

CONTENTS

Executive Summary	1
SECTION 1: Introduction and Overview	
The Environment Is Changing...	
Outsourcing Decisions Should Be Revisited	3
Three Dimensions Matter Most	
in Outsourcing Decision-Making	5
Summary of Recommendations	7
SECTION 2:	
Retail Outsourcing Leading Practices and Trends	
Definition of Retail Activities	9
Prevalence of Retail Outsourcing	9
Value of Retail Outsourcing	12
Choice of Model for Retail Activities	16
How Should Retail Teams Be Structured?	17
Which Activities Should the SMA Handle?	19
Should Some Customers Be Treated Differently Than Others?	20
Largest CPGs: Revisiting Their Retail Outsourcing Decisions	22
Conclusion: Critical Questions CPGs Should Ask about Retail Outsourcing	23
SECTION 3: Headquarters Selling Outsourcing Leading Practices and Trends	
Definition of Headquarters Selling Activities	24
Prevalence of Headquarters Outsourcing	25
Value of Headquarters Outsourcing	26
Treatment of Strategic Customers	31
Conclusion: Critical Questions CPGs Should Ask about Their Headquarters Outsourcing	35
SECTION 4: SMA-CPG Relationship and Operating Model	
Structuring a CPG's SMA Management Organization	36
How Should the Internal SMA Management Team Be Organized?	36
How Many Resources Should Be Devoted to SMA Management?	38
Aligning Priorities	40
Performance Scorecards	40
Pricing Models	41
Clear Roles and Effective Processes	42
CPG Operating Philosophy and People	44
Pilots to Evaluate Changes in SMA Use	45
Conclusion: Critical Questions CPGs Should Ask about Their Operating Model	46
SECTION 5: Conclusion	47
APPENDIX 1: Research Methodology	49
APPENDIX 2: Additional Case Studies	52