

Distribution Value Chain

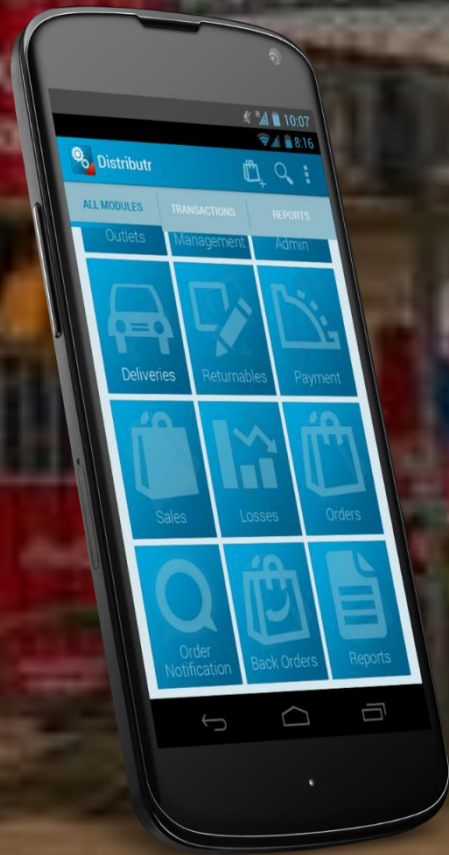
Mapping and Understanding the Retail Universe



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

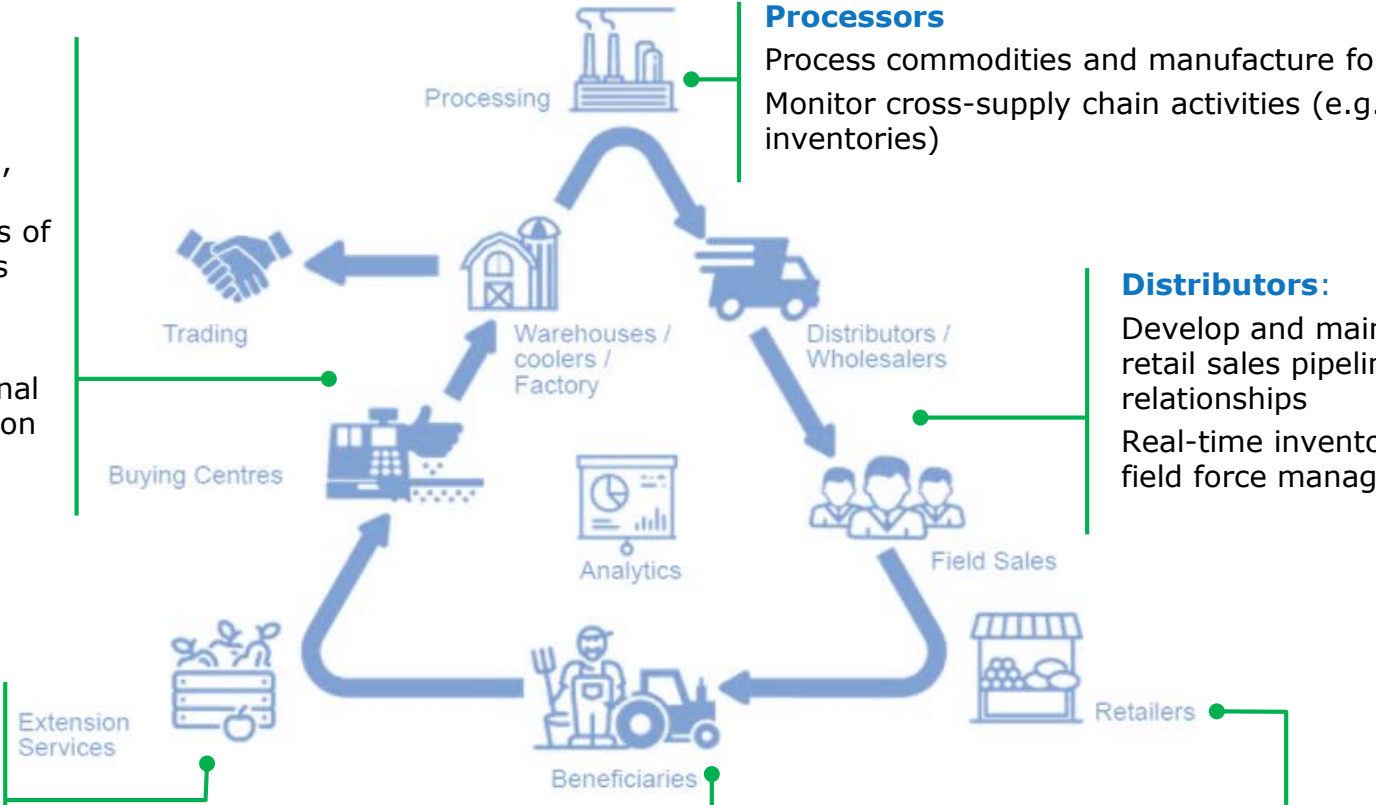
Process commodities and manufacture for retail
Monitor cross-supply chain activities (e.g., inventories)

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

The Need



Executive Summary

Market Situation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

KEY PAINPOINTS AFFECTING INDUSTRY



The Process



Requirements Definition

Challenges

KYC

- Lack of visibility on both
 - Retailers as to where they are, comprehensive Mapping, Bio data and GPS positioning
 - End consumer who buys products from the respective Retailers

Distribution

- Lack of visibility of sales done by sales representatives of FMCG and to who.
- Lack of visibility of sales done by the Retailers and their sales representatives.
- Lack of visibility of stocks/inventory at both the Retailers and delivery trucks of FMCG.
- Lack of visibility on Call protocols done by the Sales reps from Chloride Excel on a particular day.
- Very manual and cumbersome tracking of filed engineers work items and service delivery
- Poor capture and accuracy of consumer level warranty data

Ideal Solution

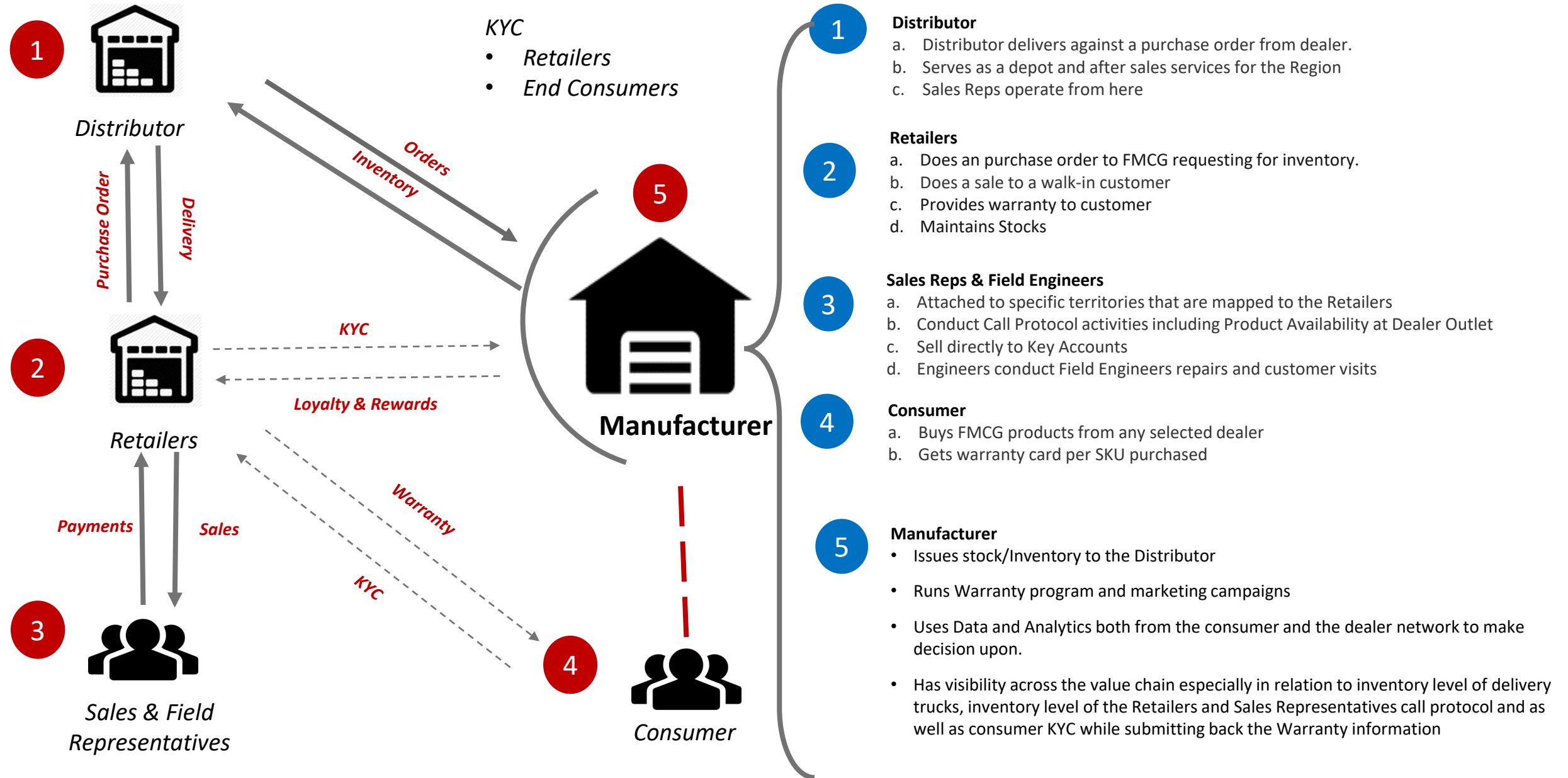
- FMCG is looking for a solution that addresses the following:
 - Dealer KYC through a Dealer Mapping comprehensive exercise across the country
 - Customer KYC, by harnessing customer warranty data upon purchase of FMCG product
 - Inventory tracking at van level and Distributors' Warehouses/Stores country wide
 - Productivity tracking of all Sales teams, Filed Engineers and the Merchandizers
 - Management of sales at both Retailers' level and the Sales Representatives level.
 - Visibility of all Distribution Channels.
 - Capability to capture real time data.
 - Powerful analytics to drive decision making
 - Powerful loyalty incentive based solutions to drive achievement of key KPI's
 - Accurate capture and tracking of warranty per sold item

Desired Outcome

- KYC Bio Data and Analytics at both Dealer and Consumer level, to help FMCG make critical decisions
- Increased Revenue and Market coverage
- Determination of Product Availability
- Monitoring of competitor activities.
- Tracking and Managing Productivity of field resources.
- Tracking and managing of Inventory of the delivery trucks and as well as at the Distributor level
- Empowering customers to build loyalty and drive up value per customer
- Increased loyalty of Retailers and consumers to the FMCG brand

Outcome Map

- Key Value Chain Actors
- Value proposition



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Merchandizers



Product Tracking Solution And Compliance Features

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

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
 - We monitor the SOS over time thus giving you a powerful picture of how well you sit in the market vs the competitors and more importantly, the substitute products in your genera category

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?

Universe Mapping Solution Features

Universe Mapping

- Outlet Mapping
 - Outlets Location
 - Route
 - GPS Coordinates
 - Owner Details (Name and Phone Number)
 - Estimated Number of Dealer
- Market Intelligence in regards to
 - Price comparison
 - Promo Tracking
 - Product availability/ unavailability
 - Shelf Share
 - Competitor Analysis
 - Market Tier
- Order Placement/Generation

Rewards and Notification

- 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

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

Customer 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

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Manufacturer – Market Visibility & Coverage



Analytics Features

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?

Market Insights

Visualocity innovation lives here

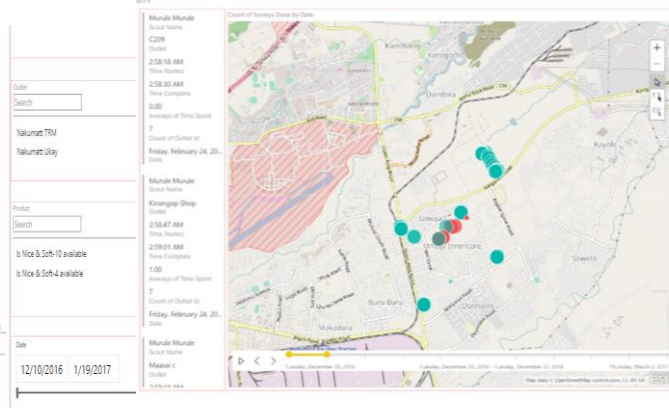
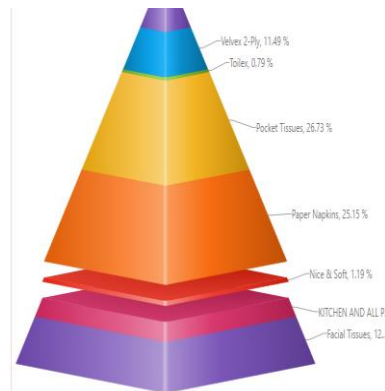
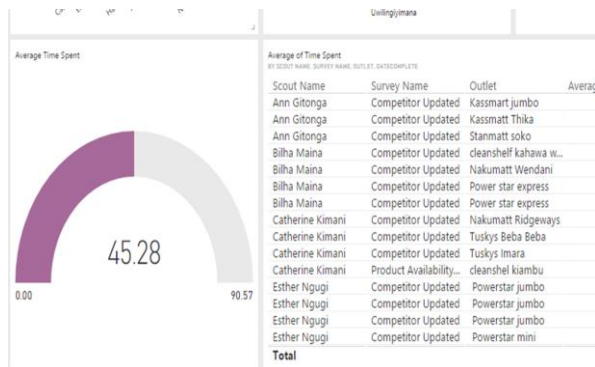
Analytics – How you will consume infights from the market

Tabular Views of all Reports –
Detailed with drill down capability

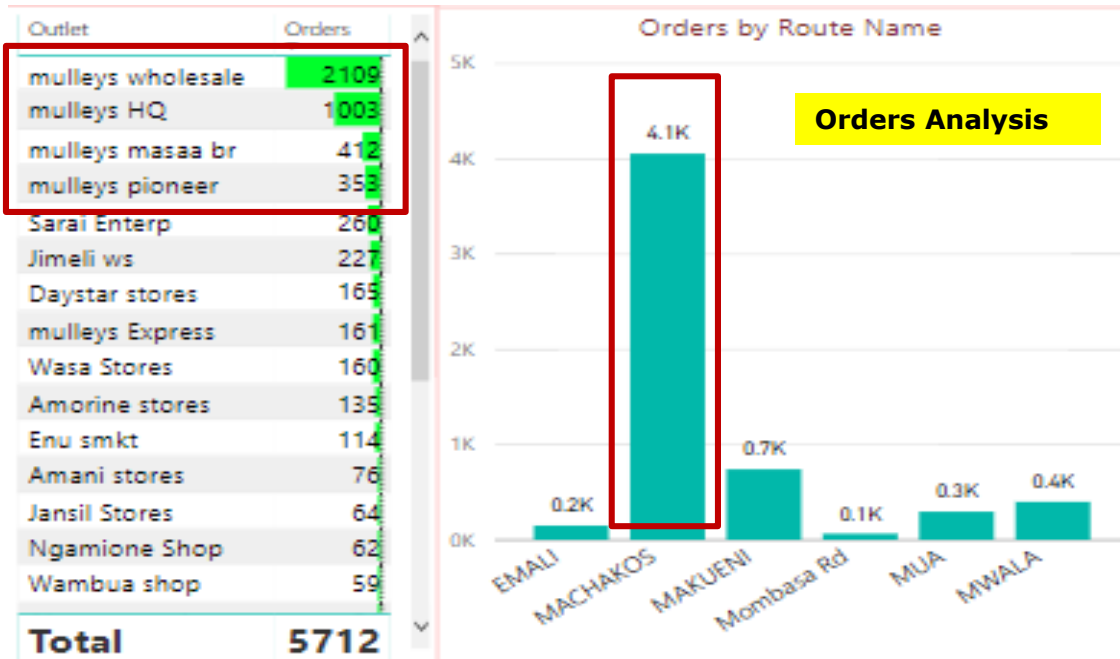
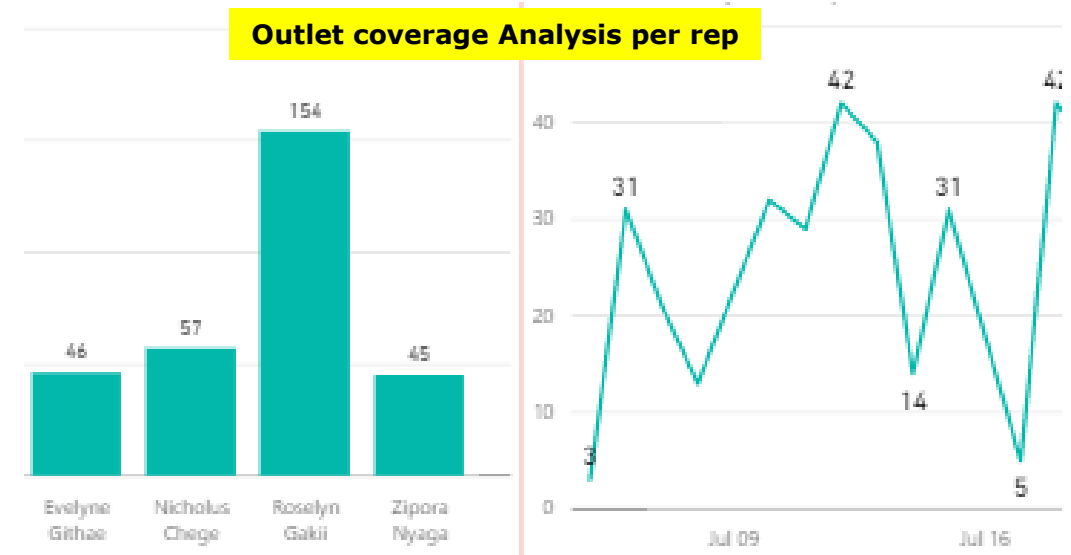
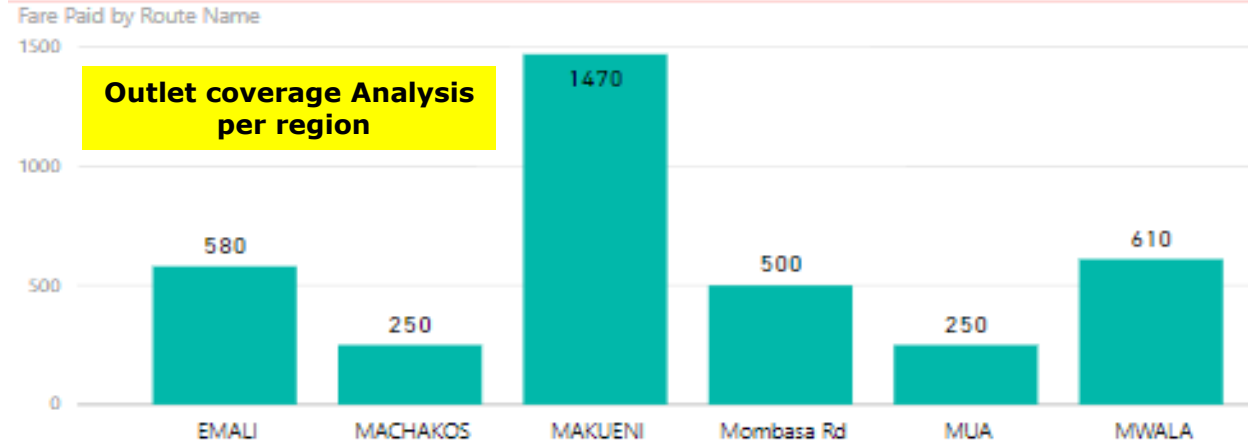
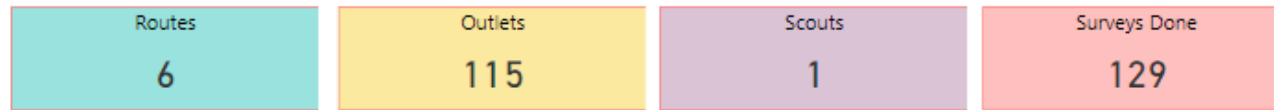
Graphical Views of all Reports –
Detailed with drill down capability

Mapping Views of all Transactions –
Detailed with drill down capability

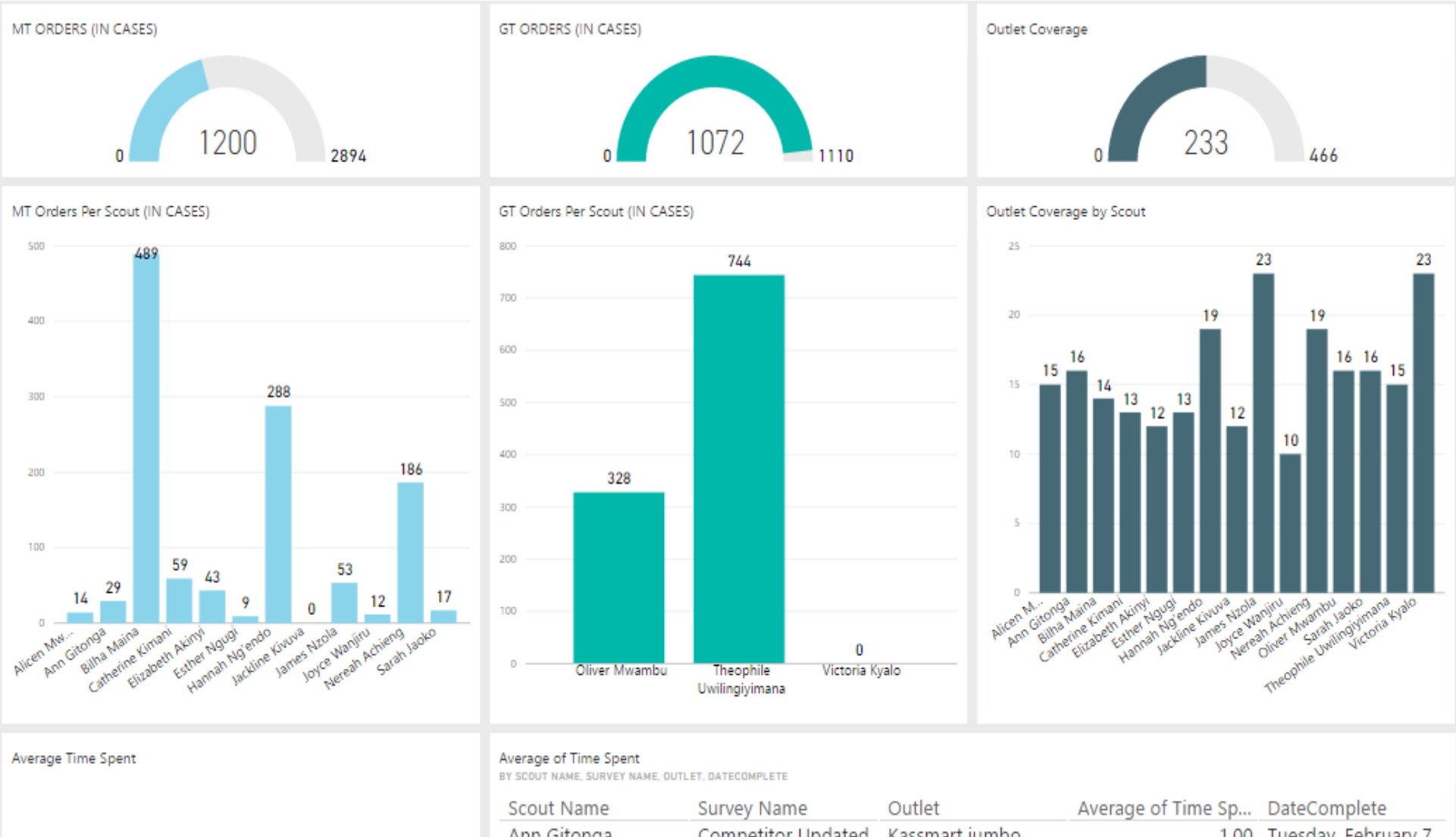
Director Level views of
Customized Reports &
Dashboards



Director Level Single View Dashboard – Productivity Analysis



Director Level Single View Dashboard – Performance against target



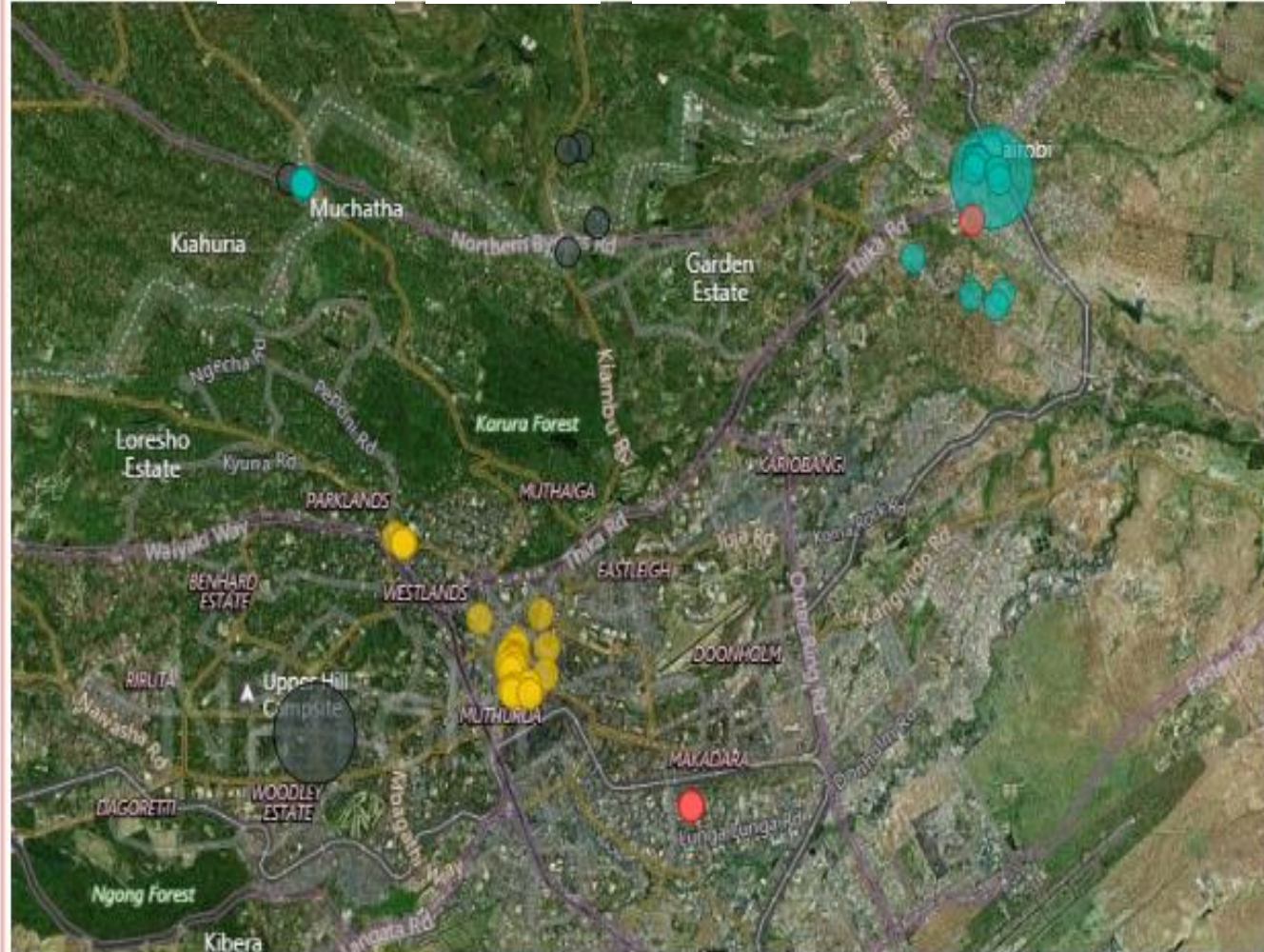
- Represents performance of orders vs outlet coverage against preset target
- Time in/Out/Spent against target

THE ANALYTICS – *Maps Analysis*

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

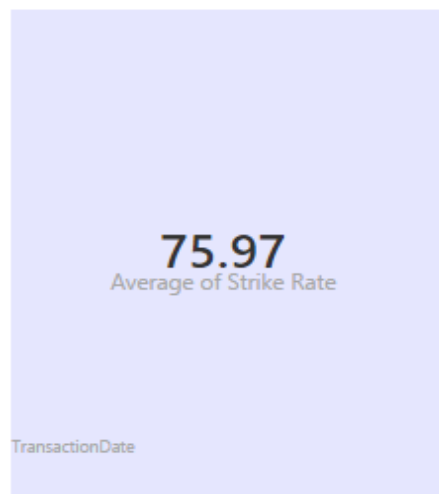
Scout Name ● Scout 1 ● Scout 2 ● Scout 3 ● Scout 4



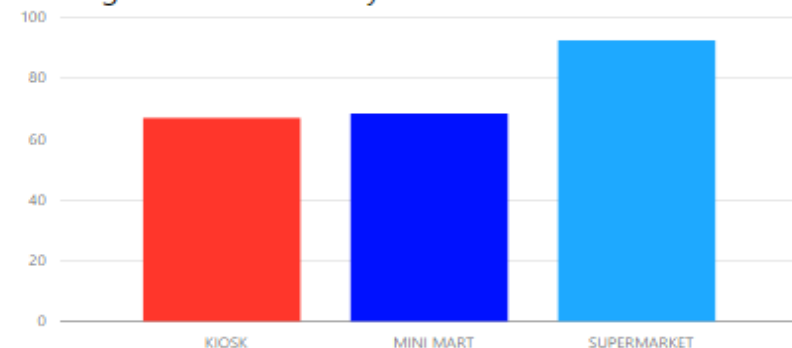
- A maps analysis of the outlet coverage .
- GPS coordinates capture location of each outlet.
- From the report, Scout 1 covered more outlets than the other 3 salespersons.
- The relation between outlets and scout revisits is shown by the size of the location pointer, where bigger size represents multiple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

THE ANALYTICS – *Strike Rate Analysis*

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



- Outlet Tier
- ☐ KIOSK
 - ☐ MINI MART
 - ☐ SUPERMARKET

Looks into how well your field force is covering the market against planned activities.

- REGION
- ☐ ELDORET
 - ☐ KERICHO
 - ☐ KIAMBU
 - ☐ KISII
 - ☐ KISUMU
 - ☐ KITALE
 - ☐ KITENGELA
 - ☐ MERU

We can help you look at the effectiveness of your field operations against planned activities so as to alter route management or the organization of the field force to help you with outlet coverage in real time.



PROPOSED ROLL OUT

1. Market Mapping

a. Dealer Mapping

- Outlets Location
- Route
- GPS Coordinates
- Owner Details (Name and Phone Number)
- Clerk Details
- Estimated Number of Retailers

b. Dealer Automation

- Order Placement / Generation

2. Channel Automation

- a. Retail POS
- b. Retail mVisa Activation
- c. Retail Digital Accounts
- d. Distributor Sales Reps
- e. Distributor Merchandizers
- f. Distributor Warehouse
- g. Manufacturer Orders
- h. Manufacturer Rebates

3. Retail & Consumer Activation

- Activate Mobile Payments with Incentives
- To use the following criteria to award points & Rebates to Consumers, Retailer & Distributor Sales Reps upon successful purchase of FMCG products
 - Transaction Value
 - Transaction Volume
 - Transaction Frequency

PROPOSED ROLL OUT

Technology Partner		Enterprise Client	
Cloud Platform	<ul style="list-style-type: none"> Enterprise Authentication & Authorization Telemetry & Resource Management Secure backup and redundancy of all field collated data 100% uptime on the Microsoft Azure Cloud ensuring your business keeps moving 	Customer Ownership	<ul style="list-style-type: none"> Owns the direct Customer Contract Earns the revenue from the client Remits % facility commission fees to Technology Partner
Applications	<ul style="list-style-type: none"> Integrated Customer Applications Mobile Transactions Integration to Payment Instruments 	Customer Relationship	<ul style="list-style-type: none"> Drives the Customer Relationship Level 1 Customer Service Activities
Data Management	<ul style="list-style-type: none"> Transactional and Reporting Database Management View of all transactions taking place in the ecosystem A view of sales, orders, inventory and payments of each of the partners in the trading ecosystem 	Route to Market	<ul style="list-style-type: none"> Drives the customer acquisition activities Adds the technology platform as a key component of the Loan Facility process
Professional Services	<ul style="list-style-type: none"> Needs Analysis/Site Survey Project Management Training Installation & Deployment 	Market Knowledge	<ul style="list-style-type: none"> Facilitate partnerships to develop enabling eco-systems, customised strategic advice and delivering actionable, operational assistance in financial inclusion
Managed Services	<ul style="list-style-type: none"> Client Service Management Maintenance activities Incidence management Technical services (as defined in agreement) 	Expertise	<ul style="list-style-type: none"> Practical, market-led solutions focused on enhancing access to financial services Management Industry talent ,experience and know-how in Agribusiness and Distribution Financial Services
		Financing	<ul style="list-style-type: none"> Trade Financing Services e.g. Invoice Discounting, Structured Trade Finances, Collateral Based Lending, etc.

Picture of Success

Visibility in Ecosystem



Youth



Retailers



Service Providers



Digital Entrepreneurs



Agro Market Buyers & Sellers



Researchers

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



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



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