

CATEGORY DEVELOPMENT PLANNING GUIDE

We have created the following checklist to assist you with applying the 7 Steps to Category Development within your current category planning processes. We encourage you to review the checklists we have outlined below in advance of your development initiatives.

Step 1: Validate and Collaborate

You must first validate that your category objectives are aligned internally and externally. It is extremely important to collaborate with all stakeholders to ensure jointly agreed growth.

Step 1: Questions to Explore

1. Did you collaborate to create your category plan, and did you validate your plan with your trading partners?
2. Do you have metrics that reward the right behaviors?
3. Are you maximizing category growth by solving problems with merchandising solutions, or are you simply maximizing category metrics?
4. Is your category strategy aligned with complementary categories and the aisle it supports?
5. Do you understand how your category roles and goals impact your corporate mission and mandate?
6. Do your category plans effectively support your corporate goals and objectives?
7. Do you look at the relationship and interaction of categories, or do you look at category performance in isolation?
8. Are your category roles, goals, and metrics aligned internally and externally to provide solutions to your target customers?

Step 1: Checklist

Planning Activity	Resources Required	Next Steps
Detail the consumer problems your current category plans solve and their level of effectiveness.		<input type="checkbox"/>
Show how your current category plans are aligned with corporate objectives and the current economic factors facing your consumers.		<input type="checkbox"/>

Step 1: Checklist (continued)

Planning Activity	Resources Required	Next Steps
Detail the contribution in time, money, and resources that you and your trading partners are providing to ensure that your category plans and tactics are in alignment with your corporate mission and mandate.		<input type="checkbox"/>
Show how your current category plans recognize and align with changes in consumer demographics.		<input type="checkbox"/>
Detail the current alignment of collaborative operating processes across internal departments within your organization.		<input type="checkbox"/>

Step 2: View and Perspective

Your view dictates your perspective; you must condition yourself to see the whole view as interconnected.

Step 2 Checklist

Planning Activity	Resources Required	Next Steps
One view is not enough; you must have multiple views from across your organization to create the right perspective. Make sure that your view is capturing and connecting the right information.		<input type="checkbox"/>
Ensure that all information under review is correct and reflects consumer insights as well as store level insights and hard wire key findings to category strategies.		<input type="checkbox"/>
Define your view from the perspective of your customer, your company, your trading partners, and your competitors.		<input type="checkbox"/>
Review your category from a larger perspective. Don't just see a category; see the category from a greater context in relation to the aisle and the entire store.		<input type="checkbox"/>
Align your view and perspective with your trading partners to ensure synergy.		<input type="checkbox"/>

Step 3: Myth or Reality

Identifying development opportunities deals with the interaction of three forces: the customer, the competition, and the corporation.

Step 3 Checklist

Planning Activity	Resources Required	Next Steps
Review growth opportunities from the perspective of your company, competitors, and customers.		<input type="checkbox"/>
Create communication forums for customer-facing personnel and commit to leveraging their insights.		<input type="checkbox"/>
Be honest about gaps between what you are offering and what your customer needs.		<input type="checkbox"/>
Commit yourself to understanding what keeps your customers awake at night and what makes them happy.		<input type="checkbox"/>
Look at your categories and product offerings from the perspective of your customers. Seek and accept the truth.		<input type="checkbox"/>
Don't hide behind metrics to justify a position. Reward new ways of thinking and doing.		<input type="checkbox"/>
Create a disciplined approach in the exchange of consumer-level insights (change in demographics, etc.) to encourage investments into growth segments rather than launching more products designed to capture market share.		<input type="checkbox"/>
Integrate sales and marketing functions to resolve tensions between category management and profitability/ demand at the level of individual consumers.		<input type="checkbox"/>
Develop a culture of openness. Fill key positions with the right people who are willing to share information rather than protect turf. Going in the right direction is important, but having the right people in place and empowering them to do their jobs is key.		<input type="checkbox"/>
Don't postpone pain. When you see that something isn't working, change it		<input type="checkbox"/>

Step 4: Mirage or Oasis

Setting goals from a category development perspective requires a longer-term focus tempered by strategies that are designed in tandem with evolving trends, opportunities, and disruptions.

Step 4: Trading Partners—Strategy Questions

1. Have we jointly targeted preferred consumers?
2. How did our new products influence category performance?
3. Do my trading partners see me as a trusted business partner?
4. Am I indispensable to my trading partners or just slightly better than my competitors?
5. What are the opportunities and barriers to entry in the emerging categories?
6. How will I measure my success—share of heart or share of sales?
7. Am I committed to jointly agreed growth?
8. Are my category goals aligned with my trading partners?
9. What can I do to solve my trading partners' problems?
10. What value am I offering that is different from my competitors?
11. Do I have the prerequisite skills, infrastructure, and support in place to achieve my goals?

Step 4: Consumers Partners—Strategy Questions

1. Do I know more about my consumers than anyone else?
2. How do I solve my consumers' problems?
3. How do I endear myself to my consumers to strengthen my relationship?
4. Am I indispensable to my consumers or just slightly better than my competitors?
5. Am I growing up with my consumers?
6. How will I measure my success—share of heart or share of sales?
7. Am I co-creating with my consumers?
8. Do my consumers trust me?
9. Am I currently solving my consumers' problems?
10. What value am I offering that is different or unique?
11. Do I actively seek and share consumer insights and use them as a catalyst for change?

Step 4 Checklist

Planning Activity	Resources Required	Next Steps
What is your strategy to more effectively collaborate with your trading partners?		<input type="checkbox"/>
What resources skills and structures are required?		<input type="checkbox"/>
What capabilities do you have?		<input type="checkbox"/>
What capabilities do you need?		<input type="checkbox"/>
Are your current processes aligned with your trading partners for jointly agreed growth?		<input type="checkbox"/>
What are your values? Are you deploying strategies that leverage your core values?		<input type="checkbox"/>

Step 4 Checklist (continued)

Planning Activity	Resources Required	Next Steps
How do you deliver and measure results?		<input type="checkbox"/>
How do you address the competitive landscape and consistently adapt?		<input type="checkbox"/>
How do you gain a sustainable competitive advantage?		<input type="checkbox"/>
How do you measure share of your consumers' hearts?		<input type="checkbox"/>

Step 5: Need or Desire

Development opportunities are areas where favorable market trends exist and where there are customer needs and desires that are not being satisfied.

The solution development process traditionally involves five distinct steps:

1. Finding ways to group consumers according to their needs
2. Finding ways to group the market actions—usually the products offered
3. Developing a market product grid to relate the market segment to the firm's products or services
4. Selecting target markets toward which the firm directs its marketing effort
5. Take action to more effectively reach these consumers. The more that marketers segment the market, the more precise is their understanding.

Criteria for effective segmentation must address the following questions:

1. Is the segment large enough to support individualized strategies?
2. Is the segment accessible?
3. Do you have the knowledge and the resources to target effectively?
4. Is the segment growing or declining?
5. Can the segment be easily reached?
6. What is the potential customer equity?

Step 5 Checklist

Activity	Resources Required	Next Steps
Identify your preferred consumer targets and create profiles based on needs and desires.		<input type="checkbox"/>
Flag consumer segments most affected by the era of postponement.		<input type="checkbox"/>
Evaluate current marketing communication strategies and ensure synergy with your target consumers and trading partners.		<input type="checkbox"/>
Create formal brainstorming sessions internally and externally to identify event-driven promotion opportunities that address consumer needs and desires.		<input type="checkbox"/>
Look to innovation and creativity in creating promotions that communicate to your consumers on their terms.		<input type="checkbox"/>
Be creative. Reward customers for being customers and say "thank you" with muffins, cookies, or chocolate.		<input type="checkbox"/>
Reconcile your consumers' needs and desires with store and category layouts and identify growth opportunities.		<input type="checkbox"/>
Create processes that enable customer insights from customer-facing employees to more effectively impact decision making.		<input type="checkbox"/>
Use advertising to create awareness and stimulate demand by communicating with your customers on their terms.		<input type="checkbox"/>
Create a strong link between needs and desires by offering promotions focused on life experiences (good report cards, athletic accomplishments, milestones).		<input type="checkbox"/>
Consider the impact of Generation Text in marketing communications.		<input type="checkbox"/>
Don't settle for the status quo. Differentiate your value proposition by addressing consumer needs with a solution rather than a product.		<input type="checkbox"/>

Step 6: Greed or Growth

Developing categories with Pride and Passion demands that you face the truth about your category performance, customer relations, and employee satisfaction.

Step 6 Checklist

Mandate	Resources Requires	Next Steps
Avoid corporate anorexia. Ensure that there is a balanced focus between internal and external objectives.		<input type="checkbox"/>
Avoid bulimic shelf sets, new product listings, and planograms review criteria for listing and de-listing		<input type="checkbox"/>
Accept that not all customers, products, and partners are created equal.		<input type="checkbox"/>
Take responsibility and immediate action when you are heading in the direction of greed.		<input type="checkbox"/>
Keep customers central to all decision making. All employees must understand customers' needs.		<input type="checkbox"/>
Commit to constant validation of your category development strategy.		<input type="checkbox"/>
Commit to jointly agreed growth with your trading partners.		<input type="checkbox"/>

Step 7: Formalize and Integrate

You can and will create change through your commitment, courage, and leadership in providing customer solutions. Your category is a reflection of the Pride, Passion, and Profit you develop in your category.

Always ask yourself:

1. What is important to our customers?
2. What are your core values and are those shared by your company and trading partners?
3. What do we want to accomplish, and how do we plan on accomplishing it?

Step 7: Formalize and Integrate Checklist

Activity	Resources Required	Next Steps
What is your management philosophy, and what is the right management philosophy?		<input type="checkbox"/>
Have you prepared your people for the current economic climate?		<input type="checkbox"/>
Are you skilled in the right areas of performance?		<input type="checkbox"/>
Do you use your time and resources effectively?		<input type="checkbox"/>
Do your current structures support a positive customer experience?		<input type="checkbox"/>
What are your organization's greatest strengths and weaknesses?		<input type="checkbox"/>
Do you reward collaboration?		<input type="checkbox"/>
Do you always tell the truth to your consumers, trading partners, and employees?		<input type="checkbox"/>
Do you trust yourself, your trading partners, and your customers?		<input type="checkbox"/>
Do you have incentives and rewards that drive the right behaviors?		<input type="checkbox"/>
Do you sell products or solutions?		<input type="checkbox"/>
Are you managing or developing your categories?		<input type="checkbox"/>