

Achieving the Perfect Store with Perfect Execution

Solving tomorrow's problems, today



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Information > Insight > Impact

Whitepaper



The new face of FMCG

The FMCG market today is more complicated than it was even a decade ago. Brands proliferate on every corner, consumers have endless choices, and increasing digitization has completely changed the landscape. Market penetration for even the most budget-heavy CPG brands is becoming a significant challenge. It's no longer just about competing on margins anymore. Today's brands need to strive to be on top in every single vector of their business – from marketing to pricing strategies to distributor management.

How effectively firms can address these challenges will define their successes (or failures) in the years and decades to come.

FMCG: A historical reality check

Digital transformations are often known for failing more than succeeding. According to a study by McKinsey¹, around 70% of complex, large-scale programs don't reach their stated goals.

Nearly every CPG firm today is undergoing some kind of digital transformation. Whether a new security initiative or a large-scale Identity Management project, something is always happening on the technology front. Consultants floating in and out of meetings, OEMs giving presentations, service providers circulating PRDs, all these are normal sights in today's corporate offices. The frontiers of growth are being redrawn, including both the frontiers of technology and the ways businesses can transform themselves using it. Best practices are also changing, and FMCG companies need to constantly reinvent themselves to stay ahead.

Compared to other sectors, FMCG has typically lagged in technology adoption. It has historically been reluctant to embrace new technology as readily as others.

A report by Infosys² claims that FMCG was ranked sixth in Al maturity, scoring a "middling" 50 percent. This can be explained by two critical factors:

The foothold of legacy products

CPG firms already use multiple legacy technologies, which are well entrenched in both the technology architecture and business workflows. The retail market is a highly dynamic and constantly changing environment. Legacy products are often not able to keep up. This inability to match momentum makes legacy software a substantial obstacle in adopting new technologies.

Resistance to change

The FMCG sector, by its very definition, is fast moving. Even small changes in the status quo can have large ripple effects. And since technology adoption requires changes in existing business workflows, implementing them is slow and difficult.

Yet, the last decade has seen a massive change in the Indian CPG mindset. After a slow start, FMCG has embraced digitization with a vengeance. Gone are the days when technology was used merely, as the cliche goes, to "keep the lights on". Today, technology has become an outright business enabler.

¹Bucy, M., Finlayson, A., Kelly, G., & Moye, C. (2016, May 9). The 'how' of transformation. McKinsey & Company. https://www.mckinsey.com/industries/retail/our-insights/the-how-of-transformation

²Infosys Limited. (2018). AI AND THE FMCG BUSINESS: GREAT PARTNERSHIP TO DELIVER THE GOODS. https://www.infosys.com/smart-automation/docpdf/ai-fmcg-business.pdf



The rising costs of distribution and market penetration

In a large and diverse country like India, distribution costs can be significant. Whether you wish to launch a new product, expand to new territories, or strengthen your presence in existing ones - the high cost of distribution can hamper the best laid of plans.

For example, say a popular beverage brand just launched a new drink. It was approved quickly at the top, a strategy was formulated by senior management, and Marketing immediately got working on the GTM campaign. Then came the time to actually execute the strategy on the ground, which can only be done by sales representatives and distributors. The National Sales Head concludes that the company needs to hire 50 more salespeople to successfully execute this strategy At this stage, the Sales Head can, and will, encounter one or more of the following problems:

- · The CFO is unwilling to approve the budget
- There is a risk of under-utilizing your sales staff because you have no data-backed estimation of their maximum potential
- · There is a risk of overworking sales staff
- If you overstretch your sales people, productivity might be affected
- If you overstretch them too much, throughput might be affected, and thus direct revenue

This is just a small glimpse of the practical problems that brands encounter on the field. As you move deeper into your market, the cost of distribution keeps going up. If you wish to add more stores, simply hiring more salespeople in proportion is neither feasible nor smart.

Distribution and transportation costs of CPG companies can eat up

6-8% of revenue

Companies with more efficient networks can lower these costs by as much as

25%





The curse of the status quo

Sales teams today face the struggle of complying with corporate diktats of expanding market presence - while also complying with corporate diktats of minimizing operational costs.

The status quo as we know it is no longer tenable. Today's consumer is more conscious, today's prices are more competitive, today's competition is more dangerous, and today's challenges are more advanced.

Can technology help? Many companies are already invested in legacy products, such as an SFA and a DMS. Yet, executing a thousand test cases during UAT is one thing, and utilizing the same technology for solving practical use cases on the field is quite another.

Every CPG brand today faces similar issues. Much of it is simply not just lack of data, but lack of data interpretation and actionable insights. That National Sales Head who wonders why he has fewer sales in Karnataka than in Rajasthan, even though Karnataka has a larger sales force. That Sales Manager of a beauty brand who ponders why stores of only one region are selling one product more than others. That Area Manager who worries about why he has two different sales reps going to two stores only 25 kms apart. That sales rep who puzzles over why he is being asked to go to a particular warehouse every Wednesday, when that distributor ships every Tuesday.



600+ new players enter the market annually

of the Indian snacking market is controlled by 3000+ regional players

local competitors are present in 2,500 local competitors are present in the Indian rusk segment alone

General Trade, particular challenges

GT is an altogether different beast than MT, especially in countries like India. Kirana stores vastly outnumber supermarkets, and tapris vastly outnumber Kirana stores. And within each of these categories, there are countless sub-categories, store configurations, and capacities. Each store has a different layout and shelf dimensions, and different shopkeepers who respond to different incentives and deal with different kinds of customers.

How do you collect data on all of these, and then analyze that data to obtain actionable insights?

- How do you solve for such diversity and scale?
- How do you solve for the rural market?
- 3. How do you make technology adoption cost
- 4. How do you ensure that your sales staff spend minimum time traveling?
- 5. How to increase market depth and breadth without compromising on either?

Technology is the answer. But old modes of thinking about technology are not enough. Indeed, thinking about only technology is not enough - you need to think about the business, and then use technology to drive it forward, rather than the other way around. Technology is merely a tool, a means to an end, not the end in itself. And we're here to help.



The Perfect Store

The Perfect Store is essentially a store perfectly designed to allow you to fulfill your sales objectives. The parameters and standards of the store - ranging from the perfect product assortment to the perfect planogram - are defined and executed based on what you wish to achieve from that store. A Perfect Store represents the culmination of efforts to transform a sales outlet into an optimized store that gives you the output you need.

For example, say you wish to achieve a 5% increase in sales of a particular SKU from an outlet within the next quarter. A set of metrics can then be calculated to help you achieve that performance in the specified period. When those parameters are executed by your sales representative, the store becomes a "Perfect Store" i.e. a store perfectly capable of achieving your target. Once the Perfect Store is in place, constant monitoring is also required to observe performance and compliance.

FieldAssist Perfect Store: The next generation of Sales Transformation

FieldAssist Perfect Store is a revolutionary set of techniques to achieve an optimized, personalized outlet persona that caters to the specific needs of its customers. It represents a unique methodology of approaching business transformation through measurable results and impact metrics.

The FieldAssist Impact

90%

accuracy in Planogram
Compliance Detection for GT
- An Industry first

It's a philosophy that starts and ends with the business - utilizing technology as a tool to achieve business goals. Unlike typical business transformation projects that focus disproportionately on the technology, and treat it as the means rather than an end, the FieldAssist Perfect Store concept is business-led and business-driven. Technology is important but serves a supporting role.

Two core aspects of the Perfect Store in CPG business are The Territory and The Outlet. The sales regions that determine your target market, and the actual outlets that sell your products. The best strategies involve optimizing operations at both ends. In other words: optimizing the path as well as the destination.

A precursor to achieving the Perfect Store is Sales Territory Optimization: optimizing sales territories and beat plans for your sales reps. It is highly recommended to do this before Perfect Store execution. After all, before creating Perfect Stores, your sales executives have to reach the stores first.

Your sales executives, who have multiple outlets to cover in limited time, wrestle with multiple decisions every day: where to go first, how much time to spend at each store, which route to take to reach there the fastest, which stores to visit on a given day, and so on. These decisions are too important to be left solely to intuition and guesswork.

FieldAssist Perfect Store is best utilized in two steps:

- 1. Sales Territory Optimization: Recommending the best routes, beat plans, and area coverage strategies. This can also be executed as a standalone feature.
- 2. Perfect Store execution: Suggesting specific actions for each particular outlet within that sales area. This works best when sales territory is optimized first.

In other words, as brands optimize their stores, they must first optimize the journey of their sales reps to reach that store.



Sales Territory Optimization

A core problem brands face today is how to ensure that sales staff cover the maximum possible territory in the minimum possible time. And subsequently, how to solve this problem both for width and depth.

The FieldAssist Impact

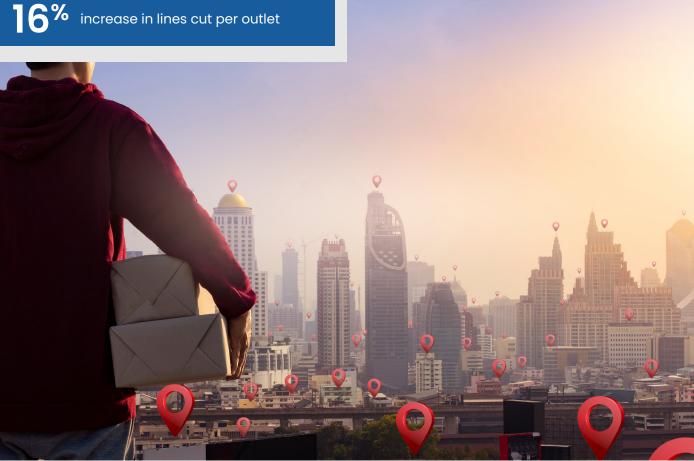
71% improvement in visit compliance

8% increase in outlet coverage

17-23% boost in salesman coverage

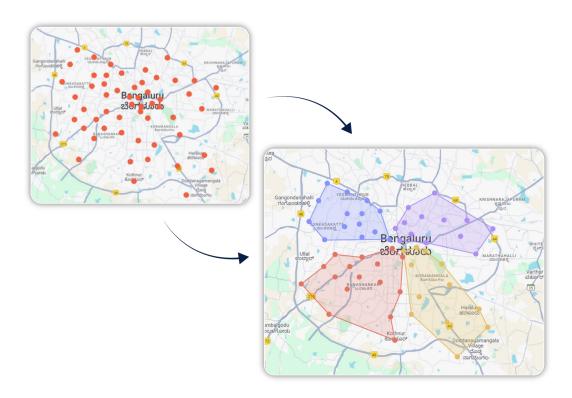
For example, how do you determine how much time a sales rep should spend at each store? How many more stores can he cover? Does his assigned region need to be reduced or expanded? Does this region need to be split among more sales reps for achieving revenue targets? Or will the target be achieved anyway, and we can actually exceed the target if we assign more stores to each sales rep?

The answer, Sales Territory Optimization, consists of three parts: Sales Region Optimization, Sales Representative Optimization, and Sales Route Optimization. This is before your sales rep even starts performing the suggested tasks at each store to make it into a Perfect





Sales Region Optimization



This involves ensuring that your defined sales territories are being served in the most efficient and optimized manner. Based on your specific goals and inputs, FieldAssist provides simple recommendations to maximize sales performance in each territory. You can then identify which territories are under-served and need more focus, and allocate resources accordingly.

Thus, with Sales Region Optimization with smart AI, you can ensure that:

- All your territories are being served with maximum coverage and efficiency
- 2. You don't lose any untapped potential sales opportunities in any region

The FieldAssist Impact

11% increase in new outlet onboarding

20% reduction in dormant or dead outlets

13% increase in ROI per sales rep

6% improvement in first-call time

3% fewer store dropouts



Sales Representative Optimization

This ensures that your sales resources are allocated correctly and efficiently, and they are operating at maximum productivity and performance. The algorithm identifies disparities or overlaps in work distribution of your sales reps, and provides recommendations to optimize outlet servicing and sales performance.

You can determine where your sales force is being under-utilized and over-utilized, right down to the level of individual sales representatives, based on productivity metrics such as working hours, stores covered, sales targets, sales throughput etc. Using smart Al, FieldAssist provides *specific*, *tailored* recommendations suited for each individual sales representative.

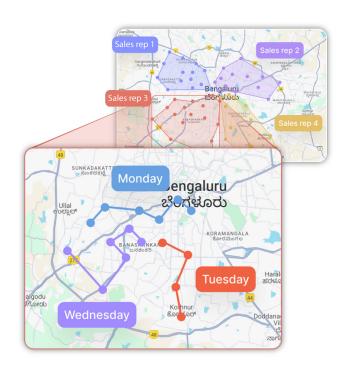
Thus, with Sales Representative Optimization based on smart Al, you can ensure that

- All your sales reps are functioning at maximum productivity
- 2. You don't lose revenue opportunities due to incorrect resource allocation

Sales Route Optimization

This involves providing the most optimized routes and travel time to serve the maximum stores, and thus customers, accordingly. The most efficient routes ensure that your sales reps know exactly where to go depending on their targets for each day or month, spend less time on road and more time with retailers.

With FieldAssist, Route Optimization goes beyond merely providing a beat plan based on logistical sequencing i.e. listing the stores to be visited by each sales rep in order. FieldAssist solves for both width and depth, fully accounting for the advantages and constraints of both. You can thus ensure that each sales rep travels the minimum possible distance and covers the maximum possible stores.



Thus, with Sales Route Optimization based on smart Al, you can ensure that

- All your sales reps are are working on maximum productivity
- 2. All your stores are serviced appropriately and in a timely manner, leading to higher customer satisfaction and loyalty

All three aspects of Territory Optimization above can be customized and personalized. You can define input parameters for sales activity wherever required, and the FieldAssist algorithm will provide recommendations accordingly. For instance:

- 1. Each sales rep must not work more than 8 hours in a day
- 2. Each sales rep must not travel more than 100 kms in a single day
- 3. Each sales rep must not visit less than 10 stores in a day
- 4. Each sales rep must not spend more than 20 minutes at a single store



This *configurability* is a core part of the FieldAssist Territory Optimization philosophy.

With Sales Territory Optimization taken care of, your sales reps become free to focus on *engagement* rather than traveling or time management.

Once the sales routes and beats are optimized, brands can be assured that their sales reps are reaching outlets properly and efficiently. The next step is to then tell them what to do once they reach the outlets, in order to make them Perfect Stores.

Brands as varied as a market leader in India's water purifier space to one of the largest dairy companies in Uganda have successfully deployed Route Optimization to increase the productivity of their sales force - and their revenues

Image Recognition and suggested tasks

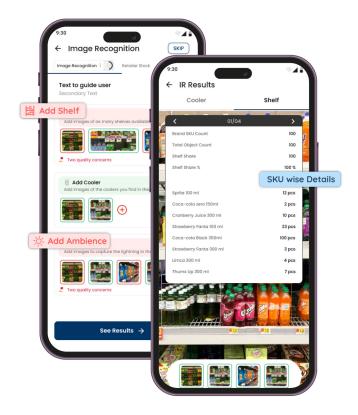
Unlike MT, GT stores in India can vary from large and complex structures to small roadside stalls - and everywhere in between. Every store may have a different shelf length and height, different spaces to store products, different store layouts etc.

Machine Learning technology is expensive and consumes significant computing power and time. Raw training data of such diversity and unpredictability, and often poor quality, increases the cost of training ML models - not to mention decrease accuracy.

Accommodating the myriad configurations and limitations of all GT stores is imperative for Indian brands. FieldAsisst utilizes the power of enterprise-ready Al to account for the diversity in the Indian GT market and helps brands reach the remotest corners of their target regions - while keeping costs significantly low.

FieldAssist's state-of-the-art Image Recognition technology enables users to obtain insights such as SKU count, assortment shares, share of shelf, planogram adherence, promotional compliance, and other metrics just from a photo. Further, the intelligent algorithm provides recommendations and *actionable* insights on how to increase visibility and revenue from that particular outlet.

All this from just a photo taken from the sales rep's mobile





Thus, in the least possible time, with just an image, the brand sales representative is able to *obtain information*, as well as *take action*, *still hiding all the unnecessary complexity from the sales rep.* FieldAssist provides an industry-leading 90% accuracy in GT, enabling brands to penetrate the deepest corners of the market - even the remotest village.

Using FieldAssist Image Recognition, sales executives of a major Indian dairy product supplier were able to visit more stores per day and spend less time in each store, while also ensuring faster store conversions

The FieldAssist Impact

5–8% outlet throughput surge

5% billing increase from No Order outlets

40% improvement in SoS (Share of Shelf) and promotion/offer compliance

Personalized and Configurable

One size does not fit all. Every brand and indeed every outlet is different. Perfect Store can be tailored to meet the demands of every type of brand - from MNCs to newer entrants - and every type of outlet - from large supermarkets to a small kirana store on the corner. FieldAssist empowers *you* to decide the criteria for what you want your ideal Perfect Store to look like. Moreover, if you wish, FAi can also recommend the criteria itself, based on world-class Al/ML models that scrutinize your data to help you determine the Perfect Store criteria that suit you best - customized for every single outlet. In other words, FAi will tell you exactly what to do to achieve your goals.

Product Assortment Optimization

Products are social animals. Your customers will seldom see a single product sitting on a shelf by itself. It will be surrounded by other products that you offer, or other variants of the same product (such as different sizes or flavors). Customers do not just see your product, they see a *combination* of products. It is imperative for brands to get the right product mix for their inventory, and also to keep adapting it to changing environments and market demands. Brands need to constantly keep optimizing their product assortments to appeal to their customer base.

A Perfect Store offers the right products at the right time. The right inventory assortment is both influenced by consumer behavior and influences consumer behavior.

Using smart decision-making based on historical customer preferences and past sales, FAi recommends optimal SKU sizes, shelf placements, pricing strategies, and other tactics to ensure the best possible customer in-store experience.

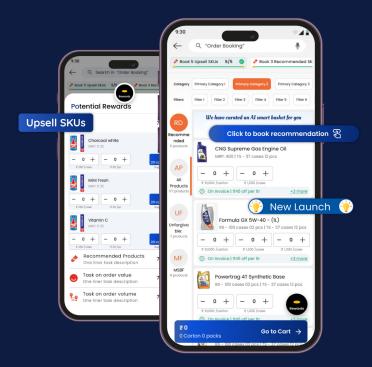
The FieldAssist Impact

77% boost in must-sell SKUs

24% increase in recommended cross-sell SKUs

increase in sales from fast-moving SKUs at the shop level

20% increase in shelf visibility (SoS) for new product launches (NPDs)



The FAi assortment planning algorithm solves for both product width and product depth:



Inventory Width

Determining how wide to go i.e. how many different product lines to stock. The priority will be on stocking a wide variety of distinct products - and not on stocking a high number of a single product.



Inventory Depth

Determining how deep to go i.e. how many variants of a particular product line to stock. These can be either different variants or a single product, such as different sizes, flavors, or color; or different products in the same category, such as different types of chips.

The Al-based assortment recommendations are designed to maximize revenue from each outlet. It is not only *personalized* but also *dynamic* - and keeps changing with market demands and customer preferences, in real time.

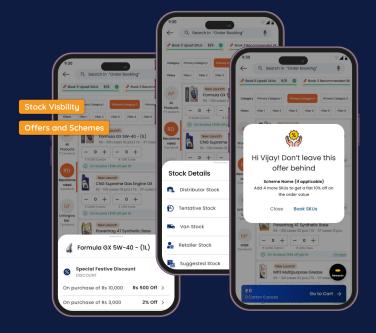
A major Indian energy storage and backup solutions company found that FieldAssist's Product Recommendation engine significantly improved their product assortment and increased the sale of must-sell SKUs.

The FieldAssist Impact

37% reduction in Stock-Out incidents

15% improvement in inventory turnover

boost in demand-driven inventory management





The advantages of optimized product assortment are widespread and have a direct impact on your bottom line:

- Higher customer satisfaction and loyalty:
 Customers are satisfied and happy that they get
 exactly what they are looking for. Not only is the
 product they want in stock, it is literally in front of
 their eyes. This keeps them coming back for more.
- Increased sales: When you stock the right products in the right quantity in the right place and in the right combination - you sell more of them.
- Decreased inventory costs: With smart Al-based predictions and optimum assortments, you reduce the risk of overstocking or understocking products. And with FieldAssist's ARS, orders are placed at the right time and in the right quantity, so you never run out of stock.

Thus, apart from keeping customers happy and increasing revenue, ensuring correct product assortment also has operational benefits. Moreover, dynamic FAi algorithms regularly keep updating the right mix based on general market factors and your specific requirements.

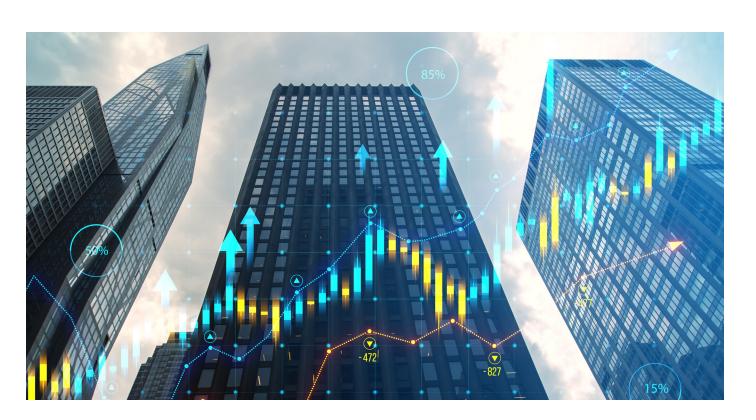
Market Pulse Check: Understanding the market

The dynamics of the retail market are always in a constant state of flux. FMCG brands need to regularly adapt their tactics to reflect changes in consumer behavior and the competition.

During store visits, sales teams gather important information such as:

- Daily and weekly sales figures and footfalls
- Share of Shelf (SoS)
- Presence and assortment of competitive products
- Customer buying patterns during different days of the week

and much more.





Sales reps gather this information through their own observations as well as conversations with retailers. Yet, such data collection is still random and nonstructural. Moreover, analyzing such data and matching it with existing parameters becomes difficult when you have to rely on the memory or notes of your sales representatives.

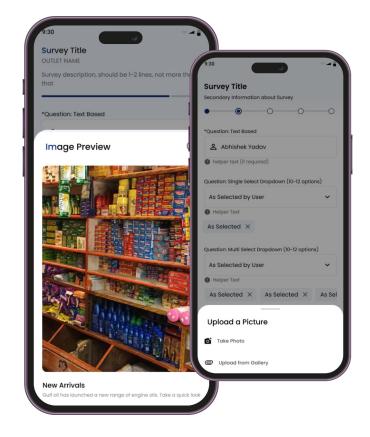
With enterprise-ready AI and Machine Learning, brands need not rely solely on speculation and guesswork for understanding the market. Today, you have data. And with FAi, you have the tools to analyze that data and take necessary action.

In FieldAssist, brands can create simple, specific, and concise surveys for sales representatives to fill when they visit outlets. This is essentially a series of easy questions that they can quickly answer when they are in a store. These surveys help brands capture the material reality on the ground and the status of the market.

For example, a typical survey that a salesperson can be expected to fill can have questions such as:

- Are products of competitor X available at this store?
- Is this retailer interested in product line Y?
- Which size of product Z sells more at this store, 100 gms or 200 gms?
- Upload front vertical photos of the all the shelves at this store
- What products generally sell during Diwali? and so on....

All these questions can be fully configured by brands depending on their needs. The questions can be multiple-choice questions or open ended. Surveys can also include tasks to be carried out by sales reps, such as uploading images. Such semi-automated data collection has the following benefits over manual information gathering that relies on memory:



- Increased accuracy and almost completely errorfree
- Decreased time taken to gather data
- Increased coverage; your sales staff can cover more stores
- Data-based decision making and Al-driven analysis instead of acting based on intuition and instinct

The survey results, when collated, parsed, and analyzed - enable brands to accurately capture reality at their outlets. This empowers them to accurately understand the present conditions of the market and predict future market trends.



The Perfect Store experience

The FieldAssist Perfect Store experience can be summarized by the following aspects:

Range Selling

- Upselling: selling more quantities of the same product
- 2. Cross-selling: selling more products
- 3. New Product Development (NPD): specific strategies to launch new products in the market
- 4. "Stock Check". An industry first, this proprietary FieldAssist innovation involves calculating the ideal stock for each product at each store using advanced Al-powered heuristics (even for GT stores with little data to work with)

Store execution

Simple, automated tasks and recommendations to be carried out by sales reps at each store, to make it a Perfect Store

Market pulse check

Extracting information about the state of the market and sales, consumer behavior, scheme synergy, seasonal trends, regional sales variations, and other indicators.



For example, FieldAssist can provide upselling and cross-selling recommendations based on current stock levels, market trends, competitor presence, spending power of local consumers, and other factors. In India, FAi Perfect Store has been successfully deployed and is already boosting distribution for multiple MNCs, including one of the world's largest oral health care brands and the wholly owned bottling business of one of the world's largest soft-drink companies.

Before executing the above steps, it is recommended to first optimize the actual journey of their sales representatives to the stores. Perfect Store execution works best when Sales Territory Optimization is executed correctly first - when your sales staff have an optimized,

efficient beat plan to cover all stores in their territories. After this is taken care of, the next step is the actual actions to be performed *after* reaching the store, in order to elevate it to Perfect Store status.



Gamification of Perfect Store tasks

An organization is its people. Your employees are your biggest assets. Yet, many day-to-day tasks they perform can become boring and mundane when done repetitively, leading to lack of inspiration and decreasing morale. It is important not only to keep them happy, but also to prevent their daily activities from acquiring a transitory nature.

In other words, it is your responsibility to make them *enjoy* their work.

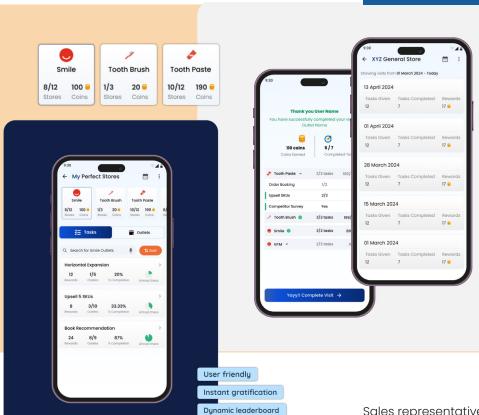
The FieldAssist Impact

8% increase in Revenue per Outlet through incentivization

35–46% increase in team adherence with business KPIs

14% productivity growth

increase in LPC for users with nudges



A motivated sales team is a successful sales team. FAi Perfect Store deploys intuitive and user-friendly gamification techniques to keep your sales reps invested and engaged in fulfilling tasks and achieving KPIs.

Sales representatives receive instant gratification in the form of rewards, real-time visibility into their numbers, real-time updation, and much more. A dynamic leaderboard lists top performers and the incentives they have earned so far.

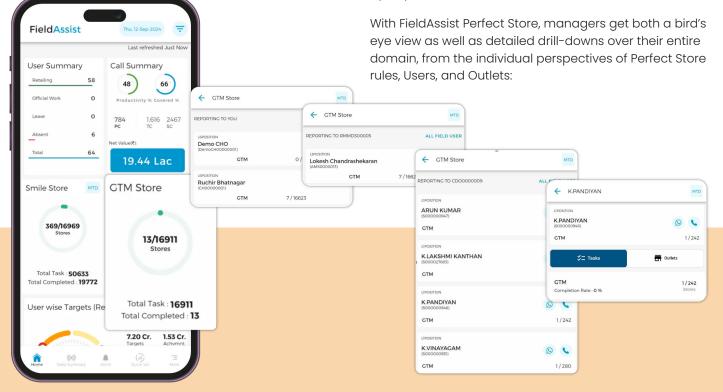
Such gamification is proven to motivate users and instill a sense of excitement in doing their job, and inculcate a sense of competition and work discipline.



Visibility and tracking for managers

Along with keeping your sales team motivated, it is also important to track their performance and provide feedback for improvement. Yet, in a typical GT scenario in India today, an area manager handles between 10 to 20 sales representatives, each of whom manage anywhere between 250 to 600 outlets. These numbers make it difficult for managers to track all data and drive insights into sales performance.

FieldAssist empowers sales managers with comprehensive and strategic visibility over the performance of their sales staff. On their fingertips, managers have access to daily, monthly, quarterly, and yearly metrics of each sales person under them, which are all filterable and sortable under every possible criteria. Intuitive UI, dashboards, and smart analytics make absorbing and analyzing technical information easy and quick. Past performance can be compared with current performance for any sales person, by any desired criteria.



Rule-wise details

Access the status of each Perfect Store rule, along with

- Number of outlets corresponding to the rule
- Number of outlets successfully converted to Perfect Stores in the current cycle
- Comparison with the last cycle (also available for each outlet)

User-wise details

View the performance status of each sales rep under them, based on various parameters such as:

- The number of outlets covered by each user for each Perfect Store rule
- Number of outlets that got converted to Perfect Stores in this cycle compared to the last
- All available data and analytics for each particular outlet covered by a particular user

Outlet-wise details

Access details for outlets under them based on various parameters, such as comparisons between this cycle and the previous one, with information about each rule. These analytics can be further drilled down based on each criteria such as criterion name and completion percentage.



Ease of Integration and Scalability

Automation alone is not sufficient, you need Integration too. A supply chain can work smoothly only if all its elements work seamlessly in tandem. In today's flat, interconnected world, it is absolutely essential that any enterprise solution be integration friendly, and can easily co-exist and function with other products in your IT architecture.

FieldAssist is specifically designed to be integration friendly with all elements in your supply chain:

- Ready connectors available for the most common solutions, ranging from SAP to Tally.
- RESTful APIs available for all major functionality

- Sample codes and test cases for all product functions and capabilities
- Sandboxed environments for testing and training
- Easy-to-understand, well-written API documentation that can be consumed quickly
- Full support, consulting, and training provided to all personnel wherever required.

FieldAssist can also be scaled to millions of users and SKUs without any loss of fidelity and integrity. Powered by Microsoft Azure and best-in-class technology, FieldAssist products are already being used by large MNCs with thousands of nodes and distributors worldwide.



Solving tomorrow's problems, today

In this hyper-competitive world, smart Al-powered technology can empower brands to maximize both the width and depth of their distribution. With FieldAssist Perfect Store, brands can maximize their market penetration and sales performance. This has a direct impact on your profits. Once your systems are up and running, they are completely automated and independent, and require minimal manual input. All this not only increases your revenue but also makes technology investments easier to justify.

The market today demands not just excellence in determining Perfect Store metrics, but excellence in Perfect Store execution. FieldAssist has empowered dozens of great brands such as yours to execute their own Perfect Stores according to their own criteria and market nuances.

More than 600+ brands across the globe in 15+ countries are already redefining FMCG growth with Al-powered Supply Chain Automation. With specialized experts for every aspect of the industry and the latest enterprise-ready Al-ML technology, FieldAssist is the preferred partner for brands to unlock the next generation of sales transformation. The industry is on the cusp of revolution - all you need to do is take the leap.



