

# BUILDING A BETTER BASELINE

by Caitlin Orosz

Welch's and Solaris Paper drive growth by stripping out anomalies in their baseline data.

**T**oday's CPG manufacturers are spending millions of dollars to impact growth in their category, yet they struggle to gain a clear understanding of how promotional dollars drive volume and revenue. The problem is that without insight into the base business, the effect of promotions isn't clear. If you don't know where you're starting from, it's impossible to chart a path to a successful future.

Here's how two manufacturers, Dean Zuta of Solaris Paper and Emily Saidnawey of Welch's, are smoothing out their baseline view and gaining a better perspective on trade spend impact.



**SMOKE JUMPERS:** What prompted you to start investigating your baseline situation?

**EMILY:** We realized the need for change to spur growth. Our original analysis process was entirely manual and left room for error. TPO takes the noise out and reduces wasted time. It also centralizes the way we

## BASELINE ANALYSIS TELLS YOU:

- 1 Whether a promotion is needed
- 2 Whether your promotion was effective

**WHAT IS A BASELINE?** Base business is the volume sold in the absence of a promotion. Without a promotion, you should expect your baseline to be pretty close to the prior week.

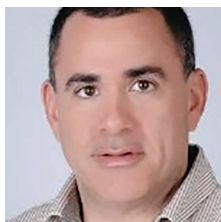
review our base business and ensures that what we planned was executed.

**SJ:** Has there been a change within your organization on how you view and use the baselines within your business strategy?

**DEAN:** Yes, definitely. It's aided the finance group quite a bit looking at incremental programs. The category analytics and sales groups like what they see. We've imported competitor information. We are able to compare

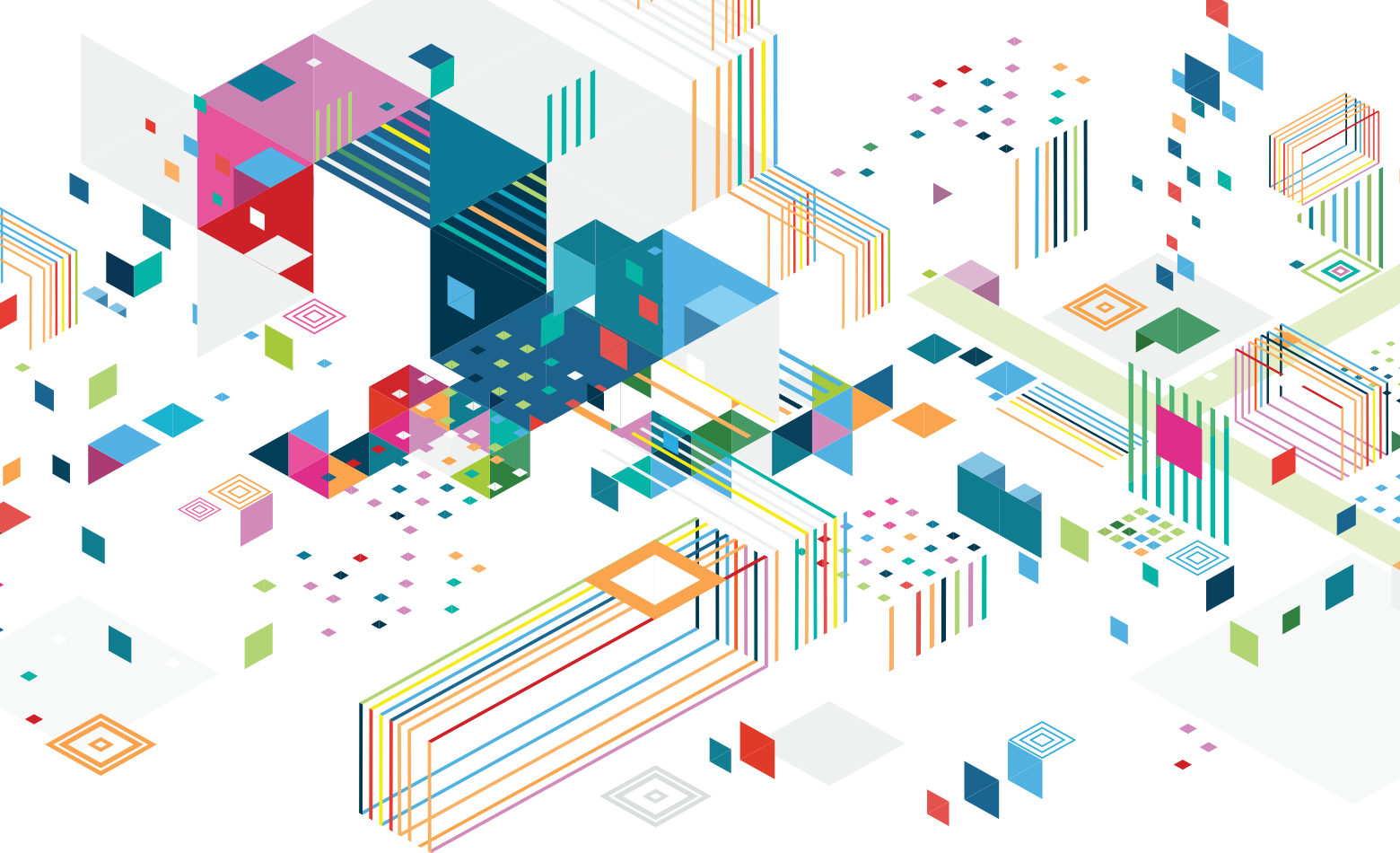
our baselines with three of our biggest competitors' baselines.

**EMILY:** The master calendar gives us the ability to code weeks of data which helps get to a more accurate baseline. For example, a bunch of Stop & Shop stores were on strike, so I wanted to make sure those low volume weeks weren't included in my base average calculation. And, vice versa, we saw lift at some retailers in that same market during those weeks. I had the ability to safeguard the



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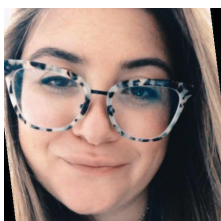
— DEAN ZUTA / SOLARIS PAPER



data and ensure those higher units wouldn't falsify my future baseline forecasts at those retailers. Being able to code the weeks for consumption data is very helpful. All of the data is in a bump chart, an easy-to-read format, and the application adjusts the math on my customization which is invaluable. Specifically, it's helped us get our numbers correct with historically very difficult wholesaler forecasting; we've seen a significant improvement.

**SJ:** What results and feedback have you received from retailers?

**EMILY:** We've brought screen grabs from the Master Calendar to retailers to better display what the cost of running our promotion / products with a direct competitor is compared to a week that didn't. Our products are highly elastic; it's a quick way to show the effect of price on the base. We use TPO data to explain – in a visual way – changes that the retailer can make. It's so easy to read, so retailers are engaging with the data.



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— EMILY SAIDNAWEY / WELCH'S

**SJ:** Using the accurate baseline, what will be your main focus?

**DEAN:** One thing we'd like to look at is what happens if we increase our price. We have a pretty good gap with the big guys in the market, but we have to watch how we look versus private label and smaller brands. With Blacksmith, we can quickly watch what happens as we try to take our price up and learn what happens to incremental volume. There may be a slight decrease, but what about after six months? Maybe if we spend more every day and not rely on promotions, let's see how that does. Going forward, we want to look at that more. Let's talk to the retailer, let's take this data and plan together.

## **BASELINE ACCURACY**

As you can see from both of these innovative manufacturers, the first step to effectively understand the promotional activity via an accurate baseline is to strip out the noise and the anomalies. Stop relying on syndicated data baselines that are often contaminated. Stop planning under the assumption of untrue baselines and incorrect forecasts. Use your analytical information to drive growth in your business. 🔥



Hear more from Welch's and Solaris Paper. Their baseline video presentation is available online: [blacksmithapplications.com/baselines-webinar](https://blacksmithapplications.com/baselines-webinar)