

# Decision Making Systems for British American Tobacco



## Minimising risk in global decisions

A leading global company selling over 300 brands, British American Tobacco (BAT) places great importance in marketing efficiency, vital to improve their productivity. With a turnover exceeding £25,000 million, BAT is present in 180 different markets throughout the world.

The overall aim of BAT marketing is to retain customer loyalty and win over additional consumers from competing brands. In order to accomplish this, BAT needs to consistently monitor the performance of their multiple brands, their trade-accounts and their competitors in each of the markets where it operates.

Parity Systems established an application infrastructure for the British American Tobacco central marketing and strategy team. Starting with a central data warehouse that produced customised reports using live data from end-markets, Parity developed a complex information management system to enhance the strategic capability of BAT.

## Enabling fast, informed decision-making

Moving fast, overtaking competitors and continuously adjusting products to demand are fundamental company capabilities in an ever-changing global marketplace. The information management system developed by Parity for BAT supports the development of these competencies.

Apart from building the data warehouse, which acts as the master source for marketing reference data, Parity created a family of application systems for the collection of relevant data, including that related to marketing performance. Parity also developed the reporting and analytical systems which use this central data resource to produce customised reports about the performance of their brands, global accounts, shipments, sales and competition.

As Terry Blow, Managing Director of Parity Solutions, explains:

*“The system provided by Parity has enabled BAT to better react to changes in the market, as it helps the company to spot opportunities for new products, modify their brands according to market trends and get information about consumers’ behaviours. Overall, it is a very useful tool to maximise the results of BAT’s global marketing strategy.”*

Using an Oracle database architecture, Parity first developed the data warehouse. This represented not only the source of most of the existing marketing reference data, but also the foundation for an integrated set of systems able to support a global marketing information management strategy.

## Multiple projects in an integrated solution

A deep knowledge of BAT – Parity has been working with the organisation for over 10 years, together with sound experience in the delivery of complex IT solutions and expertise in project management, allowed Parity to present a comprehensive solution in the form of several projects which together, contribute to boost the planning capability of BAT’s strategy and marketing teams.

## Key Account Management Information System

One of these projects was directly related to the management of key trade-marketing accounts, an area that is crucial for the company. As Denise Brown-Branch, BAT Global Solution Delivery Manager, comments:

*“A major part of our marketing activities focus on developing mutually beneficial relationships with the retailers from whom our consumers buy. Apart from hundreds of regional and local customers, we have 30 key customers managed at a global level. As account performance is influenced by many factors and not all of them are under our control, it is vital for us to obtain detailed data continuously, so we can review and re-adapt our strategy according to their current status. The solution presented by Parity, working in conjunction with our global shared services business team, allowed BAT to react to changing circumstances and manage risks in an effective manner.”*

The Account Profile Data System (APDS) produces customer performance reviews, internal reports about the performance of BAT's trade accounts and also generates ad hoc business analysis of specific retailers or distributors.

## Tracking the Performance of Key Brands

Another major focal point for BAT's marketing and strategy teams are related to brand performance. Achieving brand loyalty and winning over consumers from the competitors is crucial for the company, as it is not their aim to promote their products to non-smokers but consolidate their products amongst adult consumers who have already chosen to smoke.

Parity developed a simple-to-use information system named I-Track to monitor the performance of their 4 global drive brands and three additional key brands. Based on a bespoke application developed in Oracle, it accesses records from the central data warehouse and BAT's own financial performance management system. Also, end-markets' users can manually enter other measures from local sources, such as retail audits and industry exchange data.

Mike Carter, Business Engagement Manager, remarks:

*“I-Track is an invaluable tool to get an insight in the performance of each of our key brands in all our key markets; the reporting system highlights actual versus target performance, which speeds up decision making and eliminates the risk of reacting too late to unexpected changes.”*

## Monitoring Competitor Performance

In order to contrast the progress of BAT with that of their competitors in each of the world's top cigarette markets, Parity developed a complex database with a distinctive reporting functionality. Key Competitor Metrics (KCM) allows performing cross-market and cross-competitor benchmarking analysis, and it is populated by BAT staff in 40 end-markets.

Replacing a pre-existing system - which meant migrating 7 years' worth of data and creating an easy-to-use interface to allow a smooth transition for users, KCM permits British American Tobacco to assess the financial strength of their competitors and therefore exhibit a more proactive approach in their subsequent strategies.



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# Systems Integration and Project Management Excellence

By integrating all these different systems within the environment of the data warehouse, Parity not only enhanced BAT's capability to make informed strategic decisions, but also saved the company time and money on the maintenance of their global marketing IT systems, which can be more easily managed through this common infrastructure.

Terry Blow Managing Director of Parity Systems, comments:

"Parity's project management proficiency – as one of the founders of the PRINCE2™ methodology, was crucial to deliver these complex projects within time and to budget. Constraints such as the interrelation between different systems, the limited quality of some of the historical data or the need to ensure the commitment of staff across 180 different locations to adopt new data-entry methodologies, were efficiently dealt with, demonstrating Parity's ability to manage risk and change."

The systems designed for BAT go beyond the simple provision of technology by tackling specific business objectives such as productivity and resource optimisation. Contributing to the transformation of a global company like British American Tobacco evidences Parity's ability to engage and succeed in complex and highly diverse projects.



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