

Dialog Axiata, Sri Lanka

Sales & Distribution Performance Improvements

Dialog Axiata Plc is Sri Lanka's largest telecommunications service provider, which operates Dialog Mobile, the country's largest mobile phone network with over 6 million subscribers.

Dialog is a subsidiary of Axiata Group Berhad and Dialog was Listed on the Colombo Stock Exchange in 2005 and was the country's first USD 1 Billion market capitalised company on the Colombo Stock Exchange in terms of market capitalization.

Dialog launched its services in 1995 as the 4th entrant to Sri Lanka's Cellular Market and was the first digital network in South Asia.

"It has been a very positive experience to have Renoir's objective viewpoints shared with us over the last months. If you are looking for operational step-change improvements within a relatively short period of time, aligned closely to your overall objectives and culture, I would not hesitate to recommend Renoir"

Dr. Hans Wijayasuriya
Group Chief Executive Officer

Key Results

Corporate and SME actual sales visits up by 100% and SME new revenues went up by 40%

External Distribution Like-for-like sales up more than 10% at Distributors

Product sales up 250% at the Business Partners

Door-to-Door overall conversion rate reached 10%+ as a more focused approach to Territory management was taken

ANALYSIS

Sri Lanka's telecommunications industry has seen considerable expansion in recent years, leading to significant challenges for the major players in the market to heighten their efficiencies to combat competition.

Dialog engaged Renoir from the middle of 2010 to conduct an initial assessment of the performance levels of their various Sales channels, and thereafter, over the subsequent nine months, to develop, enhance and implement improved processes, practices, and control methodologies to raise productivity and revenue levels.

The project's areas of scope of the programme were the following:

- Corporate and SME direct sales
- Sales through Partner organizations and external distribution outlets
- Exploration of a new direct selling approach door-to-door spend.
- Define, develop and install standard Regional Marketing Materials 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 not only Dialog Axiata's staff but also its Distributors and Business Partners 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 "Management Action Teams" were set up in Dialog Axiata and at their Distributors and Business Partners to directly engage the Sales team in implementing the process improvement.

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PROJECT RESULTS

Corporate and SME

The objective of this project area of work was to develop & implement the Corporate and SME Sales Management Control System to improve the productivity of the sales force.

The issues identified within these direct sales areas from the initial assessment phase focused around some fundamental planning and short-interval control issues, with occasional disconnected and disjointed processes hampering efforts to organize and monitor the various sales teams. In places there was uncertainty regarding account allocation, and the tendency existed for individuals to follow visit-routes that covered large distances, resulting in time being spent travelling rather than in front of the customer.

The fix, therefore, concentrated on the parallel strands of process and automation improvement, and the imposition of tighter control disciplines and expectation-setting.

Existing processes were mapped, critiqued, and jointly corrected. At the same time, accounts were allocated in the SME area within geographical territories, and visit targets were introduced, with a requirement to contact customers and make specific appointments in advance. Actual performance was managed through the forum of weekly team Review Meetings, with off-schedule performance questioned and addressed.

This successful approach resulted in a productivity improvement from a base of 4 visits per SME Sales representative per day to 9 visits per day. Another achievement was the improvement of Sales representatives staying in their allocated territories from a starting performance of 41% outside of territory to 9% by the end of the project.

External Distribution

Non-optimal performance was discovered in the planning and capacity-loading of the Partners' sales reps, and in the short-interval drive towards the achievement of sales targets. Also training requirements were identified, particularly regarding knowledge of some of the products being sold.

Based on those initial findings, the objective was to develop & implement a Sales Management Control System to effectively manage Distributors' performances and to roll out that MCS to the 32 agreed distributors and 12 business partners nationwide to improve revenue on charge cards and starter packs.

Having established the amended practices and control mechanisms to be introduced, the "To Be" situation was trialrun in a 4-week Pilot with one selected Distributor. This enabled the route re-planning and workload balancing exercises to be tested, fine-tuned and proven within a controlled environment. Having secured buy-in from all parties as a result of a successful implementation, a challenging programme of roll-out was then planned and actioned.

This involved the subsequent preparation, implementation and follow-up of more than one hundred different geographical locations across the entire country within the latter 6 months of the Project.

A group of auditing personnel was trained in the elements of the newly-implemented processes and systems, and a detailed plan was

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constructed over several months into the future to monitor ongoing compliance, understanding and usage to ensure sustainability.

The actual results from this project for the Distributors were an increase in accumulated revenue of 10.6% with total actual sales revenue of USD 27 million against a base of USD 25 million and therefore an estimated annualised benefits of US\$ 8 million. The results for the Business Partners was an increase of 167% on all product sales between Jan'11 and June'11 against base.

Door-to-Door

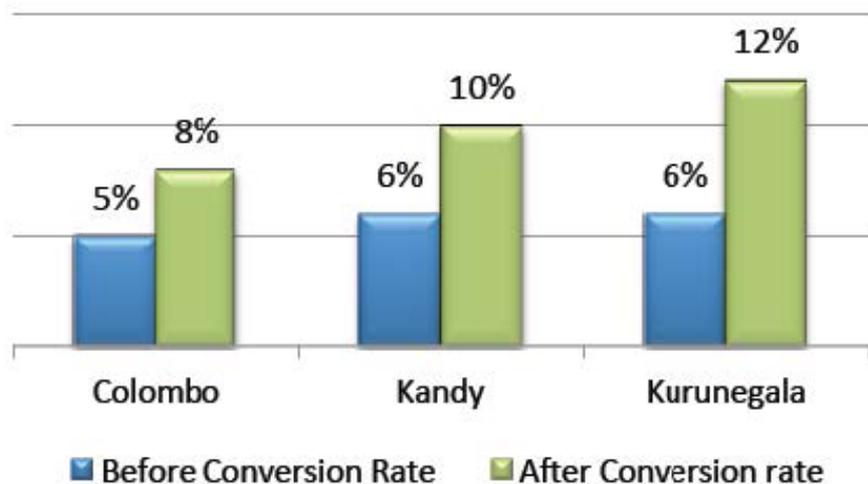
The objective of this area of work was to design and develop a Door-to-Door sales Management Control System (MCS) with an initial pilot trial run to test the structure and solution before proceeding with a nationwide rollout of the entire Door-to-Door structure.

A new sales channel was set up from scratch to exploit the domestic (non-commercial) market. The key areas of concentration can be summarised as follows:

- **Personnel:** structure / span of control / resource sourcing / job descriptions / training
- **Plan:** demographic of area, population / detailed route-mapping / visit targets / working patterns, rostering
- **Processes:** stock / cash collection and reconciliation / credit rating / doorstep activation
- **Presence:** transport / stock movement
- **Practice:** observe competition / avoiding duplication / script / hotline, follow-up
- **Productivity:** control systems / sales targets / network coverage
- **Promotions:** marketing materials / product offers / branded vehicles / uniforms

The actual results of this exercise were first the successful creation of a brand new department of 75+ staff fully functional with the proper designed MCS in a 4 month period.

The second main result was a Hub-based town approach seeing over 75,000 houses visited, and a conversion rate of 9% (last 4 weeks 11%) coupled with the setup of a new telemarketing function created to increase the pipeline sales.



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.

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