A CGT WHITE PAPER

TRANSFORMING FIELD EXECUTION TO CREATE THE PERFECT STORE

NEXT-GENERATION MOBILE APPLICATIONS GUIDE CPG COMPANIES IN THEIR QUEST TO GET EVEN CLOSER TO THE CONSUMER WHEN IT MATTERS MOST — DURING THE PURCHASE-DECISION MOMENT

FROM AUTOMATION TO OPTIMIZATION

Traditionally, mobile solutions used by leading consumer packaged goods (CPG) companies have focused on improving the transactional piece of field sales. They have replaced manual order entry processes with electronic ones and dramatically streamlined the information management tasks associated with maintaining customer records in real time, primarily by mobilizing enterprise systems with smartphones and tablet computers.

This evolution has paid off handsomely across the CPG industry in bottom-line benefits such as reduced operational costs and supply chain efficiencies. These are great developments, but they barely scratch the surface on the types of transformation made possible by mobile technology across the CPG industry today.

Mobility is going through the same sort of evolution that the industry saw happen with Web-based software and applications over the past decade. So far, much of the focus has been behind the scenes in core enterprise applications, in solutions that extend existing applications. For example, mobile tools for sales force automation (SFA) and customer relationship management (CRM) continue to flood the market with better user interfaces (UI) and highly friendly user experiences, transforming old, ugly and complicated solutions into easy-to-use apps. However, as these applications focus heavily on critical business processes, new needs and objectives are always emerging.

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Thus, a new generation of mobile applications is taking shape; one that allows companies to go beyond simply automating or digitizing processes.

Imagine being able to determine instantly whether or not a product is being merchandised to its fullest potential. Or helping certain stores assess whether or not they are eligible for promotional opportunities unique to their geography, business model, target demographic or purchasing levels. Or offering individual store managers far more detailed insight about their sell-through performance relative to their peers.

The coming revolution in mobile applications, paired with the next generation of mobile devices, can make this wish list a reality. Based on the concept of guided execution, new mobile applications will help CPG companies rethink and reinvent field sales operations, "guiding" teams with best practices and standard processes that are leveraged end to end — from master data management and planning in the office to intelligent execution in the field. These new capabilities position field sales representatives as trusted advisors for retail partners, ensuring that all required elements are in place to maximize performance at the point of sale. Along the way, CPG companies will be able to collect insights far closer to the consumer than ever before — insights that can be shared across their entire organization and with retail customers.

CONSIDER THE POSSIBILITIES THAT GUIDED EXECUTION OFFERS:

- For field reps, guided execution reduces the number of steps and decisions required when interacting with the application to complete any task. This spans from simple status control, reducing the number of options presented to the user, to complex workflows used in negotiations with retailers. In this case, the application not only presents the steps in the workflow, but also guides the field rep along the best path, resulting in more success cases faster than ever before.

- Integration with external sources of information can also be part of the guided execution concept; from providing basic directions to improving efficiency in route and reducing the time expended in traffic jams, to offering weather forecasts for the day (users can prioritize other tasks in a storm day) or even capturing inputs from Facebook or Twitter about customers, helping the sales rep to tailor a more personalized experience.

- On location, applications can guide users to execute optimized activities instead of taking the generic approach. For example, they allow product and channel managers to define which information should be gathered in the stores, driving real improvements in results.

- When placing orders, the sales application indicates which products are optimal for a particular customer, using different sources of information such as product assortments, planograms, history of purchases, in-store information, promotions, and so on. Not to be confused with the "suggested order", which often uses a template wherein users waste time removing items, guided execution helps the sales rep to select products with higher sales probability for that customer, in an easy and friendly way. Additionally, the sales rep can rely on more information, such as access to a product advertisement, to convince a customer to buy more.

- As a last example, an intuitive, easy-to-read and colorful set of KPIs can improve the self-management capability of field users, measuring the efficiency and effectiveness of their daily work.

The end result: A 360-degree view of the business processes that contribute to better end-to-end retail execution, and the creation of the"Perfect Store", if you will.

SO, WHY NOW?

There are a number of forces converging to make end-to-end retail execution possible. First, CPG companies have more data at their disposal than ever before, but so do consumers — and that is shining the spotlight on the need for improved outlet execution using optimized mobile applications that can guide the right in-store decision with anytime, anywhere access to consumer product-specific information.

"There is a new customer persona in the market today, what IDC refers to as the'5I Shopper',"notes IDC Manufacturing Insights in *CGT's 2013 Sales and Marketing Report*."They are instrumented with mobile devices, they are informed with access to the Internet on their devices, they are interconnected in social communities, they are always in place in stores or wherever else they might be, and finally, they are immediate in their ability to take action. These are the customers that must be envisioned."

80 percent of CPG companies already have a mobility initiative in place. Another 15 percent are planning to initiate one soon.

And whereas consumers have clearly embraced the power of mobility, so have many CPG companies with their enterprise operations. Joint research published by *CGT* and Kony in March 2013, entitled *Mobility in Consumer Goods*, finds that a full 80 percent of CPG companies already have a mobility initiative in place, and that another 15 percent are planning to initiate one soon. At least half of the surveyed companies already have some sort of mobile CRM application in place, and more than one-third indicated that they are planning deployments by early 2014.

What's more, mobile applications that reshape the consumer decision-making experience are a serious priority for CPG companies: 37 percent of those surveyed by *CGT* and Kony in early 2013 have already implemented an application of this type, while the same number is planning to do so within the next 12 months.

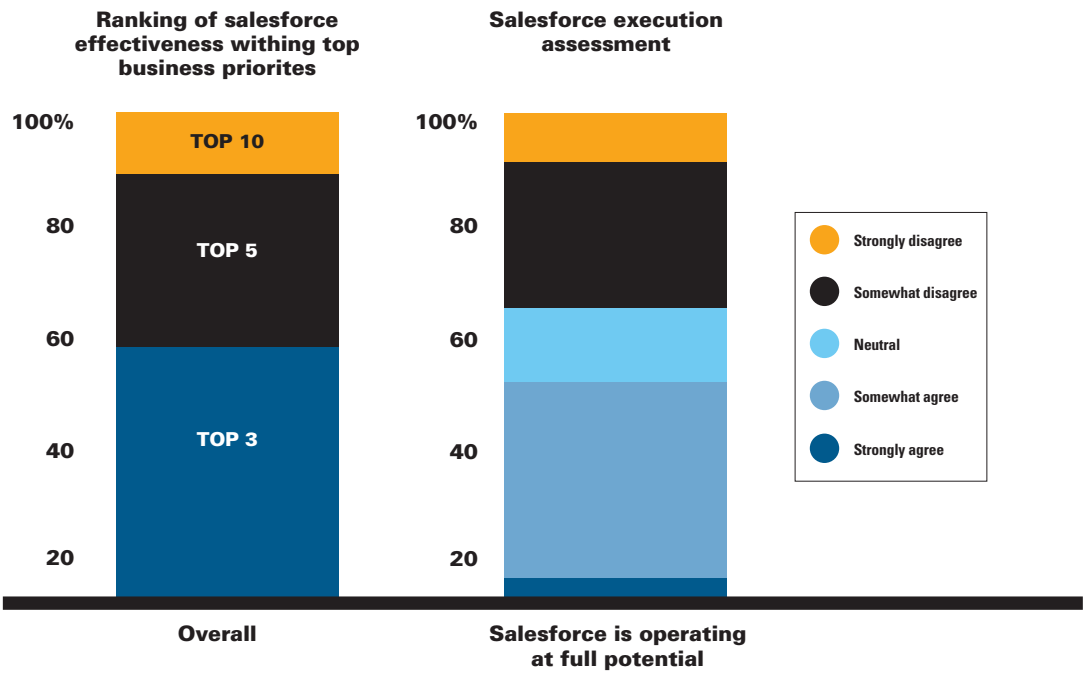
It stands to reason, then, that the next wave of operational advantages for a CPG company rests in its ability to respond more quickly to the empowered, mobile consumer. What better way to achieve that than improved collaboration at the point of sale, enabled by an effective and efficient mobile solution?

CONNECTING THE DOTS

Certainly, CPG companies have the data they need to support this undertaking. Most receive at least some sort of in-store product performance metrics from third-party providers, and close to 90 percent of them receive data directly from retailers, reports IDC Manufacturing Insights in the *CGT 2013 Sales and Marketing Report*.

Yet, hurdles persist when it comes to using this data as an input to influence effective end-to-end retail execution. A lack of collaboration, for one, prevents CPGs from internally sharing information that will help both sales reps and their retail customers become smarter and more efficient in creating the Perfect Store.

SALESFORCE EFFECTIVENESS IS RANKED AMONG THE TOP FIVE PRIORITIES FOR ABOUT 90 PERCENT OF ALL RESPONDENTS, BUT LESS THAN HALF FEEL THEIR SALESFORCE IS OPERATING AT FULL POTENTIAL



SOURCE: Bain & Company's Consumer Product Executive Survey – July/August 2011, n =120

Consider that 90 percent of CPG executives surveyed as part of a study by Bain & Company, titled *Perfecting Sales Execution*, ranked improved sales execution among their top five business priorities, but fewer than half of them believed that their sales force had the tools necessary to execute at their full potential.

The bottom line is that CPG companies are not sufficiently equipped to make the right decisions in the right moments in accordance to company strategies, plans and policies to win over the consumer, at the point of purchase.

This is where an end-to-end mobile solution comes into play, not just for the field sales representative, but for inventory and category managers in the office as well, who are charged to prepare data or plan tasks. In these moments, an effective solution allows a new level of collaboration between all parties, allowing them to more readily share data in real time to help facilitate perfect retail execution. Aside from maximizing existing investments made in product management, they can now work hand-in-hand to make the right decisions around product assortment, merchandizing, campaigns and trade promotions.

Of course, that internal collaborative work lends to heightened credibility with retail partners when it comes to in-store execution decisions and helping them move toward the Perfect Store model. When leveraged fully, the right mobile applications play a central role in promoting the Perfect Store culture, because they enable field sales reps and managers to access and interpret KPIs in real time, giving them — and their retail partners — far more actionable data at the point of sale than previously possible.

"This also gives the manufacturers the opportunity to own and protect their brand closer to the consumer at the same time as they increase their customer service levels and enhance their relationship with retailers," notes IDC Manufacturing Insights in *CGT's 2013 Sales and Marketing Report*. "Certainly, this means that CG companies can extend their role to be more about category management and superior execution performance, benefitting both the supplier and the retailer."

Even more compelling is the critical role that mobile applications play in helping CPG companies reinvent and reinvigorate discussions related to the "6 Ps of Marketing" — all vitally important for achieving optimized retail execution. In the areas reviewed below, the mobile application is relied upon to use data inputs to guide the user toward the optimal decision about what to do next in store.

The 6 Ps of Marketing

1. PRODUCT
Assortment, as well as guidelines about how well items perform versus the competition.

2. PLACE
In-store placement metrics, including planograms, and KPIs specific to stores and locations.

3. PRICE
Pricing dynamics, including those that might affect a consumer's perception of brand or that might make sense within the context of existing availability metrics.

4. PACKAGING
The optimal SKUs for a given location.

5. PROMOTION
Factors that improve execution and promotion success based on multiple segments

6. PROPOSITION
Overall POS execution guidance that is specific to certain product categories and retail channels, resulting in a higher adherence between the brand value proposition and how the customer will interact with the brand at the point of sale.

According to IDC Manufacturing insights, "Using the 'connected device', the mobile-enabled sales rep can also handle new situations and more custom requests during their visit, working with store managers at both an individual and aggregated store level."

TAKING THE RIGHT APPROACH

Now that you've been acquainted with the possibilities, it's time to plan your attack. Kony can help your organization take a revolutionary new approach to retailers/supplier collaboration at the point of sale, guided by the next generation of mobile retail execution solutions.

Whereas other players in the mobile application development space encourage businesses to consider mobility as an"add-on"or extension to existing applications, Kony encourages companies to innovate from the outside in. Instead of simply migrating existing desktop apps onto mobile devices, Kony believes CPG executives should ask, "which field processes can be rethought using mobile devices?"and"how can execution be streamlined taking advantage of smartphones or tablet computers?"

Kony recognizes that a complex web of inter-relationships drives business processes. Its mobile application development platform was designed with interconnections in mind, so field applications are informed not just by the enterprise systems running in the back office but by other field applications that might benefit from dynamic, near real-time updates. That way, information will stay in synch across your entire ecosystem. ●

ABOUT KONY

Kony is the fastest growing cloud-based mobile application development platform (MADP) in the industry with over 600 live multi-channel apps, serving over 20 million end users across 45 countries, and generating over 1 billion sessions. Kony provides an integrated software development lifecycle (SDLC) platform to define, design, develop, test, deploy and manage multi-channel applications from a single code base. With Kony, you can deliver stunning user-first experiences, get to market faster and lower your application TCO. Kony also offers a suite of more than 30 ready-to-run B2E and B2C apps that enable customers to quickly extend their business. In 2013 Kony was named a "Leader" in the Gartner Magic Quadrant for Mobile Application Development Platforms (MADP).

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