RP - Sanjiv Goenka Group

Growing Legacies

IMI
INTERNATIONAL MANAGEMENT INSTITUTE
NEW DELHI
Shaping global leaders for tomorrow

Projects based on processes of DWM, Virtual TL, Distribution

Sip project report

Submitted in partial fulfillment of the requirements for the

PGDM program

2019-2021

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2. **Prof. D.K Batra**

International Management Institute New Delhi

2019-2021

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My thanks and appreciation also go to my college International Management Institute New Delhi in developing the relations who have willingly helped me out with their abilities

Successful completion certificate of internship with RPG Group- CEAT

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May 29, 2020
Pranshul Khare
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To whomsoever it may concern,

SUB: SUMMER INTERNSHIP PROJECT COMPLETION LETTER

This is to certify that Pranshul Khare from International Management Institute, New Dehli has completed her 2 month summer internship at CEAT Ltd. from April 2, 2020 – May 29, 2020. The summer internship project was titled:

" Projects based on processes of DWM, Virtual Tl and distribution "

Kindly consider this as a project completion letter / certificate.

Best Regards,

Vinayak Talwar

Campus-Lead
RPG Enterprises

SELF- DECLARATION

I do hereby declare that this SIP Report Titled "Projects based on processes of DWM, Virtual TL, Distribution " submitted to the International Management Institute New Delhi, in partial fulfilment of the Summer Internship Project , is an original work done by me under the Auspices of the Placement Office of International Management Institute, New Delhi. This work has not been submitted to any other University/ Institution for any purpose.

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1. Executive summary:

The project was started on April 1st 2020 after knowing all the relevant information related to the Tyre industry being the integral part of the automobile industry, under the guidance of Mr. Saagar Vijan (sales & marketing Dealer head CEAT) and Mr. Brijesh Kumar (sales & marketing Distribution head CEAT). For achieving timely deliverables and project completion a set rule for all the sub parts were being constructed which included understanding of:

1. Current Situation
2. Understanding the problems & practices
3. Research & Analysis
4. Counter measures
5. Result check
6. Standardization

The project was divided into four different sub-project that were challenging and at the same time directly related to the internal management of the organization CEAT. The first part of my project involved the study of micro level management along with the regional managers and distributors in a holistic manner , identification of the problems as to why DWMs and Action Logs are not taking place and providing a ready reckoner along with solution and making an attempt to increase the citations of action logs among the micro level management. For this various method of communications at all the different levels were being used along with the pareto analysis of the situation thereby pinpointing out the key problems. At the same time the territory leaders were being made aware of the importance of the Sales force forum with a training session conducted for the issues raised and a deployment of SOP for all the regional managers to further continue with the process.

The second part of the project consisted of reducing the time of the ongoing practices of the monthly over view of the sales team and provide regional managers with the exact reasons against the shortfall of the target, bringing annual budget and monthly budget together to ease down the targets along with providing the weightage to all the different category of dealers and distributors with the pre – journey planning, the visit, the number of order placed.

Geo- plotting being the third sub project involved the understanding of CEAT distribution model for finding out the white spaces for the distributors and the deploying new sub distributors if needed. This project was particularly performed for Neemuch District of Madhya Pradesh being one of the regions where beat optimization is a necessity. With the help of tools like Power BI and Google maps the project was carried out with visualizing the data which gives us clear patterns about the data and makes it easy for analysis. Geo

reference for the company was important as it not only conveys the coordinates to spatial data but consolidated all the data that is scattered for all the regions.

The last part of my project involved the study of market situation for bringing in the Virtual territory leader for the dealers and distributors along with adding an extra sales force with the help of BPO and CFAs (carrying forwarding agent) without increasing the manual work. This part of the project would not only help the company in slashing the workload of the sales team but also make them virtually more competent being the only organization in the market providing such services to engage and improve the relationship management with its dealers and distributors.

The extensive project not only helped me in developing a holistic approach to the problem but more importantly look for the ongoing practices with different perspectives. The constant motivation and learning taken from all the mentors is something that will be cherished in all the field:

- Pali Tripathi -“always keep in mind the end user for whom you are working”
- Saagar Vijan- “everything has some learning to it, look at each activity from learning perspective”
- Brijesh Kumar- “focus on the problems once you understand them solutions come by”
- Prof DK Batra- “believe in yourself and do more hard work than required”

2. Introduction

2.1 Need of the study:

The project was an attempt to know the reasons behind the low performance of action logs by the micro level management in the whole organization CEAT. The need to revamp the company and position it all over again in the mind of all the employees at the different levels.

In doing so firstly the importance of sales force forum has to be positioned competitively in the mind of the users, creating more awareness among the employees. Secondly a study on dealers and distributors decision making factor is required in order to understand their priorities which can be worked upon. For this purpose, an extensive research was to be undertaken to understand the market scenario

With the help of responses by all the different level of people within the organization and data analysis, the company will be able to understand its strength, weakness. The surveys and the models submitted will not only aid the managers but also in developing new business opportunities and making the organization and employees more market and situation ready

2.2 Objective of The Study-

The objective of the study is the following:

1. Processes to be streamlined and standardized to positively affect various business streams like Dealers and Distribution network
2. Increase depth in high potential / de-growing dealers
3. Maintain depth in high performing dealers
4. Increase breadth in white spaces
5. Increase productivity of mature distributors
6. To assign monthly targets to each territory and further break it down to a dealer / customer level
7. To ensure all action points during the engagement with the dealer / customer are logged into the system and are reviewed during the performance dialogue meet.

3. Organizational background

3.1 About RPG Group:

Set up in 1979, the RPG Group is an enhanced aggregate with interests in the zones of framework, tires, data innovation, pharmaceuticals, vitality and estates. Established by Dr. R.P. Goenka, the Group's genealogy dates to mid nineteenth century. Today, the Group has a few organizations in different areas dominatingly CEAT, Zensar Technologies, KEC International and RPG Life Sciences. Based on a strong establishment of trust and custom, the RPG name is interchangeable with consistent development and elevated expectations of straightforwardness, morals and administration.

3.2 CEAT- Ruling the Road:

Since its origin in 1958, CEAT has consistently extended its tire creation limits and today, is one of India's driving tire makers with a solid nearness in worldwide markets. CEAT is based on solid ethos of energy, qualities, dynamism and versatility and stays focused on helping a great many vehicles travel securely. CEAT creates more than 37 Million tires per year. It produces world-class tires for a wide scope of vehicle sections. CEAT's assembling activities are helped through a mix of in-house producing offices and re-appropriating units. Best in class R&D focuses at Halol, India and Frankfurt, Germany empower CEAT to concoct more secure and more brilliant items to satisfy the portability needs of its clients.

3.3 The strategic pillar of CEAT consist of:

- Strong brand equity
- differentiated products
- strong OEM relationships
- global reach
- world class research and development
- extensive distribution network

4. SWOT analysis:

4.1 Strength in the SWOT analysis of CEAT tyres:

Strengths are defined as what each business does best in the gamut of operations which can give it an upper hand over its competitors the following are the strengths of CEAT:

- **Wide product portfolio**: the CEAT brand is popular for its motorcycle tires which are sold under the labels CEAT Zoom, CEAT zoom tubeless, F 67, F 85 Milaze. The company also manufactured tires for scooters under the labels grip and zoom d. their range of tires for commercial vehicles are Buland & Buland mile. In addition to this, it also manufactures tires for farm & agricultural vehicle and speciality tire for mining, quarrying, rock excavation, construction & post application.
- **High brand visibility**- CEAT tyres is a popular brand in INDIA & has the highest Brand recall and recognition. The company has been consistent in its advertisements and has been always communicating the same value proposition of being value driven and tech savvy
- **Focus on customer-** CEAT has always based its product on customer feedback and always been modifying its product in accordance with customer perception.
- **FMCG model distribution**- Quite unlike other tyre manufacturers the company has modeled its distribution channel on FMCG companies. Instead of selling tyres to the customer directly they have added an intermediate layer of distributors who sell it to sub-dealers. This has helped them to widen their reach considerably.

4.2 Weakness in the SWOT ANANLYSIS OF CEAT TYRES:

Weakness are used to refer to areas where the business or the brand needs improvement. Some of the key weakness of CEAT are:

- **No market leadership-** Though CEAT has the presence in multiple categories like two equipment and specialty tires it is not a market leader in any of these categories though it has strong brand presence
- **Low margin-** The key focus area of CEAT is on truck radial tyres and in this domain, the competition is high because of which sales volumes are low and the margins are high.

- **Focus on too many segments at the same time-** The company focuses on too many segments at a time and this has resulted in diluting its presence in all segments and

they were rendered incapable of beating the competition and this was thinning down the already scarce resources.

4.3 Opportunities in the SWOT analysis of CEAT tyres:

Opportunities refer to those avenues in the environment that surrounds the business on which it can capitalize to increase its returns. Some of the opportunities include:

- **High growth potential-** the country has around 60 manufactures of tyre both big and small, some of whom are regional players. The growth rate of tires market is around 9% per year between 2019-2021. The highest is predicted for two- wheeler tyres

- **Changing customer needs** – the customer needs are changing continuously & currently the demand is driving for safety and comfort
- **Growing market for passenger cars**

4.4 Threats in the SWOT analysis of CEAT tyres:

Threats are those factors in the environment which can be detrimental to the growth of business. Some threats include;

- **Competition**- the company faces still competition from the brands like JK tyres. Apollo, Dunlop, Bridgestone. Michelin

- **High cost of material-** materials used in tyres like synthetic rubber, carbon black, steel reinforcement, chemicals etc are highly fluctuating and this will invariably affect the pricing of the products

5. Comparison of CEAT with its competitors

Competition Standalone Consolidated

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
MRF	62,660.30	26,575.13	15,837.00	1,096.87	12,116.89
Balkrishna Ind	1,199.20	23,182.60	5,244.50	782.00	5,508.04
Apollo Tyres	105.80	6,052.29	11,062.03	508.62	12,018.53
Ceat	**947.25**	**3,831.63**	**6,581.11**	**270.76**	**4,494.98**
JK Tyre & Ind	61.10	1,504.47	6,094.84	228.66	5,005.19
TVS Srichakra	1,409.15	1,078.99	2,381.76	103.17	1,152.72
GRP	674.55	89.94	348.63	3.00	211.81
Somi Conveyor	14.35	16.90	60.66	1.55	82.43
Innovative Tyre	7.25	13.04	171.79	0.99	106.90

Table 1

Balance Sheet	---------- in Rs. Cr. ----------				
	Ceat	MRF	Balkrishna Ind	Apollo Tyres	Goodyear
	Mar '20	Mar '19	Mar '19	Mar '20	Mar '20
Sources Of Funds					
Total Share Capital	40.45	4.24	38.66	57.21	23.07
Equity Share Capital	40.45	4.24	38.66	57.21	23.07
Share Application Money	0.00	0.00	0.00	0.00	0.00
Preference Share Capital	0.00	0.00	0.00	0.00	0.00
Reserves	2,886.95	10,649.06	4,640.05	7,634.94	892.67
Revaluation Reserves	0.00	0.00	0.00	0.00	0.00
Networth	**2,927.40**	**10,653.30**	**4,678.71**	**7,692.15**	**915.74**
Secured Loans	1,567.58	1,463.59	829.33	4,326.39	0.00
Unsecured Loans	0.00	0.00	0.00	0.00	0.00
Total Debt	**1,567.58**	**1,463.59**	**829.33**	**4,326.39**	**0.00**
Total Liabilities	**4,494.98**	**12,116.89**	**5,508.04**	**12,018.54**	**915.74**
	Ceat	MRF	Balkrishna Ind	Apollo Tyres	Goodyear
	Mar '20	Mar '19	Mar '19	Mar '20	Mar '20
Application Of Funds					
Gross Block	4,754.25	9,353.43	4,008.27	10,557.26	316.31
Less: Accum. Depreciation	0.00	2,585.91	1,222.18	0.00	0.00
Net Block	**4,754.25**	**6,767.52**	**2,786.09**	**10,557.26**	**316.31**

	Mar '20	Mar '19	Mar '19	Mar '20	Mar '20
Application Of Funds					
Gross Block	4,754.25	9,353.43	4,008.27	10,557.26	316.31
Less: Accum. Depreciation	0.00	2,585.91	1,222.18	0.00	0.00
Net Block	**4,754.25**	**6,767.52**	**2,786.09**	**10,557.26**	**316.31**
Capital Work in Progress	0.00	1,403.19	585.42	0.00	0.00
Investments	**320.22**	**3,848.39**	**1,083.06**	**2,409.52**	**0.00**
Inventories	879.50	2,950.93	713.00	1,808.25	149.82
Sundry Debtors	704.66	2,361.62	568.12	445.08	219.94
Cash and Bank Balance	26.59	60.07	55.61	236.58	546.17
Total Current Assets	1,610.75	5,372.62	1,336.73	2,489.91	915.93
Loans and Advances	259.80	835.96	638.47	1,025.29	74.56
Fixed Deposits	0.00	0.00	0.00	0.00	0.00
Total CA, Loans & Advances	1,870.55	6,208.58	1,975.20	3,515.20	990.49
Deffered Credit	0.00	0.00	0.00	0.00	0.00
Current Liabilities	2,290.20	5,793.76	896.66	4,232.93	351.81
Provisions	159.84	317.03	25.07	230.52	39.25
Total CL & Provisions	2,450.04	6,110.79	921.73	4,463.45	391.06
Net Current Assets	**-579.49**	**97.79**	**1,053.47**	**-948.25**	**599.43**
Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00
Total Assets	**4,494.98**	**12,116.89**	**5,508.04**	**12,018.53**	**915.74**
Contingent Liabilities	0.00	969.94	1,412.10	0.00	0.00
Book Value (Rs)	723.71	25,118.94	242.02	134.47	396.94

Table 2

- Link for the website-https://www.moneycontrol.com/competition/ceat/comparison/c07

6. Category division of CEAT:

CEAT is India's leading tyre company with over 50 years of presence Distribution Network: 4500+ dealers, 500+ exclusive CEAT franchisees 6 Manufacturing facilities - Bhandup, Nasik & Halol, Nagpur, Amber Nath and Srilanka

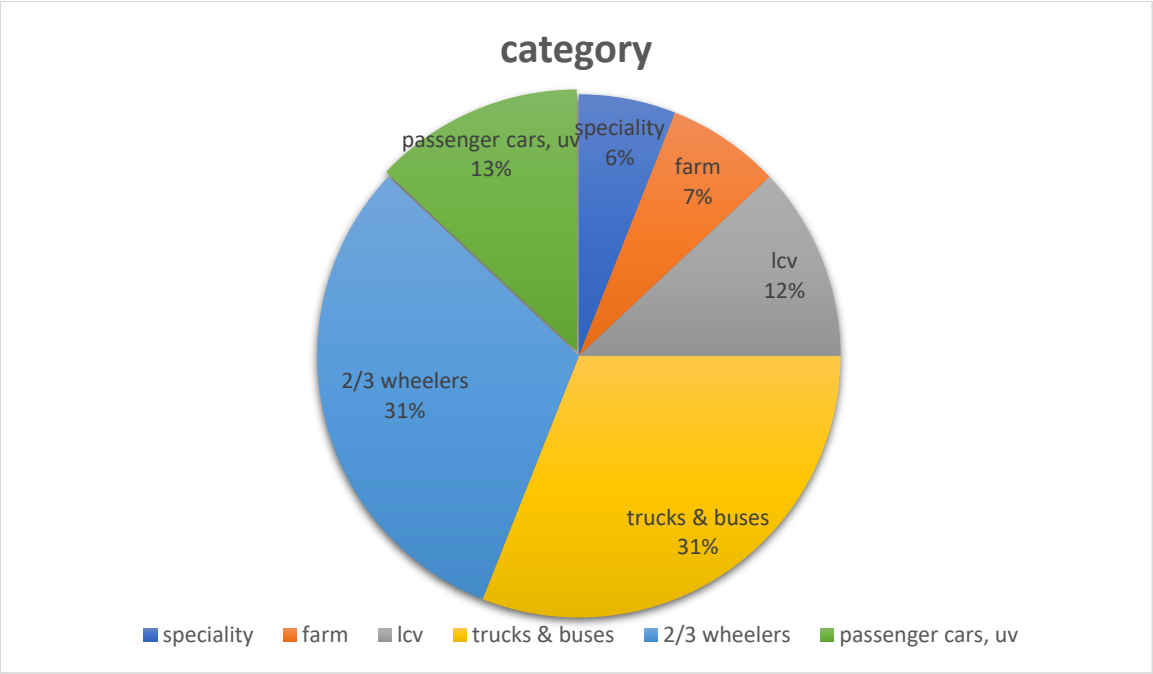


Table 3

6.1 DIVISIONS of DEALER & DISTRIBUTOR CHANNEL:

- Divided into 6 zones which has 33 regional offices each headed by RM (regional manager) under which maximum of 6-7 TLs and TLDs are there
- Sales head (HO)->Zonal Managers (6 zones)->Regional Offices (33 RO)->Regional Managers->Territory leaders (4-5 under each rm)->Dealers
- Sales head (HO)->Zonal Managers (6 zones)->Regional Offices (33 RO)->Regional Distributor Managers->Territory Distributor leaders (2-3 under each rdm)->Distributor-> sub dealers (100-150)->Distributor Sales Executive (70 sub dealers per average)

6.2 CHANNELS:

Dealer channel- consists of big tyre shope, cash deposit company, target rotations, have their own outlet, (deals in all kind of tyre), work with territory leaders

Distributor channel- consists of sub dealers- particular warehouse- DSE (distributor sales executive) are appointed on fixed salary by distributor but all the incentives and training is done by CEAT in particular. Work along with territory leader distributor. Deals in 2/3-wheeler segments only

6.3 Dealer:

Dealer are identified by the club groups they belong to or Exclusive/Semi Exclusive formats

Importance of a dealer defines the norm of visit, Importance being measured by

- *Size of CEAT business of the dealer*
- *Club type*
- *Exclusive formats*
- We have HIGH PRIORITY, MEDIUM PRIORITY, MAINTAIN PROSPECTS AND PROSPECTS DEALER
- CLUB DEALER (based on business being brought in)– Galaxy (>1.25 crore), Platinum (>65 lakhs), Gold (>30 lakhs)
- NON -CLUB DEALER - >10 lakhs and < 10 lakhs

GROWTH TARGET (silver- 10%, platinum- 12%, gold-15%, >10 lakhs- 18%, <10 lakhs-20%

6.4 Distributor channel-

Among all the industry leader CEAT is the only company that has two different channels of working out of which one is the distributor channels.

1. **Appointment of 2/3 wheeler, PCR/UVR, LCV & LM distributor:**

- Distributor can be appointed only with the prior Joint approval by General Manager – Zone & Divisional Manager with mandatory communication to VP – Sales Development.
- All Distributor account will be treated as an Individual account for implementation of this Policy.
- Distributors can only be billed 2/3 wheelers, PCR/UVR, LCV AND LM tyres and tubes.
- All new Distributor will be appointed on electronic mode of payment only.

6.5 Essentials appointment of an Ideal distributor:

- Should deal with CEAT exclusively as far as tyre products are concerned.
- Should operate only within demarcated area / assigned territory.
- Should expand the retails universe and seek alternate channels including battery, spare parts, lube, OE & Fuel stations.
- Should have delivery van and provide exclusive salesman for sales. To ensure delivery of orders next day of order placed
- Should deploy one salesman for every 90 outlets for local and 60 outlets for upcountry.
- Should provide handheld/tab as per requirement of company to every salesman for taking order through Device only. g. Should be willing to service small outlets in the given geography and have route / week wise beat plan.

About the Project 1

7. Project title - "STREAMLINING DWM and MOR Enhancing usage of action log"

7.1 Business objective-

Processes to be streamlined and standardized to positively affect various business streams along with the standardization of the processes at all the different management levels

7.2 Understanding of DWM & MOR-

DWM or we can say daily weekly and monthly is an online forum in CEAT hey where are the regional managers and the territory leaders, distributors can check their pre journey planning daily. This practice must be followed by everyone in the management explicitly before starting their day.

7.3 Things we can see in DWM-

- Show the territory name. When mouse pointer is hovered over a dealer, details like Territory code etc. come up.
- This section shows the total value forecast vs plan for the region
- This indicates the category wise forecast and plan for the territory and gap in planning if any
- This section shows budget, L3M and LYCM for a territory. Plan is updated for a category against these columns.
  Refer to table 4 {1}

7.4 Importance of DWM for CEAT-

DWM is not only an online forum for CEAT but also a platform that helps to maintain the working of every individual globally in all the region along with all the data consolidated within the system. It also helps in providing the information of:

- Visits check in by the territory leader
- Lead Status Update
- Future Visits
- Unplanned Visits

Action log is a part of DWM that plays a major role in understanding the current problems of the micro level management and giving them ready solutions so that the sales and distribution, relations at the market is not affected. Generated to bring out the problems and situations more clearly Infront of the whole team. Providing with the information as to what is to be prioritized by all the hierarchy within the organization and more importantly helps in

the escalation of problem if not being able to get solved by anyone. *The major issue for the company is why the action logs are not being raised as is should be*? *Refer to table 5*[1]

7.5 MOR-

MOR or monthly overview review is a platform where the top -level management inspects the working of the micro level management and understanding the issues of why the target has not been achieved and provides monthly training to increase the sales and new solutions

7.6 Problem identification-

- Mindset regarding action logs which in current scenario by 75% of people is being taken as a complaint forum
- Co-create target customer personas
- Discipline and turnaround time
- No proper usage of MIS person
  (refer to annexure for why this is approved by the management and what are the problems of action log not happening)

7.7 Current practices happening in the management-

Practices for all the different platforms in DWM and its understanding for filtering out and coming up with the ready solution

7.8 Action log-

- Apprehensions in using the action log
- Perceived more as a complaint forum then resolution forum
- Responsibility and escalation matrices unclear

7.9 DWM-

- DWM calls currently don’t follow standard time and duration
- leads to waiting and anxiety

7.10 MOR-

- Review parameters in MOR are not standard
- Don’t follow right weightage

7.11 Needs identified-

- Driving optimum usage of the action log
- Defining resolution and escalation metrices for action log

- Bringing rigor to the DWM process
- Standardizing the MOR format to make it more impactful

7.12 <u>Solutions to the problem-</u>

- Bringing change in the mindset at micro level that it is not a complaint forum.
- Dividing action log entries into categories so that it can directly reach to the concern department
- Providing with scheme updating policies within the dwm's to minimize mailing and other forums of communications
- Bringing forecast along with the budgets so that Rms can discuss in whatever direction they want to
- Queries to be resolved within a set of time by the concerned team and posted on the forum so that tls and tlds can take their dealers and distributors under confidence which will also benefit their relations with their dealers
- Making it easier with less complications so that it can provide benefits at micro level

7.13 <u>Deeper solutions to the problems-</u>

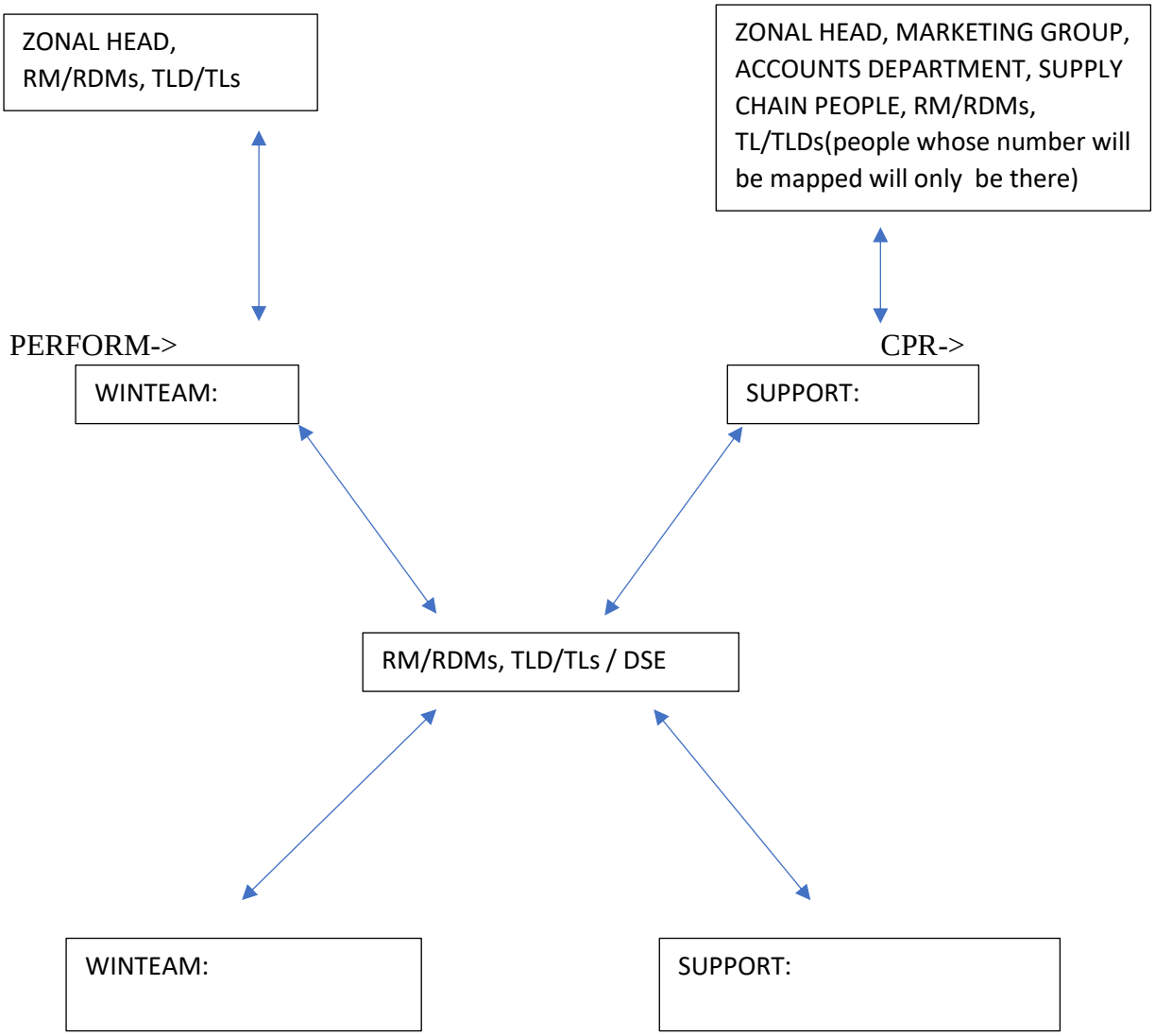
- Keeping DWM and action log a compulsory activity we should try to introduce a parallel support system for DWM and action log which will be time effective, easy to understand and follow by every level of the management
- A platform which will help faster and efficient communication flow from top to micro level and vice versa
- A process with very less limitations to follow yet very cost-effective
- Introduction of self-motivation process for micro level management with simple training programme
- A process to create healthy internal competition followed by reward and recognition program (as per the parameters set by the middle level and zonal level management) among middle and micro level management by bringing people in common platform
- This process will facilitate the monitoring of micro level (tl and tlds) by middle level and top-level management 24*7

7.14 <u>How we will do it/ ready model working?</u>

- Creating text message work group with a professional approach and control (eg: Vodafone Delhi telecom: as their micro level is completely down to aggressive approach simultaneously following the process)
- Each zone will have its own independent support system streamlined with DWM and Action logs
- Work group support system will be subdivided in categories in area of focus

- **The accessibility of WTG (Work text group) will be designed in a manner keeping in mind the limitations of different levels of management. By this group we will focus majorly on:**

➢ ***driving sales and revenue***
➢ ***monitoring of action logs***
➢ ***Marketing support and issues***
➢ ***settlement of claims and channel partner issues and concerns providing faster communication***
➢ ***weightage will be made compulsory for using the action log which will also be a parameter for incentivising the middle and micro level management***



WINTEAM(WORKGROUP):

TARGETS AND ACHIEVEMENTS, SALES/ REVENUE, PJP TRACKING, REVENUE RECOGNIZATION

SUPPORT(WORKGROUP):

ISUES/SUPPORT,MARKETING ,ADVERTISING ISSUES,DWM,ACTION LOS, CHANNEL PARTNER MANAGEMENT AND CONCERNS.

24HOURS WITH BE THE SET TIME FOR THE REPLY OF ANY CONCERNED GROUP

7.15 MOR needs & identifications:

7.16 Importance of MOR

1. **Performance Tracking**
    - Helping in identification of roadblocks to achieve the targets set
    - Discussing any customer or SKU issues
    - Planning for subsequent month based on current performance
    - Discussing around commercial aspects such as billing, overdues and new CP empanelment
    -
2. **Course Correction**
    - Getting into the depth of reasons for failures of last month
    - Planning for mitigating the same over next month/s
    - Best practices sharing

3. **Objective Reviews**
    - Setting standard parameters of reviews for all the team members
    - Cascading of targets and preparing PJPs
    - Reviewing achievements and targets
    - Acknowledging efforts and success

7.17 Perceived reason for sales failure:

1. **Quality / performance of products**

    - TBR performance is low. Competitor products are better in quality and price both
    - Due to low performance, a shift in customer preferences can be seen
    - There also is a gap in dealer's expectations and actual product performance

2. **Seasonal nature of demand**

    - Sales gets dipped during monsoons
    - Logistical issues also crop up during monsoons resulting in impact on demand

3. **Product / pricing strategy**

    - Product and pricing strategy lack people and place sensitivity
    - Our stock norms need correction. This impacts the overall visibility of our products
    - There are a lot of conflicts between dealer and distributors in 2W segment owing to availability and pricing

4. **Low availability of products**

    - Short supply of SKUs is leading to an erosion of brand image and perception
    - Product availability is a big challenge in PCR and TBR. This leads to overall impact on service orientation as well
    - Small dealers get impacted the most due to low availability

5. **Logistical issues / conflicts**

    - Our TAT from DC to CFA is 10 days. We lose business in this
    - Availability of products also raises conflicts between channels

7.18 Solutions-

To provide the maximum working at less time a ready reckoner has been made that has the points of discussion category wise and its weightage. RMs can easily understand and come to the root cause as to the problems and solutions being discussed also making it handy for the micro level management to understand the loopholes of working

Refer to table 6&7[{1}]

Refer to table 8[{1}]

About the Project 2

8. Project title 2- "Usage of maps and tech platforms to geo-plot and study CEAT's distribution channel reach and gaps"

8.1 Understanding the basics of CEAT distribution model-

CEAT came up with the first distribution module which has not only helped the organization to build a strong network but also to move a step forward from the competitors.

8.2 Why do CEAT has a distributor model?

- To create a strong network which is unbeatable
- To make its presence more viable
- To find out the white spaces and work on the along side
- To provide services to sub dealers and increase the productivity of existing distributor
- Improve the throughput of the distributor (minimum set norms by the company is 1.25 lakh business productivity)

8.3 What is the channel flow for the distributor model?

- Sales head (HO)->Zonal Managers (6 zones)->Regional Offices (33 RO)->Regional Distributor Managers->Territory Distributor leaders (2-3 under each rdm)->Distributor-> sub dealers (100-150)->Distributor Sales Executive (1 DSE for 70 sub dealers per average; this may vary according to the geographies)

8.4 How the distributor for CEAT should be?

- Should deal with CEAT exclusively as far as tyre products are concerned.
- Financial condition and background should be strong, should have the mindset for credit policies
- Should operate only within demarcated area / assigned territory.
- Should expand the retails universe and seek alternate channels including battery, spare parts, lube, OE & Fuel stations.
- Should have delivery van and provide exclusive salesman for sales. To ensure delivery of orders next day of order placed
- Should deploy one salesman for every 90 outlets for local and 60 outlets for upcountry.
- Should provide handheld/tab as per requirement of company to every salesman for taking order through Device only.
- Should be willing to service small outlets in the given geography and have route / week wise beat plan.
- Must ensure that all the invoicing happens through the Distribution Management System (DMS) as prescribed from time to time by the company. Ensure secondary billing is done regularly day per day

- Even if we get someone who is ready to give the business as per requirement but is

	PARAMETERS	WEIGHTAGE
BACKGROUND	Industry background	15
	Location	10
EXPERIENCE	Management capability	20
INFRASTRUCTURE	Physical infrastructure	10
INFRASTRUCTURE	Support staff	10
COVERAGE	Sub-dealer network	20
FINACIAL STRENGTH	Financial capacity	15

  not transparent for the audits, billing boottree and Dap software, CEAT is not going to entertain the person

CEAT not only has an initial check list for the distributor but also a scoring grid in which weightage is provided as per the criteria that needs to be fulfilled

CEAT before appointing any distributor "potential Mapping" is done not only to have the idea of the market and white spaces but also to help the distributor reach to their ROI and help them

8.5 What is beat in CEAT?

Beat or the route plan for the DSE is worked with the help of TLDS and the Distributor i.e how much is the productivity with the town coverage and whether the requirements of sub dealers are being fulfilled along with appointment of any new sub dealer. Also defined as the route delivery

Before deciding for any beat

District->town->population->sub dealer->rural (10-12)->upcountry (15 maximum)

Minimum business of 1.25 lakhs is to be brought on every beat and 1 beat must have 10 sub dealers

Beat is pre planned with 6days shifting routine so that all the problems and requirements of the sub dealers are cater

At least 80% of the beat should be completed it also helps in checking the productivity of DSE

8.6 How is Roi calculated and maintained for any distributor?

- Roi can be maintained from the various points
- Like for local company extra stock of 7 days are to be kept and that of other 10 days extra monthly stock
- Expenses can be looked for
- Monthly overview of ROI sheet is being done
- A margin of 5.5% is given to the distributor
- Expenses are also to be shared with other material company
- Through boottree there is a transparency

- Apart from all this even if the ROI is not coming CEAT help the distributor by paying the salary for DSE of about 7000

8.7 What is the product category for CEAT?

- Motorcycle TT
- Motorcycle TL
- Motorcycle Radial
- Scoter TT
- Scooter TL
- LM con
- LM radial
- Car radial
- Jeep Radial
- Light truck con
- Light truck Radial
- E-rickshaw
- 3-Wheeler
- Packed tubes

Categories we don't work with the distributor

- Truck
- TBR<
- Jeep Con
- Car con
- ADV Farm Tyres

8.8 What is the discount structure of distributor?

Based on PPD(prompt payment discount)

PPD (%)	Local(period)	Upcountry(period)
1.75%	7 days	10 days
1.25%	15 days	18days

Based on sds interest on security deposit scheme:

Base interest on security Deposit @ 9% p.a. is applicable to all set of active

Incentive on online payment:

Range-Rs	Payment per transaction
Upto 1 lakh	50
>1lakh- 5lakh	200
>5lakh-10lakh	1000
>10 lakh	2000

all the billing will be done through Boottree and discount will automatically be adjusted from MBP (maximum billing price)

(MBP-discount) + tax

Parameter	ON-Beat Billing	>=40	>=50
Line per day	Pay-out	0.25% of total secondary value	).5% of total secondary value

8.9 How does the DSE work and its incentive structure?

DSE goes on a beat every 6 day, and 3 days with TLDS in a week. He has to look for all the white spaces in the market along with increasing the beat productivity and solving the queries of the sub-dealers.

Parameter	Criteria	Pay-out on achievement -in Rs.		
Parameter 1	Productive calls (Measured as % of outlets billed in a beat)	Achievement	>50%	>70%
		Pay-out (Monthly)	1500	1750
Parameter 2	Beat wise targets achievement (no of beats out of total achieving targets)	Achievement	>50%	>65%
		Pay-out (Monthly)	1000	1500
Parameter 3	Lines Per Day (Daily on-beat LPD – billing on beat day & day+1)	Achievement	>=30	>=50
		Pay-out (Per-day)	75	100

Refer to table 9 {2}

8.10 <u>Needs identified:</u>

- Lack of a visualization tool of the territory on Map
- This is important for multiple reasons
  - Identification and tagging of present outlets
  - Beat optimization of the present beats
  - Identification of white spaces – basis population and latitude/longitude
  - Identification of sub-distributor locations

8.11 <u>Proposed action:</u>

- Study the existing model of CEAT Distribution
- Calls with the sales team (+ 50 calls)
- Calls with the cross-industry contacts
- Usage of existing CEAT Data for Madhya Pradesh
- Linking MS Excel to Google Maps

- *Refer to table 10*[{2}]**(plotting done for Neemuch District Madhya Pradesh)**

About the project 3

9. Project title 3- "Insights on successful implementation of virtual TL"

9.1 Importance of virtual TL to CEAT-

- A robust mechanism to manage non-club dealers and to enhance sales
- A ready helpline for resolution of any day to day operational concerns faced by them
- In line with the new way of selling post COVID
- Opportunity to save manpower cost
- Optimization of FOS

9.2 Factors for success of virtual Tl-

- Alignment of existing network of dealers along with ZMs/RMs
- Robust channel management structure
- Alignment of the entire supply chain system
- Robust MIS and reporting

9.3 Functioning involvement of virtual Tl-

- Create robust communication & monitoring structure
- SOP required on managing club dealers and non-club dealers
- TL/TLD involvement is critical in success of this project

9.4 Limitations if CFAs (carrying forwarding agents) are involved:

- CFA will only give priority to material available
- Order building strategy will not be followed
- Lot of micro- management required
- What is in it for them?

9.5 To involve the CFAs

- Provide them with a structured training
- Should be aware of the entire supply chain / channel structure of CEAT
- Quality of CFAs need to be improved

10.Personal learnings from SIP

Communication-

Not only we were being told the importance of Internal and external communication but also how much cluster communication is important for the smooth functioning of any deals and issues

Teams and Responsibility-

The whole team be it a dealer or distributor at any level in the organization all the team members were very aware of their job roles along with the responsibility they had to do. this not only helped in getting motivated but to learn the deep aspects and working within the company

Working environment-

Options to put the queries and question anyone in the management helped to understand different perspectives. Constant support and guidance of team members along with periodic review helped me in maintaining timely deadlines and deliverables

Negotiations-

Negotiation is the key to business success. During the internship, we were asked to do a negotiation drill with the fellow interns which gave us knowledge about the skills of the negotiation. Also, the project required speaking with people inside the organization, sales team and distributors for which one had to develop a subtle manner of communication so that one can understand the pain points

Building relations-

Having mutual respect, working on the project along with the side of industry experts taught how at every point it is important to build relationships and make it stronger with small efforts that have long lasting effects

Prioritizing things-

The interns were responsible for the whole process, from converting the leads to presenting the demo. We were asked to prioritize and manage the timings of the all and demo to achieve the target. Building the whole project from the scratch and putting it forward required lots of multitasking also

Values-

The RPG group is known for its values and working in the prestigious organization helped me hone my values and skills of respect, openness and courage with all the support from every member

11.Limitations of the project:

The limitations are as followed:

1. Short term Impact on Businesses and Industries, Impact on Business Models and its Trends due to COVID

2. Less of on -ground reality

3. Some of her respondents could not give their proper response due to lack of time. They at times tend to get biased and project a picture which may affect the reliability & relevance of study

4. There was no provision of visiting cards for the summer trainees which hinder communication at times

5. The duration for some parts of the project was short, so the scope of more in-depth evaluation was not possible

6. Some of the respondents didn't give exact answers related to some question because they dint want to answer.

12.Annexures{1}

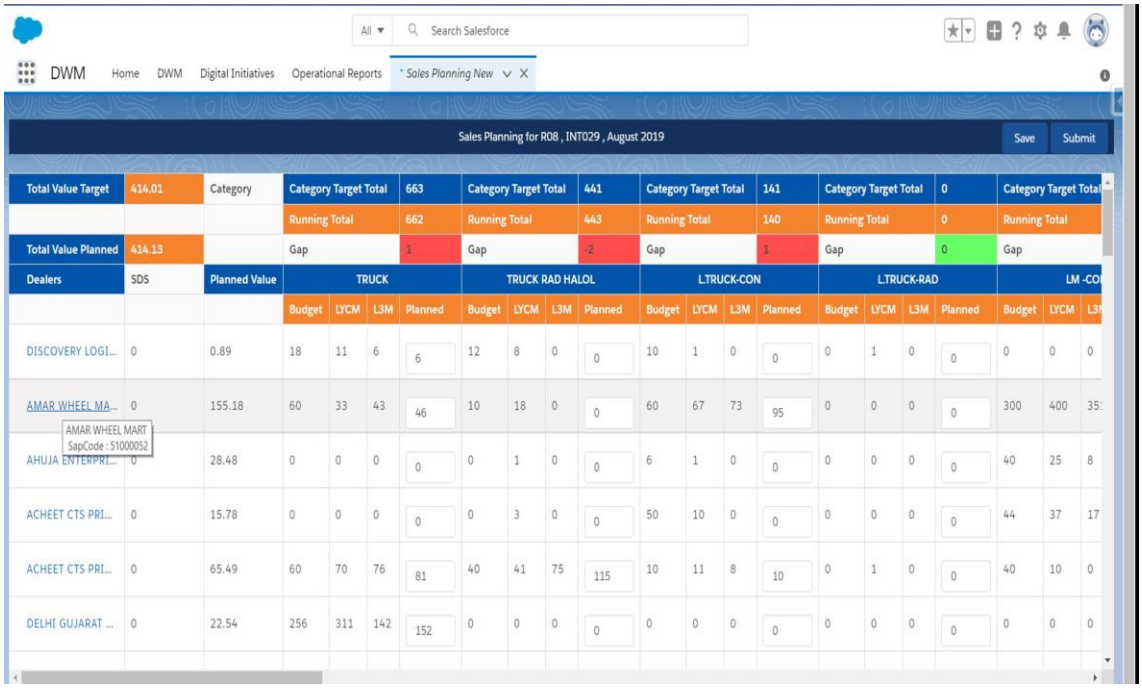
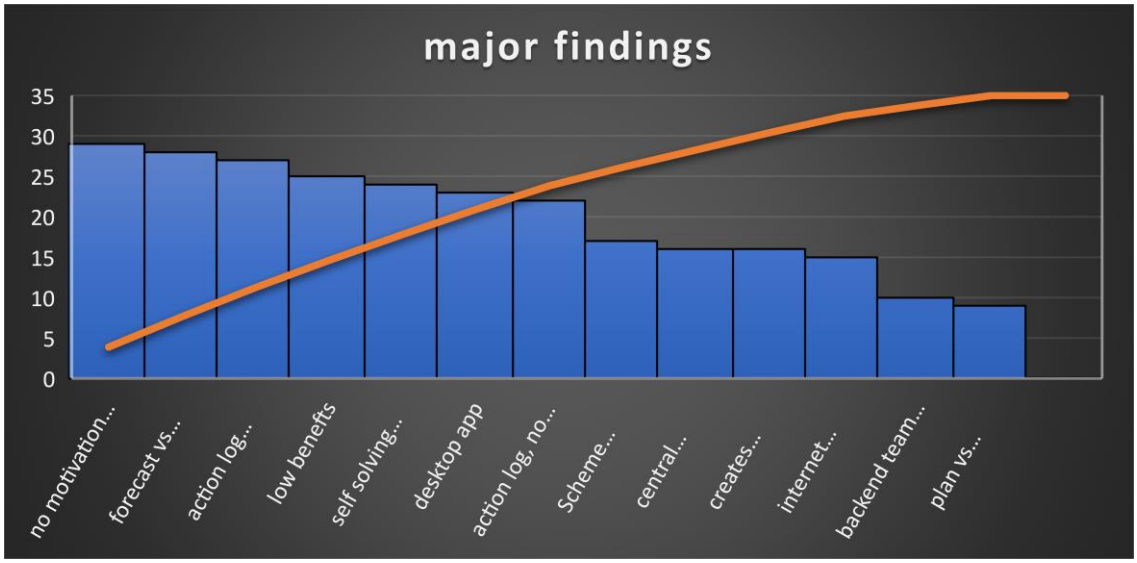


Table 4 Snapshot of DWM within the

Table 5 pareto analysis for problem in using action logs



CEAT	CEAT Limited	Doc No	QBM-SOP-01
		Revision No	00
	Standard Operating Procedure	Date of issue	
Title	Action Log Usage	Page No	1 of 1

1.0 PURPOSE

To have a robust platform to register day to day operational issues with regards to sold products / channel management and derive timely resolutions through internal expertise

2.0 SCOPE

Defines TAT and responsibilities for resolutions of concerns raised on the platform

3.0 PROCESSESS:

The process outlines the activities to be undertaken for database maintenance

Sr. No.	Activity	Timeline	Responsibility
3.1	Responsibility and TAT for resolution and escalation matrix for potential concerns to be finalized and updated in the system	-	Saagar / Brijesh / Raghav
3.2	RMs to sensitize all the team members (independent of designations) about the need of using action logs and reinforce that action logs are not to target an individual but to resolve day to day operational concerns. They will also be expected to monitor the adherence of action log usage	Every MOR	RMs
3.3	Concerns raised by dealers / distributors or any other operational issues to be registered in action log	Within 24 hours	TLs / TLDs / RSMs / RDMs and RMs
3.4	Resolution of concerns raised as per responsibility matrix and closure on system	Within 24 hours	Person responsible as per matrix
3.5	Resolution of concerns post escalation as per escalation matrix and closure on system	Within 24 hours	Person responsible as per escalation matrix
3.6	Extraction of report of action log and concern resolution	A day prior to the MOR	MIS resource / ZBM

4.0 MONITORING AND MEASUREMENTS-

SL. NO.	Measure/ Parameter	Specification/ Target	Frequency of Monitoring	Responsibility of Monitoring	Record
1.	Usage of action logs / % of concerns resolved		Every month in MOR	RMs	

Pranshul Khare	Brijesh Kumar / Saagar Vijan	Brijesh Kumar / Saagar Vijan	
PREPARED BY	APPROVED BY	ISSUED BY	ISSUE DATE

Table 6 SOP for Action Log

CEAT	CEAT Limited	Doc No	QBM-SOP-01
		Revision No	00
	Standard Operating Procedure	Date of issue	
Title	DWM	Page No	1 of 1

1.0 PURPOSE

To have standardized expectation and procedure to conduct DWM. Making DWM a tool for operational excellence

2.0 SCOPE

Defines ways and parameters for effective DWM

3.0 PROCESSESS:

The process outlines the activities to be undertaken in DWM

Sr. No.	Activity	Timeline	Responsibility
3.1	Daily call with TLs/TLDs for 10 mins each (to restricted to maximum 10 mins only)	Everyday	RMs
3.2	Adherence to outlined points of discussion only	Everyday	RMs
3.3	Time slot for each TL/TLD to be communicated a day prior	6 pm on previous days	RMs
3.4	DWM log to be filled and sent to MIS person post completion of all the DWM calls	Everyday	RMs
3.5	MIS Person to collate all the logs and send it to HO at end of the month	Monthly	MIS

4.0 MONITORING AND MEASUREMENTS-

SL. NO.	Measure/ Parameter	Specification/ Target	Frequency of Monitoring	Responsibility of Monitoring	Record
1.	DWM adherence and streamlining work	-	Every month	Brijesh / Saagar	

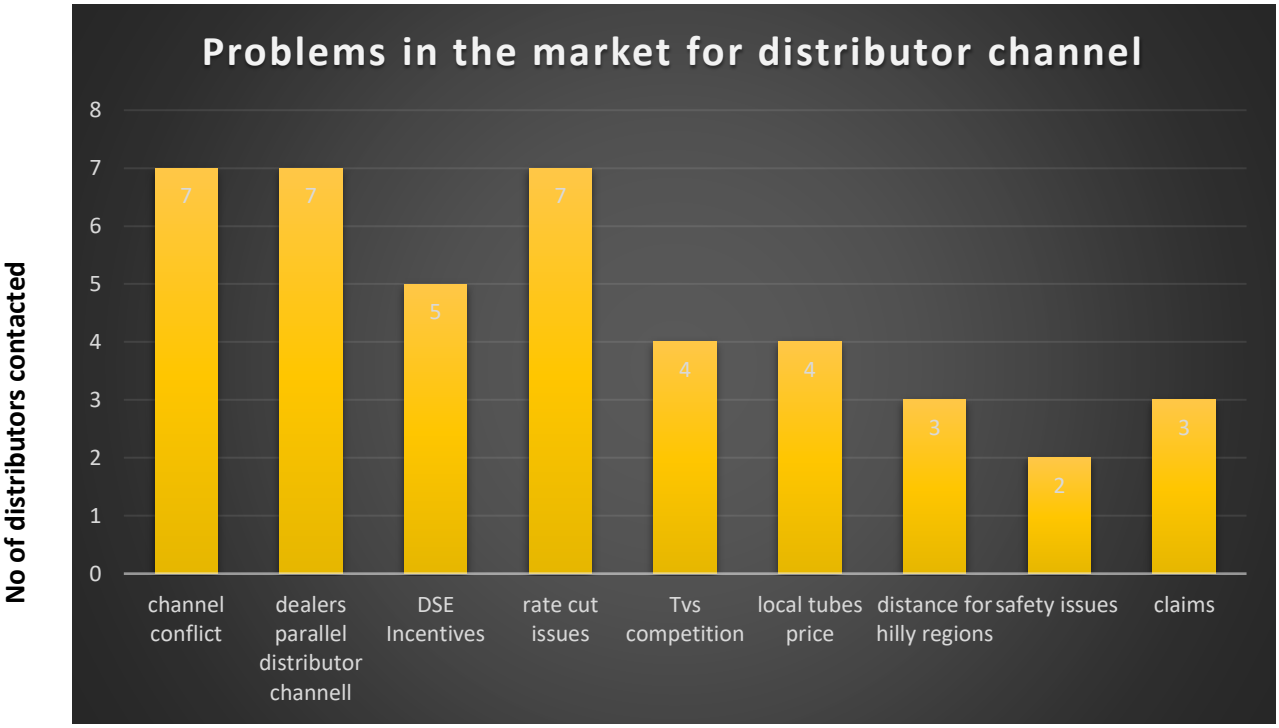
Pranshul Khare	Brijesh Kumar / Saagar Vijan	Brijesh Kumar / Saagar Vijan	
PREPARED BY	APPROVED BY	ISSUED BY	ISSUE DATE

Table 7 SOP for DWM

Outpu	Stratified Output	Stratified Output	Target	Actual	%ach	Input	Veightag	Target	Actual	%ach	Final Score	xpansio	xtractio	etentio	%age contribution to Final	Reason for Veightage Recommendation	Possible Reasons for Shortfall in actual against target
	Dealer	Club	7.00	6.50	93%	PJP Adherence	15%	100%	95%	95%	89%		y		14%		
						No. of dealers billed	25%	10	10	100%			y		25%		
						No. of dealers achieving target	40%	10	8	80%			y		32%		
						Retention (>60% of SDS)	20%	10	9	90%				y	18%		
		Non Club 10L+	6.00	5.80	97%	PJP Adherence		100%	85%	85%	0%		y		0%		
						No. of dealers billed		20	18	90%			y		0%		
						No. of dealers achieving target		20	10	50%			y		0%		
						Retention (>60% of SDS)		20	20	100%				y	0%		
		Non Club 10L-	5.00	2.80	56%	PJP Adherence	40%	100%	70%	70%	28%		y		28%		
						No. of dealers billed		40	20	50%			y		0%		
						No. of dealers achieving target		40	15	38%			y		0%		
						Retention (>60% of SDS)		40	25	63%			y		0%		
						Same day SLA		40	25	63%				y	0%		
		New Dealers	1.00	1.40	140%	PJP Adherence		100%	95%	95%	0%	y			0%		
						No. of dealers billed		10	10	100%		y			0%		
						No. of dealers achieving target		10	4	40%		y			0%		
						Retention (>60% of SDS)		10	10	100%		y			0%		
TV	Distributor	Channel Parameters	6.00	4.00	67%	DSEs active in the system		10	8	80%	0%			y	0%		
						DSE Days worked		240	168	70%				y	0%		
						DSE Check In		90%	67%	74%			y		0%		
						DSE Productivity		60%	38%	63%			y		0%		
						LPD		70	55	79%			y		0%		
						LPB		10.5	6.5	62%			y		0%		
		DT Value Achievement	230.00	180.00	78%	No. of SD billed		800	675	84%	0%	y			0%		
						Channel Expansion		70	35	50%		y			0%		
						No. of SDs acheiving target		500	365	73%			y		0%		
						No. of beats achieving target		133	87	65%			y		0%		
		Channel Health	90%	70%	78%	Distributor health	100%	90%	80%	89%	89%			y	89%		

Table 8 <u>Ready Reckoner for Regional Manager & regional Distributor Manager for MOR</u>

13.Annexure {2}



Problems for distribution channel

Table 9 Problems for distribution channel in the market

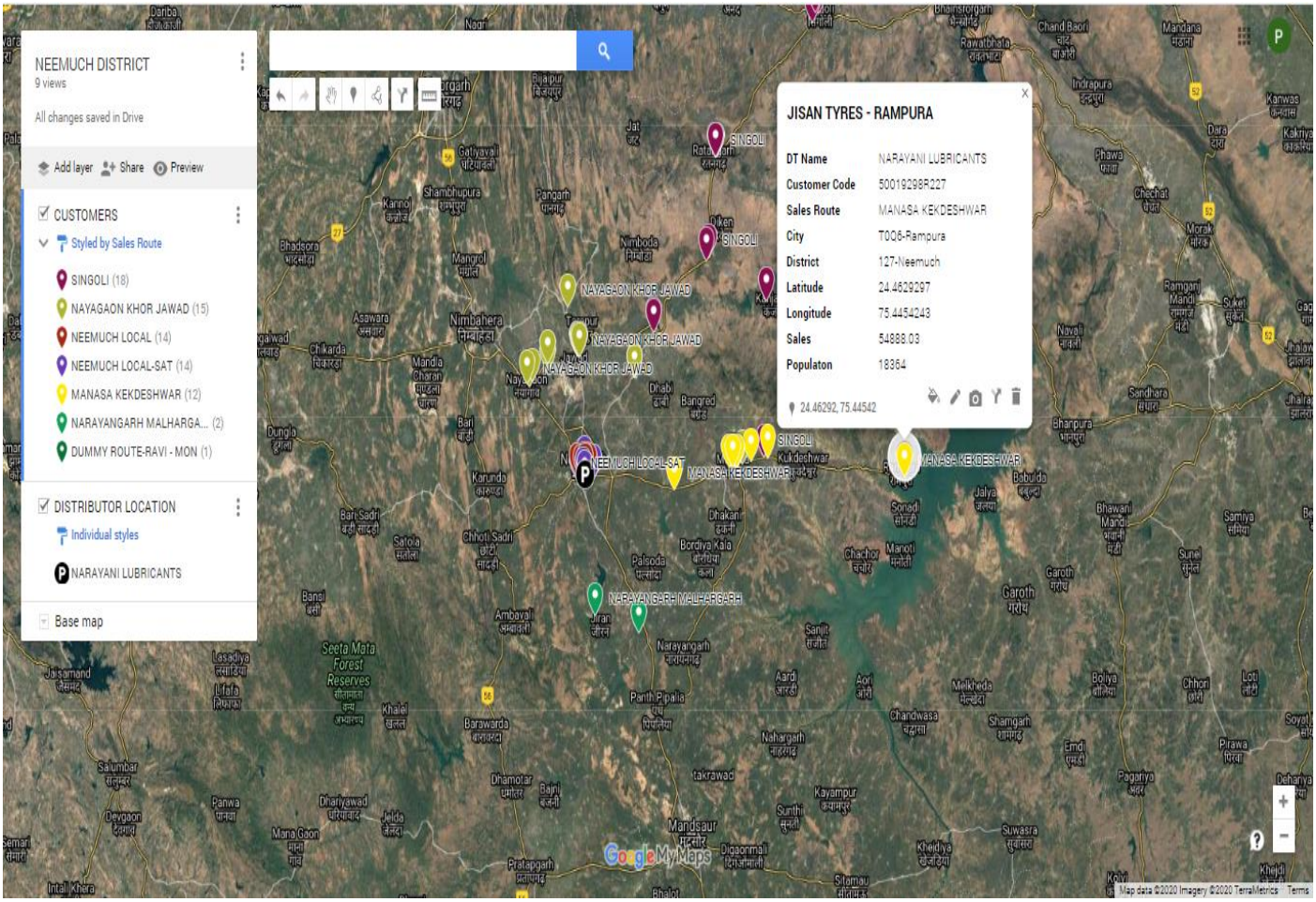


Table 10 <u>Geo- plotting done for the organization CEAT FOR Neemuch District Madhya Pradesh</u>

14.References

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