

Celcom Axiata, Malaysia

Sales & Distribution Performance Improvements

Celcom Axiata was established in 1995 and is one of the major cellular providers in Malaysia with a majority ownership by Axiata Group Berhad (66.7%).

The Axiata Group includes Robi (Bangladesh), HELLO (Cambodia), Idea (India), XL (Indonesia), M1 (Singapore), Samart (Thailand) and Dialog (Sri Lanka), as part of its holdings in Asia.

Celcom was awarded "Best Telco company" by Telco Asia in 2010 by Telco Asia and "Service Provider of the year" by Frost and Sullivan from 2009 to 2011.

"I am happy to state that after almost 5 months working with Renoir to implement sales routing and distribution management models, it has helped us be more focused and disciplined in carrying out our daily sales calls.

The dashboard reporting is excellent in providing the relevant information for us to manage our territory better, and we will no doubt be persistent in using these to improve our effectiveness in the market."

Richard Leong
Managing Director

Key Results

Floating stock in trade reduced from 12 weeks to 6 weeks in Central

Sales force productivity in all distributors nationwide increased 100%

Outlet coverage and sales force hit rate at outlets increased

ANALYSIS

Celcom engaged Renoir end of 2010 to look at distribution efficiencies of prepaid SIM Packs. A Project was agreed for Renoir to conduct a gap analysis and improvement program for Celcom's Sales Operation Department and also with the appointed distributors who were Celcom's bridging agent to outlets. The project took place over a 35 week period, with the first 20 weeks piloted in Central region and the final 15 weeks rolled out to other regions.

The project's main focus in HQ were to:

- Review and revise SIM Pack allocation that is dependent on rate of activation per outlet to drive down floating stock in trade.
- Ensure a wider and balanced SIM Pack stock spread to outlets because problems were not fixed the first time.

With the distributors, the project focused on:

- Develop and install comprehensive journey plan for individual sales person while ensuring 100% outlet coverage.
- Define, develop and install standard Distributor Management Control System across all regions.

PROJECT APPROACH

The Project kicked off with Renoir's Focus Process and Implementation™, developed over many years and based on experiences with hundreds of successful assignments. It ensured that consistent and sustainable outcomes were achieved. The process took Celcom staff through a learning experience that promoted commitment to and ownership of, the solutions being implemented, whilst retaining the necessary discipline.

In order to get maximum impact and buy in, a "Management Action Team" was set up and headed by VP Sales Operations and each respective Regional VPs to directly engage the Distributors in implementing the process improvement.

PROJECT RESULTS

In HQ, the team was facing a constant shortage phone numbers to produce SIM Packs, and distributor's whole selling mentality of dumping stocks to selected few key outlets in the areas were causing imbalance of

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stock spread in the market. Renoir designed and developed an allocation methodology to outlets that was determined by individual outlet's rate of activation and floating stock at hand.

This ensured that the lifecycle of each number was maximised in the most efficient manner. The project team also introduced new KPI's to distributors: Purchase to Sales Ratio. This measurement ensured that the outlets were being asked to purchase according to their rate of selling to end users, and distributors were targeted to have at least 60% of their outlet fall within the 0.7-1.3 range.

Through this exercise the total float in trade was halved within 3 months of implementation in Central region, with one distributor's number of purchasing outlets increasing from 43% to 76%.

The team also worked with the distributor sales force in training them on route planning, capacity analysis and sales script at the outlets. The team designed and developed customised dashboards that allowed the distributors to track progress, sales per individual outlets and hit rates for each visit. The sales force were trained in carrying buffer stocks to up-sell to outlets and initiate sales at new outlets. The outcome of this exercise was an average 50% increase in number of visits across all distributors nationwide, which contributed between 1%-8% average increase of monthly sales volume at each distributors.

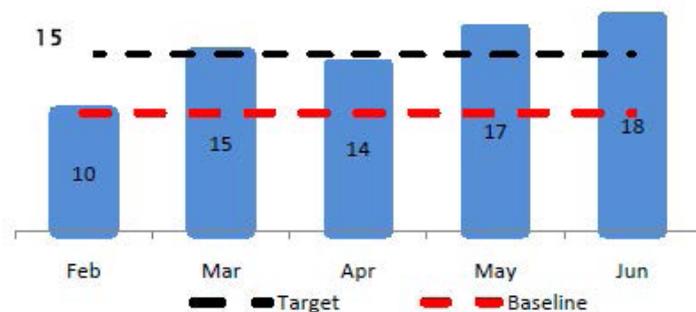
A comprehensive performance matrix and standardisation criteria required from the distributors was also designed and developed by the team to be included in future contractual obligations and KPI measurement.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

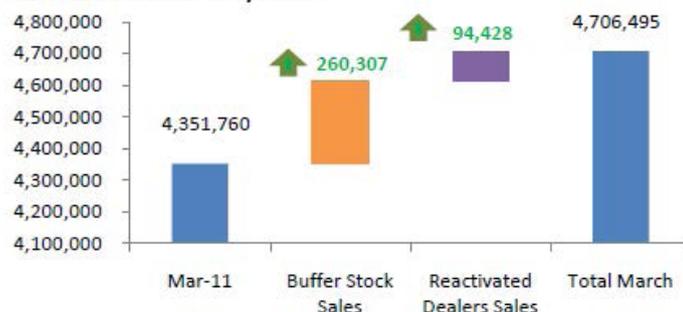
Visit Renoir at www.renoirgroup.com for more information and a complete list of regional contacts or send us an e-mail at: renoir.office@renoirgroup.com

Distributor A: Average Visits per SE



Graph A: 80% increase in sales force daily visits

Distributor A: Monthly Sales



Graph B: 8% Sales Contribution to monthly revenue

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