

portfolioQED

What is portfolioQED?

portfolioQED allows you to optimise marketing budgets across tactics, brands and markets by combining existing marketing effectiveness insight with your internal forecasts. Unlike most marketing mix based optimisation tools, portfolioQED was designed to improve existing plans vs. compete with them.

How does it work?

The tool uses an advanced Genetic Algorithm to run an Evolutionary Optimisation routine capable of handling a large business portfolio with a complex set of constraints. portfolioQED's optimisations are more realistic because the framework that houses the analysis is customised to each user's business situation.

Inputs required

- Your Profit and Loss (P&L) account predictions plus some other standard financial data
- Your estimates – either through econometric modelling or other methods – for the relationship between marketing investments and revenues

Typical outputs

- Optimal allocation of resources to the markets, categories, brands and activities that will maximise your returns
- Returns can take the form of revenue, profit, or a mixture of the two
- The allocation can be for just a few months or part of a multi-year planning process

Who is it for?

portfolioQED is a tool for any business with the opportunity to move funds between brands, markets or tactics. The individuals using portfolioQED are those who want to make the tough decisions on where to invest based on robust objective analysis. portfolioQED will help you cut through the often politically motivated planning process to focus on the things that matter to your business – namely long term revenues and profitability.

Case Study Example

A global top 10 Dairy company needed to understand how they could best allocate marketing resources across their portfolio of 16 brands operating across 5 categories.

They were familiar with marketing ROI analysis at the individual brand level but needed to apply these learnings more strategically, the key questions were:

- What is the best way to allocate media spend for our main market across key categories given that we face a number of constraints in our business?
- What would the correct budget size be to maximise profit? How would funding of new products impact this?

The Results

ScanmarQED helped the client team execute the project over a 6 week period which involved gathering up existing modelling results and using workshops to apply these to alternative categories. Having run separate workshops with all categories, we then brought all the teams together to create new scenarios based on their requirements. In total, revenue improvements of over \$20m were identified for the current year. The client is now embarking on follow-up work to project and optimise results through the next five years.

