

FW: Recommendation | Colgate_20211203_Dental

From: Matthew Hankin <[REDACTED]@coles.com.au>
To: Jack Jessiman <[REDACTED]@coles.com.au>
Date: Thu, 24 Feb 2022 15:04:06 +1100
Attachments: Summary(P2P) - Colgate (Dental).xlsx (158.56 kB); Summary - Colgate (Dental).xlsx (220.07 kB)

Hi,
 Colgate need to provide an estimate of their international freight as a percent of total cost.
 Matt

From: Aleksandra Drazic <[REDACTED - PII]@coles.com.au>
Sent: Thursday, 24 February 2022 2:38 PM
To: Jack Jessiman <[REDACTED]@coles.com.au>
Cc: Matthew Hankin <[REDACTED]@coles.com.au>; Cost Price Increase Requests <CostPriceIncreaseRequests@coles.com.au>
Subject: RE: Recommendation | Colgate_20211203_Dental

Hi Jack – below is the summary of the updated analysis. Even from looking at the P2P analysis we only estimated the impact to be around 2.7% increase. Looking at the information submitted the supplier did not provide any cost breakdown in their submission so we have applied should cost modelling on commodities (building the cost breakdown bottom up) and for shipping we used our own international shipping landing cost calculator.

I have attached both summaries. Let me know if there are any questions. Thanks.

	%	Impact \$k P.a.	Gap to ask \$k p.a.
ASK	13.2%	8.76 M	-
Recommendation	1.9%	1.28 M	7.5 M
P2P Analysis	2.7%	1.76 M	6.9 M

Aleksandra Drazic
 Senior Analyst | Commercial Cost Management

L2 M10 800 Toorak Road Hawthorn East Victoria 3123 Australia
 M [REDACTED] | E [REDACTED]@coles.com.au

coles | Good things. Great value.

From: Jack Jessiman <[REDACTED]@coles.com.au>
Sent: Thursday, 24 February 2022 12:39 PM
To: Aleksandra Drazic <[REDACTED - PII]@coles.com.au>
Cc: Matthew Hankin <[REDACTED]@coles.com.au>
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Thank you so much 😊

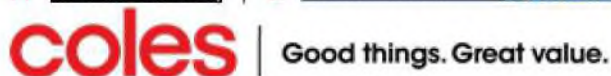
From: Aleksandra Drazic <[REDACTED - PII]@coles.com.au>
Sent: Thursday, 24 February 2022 12:29 PM
To: Jack Jessiman <[REDACTED]@coles.com.au>
Cc: Matthew Hankin <[REDACTED]@coles.com.au>
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Hi Jack – will have a look and get back to you today.

Aleksandra Drazic

Senior Analyst | Commercial Cost Management

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M [\[REDACTED\]](#) | E [\[REDACTED\]@coles.com.au](#)

From: Jack Jessiman <[\[REDACTED\]@coles.com.au](#)>
Sent: Thursday, 24 February 2022 12:10 PM
To: Aleksandra Drazic <[\[REDACTED\]@coles.com.au](#)>
Cc: Matthew Hankin <[\[REDACTED\]@coles.com.au](#)>
Subject: FW: Recommendation | Colgate_20211203_Dental
Importance: High

Hi Alek,

Hope you're well.

Can you please review the below for Colgate.

The main ask here is that we consider 6 month increase in freight to understand the level that would be validated based on this.

Thanks,
Jack

From: Jack Jessiman
Sent: Wednesday, 23 February 2022 2:05 PM
To: Cost Price Increase Requests <[CostPriceIncreaseRequests@coles.com.au](#)>; Paul Carroll <[\[REDACTED\]@coles.com.au](#)>
Cc: Richard Zammit <[\[REDACTED\]@coles.com.au](#)>; Timothy Bell <[\[REDACTED\]@coles.com.au](#)>; Aleksandra Drazic <[\[REDACTED\]@coles.com.au](#)>; Janmejay Shikhare <[\[REDACTED\]@coles.com.au](#)>; Matthew Hankin <[\[REDACTED\]@coles.com.au](#)>
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Importance: High

Hi Team,

Hope you're well.

Are you able to please re run this analysis based on last 6 months commodity movements, with shipping implications also considered.

This activations goes live on Monday, so it would be greatly appreciated if you could please shoot across asap.

If possible can you please also update the P2P analysis.

Thanks,
Jack

From: Cost Price Increase Requests <[CostPriceIncreaseRequests@coles.com.au](#)>
Sent: Wednesday, 22 December 2021 5:58 AM
To: Paul Carroll <[\[REDACTED\]@coles.com.au](#)>
Cc: Richard Zammit <[\[REDACTED\]@coles.com.au](#)>; Timothy Bell <[\[REDACTED\]@coles.com.au](#)>; Aleksandra Drazic <[\[REDACTED\]@coles.com.au](#)>; Janmejay Shikhare <[\[REDACTED\]@coles.com.au](#)>; Jack Jessiman <[\[REDACTED\]@coles.com.au](#)>
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Hi Paul,

Hope you are doing well!

We have completed the review of the CPI request from **Colgate** on **57** SKUs in the **Dental Health** Category.

Please note that we need to send the response to the supplier's request before **02nd January** to ensure we are compliant under the Grocery Code

The supplier has not submitted any information on commodities or their cost breakdown in the product. Hence, we have carried should cost modelling based on the information available online & thorough research to calculate cost compositions and have utilised same to assess this CPI request.

Analysis:

- * We have found that the **0.58 % (\$ 383.4 K in COGS p.a.)** is justified against the supplier's ask of **13.2 % (\$ 8.8 Mn in COGS p.a.)** **with a gap of \$ 8.4 Mn in COGS p.a.**
- * Please refer to the attached summary file – 'Summary – Colgate (Dental).xlsx'; you can share this file with the supplier

Callout:

- * Last date of cost change has been considered based on Cost tool

Note to CM:

- * Kindly mark the CPI mailbox in CC for your communications with the supplier on this request

Next Steps:

If the prices seen in our market indices do not correlate to the price trends experienced by the supplier, they can provide us with some sort of documentary evidence to support price movements they have quoted (either in the form of contracts or invoices)

Coles is committed to protecting the confidentiality of any data provided by any supplier as part of the cost price adjustment process. However, to address any concerns they may have about the provision of confidential information the supplier may:

- Enter into a confidentiality agreement in relation to the information provided (with Coles CCT) i.e. to share invoices to confirm the cost increases
- Engage an independent third party to conduct a confidential review of the information and provide a recommendation to Coles. The identity of the independent third party is to be agreed between the supplier and Coles and the cost of such review will be shared equally by both parties.

Please reach out to us in case of any queries.

Regards,

Aditya Singh

Analyst

Commercial Cost Management

REDACTED - PII [@coles.com.au](mailto:REDACTED@coles.com.au)

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