

Lotus Herbals Glows Up its Retail Business With An integrated Tech Platform





Dewy skin, clean healthy hair, beautiful hands, plump lips and shining eyes – who doesn't like to look good? At some point, all of us have bought a lotion, shampoo, gel, serum or some other personal care product that makes our skin or hair feel fresh and healthy. Indians today are one of the biggest consumers of personal care products, especially those in the 18-30 year bracket. **No wonder then that the beauty and personal care product market in India is currently valued at \$26.8 Bn and is poised to reach \$37.2 Bn by 2025.**

Kamal Passi recognized this opportunity way back in 1994 when he launched Lotus Herbals to cater to the growing demand for personal care products. Even though the first decade or so remained challenging, Mr Kamal Passi – later joined by his sons – persevered, and today the results are for all to see.

Let's see how Kamal Passi- and now his son, Nitin Passi, CEO of Lotus Herbals, successfully manoeuvred the company past hostile competition and takeover bids to establish a massive personal care brand that is rooted in ancient Ayurvedic principles. Today their global presence spans 17 countries and millions of happy customers.

The Story of Lotus Herbals



Like the Lotus flower that grows in muddy water but stands out for its purity, simplicity and divinity, Lotus Herbals too stands out with products steeped in ancient Ayurvedic wisdom and modern science. With its own in-house R&D lab, Lotus Herbals has spent years extensively researching the Vedic sciences to create handcrafted, natural, cruelty-free products that offer wholesome nourishment with no harmful side effects and a long product shelf-life.

-  ₹552.42 crore turnover in FY22
-  Presence in **1,50,000 Retail Outlets** and **35,000 Salons**
-  Completely acquired **SoulTree in 2020**
-  Acquired **32% stake** in Fixderma in 2021
-  **\$200,000** investment in Better Beauty in 2022
-  Acquired **20% stake** in Yogic Secrets in 2022
-  Acquired **25% stake** in Conscious Chemist in 2022

If you cannot beat them, BE them!

Even in their initial years, the high quality of Lotus Herbals products made the MNC biggies jittery enough that Nitin started to feel the heat. But that didn't deter him from confidently moving ahead. Nitin knew it was difficult to have a head-on battle with the MNC FMCG giants, so he decided to BECOME one instead! He rerouted his strategy to compete on segments that were not the competition's core products. ***“If they want to fight, they will have to come on our turf. Today, Lotus Herbals Safe Sun is the biggest sunscreen brand in the country,” claims Nitin.***

In the last few years, Nitin has consolidated the brand's omnichannel presence, introducing new product lines and making strategic acquisitions in many synergistic brands like SoulTree, Yogic Secrets, Better Beauty etc.

Sitting in December 2022, almost three decades later, Nitin helms an enviable brand portfolio, where Lotus Herbal products are available in over 1,50,000 retail outlets and 35,000 salons across 700 cities through 1000 distributors





So what were the blemishes ruining their peaches-and-cream journey?

As the operations grew multi-fold, and the spate of acquisitions added to the complexity, it became difficult for Nitin and his sales leaders to work efficiently within the confines of their existing resources:

- Sales data was being managed manually on excel sheets, therefore the team was not 100% confident that the numbers were completely authentic or error-free.
- There was no structured method to monitor key salesperson KPIs, for e.g. was the field salesperson actually on the field or not, was he working his full retail hours, or covering all outlets etc.
- The flow of stock stopped at the Distributor level. Nitin had no visibility of how their products were moving at a secondary (retailer) level.
- Communication of schemes down the distribution flow was a pain point because it was all done manually. Every month, the company would release a circular to the distributors about the applicable TLO schemes. However, there was no method to ascertain whether the distributors were sharing the same ahead with the retailers or not.

He knew that he had to onboard a strong technology partner who could transform not just the current sales performance of Lotus Herbals but also support their aggressive journey ahead.

FieldAssist adds a healthy glow to Lotus Herbal's future journey



As Lotus Herbals had never used an automation solution before, the first thing to do was to help their users get comfortable with using the app and increase adoption. After successfully implementing a pilot in Delhi, Lotus Herbals rolled out the app across the country. As data started flowing in immediately, this gave Nitin and the senior sales leadership visibility on the real-time attendance of more than 700 salespeople in the field. Today, the salesmen can easily show their attendance reports to their respective RSMs to finalize, approve or edit. As of date, 100% of sales force attendance is managed via the GT app, allowing for faster salary disbursements.

Getting Intelligence at their fingertips:

The mid-managers extensively use the intelligence reports like those below to create their monthly TLO (Trade Load) schemes and better manage the product assortment:

- Outlet performance
- Product category penetration
- Outlet coverage
- Order vs validated sales etc.

Plugging into the power of Surveys:

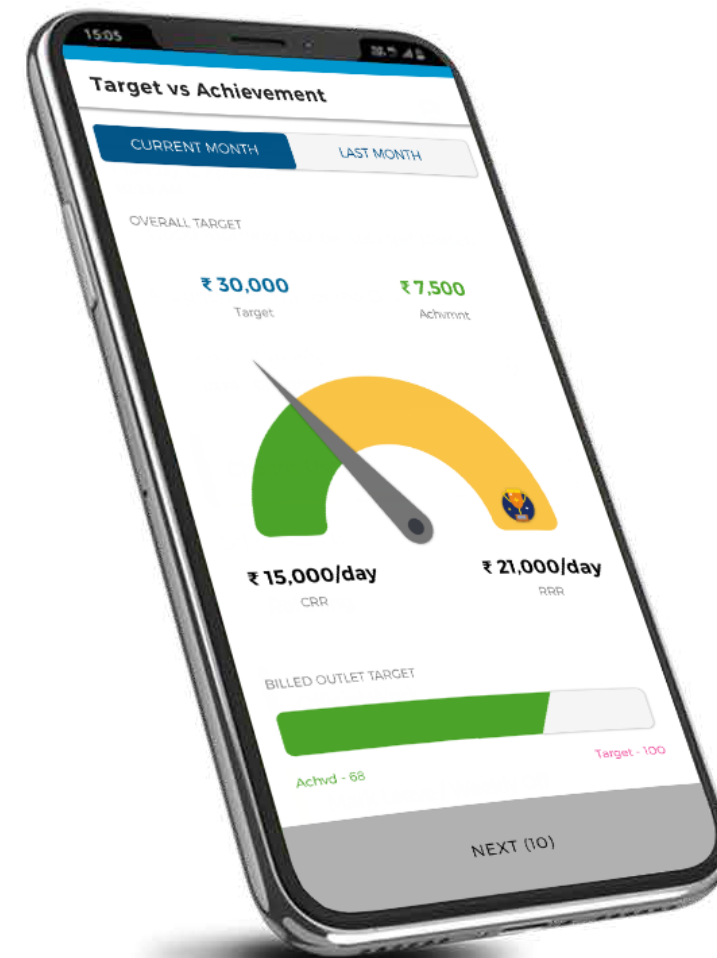
The Survey feature is used very often to capture data on the Paid Displays in retail shops—how many paid display shelves are available in which shops, which other competitor products are available on those shelves, are Herbal Lotus Products regularly available on the shelves they have paid for etc.

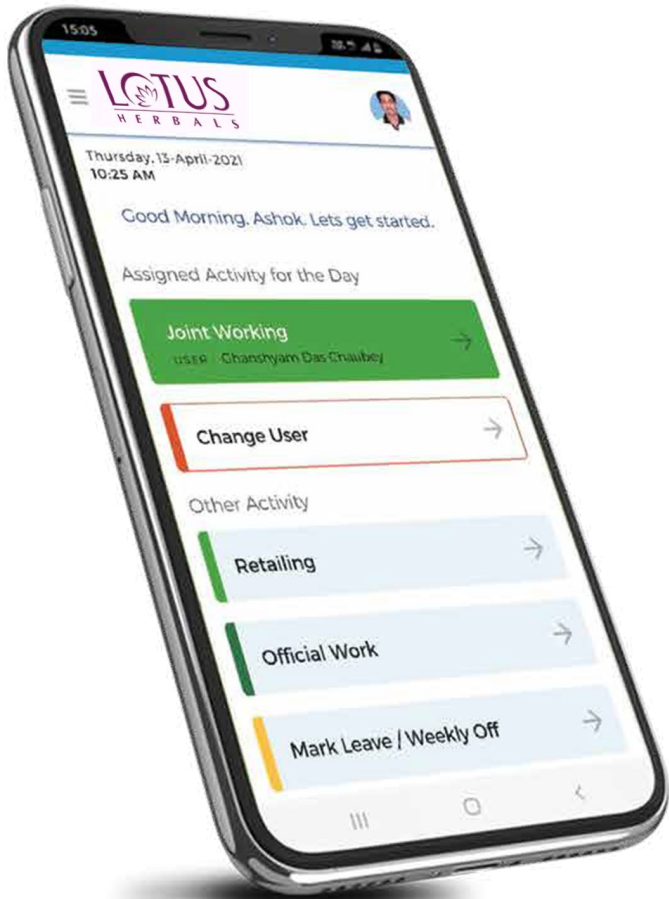
Servicing Salons better with FA Flo integration:

For their sales team looking after the salon channel, FieldAssist integrated FA Flo with the GT app to help them manage their unique workflows better. For e.g. A new salon outlet usually requires a demo on how to use the products before they decide to place Lotus Herbal products in their salon. So using the GT app, the salesman first generates a request for a demo to their Tech team, records which product samples are being used in the demo, captures images of the demo or the products placed inside the salon and uploads them on the app as validation of the visit and product use.

Using Quick Viz to amp up field efficiency:

Another feature that has received a lot of love from the Lotus Herbals team is Quick Viz. The mid-managers prepare user-wise, and region-wise data on Quick Viz, which is then available to be viewed across the entire hierarchy right from the NSM level down to the ASM level. The monthly reviews are now more effective because the sales leaders can immediately pinpoint the red flags around essential discipline KPIs or outlet-level or product-level performance.





Level 1 Transformation achieved, Level 2 Unlocked

Once they achieved visibility on basic KPIs, Nitin wanted more depth in the numbers. He realized that they were able to capture orders, but

New Pain Point#1: What was the actual invoiced quantity against those orders? His sales leaders had no data on whether orders were completely or partially fulfilled.

Solution#1

This led to Lotus Herbals becoming the first customer to use the *Secondary Order Validation feature*, which allows the salespeople to validate all retailer orders against the POs that have been generated by the distributor. Because of that, Nitin's team was able to significantly bring down the gap between retailer orders and distributor fulfilment.

New Pain Point#2: How to improve the effectiveness of Schemes?

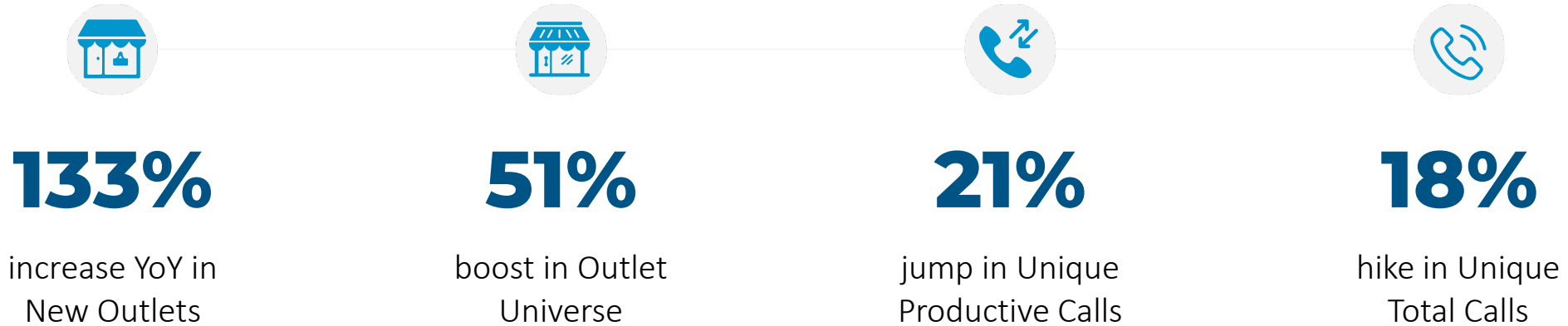
Nitin wanted to go one step further and resolve the pain around schemes implementation. For the retailers, Lotus Herbal had SKU-wise schemes for e.g. if an SKU sells more than a pre-defined number, then the retailer gets an additional x% discount. However, there was no way of knowing whether retailers were being communicated any schemes at all or whether the discounts were being appropriated at the distributor level itself.

Solution#2

As the next step, Nitin deployed the *FieldAssist DMS*, which has been rolled out to almost 80 distributors. All schemes are now visible to the mid-managers as well as the distributors on their dashboard, and this live data shows how many outlets have utilized which scheme in which geography.

Lotus Herbals Numbers Shine Bright

The biggest impact of automation was felt on the overall revenue, which saw a 50% YoY jump from FY21 to FY22, quite a bit of it coming from:



Now the focus is on aggressively expanding Lotus Herbal's traditional retail as well as Modern Trade footprint across the country.

“ We plan to expand rapidly to cater to 1500+ cities within this financial year with an increased focus on omnichannel strategies. We also intend to reach 50,000+beauticians and at least 20,000 salons within this FY. ”



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