
Emerson Is Catalyst for HBC Clients

WAYNE, Pa. — The Emerson Group, which calls itself a strategic consulting and sales execution company, also ranks as the nation's seventh-largest supplier of over-the-counter pharmaceutical products.

Founded in 1995, the company today manages sales amounting to more than \$800 million on behalf of its partners, selling more than 11 brand platforms at 110 retailers.

It provides small and medium-size enterprises with a comprehensive range of services, including venture capital funding, market research and design services, logistics, warehousing, and customer service.

"Not every company in the industry has the in-house skills, scale or reach to ensure they can achieve wide coverage and distribution across the U.S. retail market," says founder and chief executive officer Scott Emerson.

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“We have assembled a team of specialists — coming from such industry powerhouses as Bayer, J&J, Novartis, P&G and Wyeth — to provide small and midsize companies with access to the same capabilities as the Fortune 100’s and help leverage every opportunity to grow profitably.”

Managing such a wide range of products at so many retailers is a challenge.

“We had to build a standard way of assessing our progress across brands and determining the appropriate action for every brand we represent,” Emerson says. “It’s the only way we can build a scalable process and guarantee the success of our customers.”

The Emerson Group has long purchased data from Symphony-IRI Group Inc. and Nielsen Co. to get a sense of the market position of its products across chains and within their category.

“However, this is not sufficient for what we intend to do,” Emerson says. “The aggregated level of syndicated data is a great measure of the overall performance of a customer’s brand. But lag time is an issue — syndicated data typically comes several weeks after the fact, which makes it difficult for us to be reactive enough. The level of detail is the other issue — syndicated data does not provide us with the store-level, SKU-level intelligence we need to determine

quickly where we can find potential for further improvement at a given retailer.”

To complement syndicated data the Emerson Group has engaged in a strategic initiative to collect by-day, by-store, by-SKU point-of-sale (POS) and inventory data from every retailer that makes such data available to its suppliers.

“This is a growing trend,” says Kim Nease, manager of point of sale research at the Emerson Group. “A decade ago data-sharing programs were the exception. Today they have become more mainstream: in the drug channel, this data is accessible for over 90% of the retail market sales, and only a few of the top American retailers are not sharing data with their suppliers today.”

To leverage this data, the Emerson Group developed a standard retailer scorecard, by SKU, which gives them a much finer understanding of what is going on without drowning in data.

“With our scorecard we can understand how sales indexing ties with the distribution of the items we sell, to see which planograms we should be trying to get to include our products,” Emerson explains. “We see the relationship between price and volume in near real time and how this ties back to the retailer total margin, to see the real impact of pricing decisions. We can immediately assess the ROI of

our demand-shaping activities and how our promotions affect the underlying demand for the product and the category. When the retailer shares category-level data, we can also understand exactly how the products we sell fare against their competition. With this kind of intelligence, we have become much more effective in driving the right activities at the right moment for the wide range of products we sell.”

Another challenge has involved integrating data from various retailers into the standard scorecard. Each retailer shares a different data set, in a different

possible to Retail Solutions — so we can focus on the value-added activities that differentiate us in the marketplace.”

In addition to supporting the preparation of the scorecard, Retail Solutions enables the Emerson Group to dive into the data at the most granular level.

“Sometimes the scorecard does not explain all the questions we may have,” Nease says. “While the scorecard helps us review the dynamics of the brand and the SKUs at a high level, we sometimes need a very detailed view of the underlying data to understand what may have caused

progress at the retailers.

“With Retail Solutions we have become both more efficient and more effective,” Emerson says. “Internally, we have the right data at our fingertips to analyze, understand and take action for our customers. It makes us more accountable to the companies we represent, as they have better visibility to the effectiveness of the services we provide. And finally, the retailers win as we are more effective in driving their sales up, using the data they share with us. This is clearly a win-win-win.

“For us, the single goal is to make our customers more successful across all retailers,” Emerson concludes. “We have built market differentiation by investing a lot of energy and intellectual property in our scorecard. Every time we prepare for a sales meeting with a retailer, we know where we need to focus, and because we build this scorecard with the retailer data, there is no more quibbling about whether we should trust the foundation of our recommendations. It makes these meetings much more focused and effective.

“The data we manage with Retail Solutions enables us to drive best practices across the entire organization, no matter the product or the retailer, giving us a single way of working to support reaching the right decisions that will build brand equity for our customers.”

‘The single goal is to make customers more successful across all retailers’

format, at a different level of granularity and using a different sharing mechanism, Emerson explains. To cope, the company has expanded its partnership with Sunnyvale, Calif.-based Retail Solutions, which manages retailer data for more than 350 consumer goods manufacturers.

“The Emerson Group has been a Retail Solutions customer for over 10 years,” Emerson says. “At first it was only for the CVS data, we then added another retailer, then another one. Today, our goal is to outsource as much of the data management role as

a change in sales trends or any other performance indicator we track. In this situation, we leverage Retail Solutions’ online portal to generate custom data extracts down to the day-store-SKU level.”

The Emerson Group now leverages Retail Solutions across seven different retailers and looks forward to further expanding the partnership as more retailer data becomes available, company officials say.

The scorecards are also sent to the Emerson Group’s customers, so that they can monitor their