



Value Realization Model Enhances Free Cash Flow for a Consumer Goods Enterprise

What the business sought

As is the case for most large packaged consumer goods companies, marketing events play a significant role in our customer's business plan. Despite the large promotional spend, the enterprise was challenged by high stockout at retailers. This drew several inquiries raising concerns around the effectiveness of the enterprise's promotional initiatives. The organization was looking to improve the performance of its event supply process which it believed could be streamlined to create over \$2 billion in value. However, they did not have a clear view into the real size of the opportunity, the root causes of the current problems, and the actions to be taken thereof.

The Infosys solution

We conducted several interviews with the customer and their teams working with one of their largest retail customers. We gathered the information required to size the opportunity and understand the root cause of the retail out-of-stock challenge during promotional events. The team conducted a value bracketing exercise to estimate the size of opportunity and created a high level Value Realization Model to clearly identify the areas where opportunities existed to improve performance. Detailed analysis was performed to identify the process gaps and develop change-enablers to deliver measurable improvements.

Real business value delivered

We identified almost \$800 million of improved annual Free Cash Flow which proved critical to receive buy-in from the COO for the event supply process transformation program. The project helped identify opportunities in the areas of inadequately captured demand, improved case fill rate, reduced inventory holding costs and improved invoice accuracy to minimize deductions. Encouraged by this early success, Value Realization Modeling has become the standard at the enterprise for all IT-led transformation and technology implementation projects.



For more information, contact askus@infosys.com

About Infosys

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