

# HOW DID TIBERSOFT SAVE MCCORMICK \$1.5 MILLION IN TRADE LOSS?



American Food Company cracks down on trade loss with Tibersoft's detection, correction, and prevention solutions.

## BACKGROUND

Joe Richardson is the Sales Planning and Operations Manager at McCormick, a global leader in flavor. The fortune 1000 company continues to meet the increasing demand for flavor in 150 countries and territories around the world. The company had no Trade Promotion Management (TPM) system and was unable to achieve necessary trade data visibility. With the company experiencing growth for 33 consecutive years, Richardson needed to implement an automated trade visibility and management system.

## CHALLENGES

A global company responsible for manufacturing, marketing, and distributing within the food industry, cannot function without organization. Keeping track of trade location and claim data is key to trade loss prevention and effective management. McCormick was not using any Trade Promotion Management systems and had never achieved good visibility on trade data.

A common issue for McCormick was unnoticed, invalid information in trade claims. Several claims included rates based on old prices, and therefore, invalid rates. Several claims from US-Foods included rates based on improper units of measure, as full rates were charged when selling broken or partial cases. Some Sysco houses had been taking deductions based on the markup price instead of list price, which was responsible for over \$1 million in over billing.

McCormick required a system with the ability to track and manage all location and claim information to prevent these recurring losses.

## SOLUTIONS

McCormick implemented three Tibersoft modules: Audit, Direct Sales, and Operator Review, as well as Tibersoft Explore. Now, McCormick is able to detect, correct and prevent trade loss of all types.

**Detection-** The Tibersoft Audit Module provides detailed location and claim data at all levels of trade promotion using the Optrade Operator Database. Claim issue detection is done with the simultaneous analysis of several different claimants and results are calculated for quick transmission of information. Claim issues below the manufacturer's tolerance level threshold are easily uncovered with Tibersoft, preventing the build up of minor trade loss.

**Correction-** For every issue, the McCormick team is able to easily extract supporting data from the Tibersoft Explore tool. Issues are organized on the tool's dashboard by highest dollar so McCormick's managerial resources are effectively allocated.

**Prevention-** McCormick is able to identify recurring issues and assign rules to govern future claims.

## RESULTS

Now, McCormick is able to effectively prevent and manage trade loss and double dipping. In the first few months of having access to full, location level claim data, McCormick found over \$1.5 million in over-payments. The Trade Promotion Management system allows McCormick to identify invalid pricing rates and improper units of measure within claims. With Tibersoft, McCormick identified a claim with invalid rates of \$2190 per case, instead of \$21.90 and successfully recouped \$250,000.

**\$5.3 BILLION**

annual sales in 2018

**TOP 10**

food manufactures work  
with McCormick

**33 YEARS**

of consecutive increased  
dividends

## PRODUCTS

Tibersoft Explore

Audit Module

Direct Sales Module

Operator Review Module

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