KP Factors

Perform Bigger Better Faster

Leading Cement brand saves 40% costs on pricing intelligence gathering processes

Case Study

Leading Cement brand saves 40% costs on pricing intelligence gathering processes

CHALLENGE

A leading cement brand in central India had been gathering prevailing micro market prices information via manual excel/email-based processes. This posed several challenges:

- Resulted in loss of productive hours of field personnel
- Resulted in manual errors as prices had to be keyed later in the day which caused further rectification hours
- The information was only partly fit for management consumption as it required further preparation time
- Even after preparation, for deeper analysis, multiple information spreadsheets had to be analyzed, resulting in wastage of precious marketing management time
- With large number of micro markets, often exceptional price variations were missed in maze of data.
- Additionally, non-quantifiable issues included: difficulties in controlling access to relevant sales heads for their sales regions, timely intervention due to inability to know if price data is not forthcoming until later in the day.

BENEFITS

- Estimated 100 hours per day of field personnel were saved per day in price reporting itself, thus delivering about 2000 hours of saving per month.

- Estimated 30% better compliance to reporting due to real time reminder alerts to field users to report prices.
- Estimated 2 hour saving of senior managers time per day for analysis of pricing information. Thus, about a week worth of senior management time per month was freed up for strategic decision making alone!
- Estimated 8 hour saving of middle managers time per day was achieved, freeing up additional 160 hours of equivalent of 1 middle manager cost per month!
- Decision quality improved due to better reliability of data, earlier a few typos or bad entries would skew the average for an entire region, such reporting errors were caught and placed in exception queue.
- This resulted in tremendous empowerment of middle managers who could now track in real time any significant variations in prices in their region.
- The data access with drill down reports down to specific price reported by a field personnel enabled quick identification of exceptional price points.
- Automated alerting wit built in analytics highlighted micro markets requiring attention of marketing managers, thus enabling a pro-active response.
- Implementation of sales hierarchy in the system enabled access & reporting of data to the correct personnel, this not only enabled data level security, but also limited scope of analysis to relevant data for relevant marketing managers, thereby improving focus on the operational decisions.

SOLUTION

KP Factors provided Outreach – **The** comprehensive market intelligence and field automation/compliance tracking solution which comes with BizFactors mobile app to automate pricing data collection in real time.
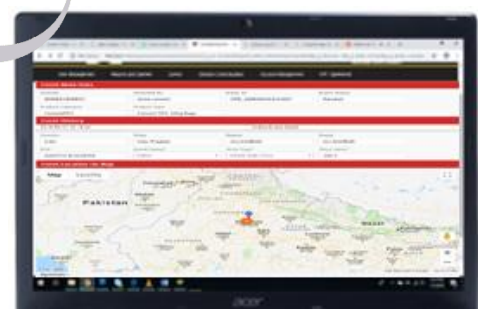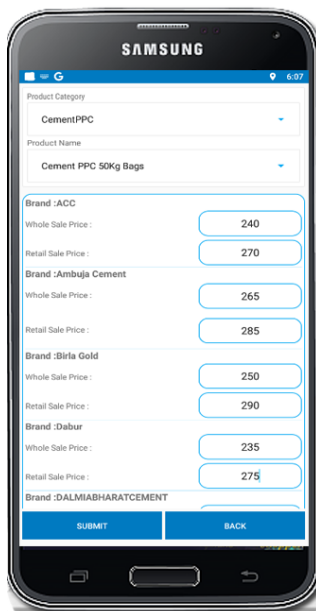
About Customer

The customer is a leading cement brand in central India which recently launched a new brand of cement in the market and needed to rapidly find mechanism for right pricing for its markets. With one of the best qualities of products, it needed to position its products in premium cement segment reflecting the quality of product. This required careful attention to prevailing prices of leading competitor brands to ensure its products are not priced too low (which will defeat the perception of it being a premium product) or too high (which would result in loss of sales demand, thus revenue).

Mr. Rajesh Khanna
President- Marketing & Logistics

" *Since adopting Outreach from KP Factors, timely access to quality pricing data has become a breeze. I can view movement of our prices against competing brands in a snap and drill down to work out exactly where we need to focus our attention. This is crucial for premium positioning of our products.* "

Mr. Dinesh Gupta
Head of MP Region

" *We have seen tremendous improvement in compliance. Earlier, we had to compromise on number of visits per day because our field personnel would often have to spend at least 2 hours at end of the day for reporting only. Now, we can get higher productivity with almost no additional time for reporting.* "

"KP Factors had been in EDA space and proposed solution via its Outreach product, which aligned well to the needs of price intelligence."

How it all started

As is the norm in Cement Industry in India, competitor and price tracking for micro markets for cement was being done via pre-defined excel format reports. The field work force, which is allocated to a number of Depots, manages the distribution chain via regular and frequent visits to retailers & dealers. In this sense, the field executives act as eyes and ears for the marketing management for day to day operational decisions. To ensure, management is updated with relevant information, field executives were provided with excel formats which they used for reporting price information and other market intelligence data. Management had to allocate supervision resources to ensure data collection, collation and presentation of data for management consumption was carried out. Despite substantial resource hours, the process was error prone and failed to provide timely, relevant information, often resulting in compromises in decisions.

Still Not Enough!

There was no easy way to extract relevant summaries without creating a lot of analysis. Further, since the data could be reported only later in the day when field personnel would complete their field visits and find a computer with internet connection etc, the information was not always timely. This not only resulted in large number of cumulative hours wasted, but also discounted possibilities of management being able to analyze data in real time and take immediate operational decisions. Summarized data often hid the key details and often it had to be dug out from myriad of data sources before it could be acted upon. This often resulted in wasted hours and reactive decision making due to missed key micro market conditions.

Additional personnel had to be allocated simply to provide meaningful data for management.

Problem Solving Approach

Several approaches to problem solving were tried:

- Tweaking formats – this however caused more confusion with field people using old and new formats during transitions, making it a nightmare to collate data.
- Using combination of standard apps- a few options that required people to log in at start at the day and report information via WhatsApp etc was tried. However, it was not successful as it was battery draining, seen as an unpopular & intrusive option by

field personnel. Using WhatsApp and other messaging tools served far too much info and though in near real time, often caused relevant exceptional situations to be missed. Also, information was open for everyone to see with no data level security.

- Using platform based build- As SAP user, customer explored options for using an add on Business Intelligence platform (Business Objects etc). However, it required immediate capital expenditure in licenses, skilling up, hardware etc and ongoing personnel and other costs. Analysis revealed that Total Cost of Ownership (and lead times) were far higher than using a SaaS based produce alternative.

Who was involved

This project had management attention and sponsorship. Key marketing personnel were allocated to find solutions for the same.

KP Factors, with its Event Driven Architecture SaaS platform- EMF (Event Management Framework) was well identified as well placed to offer a product based solution.

KP Factors team understood the key business purpose and pain points of customer and proceeded to align its solution Outreach with focus on price tracking.

For this purpose Mr. M. Khan from customer marketing team coordinated the inputs from the field marketing and worked closely with KP Factors team.

A pilot of 3 months was carried out under customer Marketing management patronage which served as a useful test bed to align solution to the distributed work force requirements.

To support change management, KP Factors offered access to videos targeted at field personnel which showed step by step guide to using the BizFactors App. Besides number of self-help options via KP Factors extranet (www/kpfactors.org), a number of sessions were held at customer site where one by one all regional teams were invited at manageable size of up to 30 persons in one go. In the meetings, field personnel downloaded/used the app by supplying their live credentials and the entire process was carried out. Support options, self help options, walk throughs and clarification was conducted in the same workshop sessions.

What was done

KP Factors Outreach solution designed for Market Intelligence on SaaS model was adopted. There were 2 phases prior to commercial subscription of the solution –

- Alignment phase: Customization of solution via customer feedback was done by close working cooperation between the two parties. This was prior to presenting the solution to marketing teams and involved design effort. This phase ran for about 6 months.
- Pilot Phase: Pilot with real users and data was done by rolling out solution to limited set of users. This phase helped in further aligning the solution to customer context.

Customer did not have commit on any capital expenditure as only monthly subscription fee was charged, that too after successful pilot and alignment of customer requirements. Hence customer was able to get value from day 1 of the subscription. However a nominal cost for solution customization was charged to the customer.

Future implications

The solution is now widely used by customer field workforce and is delivering tremendous value everyday! However, the big story is that it has opened the path to benefit from other features (about 18 unique features are offered in standard Outreach solution for Market Intelligence, Field workforce automation). All mobile workforce related features are being considered by customer and at the time of writing this, some have been adopted already. What started as a solution to save of resource hours, access to right data with minimal manual intervention is now quickly becoming de-facto approach to deliver very high productivity per field personnel.

At the time of writing this, Schedule management, field expense auditing, compliance tracking, order taking etc are some of the features that have either been already rolled out or are in the advanced stages of rollout.