

Integrated Business Planning Solutions for Operating Performance



Richard Sharpe - CEO

About Competitive Insights

Competitive Insights, LLC, headquartered in Atlanta, was founded in 1998 and serves both “for profit” and “not for profit” organizations. Using exclusive cloud based service capabilities, CI’s solutions translate customer’s transactional data into advanced business insights regarding current and future operating performance.

Competitive Insight’s business is built on providing each customer precise and specific information that empower actionable steps which drive immediate value. Utilization of CI’s services involves no capital expenditures (hardware or software) but is offered through a one-time setup cost and then periodic usage fees.

Solutions are tailored to the unique needs of each customer. Recognizing that IT resources are often at a premium, this is accomplished by CI’s patent pending approach that allows:

- Transactional data to be sewn together, cleansed and organized based on their unique operating rules defined by the customer working with CI
- Reporting, analytical services that are established for the organization
- Performance targets to be defined for specific strategies defined by the organization and the generation of performance monitoring reports and alerts that are automatically forwarded to designated individuals
- A balance of operating in a highly secured operating environment that provides access to authorized users through worldwide internet access
- Information that can be updated daily, weekly, monthly or quarterly

CI’s staff had decades of practical experience and specialized education in the areas of supply chain design, operations and management activities. CI is an active member of professional organizations including the Council of Supply Chain Management Professionals (CSCMP) www.cscmp.org, the Warehouse Education and Research Council (WERC) www.werc.org and is a founding member of the American Logistics Aid Network (ALAN) www.alanaid.org. Please check out our video.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Sharpe, what is the concept behind Competitive Insights?

Mr. Sharpe: Competitive Insights’ original focus was on the optimization of supply chains. The biggest obstacle that companies have in trying to look for efficiencies in their operations is the growing volume of data generated by a whole host of systems used in the enterprise. We began the process of looking at ways to be able to effectively integrate that information (or “Big Data”) into a common repository that would be useful to all functions of the organization including finance, operations, marketing, sales, etc. We solved that problem using the cloud. We then began to focus on creating insightful analytics to support fact-based decisions and to create the ability to track the outcome of those decisions in running the enterprise. Today, Competitive Insights is focused on helping CEOs, CFOs, supply chain officers, sales officers and marketing officers gain better insights with regard to operating performance specifically around SKU/product and customer profitability. We call this Integrated Business Planning (IBP) based on guidance from Gartner. Our IBP solutions give our customers the ability to have accurate and precise information with regard to Net Landed Cost To Serve and Profit insights for each product sold to each customer through every form of channel.

CEOCFO: You mentioned insightful analytics as opposed to just analytics. What is the standard and how does your approach provide more insightful analytics?

Mr. Sharpe: Most performance analytics focus around specific descriptive characteristics, in other words, describing performance as it relates to a particular activity in sales, supply chain, manufacturing, finance or marketing. What we have

learned is that if you can have information that is very accurate and specific at the lowest common denominator of the operation, you can add significant more value through other forms of advanced analytics. Examples are diagnostic analytics to understand why one customer is more profitable than another or why one product is performing better than another in profit contributions. Therefore, diagnostic analytics is getting to the root cause of performance variations. You can also take advantage of predictive analytics to look at the expected performance outcome if you do or do not change a specific “go to market” strategy. This often then leads to prescriptive analytics to explore different scenarios on ways to operate specific parts of the operation in order to determine the most appropriate answer to a particular problem. Advanced IBP analytics can provide business users with the tools they need to significantly increase profits and top line growth simultaneously. This can become a tremendous competitive advantage.

CEOCFO: *Who is your typical customer?*

Mr. Sharpe: Fortune 500 to 1000 companies across multiple industries. Historically, sponsorship has come from the supply chain/operations side of the house. However, we now are finding that Integrated Business Planning capabilities are of interest to CFOs as they play more strategic roles with their business unit counterparts. Who has more of a vested interest in improving profits and lowering costs on a cross-functional basis than the CFO?

“Being able to look at the business with very actionable insights that help you drive profitability, is going to be disruptive.” - Richard Sharpe

CEOCFO: *Would you give us a concrete example of some of the common areas you are able to help a company with and something more outside the box?*

Mr. Sharpe: A very active focus for many companies today is product and customer segmentation. An example of descriptive analytics would be to look at each and every customer that is served and determine which customers are very profitable, which of them are marginal and which specific customers are unprofitable. Companies then want to know what the profit dilution drivers are such as service costs, discounts, and order mix variations. With that information in hand business, users can then integrate a demand forecast and look at the profit contributions of customers if specific strategies are changed for those customers (predictive and prescriptive analytics). Segmentation activities do not necessarily lead to firing the customers that are not performing well but rather to find ways to have them emulate more of the behavior of very good customers. We have a customer who did exactly that using their IBP solution. They serve hundreds of thousands of customer locations throughout the U.S. using multiple channels of distribution. Their customer segmentation activities identified twenty million dollars of opportunity by just getting customers to change certain characteristics of performance. Customer and product segmentation is a great example of taking advantage of advanced analytics using CI’s IBP solution.

CEOCFO: *When you are speaking with a prospective client, do they understand the depth and value of your offering? Is there a typical aha moment or does it come more when they are actually implementing the system?*

Mr. Sharpe: We provide examples using visual representations and case studies of how customers have used their IBP analytics and the resulting financial improvement. We also walk through the process of building an IBP solution and the roles for each group. For most companies, they quickly recognize the value but do have initial concerns on whether or not it will actually work for them. They will offer that they have invested a tremendous amount of money in their IT infrastructure with ERP systems as well as systems that have been inherited and that they have data in lots of places. Once they learn that we are agnostic to the number of systems or the format of the data, the focus shifts to their specific needs and opportunities. What becomes even more interesting, and we believe is especially for CFOs, is the fact that our IBP solution is a closed loop application. In other words, in addition to enabling advanced analytics to be used by cross-functional teams with a common focus on profitability, the company can set very specific targets and measure the performance of newly defined strategies in very specific and actionable ways. This generally adds quite a bit of excitement in the discussion because it provides a reliable way to measure the impact and the ROI for those strategies every month or every quarter based on how often they refresh their data.

CEOCFO: *How do you get through the noise with so many companies in the industry overall?*

Mr. Sharpe: We are very fortunate. We have been in the industry for quite a while. The honest answer is that reputation is everything in our business. The Gartner designation for Cool Vendor earlier this year has also been wonderful. It has opened many doors. It validates that Competitive Insights’ IBP solutions are a disruptive capability. We are very excited and grateful for that designation. We are also expanding our reach to be more visible to CFOs because we believe the CFO is the most vested officer in identifying opportunities across multiple functional areas to drive immediate opportunities to increase profits. We are just starting that journey and have just released a white paper specifically focused on CFOs and their changing role using IBP solutions.

CEOCFO: *What is involved in the implementation of your service?*

Mr. Sharpe: We ask for the data from all of those systems that I mentioned earlier, in its native format. We do not require any form of integration or transformation on the company’s side with regard to that data. By talking with various Subject

Matter Experts in the company, we use that knowledge to transform the data on our side using our product, CI.RADAAr™, to define the specific performance information for that company. This is followed by a data validation process to validate that the data is right and agreed upon cross-functionally. This is also done on the cloud, which makes the process very efficient. From there, initial IBP analytical views are created by selecting appropriate views from our IBP library based on the priorities of the customer. During this process, we emphasize that this is a journey that starts with discovery, moves to process enhancements and eventually will drive business innovation. It is critical to get the company comfortable with the fact that they now have the ability to have this type of specific and actionable information on a consistent and regular basis to make fact-based decisions. Once they get comfortable using their IBP solution and work through each stage of adoption, they will literally innovate the way they go to market. Here is a great example. Companies that are on the IBP journey are starting to think about how to better align their sales organization incentives. Specifically, not only incenting increases in sales volume by customer or by channel but revenue increases that are also increasing the profit contributions. That would be a very different approach for some companies.

CEOCFO: *Do you have one product or several products? What is the actual offering?*

Mr. Sharpe: Our product, CI.RADAAr™, is a cloud-based solution that is tailored to each and every customer. It is a product that has been in development of for over ten years. The basic use of the product by each customer is dependent on their current priorities. However, once the organization realizes they can look at things like the effectiveness of trade promotion costs by channel, the impact of blanket discount programs or the impact of giving all customers the basic same level of service, and how these strategies are impacting profitability, they become very excited. It really is playing out to a cross-functional utilization tailored to the priorities for that company.

CEOCFO: *With the concept of Integrated Business Planning, IBP, how well is it known? What is the competitive landscape?*

Mr. Sharpe: There is a viewpoint by many companies that their S&OP (Sales & Operations Planning) process will evolve to an Integrated Business Planning (IBP) process. We take a very different viewpoint. We believe that IBP and S&OP processes serve different but complimentary purposes. There is definitely a need for clarification. In our view, IBP solutions that involved the use of enterprise wide data and advanced analytics in the hands of business users is very compelling. Being recognized as a Cool Vendor by Gartner makes us believe we are on track with that viewpoint. From a competitive perspective, we generally compete with in house capabilities where people think they have the same capability using a business intelligence tool coupled with a data warehouse. That is not our approach. We are focused on putting analytics and tools into the hands of the business user to discover insights and not relying on data scientists to access and manipulate data. We work very hard in making the IBP solution intuitive to the business by working with the people who understand the business and giving them the capability to gain insight and to develop targeted strategies based on specific and actionable information.

CEOCFO: *Giving back is clearly important for the company. Why and where do you focus your efforts?*

Mr. Sharpe: Yes, giving back to the community is very important to us. It is part of our culture because we want to attract like-minded professionals who feel that this is important. Professionals who have a desire to give back in order to help the community using their professional skills and knowledge in addition to earning a living. We have supported this mission in a number of ways. We have worked with Feeding America to improve multiple Food Bank operations. Competitive Insights has also supported the Atlanta Community Food Bank in their use of our IBP solution, as they looked for ways to enhance focused food distribution programs. Programs that are not just driven by a volume perspective but also from the perspective of the nutritional quality of the food that is actually going out to those that are at risk for hunger. Competitive Insights is also a founding member of the American Logistics Aid Network (ALAN). ALAN represents the twenty-six supply chain professional organizations around the world. Our focus is to support disaster relief organizations who are assisting Americans in need during disasters. ALAN provides both the ability to create business connections as well as an Internet based portal that the relief organizations can use to register exactly what they need to support their relief efforts.

CEOCFO: *Put it all together for our readers. Why pay attention to Competitive Insights?*

Mr. Sharpe: The obvious response is to gain competitive advantage. Being able to look at the business with very actionable insights that help you drive profitability is going to be disruptive. Having the ability to know exactly what is working, what is not working, where the profit contributions are coming and where they are being deluded, becomes a very important part of how you go to market. Having that capability is going to be a significant advantage going forward. Not having that capability is going to be a significant disadvantage.

BIO: Richard is the CEO of Competitive Insights, LLC. Competitive Insights is professional Software as a Service (SaaS) company focused on customer solutions that simultaneously reduce operating costs and the risk of supply chain disruptions. CI's seasoned professionals use a unique blend of experience and technologies to assist customers in efficiently analyzing and refining solutions that maximize the value that can be derived from their operational data.

Richard is a frequent speaker at national gatherings of The Council of Supply Chain Management Professionals (CSCMP) and other industry related forums. He actively promotes awareness of supply chain management, challenging executives to consider its role in gaining competitive advantage.

Richard has also authored articles in national publications including co-authoring an article in DC Velocity on Supply Chain Risk Management. Richard has also been designated as a "Rainmaker" by the same publication.

Richard is a founding member of the American Logistics Aid Network (ALAN), a non-profit consortium of 15 supply chain professional organizations serving Disaster Relief Agencies in times of crisis. He has also served on the Board of Directors for the Warehouse Research and Education Council (WERC) as well as on the Advisory Board for Georgia Tech's Executive Masters in International Logistics (EMIL) Program.

Prior to Competitive Insights, Richard was President of CAPS Logistics, Inc. CAPS was a logistics software and services company providing leading-edge solutions to Fortune 15% of the 500 companies worldwide. Notable efforts include working with one of the world's largest soft drink providers to develop integrated solutions to 26 country operations and successfully implementing one of the world's largest rollouts of decision support applications for the waste industry.

Richard has also helped to create and manage large operating company organizations. Upon completion of strategic manufacturing efforts for AT&T in 1982, Richard joined 11 other managers to plan and execute the supply chain infrastructure that would support the regulated side of the BellSouth Corporation. Richard directed efforts that led to the creation of a centralized database and nomenclature structure that was the basis for standardization for all sourcing, purchasing, material management and transportation systems.

Education & Professional Associations

Richard received his MS in Industrial Engineering in 1980 from Georgia Institute of Technology while doing graduate work for the U.S. Navy – Atlantic Fleet. He earned his BS in Industrial Engineering from the University of Florida in 1977.

Richard was inducted into the Council of Outstanding Young Engineering Alumni as part of the Engineering Hall of Fame and The Academy of Distinguished Engineering Alumni of Georgia Institute of Technology.



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