

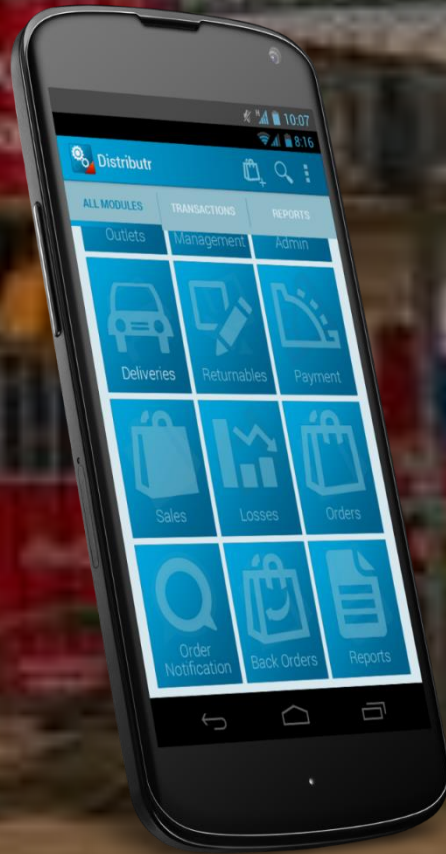


Virtual City - Distribution Solution

Merchandizing



Virtual City



Virtual City is a Supply Chain Solution Technology Provider

We use mobility tools with powerful insightful analytics tools to help enterprise customers manage their field operations with full visibility of all transaction processes

Virtual City – What We Do

Warehouse Aggregation Points

Aggregate, weigh, quality check, and track supplies of farm commodities

Market farm commodities to global or regional buyers (depends on commodity)

Inputs & Service Providers:

Provide farmers with inputs and key services on behalf of farm cooperative

Farmers:

Produce commodities in exchange for payment
Receive or purchase inputs and co-op extension services

Processors

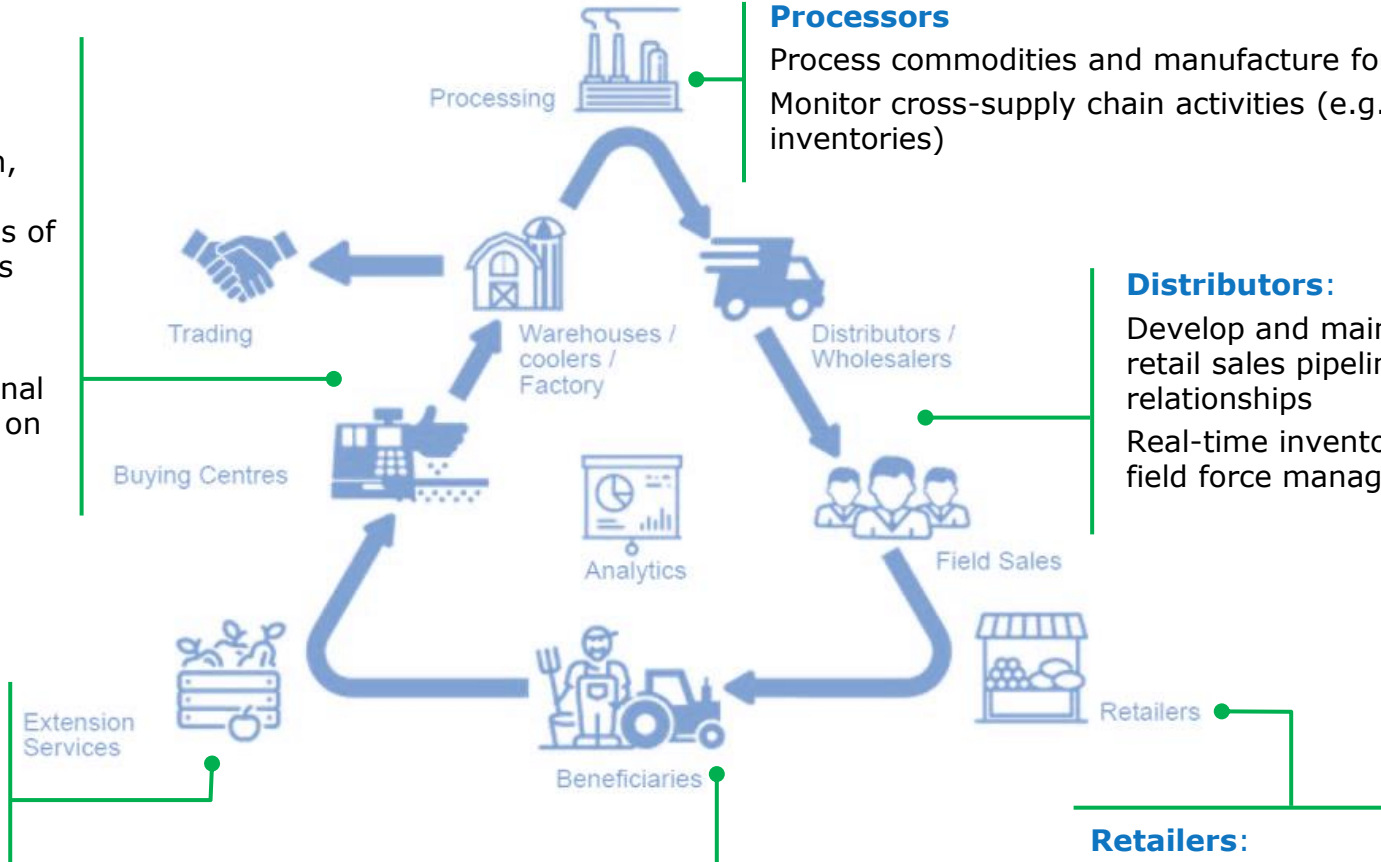
Process commodities and manufacture for retail
Monitor cross-supply chain activities (e.g., inventories)

Distributors:

Develop and maintain retail sales pipeline & relationships
Real-time inventory & field force management

Retailers:

Sale to end customers
Input sales to farmers



Our Service Offering



Enterprise Mobility Apps



- Mobility Applications specifically designed to map Agricultural Commodity Value Chains
- Remote data capture and transaction processing with easy to use interfaces

Cloud Platform



- Keeping track of all field activities through real time access to the data across multiple locations, projects and markets
- Enable productivity and efficiency of Field Teams

On Demand Analytics



- Analytics to drive decision making based on real time visibility.
- Data driven predictive analytics & demand planning for improved Impact Tracking

Solution



Executive Summary

Market Situation

- **Significant challenges hinder the effective Distribution of Products** in the Fast Moving Consumer Goods (FMCG) industry, although they are a key engine of growth in economy
- **Five key challenges plague FMCG Distribution Companies**,: distribution costs, transaction costs, inventory control, fraud and corruption, and lack of financing
- **Supply Chain Automation Technology creates an opportunity for FMCG Companies** to have better control, understanding and visibility over the Distribution Channels they use to reach their end customers. More importantly have the tools to consistently track sales performance KPIs at each point in Real Time.

Value Proposition

- The Distribution Automation Solution and Route to Market solution proposed in this document creates a **unique competitive advantage to managing the Distribution Channel** by tracking the sales, inventory and payments of Retailers, sales reps and retailers across the entire value chain.

The Opportunity

- **Sales Growth and sales Coverage** visibility allowing managers to identify sales at the retail point, including drop size, zero sales, strike rates back order, lost sales and other key sales KPI drivers per transaction
- **Inventory Management per SKU** across each point in the Value Chain with Stock Outs and Re-Order Level
- **Payments Automation Capability** through integration of sales transactions to mobile money platforms
- **Triggers and Alerts** automatically sent to Managers based on threshold risk targets
- **Loyalty and Rewards** capability through points assignment on transactions or warranty on consumer purchase

Route to Market

- **Partnership with Virtual City** to install Supply Chain Tracking software on every distribution warehouse, vehicle, sales person, field engineer, merchandizer and eventually retail outlet to digitize entire value chain
- **Transactional Performance and Monitoring Analytics** provided in real time to Enterprise Customer
- **Easy to deploy Cloud and Mobile based Technologies** across multiple geographies at minimal cost and little user level training or deployment costs

Manufacturer



Manufacturer – Value Proposition

Manufacturer

- 1) **Demand Driven Sales** through direct digital ordering done by the Retailers for specific products and quantities
- 2) **Direct Market Access** to the Retail Merchants bypassing traditional Distributors, Wholesalers and Stockists therefore increased margins and lower cost to customers
- 3) **New Customer Base** driven by availability of Suppliers products on Retail POS Catalogue
- 4) **Formal Credit Access** to Banks since now have visibility of Sales Pipeline, Credit outstanding and inventory levels
- 5) **Digital Payments** directly from the Retail Merchants resulting in reduced cash management and debtors
- 6) **Electronic Transaction Processing** resulting in improved reconciliation and reduced operational costs
- 7) **Catalogue Marketing** enables Suppliers to add all products and pricing directly onto Retail Merchant POS
- 8) **Closed Loop ecosystem of payments and settlements** between the Retail and Suppliers
- 9) **New Product Market Entry** costs and activities substantially reduced due to digital catalogue platform
- 10) **Rewards campaign management** to award Merchants based on Value, Volume or Frequency of orders

Unique Selling Proposition

- 1) Minimal Customer Acquisition Cost
- 2) Direct access to Retail market owners
- 3) Digital Payments direct from Retail
- 4) Remote management of product and price ordering catalogue at retail point
- 5) Rewards Platform for Loyalty
- 6) Access to sales platform at minimal cost

Route to Market Tracking



Sales Management

- Sales per unit (SKU)
- Sales monitoring per salesman
- Sales monitoring in real time – a view of transactions taking place in the field
- Salesman cannot change pricing
- Productivity tracking of all sales people
- Stock uplift analysis from distributors and Retailers
- Pre-sales orders tracking
- Sales against targets
- Periodic stock take by salesman
- Creation of outlets – expanding universe
- Universe of outlets tracking against targets
- Market Coverage Strike Rate
- Sales Hit Rate Tracking

Route Management

- Assignment of routes to sales people, order takers and in store merchandizers
- Active outlet coverage against the routes assigned
- Strike Rate analysis – (sales) successful calls against average calls (visits) against routes assigned to all sales staff
- Outlet visit days – To build consistency in outlet servicing
 - Specific days to conduct specific key activities
 - Sequencing of outlets to ensure no single outlet is skipped within the route
- Average calls per day per salesman as per routes assigned
- Universe of outlets tracking against growth targets
 - Dormant & Active outlets

Targets Management

- Sales against targets
- Payments against collection targets
- Deliveries against order to delivery cycle targets
- Orders against targets
- Coverage against universe coverage targets
- Facings (SOS) against target SOS
- Promotions against specific KPI's
- Order to delivery cycle against KPI set
- Planogram enforcement as per company in store activation policy
- Real time visibility of target achievement over time

Merchandizers



Field Merchant Services – Value Proposition



Merchandiser

1. Onboarding & Registration

Simple Mobile Toolkits with inbuilt process flows to conduct field surveys at the Retail Merchant Points
Data auto uploaded to central point from field
Mapping Coordinates auto captured

2. Availability of Product Varieties

Analyze the Retail Merchants by Size, Market Tier, Outlet Type, Product Category, Suppliers & Price Point
Identify best product and supply mix per outlet type
Track Stock Availability per Outlet
Trigger Stock Replenishment upon auto re-order levels

3. Familiarity and Relationship

With platform offering convenience and product accessibility, the consumer stands to benefit in the continuous relationship attributable to better service

4. Price

Reduced product prices at Retail Merchant Store due to improved Trade structure with Suppliers and Financiers

5. Credit Worthiness

Credit Scoring and order Insurance Packages can be inbuilt based on the Merchant Field Data Collected

Unique Selling Proposition

Assessor

- 1) Free Mobile Toolkit to conduct surveys
- 2) Minimal Training Requirements
- 3) Intelligent Data to drive survey questions
- 4) 100% coverage of key questions and mapping
- 5) Productivity based incentives on:
 - 1) Quantity of Surveys
 - 2) Quality Question Responses
 - 3) Frequency of Visits
 - 4) Orders Generated
 - 5) Risk Mitigated

Product Tracking Solution And Compliance Features



Universe Mapping

- Outlet Mapping
 - Outlets Location
 - Route
 - GPS Coordinates
 - Owner Details (Name and Phone Number)
 - Estimated Number of Dealer
- On-Boarding
 - Merchant Recruitment
 - Merchant KYC
 - Market Tier
 - Outlet Type
 - Product Category
- Risk Assessment
 - Merchant Risk Assessment
 - Merchant Retail Survey

Facings or Share of Shelf

- Track and Monitor the following:
 - No of facings per outlet
 - No of facings per route/ region
 - Quality of facings – condition factors
 - Share of shelf across a category or a product type
- Market Intelligence in regards to
 - Price comparison
 - Promo Tracking
 - Product availability/ unavailability
 - Shelf Share
 - Competitor Analysis
 - Market Tier
- Order Placement/Generation
 - Re-Order Level per SKU

Product Availability

- Monitor availability of your products in key Retailers across the country with precision
 - Monitor Brands and SKUs
 - Monitor facings and share of shelf
 - Monitor isle position
 - Beginning / End / Middle of isle
 - Monitor competitor product availability
 - Monitor eye level position
 - The coffin – too low (poor)
 - Eye level correct (good)
 - High sky position (too high (poor))
 - Monitor Adverts Placement

Productivity Features



Productivity

- Distributor or Wholesaler Performance
 - Outlets Covered
 - Route Coverage
 - Sales & Order Value
 - Inventory Levels
- Salesman Performance
 - Sales Value
 - Orders Value
 - Outlets Covered
 - Targets Achieved
- Outlet Performance
 - Must Sell Item Purchases
 - Drop Size (average invoice value)
 - Strike Rate
 - Zero Sales

Loyalty Incentives

- Loyalty & Rewards Scheme for Distributors, Outlets and Sales Reps based on parameters:
 - # of transactions
 - Value of Transactions
 - Volume of Transaction
 - Frequency of Transactions
 - Payments Collection
 - Outstanding Payments Targets
 - Adherence to visit days targets
 - Market entry – reward regions that are performing in line with set targets
 - Must sell products in line with brand profitability metrics
 - Other triggers specific to your sales operations

Alerts & Notifications

- Automated Alerts sent to Directors Phone
 - Achievement vs. Targets
 - Coverage
 - Red Flags
- Analytics dashboards App
 - Set on Directors and Managers Devices
- Create powerful SMS groups that will enable you achieve the following:
 - Polling and Customer Surveys
 - Requests and Q&As
 - Customer alerts
 - New Pricing
 - New Products
 - New Promotions

Universe Mapping Solution Features



Operating Standards Tracking

- Standards monitoring of your partners in the trade channel, i.e. Distributors, Retailers and Retailers:
 - Branding standards compliance
 - Stock availability compliance
 - Assets requirement compliance
 - People requirement compliance
 - Customer service compliance
 - Competitor activities monitoring
 - Distribution & coverage compliance
- What activities are our competitors running right now ?
- Are our Retailers complying with our Standards?

Loyalty & Rewards

- Rewards
 - Enterprise Loyalty points to incentivize
 - Dealer
 - Sales Teams
- Campaign Creation
 - Product Category
 - Product SKU
 - Frequency
 - Volume
 - Value
- Notification
 - Dealer owner/ Sales Points
 - Points Query Capability
 - Points Redemption Capability

Dashboards and Analytics

- Dealer Universe as per
 - Market
 - Dealer Owners
- Maps and GPS Location
 - per Dealer
 - Per Market
- Loyalty points visibility
 - Per Product Category
 - per user (Owners, and Sales Reps)
 - Per Market
 - Per Region
 - Nationwide
 - Heat Map

Analytics – Market Visibility & Coverage



Analytics – Creating powerful Insights that drive decision making

• Where are the Sales Teams?

- Are they covering the market & what is their sell-in per outlet?
- How well are they servicing must sell portfolio products?
- What is their compliance with call protocol and in store activation policies
- What time do they check-in and check-out?
- How much time are they spending:
 - In front of each customers?
 - In transit?

• Sales, payments and delivery tracking

- Real time reconciliation of cash vs stock
- Sales tracking against stock held in vans and in stores
- Keep track of all warehouses (physical stores, vans and 3rd party logistics partners)

• Outlet Coverage

- Outlet coverage by your salesmen? & Strike rate – (Coverage + actual sell-in)

• Dealer Performance

- Drop size (average invoice value per outlet and outlet type)
- Outlet universe monitoring – growth and drop in outlet universe
- Outlet performance scoring

• Availability

- How much stock do we have in each outlet
- How much stock do we have in each of our warehouses (physical vs sales vans)
- Do we have our most profitable SKU's?
- Why are our key products missing?

• Deliveries

- Are deliveries done in good time?

• Share of Shelf

- What shelf share do we command per outlet/ per region/ per route/ per category
- What market share by extension are we sitting on?
- What opportunity are we looking at?

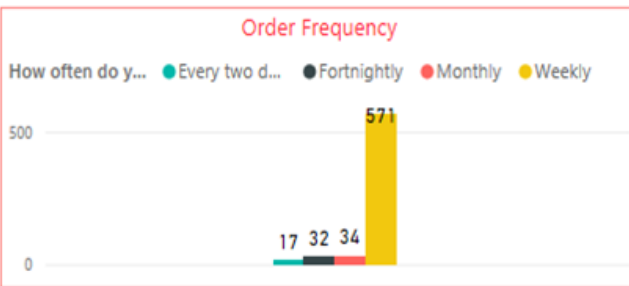
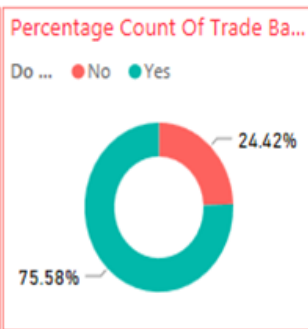
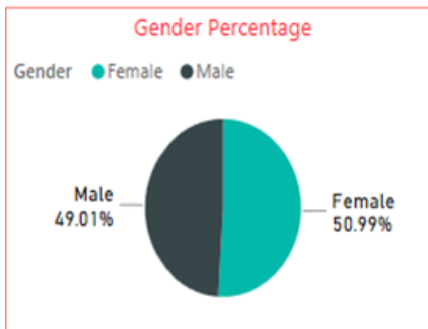
• Competitors and market sensitivity analysis

- What activities are our competitors conduit in the field?
- What is the impact of their activities (SOS, Sales drop, facings growth) on our performance

• Promotions, discounts and sampling activities

- Where are they being carried out?
- Which is most effective?
- Why is it effective or non effective?

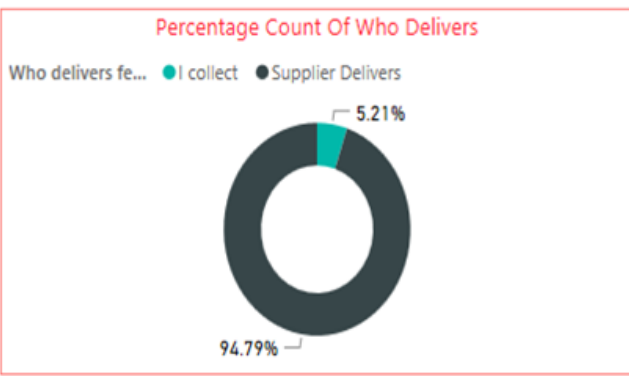
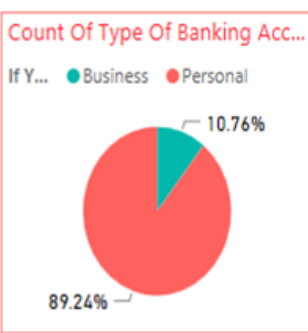
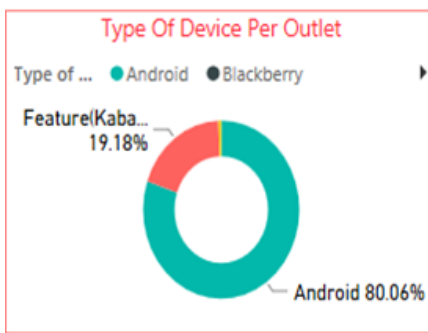
Retail Merchants Overview



Outlet

Search

Greentech agrovet
Kahaini animal feeds
Adams animalfeeds

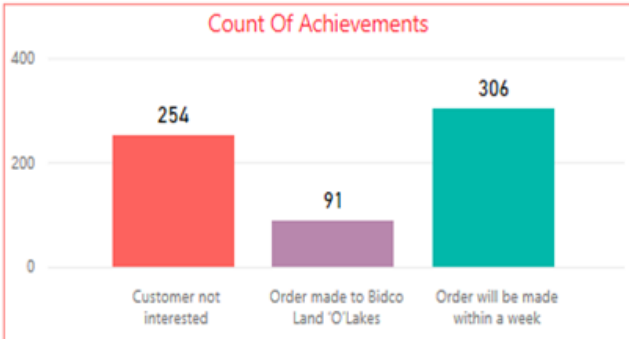
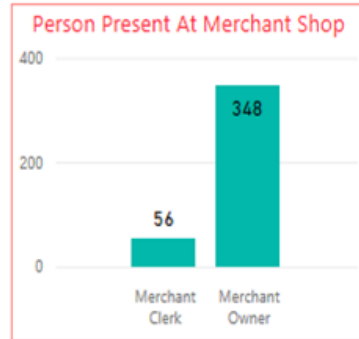


Type of Outlet

Search

Agrovet
Agrovet Duka
Aqrovet Kiosk

Scout Name	Count of Outlet Id
Silvia Wanjiru	136
Winnie Kiende	109
Edith Wangui	107
Beatrice Maina	97
Valentine Valentine	82
Chacha Kiendi	73
Total	657



Scout Name

Search

Beatrice Maina
BTL Test
BTL test user

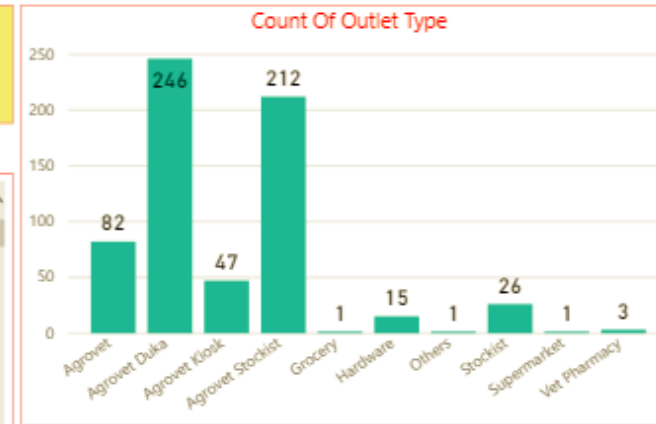
DateComplete

10/16/2017 11/29/2017

Retail Market Outlet Details

Outlet	Scout	Type Of Outlet
632	10	10

Scout Name	Outlet	Type of Outlet	DateComplete
Winnie Kiende	Lusaka animal feeds	Agrovet Stockist	Saturday, November 18, 2017
Silvia Wanjiru	Stembuka hardware	Hardware	Saturday, November 18, 2017
Beatrice Maina	Ivory feeds	Agrovet Stockist	Friday, November 17, 2017
Silvia Wanjiru	Joy animalfeeds	Agrovet Duka	Friday, November 17, 2017
Winnie Kiende	Kangari united dairy	Agrovet Stockist	Friday, November 17, 2017
Edith Wangui	Lawa lakes agrovet	Agrovet Stockist	Friday, November 17, 2017
Silvia Wanjiru	Tujenge stores	Agrovet Duka	Friday, November 17, 2017
Beatrice Maina	Sawasawa animal feeds	Agrovet Stockist	Tuesday, November 14, 2017
Kelvin Maina	Alima agrovet	Agrovet Duka	Monday, November 13, 2017
Silvia Wanjiru	Baraka gen shop and animalfeeds	Agrovet Kiosk	Monday, November 13, 2017
Charity Kimani	Beyond Agrovet	Agrovet Duka	Monday, November 13, 2017
Valentine Valentine	Corner shop	Agrovet Kiosk	Monday, November 13, 2017
Silvia Wanjiru	Florida gen shop and animalfeeds	Agrovet Kiosk	Monday, November 13, 2017
Charity Kimani	Kahuro shop	Agrovet Duka	Monday, November 13, 2017
Valentine Valentine	Kiiru Animal Feeds	Agrovet Stockist	Monday, November 13, 2017
Edith Wangui	Kiria gen.store ,kiria	Agrovet Duka	Monday, November 13, 2017
Charity Kimani	Mwangaza Hardware	Hardware	Monday, November 13, 2017
Silvia Wanjiru	Ngonda animalfeeds	Agrovet Duka	Monday, November 13, 2017
Silvia Wanjiru	Ngonda animalfeeds 2	Hardware	Monday, November 13, 2017
Charity Kimani	Mwanda labour hardware	Hardware	Monday, November 13, 2017



Outlet

Greentech agrovet

Kahaini animal feeds

Adams animalfeeds

Type of Outlet

Agrovet

Agrovet Duka

Agrovet Kiosk

Agrovet Stockist

Scout Name

Moses Karanja

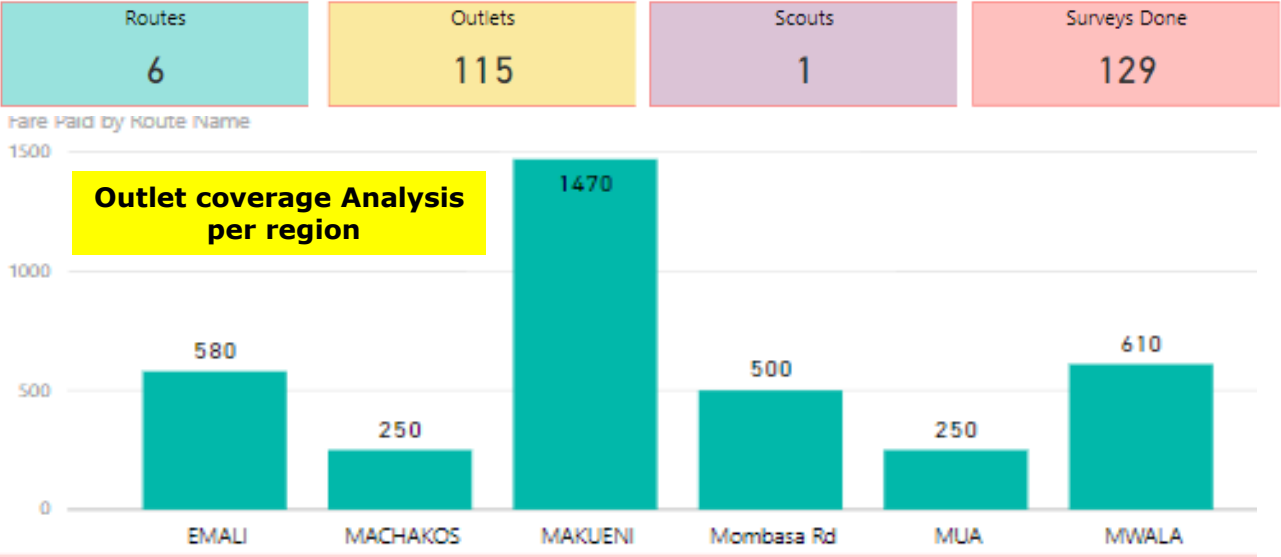
Silvia Wanjiru

Valentine Valentine

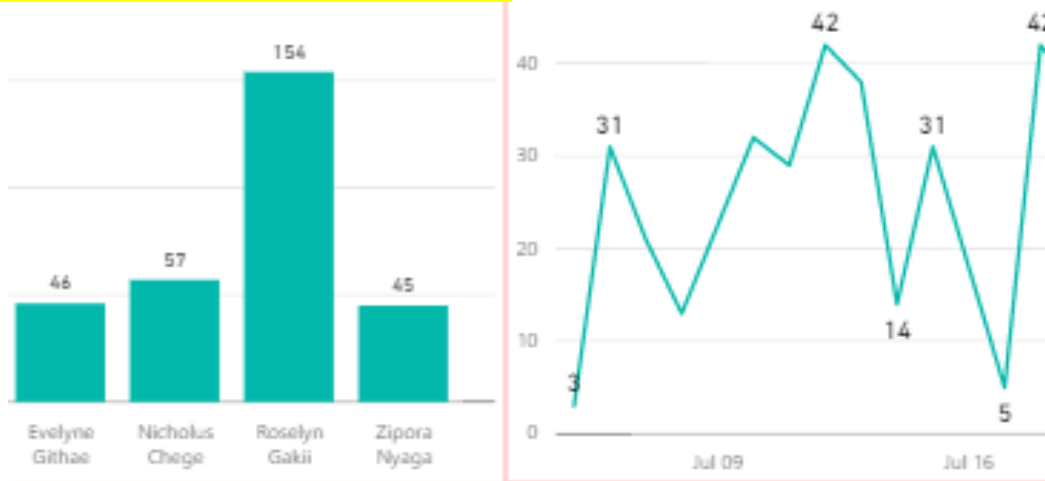
Winnie Kiende

DateComplete

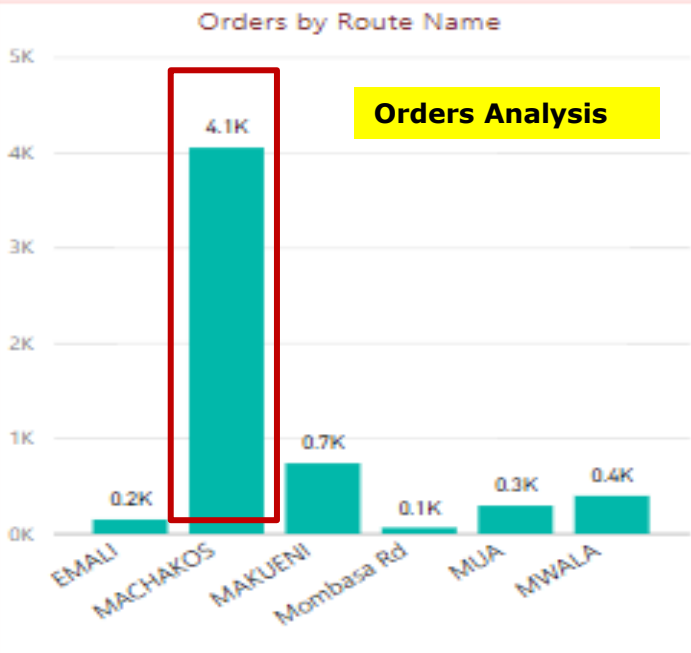
Analytics Dashboard –Productivity Analysis



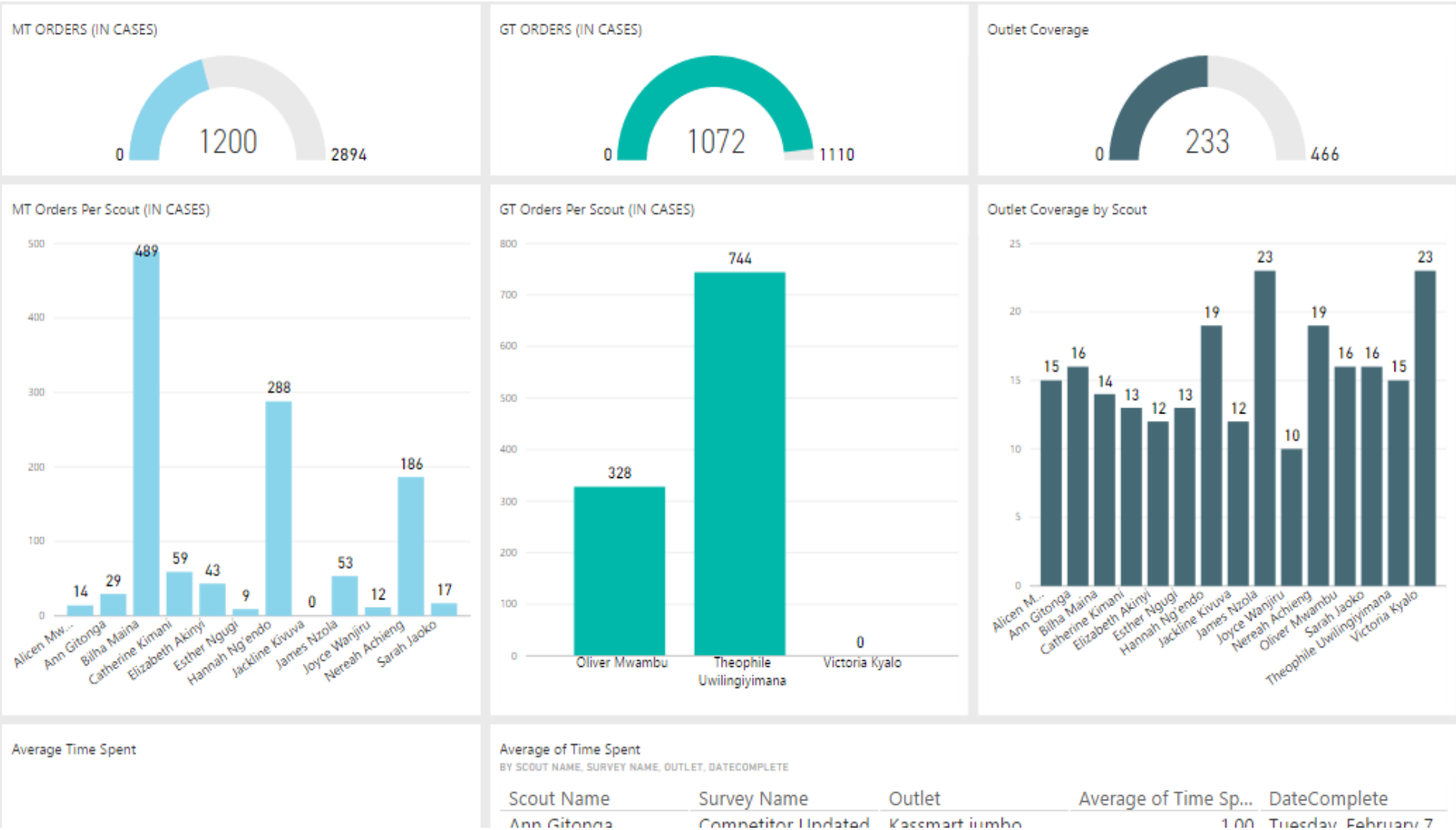
Outlet coverage Analysis per rep



Outlet	Orders
mulleys wholesale	2109
mulleys HQ	1003
mulleys masaa br	412
mulleys pioneer	353
Sarai Enterp	260
Jimeli ws	227
Daystar stores	165
mulleys Express	161
Wasa Stores	160
Amorine stores	135
Enu smkt	114
Amani stores	76
Jansil Stores	64
Ngamione Shop	62
Wambua shop	59
Total	5712



Analytics Dashboard – Performance vs KPIs

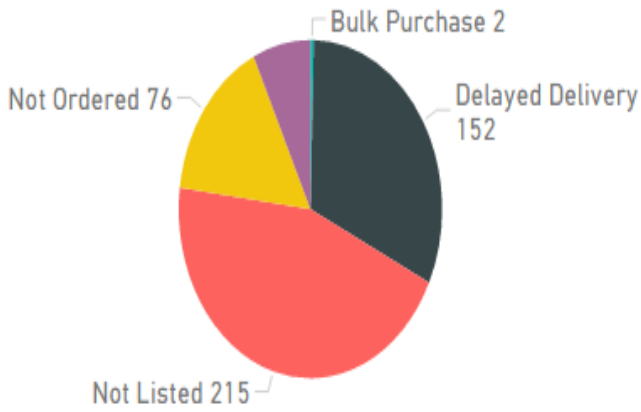


- Represents performance of orders vs outlet coverage against preset target
- Time in/Out/Spent against target

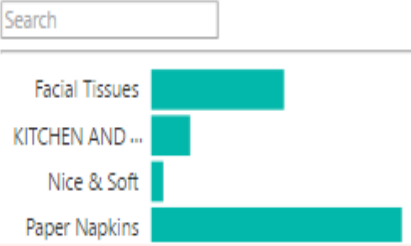
Analytics Dashboard –Products Availability

Reasons for Unavailability

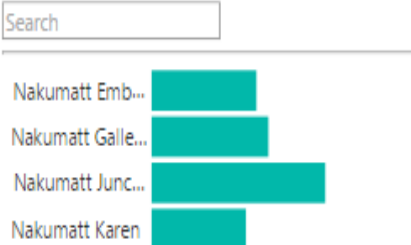
Available Bulk Purchase Delayed Delivery Not Listed Not Ordered Others



Count of Route Name by Category



Count of Route Name by Outlet

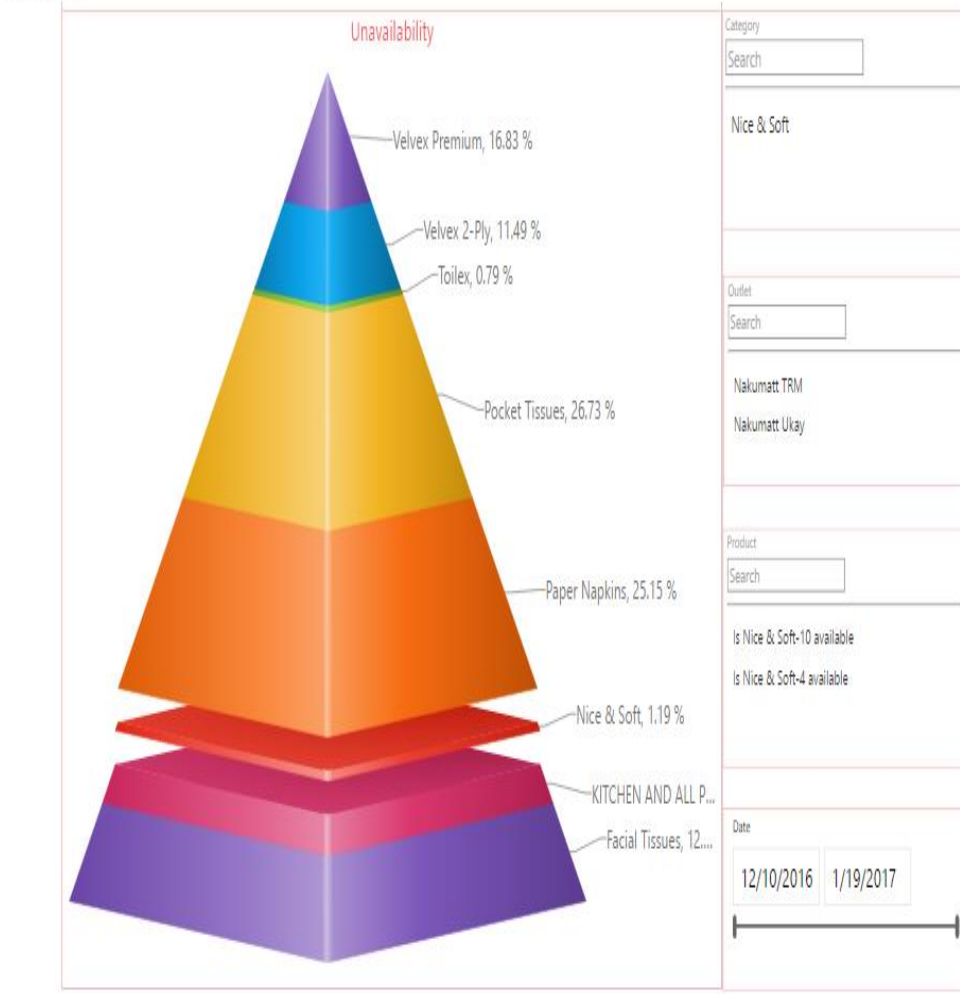


- Available
- ☐ Bulk Purchase
 - ☐ Delayed Delivery
 - ☐ Not Listed
 - ☐ Not Ordered
 - ☐ Others

Date

12/22/2016 1/19/2017

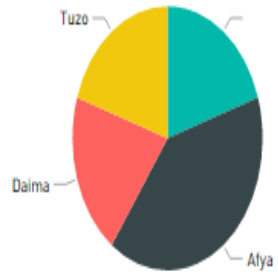
Chandaria Product Availability



Analytics Dashboard – Market Prices

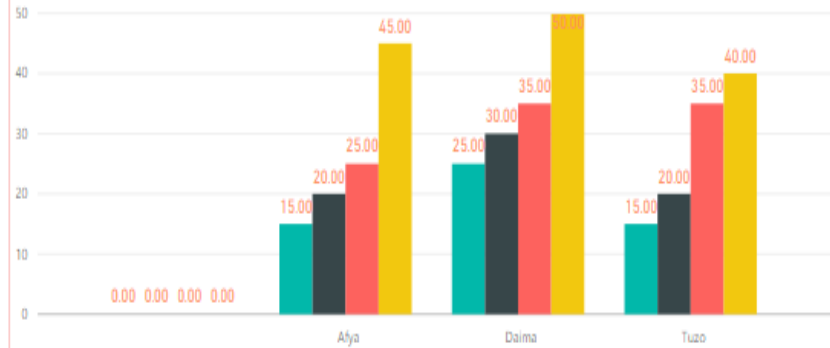
Count of Select the Competitor by Select the Competitor

Select the C... ● Afya ● Daima ● Tuzo

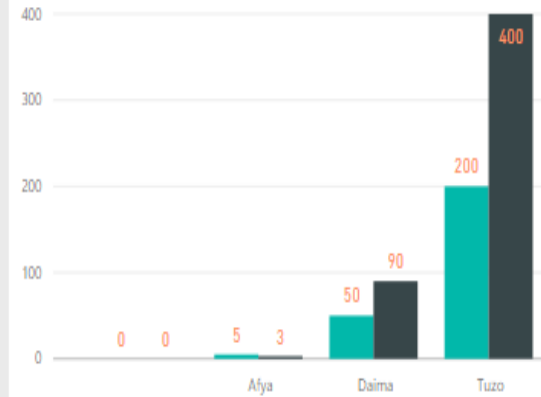


Average of Buying Price 200ml, Average of Selling Price 200ml, Average of Buying Price 500ml and Average of Selling Price 500ml by Select the Comp...

● Average of Buying Pric... ● Average of Selling Pric... ● Average of Buying Pric... ● Average of Selling Pric...



● Average Sales per Day 200ml ● Average Sales per Day 500ml



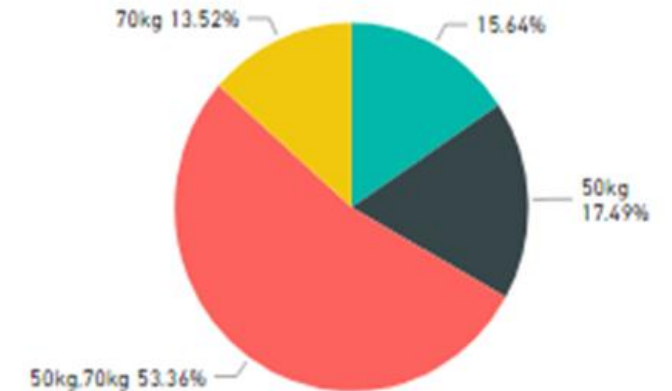
Route Name	Outlet	Scout Name	Select ...	Average S...	Buying Pr...	Selling Pr...	Average S...	Buying ...	Selling ...	Reasons Competit..
Innecore	Beauty s...	User Test	Daima	50	25	30	90	35	50	Promotion activity
Innecore	Shauri y...	Martin Martin		0	0	0	0	0	0	
Tena	Jose	Murule Murule	Afya	2	15	20	0	0	50	Others
Umoja - Cal...	A 169	Murule Murule	Afya	3	15	20	3	50	40	Others
Umoja E	Dan	User Test	Tuzo	200	15	20	400	35	40	Brand recognition
Total				255			493			

Date	Select the Competitor	Reasons Competitor Product is S...	Scout Name	Outlet	Route Name
12/15/2016 2/2/2017	Search	Search	Search	Search	Search
	Afya	Brand recognition	Martin Martin	A 169	Innecore
			Murule Murule	Beauty shop	Tena

Which SKU do you Stock of Chicken feed

Which SKU do you st...

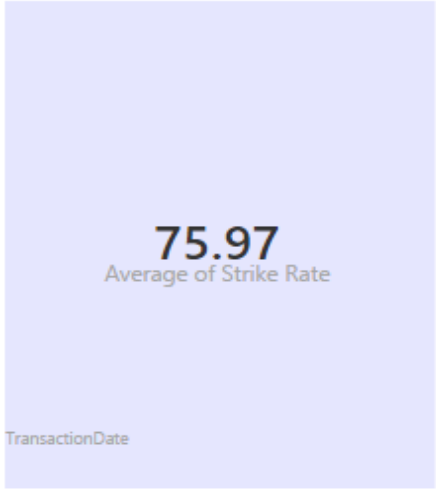
● 50kg
● 50kg,70kg
● 70kg



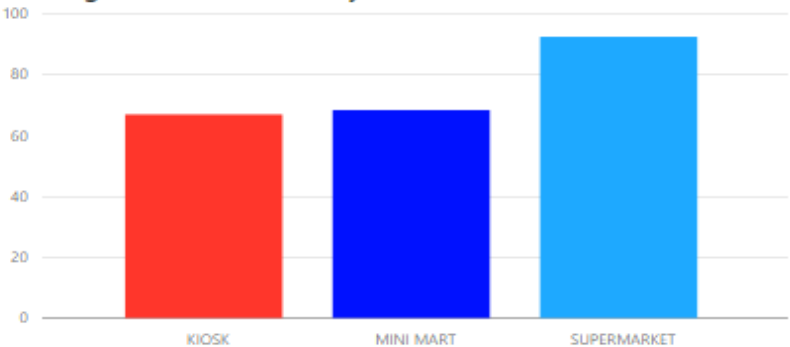
KPI ANALYTICS – Strike Rate Analysis

Sales Strike Rate

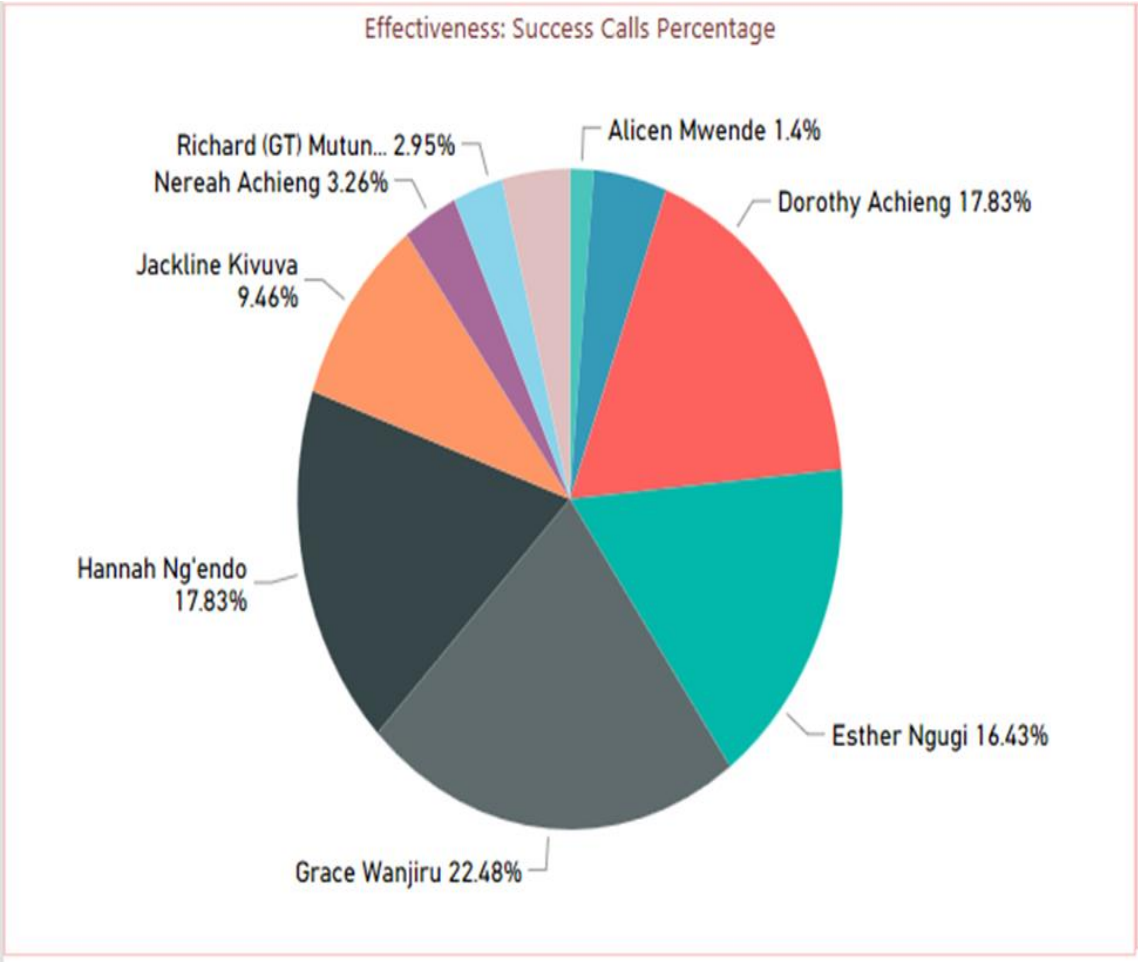
Salesman	Outlet Tier	Total calls	Succesfull Calls	Strike Rate
Dan Gaiku	KIOSK	230	213	92.61
Jane Njeri	MINI MART	229	212	92.58
John Doe	SUPERMARKET	228	211	92.54
John Kimani	KIOSK	300	124	41.33
Total		1666	1170	455.82



Average of Strike Rate by Outlet Tier



Sales Calls Rate

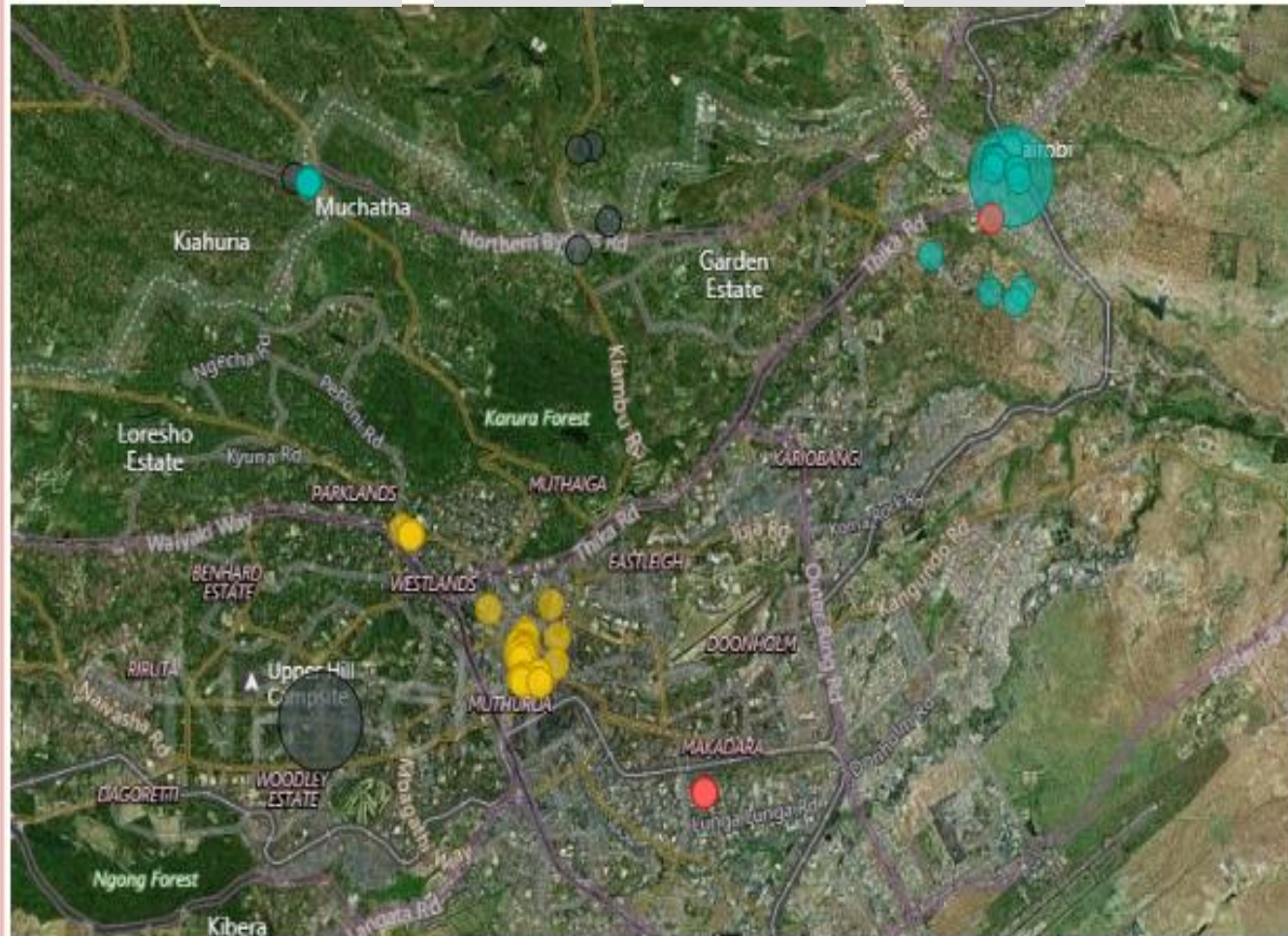


Analytics Dashboard – Team Productivity Maps

Scout Name	Count of Outlet Id
Scout 1	7
Scout 2	5
Scout 3	2
Scout 4	4
Total	16

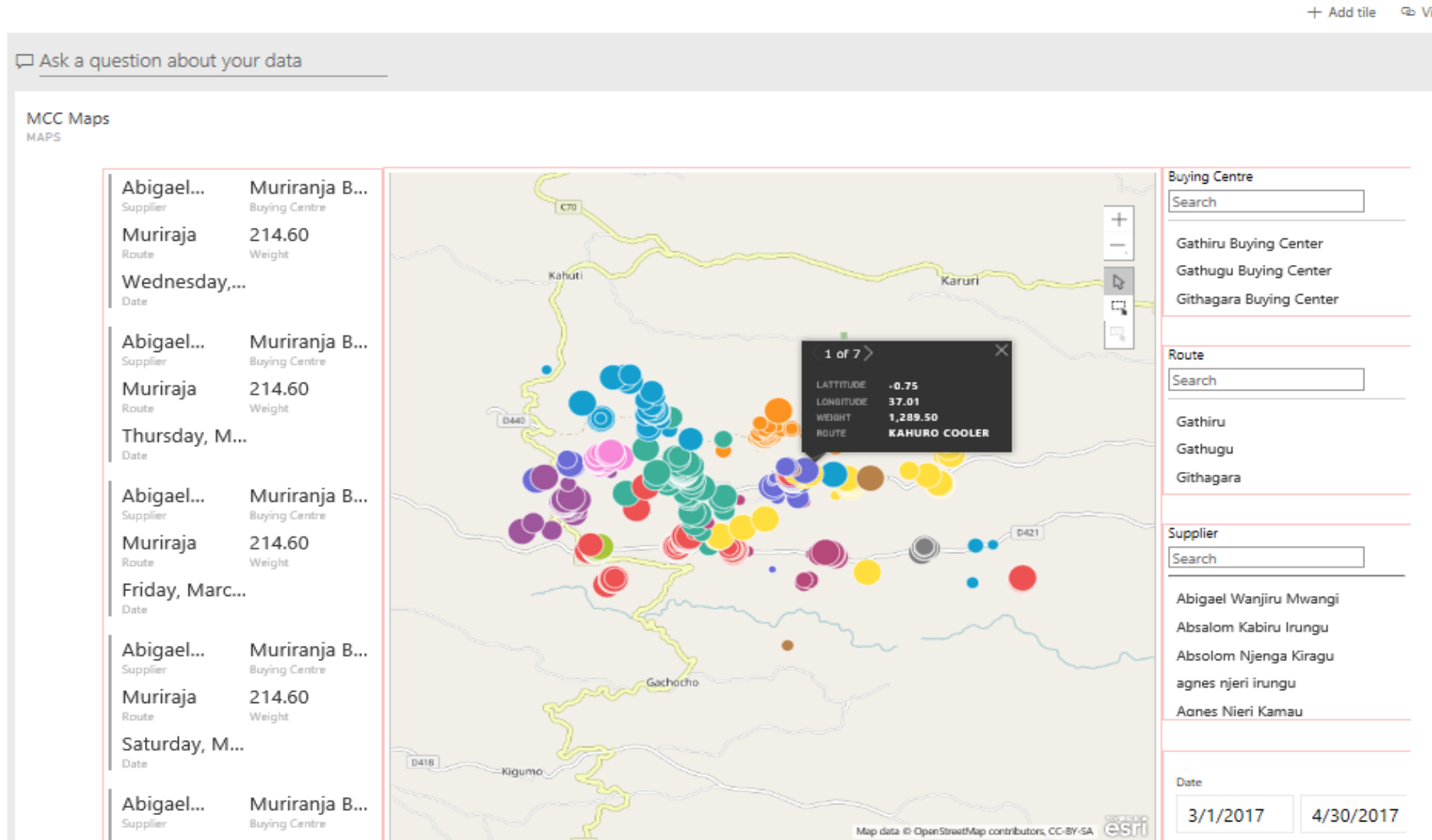
Count of Outlet Id by Scout Name

Scout Name ● Scout 1 ● Scout 2 ● Scout 3 ● Scout 4



- A maps analysis of the outlet coverage .
- GPS coordinates capture location of each outlet.
- From the report, Scout 1 covered more outlets than the other 3 salespersons.
- The relation between outlets and scout revisits is shown by the size of the location pointer, where bigger size represents multiple visits to the outlet.

AI Visualization of Retail Outlets



- Provide Active and Real Time Visualizations of all Project Activities
- Every activity on Platform tracked on map
- All surveys, services, facilities, transactions, providers, volumes, etc. constantly tracked on map

Project Plan and Results



PROPOSED ROLL OUT

1. Gap Analysis

a. Features & Functionality

- Web Apps
- Mobile Apps
- Wallet Apps
- Reports
- Dashboards

b. Platform

- Azure Cloud
- Wallet Platform
- API Integrations

2. Software Customization

- a. Manufacture Setup
- b. Distributor App
- c. Sales Rep Orders App
- d. Analytics Apps
- e. Telemetry Views
- f. Cloud Subscriptions

3. Go Live

- Master Data Setup
- System Provisioning
- Deployment
- Training
- Sign Off

Picture of Success

Visibility in Ecosystem



Consumers



Retailers



Distributors &
Aggregators



Service
Providers



Market
Buyers & Sellers



Data Services
Analysts

Partner Benefits



Manufacturer

- Increased Market coverage
- Improved Visibility
- Faster Sales to Cash Cycle
- Increased Revenue



Financial Partners

- Farmer Specific Financial Products
- Entrepreneur & SME Focus
- Invoice discounting opportunities
- increased Access to Credit



Distributor

- Increased Turnover & Profitability
- Control of Business
- Ease in Reconciliation
- Increased Market Share
- Improved Business Processes



Retail Merchant

- Customer Satisfaction
- Increased Sales
- Sustainable Business
- Access to Financial Credit

Impact



Digital Driven Income



Youth Jobs

Customer Success Story

Leading FMCG Business across the East Africa region



The Journey

- With a market dominance in the confectionary vertical, the business was looking to consolidate this in light of new entrants who had better distribution and cheaper products
- Work began in January 2016 with a key focus on how we can empower the business to keep track of the stock levels at each of the distributors whilst getting a grip of the outlets covered per day.
- We implemented the sales distribution and sales tracking modules of the platform which enabled them to achieve
 - Visibility of all sales operations by 100 sales force agents including orders, sales and payment
 - A perfect picture of stock levels across Kenya with 9 distributors in full view
 - A view of market coverage – an understanding of how many outlets are being visited every day and whether an order was generated per day
 - As a result of our intervention, the solution drove the need for demand planning for production

Key Wins

- Together with their route to market facing teams, we built a universe of 15,000 retailers
- A growth in sales as a result of closer monitoring of outlet coverage
- 40% growth in new customers (outlets)
- Key coverage of 9 distributors with active monitoring of their stock levels in real time
- 50% improvement in productivity of sales personnel on the ground



Location:

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