

Bentoel Group - British American Tobacco

The right approach gets more, more quickly

Bentoel was bought by British American Tobacco in 2009/2010. The Indonesian market is significantly different from other cigarette markets and is undergoing radical changes. The market is predominantly a Kretek market (tobacco blended with cloves, etc), dominated by 5 major players; at present Bentoel is the fourth place player. The Indonesian trade environment is very fragmented with nearly two million outlets spread across the 6,000 inhabited islands. With the size and geographic spread of the outlets, on average, a point of sale (POS) will sell 2,500 sticks per week for the industry. In terms of industry split, 85% of the total volume goes through some 20,000 wholesalers, 5% through national accounts, 5% through direct methods and 5% through agents. The market is built on a passive basis, with fast moving brands taking advantage of natural

PROJECT GARUDA

Renoir was engaged by Bentoel to provide Project Management and Change Management support during the nationwide rollout of their new Route to Market (RTM) model under Project Garuda. The challenge was to define the optimal approach and key activities related to the human and cultural factors that are critical to implementation success, so that people, across the entire group, were supported through the change process and the planned benefits realised.

PROJECT APPROACH

A pilot test was first conducted in one of the biggest Area Sales Management Offices (ASMO) to test the assumptions of a new Route to Market (RTM) model, gauge the effectiveness of the model in the market and to gather learnings to enable the Project Team to plan for a National Rollout. The core objectives of the RTM model were to:

- Increase the distribution coverage
- Drive volume growth
- Provide a better place to work for employees
- Ready the organisation to be competitive in a changed marketing environment

The Renoir team worked in a partnership with the core Bentoel, Project Garuda team, to help ensure the areas of Project Management and Change Management provided a platform to enable Operational Excellence to be achieved. In these areas, Renoir provided both thought leadership and quality assurance during the planning, execution and lessons learnt review stages.

From a Project Management perspective, Renoir worked to:

- Ensure pragmatic, workable and tailored solutions to challenges faced during the pilot
- Connect, broker and act as an interface between the different project workstreams, the project and the business,
- And key stakeholders of the end solution, from the Marketing Director to Sales Reps
- Identify risks and constraints, provide hands on operational support and add pace to the rate of change

World Leaders in Sustainable Change

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Renoir has delivered operational excellence in the execution of all activities, and demonstrated flexibility in working style as well as the ability to work to tight and changing time lines. Overall the quality of the Renoir resources was very high and they effectively integrated themselves with both the new project team and ASMO populations - quickly becoming trusted and sought after resources."

Jason Murphy President Director Bentoel Group

Key Results

20+% Sales Volume Improvement

20+% increase in Sales Effectiveness

Increased Speed to Market and Coverage, resulting in sales to an additional 10,000+ outlets in a 2 week cycle vs. previous 4 week cycle

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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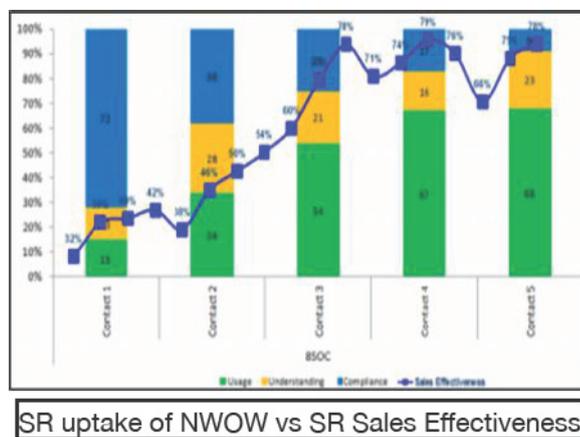
From a Change Management perspective, Renoir worked to:

- Complement BAT's existing global Change Management framework by partnering it with Renoir's behavioural
- Auditing approach
- Engender ownership and commitment
- To the New Way Of Working (NWOW) at the ASMO
- Ensure the project concentrated on building people capability to ensure sustainability and cultural change across the entire group.

RESULTS

The Project not only achieved the goals set out in the Pilot, but also delivered significant improvements in Trade Marketing and Sales performance. Sales volume and sales effectiveness improved by over 20% over the course of implementation. Significant investment in resources and effort was made on Change Management and Coaching. The extensive "hands on" mentoring of the Sales Force was critical to the uptake of the working processes and effective application of the 8 Steps of Call selling process. This was done by adopting a Task Force approach and measuring progress through the change curve using Renoir's behavioural auditing methodology. By increasing the time spent coaching the Sales Reps in the market (a "contact"), individuals were able to understand and use the NWOW faster, which in turn drove improved Sales Effectiveness. The new RTM model demonstrated that it was capable of improving speed to market, increasing market coverage and providing a platform to enable sustainable volume growth. With the expansion of the Sales Force, combined with improvements to Sales Effectiveness and ASMO Operations, the Group is now selling to

more outlets in half the time. In addition to Sales and Operations improvements, renovations of the ASMO facilities were also completed to provide a better working environment for employees. Renoir's unique combination of local and global insight, skill set, and experience in working with diverse



cultures to implement change, was instrumental in enabling The success of the Project Garuda throughout Indonesia.

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