



## Stratum: Operational Planning & Performance Insight For Food & Beverage Businesses



Today, Food and Beverage processors and distributors are threatened by unprecedented industry challenges, including low growth rates; tighter margins due to higher costs for energy, materials, transportation and labor; dynamically changing consumer tastes; and much more demanding retailers who expect more for less in goods and services.

Subjected to these pressures, Food and Beverage companies must now scrutinize a myriad of important metrics in order to capture more revenue opportunities, improve trading and category management, and enhance operational efficiencies in support of a demand-driven supply network.

Over the past 13 years, Silvon has worked hand-in-hand with hundreds of Food and Beverage enterprises to address these challenges by giving them better visibility into demand and operational performance ... better planning and management of their products ... and better overall management of their accounts. These organizations today rely on Silvon Stratum™ for operational planning, analysis and reporting.

## FEATURES

Stratum features hundreds of pre-built performance views, KPI metrics and reports that run on top of the valuable data captured by order entry and other business systems. This data is imported, aligned and stored by Stratum in a central repository that can be easily accessed by users any time, anywhere ... giving our clients significant insight into how well they're performing against their plans while pinpointing variances and other anomalies that may require their review to ensure that everything stays on track.

Stratum also includes the most extensive capabilities available to Food & Beverage businesses today for product forecasting, sell-thru demand forecasting, and more accurate sales planning.

## Financial Analysis & Reporting

### Customer-Centric Applications

- Detailed Sales Analysis
- POS Sell-Thru
- Promotional Planning & Analysis
- Customer Scorecarding Segmentation & Profitability
- Category Management

### Supply Chain-Centric Applications

- Sales & Ops Planning Support
- Inventory Visibility
- Manufacturing Analysis
- Supplier Analysis
- Product Profitability

ANALYZE

VIEW

PUBLISH

MANAGE

ALERT

PLAN

FORECAST

## Data Repository

- Enterprise-Focused
- Granular
- Real-Time
- ERP, point-of-sale, other data

## Consulting & Education

## A REPRESENTATIVE SAMPLE OF SILVON'S FOOD & BEVERAGE CLIENTS ...

AB Mauri Food, Inc  
Best Brands  
Dean Foods Company  
Del Papa Distributing Company

Farmer John  
Ferrero USA Inc.  
Herr Foods, Inc.  
John Morrell & Company

Kemps LLC  
Kraft Foods Intl Export Group  
Lactalis American Group, Inc.  
Pierre Foods

Red Gold, Inc.  
Severn Peanut Company  
Ventura Foods Inc.  
Vitality Food Service

# The Customer-Centric Visibility Offered by Stratum

Point-of-sale and other sales- and marketing-related data can be imported into Stratum's data repository and easily viewed together with historical sales. The result? Greater visibility into actual demand, a better understanding of competitive performance, increased new product performance, and the ability to quickly refine promotional focus and generate a greater return on your marketing investments.

## Sales Performance

### Flash Reporting

Gain ongoing visibility to sales performance vs. objectives at any time by viewing Stratum's daily flash reports based on sales and open orders data.

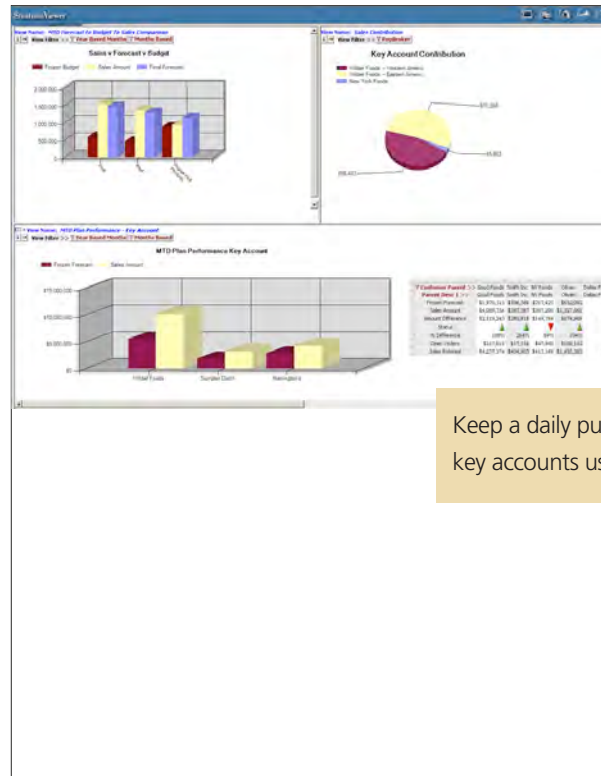
### Open Orders Analysis

Use Stratum's powerful analyses to help you balance inventory with open orders and to allocate inventory to the right orders at the right time ... ensuring improved fulfillment rates and better capacity assessment.

### Sales Scorecarding

Generate scorecards that analyze sales, returns, pricing, discounts, revenue and gross profit to isolate trends and relationships in a single view from which you can easily drill down to lower levels of detail for more in-depth analysis.

- Gain a better understanding of those customers and products that drive the business in terms of revenue and profitability
- Improve the way you manage returns
- Gain greater insight into your pricing and discount performance



Keep a daily pulse on the performance of your sales organization and key accounts using easily viewed flash reports.



With a single view of Open Orders vs. Inventory, easily see if you will be able to meet your demand requirements.

# Marketing Performance

## Sell-Through Analysis

Stratum gives you a pulse on what products are selling in the market and where inventory still exists by analyzing the POS data you receive from your retailers. And it helps you better understand forward buying and diverted products. With this information, you can ensure that the right categories and mixes of products are delivered to the market, better service your distributors and retailers, and decrease product returns.

## Retailer Account Management

Stratum's detailed analysis of sell-through data also enables Food and Beverage producers and distributors to assess consumption performance by product, category, store and chain. The insight gleaned from this analysis can be shared with your accounts and leveraged to improve the service levels that you provide to your retailers, help them better merchandise and sell your items, and increase the overall value that you offer in your respective product categories

## Channel Performance Analysis

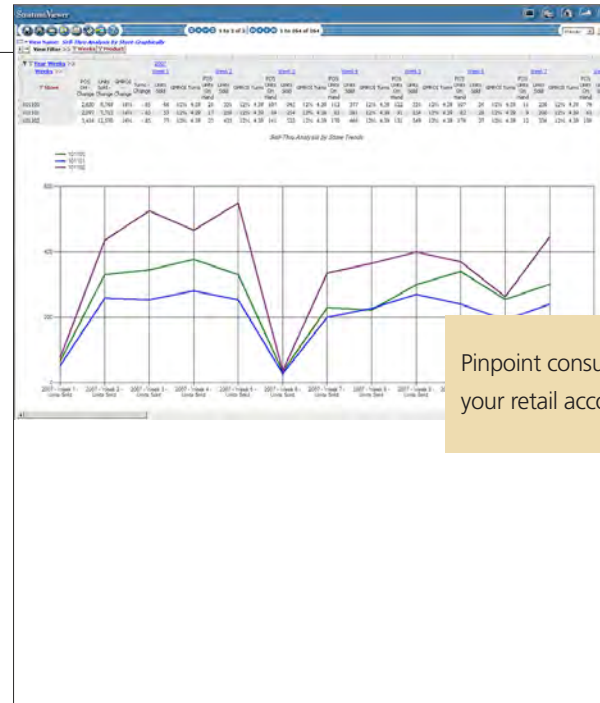
Leverage Stratum to gain visibility into channel performance, too, through the analysis of syndicated consumption data and competitive market information. Gain a much clearer picture of your competitors' performance and the information you need to better market new products, to sunset existing ones, and to refine the promotional focus of your current and future marketing programs.

## Category Analysis

By identifying category strengths, weaknesses and opportunities, your marketing campaigns and product introductions will be more effective and profitable. Stratum provides the insight you need to gain this understanding via a powerful category scorecard that spotlights growth areas, trends, underperformers, shipment vs. consumption, UPC price analysis, and more!

## Trade Funds Analysis & Effectiveness

Rely on Stratum's reporting and historical tracking capabilities to help you assess your



Pinpoint consumption trends by product by store to better service your retail accounts.

trade funds initiatives and to provide documented reasons for initiating change and improving the quality of service to your customers.

- Easily track and monitor deductions claimed by customers
- Better understand which customers deduct the most and why
- Identify trends to help you better assess and minimize future disputes
- Better understand the reasons for delayed and short payments
- See at a glance how disputed items impact your bottom line

## Trade Funds Effectiveness

Stratum also helps you determine the effectiveness and bottom-line impact of your promotional programs.

- Instantly measure accruals by customer and what's been accrued versus settled
- Determine what funds remain by customer and territory once a campaign has ended.
- Analyze customer profitability after spends and deductions
- See at a glance what your spends and deductions represent as a percentage of sales
- Assess how well your sales increased over a promotional period via cross-selling or up-selling programs.

# Customer Performance

## Customer Scorecarding

Easily generate customer scorecards that examine customer and channel value from multiple perspectives, such as lifetime sales, gross margin contribution, and by factors that affect profitability — discounts, freight and handling, and average selling price.

## Customer Segmentation

After identifying your most valuable customers, further profile, segment and rank them with Stratum so they can be targeted for additional sales opportunities. Then, apply specialized metrics to segment customers and build specific promotions or sales efforts around select customer groups. Afterwards, easily track sales generated from promotional activities and compare them to your planned sales.

## Customer Management

Stratum also supplies you with the information you need to make informed decisions that put the customer first. Leverage its metrics to understand the impact of order

fulfillment, returns and call center activity on sales performance and gain the insight needed to help you improve performance in these areas.

For even greater account management, employ Stratum's built-in analytics to assess the open orders, actual sales, sales potential and gross margin tied to each of your accounts. Then explore the results to find new revenue opportunities and areas in which you can improve account profitability!

## Accounts Receivable Analysis

From a financial perspective, use Stratum to analyze your receivables including open AR, the impact on revenue of days sales outstanding, cash receipt trending, the effectiveness of your AR discounting programs and the current credit status of your customers.

Product	Facility	Sales	Open Orders	Demand	Inventory	Net	On Hand	Projected	Sales and Open	Open	Shipments	Net	On Hand	Projected	Open	Shipments	Net	On Hand	Projected	Open	Shipments
Current Month	2007/September	2,192	65	2,096	54	528	209	1,251	96	1,430	25	333	3,741	126	3,525	79	613	528	2,141	156	2,565
Next Month	2007/October	938	794	1,562	1,562																
2 Months Out	2007/November	691	691																		
3 Months Out	2007/December	1,181	1,181																		
4 Months Out	2008/January	1,121	1,121																		
5 Months Out	2008/February	994	994																		

Easily assess how your customers "view you" in terms of your fill rate and delivery performance.

## THE SUPPLY CHAIN-CENTRIC VISIBILITY OFFERED BY STRATUM

On the supply chain side, Stratum provides to Food & Beverage companies in-depth visibility into inventory, supplier performance and the performance of production operations. As a result, you are better enabled to make more effective replenishment decisions, maintain a more efficient supply, reduce out-of-stocks, improve fill rates, enhance production execution, and reduce costs.

## Supplier Performance

### Supplier Scorecarding

When it comes to your suppliers, Stratum provides easy-to-view scorecards that can be used to help you meet your procurement budget, customer demands and production schedules for effectively.

- Better control and monitor vendor schedules and fill rates by assessing incorrect material quantities, short deliveries, excess orders, and receipts of wrong products and materials
- Track vendor pricing and accepted / rejected materials, and flag rates that fall below acceptable levels
- Monitor and evaluate vendor lead times to better understand their impact and to correct problem areas more efficiently

### Buyer Scorecarding

Stratum can help you improve the performance of your buyers, as well, rounding out the value it provides across the entire procurement organization.

- Identify potential problems before they occur by evaluating products that have not been ordered within their lead times and analyzing where production or customer schedules may be impacted
- Assess how well your suppliers are meeting your purchasing plan based on actual costs charged you, delivery timing, transportation costs and materials quality
- Gain visibility to the impact of lead time variability by monitoring the % of materials that had to be delivered to another location and the % of transactions make via EDI

### Purchase Price Analysis

The pricing analysis provided by Stratum gives you control over your material costs and allows you to better manage your established budgets and vendor relationships.

- Analyze purchase price variances to ensure they're not trending upward

Vendor	Vendor Long Description	PPI Status	Units Invoiced	Value Invoiced	Standard Cost	Value Invoiced @ Actual Cost	PPV	PPV %
000000	American Providers	●	2,094,267	\$1,155,802.49	\$1,178,091.70	-\$22,289.21	-1.92%	
000001	American Manufacturing	●	712	\$204.56	\$204.56	\$0.00	0.00%	
000002	Corn Products of America	●	33,867	\$38,269.53	\$38,269.54	\$0.01	0.01%	
000003	Farmington's	●	4,39,223	\$296,032.51	\$296,032.51	\$0.00	0.00%	
000004	Food Packages, Inc.	●	25,692	\$12,732.58	\$12,880.80	\$85.26	-1.71%	
000005	French Foods	●	9,228,830	\$42,949,933.04	\$42,997,880.27	\$3,530,127.33	8.26%	
000006	GM Manufacturing	●	28	\$2.14	\$2.14	\$0.00	-14%	
000007	AC Distributors	●	189,337	\$125,748.44	\$127,011.95	\$1,263.51	-1.00%	
000008	Heidelberg	●	96,772	\$64,417.18	\$64,417.18	\$0.00	0.00%	
000009	McCormick	●	2,327	\$391.42	\$391.42	\$0.00	-17%	
000010	North Foods	●	2,912,728	\$16,379,866.77	\$16,379,238.19	\$3,284.41	0.02%	
000011	Schnee Manufacturing	●	341,734	\$131,286.48	\$131,286.48	\$0.00	0.00%	
000012	Southern Imports	●	4,313	\$3,820.95	\$3,820.95	\$0.00	0.00%	
000013	Specialty Foods	●	1,222,246	\$32,790,407.81	\$36,022,837.80	\$3,262,449.49	9.99%	
000014	Sun Products	●	432	\$401.76	\$402.27	\$0.51	-0.1%	
000015	Sunbells	●	23,804	\$33,281.06	\$30,987.00	\$2,596.06	7.8%	
000016	Walter (Integrated)	●	-26,292	\$5,085.12	\$5,085.12	\$0.00	0.00%	
000017	Washington Products	●	6,610,312	\$17,024,517.07	\$17,236,725.18	\$3,791.89	0.04%	
Grand Total		●	74,166,874	\$111,268,036.30	\$111,325,338.64	\$4,677,302.34	4.19%	

View Purchase Price Variance by vendor and product to better manage your procurement budgets and supplier relationships

- Better understand how average purchase prices are affecting your budgets
- Easily analyze receipts for which no invoice was issued by the vendor

### Accounts Payable Analysis

Stratum also offers a number of analyses and reports for analyzing and better managing your Accounts Payable.

- Evaluate how much is due to your vendors and when
- Analyze open payables and payables over time to project future cash outflow
- View how payables have trended over time and for which vendors
- Pinpoint increases to see if you are purchasing more or if your vendors are increasing prices for goods and services
- Evaluate early payment discounts offered by your vendors to determine their value to your business now and over time

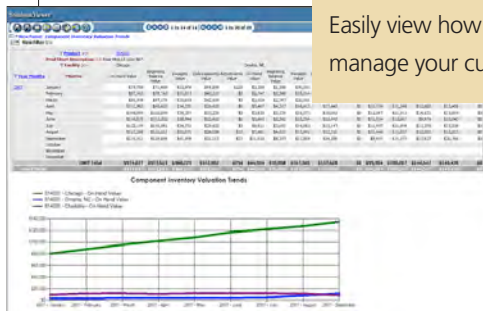
## Inventory Performance

### Inventory Analysis

Use Stratum to evaluate inventory levels in order to better understand product movement, inventory investments and product availability.

- Identify trends in inventory value over time by warehouse, business unit or location to see if it's building
- Analyze inventory turns and why they are increasing or decreasing
- Measure the value of your inventory mixes to improve your allocations
- Predict potential cash flow problems by examining your inventory-to-sales ratio
- Assess your Gross Margin Return on Inventory to further optimize your inventory investments
- Analyze both inventory and cycle counting accuracy to improve your overall inventory leverage

For producers and distributor of perishable goods, Stratum's ability to analyze inventory "days to expire" can be invaluable, too ... giving you the insight you need to reduce product downgrades and dumps.



Easily view how inventory value is trending over time to better manage your current and future investments.

## Production Performance

### Operations Analysis

Stratum allows you to access pertinent day-to-day operational information to ensure that you can accommodate customer demand and that resources are optimally utilized.

- Compare expected demand to supply for any product and input additional work orders as needed to meet demand
- Monitor WIP levels to ensure they stay within acceptable limits
- See where bottlenecks exist and how they can be averted to streamline the production process and avoid late shipments
- Review open orders at month end to determine what WIP exists and can be closed out
- Evaluate scheduled production and determine if the necessary resources are available

### Variance Analysis

Stratum enables you to analyze labor, material and overhead variances all the way from the plant level down to the department or shift level to help you pinpoint and address potential problem areas before they surface. Then, view all variances over time to identify which ones are showing improvement and which ones require more attention

### Manufacturing Scorecard

Using a scorecard format, Stratum also provides a complete set of production execution performance analytics that help you understand past performance and improve future performance and profitability in the areas of downtime, scrap, performance to schedule, production variance, standard utilization, efficiency, and productivity. And it consolidates all of these performance measurements into a single view, or scorecard, from which you can easily drill down to lower levels of detail for more in-depth analysis.

### Maintenance & Repair (MRO) Performance

You can also leverage Stratum to measure Maintenance and Repairs of your production equipment.

- Monitor machine downtime, including unplanned events
- Track the maintenance history of your equipment so you can better plan and manage your future maintenance requirements and associated expenses
- Easily see what your backlog is so you can plan machine utilization more effectively
- Evaluate the status of your work orders so you can quickly pinpoint potential delays that may impact forecasted utilization dates.

# Financial Performance Management

## Collaborative Budgeting & Planning

Stratum empowers every stakeholder within an organization to communicate, collaborate, and execute on a commonly understood financial budget/plan ... driving a consensus-based budgeting and planning process across the enterprise that's more accurate, complete and timely.

## General Ledger Analysis

Stratum lets you evaluate activities and costs associated with your organization's processes across and within departments to help you better manage your budgets and expenses and to monitor your financial performance on a more proactive basis. Compare cost and performance across various segments of the organization, such as facilities or plants or warehouses. And view activities year to year, or quarter to quarter, to determine if process improvements are working as planned.

## Financial Reporting

Stratum also allows you to analyze and report on financial data without having to switch to other enterprise applications or to wait until month-end processing to view it. And it enables you to link together and analyze your financial information with the operational data already stored in its data repository to increase the transparency and visibility of your company's overall performance.

- Easily display data in financial report formats such as Income Statements, Balance Sheets, P&Ls.
- Leverage complex drilling within financial reports to easily assess the operational-level detail behind them
- Allow users to analyze GL accounts across departments or other financial entities (e.g. cost centers) or to analyze the same account (e.g. Travel Expenses) across multiple departments

## Product & Customer Profitability Analysis

Stratum offers pre-built analyses and reports for analyzing product- and customer-related activities to help you determine which activities are eating at your profits so you can better address those activities in the future.

- Rank products and customers by profitability and assess the specific activities that are causing them to be most or least profitable.
- View all activities associated with your products and customers and compare costs to cumulative averages
- Gain a comprehensive view of profitability by product or customer via a "profit and loss statement" that details all activities associated with indirect costs
- Evaluate product and customer activity costs over any time period and compare to budget to detect any variances

Customer/Region	Activity	Amount	Percentage
Wild Foods - Western A	Sales Amount	\$41,129,506	
	Cost of Standard Cost	\$31,212,791	
	Gross Profit	\$9,916,715	
	Allowances	\$124,373	
	Customer Deals	\$15,180	
	Customer Service	\$207,159	
	3PL Transportation	\$209,265	
	Customer Freight	\$1,674	
	Order Entry and Maintenance	\$50,197	
	Returns Processing	\$11,651	
	Warehouse Pick and Pack	\$103,343	
	Net Profit (Before Provisions)	\$8,934,848	
	Net Profit (Before Freight)	\$11,216,239	
Net Profit	\$6,929,661		
Net Profit Margin	17%		
Evaluate Mfg Performance to Schedule			
Evaluate Material Usage Variances			
Evaluate YTD Decoupling			
Mutual Provider	Sales Amount	\$5,424,378	
	Cost of Standard Cost	\$4,146,090	
	Gross Profit	\$1,278,288	
	Allowances	\$20,176	
	Customer Deals	\$95,634	
	Customer Service	\$0	
	3PL Transportation	\$34,423	
	Customer Freight	\$3,643	
	Order Entry and Maintenance	\$62,546	
	Returns Processing	\$11,628	
	Warehouse Pick and Pack	\$23,303	
	Net Profit (Before Provisions)	\$1,076,064	
	Net Profit (Before Freight)	\$1,076,064	
Net Profit	\$988,432		
Net Profit Margin	18%		
Evaluate Mfg Performance to Schedule			
Evaluate Material Usage Variances			
Evaluate YTD Decoupling			
Heston's - Eastern	Sales Amount	\$26,200,792	
	Cost of Standard Cost	\$18,970,302	
	Gross Profit	\$7,230,490	
	Allowances	\$74,870	
	Customer Deals	\$213,337	
	Customer Service	\$0	
	3PL Transportation	\$42,894	

Easily view customer and product profitability and drill down to evaluate their associated activities.

## DEMAND FORECASTING & FORECAST ANALYSIS

Beyond its robust analytics and reports, Stratum offers a statistical forecasting engine that enables Food & Beverage companies to produce accurate, statistics-based forecasts for both new and existing products. With Stratum, you can establish demand curves for new items based on sales history related to another product or similar product category, then monitor and adjust those curves to accurately reflect current demand patterns. Once a new product has at least one period of history, leverage Stratum to generate forecasts based on that history (including expected sales lift resulting from co-op promotions) to accurately and statistically predict ongoing demand. Then, easily track and analyze your forecasts to better understand and improve your demand planning accuracy.

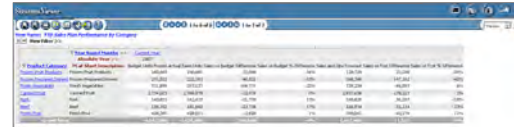
## SALES PLANNING & SALES PLANNING ANALYSIS

Stratum also let you manage your sales plans and budgets in a collaborative manner to ensure that everyone has the right data - in the right place - at the right time. Use it to define budgets at a high, medium or low level of detail and then “roll” them up, down or out to accommodate your planning process. Easily compare “working” budgets to “frozen” budgets to track and reference changes. Use Stratum to determine optimal pricing strategies by evaluating pricing effects on expected revenue and gross margin. Create “what if” plans to determine the effects of changes in your planning information. Then, compare your plans to actual sales to gain a clearer picture of your company’s sales performance.

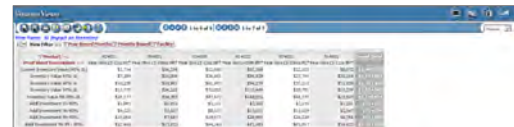
## INVENTORY OPTIMIZATION

With Stratum’s Inventory Optimization capabilities, easily analyze past, present and future data so you can build an ideal working inventory model for your business. Then, empower your users to operate against the model and make dynamic adjustments to recover profit from your inventory investments.

- Determine where and how to calculate safety stock (e.g., by ABC classification, product, warehouse or any other business level)
- Analyze weeks of supply to determine safety stock levels
- Evaluate safety stock based on desired service levels to minimize stockout potential
- Determine appropriate inventory levels to carry based on lead times, demand during lead times, and optimal safety stock
- Automatically alert Inventory Planners to inventory on hand balances that are at or below the appropriate safety stock levels
- Analyze the financial impact of your replenishment policies



Track sales performance against your forecasts and budgets to better understand your demand planning accuracy.



Easily assess the impact of service levels on inventory to reduce potential stockouts.

# The Multiple Planning, Analysis & Reporting Options of Stratum

## **Leverage Pre-Defined Analysis & Reporting**

Stratum lets you gain an immediate return on investment by providing hundreds of pre-built business views and reports that are easily configured to your business. Plus, it's ready to accommodate you with a modular approach that lets you extend its analyses and reports across the enterprise as you need them.

## **Powerful Planning Applications**

Stratum reaches beyond the capabilities of other analysis and reporting solutions by letting you to model out and predict sales forecasts, pricing, inventory replenishment and more, using a collaborate budgeting and forecasting function.

## **Inquiry**

You can leverage Stratum's powerful inquiry capabilities to drill down into a specific area to pinpoint the answers you need. Plus, you can view the data in graphical format, making the process of analyzing the performance of your business faster and easier.

## **Quick KPIs**

Stratum includes more than 500 pre-defined sets of Key Performance Indicator (KPI) measurements. These KPIs give executives and managers the ability to quickly identify your company's strengths and weaknesses and provide a starting point for performance improvement by showing whether or not your business is in line with its strategic objectives.

## **Alerts**

With built-in alerts, you gain crucial monitoring, proactive notification, and automation capabilities that help your company adapt to changing conditions and avoid alarming scenarios pertaining to payables, receivables, budgets, sales, and inventory. Pre-set any number of business rules and let Stratum protect you from failing to respond to deviations from acceptable levels by automatically sending alerts to those people who can take immediate action.

## **Dashboards**

Stratum also offers dashboarding capabilities to give your executives a one-stop, graphical snapshot of the business's health. Our dashboards are easy to understand, often highlighting important KPIs, revenues by period, product sales by category, actual vs. budgeted financial indicators, and expenses by category, to name just a few. We've also made it easy for you to include Stratum dashboards on portal pages.

## **Flexible Information Delivery**

The options you have for delivering Stratum analyses and reports to the corporate office, plant floor, remote sales reps, customers and supply chain partners are virtually endless. You'll find that it's an ideal solution for power users who require the ability to plan, forecast and drill deeply into your organization's performance data ... and that it's perfect, too, for more casual users who simply require browser-based access to their performance metrics!

## **Flexible Reporting**

When you wish to send static reports of your operational analyses to internal users, customers or suppliers, Stratum lets you automate the entire process of creating, generating and distributing great-looking reports. The reports can be saved in numerous formats like Adobe PDF and Microsoft Excel. Plus, they can be systematically scheduled for regular distribution by email to any user you desire, whether internal or external to your business.

## **Robust Data Repository**

Stratum protects your current technology investment by integrating with and leveraging the data you already have in your ERP, CRM and other business systems. Our enterprise connectors allow you to easily extract, transfer and load your data into an enterprise data repository that ultimately becomes the "single version of the truth" for your entire business.



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