

HANDBOOK

Sales Force **Automation**

2019



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Executive Summary

The Indian Retail sector is going through massive transformation and delivering better value owing to enhanced lifestyles, varied preferences, encouraging policy measures, increased competition and inclusive growth factors. Rapid urbanization, upwardly mobile citizens, internet growth and smartphone penetration has significantly evolved in the past decade strongly influencing the retail landscape of the country. The value equation between marketers and consumers is changing at a steady but consistent pace and one of the key reasons behind the transformation can be attributed to the adoption of sales technology.

Backed with a credible experience of partnering with FMCG companies, FieldAssist – Decoding Sales Analytics, an in-depth study was commissioned to

5Ps of Marketing - Precision, Purpose, Partnerships, Pace and Personalization.

understand and subsequently evaluate the need for a digital tool that helped FMCG companies overcome challenges, mindset and approach towards interpreting sales data to build the new 5Ps of Marketing - Precision, Purpose, Partnerships, Pace and Personalization. With the meteoric rise of ecommerce giants like Amazon and advent of subscription-based business models, an FMCG marketer is challenged with subjects larger than revenues

SFA

and profits. There is an increased realization on identifying the key metrics responsible for driving long-term growth and build steps to get closer to their end customer. Businesses are preparing for the next wave by embracing new technology, adopting sales force automation and changing mindset to turn the terms of trade and strengthen their position in the industry. Since time immemorial, retail players in India have either relied heavily on manual data or jostled due to the lack of it. Basic trends such as Total Calls made by the field force and the Productive Calls therefore is a huge determinant of efficiency levels of the organizational workforce. However, the top management in FMCG companies has always struggled with a poor visibility on these metrics owing to

the lack of validated data points. For a deeper understanding, it is important to visualize further interpretations that can be analysed and decoded from such authenticated data insights.

FieldAssist has compiled the sales data for a group of small, medium and large FMCG brands, identified the key metrics and worked upon them to provide a first-hand understanding of the power of sales data that has gone unnoticed for a long time. The first report in this series aims at understanding the concept of SFA, its usefulness in the FMCG industry and first-hand market insights

SEFA



encapsulating the impact of deploying SFA in retail operations. The Industry Trends and Analytics department at FieldAssist prepared the report that supports SFA implementation through real time business case studies and statistics to provide a clear understanding to industries at large in India. In our further series, we would attempt at bringing newer

reports that will be more granular and industry specific in nature with clear outcomes through the effective use of first-hand sales data for 350+ brands.

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Introduction

The conventional retail distribution mechanism has witnessed multiple changes in the past decade. While a significant proportion of business units use traditional approach to engage with customers, there's a rise in the other half that has engaged technology to streamline their sales processes. Sales technologies such as Sales Force Automation (SFA) has garnered immense interest in the Indian retailing space that has successfully addressed ground issues such as **attendance marking, validated retail store information, SKU movement, merchandizing and real time business insights.**



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Understanding Sales Force Automation

SFA expresses any form of information technology that is integrated within the sales process of an organization that facilitates the end objective of optimizing a sale while eliminating the existing retail challenges and drive it towards a system driven distribution process and reduce human dependencies. In the business parlance, SFA is the use of software to automate sales tasks that includes sales activities, order processing, sales forecasting, customer management, inventory management, data analysis, sales force management and information sharing. The need to streamline sales operations, establish a data driven sales system and improve profitability are driving the growth of the Indian SFA market. The emphasis today is on creating a richer personal experience for

customers that is an outcome of an effective selling mechanism. Automated sales processes therefore are catalysts towards building a tactful approach for organizations that have successfully replaced manual intervention and reallocation of resources to increase efficiency. Many research outcomes have concluded that SFA tools not only contribute towards organizational productivity by improving salesforce efficiency but also enhances revenue and profitability. According to Technavio report, the global category spends in 2016 was \$7.2 billion and expected to reach \$11.5 billion by 2021. Increased use of mobile technology and the growth of BYOD (Bring Your

SFA

Own Device) across several industries are some of the reasons that has propelled a demand in the sales force automation market. The report states that the global SFA market is expected to grow at a CAGR of nearly 9% over the next 5 years. This fast-paced propensity to shift to SFA rises from the need to reduce the sales cycle. Through our partnership experience with small, medium and large FMCG enterprises, we have learnt that every organization begins with a fair amount of resistance towards a new tool that redefines the rules of running a

business. However, over a period, sales executives must engage in learning the new technology. As the application usage speeds up, managers become more aware of the activities on the field, salesforce productivity tends to enhance, report higher revenues and enable quicker business decisions that are backed by numerical evidence and insights. In fact, traditional SFA system has turned in to mobility based SFA for better access to information.

SFA

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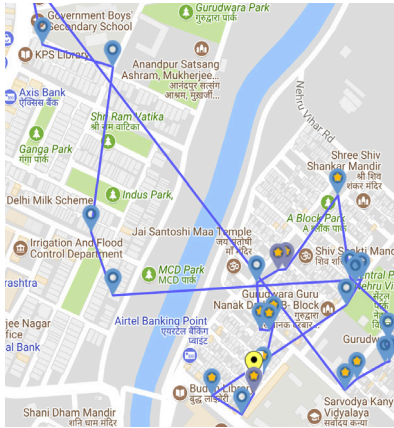
About FieldAssist

FieldAssist is the flagship **Sales Force Automation** solution (SaaS platform) from Flick2Know Technologies, headquartered in Gurgaon (India) and serving over 350+ leading brands primarily in the FMCG, Innerwear/Garment and Automobiles industry. It is an innovative digital solution that operates on the Android platform through a mobile/tablet at front end to capture multiple field data with respect to Sales, Delivery and Inventory real time.

What sets FieldAssist apart from its competitors is its approach towards successful SFA implementation unlike an IT solution. Extensive training sessions are conducted to build familiarity and handhold the customer to the application for a seamless experience.

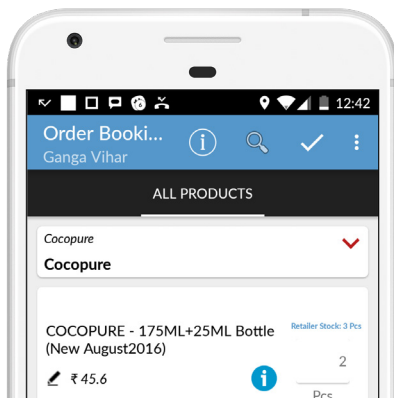
FieldAssist





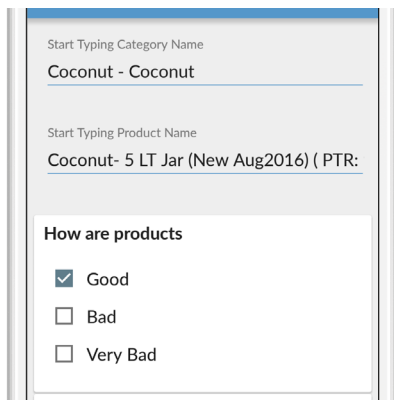
Field Visit

FieldAssist helps gathering the Field Visit data of salesperson and provides Authentication of Visit via GPS, Live Movement View on Maps with Sequencing, Beat Coverage/Strike Rate, Non-Retailing Activities, capturing On-Leave, Depot/Distributors Visit and Meetings etc.



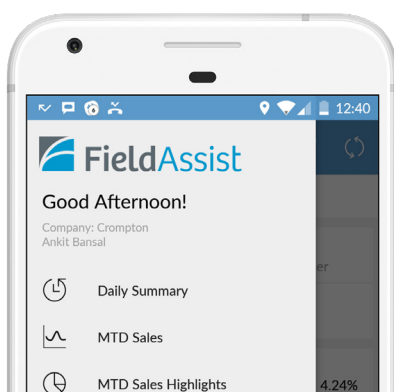
Call Management

This feature enables the salespersons to do seamless order booking across multiple categories. It also enables them to capture stock, check historic sales trends and apply schemes and discounts on the go and have track of their targets at the same time.



Census & Survey

FieldAssist provides census capability which enables companies to register new outlets on the go. It provides easy to create survey forms for field salespersons which enables companies to know competitor's presence, brand's visibility, consumer feedback etc.



Manager's App

FieldAssist provides a separate mobile app to managers having complete data dashboard providing access to real time field trends from their field sales team which enables them to take proactive measures at the earliest placing them ahead of competition.

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Retail Challenges that SFA successfully addresses



Before FieldAssist when we conducted the sales meet, we didn't have enough data or data accuracy was very low. Post FieldAssist, we have most of data that has enabled us to conduct sales meet based on FA data only. Earlier, our sales team would enter the meetings with huge bundles of paper. After FieldAssist all the data is real time and we successfully conduct paperless meetings.

*Anmol Industries
Leading Biscuit and Cake manufacturer*

Operating in unorganized market space, FMCG industry is faced with a constant challenge of getting accurate set of sales data provided by field forces and retailers. One of the ways to address this challenge is to introduce SFA tools to its field forces. The aim is to leverage technology and

move towards data driven decision making. Organizations are deploying automation solutions to drive their sales teams to move beyond servicing

No more



Reduced
Productivity



Lack of an
effective PJP/
Beat Plan



Low Visibility
on Real-Time
Data Insights
for Managers

wholesale channels and serve more and more retail outlets per day.


Leading Biscuit and Cake manufacturer Anmol Industries, one of our FMCG clients recently shared their experience of adopting SFA, "Before FieldAssist when we conducted the sales meet, we didn't have enough data or data accuracy was very low. Post FieldAssist,

we have most of data that has enabled us to conduct sales meet based on FA data only. Earlier, our sales team would enter the meetings with huge bundles of paper. After FieldAssist all the data is real time and we successfully conduct paperless meetings."

Sales Force Automation builds a robust sales structure that enables



Lack of Record
of Sales Staff
Field Activities



Absence of a
tool to Record
Customer Buying
Behaviour



Manual
Interventions

Lack of Authentic
Competitor
Information

Ineffective
Merchandising
/ POS Display

field forces to run faster and deeper in the market. With digitization across industries, the traditional retail format was faced with several challenges that needed a fool-proof solution to create an effective selling mechanism. Sales

Force Automation is one of these technologies that is a perfect upgrade for enhancing sales processes and implemented by FMCG organizations to streamline retail operations.



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Guidelines to improve SFA Adoption

Over a period, key SFA players have integrated the most critical business requirements and turns into mobile SFA to provide better access to information. However, in the Indian sub context, it has been observed that there is a serious lack of SFA understanding among organizations owing to which the industry records nearly 55-60% failure rates post implementation. According to industry experts, the reasons behind a higher failure rate is not due to software or hardware issues but a low adoption rate. Research papers also state that despite launching SFA, the average rate of adoption is less than 50% in most organizations and in some cases, it is just 10%. This indicates that despite the time, effort and money invested on installing the application, there are serious

gaps in orienting retail businesses towards integrating SFA as an extension of their sales processes. Several reasons can be attributed to a trend as this such as lack of proper training provided by SFA partners, non-user friendly mobile application workflow, lack of communication capability and workflow order not aligned with actual steps of call management.

A lot of the above issues stem from the psyche of the salesmen who are initially resistant to adopt the new technology. They are under a constant fear of being tracked while on sales calls failing to realize the power of the tool that will eventually automate most

of their tasks leading to an increased productivity, enhanced sale values per outlet and effectively a higher target achievement. Hence, there's an increased need for handholding newer businesses for improved adoption of SFA implementation. Having closely worked with big and small retail players, FieldAssist has observed that there is a strong resistance faced by most organizations

during the initial stages of SFA adoption. It is important to improve the rate of adoption during SFA implementation by taking necessary steps to eliminate failure rates. Based on our experience of handholding several organizations towards successful SFA implementation, here are couple of guidelines to improve SFA adoption:



PROCESSES

The organizational processes must be reviewed under the light of SFA and all processes and interactions must support SFA requirements and its development.



BEHAVIOURAL CHANGE

Being a fairly new tool, the probability of SFA being optimally utilised by employees would require behavioural change on part of the users. This can be achieved through proper product training, incentives, consequences and performance management evaluation.



INTENSIVE TRAINING

This is an essential element that must align the training content with the organizational goals, impact of SFA implementation, global sales automation trends and impact on employee performance levels. The training sessions must be attended by all the stakeholders that includes sales team, back-end operations, IT team and the project management team. The objective of the training is to also address any issue/reservations that the employee may have with respect to SFA usage and put them to rest. It covers the overall effectiveness of the sales process post SFA implementation.



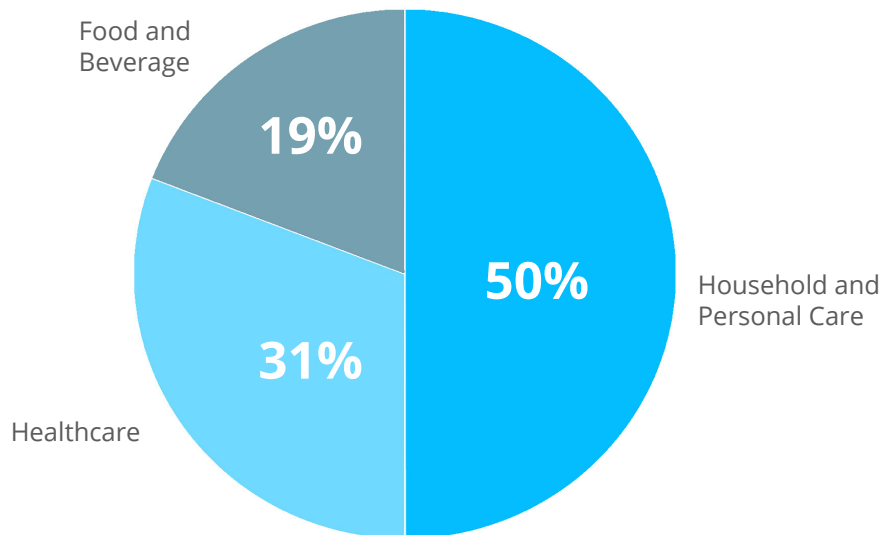
Indian FMCG Market in a nutshell

According to the latest IBEF report, the FMCG industry is the 4th largest sector of the Indian economy. The 3 main segments of the FMCG market can be classified as Food and Beverage, Healthcare and Personal Care.

Food and Beverages segment includes health beverages, staples/cereals, bakery products, snacks, chocolates, ice-creams, tea/coffee/soft drinks, processed fruits and vegetables, dairy products, and branded flour. Healthcare segment includes OTC products. Household and Personal Care segment includes oral care, hair care, skin care, cosmetics/deodorants perfumes, feminine hygiene and paper products, Fabric wash, household cleaners.

The FMCG sector has grown from

US\$ 31.6 billion in 2011 to US\$ 49 billion in 2016. The sector is further expected to grow at a Compound Annual Growth Rate (CAGR) of 20.6% to reach US\$ 103.7 billion by 2020. Accounting for a revenue share of around 60%, rural segment is the largest contributor to the overall revenue generated by the FMCG sector in India and recorded a market size of nearly US\$ 29.4 billion in 2016 and expected to grow to US\$ 220 billion by 2025. One of the major reasons for consumption growth in the rural markets can be attributed to improved distribution channels of manufacturing and FMCG companies. There has been



Indian FMCG industry share

a sustained increase in the demand for quality goods and services. In addition, increased awareness, easier access and changing lifestyles are the other key drivers for the consumer market.

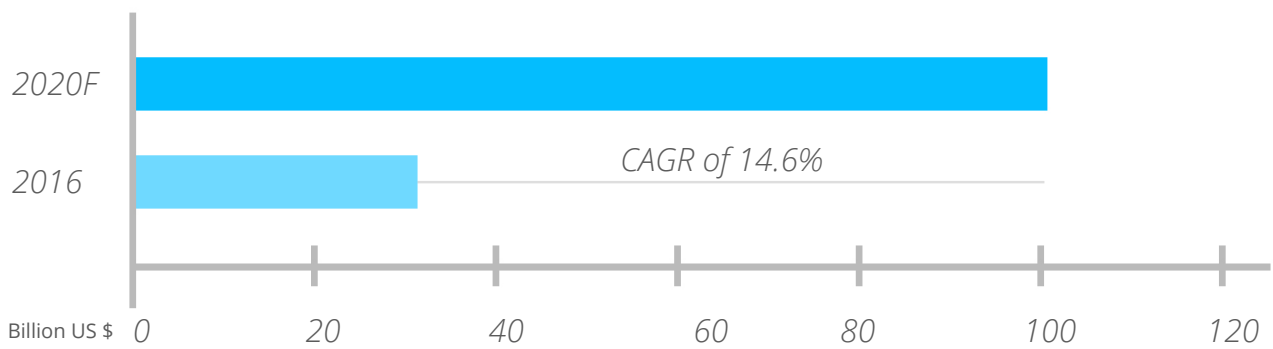
The rural FMCG market in India is expected to grow at a CAGR of 14.6 per cent and reach US\$ 220 billion by 2025 from US\$ 29.4 billion in 2016.

In fact, FMCG players had expressed their sentiments for policies that focus on rural market consumption pattern to enhance sliding wage limits, further job creation and reduction in personal tax slabs for better purchasing power in the rural market ahead of the 2018 budgets. The industry wish list further added that focused efforts are required to boost agricultural productivity and improved subsidies for a better

disposable income for farmers. FMCG majors such as Dabur India and Kishore Biyani led Future Group welcomed the budget and said that the steps taken by the government will help attract larger corporate investments that will strengthen the rural urban connect in terms of distribution and consumption.

In our quest to widen our footprints, FieldAssist has been aggressively adding FMCG partners with a concerted focus on evolving organic brands in India. We have been recently chosen by Hamdard Laboratories (India) as their preferred SFA partner. We also service Multani Pharmaceuticals Ltd., one of country's leading and oldest manufacturers of Ayurvedic and Unani medicines. Their Group CEO Nakul Multani, in a recent interview pointed that with the growing market

demand for herbal and wellness products, automation tools such as SFA has helped them enhance their salesmen productivity levels by nearly 40% and their product placement has significantly improved leading to a surge in sales.



Rural FMCG Market in India

Notes : FMCG - Fast Moving Consumer Goods, F - Forecast

Source - World Bank, Emami Reports, Dabur Reports, AC Nielsen

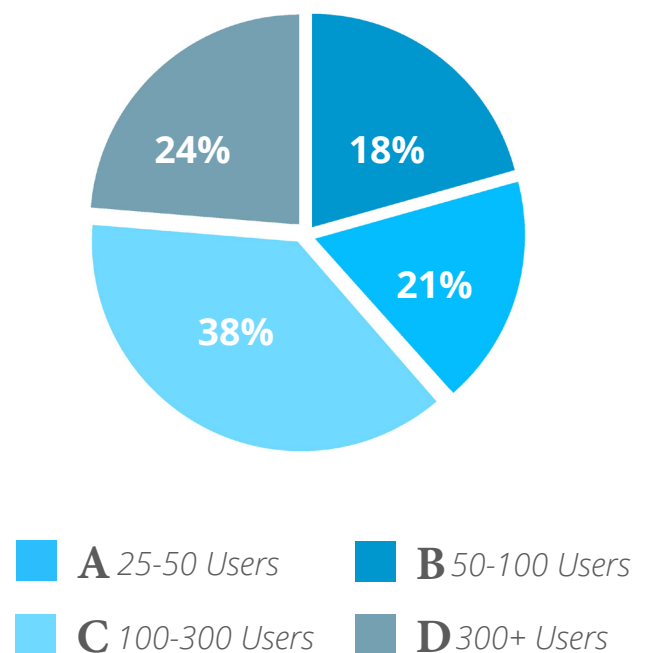
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Market Insights

With an average customer base of over 350 big and small FMCG organizations, FieldAssist is a robust mechanism that is equipped to manage over 84000 unique SKUs across 25000 devices covering over 15,00,000 outlets in India effectively. We have been observing the retail trends with the adoption of sales automation at various stages of business. Since the nature and size of these FMCG companies are skewed evenly, hence the insights derived from their sales statistics define the future trends in Indian retail. At an organizational level, we carefully selected over 50 companies and categorized them under categories A, B, C and D depending on the user base size, where - (see image aside)

To provide further credibility to what we have been discussing, certain metrics were identified and the inference

Research Sampling



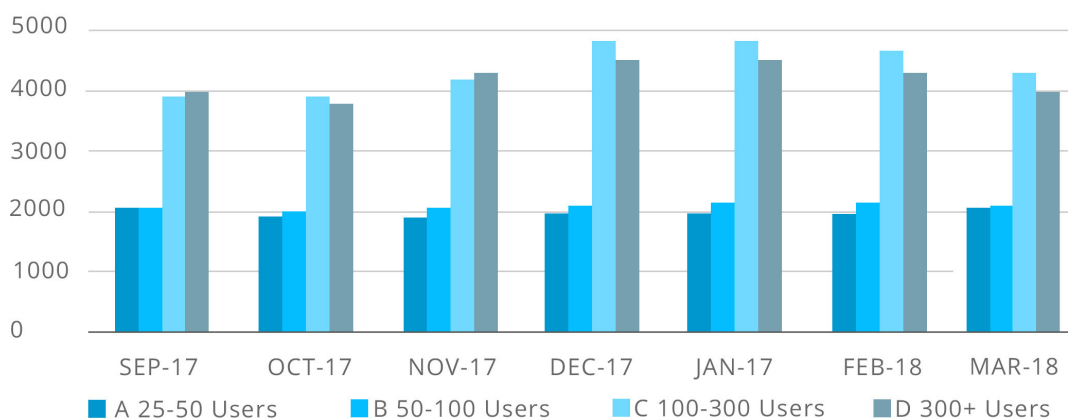
highlights the impact of integrating sales force automation in the retail industry. We will discuss some of the key metrics for a fair understanding.

UP by **19%**

Total Calls per Employee

Total calls (TC) are defined as the sum of sales calls made by the entire salesforce of an organization. Thus, TC per Employee refers to the total calls made by an employee. The below TC per Employee graph shows that across categories, the dataset recorded a growth in the total call made by their employees. The **mid-sized and large sized FMCG brands registered a substantial growth of 11% and 19% respectively** which is a great determinant of the company's distribution network with

respect to its distribution reach. TC/Employee is an important metric since the derived statistic implies improved outlet coverage ratio, effective beat plans and productive on-ground sales force for the mid and large sized retail brands. This strengthens the fact that field salesmen have been able to spread wider in terms of reach through SFA usage.



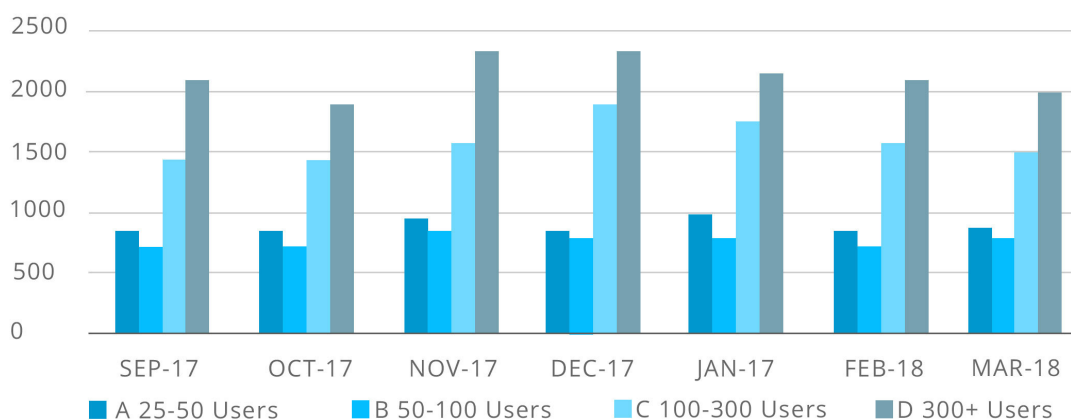
Total calls per employee

UP by **10** %

Productive Calls per Employee

While enhanced TC is a positive metric, it is equally important to track the movement of Productive Calls (PC) made by each employee per category. At FieldAssist, a PC is defined by the sales made on a sales call and the minimum criterion defined by organizations. This is also an important determinant to evaluate growth effectiveness of sales calls made by the organizational field force. The graphical representation indicates that post SFA deployment, field executives

have been able to allocate their time and resources better that has resulted in an improved PC count levels. In fact, **Cat-C companies, with 100-300 user base, have registered the maximum growth of 10% on their PC/Employee count level** significantly resulting in a broader SKU range being marketed now.



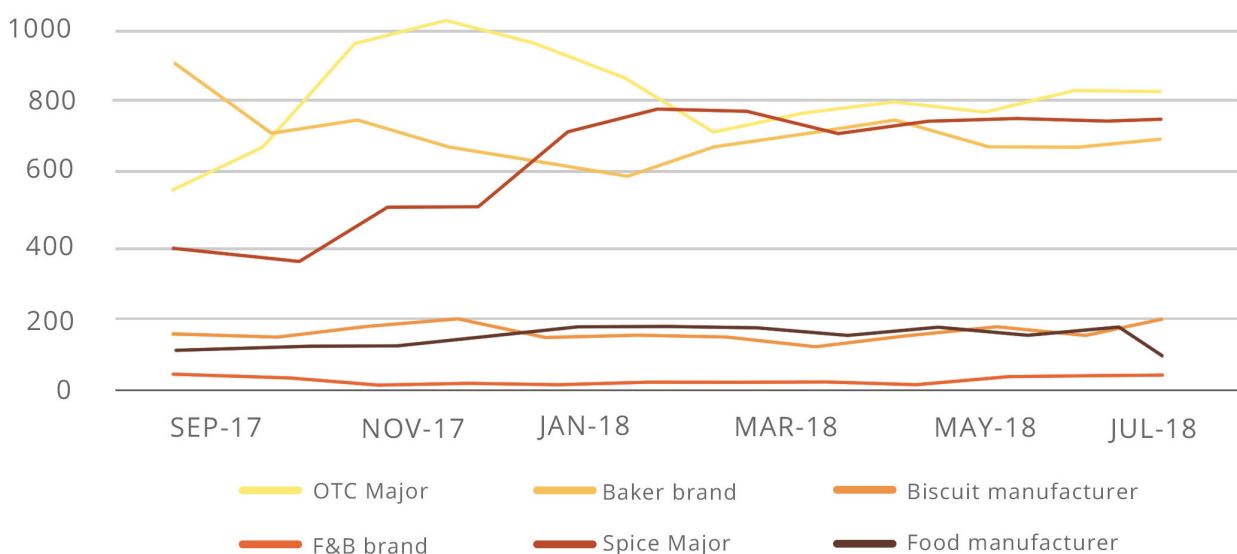
Productive calls per employee

UP by **31%**

Unique outlets/ SKUs per Employee

While the above metrics are good indicators of a galvanised retail cycle, we also wanted to understand the nature of these growth parameters. To provide an alternate perspective, 6 leading brands across different sub-segments in Cat-D were analysed for the period Sep'17 - Aug'18 and the outcomes were encouraging. It was interesting to note that within a year of SFA deployment, there was a significant 31% increase in the average

number of unique outlets per SKU per employee. Simplified retail cycle enabled field executives cover more outlets, improve point of sale presence and boost outlet sales performance. The trend translates to enhanced SKU placement across outlets and improved outlet coverage by employees.



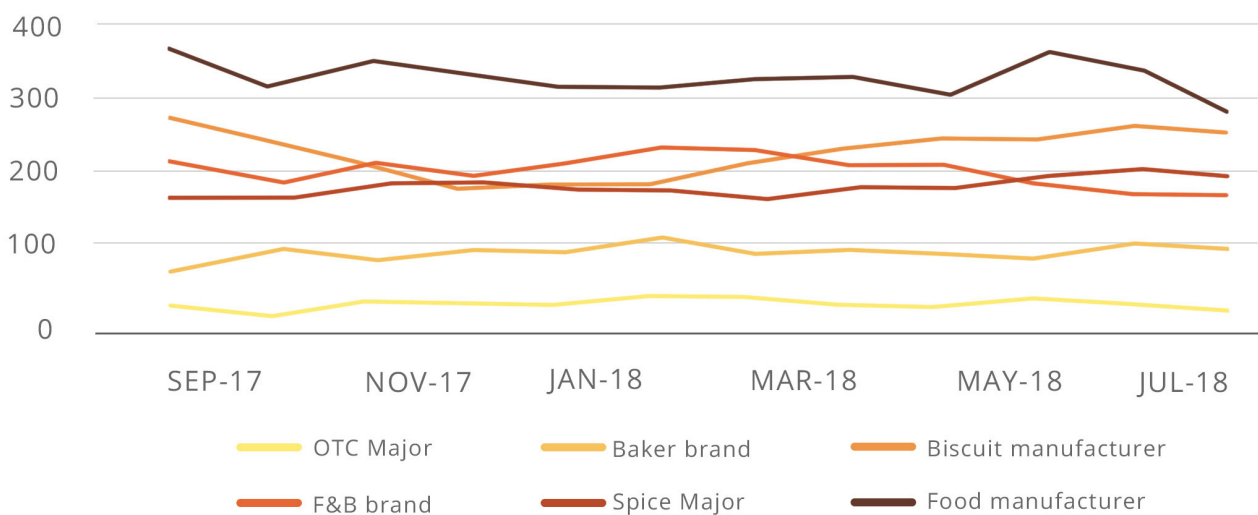
Unique outlet SKUs per employee

UP by **12** %

Lines Cut per Employee

Subsequently, a 12% growth in Unique Lines Cut implied larger SKU range placement at each store, better brand visibility, greater retail presence and improved sales performance of employees. Effectively, this is a very strong indicator since companies have been

successfully able to introduce/market a larger range of products thereby consolidating its position against competition post SFA deployment.



Lines cut per employee

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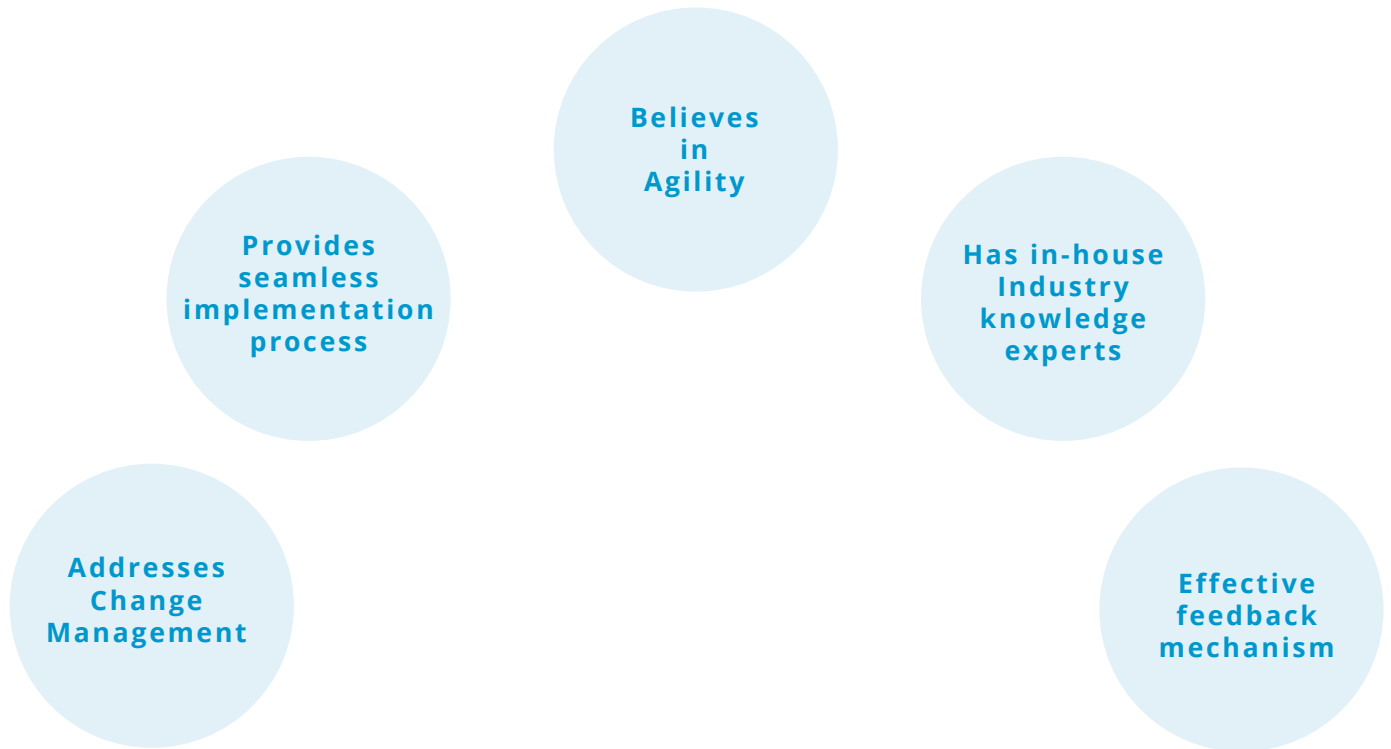
Conclusion

The scope of SFA has significantly evolved over a period. Earlier, the scope was limited to transitioning from paper-based selling to paperless selling. Although the data not real-time but it certainly brought in visibility on employee productivity, visual merchandize monitoring and order booking.

The mobile revolution has led to affordable smartphones and deeper internet and mobile penetration. Coupled with an ever-evolving technology landscape, it has led to faster adoption of digital tools by FMCG brands such as SFA to drive field force efficiency. Brands are leveraging on data analytics, mobility and real-time collaboration to sell better. SFA strengthens the distribution network for traditional set-ups and quickens the sales cycle

by providing improved efficiency and enhanced communication with the key stakeholders in a supply chain.

The future of Indian industries is rapidly transforming as there's a widespread adoption of digital technology across domains. Automation is striking at different scales in different industries. Right from routine tasks such as data entry, data processing and back-end coordination, automation has taken over primary functions such as sales contributing to an effective selling mechanism. The report amply establishes the fact that sales force automation is your ultimate answer to resolving some of the core problem areas of retail sales and distribution.



Five Attributes for SFA Solution

At FieldAssist, our teams are driven to deliver not just outcomes based on customer expectation but deliver superior and industry relevant growth parameters preparing brands for higher grounds and future uncertainties. As the report suggests, most of these indices such as Total Calls, Productive Calls, Revenue generated and Lines Cut expressed per employee are clear measures to evaluate the overall health of business. While each customer category has recorded growth post SFA deployment, our D category customers i.e. large FMCG brands over 300+ users have recorded a substantial growth in all the business metrics covered above that are critical to long term retail growth. What is

encouraging therefore is that as brands scale up in size and volumes, the scope of SFA also amplifies resulting in enhanced outputs. Hence, if you are an FMCG brand already engaged with an SFA partner or at evaluation stages, following are the attributes that must be fulfilled by your choice of SFA solution:

1. Addresses Change Management
2. Provides seamless implementation process
3. Believes in Agility
4. Has in-house Industry knowledge experts
5. Effective feedback mechanism



With customer centricity as core focus, the FieldAssist mobile application combines these characteristics and owing to the above, is one of the primary reasons of choice for our customers. It is an interesting time in the conventional retailing space that includes areas such as supply chain, distribution, technology and automation, logistics, marketing and product research that are becoming critical success factors of an organization. The organized

retail sector on the other hand, is also facing stiff competition from global retail giants who are rapidly setting footprints in new territories. In a constantly evolving business environment, creating an effective SFA mechanism is a continuous process.

However, a well-designed SFA solution understands where brands should be in future, provides them an empirical basis to define sales strategies and creates sustainable competitive advantage.



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