

Internship Report

A Comprehensive Analysis of Sales & Distribution Of International Brands Ltd. (IBL) of MGH Group

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Submitted To:
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Letter of Transmittal

To
Afsana Akhtar
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Subject: Submission of Internship Report.

Dear Mam,

I have the honor to submit the internship report based on the topic of " A Comprehensive Analysis of Sales & Distribution of International Brands Ltd. (IBL) of MGH Group" I tried my best to gather relevant information for making a complete as mentioned above. The preparation of this report enables me to great extent to complete my theoretical knowledge in line with practical analysis. I would like to express my profound gratitude for your kind and conscious mind for reading my report.

I therefore, hope that you would be kind enough to accept my internship report and oblige me thereby.

Thanks and Regards

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Acknowledgement

Praise to Allah for given me the strength and opportunity to complete my project topic. In fact, I left no stone unturned to make the report standard, I helpful and useful. It is indeed a great pleasure and honor on my part to have the opportunity to submit this report quickly on the basis of practical orientation in International Brands Ltd. (IBL) of MGH Group.

I would like to give special thanks to my supervisor Afsana Akhtar, Assistant Professor BRAC Business School for providing the format and making me able to understand about the format. I also thank for providing suggestions for making this report.

I would also like to express my gratitude & heart left thanks to Mr. MujahidurNabi National Sales Manager, Market Strategy & Planning IBL, MGH Group, For His Valuable time & Advise for giving me uncountable support to prepare about “A Comprehensive Analysis of Sales & Distribution of International Brands Ltd. of MGH Group”

My sincere thanks goes to the others who were involved and helped me directly & indirectly for preparing this report accurately and uniquely.

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Chapter-1

Background of the study

1.1: Origin of the Report:

Internship (BUS699) is a non-credit course of Brac Business School. This credit course is required to be completed by all MBA students. I prepared this report as a partial fulfillment of Master of Business Administration (MBA) program under the supervision of Assistant Professor Afsana Akhtar. I prepared this report on the basis of my five years of working experience in others company and Two years of MGH Group experience.

1.2: Objective of the report:

Sales and Distribution management is one of the vital activities that any FMCG should handle in an efficient way. Distribution is the way through which the final goods reach the ultimate consumers. The primary objective of the internship report is:

- To Describe the Sales & Distribution activities of International Brands Limited.
- To know about the company profile.
- To find out the problems and the probable solutions of the distribution management system of International Brands Limited.

1.3: Scope of the report:

The subject matter of this report is “Sales and Distribution Management of International Brands Limited, MGH Group (Sole Distributor of P&G Company)”. So from the topic of the report it has been clear that the scope of the study is the sales and Distribution department. MGH Group is a place where a new recruited can learn a lot. It is said that MGH is a learning place for a person career. That’s why I can get information from Finance, Market Strategy & Planning (MS&P), Supply Chain etc.

1.4: Methodology of the report:

Theoretical knowledge required for the report was collected through some books on this respective field. The data that have been used for this study are both primary and secondary types.

- The Primary data have been collected through direct observation, face-to-face discussion with Regional Sales Manager, Area Manager, Branch Manager, Distributor, and HR.
- The secondary data have been collected from retailers and wholesaler, article, company internal and official data.

1.5: Limitation of the report:

This report is prepared based on International Brands Limited. So it may not provide the overall scenario of other distribution business of others distribution of MGH group.

Chapter-2

Profile of International Brands Ltd.(IBL) of MGH Group

2.1: Company Overview:

MGH Group is a one of the largest Bangladeshi conglomerates. It is a corporation that is made up of a number of different, seemingly unrelated businesses. MGH itself owns a controlling stake in a number of smaller companies, which conduct business separately. The MGH group has core investments into Contract Logistics, Supply Chain, Ocean Carriers, and Airlines GSA representations, Inland Container Terminal Management, Food & Beverage Retail, FM Radio, Cable Television Network, Tea & Rubber Plantation,



Commercial & Retail Banking, Computer Reservation System (CRS) Distribution, Internet Booking Engine, and Inventory of Premium Land Bank respectively. Each of MGH's subsidiary businesses runs independently of the other business divisions, but the subsidiaries' management reports to senior management which is the Managing Director, Anis Ahmed.

The journey of MGH began in 1992 with Contract Logistics Management of Gillette in Bangladesh. During that period of time, MGH were importing various Gillette SKUs, Customs Clearance, Central & Regional Warehousing, Sales, and Distribution to the outlets all across the Country. Born in Bangladesh, now Head Quartered out of Singapore, MGH owned operations span all across India, Pakistan, Sri Lanka, Nepal, Myanmar, Vietnam, Mauritius, Madagascar, Qatar, Kuwait, Egypt, the United Arab Emirates, and Kazakhstan. MGH has many talented associates, majority of which are recruited straight from various campuses of the world and transformed into effective thinkers, innovators, team players, leaders form the driving force, and has been the growth-engine of the group.

2.2: Product/service of offering:

Contract Logistics:

MGH originally started out as the distributor of Gillette and later formed Aquamarine Distribution Limited (ADL) for the exclusive distributorship of Gillette and Kodak Consumer Imaging in the year 1994. It ensured a nationwide retail distribution network reaching over 110,000 outlets and caters to nearly 3 million consumers making Gillette a daily brand among the people of the country. In the later years, MGH Group formed International Brands Limited (IBL) as the distributor of Procter & Gamble. MGH's decade old relationship with Procter & Gamble has not



only helped P&G reach more consumers in Bangladesh, but has also dispersed learning from current best practices of P&G from various emerging market has helped grow major P&G business categories. Now MGH's contract logistics subsidiary, IBL has separately spun-off stockiest unit, establishing stock points at major markets with the support of trained sales force, and executing direct sales-to-cash cycle with the Modern and traditional retailers.



Origin service solutions:

With diverse methods and analytics, MGH analyses the logistics process chain and works together with clients to develop the most efficient supply chain landscape.

Ocean Carriers:

MGH provides shipping line services and has close liaison with the National Shipping Line of Taiwan, Yang Ming Line which is now represented by Transmarine Logistics Ltd in Bangladesh, and by Transmarine Logistics Asia Pvt Ltd in Myanmar. Yang Ming Line is ranked globally on June 2011, has 66 services all across the world with 3,398,42 (twenty equivalent units) TEUs operating capacity, and major alliances with China Ocean Shipping Company (COSCO), K-Line, and Hanjin. Transmarine Logistics Ltd



(a concern of MGH Group) represents China Shipping Container Lines which is largest Container Shipping line of the Peoples Republics of China- ranked ranked 10th in the world on June 2011, by operating container capacity of 5, 60,000 TEUs with 80 services across the world, raced to global leadership in containerized transportation in just 13 years.

MGH also venders carrier services of Emirates Shipping Line DMCEST-- a new generation containerized shipping company having niche services to, and from the Middle East, South Asia or India Sub-Continent, Intra-Asia and the African Continent, respectively. Along with these shipping lines, MGH also represents Company Sudamericane de Vapores, Orient Express Lines (Singapore) Pte Ltd, BLPL Logistics (Singapore) PteLtd.Sitara, Shipping Lines, and Balaji Shipping Lines FZCO.



Airlines GSA representations:

MGH provides air freight forwarding services and has GSA(General Sales Agent) representations in Air Arabia, Turkish Airlines, Biman Bangladesh Airlines, and Singapore Airlines. MGH provides air freight services in Bangladesh, India, Nepal, Qatar, Egypt, Vietnam, Cambodia, and Myanmar.



IT solutions:

Jaatra.net is an outcome of continuous delves of MGH Group in the aviation industry for last one decade. It is a complete solution for both online and traditional travel agencies looking for an Internet Booking Engine (IBE) in order to become an online travel agent (OTA) without any development and with minimum cost. It facilitates flight searching, booking and even ticketing over internet through agency's personalized website. Jaatra.net drives incremental revenues as it offers, round the clock online self-driven travel planning and reservation for travel agent's both B2B as well as B2C customers. It provides complete freedom to the Travel Agents to configure the sectors, airlines and GDS according to their business need. Jaatra.net IBE also provides seamless integration with Jaatra.net Back Office system, so that travel agents can have



Complete visibility of their business from one single point. Precisely, Jaatra.net is a trusted online travel solution provider which opens the opportunity around the globe.

Food & Beverage Retail:

MGH Restaurants Pvt. Limited is the Master Franchisee of Nandos in Bangladesh, and in Nepal. With the first 550 square meters sprawling Flag ship Store opened in Dhanmondi, Dhaka, MGH opened the second 550 square meter store in Gulshan in 2009, the Premium Suburb of Bangladesh. MGH is also the master franchisee of



Bari
sta

Lavazza with the objective to provide an authentic Italian coffee drinking experience in a warm, friendly, no pressure environment. We began operations in the year 2008 as we felt the time was right for the Bangladeshi consumers to experience a café that provided a third space, away from work and home, where the guest could relax and unwind.



FM Radio:

Radio Foorti- an MGH concern, the first and only pure-play FM Brand in Bangladesh was born in year 2006. With the network of stations spreading across 8 towns, Radio Foorti is currently heard at almost 2.1 Millions of Households according to the recent Nielsen Research commissioned by Radio Foorti. Foorti



has so far helped redefine FM culture, ushering a new way for music to be heard and for entertainment to be enjoyed. With stations in Dhaka, Chittagong, Sylhet, Cox's Bazar, Mymensingh, Barisal, Khulna, and Rajshahi currently operating, Radio Foorti plans to roll out additional 22 stations with independent programming capabilities all across Bangladesh.

Tea & Rubber Plantation:

MGH owns a strategic stake of Finlay Tea's parent Consolidated Tea & Plantations Limited (CTPL). With 16 Tea, and Rubber Plantations spread across 44,000 acres of scenic green land, area, CTPL is the second largest tea producer generating 23 percent of annual tea productions of



Bangladesh. CTPL produced Tea is also bought in tea auctions and packed by major Consumer Tea Brands, and regarded as one of the High Quality Leaf Tea and Tea Extracts.

Realty Development:

In early 2000, when Gulshan, the trophy location of Bangladesh was merely a residential aspiration of the inhabitants, MGH with a mentor-partnership started to acquire premium Gulshan Avenue locations as part of the Portfolio Diversification Strategy, and now hold 4 major locations, and a few more pieces of land in the Land Bank Inventory.



Standard Chartered Bank
Country Head Quarter

13 Storied Premium Mall
(upcoming)

14 Storied hotel – NOVOTEL
(upcoming)

Corporate Social Responsibility:

MGH Foundation was set up to assist Non-Governmental Organizations (NGOs), individuals and organizations to eradicate child labor and provide guidance, direction and help to improve lives of under-privileged children.

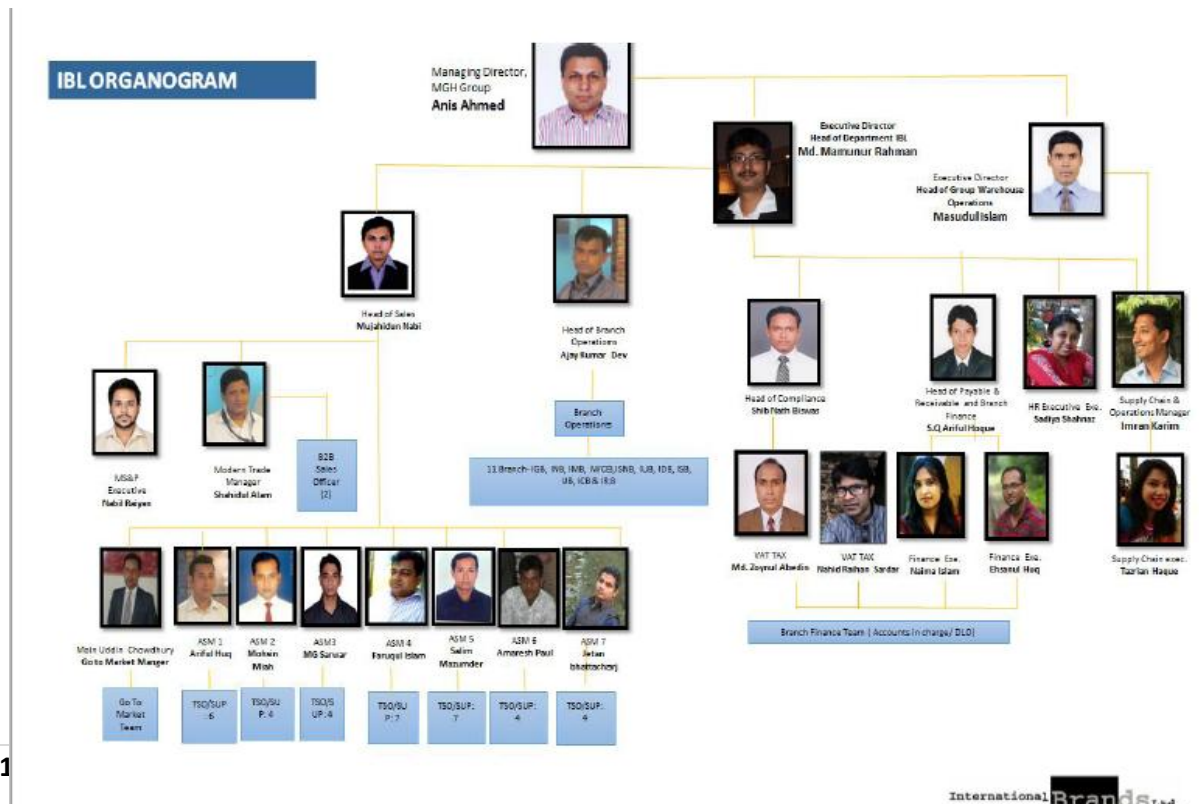
MGH Foundation also provides Legal Aid to the unprivileged prisoners who are in false custody and are financially incapable of availing proper legal support. Legal Aid Society for the Unfortunates (LASUF) has been formed to give an opportunity to those falsely accused.



The CSR initiatives are aimed at eradicating child labor, empowering women, providing legal aid, rehabilitation, social awareness programs etc.

In January 2008, an MOU was signed between MGH and The Asian University for Women to provide scholarships to deserving students.

2.3: Organogram of International Brands Ltd (IBL):



2.4: Brand:

International Brands Limited focuses on 9 core categories

- Hair Care: Pantene and H&S shampoo & Conditioner, Rejoice.
- Personal Care: Gillette Blade & Razors
- Shave Care: Gel, Foam & After Shave lotion
- Feminine Care: Whisper
- Baby Care: Pampers
- Skin Care: Olay
- Oral Care: Oral-B
- Air Care: Ambipur
- Power Care: Duracell

2.5 Vision and Values Statement:

IBL passionate about delivering better solutions to consumers and customers

➤ **Vision:**

International Brands Limited is about passionately delivering better solutions health & personal care to customers and consumers, wherever they may be, for the ultimate purpose of creating shareholder value.

This vision defines product quality and safety, customer service, innovation, global reach and corporate social responsibility.

➤ **Values**

The core values are a set of guiding principles through which International Brands Limited think, behave and conduct the business in order to deliver on the vision, they are:

- *Achievement*
- *Teamwork*
- *Entrepreneurship*
- *Commitment*

2.6: Job Description:

As a Sr. Territory Sales Officer I have to think about my Target first and need to plan accordingly. There are a SOP for the Sr. Territory Sales Officer. I try to mention that in bellow:

8:15 - 8:30 AM Report to respective Stockiest point / Branch

8:30 – 9:30 AM

1. Check Attendance Registrar and ensure timely arrival of DSE.
2. Check Delivery Registrar and give feedback on previous day's SRN
3. Select Routes for the DSE for that day according to Fixed Journey Plan (FJP).
4. Inform DSE of his required level for today, set today's focus product/initiative/channel, give motivation and suggest him the right way-forward to ensure **4 DAILY PRIORITIES (Productivity, LPB, initiative, Golden Store)** target based on till date updated report. (All Reports must be updated till date in previous day evening, no report update in the morning)
5. Complete OT DSEs feedback in 30 minutes (8:30 to 9AM). OT DSEs must leave the branch/point by 9AM and start his first call at the first outlet (as per DRCP) at 930AM. TSO will verify this individually by a phone call.
6. Spend additional 30 minutes with MAS DSEs (9 to 9:30AM) and give feedback how to achieve VALUE target for the day along with 4 daily priorities. MAS DSE must leave branch/point by 930AM and start his first call at the first outlet (as per DRCP) at 10AM. TSO will verify this individually by a phone call.

9:30 - 10:00 AM

1. Talk to ASM, update him on today's plan and objectives for market visit (FJP for market visit must be pre-aligned with ASM by 2nd day of the month)
2. Leave branch/point for market with diary/notepad and Reach market by 10AM

10:00 – 3:00 PM

1. Starts Market Visit with the FIRST OUTLET of route as per his market visit plan according to given FJP and he will work on that same route with the same DSE throughout the day.
2. Checks outlets with DRCP and find any new outlet in that route

3. Work with DSE and observe if DSE is making following the 7 steps of an ideal sales call accurately. Follow EDAC method.
4. Looks for opportunity to sell additional value and SKUs in outlet and gives on the job training to DSE on finding and utilizing market opportunity, building trade relationship visiting all top outlet owners of the route, ensuring proper distribution of products in right outlet and ensure merchandizing through DSEs.
5. Check and audit Golden stores and all hair care and whisper display according to GS and display norms.
6. Checks if DSE is making the memo accurately and gives promotion properly. Check with memo in the outlet
7. Checks some outlets before DSE has served them, observes the stock on hand status, merchandizing opportunity, retailer's feedback on DSE service quality and honesty.
8. Checks if DSE is making call at EVERY outlet in his route and giving equal effort in each of the outlets behind selling priority brands, number of successful call and factors affecting the success rate.
9. Looks for market feedback on retailer's response on P&G products, promotions, and competitor information and competition reaction.
10. Give first call to all the DSEs at 12PM, next call at 3PM and final call at 5PM to check progress of 4 Daily Priorities.
11. Take note of all the market and DSE feedback in a diary and make a summary of the input

3.00 - 4.00 PM return from market to branch/point and have refreshment

4.00 – 6:00 PM

1. Reporting (Productivity tracker update, GS tracker Update, Target Vs ach update, SDL tracker Update).
2. Report analysis
3. Based on Report analysis and Market visit, create separate specific **Action Plan (Activity, Owner, Timeline)** for individual each of the DSEs according to his improvement area
4. Share the action plan with ASM over phone

6.00 –8:00 PM

1. Deploy the action plan to DSEs individually; give a timeline, track progress day to day on the action plan and follow up according to the timeline in future date.

2. Collects the order amount and all 4 Daily Priority statuses against the target given in morning. DSEs receive feedback or warning according to performance.
3. SAP order input check
4. Observes the memo summary of DSE and ensures proper focus on calculation accuracy on DSE's part.
5. Checks the memo summary and informs DSEs if any SKU has limited number of promotions or if the any promotion is being underutilized to prepare for next day's call. In case of significant mismatch between ORDER and DELIVERY, DSE must be warned if he is reporting orders inaccurately.
6. Complete all DSE feedback in the Day closing meeting in the evening. DO NOT leave anything for next morning kickoff meeting.

Daily Report: Productivity, LPB, GS, initiative, display, By DSE retailing, SDL retailing reports

Monthly Report: Summary of Daily Reports, Monthly TBR, Promotion Claim Sheet, Retailing & Closing, SDL Summary reports.

2.7: Job Responsibility:

Main Responsibility is:

- Responsible for Primary and Secondary Target
- Increase numeric coverage
- Weighted distribution
- Implementing and monitoring trade program
- Responsible for building relationship with the partners
- Monitor third party activities
- Monitor Distribution field force
- Develop distribution and field force

2.8: Key Performance Indicator (KPI) for Sr. Territory Sales Officer:

- Target achievement (value & volume)
- Ensure business growth
- Ensure customer service
- Ensure brand visibility
- Relationship management
- Monitor & coordinate Demand generation activities

2.9: Observation and Recommendation:

Sales Management is the toughest, interesting and challenging job. While doing this job sales person need to meet with varies types of person to the society. So it will be a great opportunity to expert on people management. Nature of this work is plenty of freedom rather than desk job. Peoples of others professional will not respect this job. It is said that there is a time for entering the office but no time for leaving office. So who ever doing this job, can give less time to his friends & family.

As a recommendation I can say, sales pressure can be reduce to new joiners. At list a standard time can be fix to leave the office though it will be so hard. Can be given more incentive to motivate people. Can be introduce extracurricular activities. Reward/Award can be given to the best performers.

Sales and distribution management of International Brands Limited

3.1 Literature review:

Selling is the process of persuading others to exchange something in return for money. In another words, Sales is the lifeblood of an organization because in general case the selling is the revenue generating activity of an organization. So the management of sales determines whether the company will exist in the competitive business area.

Distribution is the process to ensure the availability of final goods of right quality at right place in right quantity at right price in time to satisfy the actual customer.

Distribution is to ensure brand availability by taking accurate orders ensuring optimal stock levels ensuring efficient delivery service through right service frequency and by on time in full (OTIF) delivery ensuring product and quality such as freshness and appearance.

Distribution expansion by ensuring direct coverage in potential new markets, direct coverage in the potential new outlets within existing routes, ensuring passive distribution coverage through strategic wholesalers.

All the efforts made by the organization till the last moment of sale is only to ensure the sale of company products, as sales figure is the key factor to measure the success of a marketing company whether it is a manufacturing one or not. From the above-mentioned definition of distribution in twenty first century, it is clearly seen that selling of even diamond is quite impossible on one's part if distribution system is inefficient.

3.2 Sales process of International Brands Limited (IBL)

IBL is the national distributor of P&G. They buy the product from the P&G and distribute the product to nationwide. The finished goods are delivered to the IBL depots directly from the factory of Singapur or from the contractual manufacturers.

The Logistic Executive controls the Depot. He looks after whether the depots are functioning properly. A Logistic Assistant and a Depot Contractor, assist each Logistic Executive. The Depot Contractor works on a contractual basis and is not an employee of International Brands Limited

(IBL). Depot contractor is involved in loading and unloading goods, controlling the receipts and outgoing consignments, payments of labors and other miscellaneous payment.

According to the demand of the Branch Managers & distributors, they place order in the Headquarter. Then orders are sent to the depots in Dhaka and Chittagong. Then Logistics Department makes arrangement to transport the goods to the destination.

After the products are transported to the distributor, they are sold to the retailers with the help of the Distributor sales Executive (DSE). The planning is done in the periodic meeting in the middle of the months on the basis of the sales forecast depending on the feedback from the field as well as the budgeted target. These are called mid- month flashes and it includes:

- The past two week performance
- Forecast for the near future
- Activities to increase the sales.

The overall target is divided into 4 regions according to their previous contribution ratio. The Regional Sales Manager sets the target of the TSMs under him. The TSO does in turn divide the target to the Sales Representatives. The target and performance of the sales force are measured by productivity and strike rate. Productivity is the number of sales made against the number of calls and the strike rate is the number of outlets covered against the number of total shops in a certain route.

The three most important functions of the sales department are:

- i. Set up, maintenance & expansion of distribution network.
- ii. Making products available and visible in the market place.
- iii. Boosting In Market Sales.

3.3 Territories of International Brands Limited (IBL):

Region	Major Area	ASM	TSO	Sales Sup	DSE	VC	Sales	Sales Cont%
Dhaka Metro	Dhanmondi, Gulshan, Uttara, Chawkbazar, Mirpur, Shantinagar	2	9	2	69	16	587	31%
Dhaka Up	Narayanganj, Savar, Jatrabari, Gazipur	1	1	5	47	2	245	13%
Chittagong	Metro, UP, Noakhali, Comilla	1	3	3	61	4	324	17%
Sylhet	Metro, Up, Moulvibazar, Mymensingh	1	1	3	38	2	154	8%
North	Bogra, Rajshahi, Rangpur	1	1	4	48	0	173	9%
South	Jessore, Khulna, Barisal	1	2	4	46	0	162	9%
Modern Trade	Dhaka MR, B2B	1	2	0	8	9	220	12%
		8	19	21	317	33	1865	100%

Visibility Captain	33	Go to Market Team	3	Driver	71
Distributor Sales Exe.	317	MS&P Team	2	DLO/Accountant	20
TSO / Sales Supervisor	40			Branch Manager	10
Area Sales Manager	8				

3.4 Sales Promotion strategies of International Brands Limited (IBL):

International Brands Limited (IBL) have specific strategies for promoting the brands in the market to gain competitive advantage over the competitors.

Trade promotion (TP):

Trade promotion is to encourage the wholesaler and retailers for selling International Brands Limited (IBL) products. The objectives of Trade promotions are given below:

- Increase distribution (Stock depth and width)
- Counter competitive pressure
- Encourage buying.
- Increase brand presence in stores.

Consumer Promotion (CP):

Consumer promotion is to encourage the consumers for buying International Brands Limited (IBL) products. The objectives of Consumer promotions are given below:

- Designed to induce specific consumer purchase decisions.
- Increase brand awareness.
- Induce trial.
- Induce repeat purchase.
- Strengthen brand loyalty.
- Counter competitive activities.
- Secure marginal customers.

3.5 Analysis:

What I can figure out is that the sales department is not only responsible for the actual sales of product, but it also takes care of logistics functions. There is no separate Logistics department in

this organization .The sales department is responsible for logistics management to some extent like transportation, depot management etc. The rest of the logistical matters like inventory management, materials management etc. are taken care by the supply department. The challenge of the sales department is to ensure that wherever customers shop they always find the products merchandized with the correct shelf placement in the right assortment and in the right price and promotional offers. It is through this department the products reach at the hands of the consumers. Sales are basically responsible for actualization of the marketing strategies and plans. All the marketing efforts will go in vain if sales department cannot function properly and fail to reach the products to the distributors, retailers and ultimately to the consumers. The marketing and the sales department combine to utilize a pull strategy, which is consumer demand is created through effective communication which makes consumer looking for the product to the retailers who in turn demand the product from the wholesalers. The major support groups of the sales department are the sales representative, distributors and customers. Retailers and wholesalers are the major pressure groups because if their demands are not met or if they are not satisfied they might refuse to accept and sell products of IBL, which would ruin the activities of sales department. A sale is actually, the results of marketing. So, sales and marketing departments act as complementary to each other. Formulation and implementation of best possible strategies by both of these departments will only bring about optimum results and foster growth of the organization.

The sales department has no value if it cannot sell the expected volume of products. So proper distribution of products must be ensured for the existence of the company. For the smooth flow of products selling IBL has been trying to ensure the best distribution policy for its products since its first footstep in this country.

3.6 Distribution strategy:

International Brands Limited (IBL) has specific distribution policy. Its target is divided into two mechanical strategies those are product push strategy and customer pull strategy.

Products push strategy:

Here product push strategy is such devices where the distribution people follow “pro-actively influence sell-in” of P&Gs product that is they actively influence the buyer to buy P&G’s product.

The key challenges they face here are as follows.

- Direct coverage expansion.
- Driving passive distribution.
- Right service frequency
- Selecting the right distribution partners.

Customers pull strategy:

Here the customer pull strategy is such a device where the distribution people are to depend on “the natural demand” for P&G’s product at the retail level. That is if the retailers want a high volume of products then P&G can generate high-scaled revenue.

Here the key challenges they face are divided into two teams that is the distribution people and the brand team. The key challenges both the group faces are as follow:

- To create natural demand.
- To ensure visibility at point of sales (POS).
- To influence trade to be Brand Ambassador for P&G products.

3.7 Forms of Distribution:

There are two forms of distribution in International Brands limited (IBL).

- Direct distribution.
- Indirect distribution.

Direct Distribution:

In direct distribution process International Brands limited (IBL) has full control over the entire supply chain ranging from depot down to the point of sale. Here IBL practice direct coverage policy. The benefit direct distribution is to retain ownership and control over supply chain.



Figure: Direct Distribution of International Brands limited (IBL)

Indirect Distribution:



Figure: Indirect distribution of IBL

The control mechanism of indirect distribution passes to the wholesaler to ensure that the product is available at retail level. Indirect distribution is where IBL don't have full control of the entire supply chain. Indirect distribution is playing the role of passive distribution. In passive distribution one wholesaler is selected in a remote trade area and is given a certain profit margin. The percentage depends on the following factors such as:

- Distance of the market.
- Area coverage.
- Sales growth.
- Reputation in the market.
- Financial solvency.

The rationale to adopt the indirect distribution strategy is:

- To minimize the distribution cost.
- When the outlet universe is big and fragmented.

3.8 Channel classification:

A common group of points of purchase that satisfy the same consumer/ shopper needs or characteristics.

Need for Channels: Customers are classified; they don't buy products from the same outlet. Depending on customer's purchase behavior, outlets are classified and called channel. In an ideal world we would manage every outlet individually. However, in reality this would not be cost effective. We create channels so that we can analyze and manage them in groups. On the other hand, treating them all the same would not allow our brands to reach their full potential.

Define a channel: Customers are classified in 4 elements:

- ✓ Location
- ✓ Structure
- ✓ Product category
- ✓ Customer's category

Shopper differentiators shown by characteristics, needs and behavior of why people buy (or DON'T buy!!!) this is "discovered" by interviews and observation, categorize and SKU's stocked, outlet characteristics etc.

On the basis of sales volume and structure P&G classified its covered distribution outlets as various. Those are:

Outlet Channel	Outlet No.	Outlet Contribution %
Large Traditional	1,993	1.2%
Medium Traditional	23,936	14.5%
Small Traditional	100,550	60.9%
Large Beauty	8,530	5.2%
Small Beauty	11,752	7.1%
Large Chemist	629	0.5%

3.9 Managing and developing people for better distribution:

Skill development of the field force through conducting training e.g. successful selling skills, coaching (on the job mostly), running fresher clinic e.g. one-hour session in each month.

TSO can recruit the right person like DSE (Direct Sales Executive) and CM (contract merchandiser).

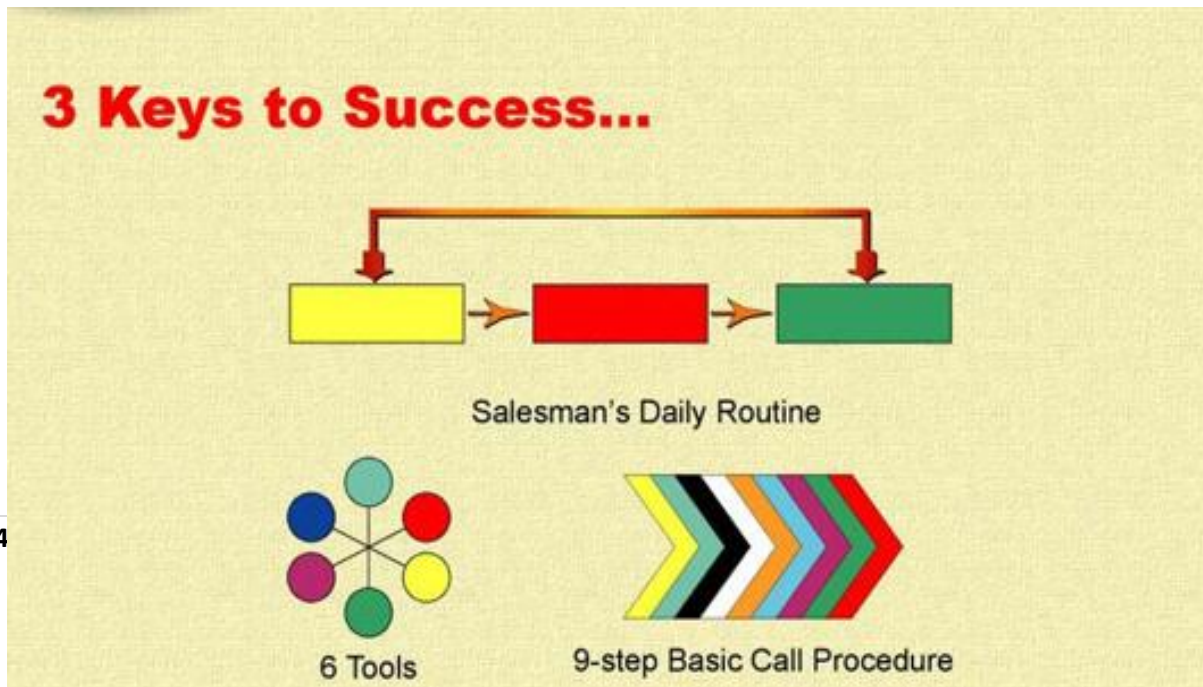
Selling Skill Development Training:

Every time we are trying to develop peoples selling skill by giving sales training like: work process, attitude, sales call etc. We always try to build up PMA (positive mental attitude) the DSE mind

There is standard SOP for DSE. Their main task is to:

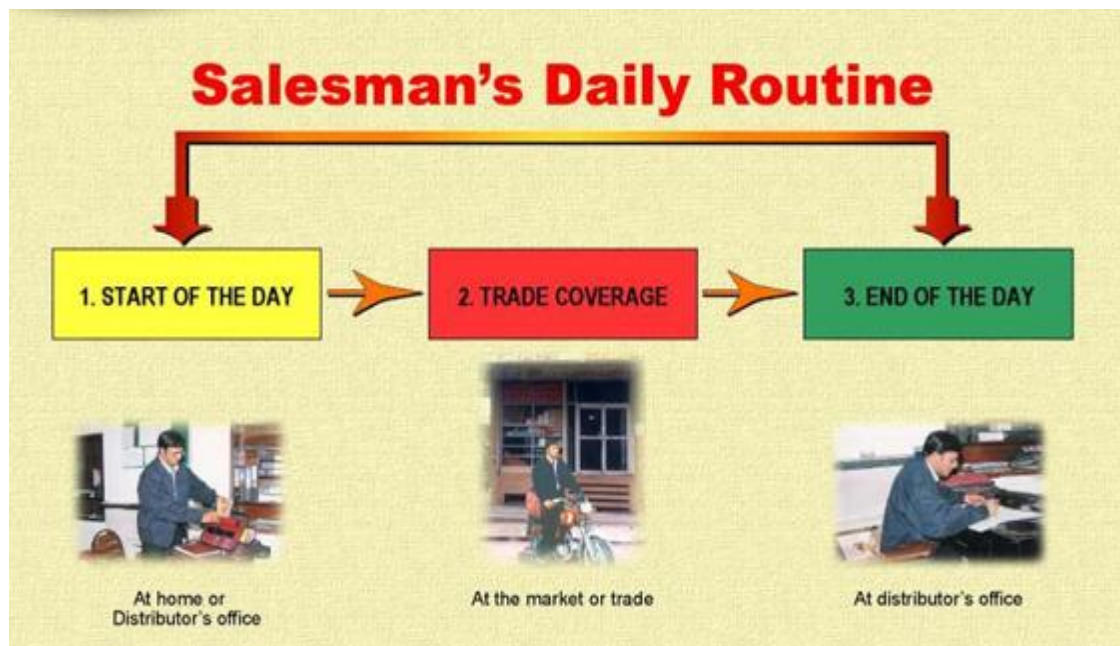
- Ensure sales call
- Ensure Product Delivery
- Due collection
- Merchandising
- Increase Numeric coverage

P&G follows a standard work and calling procedure worldwide. In Bangladesh we also try to follow that. We always tell to our DSE to follow 3 things to be success in setting:



Sales Man Daily Routine:

For a sales man Key Performance Indicator (KPI) is achieving the sales target. So it is very important to use proper time.



1. Start of The Day: It basically starts from home or from Distribution Office.

- **Preparation for the Day**: To start the day they have to prepare for the day. That is net to set a plan and objective set from the last day. Main objective for prepare himself for
 - ✓ daily sales volume
 - ✓ where need to do merchandising activities
 - ✓ collecting dues,
 - ✓ trade promotion communication to the retailers
 - ✓ distribution priorities
 - ✓ covering new outlets
 - ✓ 100% covering existing customer

- **Sales Tools:** To make DSE himself complete it is needed to check sales tools. The Six tools are:
 - ✓ Taking call sheet- it contain a record of past purchase history. It is also contain inventories. Benefit for taking and maintaining call sheet is:
 - Served as permanent customer record, can be transfer to one salesman to another
 - Can suggest order
 - Tools for inventory management
 - Tools for increase range (selling new lines)
 - ✓ Memo book taking- it's an order form contains
 - Sales invoice
 - Account receivable records
 - Official Receipt
 - ✓ Sales organizer taking like
 - Previous sales data
 - Outlet owner info
 - ✓ Presentation materials taking like:
 - Product folder
 - Trade promotion catalog
 - Pen, calculator etc
 - ✓ Taking merchandising materials. Such as:
 - POSM-Hanger, dangler, etc
 - Tap, cutter
 - Merchandise guide book etc
 - ✓ Daily sales priorities
- **Delivery Plan:** It is very important to take delivery plan. Which road or which outlet should cover first. There are some area where outlet close early or some outlets owner may request to deliver the product in evening. So need to make plan accordingly.
- **Ensure Professional Approach:** Proper attitude and cleanness is very important to manage sales. We all know that first impression lasts long. We strictly instruct that everyone should start sales call at 9.00 am.

2. **Trade Coverage:**It starts from the market. We always try to keep touch on existing customer. Main objective of the part is:

- Keep focus on cycle priorities and ensure they are met at each call.
- Implement business building activities:
 - ✓ Communicate trade promotion or consumer promotion
 - ✓ Focus on specific customer
- Record relevant market information
- Always try to find out business opportunities
- Building Trade Goodwill: tips for building trade goodwill:
 - ✓ Establish and maintain harmonious relationship
 - ✓ Be scrupulously fair and honest
 - ✓ Be courteous and ethical
- Use the 9 Basic call procedure: I am stating a standard calling process and tips for DSE. That is:



- ✓ **Review Plan:** Before entering to the outlet it's a quick preparation. Objective is distribution objective, merchandising, due collection, promotion communication.
- ✓ **Opening the Call:** Before sales calling start need to observe store appearance. If the store owner/buyer is busy then give him time to be free. Then greet owner/buyer/others store personal. Then project an image that you are there to help him to grow his business

- ✓ **Stock Check:** Need to take permission to do a store and warehouse check. Objective of the stock check to placement/inventory. It will help to set priorities which product can be sell easily. Call sheet help to remember which product was given previously. It can help to prepare suggested order.
- ✓ **Collection:** Aims to clear all due receivables from the customer. Be firm but tactful. Need to accomplish necessary document. Need to check whether there is any uncollected bill or not.
- ✓ **Sales Presentation:** It is just start the selling. We always call the product previously given or with the power SKU (running product), then communicate the promotion product. And lastly we try to sell additional/New SKU. If there are objection listen, then handle.
- ✓ **Close:** Sales call can be close any time of the conversation. Customer can give direct or indirect indicate that he want to purchase. After closing sales call DSE should inform customer about the price, product delivery date.
- ✓ **Records and Reports:** Accomplish sales order and update the call sheet. Ensure all records and reports are completed during the call, not end of the day. Update the daily sales priorities report.
- ✓ **Merchandising work:**Merchandising is the Presentation of Products that persuade People to Purchase.It is basically displaying the product. Ensure in store implementation of company merchandising. Get space, refill and find out the hot spot to display.
- ✓ **End and Evaluate:** Saygood byeto theretailer and tell him when your next call will be. Leave a good image of yourself and your company. Ensure that you have accomplished all the records and reports. As you move to the next call, evaluate your call result vs objective. Analyze what went well, what to improve. Also list down the issue is still pending.

Step 1, 2, 3 and 9 should be in proper sequence and Step 4,5,6,7 and 8 could be flexible in sequence.

3. End of the Day:At the end of the day DSE have to handle some administrative responsibilities:

- Order sheet placing, delivery plan, etc.
- Reconcile your stock and collection.
- Take a review your target vs achievement.
- Do some plan for the next day

Chapter-4

Finding & Recommendations & Conclusion

Findings:

- Stock out: Stock out problems in few distributors because of their investment capacity was poor. So they cannot sufficient product for their territory.
- Huge stock: There are few branch are holding huge slow moving products from company depot.
- Damage goods: At present there is huge quantity of damaged good stock in the distribution point and the outlets. During the survey period 3 types of damaged goods were observed. They are accordingly
 - Damaged Goods Company has accepted but yet not collected form the Distribution point.
 - Damaged goods collected from the Market by the distributor yet not inform to the company.
 - Damaged goods stuck in the outlets.
- Distributor sales Executive Incentives and performance reward: Distributor sales Executives are the people who are the ultimate sellers of the company's product in the market place. They always keep contact with the wholesales and the retailers by taking the orders and supply them with the required quantity of the right product. They often help the retailers' display and merchandize the products in the outlet to draw the customer attention. As they are playing a key role, they should be kept motivated by ensuring their incentives as they perform well. During my career with MGH I have seen only two incentives for the Distributor sales Executives.
- Lower Return on Investment: International Brands Limited for CTG district earns 13.4% profit on its investment of Tk. 675000 which is not good at all.
- Malpractice regarding the trade promotion programs: Trade Promotion (TP) is a sample product given by the company to encourage the wholesaler and retailers for selling P&G products. It is normally given on the cases and dozen basis purchases. The objectives of Trade promotions are: Increase distribution (Stock depth and width), Counter competitive pressure, and encourage buying. Increase brand presence in stores.

- After stock transferring TP product, some distributor or some sales representative are not giving it to the retailer or wholesaler
- Problem parallel and fake product: Company is fighting with huge parallel and fake product.
- Number of vehicles: In some place distributors are suffering a lot for product delivery because of lack of own vehicles and labors.
- Condition of warehouse: In some area the condition of the warehouses is not up to the P&G standard. The Storing principles are not maintained properly.

Recommendation

On the basis of findings problems, recommendations are listed below:

- To reduced stock out problem company should give some credit facility to its distributor which is doing the other competitor company.
- Company can run some special promotion like “Buy One Get One Free” or “Price Cut Offer” to liquidation slow moving product.
- To increase sales company should take immediate action about their damage stock.
- Company should set an Incentive Criteria in every month to motivate their sales person and also can stop malfunctioning of Trade Promotion.
- Company can take strong action against fake and parallel product by which company can increase their sale and can increase ROI.
- To reduce product damage company can established quality warehouse.

Conclusion

MGH is one of the most reputed global companies operating in our country. Its positive image and brand equities have helped it to faster growth throughout the years since its establishment. The company continues to focus on presenting better solutions to the consumers’ problems by continuously developing the existing products, introducing new products, concentrating on new media opportunities and improving the communication system, expanding distribution network and innovating new ideas. And all these activities are undertaken by a set of superbly proficient and talented employees working with a proactive outlook. The sales of International Brands Limited (IBL) is mainly based on Branches & distributors.

Though the organogram is showing a good set of managers to ensure the best distribution but here they have no direct control over the sales. With the help of strong strategic marketing plan and supports form other departments the distribution channel is running smoothly. Day by day,

their sales figure is increasing but here they can develop their distribution efficiency, if they follow the things, which have been recommended in the part of recommendation.

Reference

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