

Optimizing Retail Performance

A case study of SanDisk's efforts

Recent studies of manufacturer profitability in consumer channels show that almost 50 percent of profitability is related to execution with channel partners. The profits realized by both the manufacturer and the retailer/reseller are based on how well they use real-time information to make weekly decisions about critical success factors, including inventory and supply chain management and two-step distribution. The following case study shows how SanDisk Corporation used the services of a retail and marketing performance consulting firm, Integrated Marketing Solutions (IMS), to address this challenge.

SanDisk sought a better way to track their product beyond the reseller...

While they concentrated on growing their own infrastructure, SanDisk needed an outsourced solution to track what happened to their products after they reached the wholesaler/reseller. The company wanted more comprehensive information to use in making management decisions about current products, new product launches and inventory management.

"IMS performance reporting was so effective in North America that SanDisk has expanded their use of IMS to include Europe, the Middle East and Africa."

IMS made it possible for SanDisk to access real-time reporting information...

SanDisk used Integrated Marketing Solution's (IMS) reporting systems to help verify their price protection risks and to quantify inventory in different channels for financial reporting activities.

SanDisk also partnered with IMS to launch an extranet which made real-time information accessible to SanDisk's executive, sales, marketing and finance personnel.

With the help of IMS, SanDisk now has the channel visibility and knowledge to make informed partnership decisions...

In SanDisk's case, IMS's reporting efforts provided visibility beyond the original broker, giving SanDisk real-time information that tracked products through to the end-of-channel reseller and, ultimately, the consumer.

SanDisk can now immediately pinpoint their inventory risks by SKU, product category and channel. They can project potential returns and estimate price protection risks. With accurate, real-time information accessible via the extranet, SanDisk has gained channel visibility and knowledge to make informed partnership decisions. IMS performance reporting was so effective in North America that SanDisk has expanded their use of IMS to include Europe, the Middle East and Africa.

.....

About IMS:

Integrated Marketing Solutions (IMS) is a consulting firm that specializes in optimizing channel performance and marketing effectiveness. IMS helps manufacturers who are frustrated with their retail channel and trade marketing programs, and with their relationships with key retailers, resellers and/or distributors.

Through an ongoing measurement and accountability process, IMS develops customized tools, metrics and strategies that reduce risk and improve return on investment (ROI) for both the manufacturer and its partners. IMS links manufacturers with each of their key accounts through secure extranets, allowing real-time information sharing and facilitating on-the-fly program improvements.

Founded in 1987, IMS is a privately held corporation headquartered in Lincoln, Nebraska, with offices in Detroit and New York. IMS serves the North American and Western European markets and has worked with clients including Adobe, AT&T, Compaq, Hewlett-Packard, IBM, Lexmark, Microsoft, Samsonite, Sherwin-Williams, Whirlpool and Xerox.

About SanDisk Corporation:

SanDisk Corporation, the world's largest supplier of flash data storage products, designs, manufactures and markets industry-standard, solid-state data, digital imaging and audio storage products using its patented, high density flash memory and controller technology. SanDisk is based in Sunnyvale, CA.