

CASE STUDY / Manufacturing

HOW THE LEADING BEVERAGE COMPANY REENERGIIZED FIELD WORKFORCE

Company Overview

The client is one of the biggest beverage and refreshments company in the world and has seen brighter financial times before than now. Their global revenue stands at \$41.38 billion in 2016. Their revenue in 2012 was \$48.15 billion. They have seen growth in sales but have been saddled with an archaic distribution system. They work on a franchise system where they partner with cold-fill and hot-fill bottlers which then send out the merchandise to distribution centers or cost and freight agencies. These intermediaries pass on the units to retailers and in-turn to the consumers. The client is currently in aggressive refranchising mode where they would restructure most of the contracts, bring in hot-fill beverage production under their wing, and extend in new distribution areas. Their unit case volume has grown in major Asian countries but lags in South America. The core motive behind the refranchising is to bring quality, accountability, and sustainability in their logistics and field workforce management.

LogiNext Overview

LogiNext leads in providing field workforce optimization solutions to some of the biggest names in retail, manufacturing, e-commerce, pharma, utilities, energy, telecom, construction, banking, and insurance. With more than 250 enterprise clients across 10 countries, LogiNext has established themselves as industry leaders in route planning, schedule management, route optimization, delivery tracking, order validation and authentication, and real-time movement tracking. Field workforce management remains the key guiding force behind process and work order transformations in enterprises and LogiNext helps optimize their efforts to better direct them towards sustainable development. Sales executives, pharmaceutical representatives, delivery personnel, field agents, and more on-field workforce can be tracked and optimized efficiently through LogiNext's patented self-learning algorithms.

Problem

- Lack of proper planning in sales cycles
- Lack of proper schedule planning
- Manual route planning for field agents
- Lack of order validation and authentication
- Unable to set priority schedules for sales visits
- Lack of regulatory control over sales cycle

Solution

- Track delays in visits and order statuses in real-time
- Optimize order schedules and sales routes
- Authenticate orders in real-time
- Cut down on resource costs
- Improve Turn Around Time (TAT) for the sales cycles
- Increase transparency across the value chain

Implementation

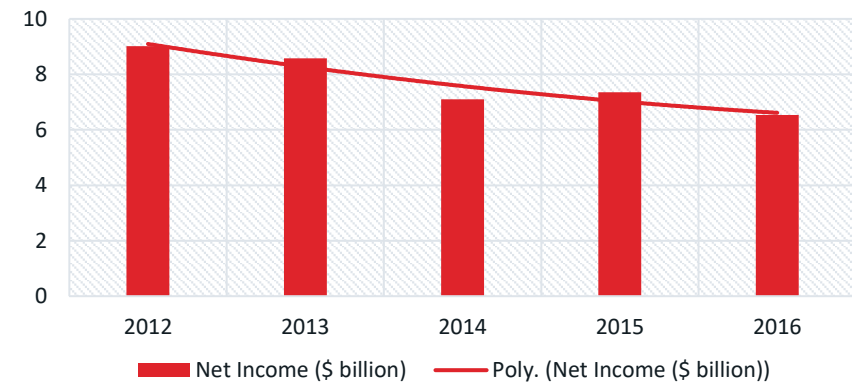
- Increase control over the sales cycle with effective schedule planning
- Automated resource allocation using time distance and location intelligence
- Efficient resource planning using a flexible route planning software
- Order and service time validation
- Increase in the overall effectiveness of sales visits through intelligent work-order planning
- Control tower implementation and execution

Problem Statement

The client plans to consolidate their cost-structure by re-envisioning their field workforce management. They intend to go from a 150 thousand strong workforce to a light 40 thousand workforce company. They want to do more from less. Their past revenue trends have necessitated such an approach. They have had a 14% drop in revenue (2012-16) and a 27% drop in net income (the same period). Their income stabilized in 2014-15 when they initiated their refranchising process, resulting in a boost in their non-operating income in the year (500%). The client terminated some partnership contracts, forging new ones in unchartered territories, and transferred a major part of its field workforce operations to these partners. They now needed to have more control over their sales cycles (in-part through the franchises) while tracking and optimizing their field workforce for best results.

Sales Cycle Planning

The client required tracking and validation options for their field sales agents. These agents are called Pre-Sales Representatives (PSRs). The client wanted to make sure the PSRs executed the corporate strategy precisely as expected. They wanted the PSRs to visit retailers on-behalf of the franchisees and record new or repeat orders while developing channel relations to bring back key market and customer insights. The channel of communication went back up to the client through the distribution centers, cost and freight agencies, and franchisees. The sales cycle had to be set in to maintain these relations by matching key PSRs to their respective retailers. The planning had to be economical as well as strategic.



Net Income (\$ billion)

Schedule Planning

The client wanted to utilize all its PSRs across their respective serviceable areas. Each PSR covered a pre-set sales area where they would regularly visit retailers (or distributors). The client wanted to increase the number of visits per day for their PSRs while covering the most area encompassing a diverse reach. The client wanted to be the primary refreshment choice for their customers. This meant that they must perfect their sales and replenishment cycles. They wanted to plan the schedules of their PSRs in a way they could invest the right service time for each retailer. They had to balance quality sales with quantity. There was the added factor of channel relations management. Once a PSR developed a relation with the specific retailers, they had to assigned repeat visits for the same. Then there was the preferred time visit feasibility. The PSRs were expected to visit specific retailers at their preferred times to ensure order conversion.



Route Planning

The client had to face delays in store visits by PSRs. The client's processes mandated that the franchisees create Permanent Journey Plans (PJPs) for all their PSRs. These PJPs had to be planned to ensure that the sales representatives followed the intended strategy. The route had to be optimized for the local specifications like climate and traffic conditions. Any disruptions in the PJPs resulted in loss of channel visibility which hindered the client's reach and gave its staunch competitors an edge in distribution.

PSR Tracking

The client wanted to track its PSRs along their respective PJPs. This was a necessary measure to ensure compliance. It was also helped to be updated with the ground realities of different new markets. The client wanted to expand its market capitalization further in developing markets. Without tracking they would lose out on important market and distribution insights.

Order Authenticity

Orders recorded by the PSRs had to be validated at the point of entry. The orders were recorded at the retail point, but validated in bulk along with other orders in the area, at the end of the day. This led to invoicing errors and some restocking hassles. The client wanted to eliminate all such errors as they led to delays and disruptions in the supply chain.

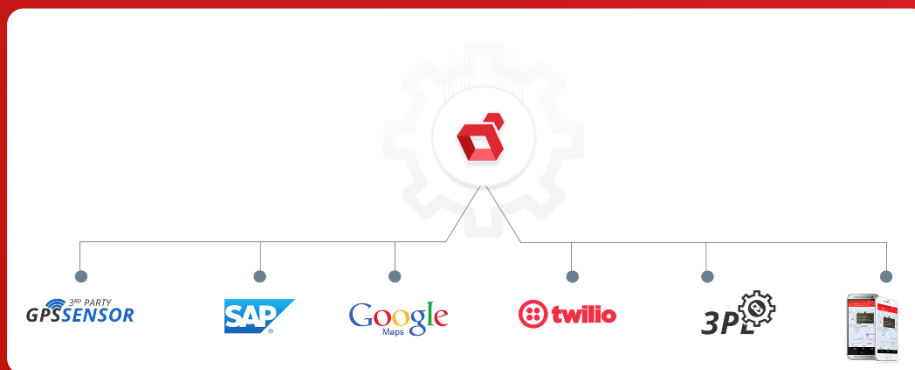
Client had to manually set routes to shorten the Turn-Around-Time for the sales cycles without affecting quality

LogiNext Field™

LogiNext Field™ is renowned for being the best field service optimization product in the market. LogiNext delves into the basics of optimization as a concept and resurfaces with a clear agenda to maximize the compound effect of the field workforce of an enterprise. What would be the primary expectations from the field workforce of a company? To increase interactions (visits, meetings, tasks, etc.); to increase successful conversions: and to shorten total sales or service time without compromising on customer (intermediary or end) satisfaction. Other responsibilities involve infusing quality of human intervention in the faceless logistics management process. LogiNext Field™ gives the client the ability to track, monitor, and direct their workforce to better fulfill its inherent goals.

Field™ is customizable and integratable across enterprise resource planning platforms. LogiNext has the quickest integration capacity in the industry with complete customized integration for all end-users being furnished within 30 days. LogiNext also acts as a guide to establish a seamless on-boarding process which helps the client use the full potential of the patented self-learning algorithms functioning as the core of superlative product leveraging more than a billion data points across the world for complete location and tracking accuracy.

The screenshot displays the LogiNext Field™ 'Beat Planning' interface. At the top, there's a navigation bar with 'Dashboard', 'Fleet', 'Task', 'Trip Planning', 'Beat Planning' (selected), 'Reports', and 'Analytics'. Below this, a 'Beats > Outlets' section is visible. A table lists outlets with columns for 'Outlet Id', 'Outlet Name', 'Visit Name', and 'Associated Beat Plan'. A 'Weekly Plan' table is overlaid, showing a grid of days (Monday to Sunday) and time slots (e.g., 12:30 - 12:40). A 'Schedule Frequency' modal is open, showing 'Monthly' as the selected frequency and a calendar for March 2017 with the 31st selected. The modal also has 'Save' and 'Cancel' buttons.



LogiNext uses patented self-learning algorithms to optimize the extensive field workforce of the client.

Solution

The client required a strategic transformation for its field workforce to drive its sales back to its original glory. To achieve this, they had to ensure that their strategies were being utilized. The new corporate mantra of being workforce 'lite', meant that more had to be derived from the current workforce. Original utilization was low across franchisees. The client wanted to increase this to 100% while driving their output to about 120% or above, without seeming desperate in the competitive world. Their predicament was purely operational. They had to fulfill resource capacity to the most optimal level and then optimize the optimal resources further. As they did this, they wanted to increase the interaction (visits) and conversion rate (sales) for their PSRs.

LogiNext's solution addressed all three primal client issues.

Fulfill Resource Capacity

Resource utilization was down to a point where almost 30% of allocated resource time was never utilized. This was tracked down to poor planning and execution. LogiNext solved the basic problem of **resource utilization** as the first step. PSRs were tracked and any bottlenecks in their schedules were identified and fixed. Efficient **route planning** through Field™ enabled the client to engage more PSRs from its total workforce.

Optimize Field Workforce

The permanent journey plans (PJPs) of the PSRs were recreated to accommodate a higher number of visits. The routes followed by these field agents were optimized for efficiency incorporating **real-time traffic updates**, required **service time for each visit**, and any preferred visit times indicated by the retailers. These variables were analyzed and factored in to create an **optimal PJP for each PSR**. This PJP mapped all relevant visits to the respective PSR while **optimizing the route taken between the visits**.

Greater Value from Field Workforce

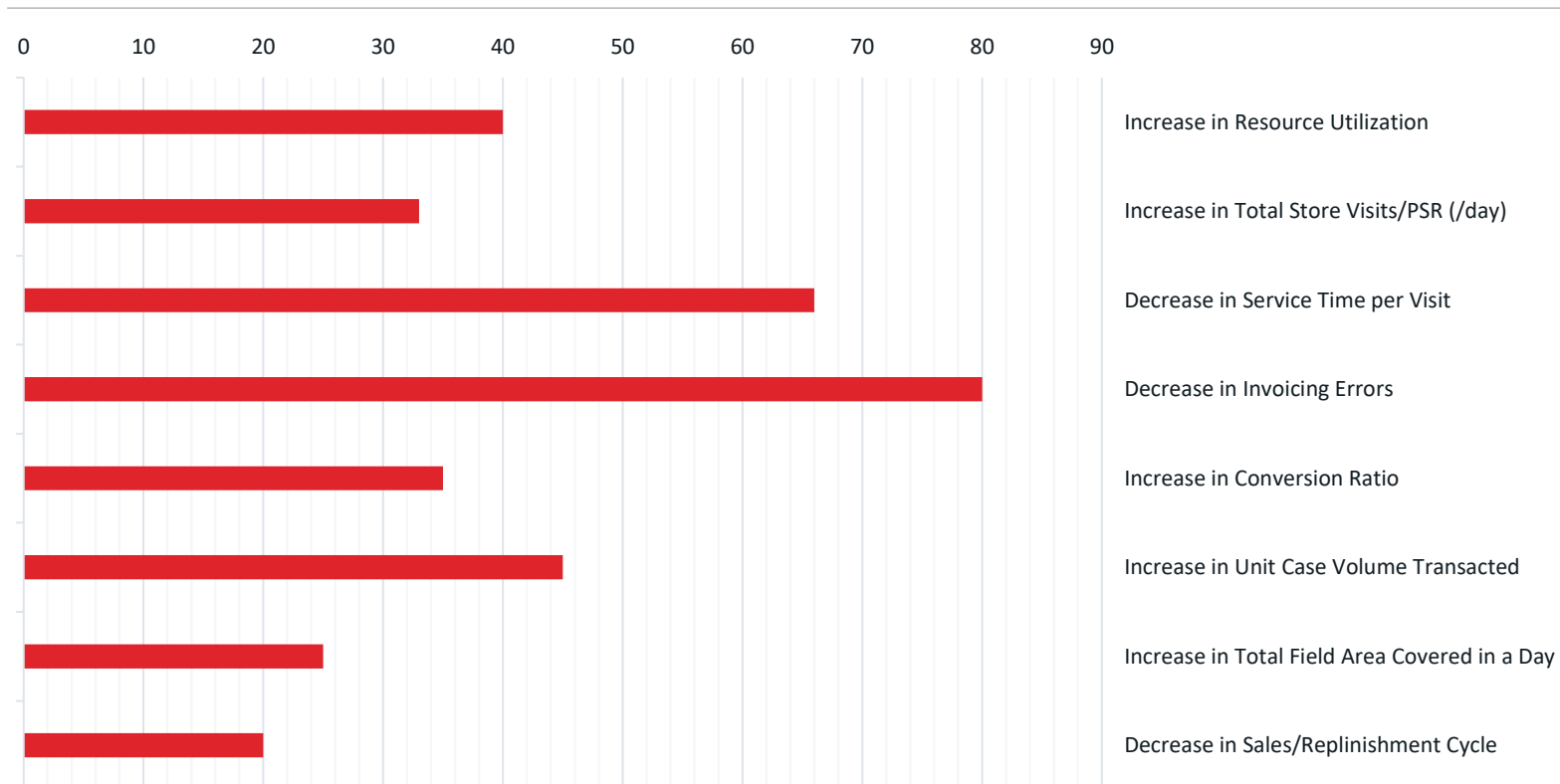
An intelligent algorithm **mapped the sales patterns** of various PSRs and found the most productive routes of each of these field agents. These PSRs had developed positive relations across this route. Field™ analyzed the sales cycle and unit case volume of each of the retailers (or distributors). Based on these cycles and volumes, the PSR's visits were calibrated in collusion with their inventory replenishment requirements. This helped the client to perfectly time the visits for **greatest conversion rates**. The consolidated effect of a higher number of visits with a higher rate of conversion pushed the client's territorial sales much higher than estimated.

LogiNext channelized the client's PSRs in three steps:

Fulfill; Optimize: Enhance!

Implementation

With lesser invoicing errors while using LogiNext's comprehensive and transparent order validation protocols, the client could track its sales process in real-time. **LogiNext Field[™]** helped the client raise its regional sales revenue by 15%. Total unit case volume transacted increased by 23%. Sales cycles (replenishment cycles) were cut down by 12%.



Percentage Increase in Key Performance Areas

Big Picture Transformation

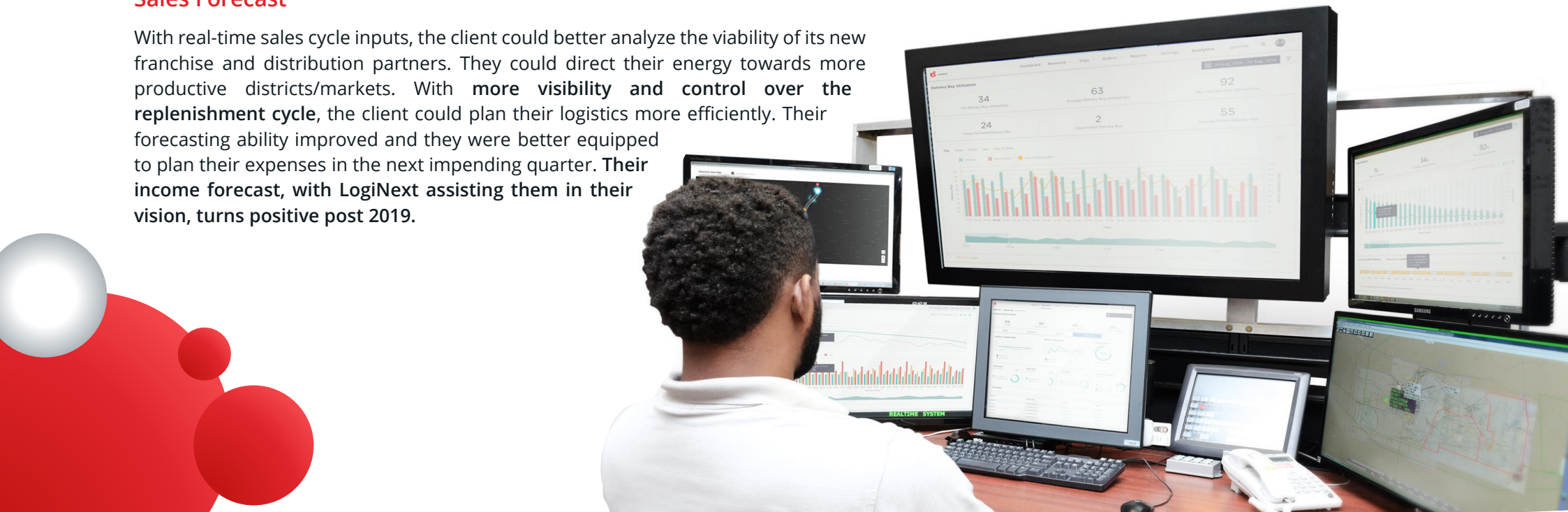
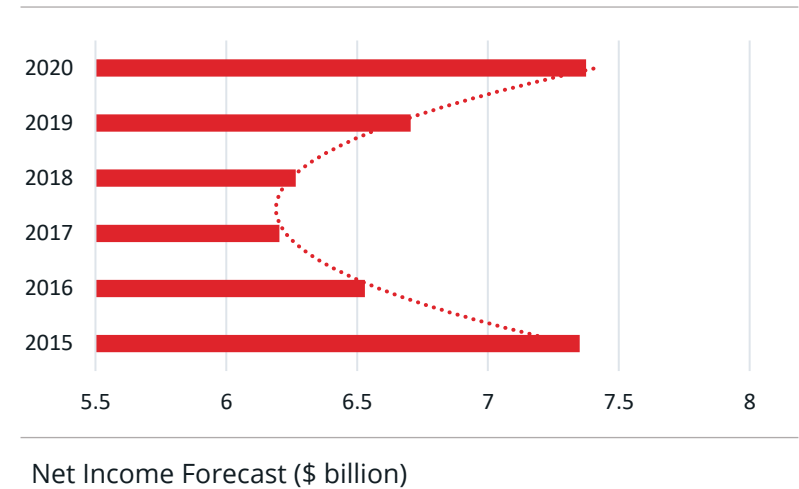
Field workforce optimization has become the core business principle for the client. With a projected growth, post consolidation, in the next two years, the client estimates more than **10% hike in sales revenue in 2019-20**. With refranchising in China, India, and other high-value markets, almost complete, the client wants to integrate LogiNext Field™ successful algorithms across all franchises. To meet these targets, the client required a one-stop resource for all its optimization and tracking implementations. LogiNext introduced them to its novel concept, the *Control Tower*.

Control Tower

The control tower is a vantage point with a birds-eye view of the movement of the entire field workforce across franchises. The client could **capture valuable market information** directly from the ground level, where the PSR inputs their observations in notes. These notes were visible right at the top where the chief strategist could make them part of their dynamic corporate restructure plan. This control tower gave a **consolidated perspective of multiple sales processes**, recording sales requirements in real-time.

Sales Forecast

With real-time sales cycle inputs, the client could better analyze the viability of its new franchise and distribution partners. They could direct their energy towards more productive districts/markets. With **more visibility and control over the replenishment cycle**, the client could plan their logistics more efficiently. Their forecasting ability improved and they were better equipped to plan their expenses in the next impending quarter. **Their income forecast**, with LogiNext assisting them in their vision, turns positive post 2019.



Disclaimer

Case study analysis is based on non-confidential data made available by the clients, market sourced information, insights gained from implementation of key solutions. All metrics and calculations appearing in the case study are approximate, verified and justified in terms of current analysis and forecasts.

About LogiNext

LogiNext is the one of the fastest growing SaaS companies which over the past years has been consistently providing advanced and innovative solutions in logistics management and field service optimization to diverse industries such as retail, FMCG, manufacturing, logistics, transportation, and e-commerce across multiple countries.

We have raised technological standards within route planning, route optimization, reverse logistics, and workforce management that have been hailed by the industry as being truly innovative and disruptive.

Our diverse clientele helps us to be updated with the changing needs of the industry and we are proactive enough to adapt to these changes and provide solutions accordingly.

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