc*). **SEE EXAMPLE NEXT PAGE**
 - This is all done **15-30 days ahead of first ship** so when product is ordered we have as many as possible sell-in and commitments in place.

This plan leads to better execution!!

Item	ACV	ACV	ACV
	Month 1	Month 2	Month 3
AB Creamer Van 32 oz	54	81	88
AB Creamer Orig 32 oz	60	84	91
AB Banana 64 oz	78	92	96
Planet Oat Dark Choc 52 oz	66	86	88
Planet Oat Xtra Creamy 52 oz	68	87	90
Planet Oat Orig 52 oz	69	89	93
Planet Oat Van 52 oz	68	89	93

New Item: Almond Breeze Horchata HP Hood



New Items	ShopRite Code	Pack/Size	Case Cost ISU	Retail	GP%
Almond Breeze Horchata	328260	12/32 oz.	\$18.60	\$2.59	37.45%



- A delicious blend Almondmilk and rice flour, flavored with cinnamon and vanilla
- Consistently landed in the top of all innovation platforms explored among general market and Hispanic consumers
- Delivers a twist on a traditional flavor
- Bilingual packaging!

Featuring the goodness of Almond Breeze

- ✓ Free of dairy, soy, lactose, cholesterol, peanuts, casein, gluten, eggs, saturated fat, and MSG
- ✓ Made with California Grown Blue Diamond Almonds
- ✓ Non GMO certified
- ✓ Vegan

PROMOS:

Running 10 weeks of
promos for balance of 2019
\$3.60 deal
\$1.31 ISU
\$1.99 Retail
34.2% GP



Speed to Shelf: ShopRite



- This should only get better as we refine our plan over time.
- We are ahead of the curve and outperforming our competition:

Product	Unit Sales	Unit Sales %Change vs YA	Unit Share of Segment	Unit Share of Segment Change vs YA
Crm & Crmrs - Standard Hierarchy	326,166	22.6%		
SILK - Pint Bsd - COFFEE CREAMERS	95,192	29.6%	29.19	1.58
COFFEE MATE NATURAL BLISS - Pint Bsd - COFFEE CREAMERS	84,967	0.8%	26.05	-5.65
CALIFIA FARMS - Pint Bsd - COFFEE CREAMERS	59,047	45.6%	18.10	2.85
ALMOND BREEZE - Pint Bsd - COFFEE CREAMERS	25,731		7.89	7.89
CALIFIA FARMS BETTER HALF - Pint Bsd - COFFEE CREAMERS	19,684	76.6%	6.04	1.85

Product	Unit Share of Segment	Unit Sales	Unit Sales %Change vs YA	Volume Share of Segment
OAT MILK	100.00	127,678	1397.2%	100.00
PLANET OAT - OAT MILK	49.12	62,720		44.72
OATLY - OAT MILK	24.99	31,911	274.2%	28.00
SILK OAT YEAH - OAT MILK	19.73	25,194		22.11
QUAKER OAT - OAT MILK	6.15	7,853		5.17

IT'S NOW TIME TO TAKE IT TO THE NEXT LEVEL



Speed to Shelf: ShopRite (Phase 2)

- We have now identified an additional step to be taken to help ensure the proper expectation level is identified to our clients and we are setting ACV goals that are realistic and increasing our chances for success.
- What do we mean by that?
 - We know that all Shop Rite stores are not created equal.
 - Set sizes vary and most times established planograms are not workable in all stores.
 - We need to identify that up-front, call out the total ACV risk we are talking about, and in coordination with the retail team, establish realistic goals in those cases.
 - If we are launching a multiple SKU process, all items may not be applicable in this percentage of the ACV. That is what we need to understand and **communicate to our clients so we set the bar** at a proper level.
- Who are we talking about:
 - Groups that we know are “challenged” overall with space.
 - Klein’s, Fresh Grocer, Brown’s, Grade A to name a few.
- Also can consider use of Vestcom tags to highlight new items at shelf
 - This comes with an incremental cost to the manufacturer (see form for specific costs)

Speed to Shelf Roadmap: Key Food



What we know is that they have no process in place to submit bookings to C & S upon new item acceptance. It's up to us to generate the orders and hit first ship.

- Process starts with AMgr understanding once items have been accepted by the CMgr, when it's going to committee and confirm that code numbers have been established.
- BMgr has sell sheet created and ready to go so once above is complete we hit the streets running (individual store sell in and group sell).
- We need as much lead time as possible prior to first ship date to allow for sell-in process to occur
- Also a good idea to establish an introductory allowance to sell against that is equal to typically how you're going to promote the item.
- Consider using the elite vendor team with the "white sheet" process. Deal level needs to be established in portal for all stores. Good for new items and seasonal sell in's. With line extensions the existing items also will need the intro deal.
- **NEXT STEPS HERE ARE TO ESTABLISH A MORE EFFECTIVE GROUP COVERAGE PLAN – responsibility of CB/DM/LR/AS**

Speed to Shelf Roadmap: Allegiance



Independent together.

We know, to date, we cannot rely upon ISE teams to execute against new items.

Item	First 3 Months			Latest 3 Months		
Hood CC Country 16 oz	22	39	40	47	52	49
Hood CC Pineapple 16 oz	28	31	34	41	42	45
Hood CC Chives 16 oz	10	20	16	36	27	31

There is a booking process with C & S but it is incomplete and not necessarily timely enough to hit first ship.

- It is important to take the following steps:
 - Understand when items have gone to committee and when code numbers are set.
 - Push Category Manager for as complete a booking as possible and get an understanding of which stores have committed to a distribution and which ones have not. (Again, offer an introductory allowance to help achieve more comprehensive bookings up front).
 - Then, focus retail efforts against those stores/groups that did not commit for sell-in at store level (sell sheet included).

Speed to Shelf Roadmap: Allegiance



Independent together.

- **Executing at AG headquarter level is only a piece to the puzzle:**
 - There are 3 other key pieces that we have identified as significant ACV risk:
 - PSK Group, Dagostinos and Gristedes – these 3 entities represent 29% of AG's total ACV (PSK 18%, Dags 5%, Gristedes 6%)
- **All new items need to be presented formally to these retailers and use that meeting as a gauge to understand reality in terms of what hits shelf at PSK/DAGS/GRIST**
 - If necessary hold a piece of your slotting budget to address their needs.
 - Clearly putting all our intro funding at headquarters has not been a recipe that is working.
- **THERE ARE MULTIPLE NEXT STEPS HERE:**
 - **Establish a more effective group coverage plan.**
 - **Understand the “hot buttons” of the PSK Group.**
 - **Utilize Dags and Gristedes more efficiently in the process.**
 - **As an ongoing goal – coordinate feature activity at Dags and Gristedes more effectively.**
 - **Responsibility – DW/MT/LR/DM/AS**

Speed to Shelf Roadmap: RMG/Fairway



These are controlled chain retailers and completely in our power to secure the bookings to Bozzutos and C & S to hit first ship.

- Takes BM/AM focus to:
 - Push account to submit bookings to their distributor in a timely fashion.
 - Include new items into a promotion as soon as possible.
 - Ensure communication process to the retail team on each of the above.
 - Create incentives for retail, put consumer and promo focus into retail's hands and create a possible "mini surge initiative" once commitments are established and timing to the stores identified.

Speed to Shelf Roadmap: Krasdale



Again, there are no bookings placed on new items.

Speed to Shelf process here is a little different:

- As part of your new item presentation, you should include an order book ad (typically 2 weeks in duration) with an introductory allowance.
- If possible, ask for a small booking to stimulate first ship but most likely will have to guarantee the cases as Krasdale is held responsible by Bozzuto's for those cases.
- Coordinate with a KoolTemp program to assist in new item sell-in (145 stores hit in a 3 week period).

Goya Large Brown Eggs dozen	17	\$19.00
Goya Cage Free Large Brown Eggs dozen	14	\$16.00
Goys Organic Large Brown Eggs dozen	15	\$17.50
GOYA TOTAL	46	\$52.50
Almond Breeze Yogurt Honey Almond Granola 5.3z	30	\$32.50
Almond Breeze Yogurt-Double Chocolate 5.3z	24	\$26.50
Almond Breeze Yogurt-Blueberry Oats 5.3z	28	\$30.50
Almond Breeze Yogurt-Salted Caramel Pretzel 5.3z	25	\$27.50
ALMOND BREEZE YOGURT TOTAL	107	\$117.00

46 new points of distribution achieved on Goya and 107 on AB Yogurt

Speed to Shelf Roadmap: ASG



Similar to Krasdale there is no booking process utilized thru C & S and our store coverage plan here is impacted due to our focus on Key Food and Krasdale (only 37 stores routed)

- Speed to shelf process here same as Krasdale in the utilization of an order book ad (typically 4-5 weeks in duration) with an introductory allowance.
- Unlike Krasdale asking for and having to guarantee a booking, probably not necessary here as you can use Key Food/Allegiance/Fairway efforts to hit first ship goals.

Speed to Shelf Recap

This focused, methodical roadmap by retailer will help us:

- ✓ **Better achieve STS results on a more timely basis.**
 - ✓ **Provide commission revenue sooner.**
 - ✓ **Most importantly...set us apart from our competition even further at store level.**
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- **Remember customer service needs to be made aware of all new item launches**

Comments and Suggestions are welcome. Let's do this together !!