

Manage the Trade Spending & Pricing Life Cycle with Enhanced Profitability



At a glance

- Founded in May 2000
- 8 of the top 25 foodservice manufacturers
- 14 customers who are in the top 5 of their primary category; 22 in the top 10
- 5 of the top 10 Sysco suppliers
- Over \$1.1 billion settled through 1.1 million claims

Blacksmith Applications enables organizations to confidently manage their trade spending and pricing initiatives based on profitability through software solutions and consulting. Blacksmith specializes in solving the unique needs of foodservice manufacturers, while also meeting clients' needs for CPG and other lines of business. Clients rely on Blacksmith software and services to plan, execute, settle and analyze trade spending and pricing programs.

Blacksmith Applications stands apart:

We understand the challenges foodservice manufacturers face.

- Experienced in the industry as well as foodservice technology
- Leaders in the contract management/trade spending software space since 2000 that have led the market evolution from contract management to trade spending
- More than 200 years cumulative experience in the Foodservice and Consumer Packaged Goods industries

You can evaluate opportunities based on profitability, then analyze performance and actual profitability throughout the deal lifecycle.

- The software uses product costs and associated deals with the same customers to automatically calculate expected profitability of every spending request
- We help customers identify at least 10% of their trade budget that is non-performing, generally driven by poor return or prices that are too low

You can be more responsive to opportunities by distributing the ability to make decisions while maintaining accountability.

- Create approval thresholds by user based on budget, profitability, total expenditure and other options
- Configurable workflow to automatically route deals to the right people for approval
- Reduce deal approval cycle time from weeks to days
- During implementation, we configure the application to support your business practices – configuration, not customization





Benefits of Expertise

With Blacksmith, manufacturers can leverage our expertise for insights and action in the following areas:

- Proprietary industry benchmarks
- Best practice roadmaps and roll-out
- Trade spending and pricing strategic planning
- Change management, training and support

And, we improve your best practices, so you can leverage the learnings of others in the industry.

- Extensive knowledge about our customers' businesses as well as consulting experience with other large CPG companies
- Projects encompass process evaluation and design and best practice recommendations for more than 100 companies

We increase the efficiency of billback and deduction processing

- Comprehensive billback validation and settlement engine for every billback claim against program details:
 - Local marketing, corporate shelter, lump sum, growth and other distributor programs
 - Pricing and rebates for national accounts, bids and local operators
- Automatic calculation of expected payments for distributor programs based on program and invoice detail
- Reduce billback processing cycle time from weeks to days

We are non-invasive and integrate with your existing systems.

- Proven success integrating with ERP and other systems for master and transactional data on a nightly basis
- Integrate pricing files created in FORGESM Trade to use in the ordering process in the ERP

Time to value is short so you can quickly benefit from implementing our software.

- 3 to 6 months average implementation time
- Low implementation services-to-software cost ratio



Forging Tools for the Consumer Goods and Foodservice Industries

Blacksmith Applications is focused exclusively on Trade Spending & Price Management solutions for our target industries. We are widely recognized for our experience and knowledge and understand the unique challenges our markets face when conducting business with distributors, retailers and operators.

We are committed to designing and delivering solutions that enable you and your company to thrive and effectively manage your business. We take inefficient business processes and shape those into systems for streamlining business, managing contracts, controlling trade spending, gaining business intelligence, and growing your business profitably.

Blacksmith Applications provides a comprehensive trade spending and pricing management system that supports the following types of programs. With all these deals in one system, you not only have a trade spending solution – ***you have a platform for profitability analysis of your entire business.***

- National and regional price lists;
- Distributor allowances and trade - including distributor-specific pricing, rebates, lump sum and growth programs;
- Operator deviated prices, both FOB and delivered, and rebates; and
- Broker commissions.

Blacksmith's Software Products

Blacksmith offers solutions to address critical trade spending and pricing processes that require coordinated execution across both internal and external touch points:

FORGESM Trade

A trade spend and price management solution for senior management, sales, marketing, and sales agents/brokers that centralizes all contract, price list and program data. It enables remote teams to electronically create and approve programs quickly and easily for business with distributors, retailers, and operators. FORGESM Trade enables:

- Complete end-to-end management of Distributor Trade [local marketing, corporate shelter, direct pricing and off-invoice events] and Operator Pricing [local, bids, national accounts] events
- Profitability evaluation of each request enables management to assess opportunities with consistent perspective on deal economics, while evaluating the impact of direct trade on operator profitability
- Effectively deals with contemporary industry dynamics surrounding price actions and mass-updates of operator-based incentives while integrating tools for emerging challenges



Benefits of Blacksmith's Solutions

With Blacksmith, manufacturers can improve:

- Operating income and profitability
- Trade spending effectiveness
- Sales coverage and productivity
- Broker/sales agency effectiveness
- Customer responsiveness



FORGESM Settlements

A solution that enables settlement of trade events, including auto-calculation of distributor programs, claim validation, deduction resolution, and check/credit processing. Our solution easily guides you through the resolution process by utilizing a collaborative, automated workflow-based environment. FORGESM Settlements enables:

- Line-item validation of dates, customers, items, rates and volumes
- Ability to ‘auto match’ deductions and collect operator recapture volume and claim deviations
- Linkage with ‘recapture’ logic enables strategic options for capturing shelter funding against National Account volume

FORGESM Analytics

Online and offline solutions that help you analyze customer and foodservice division profitability. Analysis provided through FORGESM Analytics includes:

- Gain visibility to operator commitment realization, including SKU-level purchases, to 1) identify fulfillment of contract commitments and 2) gain insight into the current ‘run rate’ of volume relative to forecasted pacing.
- Obtain insight into the discounted business with each distributor [e.g., national accounts and bids] relative to their gross purchases in order to 1) compare across points of distribution by local house, corporate parent and buying group and 2) identify which distributors represent ‘true street’ business by region and broker.
- Analyze distributor effective net price [base price less trade and operator reimbursements] rank relative to the price point universe to identify the true net contribution by SKU and major planning category.

Our Customers

Our experience includes engagements with CPG clients who are considered category leaders. We have successfully executed more than 40 projects with both food and non-food manufacturers that participate in foodservice, retail and non-traditional channels.

Software

- Armour Eckrich
- Cavendish Farms
- ConAgra Foods
- Foster Farms
- H.J. Heinz
- J.R. Simplot
- Lamb Weston
- MARS Food US
- McCain Foods
- Pactiv Corporation
- Solo Cup Company

Consulting

- Barber Foods
- Clorox
- Ecolab
- General Mills
- Innoware
- J.M. Smucker
- Kerry Foodservice
- Pepsi-Cola Foodservice
- Perdue Farms
- Sara Lee Foodservice
- Tyson Foodservice



Blacksmith solutions enable profitable decision-making, provide insight into trade spend and promotion performance, facilitate customer and product profitability analysis and enable visibility and accountability through configurable workflow and approval settings.

Customer Successes



One of the largest CPG companies saves \$2.5 million annually due to comprehensive billback validation, elimination of 'double dipping' and reduced shelter payments on national account volumes.



A frozen goods manufacturer saves \$1.5 million annually from improved collection of invalid deductions, \$200,000 annually from eliminating inefficiencies and \$200,000 annually from reduced transaction costs.



A CPG company saves 5% of its gross trade budget annually, driven by improved decision-making.



A manufacturer who is consistently in Sysco's Top 5 suppliers saves \$300,000 annually due to more efficient broker processes and \$425,000 due to eliminating below market pricing.



An entrée manufacturer has redeployed 6% of its gross trade budget annually by excluding shelter on national account volumes.



A packaging manufacturer who is top 5 in their category and a top Sysco supplier reduced spending by more than \$1.5 million annually through better 'gross to net' calculations and saves \$300,000 annually through administrative savings from a more efficient process.



A manufacturer who is top 4 in their category saves about \$4M annually, driven by eliminating and recapturing pricing deviations, reducing unauthorized deductions that must be written off, savings on brokerage commission payments and savings on systems investment and maintenance.



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Visibility. Accountability. Profitability.

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