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THE ECONOMIC TIMES

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LAZARD CEO EYES BIG PIE AS MBAs SOAR IN INDIA
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ET-India POLL
It takes a bigger slice of overall tax than you'd expect. How many of you agree?
94% YES, 6% NO, 0% NOT SURE

TRAVEL'S KISSITION
Do you expect a drop in travel costs in October? Answer us!

My green life
How green is your life? Take the test now!
1000 GATEWAY TO INDIA

How do you spend your money?
Answer our survey and win exciting prizes!

Airtel Phone Reading Service
Get the latest news and updates on your Airtel phone!

LIFE AFTER FRAUD CUTS LOSSES AFTER TECH-M TAKEOVER

Mahindra pegs Satyam loss at ₹8kcr under Raju

TRUTH IN NUMBERS

"On the face of it, I don't think anyone can say that we are not doing a good job. We are not doing a bad job either. It was a bit of a shock, but I am not saying a lot more about it than we get to see in the news."

What Happens chairman of Mahindra in 5 years

PARAMETER	FY09	FY10
Revenue	₹1,75,500	₹1,81,000
EBITDA	₹34,500	₹36,000
EBIT	₹3,700	₹4,500
EBITDA margin	19.7%	19.9%
EBIT margin	2.1%	2.5%
Return on capital employed	16.5%	16.8%
Dividend	₹100	₹100

Not worried about past Mahindra

Vikas Kumar
Chairman of Mahindra & Mahindra

MAHINDRA says, already in past couple of years, it has managed to largely reduce the loss. The group's annual profit before tax for the last year was ₹1,75,500 crore. The group's annual profit before tax for the last year was ₹1,75,500 crore. The group's annual profit before tax for the last year was ₹1,75,500 crore.

POWER TO FIELD FORCE

Mobiles are helping firms gather data on sales, inventory & service

Cos go mobile to capture real-time data

ET Awards

COUNTDOWN TO INDIA INC'S D-DAY

ON THE AFTERNOON OF October 1, a group of eight industry leaders will meet the members of The Economic Times Awards for Corporate Excellence 2010. The award will be...

POWER TO FIELD FORCE

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Vikas Kumar
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EVERY night at nine, Sudhir Sharma, an Onida salesman assigned to a multi-brand outlet, wraps up his work by sending an SMS from his mobile phone. The message, containing his product-wise sales for the day, gets routed to Onida's central server in Mumbai, where it gets stored with similar messages from 1,000 other such salespersons from across India. The next morning, everyone who matters in Onida — from the marketing chief to category heads, from regional managers to branch managers — gets an auto-generated email on the previous day's sales.

Till five months ago, Onida's sales figures used to take two weeks to a month to trickle in, especially from smaller towns. Now, thanks to an application on mobile phones and some back-end software connections, it happens daily. As a result, Onida is able to manage the movement of its goods better, replenish stocks faster and tweak production based on daily sales patterns. "After we introduced mobile-based reporting, sales by in-shop demonstrators (Onida salespersons in multi-brand outlets) has increased 15%," says Sriram Krishnamurthy, VP-marketing, sales and service at Onida. "It's a leap forward in MIS (management information systems)."

From the field force to in-store executives, the ubiquitous mobile is emerging as a silver bullet for companies struggling to capture data on sales, inventory, service and delivery in real time. As a feedback tool, it allows brand owners to measure consumer response to advertising or promotional campaigns on a daily basis.

► Applications simple and affordable: P 28

Applications simple and affordable

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IMPORTANTLY, problems in the system can be spotted and corrective action taken promptly.

Handset makers, mobile operators and independent software vendors (ISVs) are offering such applications. Embracing them are leading companies across sectors like FMCG (CavinKare, Coca-Cola, Eveready and Godrej), consumer durables (IFB and Voltas), pharmaceuticals (Dr Reddy's and Piramal Healthcare), photo-equipment (Kodak) and financial services (Edelweiss), among many others.

What makes these applications appealing is their sheer simplicity and affordability: they run on basic Internet-enabled phones that start from as little as Rs 2,500, they integrate easily with most enterprise-resource software like Tally and SAP, and they can be rolled out with very little training.

They plug the information gap in the most critical part of any business: the last mile. "Field-force integration is really the key to business process automation that PC-based systems could not address," says Sanjeev Mahajan, VP and national head for enterprise voice solutions at Bharti Airtel.

At Chennai-based CavinKare, sales auditors visit retail outlets, and punch stock and display numbers for the company's and its competitors' products into their mobile phones. With a simple message application, they upload this data instantly into the company's sales automation system. Says chairman CK Ranganathan: "Updated field reports flow in every 10-15 minutes against a week's time in the manual method." As a result, it can take tactical decisions like increasing its retail presence in weak markets or responding to competitors' activities faster.

Importantly, field executives can send this information through the day only if they actually visit the outlets. "It's a virtual supervisor in itself," says Mr Ranganathan. Convinced about its efficacy, he plans a larger rollout of the application for over 1,000 stockist salesmen, and subsequently with the company's direct salesforce.



The big leap, however, is in the phone becoming a tracking device where employers can know precisely where an employee is at any point in time. That may not come as good news to the salesforce. But for firms like Matrix Processing House, it's an imperative. Matrix is a Delhi-based provider of new-customer verification and collection services to leading telecom operators and banks. Says CEO Deepak Sharma: "Verification is like a police job; it needs a robust back-end."

Matrix's agents are required to carry GPS-enabled phones. Supervisors in the office track their movement and confirm through geo-tagging that they indeed visited an address and at what time. They also upload pictures of the house or person visited along with their comments in an audio file. According to Mr Sharma, mobile-based verification has helped reduce his supervisors from 29 to 8 and nearly eliminated the risk of fraud.

Bill collections from mobile and credit-card customers too are more secure and nearly fool-proof. Agents enter payment details into their handset, send a confirmation to the supervisor, and generate a receipt instantly from a handheld Bluetooth printer. "We know the mode of collection immediately, and reconciliation is quicker," says Mr Sharma. "Earlier, we had to wait till the end of the day or next morning to know of any issues, by which time we were all busy with that day's work."

Applications like these come under what's popularly known as 'enterprise mobility'. According to Nanditha Krishna, programme manager, ICT Practice at Frost & Sullivan, South Asia & Middle East, the enterprise-mobility segment was worth Rs 453 crore in 2009-10. "We estimate it to increase to Rs 1,387 crore by 2013-14 (a compounded annual growth of 31.7%)."

ISVs, mobile operators and handset manufacturers are catering to this mar-

ket. Most active are the ISVs like Mobiquest, MobileOne and Mobien, which have driven trials and many of the early successes in corporates with affordable, off-the-shelf products. "Our application runs on even a simple phone, and allows companies to roll out quickly," says Vineet Narang, CEO of Noida-based Mobiquest, whose clientele includes Onida, IFB, Piramal Healthcare's True Care division (now Abbott) and Matrix Processing House.

Mobiquest charges a one-time set-up fee of Rs 1.25-6 lakh, and a per-user monthly subscription that varies between Rs 99 and Rs 599 depending upon client requirements. Mr Narang says the application works on most handsets that use a Java-based operating system, and also with Nokia's Symbian operating system that allows operability for such applications.

For mobile operators, such applications are an opportunity to hedge against falling voice revenues. "Enterprise mobility can give us a substantial ARPU (average revenue per user) lift," says Airtel's Mahajan. "Moreover, being an integrated player is a differentiator and gives us more stickiness with our corporate customers."

Airtel was an early mover with its MATE (mobile application tool for enterprise) two years ago. The application comes as an off-the-shelf product and a customised solution. Both work only on Airtel connections. Airtel did not disclose the one-time access and development fee in both cases, but indicated that its monthly subscription charges for the service could range from Rs 500-2,000 per user. Mr Mahajan claims to have 50 clients in the banking, financial services, IT and manufacturing sectors, with trials being conducted by another 200 customers.

Phone manufacturers like Nokia, Samsung and Motorola too are addressing this market to counter commoditisation in the handset business. Nokia's offering, Tej, was commercially launched last April on a SaaS (software as a service) model. Customers can access it by paying an access fee of Rs 1,250 per month and Rs 550 for each user added. It also provides free API (application programming interface) that helps integrate with a

client's existing IT systems. However, Tej works only on Nokia phones for now. Says Sandeep Nagpal, head-business mobility for Nokia in India: "It was originally targeted at small and medium businesses, but large companies like CavinKare too find it useful."



Making these applications work is a different challenge though. "Agents don't charge their phones regularly, and we can't reach them sometimes. Implementation is a tough nut to crack," says Charanjeet Batra, director, BSA Citi Couriers, a Delhi-based bulk mailing company that also does verification and collection services.

There's also the issue of security. Field-level data is sensitive and guarded closely by companies. And since it sometimes connects into a company's central ERP system, the risk associated with an employee leaving or the phone falling into someone else's hands is a serious one. Mr Narang says to prevent misuse Mobiquest software accepts only a combination of the IMEI number, the phone (SIM) number and a username, password, to unlock and access an account. The other issue is of encryption while transmitting data. While most players provide 64-bit encryption, some like Nokia Tej work with 128-bit encryption levels.

But with GPS tracking, the biggest bogey is of someone watching over you at all times. Piramal Healthcare's True Care — its COO Neeraj Garg declined to speak for this story — is learnt to have skipped the GPS feature for fear of upsetting its medical representatives. However, even the most basic applications allow for 'time stamping', where the time and reported location are matched and recorded. So, field employees may have to learn to live with this change, says CavinKare's Ranganathan. Companies, for one, are not complaining.