

Case Study

Johnson & Johnson

„The Emigo System has soon become our primary business tool. We reckon, owing to its implementation, which still continues, our sale has grown by ca. 15%. As a result of the implementation, the costs of both ourselves and our distributors have sunk as well.’ - Michał Krawczyk, Analyst and Business Support System Administrator at Johnson & Johnson.

The distribution of cosmetics and pharmaceutical products is one of the most competitive branches – both in the world and Poland. For many years now, all players have optimised their processes, therefore gaining a significant edge over competitors is pretty difficult. It is worth trying, though, which is perfectly noticeable on the example of Johnson & Johnson distribution network. The Company conducted a pilot study, and thereafter, it has launched a set of the Emigo solutions which, combined, represent comprehensive mSFA/mCRM class (Eng.

Mobile Sales Force Automation/Mobile Customer Relationship Management) applications for distribution. The effects of the implementation of the Solution, made available in a SaaS model (Eng. Software as a Service) are noticeable in all essential fields of interest.

„The implementation permitted us to phase out the problems encountered in the distribution network for years, e.g. collecting orders of goods which are out of stock. Afternoons, we do not have any overflow of orders any more, as they come in currently during the day. Thanks to the new system, traders do not waste

time confirming orders and checking how far sales targets are accomplished. Any information is available on an ongoing basis, which permits them save more or less one hour daily. Within an hour’s time, they may visit a few clients more”– says Michał Krawczyk, Mobile System Analyst and Administrator at Johnson & Johnson.

Daily, in collecting detailed information not only on orders, but facing, competitors’ actions, clients’ feed back, etc., as well, Johnson & Johnson may currently adjust its tactics to varying circumstances. The Solution integrates with distributors’ systems, providing an insight into their stocks. Hence, in turn, permits optimising stocks at J&J and its distributors.

„We monitor competitors’ actions, make current surveys, we can see – owing to photographs of shops’ shelves made at regular intervals – whether, or not, our



The sale increased by ca. 15 per cent – owing a synergism of many factors, including some of the following ones.



More flexibility and transparency of the distribution network – owing to its efficiency and low transactional processing costs.



A higher profitability – thanks to a reduction of sales operating costs (Phones, faxes, fuels).



Quicker and easier adjustments of tactical measures to changes in both the sales network and competitors’ actions.

Johnson & Johnson

Country: Poland
Sector: Distribution
Implementation: 2006

Customer information:

Johnson & Johnson is the world’s leader in the sector of health protection that operates in the markets of cosmetic, pharmaceutical, and medical products, and employs 110,000+ staff all over the world. The Company is the proprietor of numerous renowned and recognised trade marks i.a. Johnson’s, Johnson’s Baby, O.B., Neutrogena, Carefree, and Clean&Clear.

Business position:

Johnson & Johnson collects orders via commercial representatives who pass such orders on to regional distributors. Thus far, the orders have been collected on order forms and reached the distributors late in the afternoon. Such system of operation was proven; however, it turned out the flow and quality of information may be much improved, reducing thereby the sales costs.

Solution

Accomplishing those – a many other – benefits became possible thanks to the Emigo - an SFA class solution – as developed by the Szczecin-based Sagra – having been launched across the Johnson & Johnson distribution network. In its entirety, the Solution is supported by the Microsoft® platforms and Technologies, including Windows Server 2003, SQL Server 2005, SQL Server 2005 Compact Edition, .NET Framework 2.0, .NET Compact Framework 2.0, and Windows Mobile 5. The Solution has been made available in the Software as a Service model.

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promotional efforts are carried out to instructions, etc. The Emigo System has soon become our primary business tool. We reckon that, owing to its implementation, which still continues, our sale has grown by ca. 15 per cent. As a result of the implementation, the costs of both ourselves and our distributors have sunk as well” - explains Michał Krawczyk.

Situation

Johnson & Johnson is the world's leader in the sector of health protection that operates in the markets of cosmetic, pharmaceutical, and medical products, and employ 110,000+ staff all over the world.

„The Emigo system has permitted our distributors to curtail employment costs very substantially. At some of the companies, entering orders were dealt with by 10+ personnel. Today, as a rule, a few people monitor the process that is 100 per cent automatic. Obviously, the benefit to the distributors is speed and resultant abilities to handle a greater number of order lines within the same time. The access to the data of the distributors is beneficial for both the latter and representatives”

- says Michał Krawczyk, Mobile System Analyst and Administrator at Johnson & Johnson.

The Company is the proprietor of numerous renowned and recognised trade marks i.a. Johnson's, Johnson's Baby, O.B., Neutrogena, Carefree, and Clean&Clear. Altogether, Johnson & Johnson have a variety comprising some 900 items. Their sale is handled by several distributing functions, operating independently of one another.

The subdivision of the variety among the functions is conditioned, to much extent, upon the way of sale to end clients. The Traditional Trade and Key Accounts functions cater for typical shops and large retail networks, respectively. Apart from that, the Company runs functions, which deal with cosmetics sold solely at pharmacists' and ROC series cosmetics, respectively. Further, a separate function is represented by dermal consultants who advise clients at pharmacists.

Such a system of work enforced frequent contacts – both by phone and in person – among representatives and distributors. Thus, their time was not optimally used.

“We knew, the representatives had not used their all available working time visiting clients. As long as up to one hour they had had to spend sending faxes and clarifying order details with the distributors. In addition, every morning, every representative wanted to know, even approximately, how many of orders from the precedent day, had been confirmed. For, meeting sales targets was dependent thereon.”- says Michał Krawczyk
The previous solution permitted filling in the forms,



Optimisations of 'in-progress' production and stocking possible thanks to credible information from the market.



The ability of active sales promotions, including suggestions on substitutes for actual choices, the latter's not being currently available in the distribution network.



Stronger bonds with distributing partners – thanks to the exchange of information, and lower operating costs

however, their preparation required involvement of programmers. In practice, it was easier to collect hard copies, which, on the other hand, affected their up to date status.

„From the order data, one could find out trends, but efficiency consists in finding answers to the question 'Why'. It is exactly for that reason, that the significance of surveys has grown substantially in recent years. Paper, however, was a serious operational hindrance – from design of a survey up to production of a consolidated report on answers obtained too much time passed so that they surveys could not have been treated as a decision-making tool”- explains Michał Krawczyk.

Johnson & Johnson also noticed that, in a longer perspective, it was necessary to provide mobile personnel with a tool permitting them to carry out several diverse actions per visit, including but not limited to checking out and reporting the status of shelves, how shops observed contractual obligations, e.g. promotions, how goods were merchandised, and so on. „Along with subsequent challenges emerging, our thought of the organisation of the work of the sales

representatives has evolved towards all needs being catered for in the course of one visit. We have had ideas, however, we have not had any solution, by means of which we could put the ideas into practice” – says Michał Krawczyk.

Solution

A potential solution emerged by chance in the horizon in 2005, when one of the distributors, at a cyclic meeting, related his observations on actions of traders in a totally different trade. „What we heard, sounded very encouraging, anyway, it was close to our expectations on how, ultimately, our processes of collecting and executing orders should look like. We found the originators of the Solution, as mentioned by our partner, and after short talks, we decided ourselves for a limited pilot study.” – explains Michał Krawczyk.

The originators of the Solution named Emigo happened to be Sagra Technology of Szczecin. The Emigo is an SFA class system which denotes it permits control over sale and service to clients, prompts a rep what is to be offered to clients and at what prices. It saves time of both reps and office staff. „Two months of tests within one department at one of the regions convinced us, the Emigo was what we had looked for. We needed some modifications, including a specific corporate calendar to be in place, in which the month lasted 4 or 5 weeks. Most of the functions, however, was useful to us, even unchanged” - recalls Michał Krawczyk.

The vital centres of the Solution are: The Emigo Centre and Emigo Portal – an Internet application by means of which sales and marketing personnel define in detail standards of visits by division. The Solution as a whole

is provided in a SaaS model, which stands for complete outsourcing effectuated by Sagra Technology

„We employ diverse planning cycles, but should a need arise, we may introduce changes to visiting schedules, practically on a day to day basis. For instance, when it happens, response to a promotion is weaker than assumed, we may prepare a relevant survey promptly. As a rule, on the following day, we will know whether it was an effect of weather, stocks at shops, or perhaps a promotion running concurrently at competitors” – says Michał Krawczyk.

Thanks to the completely electronic flow of information, the Emigo System eliminates the most of errors in orders – and delays and costs related thereto. „The fact alone that the system prevents anything outside the glossary from being entered, brings about much savings. All significant boxes are subject to review, and consequently, nowadays errors in orders may only results from representatives’ faults” – stressed Michał Krawczyk.

„Traders may show shots, parameters, and specs of new products to their client. In proposing sale, they may apply clients’ and not their own codes. They may read messages from their managers, which contain latest results of negotiations with a networked client and concerning prices and/or terms and conditions of promotions. In case of networked clients, during a visit, representatives can see only those items which are covered in contract”

- Michał Krawczyk, Mobile System Analyst

Data from the representatives’ palmtops flow in directly to the Emigo Centre via a GSM network, and then, to the distributors’ systems through the Emigo Integra where it is automatically confirmed. That automation makes a huge difference. „That there is no fax within the process denotes data is at all times readable and there is no space for errors. Additionally, the data reaches the systems currently – the representatives get in sync upon each visit, therefore there is no reason for the personnel to sit long hours and enter the data manually. Too much workload towards the end of the day was a necessity, and there were resultant problems whose clarification and solving lasted and cost. Thanks to the Emigo System many of them simply vanished” – sums up Michał Krawczyk.

Current checks on the availability of stocks at distributors’ are an obvious advantage to Johnson & Johnson. „The so-called ‚empty’ orders are gone. Clients receive confirmations very quickly and know if they should order something else. As befits an SFA system, owing to visible stocks, the Emigo helps representatives make sure that clients may be suggested a similar item or replacement, e.g. with another flavour or on another packaging, should

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It is important given that the sale of cosmetics is dependent on many factors, sometimes even on weather. If an item is not available at a proper moment, a shop loses its opportunity to profit.

The Emigo includes functions that facilitate control over the interior of shops and arrangement of goods on shelves. It permits saving in the program and forwarding to the HQ photographs which may currently be analysed by experts on their compliance with contractual provisions. The Emigo performs the function of a catalyst for a different mindset, and provides distributors with a tool to enhance efficiency and to curb costs