

PSM

December 17, 2010

NOTICE TO THE TRADE – DeCA NOTICE 11-23

SUBJECT: Category Plans

The purpose of this Notice to the Trade (NTT) is to provide Marketing Business Unit (MBU) category plans to Industry for category reviews that will take place in January, February, and March 2011.

The January category plans include olive/vinegar and ice cream/novelty. Category plans for February are diet/supplement/adult and new age beverage. March category plans include snack nuts, cleaner/all purpose/bath/mildew, and breakfast meats. All corresponding commodity codes are listed on the attached category plans.

This past year there have been several outstanding suggestions from internal and external sources to refine the category management templates; therefore, through the assistance of the category management sub-committee, we have refined the template (attached) to better meet everyone's needs. The changes made include the following:

- Pre-review sheet - removed the "category position" section which included total dollar and package sales for the category, as provided in advance by the category manager/buyer.
- Pre-review sheet - removed the commodity code line beneath "universe of items included" and added a line for "planogram" name.
- Added a bullet beneath that clarifying "category definition based on current and previous published planograms (to include items that have been phased out)", so that the planogram instructions are not interpreted too literally.
- Pre-review sheet - added lines to give category manager/buyer opportunity to determine if regional items, optional items, one time buy, or club pack items should be included or excluded from the review process.
- We did not resolve this answer at our last meeting, so please feel free to delete this section if not necessary.
- Category-segment overview sheet - renamed "retail comparison market" to "remaining market."
- Total brands (optional) and brands by segment sheet - added column for "TDP Share".
- Total brands (optional) and brands by segment sheet - added "remaining market" columns for retail package % change, package Share, \$ % change, \$ share measures.
- Total brands (optional) and brands by segment sheet - page layout adjusted to 8.5x14."
- UPC rank sheet - RSL was moved to far right column.

Following the posting of the final category review results, the new planograms will be implemented in all stores within 60 days. Any exception to this requirement must be approved by the applicable Division Chief, Michelle Frost or Brad McMinn.

The 6-month follow-up for category reviews is an extremely important exercise as it provides us a guide as to how the initial review and subsequent planogram implementations/ deployments are fairing. Each category manager will request that the category leader collect critical data from the field. It is the MBU's expectation that the category leader will provide the requested feedback to the category manager within 3 weeks of the request.

Points of contact for this NTT are:

Ms. Barbara Merriweather, Category Manager, for DSD /Water	804.734.8000, extension 448861
Mr. Angel Ramos, Category Manager for Edibles	804.734.8000, extension 4-8221
Mr. Bill Wood, Category Manager for Non-edibles	804-734.8000, extension 4-8222
Mr. LaRue Smith, Category Manager for Frozen Chill Meats/Dairy.	804.734-8000, extension 4-8255

//signed//

Christopher T. Burns
Director of Sales

Attachments:
As stated