



How 2011 Enabled Information Resources, Inc. to Develop Strategic & Tactical Advantages

Information Resources, Inc. (Chicago, IL) gained its first clients in 1979 and its output over succeeding decades was marked by unmatched invention, innovation and thought leadership, exemplified by introduction of BehaviorScan (1980) and InfoScan (1987). IRI and, at the time, supermarket scanner category leader Nielsen, battled tooth and nail. For several decades, poaching each other's clients with expiring contracts was their shared uppermost goal.

followed, IRI's annual revenue growth rate surpassed all but one of the five traditional research power companies (Nielsen, Kantar, GfK, Ipsos and IRI). In the two most recently-reported years, IRI's growth rate achieved a slight uptick above its overall seven-year trend line, while most of those other research companies hit a particularly rough financial patch. (See chart at the center of this page.)

Establishment of IRI's Continuing Positive Financial Results Vs Major Competitors since 2011 (Annual Revenue Percentage Change)

Year	Nielsen	Kantar	GfK	Ipsos	IRI
2011	+6.6%	+4.8%	+ 6.1%	+19.5%	+ 5.0%
2012	+1.5%	0.0%	+10.2%	+31.3%	0.0%
2013	+5.5%	+3.6%	- 1.3%	- 4.3%	+10.6%
2014	+10.2%	- 4.7%	- 2.7%	- 1.5%	+16.7%
2015	- 1.9%	+ 8.3%	+ 6.2%	+ 6.9%	- 0.5%
2016	+ 2.2%	+9.7%	- 3.8%	- 0.2%	+ 5.7%
2017	+4.2%	+1.1%	+ 6.9%	- 0.1%	+ 9.9%
7 years	+4.0%	+ 3.3%	+ 3.1%	+ 7.3%	+ 6.8%
2016-17	+3.2%	+ 5.4%	+ 1.6%	- 0.2%	+ 7.8%

Sources: Individual corporation's financial reports

In 2003, IRI was renamed SymphonyIRI Group, Inc. after being acquired for \$100 million in cash by Symphony Technology Group and investment firm Tennenbaum Capital Partners. But in 2011, fund investments into the company and transformative changes in business direction dramatically metamorphosed IRI. In the seven-year period that

In 2011, New Mountain Capital, a New York investment firm, bought a majority stake in SymphonyIRI Group, Inc. (Editor's Note: SymphonyIRI rebranded back to its original name, IRI, in 2012.) IRI represented an unusually large business for New Mountain and most investment funds to add to its portfolio. However, based on

Cont'd on page 2

In this Issue

IRI.....	1
RBR News Notes	4

Connect With RFL Online for the Latest in MR News



YouTube Channel
YouTube.com/user/RBDRChannel



Facebook
Facebook.com/RFLOnlineCom/



Twitter
@RFLOnlineCom/@RBDRfromRFL



LinkedIn
LinkedIn.com/in/Bob-Lederer-RFL

RBR COVER STORY

Information Resources, Inc.'s Strategic, Tactical Advantages



Andrew Appel

its recognition of CPG clients' needs for mission-critical, actionable information, due diligence convinced New Mountain that IRI could, in short order and with the help of a winning management team, step ahead of the pack with significant competitive advantages and achieve critical momentum.

Those investment hopes were validated

by IRI's huge progress beginning in June 2012 and running over the next half-decade under the leadership of President and CEO Andrew Appel. Several months earlier, another figure who would become a key decision-maker, Jeffrey Ansell, had been named a member of the company's board of directors and became a keen observer.

"Back in 2011, IRI and Nielsen represented a commoditized product with their clients. Nielsen was considered the center of the research industry ecosystem, but since both of us had the same POS, clients didn't perceive a great differentiation between the two," remembered Appel. "From account to account, more than anything else, they may have felt something about the quality of the people servicing them. Our first operational theme at IRI was a shift from being a 'data waiter' which provided manufacturer insights to an enterprise driving our customers' growth."

Nonpareil IRI technology mobilized that change. "It happened via the world's most sophisticated data platform instilled with hundreds of data sources and business-building tools. Instead of delivering a thousand possible reasons for strong future growth, we would present 10 things to provide improve future performance and market share," informed Ansell.

New Mountain investment gave Appel the financial means to establish the aforementioned competitive advantage. According to IRI, in the 2011-2018 period, \$500 million was invested to first complete and a short time later propel IRI Liquid Data®, a revolutionary, end-to-end information management and insights platform delivering leading-edge visualization and business recommendations. In the first year, Liquid Data, which had been unobtrusively functioning since 2008, implemented hundreds of millions of dollars so it could produce on-demand, always-on, real-time, mobile-based, data analytical capabilities.

Liquid Data technology was beyond reproach, an indisputable difference maker. It obliterated industry standards in terms of speed of data availability and analytical capability. That was

complemented by integration of prodigious volumes of disconnected purchase, media, social, causal and loyalty data, an immeasurable contribution to the information and knowledge demands in CPG, retail, OTC healthcare and with media. Liquid data could combine those data with predictive analytics for new consumer insights.

The Liquid Data platform transformed the standard

data used for product and market planning into the market's largest integrated consumer data set that was optimized and leverageable for assortment, pricing, promotions, media strategies, etc. This new paradigm did more than set IRI apart; it incentivized some Nielsen clients to alter their allegiance and come on board with IRI. IRI claims that its current clientele represents 95% of Fortune 100 CPG, retail and HBA companies. Noting its reason for preferring IRI, one IRI client stated: "They helped us ensure that we understood who the consumer was, what was happening in the category and helped formulate our strategy for growth."

This past February, Profile Magazine noted IRI's personal touch in applying Liquid Data. CIO Ash Patel spends a majority of his time on the road, meeting with clients "to understand the unique headwinds they face and building solutions to meet their needs. I think part of our success rate in innovation at IRI comes from the fact that our solutions are not built in a laboratory. Our technology leadership team spends time with clients, learning from them and partnering with them to solve the specific business problems that they are experiencing," Patel says.

If manufacturers were dazzled by Liquid Data, it had an even more profitable corresponding role to play with retailers. After all, Liquid Data's strategic currency was retailers' consumer data. "We had bought data from them," observed Ansell, "but we became determined to reverse that relationship. It took hundreds of millions of dollars more investment in Liquid Data and was much more complicated than with manufacturers due to the mass of physical outlets and products, but we became retailers' strategic partners – the providers of data to drive their interests. That also strengthened the relationship between retailers and manufacturers, creating a novel collaborative data partnership." IRI ascended to a vital position with retailers, one with long-term repercussions; it is now the data partner with 8 of the 10 biggest U.S. retailers. Internationally, IRI is ensconced with France's top five retailers, four of five in the UK, two of three in Spain and all over Italy.



Jeffrey Ansell

A third and newest IRI competitive advantage came into being when management pulled together its consumer data platform with 60 different retailers. Five hundred million loyalty cards in the possession of over half of the U.S. population unlocked a lot of value creation. Aligned with what retailers revealed about consumer purchases, IRI and Liquid Data developed media solutions for CPG manufacturers, retailers, agencies and publishers like Google and Facebook.

“Liquid Data technology made it possible to view the effectiveness of media placement and creative content,” noted Appel. Added Ansell, “We’re already working with 17 of the top 20 CPGs, pretty much all of our retailer partners, all the major advertising agencies and all of the major social media publishers. We also work with at least two-thirds of the major advertising tech ecosystem players, trying to understand purchase behavior from on-page demos, eyeballs, etc.”

This new paradigm established by Liquid Data set IRI apart and incentivized some competitors’ clients to come on board. “If you are launching a new item – which every company does annually – to be able to near-instantaneously know from day one that the item is on the shelf with access to a defined demographic profile, purchasing behavior, buying frequency and other information, is a unique competitive advantage,” stated Appel.

Ansell disclosed that additional manufacturers and retailers are knocking on IRI’s door to step onto that platform. Appel explained the attraction, saying, “Our disruptive management team brought to life a great mix, highlighted by novel manufacturer and retailer dimensions, reconstituted media and a shift from a store-based organization and POS, to a personalization-based enterprise with a foundation of sometimes fantastic ideas,” he remarked. We had constructed a mega data hub, or product innovation ecosystem, on our platform. In doing so, we’ve grown from five client data assets to more than 75.”

A fourth new IRI pacesetter was set in motion at the research organization’s 2014 annual manufacturer and retail customer Growth Summit with the unveiling of a partnership initiative. Dubbed the “IRI Partner Ecosystem,” it sought “alliances, joint ventures, acquisitions and affiliations.” Ansell said its goal was delivery of “differentiated growth for our clients” through “deep, highly integrated partnerships with a variety of best-in-breed companies.” That embraced a broad range of industry leaders “to create innovative joint solutions, services and access to capabilities to help clients more effectively compete in their various markets and exceed their growth objectives.”

“Our ecosystem of partners is predicated on the concept that we’re better together and need to work together to deliver the best solutions and competitive advantage to clients,” assessed Appel.

“IRI became the hub of an open ecosystem of partners – and we’ve just kept adding dozens of new partners... media partners, retail partners, research partners, technology partners, artificial intelligence partners.”

IRI broke new ground by instituting remarkably different working parameters for its partnership initiative, which has surpassed the 100 mark. “Instead of shooting for a 60-40 benefit for IRI in each deal,” shared Appel, “our goal was to gain 40% of the benefits because in each agreement we were gaining all of the time and scope ecosystem boosts. So, for instance, Kantar might join and get a little more of the unique benefits, but we gained all of the advantage from being able to offer additional data sets and capabilities through our platform.”

To date, Appel thinks the highest impact partnership has been the media agreement with comScore Rentrak “because in one fell swoop, Rentrak offered better television than Nielsen and there was comScore’s digital leadership. That partnership has evolved as Liquid Data has technically improved and welcomed 16 other media and data partners.”

Flush with mushrooming success, in 2016, IRI paid significant dividends to New Mountain and other shareholders. In 2017, an early-stage-oriented investor with whom Ansell had worked, Vestar Capital Partners, checked out IRI. “With its important experience in consumer goods, data and information, Vestar had a dip stick into CPG market and retailers,” remembered Ansell. “The feedback was that IRI’s standing with most clients was of a different order. Consistently what came back was that IRI felt like the leader in the industry,” and Vestar joined New Mountain as jointly-governing investors in 2018. At that point, Ansell became IRI’s Chairman.

For private equity investors like New Mountain, the IRI opportunity in 2011 was like catnip: a stable industry, predictable revenue and earnings, and long-term contracts. IRI’s seven-year business breakthroughs made them look like geniuses. New Mountain and Vestar fully anticipate continuance of IRI’s top-line performance and its strategic differentiation with its constituencies. “We anticipate more ‘wins’ fueling IRI’s momentum, which we believe is very precious. It is very hard to get — and you want to keep it because it is even harder to get back,” believes Ansell.

Ansell and Appel are justifiably proud of having detected and responded to data-hungry clients, in the process transforming IRI into a prospering industry leader. However, they might likewise take a bow for having accomplished something even bigger: reshaping several industries by providing clients with actionable information those businesses always lusted for (and never could access before) – and fueling those clients’ growth. **RBR**

Reproduced from April-May 2019 **Research Business Report**, published by RFL Communications, Inc. (Skokie, IL).
For more information: <http://www.rflonline.com>, RFLBob@Gmail.com or (847) 673-6284