

TSI Consulting Expertise

FAST FORWARD BUSINESS REMODELER®

Driving smarter business in CPG



21/09/2026

AGENDA

Driving smarter business in CPG through
FAST FORWARD BUSINESS REMODELER©

- I. Market challenges in CPG
- II. Building better business with “good” sales
- III. How to boost “good” sales in the Shopsumer Journey
- IV. The FAST FORWARD BUSINESS REMODELER©

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CPG CHALLENGE

Stuck between different pressures in the supply and demand markets PLUS further glooming of the consumption climate

SUPPLY SIDE

COST EXPLOSION RAW MATERIALS

- Energy & Fuel
- Climate
- Availability

Consumer goods manufacturing pricing index up 11 %



GEOPLITICS CAUSE SUPPLY DISRUPTIONS

- Ukraine-Russia
- Iran
- Houthi Rebels



CONSTRAINTS IN LOGISTICAL CAPACITY

- Last mile explosion
- Personnel shortage
- Route restrictions



LEGAL RESTRICTIONS & SUSTAINABILITY

- Supply chain act
- Green energy
- Decarbonization



Consumer Packaged Goods

It's all about **PRICING...**
...and **COST CONTROL**



DEMAND SIDE

RETAILER: NEXT PRIVATE LABEL ATTACK

- Aggressive pricing
- Shorter assortment
- Category leader



RETAILER: PRICE & CHANNEL WAR FOOTFALL

- > price & promo
- Discount growth
- Omnichannel



CONSUMER: DECLINING SENTIMENT

- Strong inflation
- Declining confidence



CONSUMER: CHANGING HABITS

- Sustainability
- Veggie / Healthy
- Price-sensitive



SOURCES: 1 U.S. Bureau of Labour Statistics, 2 BBC News 09/02/24, 3 Universidad de Navarra Essay Red Sea on Edge, 4 CNBC News 04/03/24, 5 Automotive Logistics 23/06/23, 6 trans.info 23/11/23, 7 bmas.de Supply Chain Act, 8 Enel Green Power, 9 GfK Private Label FMCG Opportunities 2023, 10 Lebensmittelzeitung 10/11/23, 11 Chronicle Live 14/04/23, 12 Statista.de Report FMCG im Überblick 2023, 13 Statista.de Verbraucherpreise 1992-2023, 14 Consumer Confidence Indicator European Commission 23/10/23, 15 GfK Konsumententrends 2024

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SOURCE OF BUSINESS

Depending on Shopsumer behaviour as response to commercial levers, not all sales are necessarily “good”

Commercial lever



WHAT?



Shopsumer behaviour



- Tries a new category
- Buys more and consumes more
- Pays more per unit
- Buys YOUR brand instead of others



Market & P&L results

- Growth for retailer & manufacturer
- Increase market share
- Higher household penetration
- Better margin per unit sold



- Shifts to a lower value category
- Delays future purchases
- Pays less per unit
- Buys COMPETITOR brand instead



- **Decline** for retailer & manufacturer
- **Decrease** market share
- **Lower** household penetration
- **Smaller** margin per unit sold

WHERE FROM?

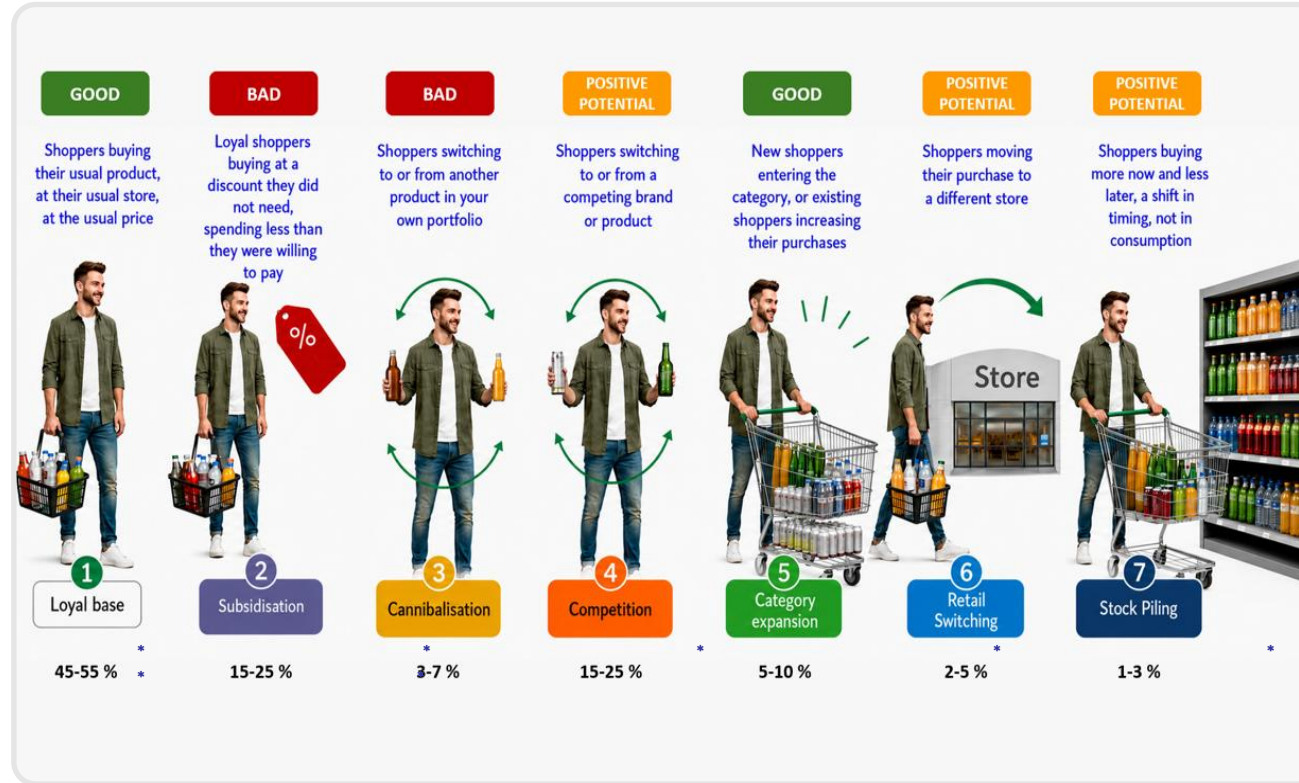
IMPACT?

Any commercial activity generates sales, no doubt, but these sales may come at the expense of renouncing on other, higher-value, more profitable sales

The essence of Source of Business:
understanding what shopsumer behaviour a specific commercial lever triggers

THE SEVEN SOURCES OF BUSINESS

Every Shopsumer transaction is the result of only one out of seven potential behaviours / responses



In grocery retailing, any total sales can be decomposed into 7 SOURCES OF BUSINESS. However, depending on the perspective of a retailer or a brand manufacturer, apart from a loyal shopper base (= repeat purchase of the same brand, product or SKU) and Category Expansion (= new entrants), the remaining 5 sources are decisive for the overall financial impact of commercial activity, as they need to (over-)compensate the underlying costs of commercial activity.

THE “GROSS LENS” PHENOMENON

Typical planning of commercial levers only defines levers for additional growth vs. previous year

The “gross lens” phenomenon

(e.g. RGM, CatMan, Brand Mgmt, etc.)

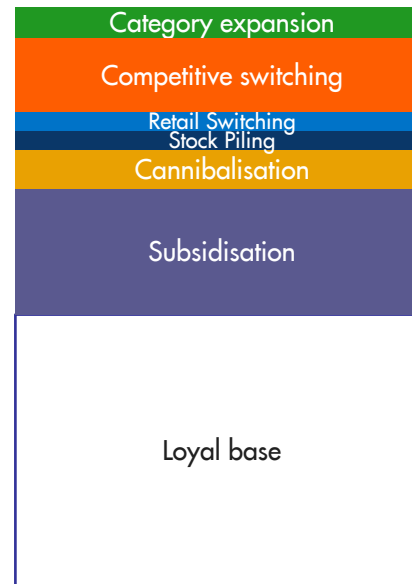


BRAND A

Main drawbacks:

- Looks at **gross revenue only**
- Analyses the additional **impact of commercial levers** on revenue
- Key **objective** is volume & value **growth**
- **Ex-post & sell-in view** on spill-over and cross-over **effects** (across brands, across retailers etc.)
- **Ex-post view on financials**

Source of Business Management



Loyal base

TOTAL BUSINESS /
BRAND / SKU

Main advantages:

- Looks at **revenue & profit simultaneously**
- Analyses the **impact of shopsumer behaviour / sources**
- Key **objective** is a **better balance of value growth & profit**
- **Implicit view** on spill-over and cross-over **effects** as well as **financials**

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THE PILLARS OF A SHOPSUMER JOURNEY

Commercial levers executed by brands and retailers determine the Shopsumer's behaviour / response

KEY CHARACTERISTICS

WHAT

What specific needs / desires do we satisfy?



DEFINITION

MARKET DATA

- Persona(e) & Shopsumer profiles
- Role of segments & sub-segments
- Core benefits & components
- Adjacent & complementary categories
- Relevance / market share within retail section & basket
- Growth drivers
- Margin & financials
- Penetration

WHERE

Where do we interact with customers along the journey?



TOUCHPOINT

- Mass media
- Social media / digital
- Customer service
- Direct print material (flyers, leaflets,...)
- Trial (sampling / tasting)
- Retail channel
- Store / POS
- Shelf / Exposition
- Feature / temporary display
- Packaging

HOW

How to attract Shopsumers to the category / brand?



COMMERCIAL LEVER

REASON-TO-BELIEF

- Portfolio & packaging
- Pricing
- Media
- Promo
- In-store execution
- Proving data
- Visuals
- Testimonials
- Tests
- ...

SHOPSUMER

To
WHOM

RETAILER

HOW

How to get listings & activation at retailers?



COMMERCIAL LEVER

REASON-TO-BELIEF

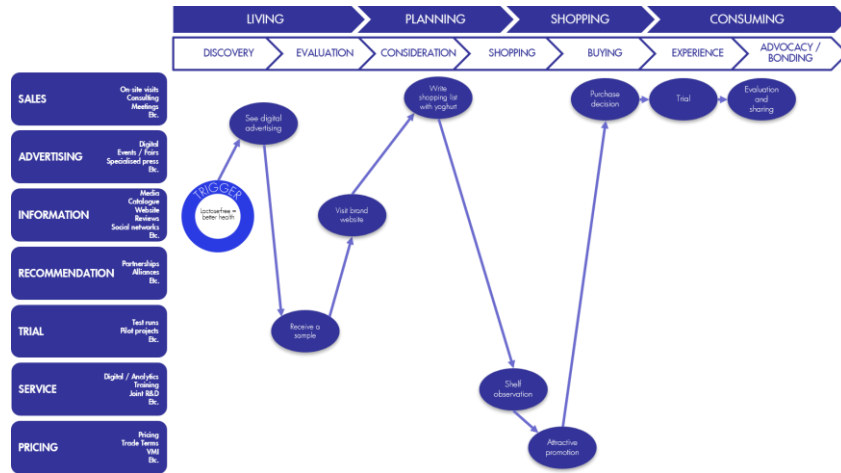
- Trade terms & conditions
- Pricing
- In-store media & features
- Promo & loyalty card
- Proving data
- In-store pilot tests
- Basket analysis
- ...

CORE TARGET GROUPS

THE SHOPSUMER ACTIVATION STRATEGY©

Designing a unique & differentiated Shopsumer experience to ensure the best possible ROI for commercial levers

Mapping the Shopsumer Journey with touchpoints and commercial levers ...



SHOPSUMER JOURNEY MAP

- Depicts the phases of the journey
- Identifies relevant touchpoints to activate Shopsumer behaviour through commercial levers

... to design a unique experience and generate responses that ensure ROI

OUR UNIQUE POSITIONING			
Our value at the SHOPSUMER touchpoint		Our value for RETAIL customers	
Assortment		Product	
Placement		Conditions	
Price		Customer Service	
Promotion		Logistics	
POS-Material		In-store activation	
New Product Launch		Training	
Web 2.0 / Social		Digital Communication	

CATEGORY STORY SHEET

- Defines the overall investment strategy into commercial levers for the most relevant touchpoints
- Re-structures budget investments according to Source of Business

DRIVING BUSINESS VALUE

Source of Business Management & the Shopsumer Activation Strategy to re-align your commercial strategy

ADJUSTING PORTFOLIO & ASSORTMENT



- Focus on innovation
- Eliminate slow-movers
- Leverage production & demand planning synergies

IMPROVING ACTIVATION MECHANISMS & RGM



- Drive positive Shopsumer behaviour
- Focus on growth drivers
- Mass margin vs. volume
- Leverage net incrementals

RE-DESIGNING GO-TO-MARKET MODEL



- Re-direct channel focus
- Direct vs. indirect
- Optimise service level per customer (ABC-XYZ)

SHARPEN YOUR BETS – SCALE TO WIN

Any investment in commercial levers, operations & structures needs to be re-considered constantly to adapt to shrinking demand

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THE WAR GAME SPIRIT



Sun Tzu, "The Art of War", 544-496 AC

"If you know your enemy and yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle."

The methodology encourages a true overhaul of the existing approach to boost differentiation vs. competitors based on facts

GENERAL OBJECTIVE

Develop, align and implement a detailed, source-efficient Shopsumer Activation Strategy that provides explicit guidance on the desired quality of execution and fits both with internal Sales & Marketing objectives as well as with the expectations on business and retailer performance.

SPECIFIC OBJECTIVES PER STAGE

PREPARATION

Top-line strategy development

- Understand objectives and purpose behind growth engines
- Review current strategy and optimise
- Run plausibility check and detect gaps
- Improve storytelling both for internal and external stakeholders
- Align with main project responsables

STAGE I+II

Shopsumer Activation Strategy

- **WAR GAME:** Generate innovative and disruptive ideas for activation per growth engine
- Select best ideas
- Develop ideas into detailed activation plans and consolidate across all functions & teams
- Torture-test ideas across teams / project groups to get immediate feedback
- Turn final outcome into a comprehensive manual / guideline

STAGE III

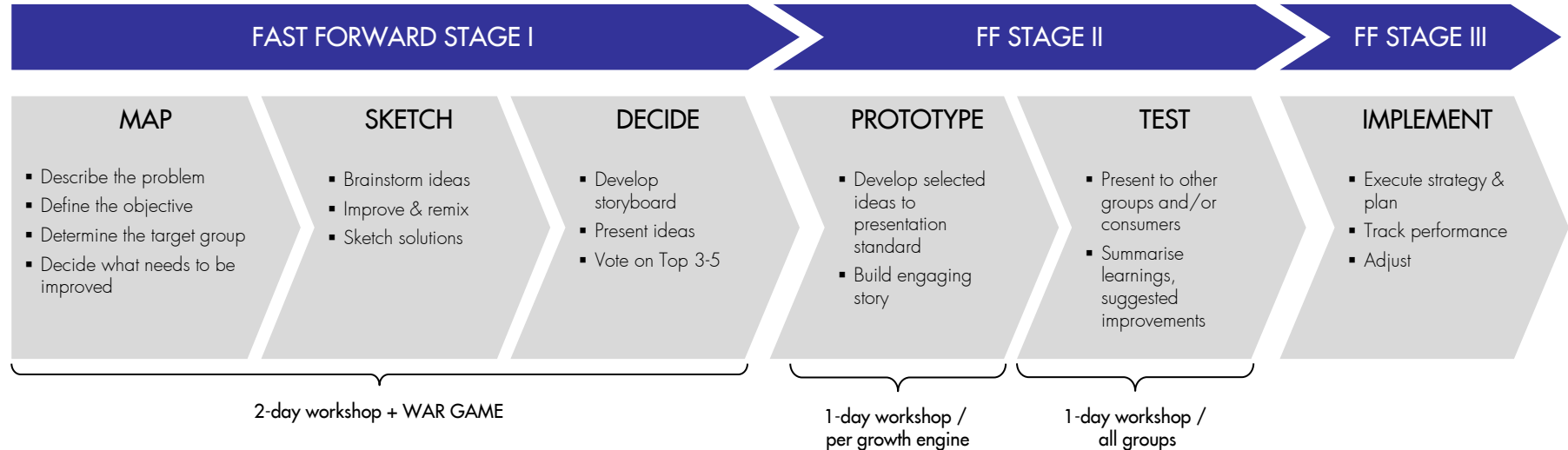
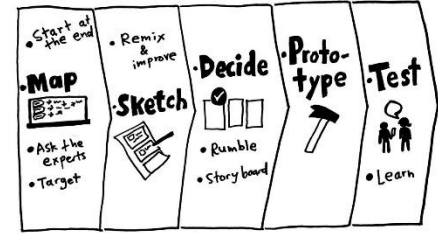
Performance Tracking & Adjustment

- Track performance of executed actions
- Review Activation Plan and amend where necessary
- Reaffirm guiding principles via small learning units available in digital format (video, eLearning etc.)
- Share best practice and use cases

THE FAST FORWARD BUSINESS REMODELER[©]

Our methodology to generate a smarter way of doing business in CPG

- The aim is to get to a fully designed Shopsumer Activation Strategy, sketch what it would look like in store or in digital media and test it either with colleagues or with real Shopsumers
- The FAST FORWARD methodology is combined with the usual WAR GAME methodology applied universally in the development of the Shopsumer Activation Strategy[©] by The Shopsumer Institute



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