

 The Salient
IdeaConference 2013

Best practices for optimal performance management

May 8–10 in Orlando, FL • Disney's BoardWalk Inn

Pabst Brewing Company & Shoes For Crews

One mature SIM
and a startup

Jeff Majestic
Shoes for Crews, LLC

Background

- Big 8 Public Accounting & Internal Audit 7 Years
 - Financial and IT Audit Mgr
- Manufacturing plant accounting manager, controller
 - RR Donnelley 7 Years
- VP Finance 13 Years
 - Corporate, Business Unit, Shared Services
 - RR Donnelley, Equity Office Properties
- Independent Consultant 9 Years
 - Process Consultant, FP&A Director, Project Manager
 - Hewitt Assoc., Pabst, Shoes for Crews
- Certified Public Accountant 34 Years
- Dad 81 Years

- Professional experience 151 Years

Employee Of The Month

105 months in a row

Today

- Pabst Brewing Company
 - A mature environment
- How SIM supported the sale of the company
- Shoes for Crews, LLC
 - Implementation from scratch



Pabst SIM Environment



- Single integrated pricing, billing, & costing system
- Strong technical support team with great business knowledge and ownership of underlying databases
- Low SKU and distributor count, high retailer count
- Users ranged from highly skilled to unskilled
- Very tight volume and revenue (0.1%)
- Margin a mix of direct costs and allocations, approximate margin calculation (5.8%)



How does Pabst use SIM?

- Execs
 - volume and revenue, customer, market, product, reps
 - pricing analyses
- Sales
 - distributor and retailer history, performance, margin
 - organizational and personal budgets and targets
- Marketing and Pricing
 - customer, market & product results
 - sku management
 - discount and promotion analysis
 - new product analysis
- Finance
 - gross margin budgeting and forecasting
 - reporting and analysis
 - sales compensation

When the
CHILDREN IRRITATE
Him..

DONT blame the children when every little noise they make irritates your husband. Chances are he's tense, "on edge." It's time to relax. Serve him a bottle of cool, refreshing Pabst Blue Ribbon. Watch what a difference it makes. . . See how it soothes and rests him.

Make sure that you don't spoil your remedy by serving him ordinary beer. Insist on Pabst Blue Ribbon. It is pure, full-flavored and has that distinctive taste that makes it America's first choice.

See that your dealer delivers a case today. Always keep a few bottles in the refrigerator.

P. S. When you feel all tired out . . . at noon, mid-afternoon, before dinner . . . try a bottle of cool, refreshing Pabst Blue Ribbon . . . it will rest you, too.

"Can't you keep the children quiet, Mary?"

"Here, John, drink this bottle of Blue Ribbon . . . you'll enjoy their fun."

"Come on, kids. I'll play, too."

Pabst
BLUE RIBBON BEER

© 1934, Pabst-Brewery-Pabst Co. Inc.

Sale of the Company, 2008-2010

- Five years forward volume, revenue and margin
 - Revenue, Discounts, COGS, Transportation
 - By brand and sku, by customer, by month
- Investment bank review and analysis
 - The Book & The Road Show
- Buyer analysis and due diligence
- New owner briefings



We get to go to a bar and call it work. Let's never forget how special that is.

Dave Peacock, Anheuser Busch CEO

So – who is Shoes for Crews?

- Nearly 30 years old, West Palm Beach, Florida based
- Food Service industry leader in slip resistant footwear
- Industrial, hospitality, healthcare, education markets
- Athletic, dress and casual shoes, work boots and mats
- 2,500 skus, 4 million pairs/year
- 30,000 accounts, 300,000 active customers
- Corporate, retail and distributor relationships
- Unique value proposition
- Mostly outsourced manufacturing & distribution
- Insourced sales, marketing, customer service, administration



The need for information

- Home grown integrated order entry/billing system
- Distributed pricing responsibility, layers of discounting
- Ad hoc customer, industry, product margin calculations
- Contract renewal analysis
- Analysis of periodic results
- Standard volume reporting
- Product history
- Commissioned reps



Key project enablers



- COO/CFO authority with funding
- Redesign, implement new chart of accounts
- Restructure financial reporting and consolidation
- Strong infrastructure, new data warehouse
- Receptive to new technology
- Demand for information
- Salient staff

Startup - fundamental decisions

topcrews™ 

- Who is my customer?
- Customer requirements – do they know what they need?
- Data validation
- Accurate or precise
- Direct costing or allocations
- Restricted or open access
- Gross Margin and SG&A – how far down the P&L?
- Performance
- Complexity



Project challenges

- Change control
- Data discipline
- Competing data
- Constant training
- Gimme a report
- Need for super users



How are we using SIM now?

- Sales
 - Customer growth, decline and margin
 - How's my quarter?
- Marketing
 - New product analysis, cannibalization
 - Program/promotion analysis
- Finance
 - Analysis of results, price/volume/mix, trends
 - Returns and contract renewal analysis
- Execs
 - Volume and margin, corporate and retail
- Operations
 - Product volume history, size curves
 - 3PL startup – rfp, sku velocity, order history, order size analysis



Questions?