

White Paper – Field Force Automation

Understanding the requirements, benefits, costs and infrastructure of Field Force Automation projects.

Perspective Financials

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1. About this Document

The objective of this document is to give the reader a broad overview of what Field Force Automation is all about. Exploring benefits, costs, challenges and the infrastructure required to run and maintain a Field Force Automation (FFA) system.

2. Overview

There are many definitions for FFA, for some it is an extension of their Customer Relationship Management (CRM) system; for some it is a tool that makes processes more efficient; for some it is a marketing ploy aimed at projecting a company's level of sophistication or a combination thereof.

3. Possible goals and benefits of FFA

3.1. Process Improvement

Through FFA an employee's time spent on admin tasks is minimized since all information required for reporting are captured during the CALL* itself, theoretically improving productivity and fostering Quality Time.

***CALL** – can be any form of interaction by the field force; a sales call; a booking activity; a survey activity; an inventory count and etc.

3.2. Real Time Information

FFA systems can cut down the time between the actual call and call information being sent to the head office, since the information is sent after a call is completed.

3.3. Pro-Active Customer Management

FFA systems can provide in-depth information (otherwise impossible with manual processes) to the field force. The information may be; call histories; order histories and customer profiles such as preferences, customer quirks.

3.4. Just In Time (JIT) inventory management.

FFA systems can also help JIT by transmitting order and delivery dates to Inventory Management, so production can budget and schedule delivery efficiently. This cuts down on warehouse inventory volumes by knowing how much to produce and when to deliver.

4. FFA system components

4.1. Client Application (CA)

The client application (CA) (Software Program) will be the primary interface for the field force. This application may be developed to be an Order Entry System, a call reporting system, a survey reporting system and etc. The exact specification will be determined by the goals of the FFA. **(Figure 1.1)**

4.2. Server Application

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The server application (SA) (Software Program) will reside on a server. Its primary function is to listen to requests being made by Client Applications. The requests maybe for the CA to submit or retrieve data to the database. **(Figure 1.1)**

The SA would then process all requests.

4.3. Database System

The database system would hold all the information being submitted or requested by the CA. It will be the SA's function to determine where to store or retrieve information. **(Figure 1.1)**

4.4. Communications Protocol and Network

The network is the communications line in which conversations from the CA to SA and vice-versa are transmitted. There are a number of network protocols to choose from. **(Figure 1.1)**

Short Messaging System (SMS) – More popularly known as text messaging.

General Packet Radio System (GPRS) – Is a popular internet connectivity protocol for mobile devices.

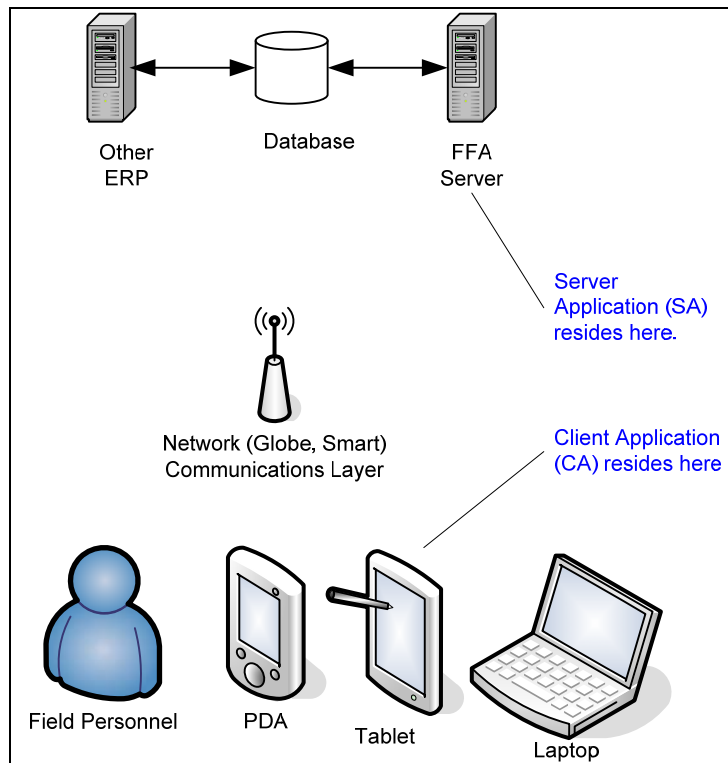


Figure 1.1

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5. FFA Infrastructure Requirements and options

5.1. Mobile Devices

The mobile devices run the Client Applications (CA).

There are different options to choose from; Cell Phones, PDA, Tablet PC's or Laptops. The decision factor for selection would be a combination of computing power, storage capacity and cost.

5.2. Communication Packages (Cell phone plans) and Office Internet bandwidth

The system communicates through this network.

Most local network vendors support SMS and GPRS. Selection of vendors should be a function of coverage, reliability, cost and equipment options provided by the vendors (PDA's)

Internet bandwidth is readily available; specifications would be determined by the number of Clients connecting to it.

5.3. Server Equipment

The server runs the Server Applications (SA).

Branded servers, power and specification would be determined by the number of Clients connecting to it.

6. Challenges

6.1. Employee Resistance

The single most challenging aspect of implementing FFA is employee resistance. FFA provides management with the ability to monitor employee's actions to the dot, by time stamping every activity that the employee does.

This capability does not always appeal to employees. Some employees would always find reasons why the system has not benefited them.

6.2. Cost Justification

Implementing FFA come with a substantial cost. The FFA implementation ROI is long and quite intangible. An example would be better client management provided by the FFA. It would be very hard to cross reference that improvement to business growth.

7. Benefits

7.1. Process Improvement

FFA helps cut down admin time spent on report generation, help avoid errors that are expected from manual processes such pricing and discounting.

7.2. Information Access

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FFA gives management access to information about events as they happen. FFA also gives management the ability to monitor an employee's time usage, coverage and location.

7.3. Pro-Active Customer Support

The single most important benefit of FFA is access to information which will enable field personnel to approach their customers armed with the correct information. Examples are pending orders and status, order habits, product take-offs and etc.

8. Success Factors for implementation

8.1. Solid Management Support and Personnel Buy-In

FFA is more of process integration as opposed to a technological implementation. Management should drive an FFA implementation, delegating project owners, continuously checking on progress and acting on roadblocks. Management has to help sell the idea to the field force requiring their participation and inputs.

8.2. Addressing a Specific Need

An FFA project should be properly planned if there is more than one requirement, it should be implemented in phases. The needs being addressed have to be quantifiable and measurable.

8.3. Managing Expectations

In line with item 8.2 management or the project team members have to specify the clear and realistic expectations of the project to all field personnel.

8.4. Long Term Roll-out

FFA implementation is a long term one. It requires people, customers to adjust to it.

8.5. Proper Risk Mitigation

Proper risk mitigation plans have to be developed and documented. Plans should address concerns such as network and communications failure, theft of equipment, and etc.

8.6. Heavy Vendor Support

FFA implementation also requires strong vendor support making sure that the vendors understand the business need being addressed by the FFA system.

9. Estimated Cost of an FFA (Philippine Peso), 50 Personnel Estimate

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CAPEX			
Items	Unit Price	Qty	Sub-Total
Hardware			
Mobile Devices	40,000.00	50	2,000,000.00
Server Hardware	500,000.00	1	500,000.00
Router/Firewall	40,000.00	1	40,000.00
Hardware Subtotal			2,540,000.00
Software			
Windows Server	75,000.00	1	75,000.00
MS SQL Server 2005	80,000.00	1	80,000.00
Software Subtotal			155,000.00
Total Infrastructure Capex			2,695,000.00

OPEX			
Items	Unit Price	Qty	Sub-Total
Monthly Recurring			
Head Office Bandwidth	25,000.00	1	25,000.00
Technical Support Pax	25,000.00	1	25,000.00
Mobile Plans	2,500.00	50	125,000.00
Total Monthly Recurring			175,000.00

Note:

Estimated figures do not include the cost for the development of the FFA system itself.

Note:

For projection purposes an FFA system with call and order management capabilities would cost anywhere from 3.5 M to 4.5 M pesos.

System development labor may range from 450 Man-Days to 900 Man-Days over six (6) to nine (9) months elapsed time for project development, implementation, training and process integration.

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10. Appendix A: Sample Reports

10.1. Order Summary

Order Summary										
Period	Week June 11 to 15									
Area	Caloocan									
OrderNo	CustCode	Customer	Date	DeliveryDue	Qty	Product	UP	Disc	Subtotal	% Total
500	1000	Customer A	5/15/07	6/11/07	10	SKU 1	1,236.32	0	12,363.20	
					5	SKU 2	3,275.00	0	16,375.00	
ORDER TOTAL									28,738.20	41%
589	1075	Customer D	5/15/07	6/11/07	20	SKU 1	1,236.32	0	24,726.40	
ORDER TOTAL									24,726.40	35%
589	1100	Customer Y	5/15/07	6/12/07	5	SKU 2	3,275.00	0	16,375.00	
ORDER TOTAL									16,375.00	23%
3 Orders									TOTAL ORDERS	69,839.60

10.2. Call Summary

Call Report				
Salesman	Type	Prev Mo	Curr Mo	% Var
Salesman A	New	45	35	-22%
	Existing	115	135	17%
	Total	160	170	6%
Salesman B	New	12	7	-42%
	Existing	90	112	24%
	Total	102	119	17%
Summary	New	57	42	-26%
	Existing	205	247	20%
	Total	262	289	10%