

## White Paper – Field Force Automation

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

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

## Copyright Notice

All rights reserved. The copyright and all other intellectual property rights in this document, and any derivative work, belong to Paperless Trail, Inc. or PTI and the recipient acknowledges that PTI has copyright in this work. No part of this document may be reproduced, or transmitted in any form or by any means, including photocopying, and recording, to any third party without the written permission of PTI. The recipient must not reproduce or use this document either in whole or in part for any purpose other than that agreed with PTI beforehand. Such reproduction or use must include this copyright notice.

Some products/services or product/service names mentioned in this document may be trademarks or registered trademarks of their respective owners.

## Confidentiality Notice

This document is disclosed only to the recipient to whom this document is addressed to, and is pursuant to a relationship of confidentiality under which the recipient has obligations thereto. This document constitutes confidential information and contains proprietary information belonging to PTI. The confidential information is to be used by the recipient only for the purpose for which this document is supplied. The recipient must obtain PTI' written consent before the recipient or any other person acting on its behalf, communicate any information on the contents or subject matter of this document or part thereof to any third party. The third party to whom the communication is made includes an individual, firm or company or an employee or employees of such a firm or company. The recipient, by its receipt of this document, acknowledges that this document is confidential information and contains proprietary information belonging to PTI and further acknowledges its obligation to comply with the provisions of this notice.

## Legal Action

PTI, in order to safeguard its copyright and intellectual property rights, reserves the dispensation to pursue legal action should the copyright and confidentiality of this document be breached.

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

## 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

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

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.

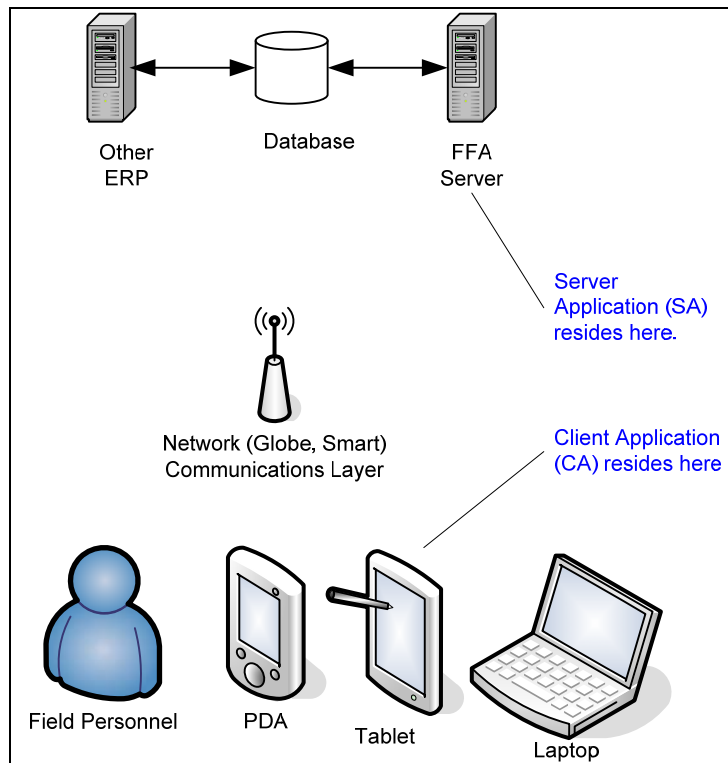


Figure 1.1

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

## 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

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

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

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

| CAPEX                             |            |     |                     |
|-----------------------------------|------------|-----|---------------------|
| Items                             | Unit Price | Qty | Sub-Total           |
| <b>Hardware</b>                   |            |     |                     |
| 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           |
| <b>Hardware Subtotal</b>          |            |     | <b>2,540,000.00</b> |
| <b>Software</b>                   |            |     |                     |
| Windows Server                    | 75,000.00  | 1   | 75,000.00           |
| MS SQL Server 2005                | 80,000.00  | 1   | 80,000.00           |
| <b>Software Subtotal</b>          |            |     | <b>155,000.00</b>   |
| <b>Total Infrastructure Capex</b> |            |     | <b>2,695,000.00</b> |

| OPEX                           |            |     |                   |
|--------------------------------|------------|-----|-------------------|
| Items                          | Unit Price | Qty | Sub-Total         |
| <b>Monthly Recurring</b>       |            |     |                   |
| 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        |
| <b>Total Monthly Recurring</b> |            |     | <b>175,000.00</b> |

**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.

# Perspective Financials

FINANCE | CRM | PROCUREMENT | HR | SCP | Release 3

## 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           |                  |
| <b>ORDER TOTAL</b> |                    |            |         |             |     |         |          |      | <b>28,738.20</b>    | <b>41%</b>       |
| 589                | 1075               | Customer D | 5/15/07 | 6/11/07     | 20  | SKU 1   | 1,236.32 | 0    | 24,726.40           |                  |
| <b>ORDER TOTAL</b> |                    |            |         |             |     |         |          |      | <b>24,726.40</b>    | <b>35%</b>       |
| 589                | 1100               | Customer Y | 5/15/07 | 6/12/07     | 5   | SKU 2   | 3,275.00 | 0    | 16,375.00           |                  |
| <b>ORDER TOTAL</b> |                    |            |         |             |     |         |          |      | <b>16,375.00</b>    | <b>23%</b>       |
| <b>3 Orders</b>    |                    |            |         |             |     |         |          |      | <b>TOTAL ORDERS</b> | <b>69,839.60</b> |

### 10.2. Call Summary

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