

Distribution Management Analysis of

Arla Foods Bangladesh Limited





Inspiring Excellence

**Internship Report on
Distribution Management**

From

ARLA Foods Bangladesh Limited

Submitted to-

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Submitted by-

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Letter of Transmittal

April 30, 2018

Mr. Shamim Ehsanul Haque
Assistant Professor
BRAC Business School
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Subject: Submission of Internship report.

Dear Sir,

With due respect, I would like to state that, I would like to submit the report prepared on my Internship tenure which is on "Distribution Management Analysis on Arla Foods Bangladesh Limited".

With sincerity and Integrity, I have completed 4 months of my Internship tenure in Arla foods Bangladesh Limited in Route to Market function of Sales Department. During the period of my Internship, I have completed the tasks I was assigned from My Supervisor from the respective organization. Meanwhile, I have also tried to give full efforts to maintain the Instructions and Guideline given by you. Throughout the Internship Period, I tried to execute the Knowledge and learning I have achieved and observed from my 4 years of BBA program.

Thank You for the instructions & Co-operation I have received from you during my Internship Period.

You're sincerely
Shafayat Khan Shihab
ID- 15104008
BRAC Business School
BRAC University

Acknowledgement

Firstly, I would like to show gratefulness to Almighty Allah for the endowments upon me finishing this report. This Internship report is a result of the exertion of numerous individuals. For this, I am thankful to numerous individuals who helped me to sort out the report and their thoughtful recommendation and participation for this. I have gotten numerous guidance and assistance from various measure of individuals.

I am thankful & grateful to my academic supervisor Mr. Shamim Ehsanul Haque; Assistant Professor, BRAC Business School, BRAC University for giving me all the essential help for finishing this report. Much obliged to you sir for all the help and guidelines in recent Four months. I am additionally appreciative for your persistence that you have appeared all through the Internship period.

I would like to express gratitude toward Mr. Hossain MD Ruhin Sabbir, Route to Market Manager, Arla Foods Bangladesh for enlisting me with such a significant assignment and enabling me to work like a standard representative with opportunity. Much thanks for the guidelines and care which empowered me to sharpen my aptitude at the top dimension. I would like to demonstrate my appreciation to you for all the learnings. Besides, I want to express gratitude toward Mr. Md Mahbubur Rahman, Senior Executive of Project, RTM for assisting me with numerous advices and learnings. Ultimately, I want to thank everyone in ARLA part for making my journey with ARLA rememberable one. A debt of gratitude is for being such a great amount of liberal to me and the learnings.

Letter of Endorsements

The internship report designates “Distribution Management Analysis of Arla Foods Bangladesh Limited” has been submitted to BRAC Business School. The purpose of this study is finishing the study level of Bachelor of Business Administration, by Shafayat Khan Shihab, Major in Marketing & Minor in Human Resource Management. The report has been acknowledged and will be introduced to the internship defense committee for evaluation. I wish achievement and flourishing of his career and life.

Mr. Shamim Ehsanul Haque

Assistant Professor

BRAC Business School

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Executive Summary

Arla Foods, world's fourth largest producer of dairy products which stepped into 131st year in 2019 has been the top manufacturer of dairy goods in Scandinavia.

In addition, with a tagline of "close to nature" Arla's motto is to provide the best quality products to its consumers. 12700 farmers from the European countries like Denmark, Sweden are the actual owners of this organization.

Arla has been remarkably famous to people of Bangladesh for last five decades. Arla's Dano has been awarded with best Brand Award for consecutively 4 years. Though It has not been on the top of market share. However, it has always been on the top of its consumers mind because of the Quality.

The key objective of this study is to provide a depth analysis on the Distribution management of Arla Foods Bangladesh Limited. In addition, the study also mentions about the alignment of Route to Market Function, Field Force management, Sales Force automation with Distribution Management. From the report we find the factors behind the Coverage expansion, increase of sales and Developing the Sales force.

To start with, RTM plays a vital role in terms of managing the overall Distribution System by enabling different projects to improve and sustain the effectiveness of the system. However, there are 115 Distributors and 83 sub distributors of Arla operating in 9 regions. Seventy distributors adopted the Sales Force automation technology.

The whole report Includes parts like introduction, objective of study, methodology of study, Company overview, Insight of the study, recommendations and conclusion.

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Introduction

Arla Foods is one of the renowned Multinational Companies which is the producer of Dairy Products. Arla Foods is the largest manufacturer of Dairy products in Scandinavia. The Company is the 4th largest producer of dairy producer in the world. In 1880, the company was established by farmers from Denmark & Sweden as small cooperatives to produce dairy products. At present, the company has become one of the largest Dairy Products Producer in the world. The name Arla gets from a similar word as the English word "early" and is an age-old Swedish expression for "early (in the morning)".

Arla has accomplished a ton in this long adventure of 130 years which incorporates numerous honors and acknowledgment however it's yet far to proceed to turn into the Top dairy organization on the planet. The mission of Arla Foods is straightforward which is being a worldwide innovator in the dairy business by progressively forming the fate of dairy items and its utilization.

Consistently, Arla Foods is working on the nourishment of the products and convey the best quality to their consumers. Not only the organization is devoted to make the best quality item for its stakeholders but also utilizing innovation regularly yet additionally to maintain social obligations through conveying solid and characteristic nourishments to the consumers and stakeholders.

Arla's products have had a major effect in the psyches of Bangladeshi Consumers for more than 60 years with premium quality and taste. Individuals have received the brand very well due to the esteem that organization accommodating numerous years. The organization is becoming regularly as indicated by a very well-organized arrangement. In spite of the fact that we accept there are numerous activities for accomplishing the by and large objective of ARLA.

Origins of Arla Foods

In 1880's, dairy Farmers in Denmark and Sweden initiated small cooperatives to put resources into basic dairy production facilities. By doing this they utilized their milk and higher quality items. The income they produced using their milk were similarly part between the dairy farmers and together they constructed a decent future for themselves and the cutting edge on their homestead. Initially, the dairy was formed in the year 1881 in the Sweden and they named it Arla Mejeriförening. In 1882, the second dairy was formed. Dairy farmers in Stockholm and bordering districts made Sweden's biggest Cooperative dairy association on the April 26th,1915.

Moreover, Mejeriselskabet Danmark (MD) was set up by four dairy organizations and three individual dairies in 1970. In 1988, the company name got changed and the new name was MD Foods.

The converge among Arla and MD Foods in 2000 prompted the making of what we know today as ARLA Foods. In the long run it has become popular and started operation in different nations and made itself as one of the strongest brands on the planet. Presently Arla foods is operating in 30 nations. Being one of the biggest companies in the Dairy Sector, 19000 employees is working with Arla Foods. The family is getting bigger and better. Presently the organization is included 12700 Dairy Farmers who are the real Owners of the organization.

Story of Arla Foods Bangladesh Limited

Arla's Product was first introduced in early 60's in Bangladesh. In 1962, Dano Milk Powder was first Imported in Bangladesh. Bangladesh was then known as East Pakistan and Various Importers/Businessmen used to Import Dano Milk powder from MD foods then. Md foods perceived the market potential from at that point. Along these lines, they began their contact office to follow advertise movement of Bangladesh Market, in the long run prompting a letter of credit being approved from Bangladesh to Denmark. To fortify neighborhood nearness in Bangladesh, as a feature of Good Growth Strategy 2020, through expanded the executive control, Arla marked a joint endeavor with Mutual Foods in 2014. Mutual Foods has been

bundling the Dano® milk powder brand since the 1960s in Bangladesh. Arla has a 51% offer and gives the mass items, runs the repackaging manufacturing plant with around 130 representatives, and does the item advertising; Mutual Foods claim 49%, and runs a system to disseminate Arla's milk powder items in Bangladesh. Arla was compensated as the "Best Employer Brand 2017" in the nation. In addition, Mutual trading was given the full expert to import fueled Dano in 1995. In 1998, They began the manufacturing facility in Bangladesh to satisfy worldwide guideline. Moreover, presently it's under Danish administration and, controlled internationally. Furthermore, Arla is expanding the product offering quick to guarantee the present of each dairy item. Mr. Peter Hallberg is currently the managing director of Arla Foods Bangladesh Limited and Mr. Azim Uddin Ahmed is the chairman of Arla Foods Bangladesh Limited. Moreover, Arla Foods Bangladesh has 115 Distributors and 70+ Sub-Distributors in Bangladesh. More than 350 Employees Directly working for the organization and there are 600+ sales representatives working for the company.

Worldwide dairy goliath Arla Foods intends to additionally reinforce its impression in Bangladesh contacting revealed section of the populace while supporting them with moderate and better nourishment. With the target, the world's fourth-biggest dairy maker through its image, Dano, needs to put Tk 9.0 billion in the coming time in Bangladesh, where 51 percent day by day shortage in the utilization of milk was recorded by the World Health Organization (WHO). VP and head of Southeast Asia Arla Foods Ltd, Mark Boot shared the organization's future venture plan and prospects of dairy industry in the nation in a selective meeting with The Financial Express (FE) in September 2018. Overseeing chief of Arla Bangladesh Peter Hallberg was likewise present there at the meeting. Naming Bangladesh a key market for the Scandinavian organization, he said Arla has been working its business in this nation throughout the previous 57 years and built up an extraordinary appropriation connect with a solid group of individuals.

Company Overview

Arla foods which is also known as Amba or Puck in internationally which is one of the largest manufacturers of Dairy Products in the worldwide. Arla Foods was established in 1880 and has completed 131 years of journey. Currently it is estimated that the company has revenue of 12 Billion Dollar (Approx). The motto of Arla Foods is to deliver natural and solid dairy products for the customers.in 1880s when dairy farmer from Sweden and Denmark combined to create and give the best quality milk item on the planet. The income created by the organization goes legitimately to the proprietors. It guarantees the equivalent appropriation of the benefit from every liter of milk. It's the technique that made Arla so well-known between European rancher in an extremely brief period. Being a composer possessed organization, they are focused on brilliant item, exclusive expectation of creature welfare and sanitation. Arla foods is a global company situated in Denmark and the biggest maker of milk in Scan Davian. Arla's operations were significantly influenced by a multi month long blockade on Danish products in the Middle East in 2006. Anger among Muslims over ironical making cartoons of Hazrat Muhammed (PBUH) done in Denmark was the underlying reason. The Middle East is Arla's biggest market outside of Europe. On 3 February 2006, the organization said that deals in the Middle East evaporated totally, costing the organization US\$2 million each day.

On 17 April in 2000, Arla Foods was shaped as the consequence of merger between Swedish dairy Arla and Danish dairy organization MD foods. Arla kept its association with client all through the world in an exceptionally smooth manner. From 2014, Arla Foods Bangladesh begun working under Danish administration. Since then ARLA is contacting new achievement consistently. There are distinctive solid rivals in Bangladesh. Arla Foods Bangladesh has competitors likie Marks, Diploma, Fresh.

Mission

Arla's Mission is to verify the highest worth, service & value for their farmers' milk while making open doors for their development - As a helpful organization claimed by milk makers, Arla's undertaking is to guarantee that they can make however much incentive as could reasonably be expected from the milk makers' milk - and subsequently accomplish a Competitive milk price for both owners and different providers. For the owners, it is significant that they are certain that their milk can be sold - today, yet additionally later on. Without a safe future standpoint, they would not have the capacity to build up their very own homesteads.

Vision

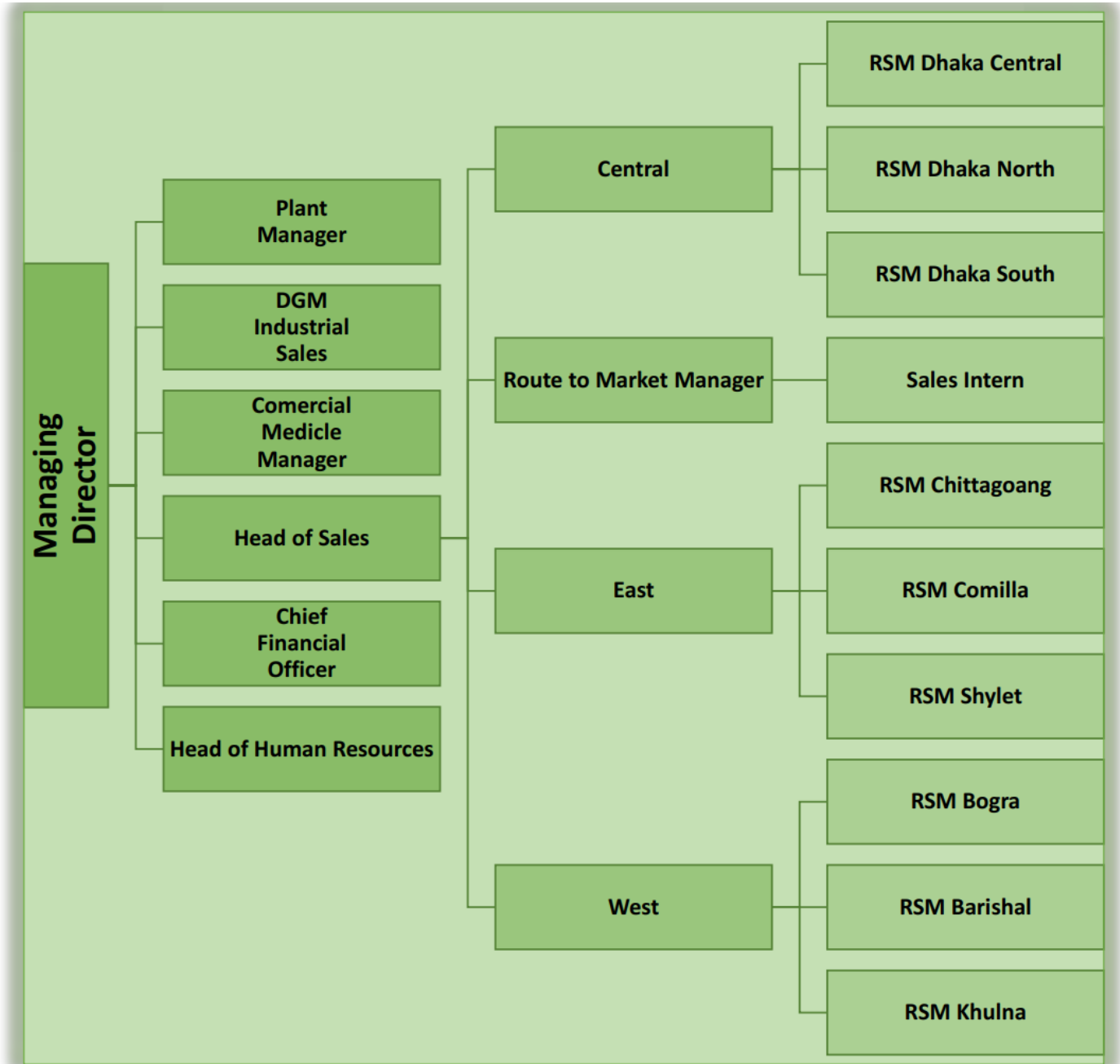
The vision is to be on the top of all the dairy organizations in the planet by making impressive esteem and proactive market authority to acquire the most astounding accessible milk cost. The goal is to amplify the cost which will get into Owner's hand. For satisfying the target, they resolved to make the additional esteem and exhibit the proactive market authority. The vision is to become the most attractive and Comfortable Dairy company for both the owners and the beloved consumers

Strategies

- 1. Ensuring high quality of the products**
- 2. Advancement and Renovation**
- 3. Great Bonding with Customers & Farm Owners**
- 4. Research, Exploration & Analysis**

Source: Arla Amba Website

Organization Structure of Arla Foods Bangladesh



Arla Dano Power - Full Cream Milk Powder

2.5 K.G Pouch	1.5 K.G Pouch	1 K.G pouch	1 K.G Regular Pack (BIB)	
500 gm Pouch	400gm Regular Pack(BIB)	200 gm Pouch	100 gm Sachet	20 gm Sachet

Arla Dano Daily Pushty

2 k.g Pouch	1 k.g pouch	500 gm Pouch	325 gm (BIB)
200 gm pouch	100 gm Sachet	50 gm Sachet	20 gm Sachet



ARLA UHT MILK



Arla® Low Fat UHT , 1.5% Fat



Arla® UHT Full Cream ,3.5% Fat



UHT Skimmed, 0.3% Fat



IFFO – Infant Formula Field Force



Deelac 1
400 gm (Tin)



Deelac 1
180gm (BIB)



Deelac 2
400 gm (Tin)



Dano Mom
360 gm (TIN)



Dano Captain – Chocolate Milk Powder



Dano Captain
500 gm (Pouch)



Dano Captain
150 gm (Pouch)



Dano Captain
30 gm
(Sachet)



Dano Captain
12 gm
(Sachet)



Dano Fit & Dano Sterilized Cream



Dano Fit 350 gm (BIB)



Dano Sterilized Cream
170 gm (TIN)

Dano Full Cream Milk Powder

FCMP – Dano Power gives your family the basic essentialness and sustenance they require with Dano full cream milk powder. This is the most sold and sustained result of the organization. Arla consider this to be their main product. However, it tends to be found as both customary and moment structure. This profoundly famous product has an indistinguishable organization of bovine's milk also the rich flavor. FCMP is likewise wealthy in nutrient Vitamin A and d3 which contain high level of Calcium which is required for development, advancement and upkeep of human's bone and teeth.

Dano Daily Pushti (DDP)

Dano every day Pushti is moderate nourishment which is affordable for the families. It contains Calcium, Protein and

fundamental nutrients and minerals which are basic for family wellbeing. It's progressively viable for tea and also milk-based item. One glass of sustenance cost 10 Taka.

Dano Fit

This milk powder is especially vital for the general population who needs to keep their body fit. Dano fit has all the fundamental material to keep up a solid life. It just contains 0.1% fat. Also, it has calcium, Vitamin A, Vitamin D.

Dano sterilized cream

Arla additionally sells cream which names Dano sterilized cream. It's a customary item with rich flavor. This cream can be utilized to make cakes, faluda, korma and a wide range of desserts what Bangladeshis love without question.

Dano MOM

Dano Mom is milk based supporting enhancement item which is loaded up with essential nutrient what's more, minerals. It's for the ladies who are planning to turn out to be pregnant or ladies who are pregnant and women who needs to breastfeed their children. It meets global cleanliness and dietary quality. A full glass of Dano Mom fulfills the need of 100 % nutrient D, Folic corrosive, Iron, Calcium, 70% zinc and other fundamental enhancements.

Dano Captain

This is the new connection in Arla Foods Bangladesh. A rich chocolate milk powder extraordinarily made for developing children. These is the first of its sort in Arla history. It's a blend of sugar and chocolate milk.

Objectives of the Study

Key Objective:

The main purpose of the study is to understand the insight and role of Distribution management of Arla Foods Bangladesh Limited.

Other Objectives:

In addition to that, another objective was to know the understanding of the alignment, connection among Route to Market, Distribution management, Market Operation, Field force management & sales force automation of Arla Foods Bangladesh Limited.

Methodology of the Study

The Study is based on Qualitative research. In addition, the report's data and information were collected through Direct observation, on hand experience, Direct communication with distributors, territory officers, sales representatives and other stakeholders.

Primary Sources of Data Collection:

- Field Force- Sales representatives, Cycle panniers, Delivery men of Distributors
- Distribution Houses of Arla foods Bangladesh Limited.
- Field attachment in the distribution houses located in Khilgaon, Basila & Jurain from Dhaka Central Region of Arla Foods Bangladesh Limited.
- Observation from My Internship Supervisor Mr. Hossain Md. Ruhin Sabbir, Route to market manager of Arla Foods Bangladesh Limited.
- Observation and feedbacks from Territory officers and Regional Leads (Area Sales managers, regional Sales manager)
- Feedbacks and Interviews with the owners of Retail stores/Outlet.
- Experience from 4 months Internship period in Arla Foods Bangladesh Limited in Route to Market (Sales).

Secondary Sources of Data Collection:

- Website of Arla Foods Bangladesh Limited
- Reports on Arla Foods Bangladesh Limited
- Literature review

Literature Review

Gordon (2015) mentions, regardless of how extraordinary your Product is, picking the correct retail distribution channel and the best retailer for it very well may be a key determinant of achievement when entering another market. While there are handfuls, even hundreds, of components to think about when entering another market, this post will concentrate on three key regions to consider once you have chosen a market to enter:

- Assess the Distribution system for your products
- Distinguish the most powerful & handful Distribution channels for your business
- Organize potential retail accomplices

Gordon (2015) also added that, regardless of the product you need to sell, understanding distinctive appropriation alternatives in your new market is a basic initial step. Think past which retail channels are the greatest or quickest developing – it's progressively critical to comprehend where customers are going to purchase your item. When you comprehend the top conveyance channels for your product, choose which channel will be the correct play for your business. Furthermore, Gordon (2015) refers, after you have chosen the correct distribution & retail channel for your business, settle on the correct retail accomplice or accomplices. **Gordon, Lydia. (25 Jan. 2018). "Three Steps for Creating a Successful Route to Market Analysis." Euromonitor International Blog, Euromonitor International, blog.euromonitor.com/three-stepsfor-creating-a-successful-route-to-market-analysis/.**

Gary L. Frazier refers, A company's capacity in a dyadic channel relationship is its potential for effect on the other company's convictions, dispositions, and practices. This potential is attached to the next company's reliance or need to keep up the channel relationship to accomplish wanted objectives. At the point when each firm has an abnormal state of reliance in a dyadic channel relationship, association is high in size and symmetric. In such cases, each firm appreciates a high dimension of intensity and the bonds between the organizations ought to be sensibly solid. Such connections are not wiped out or useless - a remarkable opposite. High joint power is liable to advance trust, responsibility, and social conduct considering the normal interests, consideration, and bolster found in such channel connections.

Frazier, G. L. (1999). Organizing and Managing Channels of Distribution. Journal of the Academy of Marketing Science, 27(2), 226–240.

Job Description

Being an Intern of Route to Market Department (sales) I was given many exciting tasks and faced challenges which have made my Internship period challenging and exciting.

Following tasks have been implemented:

1. **Compilation & Arranging:** Throughout my Internship tenure I was given the opportunity to communicate with the territory officers and the regional Heads from 9 Regions of Arla Foods Bangladesh Limited. From these regions, I needed to collect various sales reports like SR Pedia, Monthly Factsheet, National Sub distributor and Distributor information, ACL tracker, Arla SR ROI and many other reports.
2. **Assistance in creating different Modules:** I assigned to create and assist in making different Incentive modules for the Sales Representatives, Territory officers and the distributors. I also suggested some changes by providing necessary information from evaluating the contemporary situation.
3. **Projects:**
 - A) **Arla Champion League:** Organizing the Grand Finale of Arla Champion League was one of the Vital responsibilities I was provided due to my previous experience as The President of BRAC University Business Club (BIZ BEE) and for some relevant experiences. 9 Winner Sales representatives from 3 regions of DHAKA ZONE (Dhaka South, Dhaka Central, Dhaka North) were awarded and the 50 guests participated in the grand event held at Baton Rouge Restaurant in Gulshan-2.
 - B) **Sales Force Automation:** I am grateful to arla for giving me the opportunity to work in a very vital project which was Compass V2 (SFA of Arla Foods Bangladesh Limited). In this project I assisted RTM team in gathering master data from 54 distribution houses in Bangladesh. I was responsible to provide feedback on the master data collected from the DB houses which was a challenging task since we had to work and check on sensitive data. Besides, I was sent to field attachment to supervise the SFA operation in Jurain, Postogola and New Market areas of Dhaka Zone.
4. **Making Presentation Slides for the RTM & Sales Department:** I was assigned to create different presentation slides in PPT for the official meetings of Route to Market. Moreover, I also created certificates for Awarding the sales representatives.
5. **Creating Memo:** I was also assigned to create memo for different official purposes.
6. **Editing and Creating Guidelines & Reports:** I have also edited and created reports and guidelines. E.g – Monthly manual, Apl Guidelines, New Incentive guidelines and many more.



ARLA CHAMPIONS LEAGUE

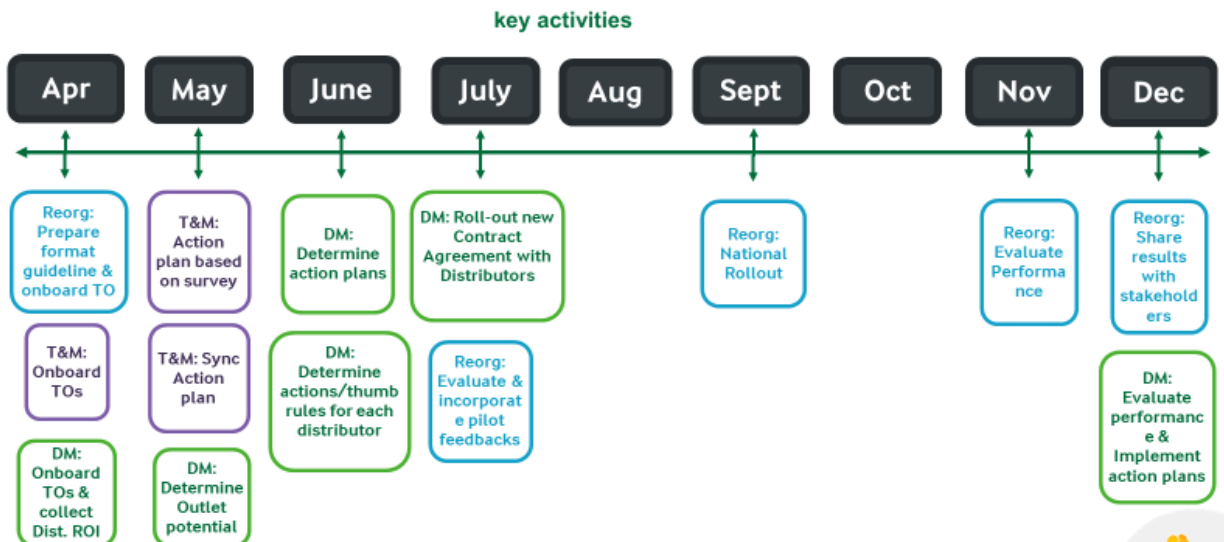


This is to certify that **Mohammad Gius Uddin** from **Islam Trading**
 Distribution point of **Chattogram** Region has secured **1st** position
 in ARLA Champions League.

CONGRATULATIONS!

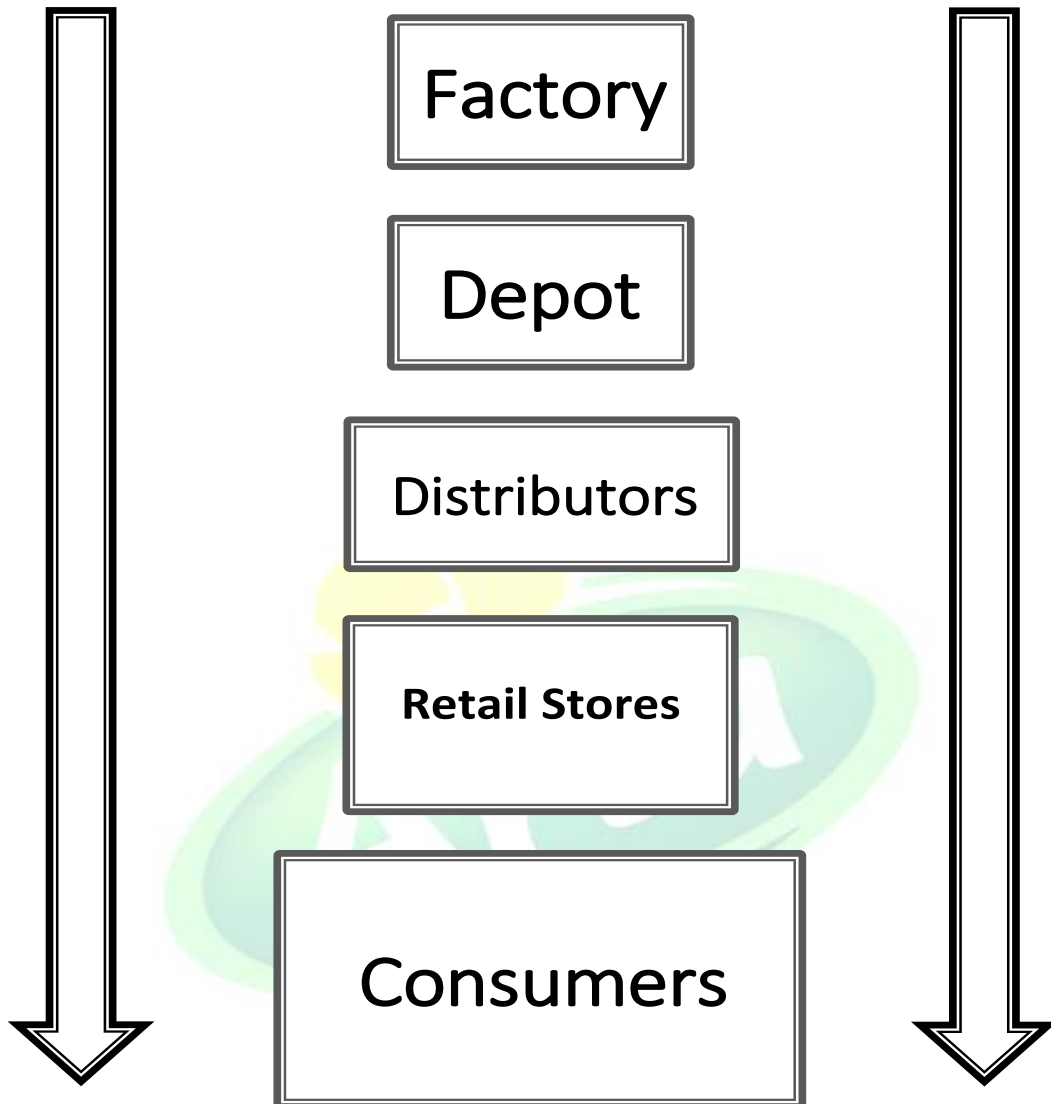
Maheer-e-Khoda
 Head of Sales
 ARLA Foods Bangladesh Limited

INTEGRATED' PROJECT TIMELINE OF TERRITORY OFFICERS - 2019



Distribution Management

Distribution of Arla Foods Bangladesh Limited



Arla Foods Bangladesh Limited works with 115 distributors and these distributors have 83 sub dealers or sub DB houses in all over the Bangladesh.

There are 9 regions in Bangladesh and they are -

- Bogra Region
- Cumilla Region
- Dhaka Central Region
- Dhaka South Region
- Dhaka North Region
- Chittagong Region
- Barishal Region
- Khulna Region
- Sylhet Region

In these 9 regions, 115 distributors are being supervised by 53 territory officers. However, these distributors are the key business partners of Arla Foods Bangladesh Limited. Distribution houses are also known as DB house in short. Each Distributor has a DB house manager, a DB operator, Sales representatives who takes order from the retail stores, DSR, Cycle panniers who sell products directly going to the retailer without taking pre-order like SRs. Each DB house has a SR supervisor who works under Territory officers and supervise the SRs, Dsr, CPs. Each DB house has a warehouse to store the products. Usually the owners of DB houses hire a DB House Manager who work with TO and manages every aspects and situation in the DB Houses.

Distribution Management is one of the cores and key function Arla foods Bangladesh limited since it falls under FMCG industry. Officially, Route to Market dept handles the DB management.

As mentioned in the previous picture, we can understand that The Distribution Houses collect or take the products from the depot and then distribute the products to sell among the retail stores in their respective territories through sales representatives and Cycle Panniers.

Role of Distributors:

- Ensure consistence of Distributors with their individual jobs and Responsibilities
- Manage and develop distributor in a functioning and productive way'
- Take part in delegating and retiring of Distributors.
- Ensure the best possible and right execution of offers, rebate and exchanging terms dictated by the organization

- Monitor and limit the dimension of bad products returns
- Develop solid business association with distributors, trade and key record in their territories.

Route to Market (RTM):

I have worked as an Intern of RTM for 4 months which has provided direct and on hand experience to learn the insight and depth about Distribution management.

Route to Market was built up to upgrade the business power computerization by utilizing distinctive modules & thoughts. It's a branch under Sales division and regulated by head of sales straightforwardly. To some extent, RTM isn't entrenched in Bangladesh however it's particularly adjusted around the world. In addition, Route to market fills the hole between deals power and choice taking expert. Also, it builds the profitability of the organization and guarantee quality dispersion framework.

Moreover, Arla Foods Bangladesh Limited generally don't offer the product straightforwardly to the consumers. For realizing RTM in depth, we must know the dissemination arrangement of Fast-moving customer products first. There are two ventures of selling item:

1. Primary Sales
2. Secondary Sales

To start with, Primary sales refers to the sales which occur between Company and the distributor. As we have discussed earlier, Company does not convey the products directly to Consumers. The DB houses Buy the product from the Company first. However, the price is different from the Market Retail price.

Secondly, Secondary sales refers to the situation when Distributors sell the product to Outlets in the market. Outlet refers to the Retail stores in the market.

The purpose and target of Route to Market is to Confirm quality conveyance of the products while lessening cost. Furthermore, as mentioned earlier, RTM is the function which operates DB management directly and supervise all the activities in Distribution management.

Providing training to field force

RTM orchestrates distinctive sorts of creative preparing program for the field power. RTM plan the preparation program in the wake of doing some essential statistical surveying. The yield of those preparation turned out in all respects effectively. RTM likewise make distinctive kinds of manual for field power with the goal that they can comprehend the directions all around effectively. Additionally, RTM likewise groom them all the time, so they can be progressively proactive at market. RTM additionally orchestrate a national TO meet in which

RTM supervisor imparts his knowledge to them and show fundamental strides to build the sell while decreasing the expense.

Field Force Management:

One of the major challenges in Distribution management is FFM (Field Force management). However, Field force management refers to the employees or people who are directly involved and responsible for ensuring the distribution of the products of Arla Foods Bangladesh Limited in the Territories and regionally.

A) Sales Representatives

Sales Representatives who are also known as the SR are the key force in the FMCG industry who basically convey the products to retail stores and takes order from the stores to sell the product. They are the main frontier of Secondary sales.

According to SR Pedia and factsheets, Arla has 600+ Sales representatives in 9 regions. They work hard and go to the outlets and convince the retailers to buy Dano products. Moreover, SRs usually take orders from the retail store by following GSSMIS which refers to steps of call.

G- Greetings, S- stock Check, S- Strategic sales, M- Merchandising, I- Competitor Information, S- Summary

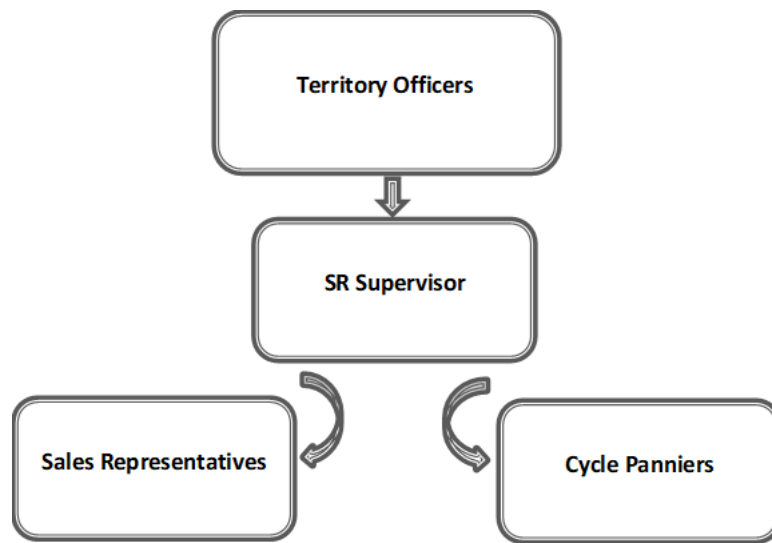
By following these steps, they take order from the retail stores and contribute to secondary sales of Arla Foods Bangladesh Limited. Their salary and incentives are determined based different KPIs.

B) Cycle Panniers (CP)

Cycle Paniers (CP) are basically similar to SRs. However, they don't just take order, they also sell the product instantly. Unlike SRs who take orders and delivery men deliver the products the day after taking order. In addition, Cycle panniers basically has their own Transportation (Cycles) and they go to remote places where SR cannot go and sell the products of DANO.

C) SR Supervisors

Every DB house has a SR supervisor who generally supervises the CPs and SRs. They also assist Territory Officers and DB house managers in different aspects & situations.



D) Territory Officers

Territory officers, also known as TO they are the Sales Leaders of Arla Foods Bangladesh Limited. TOs Facilitate all the field works, Distributions and Field force. They lead the SR Supervisors, SRs, CPs, DB operators and ensure the highest quality of distribution and increase the sales of Arla Foods Bangladesh Limited.

Roles of TO:

- Identify Territory business openings and potential.
- Develop domain technique to fuse premise territorial arrangement
- Set month to month, quarterly and yearly target for every Distributor
- Achievement and screen advancement of redistribution esteem and volume targets
- Ensure item accessibility at all significant channels through the wholesaler's business power according to organization rule.
- Achieve marketing and show of organization items as indicated by Arla Foods rules and models.

Development and Motivation for the Sales Force:

Working in sales is quite exciting and challenging but it also very much tiring and Sales force face much pressure while generating sales and revenue. Most of the time they spend time in market and frequently they work till 8/9 pm. Therefore, the FMCG organization offers incentives on sales for the sales force. Like many other organizations, Arla foods Bangladesh limited focuses on the motivation of the sales force and they put emphasis on developing the enthusiasm and dedication of employees who working in the sales department.

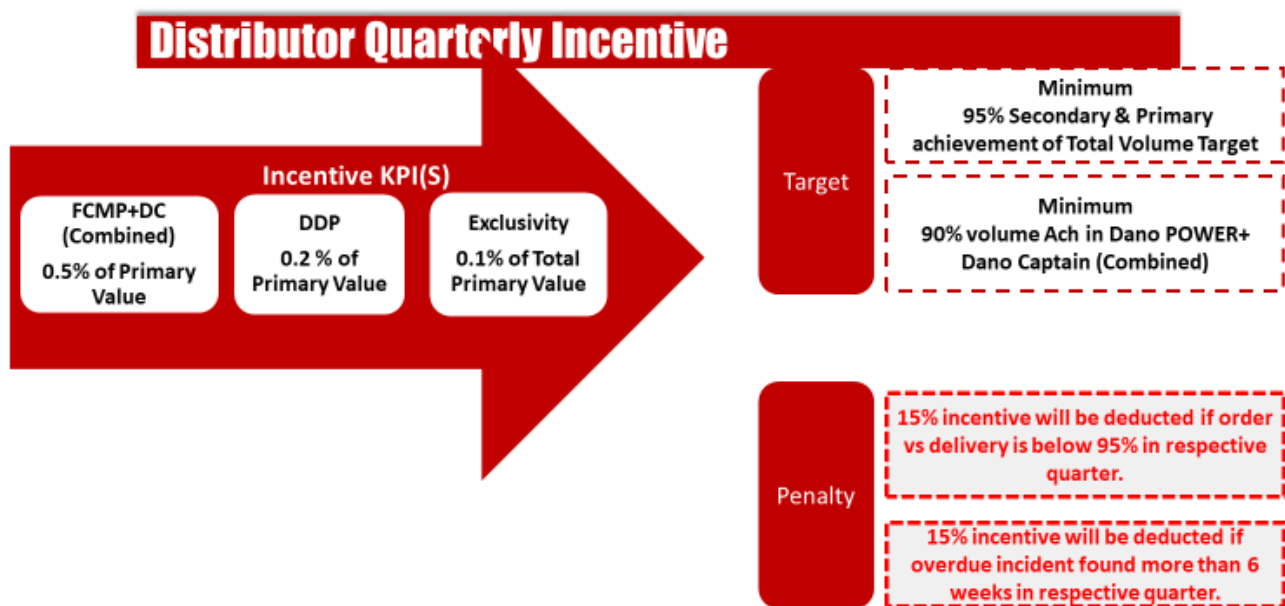
Territory officers, SRs, CPs, SR supervisors usually get incentives on fulfilling the target every month.

Besides, RTM organizes Arla Champion League which is basically occurs among the SRs from all over the Bangladesh where 3 best SR from every region get selected based on Incentive Modality and fulfilling target. They are awarded with Prizes and gifts and also the Incentives so that SRs get motivated and do better in future.

Moreover, even Distributors get incentives and gifts based on modality and fulfilling targets.

Key factors to provide Incentive:

- Dano Captain Target and Increasing the sales Dano Captain
- Dano Power+ Dano Daily Pushti sales target
- Expansion of outlets in the territory



SR Salary & KPI Achievement - Compass					
SL#	Particulars	Low Slab	Strong	Exceptional	Remarks
1	Fixed Salary	7000	7000	7000	Remained Unchanged
2	Traveling allowance TA, Avg. B	2500	2500	2500	Remained Unchanged
3	FCMP+ Captain Volume	1500	2000	3000	Low: 95% achievement Strong: 100% achievement Exceptional: 105% achievement
4	FMP	1000	1500	2500	Low: 95% achievement Strong: 100% achievement Exceptional: 105% achievement
5	Outlet Call Rate (OCR)	700	1000	1500	Low: RSM's Discretion, but must not be less than 60% Strong: RSM's Discretion Exceptional: RSM's Discretion
6	Value Drive	1000	1500	2200	Low: 90% achievement of the total value target . Value target will be equivalent with (DP+DDP+DC) secondary volume target. Strong: 100% achievement of the total value target . Value target will be equivalent with (DP+DDP+DC) secondary volume target. Exceptional: 105% achievement of the total value target . Value target will be equivalent with (DP+DDP+DC) secondary volume target.
7	1.Dano Power 100gm Placement & 200gm placement (Individual). 2.Dano 200gm & 100gm volume drive (Combined).	1300	2000	2900	Low: 90% achievement of DP 200gm & 100gm combined volume. Pre-Req: 90% Placement achievement of DP 100gm & 200gm (Individual) Strong: 95% achievement of DP 200gm & 100gm combined volume. Pre-Req: 90% Placement achievement of DP 100gm & 200gm (Individual) Exceptional: 100% achievement of DP 200gm & 100gm combined volume. Pre-Req: 90% Placement achievement of DP 100gm & 200gm (Individual) Guideline: Based on placement target, volume target needs to be set
Total Achievable Income		15000	17500	21600	

আরলা চ্যাম্পিয়ন লীগ



ছাড়িয়ে যাও নিজেকে
পুরস্কার জিত বছর জুড়ে ...



মেগা পুরস্কার

কোয়ার্টারে রিজিওনে প্রথম ৩ জন বিজয়ী এস,আর



প্রথম পুরস্কার	দ্বিতীয় পুরস্কার	তৃতীয় পুরস্কার
 <p>অথবা</p>  <p>১৫০০০ টাকা এল,ই,ডি টিভি</p> <p>একজন ফ্যামিলি মেম্বার সহ কক্সবাজার ট্যুর</p>	 <p>৮০০০০ টাকা মোবাইল</p>	 <p>ডিনার সেট ৫০০০ টাকা</p>
<p>+ ক্রেস্ট+ সার্টিফিকেট+হেড অফ সেলসের সাথে ডিনারের সুবর্ণ সুযোগ</p>		

নির্বাচন: প্রতি রিজিওন থেকে বিগত পাঁচ মাসের অর্জনের বিপরীতে কোয়ার্টারে সর্বোচ্চ
বিক্রয় বৃদ্ধি অর্জনকারী প্রথম ৩ জন এস,আর

Sales Force Automation (SFA):

It is one of the most important elements in the Distribution management of Arla Foods Bangladesh Limited. The SFA of Arla is known as Compass. In this year, Arla foods Bangladesh has launched Compass Version 2.0. In Bangladesh, 75 Distribution houses of Arla are using Compass or the SFA technology. In addition, SFA fastens the speed of sales and nourishes the accuracy by bringing innovation.

RTM has gotten innovation deals to guarantee better administrations. Arla presented Compass which changed the component of sales power. The compass is the application for SRs to take orders from retailers. Taking request physically takes a great deal of time and vitality be that as it may, in Arla everybody puts stock in speed over flawlessness. In this way, the outlet inclusion and extension expanded in a short measure of time. It's utilized in accepting requests as well as to discover showcase subtleties. Through Compass we can discover the deals alongside every one of the subtleties. Compass additionally makes a difference the SRs to monitor their execution. It gives update of every deal and come back from the market. Besides, Compass helps in making all sort of reports including yearly and month to month reports. Be that as it may, Compass just covers seventy points among 115 points in Bangladesh. We take manual requests outside the city zone; however, we are attempting to guarantee the full inclusion in coming years. It's additionally cost organization a great deal of cash. The arrival on speculation isn't the equivalent however we are likewise expanding product offering which will empower us to bring all territories under Compass application.

Furthermore, I have particularly worked in a DB point in Jurain where we launched Compass version 2. In addition to that, I have worked on the master data of Compass. Basically, master data refers to such accumulation of data, where information and in-depth details of every outlet, the routes, the sections, addresses of outlets, Retail stores owners' names, contact details, frequency of section visit, route numbers and many more details. My core responsibility was verification of the master data and finding out the errors in the master data came from seventy DB points in Bangladesh operation.

Non-Compass Distributor Vs Compass Distributor:

Non-Compass Distributors refer to those DB houses who have not adapted SFA technology and have not digitalized their work system in the DB houses. They still work in traditional & manual way.

On the other Hand, Compass Distributor refers to such DB house who has adapted the Sales Force Automation Technology. To adapt SFA technology, the DB houses needs to digitalize their Work system of DB houses by bringing many changes like Buying accessories, Hardware, Computers, Smart-phones for the SRs, Dot-Matrix Printers, Memo papers, 24 hours high speed Internet Connection with at least 1MBPS Internet.

Compass Areas:

- Dhaka Central
- Dhaka South
- Dhaka North
- Cumilla
- Chittagong
- Sylhet

Non-Compass Areas: Bogra Region, Khulna Region & Barishal Region.

Hardware Specification



Processor: Intel® Core™ i3-6100 (3 MB cache, 2 cores) 3.7 GHz; **Hard Disk:** 500GB 7200RPM SATA;
RAM: 4GB DDR4-2133 SDRAM; **Display:** 18.5" LED Backlit; **Graphics:** Intel HD Graphics 530
Audio: Realtek RTL8151GH-CG GbE LOM; **USB Keyboard & Mouse;** **Warranty:** 3 Years
Connectivity: Front: (2) USB 3.0 ports, (1) microphone, (1) headphone, Rear: (4) USB 2.0 ports, (2) USB 3.0 ports, stereo audio, 1 audio line in; 1 audio line out; 1 DVI-D; 1 VGA; 1 RJ-45; 2 PS/2 (keyboard and mouse, power connector)

EPSON LQ-310 DOT MATRIX; Printing Type: Black and White; Printing Technology: Dot Matrix
Print Resolution: 600x600 DPI; **Print Speed Black:** 416 PPM; **Data Cable & Power Adopter**



ANDROID MOBILE HANDSET; **Display:** 5.5" IPS Touchscreen; **Camera:** 8 megapixel; **GPS:** High Accuracy
Processor: 1.3 GHz Quad Core; **RAM:** 2GB; **ROM:** 16GB; **Battery:** 2800mAh Li-Ion; **Power Bank:** 5000mAh



UPS 650VA or 1200VA;
 Backup time up to 30 minutes
 Voltage range- 140~300 Vac



SIM CARD - SALES REP. & CYCLE MAN;
 With min. **1GB 3G Data Connectivity**



CONTINUOUSLY PAPER – 2 PLY;
 Supplier: **Md. Rubel Hossain** :
 Contact# **01930378716**



BROADBAND INTERNET CONNECTION (WIFI)
 Wifi Router; For Distribution Points
 With min. 1mbps broadband internet connection



Expansion of retail stores/Outlets

Arla got enormous change inclusion development with the assistance of Route to Market. Dano products were routinely sold altogether 36000 outlets in 2014. Then, Route to market proposed a motivator model. It incorporates an extraordinary impetus for deals agent power for taking requests from new shops. The technique worked very well for Arla Foods as they extended towards around 200000 outlets in 2018. RTM made the Incentive motivation model

rewarding for the business power. It turned into an immense open door for them and inclusion extended in a tremendous proportion. Distribution in Urban is a lot simpler than the provincial side or rural side. Achieving all dimension of consumers isn't simple assignment without a modified and proper procedure. Along these lines, we made arrangements with neighborhood little wholesalers who have just inclusion of 60-70 shops. They take items from every one of the organizations yet, in a little amount. This appropriation framework is changing many life's in country places and guaranteeing sustenance for country level individuals. Arla has set an alternate value level to guarantee their advantage from the business.

Findings

Distribution management is one of the key functions for Arla Foods Bangladesh Limited since the revenue is totally depended on the sales of the products through Distributors. So, the effectiveness and efficiency of distributors is highly needed through the proper nourishment of Distributor management.

- Focusing on the Incentive Modality developed the attributes of sales force and motivated them to do better results. Initiatives Like Arla Champion League has inspired Sales representatives from all the regions and it worked as motivation factor.
- Route to Market has a significant contribution in Distribution management since RTM has been operating the whole activities of distribution management. Moreover, the strategies implemented by RTM function has brought significant changes and Growth in the Primary & secondary sales.
- Compass-SFA has brought noticeable improvement in the Distribution management starting from saving time, Efficiency & effectiveness of overall system. Previously, it was very time consuming keeping all the records, making memos. The automation technology enhances the speed of sales tracking and ordering products
- Number of outlets have increased in a very significant manner which was possible because of the joint team efforts from RTM & Distribution Team and Thus sales was increased.
- In some places, Sub-Distributors' contribution were more than the Main Distributors.
- Co-ordination between Company and Distributors was an important which played a vital role on Arla's recent success in Bangladesh.

Recommendations

Being an Intern for last 4 months, I have been able to get many insights from the organization and Learned many valuable things. Though 4 months are a very short period to understand ins and outs of an organization. Based on the short-term experience, I would like to draw some recommendations for the organization.

- Since work life balance is important for every organization and for the employees to lead a sound life. Arla Foods Bangladesh Ltd is also concerned about the Working life their employees. But, it becomes tough to maintain work-life balance for the employees. Most of the time, the Territory officers and regional leads need to stay till 9:00 P.M to finish all the works. So, more focus should be given on the work-Life balance of the Sales force. Around, 100 people working directly in the sales force.

From my perspective, extra payment on per extra hour they work beyond regular working hours can be a motivational factor.

- Arla Foods Bangladesh Limited should focus on Implementing Sales Force Automation system in all Distribution points which will ensure a better result for the company
- The Product, Dano Captain hasn't been able to grab a comfortable market share. If they can focus more on the advertisements and activation program f Dano Captain in all the regions, the sales volume of Dano Captain will get increased
- Though Arla has been successful in Bangladesh in recent years, they are yet to become the Number one in market. They need to be focused more on ensure the availability of products by expanding Number of Distributors in Bangladesh and expanding the number of territories nationwide

Conclusion

Arla Foods Bangladesh has created a very strong and solid impression in Bangladesh. Arla is stepping ahead in Bangladesh with full steam. It's guaranteeing the dedication of selling most elevated quality dairy products to its customers. Arla is well positioned organization and going ahead with consistent development, focusing on its key abilities and dutie for the quality. Individuals in Bangladesh embraced Dano as a standout amongst the most dependable brands.



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