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CASE STUDY: LA BELLA EASO, SPAIN

Abstract

La Bella Easo is one of the leading companies in Spain's industrial baking market. Its catalogue includes an extensive range of bakery products. It has a production plant in Saragossa and its commercial offices are in Barcelona. Since 2005, it has also been distributing the Italian Barilla products on the Spanish market. This case study describes the introduction of a system to support point-of-sales control and management.

Case study fact sheet

■ Full name of the company:	Productos Alimenticios La Bella Easo, S.A.
■ Location (HQ / main branches):	Saragossa (head offices and production plant) and Barcelona (commercial offices)
■ Main business activity:	Food production
■ Year of foundation:	1968
■ Number of employees:	350
■ Turnover in last financial year:	56.31 million euros (2004)
■ Primary customers:	General consumers
■ Most significant geographic market:	Spain
■ Main e-business applications studied:	Management system for point-of-sales information
■ Key words	Sales force automation

Background and objectives

In the years leading up to the project launch, La Bella Easo had recorded sharp increases in its business turnover. This major growth created new needs, amongst which was the restructuring and reinforcing of the sales force. In order to respond to this scenario, the company commissioned a strategic study on how the performance of its sales department could be improved. The outcome was a project which is described in this case. The project's aim is to provide the organisation with a system that enables all point-of-sales related information to be managed and controlled, thereby supporting and reinforcing the new sales' methodology. This information is of vital importance to the company's business development.

Project description

The project consists of a point-of-sales information management system. The information management process involves three types of agents:

- The company's **central sales office**, located in Barcelona, which determines and monitors the company's commercial strategy.
- **Regional Sales Managers**, distributed throughout Spain, who are responsible for implementing the commercial policy designed by head office.
- **Promoters** who are charged with ensuring that the shelf conditions at each point-of-sales are consistent with the agreements reached with customers (price, line position, offers). They also negotiate the terms under which the product is displayed and sold at the end point-of-sales.

The proposed information management system catered for the following functional areas:

- Generation and **management of the master data** that are considered necessary by the company.
- **Information gathering** by the sales force. This is the project's main area of innovation as far as the Spanish market is concerned. The company chose to equip each promoter with a PDA¹ with the idea being to improve point-of-sales data acquisition. This is vital information for the company and prior to this it was collated on an "informal" basis, without exploiting all the possibilities this information provides.
- **Information analysis.** Once the problem of having good, systemised information has been resolved, the company has proceeded to analyse it. On the basis of this information, the company has adapted production, distribution and logistics processes to the new data available.

From a technological standpoint, the project is noteworthy for its simplicity. It has the following infrastructure:

PDAs for company promoters. Each one of the promoters operating throughout Spain is given a PDA with GPRS² relay facilities. The PDAs have a series of variables that are considered important to the company and whose information underpins the company's business planning, both in terms of commercial activity and as regards production, logistics and distribution. The promoters use GPRS to link up with the company's intranet and relay the data collated, as well as to access the reports generated by the company.

This was the first project of its kind to be undertaken in Spain.

Reinforcement of the company's technology infrastructure. The system is based on an Oracle database, which stores and manages the information received from the company head office, the commercial offices and the PDAs. In addition, an application server called GPV and a multidimensional database called Board were used for reporting

¹ Personal Digital Assistants, i.e. a hand-held portable device, often connected to the mobile phone network, allowing a wide range of applications.

² General Packet Radio Service (GPRS) is a mobile data service available to users of GSM mobile phones.

(generation of reports) and for data mining. The company Vincle was responsible for the design and implementation. The company's ERP system was subsequently upgraded, migrating to SAP® Enterprise, which used several interfaces to link up with the application described in this document.

Personnel involved

The main stakeholders involved in the project were the company's sales centre in Barcelona, its regional sales managers in Spain, and the technology department.

Project phases

The project was implemented in three stages:

Stage 1: Analysis and definition of the project's scope and functional procedures

In cooperation with the IT department, the commercial management defined the variables and criteria deemed necessary for decision-making and for fine-tuning of commercial processes, bearing in mind their major impact on production, logistics and distribution processes.

An analysis was subsequently performed to decide upon the most suitable information management solution. Various solutions from different manufacturers were assessed and Vincle was the one ultimately selected. Following the choice of the basic platform to be used, three weeks were devoted to the analysis and design of the specific functional procedures to be applied, in keeping with the commercial management model previously adopted.

This task was overseen by a cross-departmental team, including representatives of the IT department, a regional sales manager and a promoter.

Stage 2: Development, installation and adjustment, testing and validation

Three weeks were needed for the installation, development and adjustment of the basic application supplied by Vincle. Following an intensive fortnight of field testing, a further two weeks were dedicated to the pilot start-up of the application in a specific region.

Stage 3: Launch

Finally, the application was extended to the entire sales force, which involved two key activities:

- **User training.** A training course was arranged on how to use the PDA, its functions and the importance of gathering the information, as well as on the project's aims. This training lasted for two days and was undertaken by regional areas.
- **On-the-job training.** The promoters were accompanied by ICT experts on their first visits to the point-of-sales, in order to ensure that they were indeed capable of correctly inputting the data into the PDAs. Furthermore, the aim was to show that the system was so simple that all the information considered necessary could be entered in a very short time. The end result was that the process of entering data took an average of 7 minutes, of the 45 minutes that a typical visit lasts.

The project's definitive launch took place in September 2002. One of the project's more surprising features was the speed with which it was launched. Its implementation thus took place between June and September 2002.

Cost of the process

No specific information was made available about the cost of the project. The main cost items the following:

- Acquisition cost of the PDAs
- Investment in the solution and design provided by Vincle and in the adjustment of the database servers for hosting the solution provided by Vincle.
- Investment in reinforcing the company's technology infrastructure.

System upgrade and enhancement

The project is reviewed each year in order to assess its results, anticipate any potential problems and propose improvements. The review involves both head office and the regional sales managers and promoters. As a result, new functional procedures have been added to the information that is collated and relayed from the PDAs. The straightforward operation of the PDA itself means that it could potentially be extended to include new fields, whereby the company may dispose of better information on aspects that were hitherto less suitably covered.

The project also had positive effects on relationships with distributors. A website was implemented with information specifically for distributors, based on data collected during the project.

Furthermore, in January 2005 the company began to distribute the Italian Barilla brand products in Spain. In 2005, this point-of-sales management system was extended to also cover these products.

The company's aim for the coming years is to export the databases to a more powerful system. In other words, the objective is to reinforce the area of analysis of the data received though this point-of-sales management system. The information gathered is considered to be extremely valid, but now the corresponding analysis needs to be improved.

Impact

The main impact can be seen in a substantial enhancement of the point-of-sales (PoS) management, which is vitally important for the company. The project demonstrated that the availability of timely information on the various PoS can be greatly improved, which facilitates strategic and operational planning and decision making with regard to distribution and product management.

In addition, the project has had other positive impacts on:

- Professionalism of promoters' work
- Improved production planning
- Improved logistics planning
- Greater satisfaction amongst distributors and customers

Lessons learned

The project demonstrated that the selected system empowers its users (e.g. in decision making) and is relatively easy to operate. To achieve this effect, however, it is very important that the selected technology matches the work processes which it is meant to support, and not the other way round.

In this context, the following factors were critical for the success of the project:

- **Involvement of all relevant stakeholders:** Head Office, Regional Sales Managers and Promoters (the PDA users). They all contributed their view and experience and made important suggestions for further improvement during the project.
- **Ease of use:** the proposed tool must be easy to use in day-to-day operations.
- **Change Management:** users have to accept and feel comfortable with the new tool and not perceive it as a control mechanism.
- **Evaluation and adaptability:** the project outcome is undergoing an annual review, in order to assess results and the user opinions.

References

Research for this case study was conducted by DBK, S.A. Calle Juan Bravo, 3. Edificio C. E-28034 Madrid (Spain) on behalf of the *e-Business W@tch*. Sources and references

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