



10 Cool Technology Applications for Consumer Products

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Lora Cecere

Once a year, we write a summary of technologies poised to make a difference in the consumer products (CP) industry. While most of these are designed for early adopters—those willing to accept more risk in pilots and software trials—they are all worth considering. (Note: In a recent Grocery Manufacturing Association Study of CP, 6% of IT professionals positioned themselves as technology innovators, 27% positioned as early adopters, 46% as late adopters, and 21% as late followers).

The direction of these technologies signals the wave of the future for CP. Since AMR Research's Supply Chain Conference, which is only two weeks away, lets attendees network with providers, we offer the following short list of 10 technologies to watch.

Cost-to-serve modeling and supply chain profitability

Most companies struggle with what the best mix of tactics is to create a profitable demand response. Many are turning to vendors like **Acorn Systems**, **Jonova**, and **Equazion** for what-if analysis to improve the profitability of the demand response. Over the next couple years, look for more technology providers to shift to profitability of the demand response from demand and supply matching.

Demand sensing

Terra Technology is being used to improve the short-term demand response with its recent introduction of an inventory optimization product that complements clients' current investments in its Real-Time Forecasting application. Companies are reporting a 15% to 33% improvement in forecast accuracy using Terra's product.

Channel heat maps

Account teams use heat maps for better visibility of out of stocks by store demographic filter. In the past two months, we have seen two approaches from **Infosys** and one **Kenosia** that provide this functionality. Note that the Infosys product is built using **SAP** NetWeaver services on top of SAP Portal and BW products, making it particularly appealing for companies with SAP as an IT standard.

Manufacturing scheduling

As CP companies become more demand-driven, manufacturing scheduling requirements have become more complex. Since manufacturing scheduling is very industry specific, with CP manufacturers requiring depth of modeling for floating bottlenecks, shared resources, hold and cure times, and flow manufacturing, few packaged application providers have stepped up to provide the depth of functionality required.

But **ILOG's** introduction of Plant Power Ops signals a new industry focus for CP manufacturers, offering the depth of functionality they need in manufacturing scheduling.

New product launch forecast profiling

Not sure what the forecast of that new product will be since you don't have history to do the modeling? Technologies like **Logility's** Voyager and **Oracle's** Demantra aid modeling and sensing of demand, using attribute-based response curves.

This allows demand-planning personnel to monitor new product introduction acceptance and better predict future sales, using the best fit of the curves based on downstream data. Also, we increasingly see companies looking at demand-planning applications for product managers.

RFID for inventory fingerprinting

The **Wal-Mart** RFID pilots offered a much better understanding of inventory and product replenishment. If you have not talked to **T3CI** on lessons learned from these pilots, you should. T3CI is successfully managing a software-as-a-service (SaaS) model to help CP companies gain insights on inventory movement.

This type of inventory fingerprinting is essential to better understanding promotion execution.

Open innovation

CP companies have the advantage of employees who are also customers. But how does a company create a system to collect ideas from employees? Consider the applications offered by **Bright Idea**.

The technology is designed to let companies quickly implement a design network built on employee ideas, with continuous feedback to the employee on the status and usage of the idea. How much could you learn from your employees to jump-start innovation?

Promotion synchronization

So you have negotiated the perfect promotion, but how do you now execute it? If this is your dilemma, consider the use of **Tradepoint**, now owned by **DemandTec**. Tradepoint has 11 retailers piloting the product and 5 retail users, including **Ahold** (**Giant Carlisle** and **Stop & Shop**), **Kroger**, **Safeway**, and **Save Mart**.

Talk to DemandTec to see how to take advantage of the pilots. The benefit is improvement in cash-to-cash efficiency through the reduction of invoice-matching errors for promotion payment.

Unstructured text

Do you know what your customers are saying about your new products? One of the benefits of the Internet is open information. Consider mining this information to understand what consumers of your products are saying about them during their introduction periods. Talk to **Infosys** about the pilots it is doing in this area.

Voice-activated warehouse management

Warehouse management is a red-hot area right now for CP manufacturers. Consider investing in voice-automated warehouse management tasks to improve labor efficiency by 8% to 15%. It can also improve order-picking accuracy, leading to an increase in the number of perfect orders shipped. To do this, put **Vocollect** on your short list of vendors to talk to at the conference.

We look forward to seeing you at the Supply Chain Conference. Let me know if you want to talk about how these emerging technologies can help your business—lcecere@amrresearch.com.