

CASE STUDY

Kimberly-Clark Philippines

“USING MAPINFO PROFESSIONAL®, WE WORKED OUT GROUPINGS OF STORES AND THE MOST TIME-EFFICIENT ROUTE TO GET TO EACH ONE.”

Allan Buot, Business Development Officer, Kimberly-Clark Philippines

KIMBERLY-CLARK NEEDED TO BRING GREATER EFFICIENCY TO ITS GENERAL STORE DISTRIBUTION PRACTICES.



Challenge

When Kimberly-Clark Philippines decided to introduce a new methodology to bring greater efficiencies to its general store distribution practices, the company had to find a way to marry distribution routes and data with sales information.

Solution

Kimberly-Clark turned to MapInfo Professional to map all stores and to create new, optimised nationwide distribution routes.

SUMMARY

The combination of the new methodology plus MapInfo Professional has freed up 40 percent more time for sales people, allowing them to concentrate on pre-selling stock, while truck delivery time has also benefited through more efficient delivery routes and practices. This translates into reduced cost of sales and improved service for Kimberly-Clark clients.

Kimberly-Clark is a leading global health and hygiene company. Its products are sold in more than 150 countries and its brands include such well-known market leaders as Kleenex, Huggies, Pull-Ups, Kotex and Depend. Every day, approximately 1.3 billion people trust Kimberly-Clark products and the solutions they provide to make their lives better.

The company attributes its success to leveraging insights from customers, shoppers and users in the innovations it brings to market. Equally important is its distribution network and the ability to ensure that Kimberly-Clark brands maintain a commanding presence in even the smallest of stores.

In the Philippines there is a profusion of “mum and dad” style independent general stores. For some years, Kimberly-Clark Philippines has serviced these outlets through a network of distributors. Historically, the distributors’ salespeople would travel out to each store and replenish shelves, engage in conversations with the owners or managers, sell in new stock and arrange delivery before heading off to the next store.

However, as the network of outlets grew, a lack of organisation in the grouping of stores, and in the scheduling of both visits and follow-up deliveries became apparent. Salespeople were spending a great deal of time on the road and far too little time actually selling. By mid-2007, the problem was becoming too big to ignore.

Luckily, the company’s management discovered that its sister organisation in El Salvador had already faced and resolved similar issues through the introduction of a new distribution methodology.

A key aspect of the methodology involved helping distributors to establish a more ordered approach to store visits and to ensure greater coordination between sales and delivery activities.

Allan Buot, Business Development Officer at Kimberly-Clark Philippines was soon put to work implementing the methodology. One of his first tasks was to establish a location intelligence capability and for this, he turned to MapInfo Professional, a powerful Windows-based mapping and geographic analysis solution. “It was the software used by our team in El Salvador and they recommended it to us,” he says.

“Once the software was installed we sat down with each distributor to map out their area and the location of all stores in each territory,” Buot explains. “Using MapInfo Professional we worked out groupings of stores and the most time-efficient route to get to each one.”

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Benefits

The use of location intelligence combined with the new methodology immediately freed up 40 percent more time for sales-people. Rather than being extensively involved in deliveries, sales staff now go out to visit stores and take pre-orders which are later fulfilled by the delivery trucks according to the store's replenishment schedule.

"Where we used to have one salesperson and a delivery truck, we now have three pre-sales people per delivery team," Buot notes. "Being able to pinpoint the exact location of stores has also allowed us to create a formula for the number of stores per cluster. These clusters are in turn allocated per delivery team. It means that everyone's time is maximised."

Looking Ahead

The introduction of the methodology is just the beginning for Buot, who is keen to explore more extensive location analysis. "At present, we are concentrating on getting all of our distributors onto the new methodology," he says. "After that we will create a customer business profile for each store which will allow us to segment the customers and allocate service packages based on the frequency of visits required."

Buot also intends to plot sales of product by store and geography. "Ever since we first looked at MapInfo Professional we have been working towards the point where we can create a picture of stores using different colours to signify the presence of a product or an opportunity for product to be sold in that store," he concludes. With the last of the distributors due to transfer to the new methods by the close of 2008, Buot's aims will soon be realised.