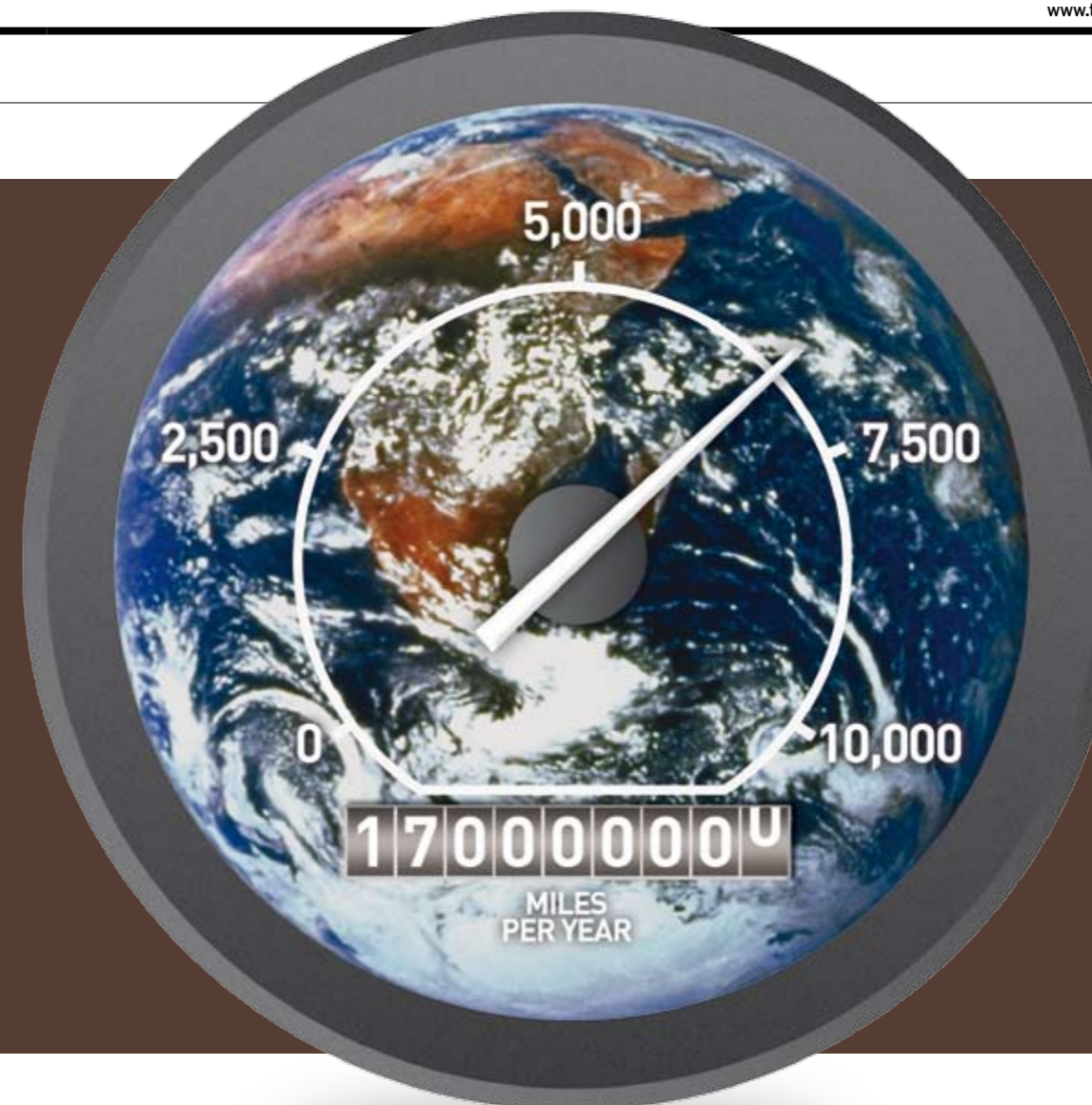


# THE REPS SEND 'FOOD MILES' SOARING

Suppliers' reps drive the equivalent of 6,800 times around the world every year but it doesn't have to be that way. Siân Harrington looks at the 'food miles' that, if tackled, could save money – and the planet



## Mondeo man

The average Mondeo driver doing **46 mpg** would need to spend **£15m** at the pump to drive the **170 million miles** supplier reps travel each year

It's a common sight on roads up and down the country: Mondeo man on his way to visit food stores – showcasing new products, checking merchandising and promotions are in place and updating the store manager on forthcoming initiatives. These are just some of the jobs manufacturers' sales reps do each day.

But at what cost to the company? And, in today's ethically conscious business world, at what cost to the environment? After all, the food industry has jumped on the green bandwagon big time, heavily embracing the food miles debate. But the true cost of delivering products from 100 countries into a single supermarket is much more than how far they have been flown and driven to the outlet. It relates to all the carbon spent before the goods are consumed – and this includes rep miles.

Store managers in the major supermarkets spend 14% of their time talking to company reps visiting their stores, according to a report by Shopper Insights for point-of-purchase association POPAI. A study by The Guardian indicates that sales reps spend on average 42% of their time on the road.

According to CACI, which provides call-scheduling programme Callsmart, the average mileage call on the multiples alone is about 14 miles. Across the course of a year

rep calls to the top 4,000 supermarket branches alone would represent more than 170 million miles. Given the RAC claims that to keep a car on the road costs 58p per mile in terms of depreciation, servicing, road tax and fuel, brand manufacturers are spending nearly £100m a year calling on just the major multiples.

In light of this, some companies are employing software systems to help run field sales more efficiently and effectively. CACI Fieldforce Planning associate director David Jones says its clients average 18,000 miles per year compared with non-clients' average of 24,000 miles and spend 70% less time planning routes by using systems such as Callsmart and InSite Fieldforce.

He points to one major fmcg company that has 23 reps calling on the multiples, racking up 524,000 miles a year. Using Callsmart it could cover the same calls in 354,000 miles – a saving of 32%.

"This would keep all stores with the current sales rep," explains Jones, "and even more savings would be available if they were willing to move territory boundaries to be more efficient."

One big problem is that much of the justification for all this travel is to ensure stores comply with something that has already been agreed (and paid for) by head office

**"We realised two years ago that we could not just pour money into random store support so have spent the past 14 months working on an approach that benefits our bottom line"**

**Nigel Redmile, business unit controller at Bendicks**

– such as promotions, shelf-edge labelling or new planograms.

Intense competition among the major retailers means the resource available to re-face and manage the fixtures in store is severely stretched, especially at peak selling times.

According to IGD research, 63% of retailers do not measure the implementation of point-of-purchase material, for example. Only 51% of suppliers and 33% of retailers in the survey were satisfied with the performance of external implementation, with an average compliance level of 43.5%.

"The POPAI research may not, on the face of it, be an issue," says Colin Harper, managing director of Storecheck, whose StoreManager system helps brand manufacturers identify under-performing stores.

"However, these very same managers also report that these rep visits lead to in-store changes on a mere 10% of occasions. In other words, 90% are a waste of time."

This amounts to a staggering 153 million miles – not to mention the wasted hours.

Add to this the RAC figure for car costs and this means the industry is throwing some £90m a year down the drain.

Not only is this non-compliance hitting businesses in the pocket – there is also an environmental cost. Recently, however, a

## \* SAVE TYRE TREAD, SAVE MONEY

**\* Use field force planning software and be smart in terms of route planning. A system such as CACI's is low cost and saves a lot of miles**

**\* Do your homework: select stores that will result in the most profitable calls. Using sales and demographic data and software from companies such as Storecheck you can identify whether a store is over or under performing and determine which will result in the most likely change at store level**

**\* Employ a flexible resource so that you can add or reduce field force numbers depending on critical factors to your business, such as seasonality**

**\* Syndicate where possible. At busy times work with complementary companies to generate less time travelling and more time in-store**

**\* Review, evaluate and learn. Use data and analysis to establish the impact of your efforts in a statistical way**

number of forward-thinking suppliers have started to tackle the issue by working with companies such as Storecheck and CACI to ensure calls are more effective.

"We are not a major player so we have to try harder," says Nigel Redmile, business unit controller at Bendicks. "We realised two years ago that we could not just pour money into random store support so have spent the past 14 months working on an approach that benefits our bottom line at the same time."

This approach is to target stores that have the biggest missed opportunity based on EPOS data showing which stores are under-performing.

"We were doing lots of calls that were merely a case of ticking boxes and saying that everything was OK. This way we know where the problems are and can fix them," explains Redmile.

Increased sales are not the only benefit. Bendicks is also saving a six-figure sum by no longer employing a third-party merchandising force.

"We have moved away from a team of reps and merchandisers visiting 400-500 outlets a month to our own team visiting 40-50 stores a month," says Redmile.

Kettle Foods has worked with Storecheck for just over a year. It is now spending 33%

less on field sales and getting about 33% more return on its investment. Additionally, says Kettle Foods head of trade marketing Andrew Verney, there is a benefit to the environment.

"This is a win all round as the cost to the company and the environmental impact of CO<sub>2</sub> emissions are aligned. By employing best business practice and making the calls more effective you are reducing CO<sub>2</sub>," he says.

Kettle Foods has now taken it a step further, joining Shloer and Bendicks to visit stores in one combined hit.

"This results in even less time travelling and more time spent in the store," says Verney. However, he says more could be done.

"One of our bugbears is the fact that national account managers never use the train. If they did they could combine working with cutting down emissions."

Of course, if the leading food retailers did their job properly and executed at store level what was agreed at head office there would be 100% compliance and no need for all these calls.

With them all shouting their green credentials, perhaps this is the new argument brand manufacturers could present to them? ■