

*The following question was posed by Editors at GMA Forum Magazine to RW3 and other Thought Leader Roundtable contributors.*

**“In a year starting off with great economic uncertainty, what area of focus has, in your opinion, among the surest potential to improve the CPG company's (and/or the retailer's) bottom or top line in 2008?**

**What new approach, tools, expertise or commitment are required?”**

### **Effective Use of Existing Resources**

by Bruce Nagle, CEO & Founder

With all indicators pointing to little or no revenue growth for the U.S. economy in 2008, CPG companies need to take a hard look at their business and at ways they can use existing resources more effectively. Major retailers are seeking to avoid tying up capital unnecessarily, and are responding to the projected economic downturn by reducing their inventory investment. These inventory constraints by Wal-Mart and other large retailers are presenting a challenge to suppliers. A reduction in inventory investment at the warehouse level translates to less inventory available at store level, jeopardizing volume growth opportunities with the consumer.

Many best-of-class manufacturers are recognizing this trend as a huge threat and are taking meaningful steps to insure their products are effectively merchandised. Manufacturers who have exclusively used third-party merchandisers or sales agents are now investing in their own direct coverage. It is more critical than ever to obtain accurate and detailed information at the shelf. Gaining this essential visibility from the people servicing the stores goes a long way in insuring that available inventory is consistently at correct levels. Tapping into intelligence from retailer POS and using it effectively also assures that the in-store opportunity is maximized. The ROI on a direct retail investment has become a significant win in insuring both continuity of baseline volume and future growth. ■

---

*Bruce Nagle is CEO & Founder of RW3, Inc., leading business solutions provider of strategic consulting, custom reporting, analytics and flexible technology to power smarter decisions for consumer goods companies.*

---

For more information, contact [info@rw3.com](mailto:info@rw3.com)  
[www.rw3.com](http://www.rw3.com)

This article was originally published in  
GMA Forum Magazine's FMI Mid-Winter Issue (Q1 08)