

Fwd: RPF Investment plan - Cost Increases eff 14/2/22

From: Paul Carroll <[REDACTED]@coles.com.au>
To: Simon Russell <[REDACTED]@realpetfoodco.com.au>
Date: Mon, 14 Feb 2022 16:52:26 +1100
Attachments: Copy of RPFC Cost Change Manual Form - eff 14 02 2022.xlsx (17.45 kB); promogrid_RPF 1298 Pet Food.xlsx (19.1 kB); promogrid_RPF 1724 Fresh Pet Food.xlsx (14.91 kB)

If you could please have the team prioritise this would help a lot

Thanks

Sent from my iPhone

Begin forwarded message:

From: Gentjana Emini <[REDACTED]@coles.com.au>
Date: 14 February 2022 at 3:57:48 am GMT
To: Simon Russell <[REDACTED]@realpetfoodco.com.au>, Lauren Murtagh <[REDACTED]@realpetfoodco.com.au>, Emma Bates <[REDACTED]@coles.com.au>
Cc: Chad Burke <[REDACTED]@coles.com.au>, Paul Carroll <[REDACTED]@coles.com.au>
Subject: RE: RPF Investment plan - Cost Increases eff 14/2/22

Hi Simon & Lauren,

Please be advised that all attached cost increases & RRP changes have been actioned at our end as well as per eff dates attached.

Now that everything has been finalised, we urgently require PAF's to be send through for all the promo activities we are running for these ranges (as per agreement with Paul) to be updated as well, **especially the catalogue promos.**

(NOTE - we had to update VIP dog roll 3kg as \$6.30 for 23/2 because we did catalogue check last week , but we did without any funding change)

I have attached the promo grid at our end to have the up to dated one when you send PAF(I would suggest send PAF by week so we can have the earliest one ASAP)

Any issues let us know.

Regards,

Gentjana Emini
Business Category Coordinator

Pet Food , Fresh Pet Food , Pet Accessories & Bird Food

L1M6 800 Toorak Road Hawthorn East Victoria 3123 Australia

T [REDACTED] | E [REDACTED]@coles.com.au

From: REDACTED <REDACTED@realpetfoodco.com.au>
Sent: Friday, 11 February 2022 1:24 PM
To: Paul Carroll <REDACTED@coles.com.au>
Cc: REDACTED <REDACTED@coles.com.au>; REDACTED <REDACTED@coles.com.au>
Subject: RE: RPF Investment plan - Cost Increases eff 14/2/22

Hi Paul,

I am still chasing GS1, however we will complete this on our side.

Cost change form attached

Cheers,

REDACTED

From: Paul Carroll <REDACTED@coles.com.au>
Sent: Thursday, 10 February 2022 11:35 PM
To: REDACTED <REDACTED@realpetfoodco.com.au>
Cc: REDACTED <REDACTED@coles.com.au>; REDACTED <REDACTED@coles.com.au>
Subject: Re: RPF Investment plan

Hi REDACTED

We are aligned to the cost price change despite the unvalidated amount from the VMO. Please note that your recommended strategy may weaken your customer priority score on real pet skus in our optimiser and ultimately weaken their credentials going forward . Therefore we cannot commit to long term ranging as these will need to be assessed on their new merit in the respective range reviews throughout the year (inclusive of in scope cat) but we can commit to not deleting any items today . Coles needs to put in writing we are not in favour of this recommended strategy but wants to support real pet in light of the circumstances presented.

Please can you confirm if costs have been amended via GS1 (preferred method). Otherwise REDACTED will reach out with a cost form .

Kind regards

Paul

Sent from my iPhone

On 10 Feb 2022, at 4:43 pm, REDACTED <REDACTED@realpetfoodco.com.au> wrote:

Hi Paul,

We have done some additional modelling and based on our CPI assumptions we see that this offer will improve your overall business by 30bps.

This is based on all sku's that have had a CPI applied and does not take into the calculation the rest of the portfolio. Its was quite challenging to calculate and obviously is pinned to many market and volume assumptions.

This is our best "realistic" estimate

Regards,

REDACTED

From: Paul Carroll <[REDACTED]@coles.com.au>
 Sent: Thursday, February 10, 2022 2:48:55 PM
 To: [REDACTED] <[REDACTED]@realpetfoodco.com.au>
 Cc: [REDACTED] <[REDACTED]@coles.com.au>
 Subject: RE: RPF Investment plan

Thanks [REDACTED]

Final question- how many basis points in margin do you believe real pets proposal will improve for Coles across a 52 week year

From: [REDACTED] <[REDACTED]@realpetfoodco.com.au>
 Sent: Thursday, 10 February 2022 1:34 PM
 To: Paul Carroll <[REDACTED]@coles.com.au>
 Cc: [REDACTED] <[REDACTED]@coles.com.au>
 Subject: RE: RPF Investment plan

Hi Paul,

Thanks for note below. We have done some modelling on performance and expected promo uplift at different price points. RPP \$4.90 will meet you request and with additional unit deal funding from ourselves we can ensure accretive promotional results +\$[REDACTED] in 5th Margin vs proposal. This is viable at +60,000 units x 4 time per year. We should stay close to the performance of these promos and potentially reinvest in other ways if volumes does not meet expectations. This will ensure that we both realise the benefit of the additional investment.

Cheers,

[REDACTED]

Promotional Bundle

Segment

Proposed RRP

Current Strategy

Proposed Strategy

Unit Deal

Margin Enhancement

Profit Rate Impact

Profit Impact

Commentary

Chunkers 1kg

Fresh

\$5.50

Down Down \$4.25

5th Margin **REDACTED**%

Down Down \$5.00

5th Margin **REDACTED**%

\$**REDACTED**

REDACTED

Current **REDACTED**

Proposed **REDACTED**

REDACTED -

Funding to maintain Down Down ticket at \$5

Bundle delivering \$11.3m in RSV assuming 100% volume transfer. Starting ASAP

Fussy Cat Cups 70g

Fresh

\$2.50

Varying Promo's

5th Margin **REDACTED**%

30 x \$200

5th Margin **REDACTED**%

\$**REDACTED**

REDACTED

Current \$**REDACTED**

Proposed \$**REDACTED**

REDACTED -

Margin enhancement increase from \$**REDACTED** to \$**REDACTED** to achieve **REDACTED**% margin.

Confirm ranging at current review as presented

Fussy Cat 450g

Fresh

\$6.50

5 x \$5.30

1 x \$4.00

5th Margin **REDACTED**%

48 x \$6.50

4 x \$4.90

Maintain 5th Margin **RE**%

\$**RE** at \$4.90

\$**RE**

REDACTED

CONFIDENTIAL

Current **REDACTED**

Proposed **REDACTED**

NEW **REDACTED**

+**RE**% (**REDACTED**)

New +**RE**% **REDACTED**

\$**RE** margin enhancement applied to achieve **RE**% +1.3% vs current.

Maintain existing ranging

Requires +60,000 units at \$4.90 to maintain viability (ongoing review of performance)

TOTAL

\$**REDACTED**
\$**REDACTED**

Incremental **REDACTED**
Incremental **CONFIDENTIAL**

From: Paul Carroll <**REDACTED**@coles.com.au<mailto:**REDACTED**@coles.com.au>>
Sent: Thursday, 10 February 2022 12:07 PM
To: **REDACTED** <**REDACTED**@realpetfoodco.com.au<mailto:**REDACTED**@realpetfoodco.com.au>>
Cc: **REDACTED** <**REDACTED**@coles.com.au<mailto:**REDACTED**@coles.com.au>>
Subject: RE: RPF Investment plan
Importance: High

Thanks for this **RED**,

Appreciate the quick turnaround however it is not quite the level of investment I was hoping for.

My final ask would be around 450g fussy cat fresh .Im extremely concerned about this bundle and my ability to support it or range it post CPI.

The recommended strategy is severely in competitive against Aldi, in significant decline but still hurting me from a rate perspective. A perfect mix of nothing good about it.

Can you please submit some margin accretive promotions on this below \$5 which will allow us to be competitive and boost

probability.

If we can get this over the line we may be able to close the discussion once and for all today

<image001.png>

From: [REDACTED] <[REDACTED]@realpetfoodco.com.au<mailto:[REDACTED]@realpetfoodco.com.au>>
Sent: Wednesday, 9 February 2022 4:22 PM
To: Paul Carroll <[REDACTED]@coles.com.au<mailto:[REDACTED]@coles.com.au>>
Subject: RPF Investment plan

Hi Paul,

Please find attached a summary of the additional investment that we can put behind the business plus increased promotional frequency on key bundles that you identified.

Let's discuss and align on this activity.

REDACTE

Customer Business Manager Coles

<image002.png>

39 Albany Street, Crows Nest NSW 2065

PO Box 346, North Sydney NSW 2059

m + [REDACTED]
realpetfoodco.com.au <[https://aus01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.realpetfoodco.com.au%2F&data=04%7C01%7C\[REDACTED\]%40realpetfoodco.com.au%7Cfc5f411e9505481ebf2908d9ec484539%7C9c9870a0a782f427ea1d0bcb403eac68b%7C0%7C0%7C637800617421508545%7CUnknown%7CTWFPbGZsb3d8eyJWljoimK4rwlJawMDA1CJoiJoiV2luMzIiLCJBTiI61tk1haWwiLCJXVCi6Mn0%3D%7C3000&sdata=0e1aYTDez1v2SUU9q3q9ab%2BUjWV7mqH4RyBU2qFmxuGU%3D&reserved=0](https://aus01.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.realpetfoodco.com.au%2F&data=04%7C01%7C[REDACTED]%40realpetfoodco.com.au%7Cfc5f411e9505481ebf2908d9ec484539%7C9c9870a0a782f427ea1d0bcb403eac68b%7C0%7C0%7C637800617421508545%7CUnknown%7CTWFPbGZsb3d8eyJWljoimK4rwlJawMDA1CJoiJoiV2luMzIiLCJBTiI61tk1haWwiLCJXVCi6Mn0%3D%7C3000&sdata=0e1aYTDez1v2SUU9q3q9ab%2BUjWV7mqH4RyBU2qFmxuGU%3D&reserved=0)>

<image003.png>

*Any retail or promotional prices within this email are non-binding recommendations only. Retail prices are at the sole discretion of the retailer

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