

# **\*\*INTERNAL ONLY\*\* Alternate View | Mars Petcare\_20220617**

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**Date:** Wed, 06 Jul 2022 14:47:58 +1000  
**Attachments:** Summary - P2P - Mars Petcare.xlsx (4.07 MB)

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Hi Paul,

In addition to the recommendation already shared, please see the attached summary for point-to-point analysis information as an alternate view.

The P2P approach in this case would support an increase of **9.5% (\$20.4m in COGS p.a.)** against the supplier's ask of **13.8% (\$29.6m in COGS p.a.) with a gap of \$9.2m in COGS p.a.** Notes on P2P analysis:

- P2P is often more reflective of a supplier's point of view when submitting a CPI
- P2P is not the standard approach we use to assess CPI requests, as it does not take into account how prices have moved throughout the total review period

In instances where supplier did not benefit from any commodity decreases this could be a fairer approach to assess the request.

If we are to accept a CPI on the basis of the P2P outcome, it should be made clear with the supplier that a non-standard approach was used – and that if input prices decrease in the future Coles will approach the supplier using the same approach to discuss cost decreases. We would recommend this is agreed with supplier in writing (please forward this agreement to Cost Price Increase Requests inbox for future reference).

Please do not hesitate to reach out if you have any questions or require further support with this request.

Thanks,  
Elissa

**Elissa Xu**

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