



**<RETAILER>**

**FY16/17 JBP  
Q4 Update**

**March 2016**



## GP Team:

- Director - Retail Sales
- Scott Postma Director - Channel Marketing
- Sr. Manager - Channel Marketing
- VP Sales & Marketing
- Business Analyst

## Walmart Team:

- Sr. VP/GMM
- VP - Stationery
- Buyer - Stationery
- Divisional Replenishment Manager
- Merchandise Planner
- Replenishment

## 1. Business Update

## 2. Growing FY17 Together



- **Significant cut-size duties finalized for 5 countries**
  - *Australia, Brazil, China, Indonesia and Portugal*
  - *Imported cut-size volume projected to dramatically decline YOY*
- **Cut-Size demand in North America is projected to decline an average of 3.5% per year for the next 3 years** (Source: PPPC)
- **Domtar announced the permanent closure of a 365,000 TPY machine effective April 1, 2016 (conversion to pulp output)**
- **GP customers have notified us that numerous companies have announced price increases on uncoated roll/converting grades**
  - *Effective early April*

# Supplier Scorecard: FY16 Week 1-52

## Key Performance Indicators



### Dept.

LY TY Variance % Change

POS Sales

Maintain Margin

Retail Turns

MABD Compliance

Fill Rate

Market Share \*\*

### Variance Explanations

- Core Reams
  - Units
  - Dollars
  - Sheets
- Value Add Reams
  - Units
  - Dollars
  - Sheets
- Case Packs
  - Units
  - Dollars
  - Sheets
- Total Sheets sold
- 550 Count, 750 Count, 5 Pack and 10 Pack items are performing
- Margin impacted by the sales shift from reams to cases
- Fill Rate t versus prior year

# Committed to Growth! New level of Partnership!



## Assortment:

- Innovative Items & ideas to drive conversion in-store & online
- Drive EDLC/EDLP business model



## Execution: (Win on Price)

- EDLC & Terms
- Productivity Loop: lean into getting **INEFFICIENCIES OUT**, which allows for WM to **SELL FOR LESS** leading to **GROWING SALES**

## Experience:

- Bring ideas to improve customer experience in-store & online
- Look for ways to simplify in-store execution for associates



## Execution: (Leverage Traffic)

- Win the Seasons, Invest in Price, Own OPP, Drive consistent pricing, Win customer trust, Assortment reduction, Back to the basics, In-stocks (fill rate), Win in consumables, Bring newness, Drive \$5
- Localizing assortment: Right product, Right Price, Right Time: More efficient buys, growing sales, less markdowns, reduce pts. of distribution

## Access:

- Treat dotcom as #1 store
- Provide dotcom the same operational excellence as we do for stores



## Execution: (Get ahead on Planning)

- Fundamentals to grow walmart.com: assortment, content, price leadership, op excellence, total account management, awareness



**1. Innovation:**

***Bundle Pack***

**2. Store Operations:**

***On Shelf Availability & Causal insights***

**3. Omni-Channel:**

***dotcom execution***

# Strategy 1: Packaging Innovation Launching in 2016

**Bundle Pack:** Test During 2016; In Stores Starting 2016



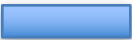
## Consumer Benefits

- Consistent feature communication
- More consistent look for all products
- Easier handling

## Retailer Benefits

- Minimize “break packs”
- Minimize wear & tear from handling
- Increase POS

## Bundle Pack rollout plan

- Test Bundle Packs through customer supply chain (5-10 pallets each SKU)
  - 20/92 3 Pack & 5 Pack
- Transition to Bundle Pack on store shelves starting 
  - 20/88 5 Pack
  - 20/92 3 Pack & 5 Pack

## How to launch:

### • Pallets:

-  S

### • Endcaps:

-  S



**FPO**

- Paper wrapped, 11” reams only
- 3-5 ream packs w/printed wrap and no tray
- 4-5 ream packs w/clear wrap / printed tray
- Consumers preferred handling



**FPO**

# Strategy 2: Store Operations excellence

QURI® audit results: OSA; Display Compliance can be audited also (BTS)



- **Real-time, unbiased visibility** of actual execution
- **INSIGHTS:** delivered in real-time to help take action quickly
- **OSA:** For every 2% a brand is out of stock, sales suffer by 1% annually; Quri identifies root causes and how to fix them
- **DISPLAY:** For every 3 pt. increase in Display Compliance, sales increase 1% annually
- Quick results = **Improved Store Ops with Better Insights!**

## Call to Action #1:

### Sell More

- **Conduct 1500 store audit**
  - During BTS
  - During any other off-shelf
- **Measure results / extrapolate to determine impact**
- **Meet with store ops to discuss results**
- **Meet with Store Ops to provide ST & LT solutions**
- **Adjust store level display compliance in real time (where possible) to gain higher level of execution**

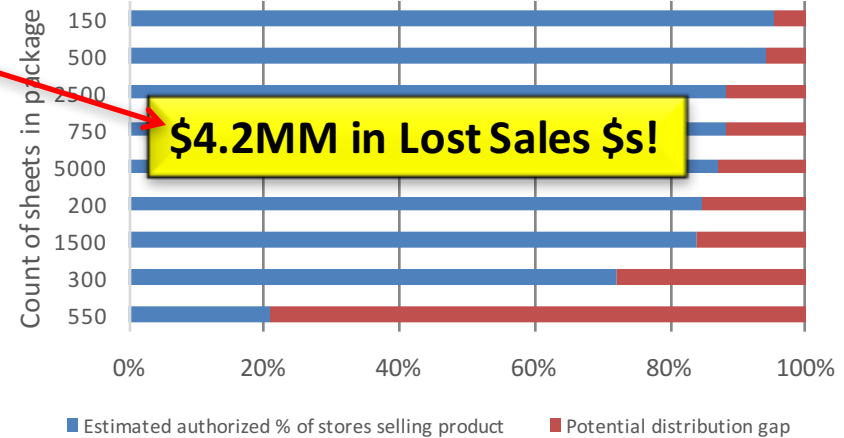
## Call to Action #2:

### Reduce Complexity

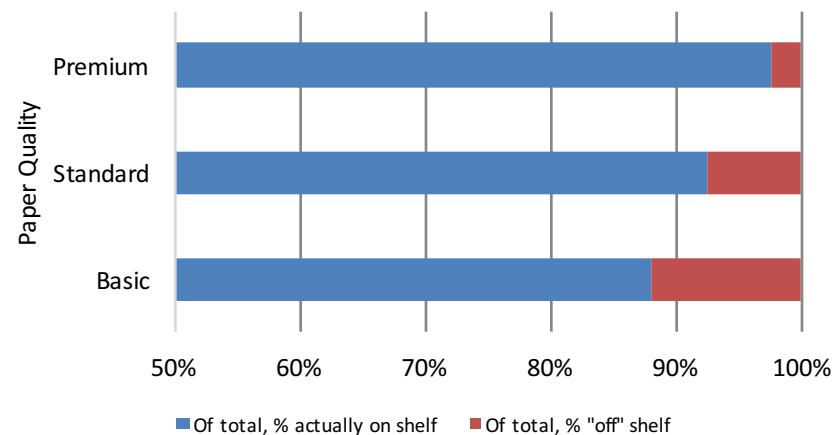
- **Conduct 50 store test**
  - current assortment
  - Streamlined assortment
- **Measure results / extrapolate to determine impact**
- **Meet with store ops to discuss results**
- **Meet with Store Ops to provide solutions**
- **Adjust mods/assortment to gain efficiency**
- **Execute 2x/year**

Audit Type: On-Shelf Availability  
Retailer: 86 retailer stores  
Timing: Audit Period 2/22/16 – 2/23/16  
Audit Goal: Measure on-shelf availability of 19 SKUs in retailer  
Primary SKUs: 19

Card Stock saw the highest OSA at 95%.  
20/92 550 sheet saw the lowest OSA at only 21%.



Premium quality SKUs saw the highest OSA at 98%. Basic quality SKUs saw the lowest OSA at only 88%.





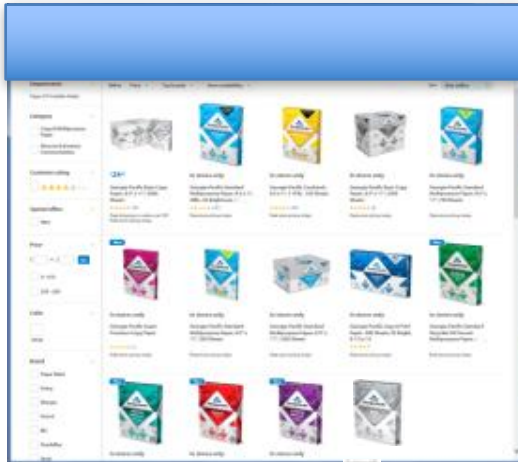
# Strategy 3: Omni-Channel & dotcom



## 2016 short to mid-term focus areas

### Assortment

100% of in-store items online\*



100% updated imagery (done)  
(no control of 3<sup>rd</sup> party)



100% updated copy (done)  
(working with WebCollage on expanded content)



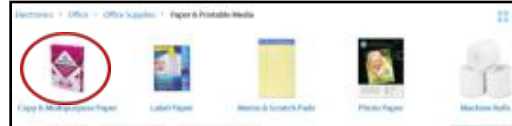
Add site-to-home items:

- Standard 20/92 10 pack- Complete
- Standard 20/92 5 pack- Complete
- Basic 20/88 3 pack- Complete



### Navigation

GP used in navigation imagery



GP incorporated into feature brands



Ensure all GP products are visible  
regardless of path-to-purchase



Incorporate GP into  
Made in the USA site

(Where is the new site?)



### Experience

Will initiate once SOI assortment updates are finalized

Consumer Education



FPO




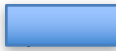
Standardize category copy layout



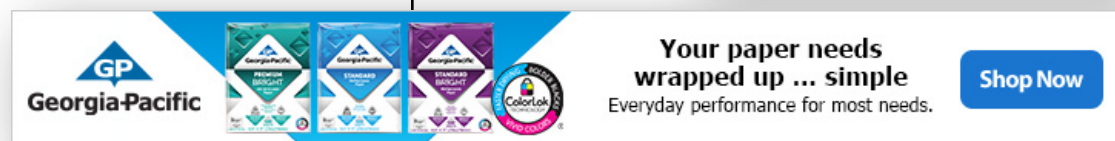
\* For applicable items only

### Georgia Pacific: Support Plan Live 1/1 - 1/31/16

- **2.8MM** branded impressions across retailer.com
- **Contextual Targeting:**
  - Office Supplies
  - Electronics: Computers, Electronics: Office, Electronics: Printers
- **Category Lockout:**
  - Electronics > Computers 1/18–1/31
- **Search Term Targeting**
- **Email POV:** Office Supply 1/14
- **Native Placement POV:** Office 1/16 – 1/31

**Total Investment:** \$   
**Onsite Total Impressions:** 1,483,793  
**Onsite Clicks:**   
**Overall Onsite CTR:** 0.20%

**2016 Benchmark CTR for standard retailer.com  
Office Supply & Craft campaigns: 0.28%**

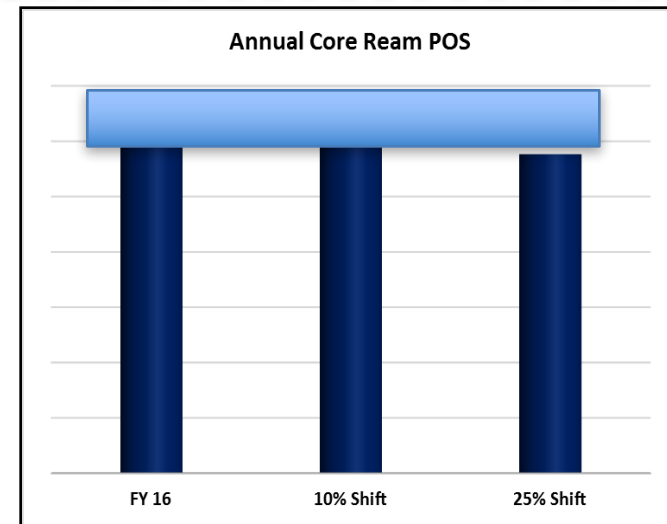


# GP Standard Multipurpose 400 Count



- Add to the Side Counter during the Week 14 reset
- Core ream sales continue to [redacted] FY17 ytd)
- [redacted] % shift rate (will further reduce sales of core reams)
  - Revenue impact [redacted]
  - Margin impact [redacted]
  - Market Share impact [redacted]
  - Requires a [redacted] % increase in core ream units to maintain POS \$'s

Item #	Description	FY16 Units	Cost \$	Retail \$		PP \$	
				Retail \$	Difference	PP \$	Difference
550220811	GP 92 BRT 400 CNT						
551689003	GP 92 BRT 200 CNT						
303139	GP 88 BRT 500 CNT						
394970	GP 92 BRT 500 CNT						
553051873	GP 88 BRT 750 CNT						
551709801	GP 92 BRT 750 CNT						

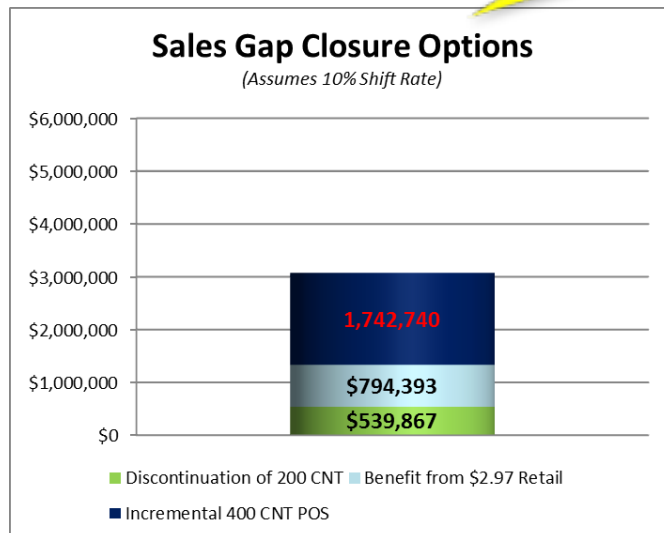




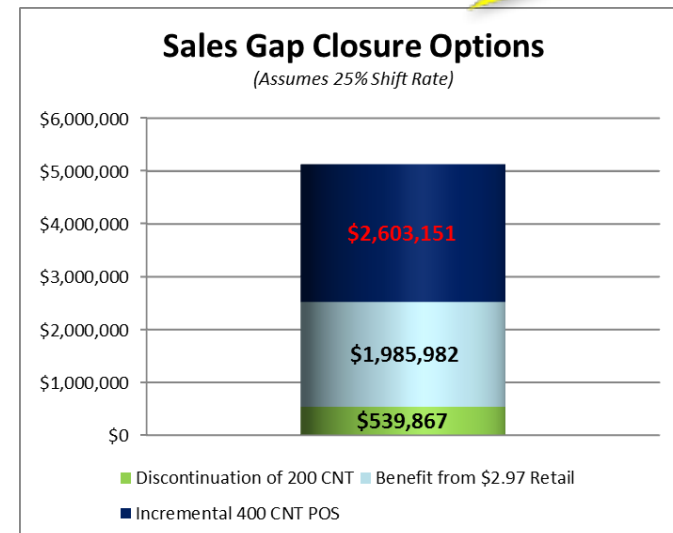
## 400 Count – Considerations for Success

- Continuous secondary placements (pallets & end caps)
- Discontinue 200 Count
- Consider slightly higher everyday retail price point

Depending on retail, a 3.5% to 6% increase in core ream units is required to maintain POS



Depending on retail, a 5% to 11% increase in core ream units is required to maintain POS



# GP Standard Multipurpose 400 Count



- **\$ [redacted] per ream everyday cost**
  - Mod Fill: \$ [redacted] per ream
  - BTS: \$ [redacted] per ream
  - Everyday cost effective with purchase orders received by GP on or after [redacted]/16
- **BTS Special Buy support will continue**
- **Master Pack = 12**
  - Most efficient production
  - Requested 8 pack requires 33% more cartons
  - Requested 8 pack requires 20% more pallets

